Ashburton District Council

AGENDA

Notice of Meeting:

A meeting of the Ashburton District Council will be held on:

Date:	**Wednesday 20 August 2025**
Time:	**1pm**
Venue:	**Hine Paaka Council Chamber** **Te Whare Whakatere, 2 Baring Square East, Ashburton**

Membership

Mayor	Neil Brown
Deputy Mayor	Liz McMillan
Members	Leen Braam
	Carolyn Cameron
	Russell Ellis
	Phill Hooper
	Lynette Lovett
	Rob Mackle
	Tony Todd
	Richard Wilson

Meeting Timetable	
Time	Item
1.00pm	Council meeting commences
1.15pm	NZTA 2AB update – Rich Osborne & Lonnie Dalzell
2.30pm	Tuia representative
2.50pm	Welcome to new and long-serving staff
4.00pm	ACL quarterly update

1 Apologies

2 Extraordinary Business

3 Declarations of Interest

Members are reminded of the need to be vigilant and to stand aside from decision making when a conflict arises between their role as an elected representative and any private or other external interest they might have.

Minutes

Reports

Business Transacted with the Public Excluded

4. Council Minutes –6 August 2025

Minutes of the Council meeting held on Wednesday 6 August 2025, commencing at 1.00pm in the Hine Paaka Council Chamber, Te Whare Whakatere, 2 Baring Square East, Ashburton.

Present

His Worship the Mayor, Neil Brown; Deputy Mayor Liz McMillan and Councillors Leen Braam, Carolyn Cameron, Russell Ellis, Phill Hooper, Lynette Lovett, Rob Mackle and Richard Wilson.

In attendance

Hamish Riach (Chief Executive), Helen Barnes (GM Business Support), Toni Durham (GM Democracy & Engagement), Ian Hyde (GM Compliance & Development), Neil McCann (GM Infrastructure & Open Spaces), and Phillipa Clark (Governance Team Leader).

Staff present for the duration of their reports: Rick Catchpowle (Regulatory Manager), Tania Paddock (General Counsel), Jacqui Watson (Senior Legal Counsel), Ann Smith (Community Liaison Officer), Erin Register (Finance Manager).

Presentation

Transwaste Canterbury Ltd – 1.36pm

1 Apologies

Cr Tony Todd — Sustained

2 Extraordinary Business

Nil.

3 Declarations of Interest

Item 11 – Cr Wilson gave notice that he will withdraw from the meeting for this item.

4 Confirmation of Minutes – 18/06/25

That the minutes of the Council meeting held on 18 June 2025, be taken as read and confirmed.

Cameron/McMillan — Carried

5 Extraordinary Council – 26/06/25

It was noted that Cr Wilson wasn't present for this meeting.

That Council receives the minutes of the Methven Community Board meeting, as amended, held on 26 June 2025.

Hooper/McMillan — Carried

6 Three Waters Committee – 25/06/25

That Council receives the minutes of the Three Waters Committee meeting held on 25 June 2025.

Ellis/Lovett — Carried

7 Audit & Risk Committee – 25/06/25

That Council receives the minutes of the Audit & Risk Committee meeting held on 25 June 2025.

Ellis/McMillan Carried

8 Stockwater Transition Working Group – 25/06/25

That Council receives the minutes of the Stockwater Transition Working Group meeting held on 25 June 2025.

Cameron/Wilson Carried

9 Methven Community Board – 30/06/25

That Council receives the minutes of the Methven Community Board meeting held on 30 June 2025.

McMillan/Hooper Carried

10 Dog Control Policy & Practices Report – 2024-25

That the Dog Control Policy and Practices Report 2024-2025 be received.

Braam/Hooper Carried

11 Reserve 2097 – Easement for MHV Water Limited

Cr Wilson withdrew from the meeting for the duration of this item.

Council supported the proposal and asked that an Issues and Options report be provided at a later date on the potential for the land to be sold and/or the reserve status to be changed.

1. **That** Council approves the granting of a right to convey water easement in favour of MHV Water Limited over that part of Reserve 2097 (Record of Title 1230426) shown as area "A" on DP 488676, subject to section 48 of the Reserves Act 1977.
2. **That** Council agrees that the notification of the intention to grant the easement is not required, as the statutory test in section 48(3) of the Reserves Act 1977 is met, for the reasons set out in the report.
3. **That** Council exercises the authority delegated to administering bodies by the Minister of Conservation for the granting of an easement over reserve land.
4. **That** Council authorises the Chief Executive to sign all documentation in connection with the registration of the easement.

Hooper/Cameron Carried

12 Ashburton Community Garden Charitable Trust – Discretionary Grant

Council agreed to a lesser amount and asked that a report be requested from the Community Garden Charitable Trust in six months' time with an update on the project.

1. **That** Council allocates $2,500 from its discretionary grant to the Ashburton Community Garden Charitable Trust to support operational costs and with the development of an accessible space for their community garden project.

McMillan/Cameron Carried

Transwaste Canterbury

Grant Miller (Chair Transwaste Canterbury), Jeremy Parker (Commercial Manager Transwaste Canterbury) and Hayden Leach (Regional Manager – Waste Management NZ)

Presented a video and information of the Kate Valley site.
The visit to Ashburton included a viewing of Transwaste's new EV truck and trailer unit.

13 Elected Members' Remuneration 2025-26

That Council receives the Remuneration Authority (elected member remuneration 2025/26) report.

Mayor/Lovett Carried

14 Financial Variance Report – 31 May 2025

That Council receives the 31 May 2025 financial variance report.

Cameron/Braam CarriedH

15 Mayor's Report

- **Draft Canterbury Local Government Triennial Agreement 2026-2028**

That Council provides feedback on the Canterbury Local Government Triennial Agreement for 2025-2028, to be considered by the current Canterbury Mayoral Forum at its August 2025 meeting.

Mayor/Hooper Carried

That Council receives the Mayor's report.

Mayor/McMillan Carried

The meeting was adjourned from 2.33pm to 2.45pm.

Welcome to staff – 2.45pm.

Katie Perry, People & Capability Manager, introduced new staff – Annette Littlejohn (Property Asset Management Advisor), Ian Pringle (Technical Support Officer), Jack Donnelly (Systems Support Officer) and Anand Bandaru (Water Services Technician).

Council acknowledged the long service of Amber Tyson (5 Years), Moira Tarry (10 years), and Nicky Farrell-Tully (45 years).

Council adjourned for afternoon tea from 2.51pm to 3.14pm.

Business transacted with the public excluded 2.51pm.

That the public be excluded from the following parts of the proceedings of this meeting, namely – the general subject of each matter to be considered while the public is excluded, the reason for passing this resolution in relation to each matter, and the specific grounds under Section 48 (1) of the Local Government Official Information and Meetings Act 1987 for the passing of this resolution are as follows:

Item No	General subject of each matter to be considered:	In accordance with Section 48(1) of the Act, the reason for passing this resolution in relation to each matter:	
16	Council 18/06/25 • Art Gallery & Museum plant • Eastfield Shareholding [Now in open meeting] • Award of Contract WAT0391 • Award of Contract WATE0417	Section 7(2)(h) Section 7(2)(h)	Commercial activities Commercial activities

	• Award of Contract ROAD0420		
17	Extraordinary Council 26/06/25 • Art Gallery & Museum plant	Section 7(2)(h)	Commercial activities
18	Audit & Risk Committee 25/06 • Health & Safety report	Section 7(2)(a)	Protection of privacy of natural persons
19	Methven Community Board • Birdsong Initiative Trust	Section 7(2)(h)	Commercial activities
20	Reserve Land Exchange	Section 7(2)(h)	Commercial activities
21	RDRML Land	Section 7(2)(h)	Commercial activities
22	Financial Systems & reporting	Section 7(2)(h)	Commercial activities

McMillan/Wilson Carried

Business transacted with the public excluded now in open meeting

- **Reserve Contribution – Green strip at 61 Albert Street, Ashburton**

  That Council agrees to return to Wilsons Smithfield Limited (the Applicant) $552,364.00 incl GST from the Reserve Contributions Reserve in exchange for the Applicant vesting Lot 168 ($147,288.00 incl GST) and the balance of Lot 204 (valued at $405,076 incl GST) under proposed subdivision SUB24/0043.

  Mayor/Lovett Carried

- **Financial Systems and Reporting resourcing**

  That Council approves the recruitment of a Systems Accountant to be funded from the Transitional Support Funding grant for the 2025/26 and 2026/27 financial years.

  Ellis/Braam Carried

Council concluded at 4.05pm.

Confirmed 20 August 2025

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MAYOR

5. Audit & Risk Committee - 30/07/25

Minutes of the Audit & Risk Committee meeting held on Wednesday 30 July 2025, commencing at 1.00pm, in the Hine Paaka Council Chamber, Te Whare Whakatere, 2 Baring Square East, Ashburton.

Present

Mayor Neil Brown, Councillors Russell Ellis (Chair), Carolyn Cameron, Murray Harrington (via MS Teams), Liz McMillan and Richard Wilson.

Also present:

Councillors Phill Hooper and Lynette Lovett.

In attendance

Hamish Riach (CE), Helen Barnes (GM Business Support), Sarah Mosley (GM People & Facilities) and Carol McAtamney (Governance Support).

Staff present for the duration of their reports: Erin Register (Finance Manager), Lauretta Artz (Accountant), Katie Perry (People & Capability Manager), Rebecca Lees (Safety & Wellness Lead).

1 Apologies

Cr Leen Braam — Sustained

2 Extraordinary Business

Nil.

3 Declarations of Interest

Nil.

4 Confirmation of Minutes

That the minutes of the Audit & Risk Committee meeting held on 25 June 2025 be taken as read and confirmed.

Wilson/Cameron — Carried

5 Management of Accounts Receivable

That the Committee receives the report of Accounts Receivable.

Harrington/Cameron — Carried

6 Bancorp Treasury Report – June 2025

Recommendation to Council

1. **That** Council receives the Bancorp Treasury report for the June 2025 quarter.
2. **That** Council approves the establishment of a line of credit facility to meet liquidity requirements required by Council's Treasury Policy for the most favourable option available.

Cameron/McMillan Carried

Business transacted with the public excluded – 1.17pm

That the public be excluded from the following parts of the proceedings of this meeting, namely – the general subject of each matter to be considered while the public is excluded, the reason for passing this resolution in relation to each matter, and the specific grounds under Section 48 (1) of the Local Government Official Information and Meetings Act 1987 for the passing of this resolution are as follows:

Item No	General subject of each matter to be considered:	In accordance with Section 48(1) of the Act, the reason for passing this resolution in relation to each matter:	
7	Audit & Risk Committee minutes	Section 7(2)(a)	Protection of privacy of natural persons
8	Health and Safety Report	Section 7(2)(a)	Protection of privacy of natural persons

Cameron/McMillan Carried

The meeting concluded at 1.45pm.

6. Three Waters Committee – 30/07/25

Minutes of the Three Waters Committee meeting held on Wednesday 30 July 2025, commencing at 9.30am, in the Hine Paaka Council Chamber, Te Whare Whakatere, 2 Baring Square East, Ashburton

Present

Mayor Neil Brown; Councillors Russell Ellis (Chair), Phill Hooper, Lynette Lovett and Liz McMillan.

Also present: Crs Carolyn Cameron and Richard Wilson

In attendance

Hamish Riach (Chief Executive), Neil McCann (GM Infrastructure & Open Spaces), Andrew Guthrie (Assets Manager), Chris Stanley (3 Waters Engineer), Hernando Marilla (Operations Manager), Ulrich Glasner (Water Services Manager) and Heather Stoddart (Governance Support).

1 Apologies

Crs Leen Braam, Rob Mackle and Tony Todd — Sustained

2 Extraordinary Business

That pursuant to Section 46A(7) of the Local Government Official Information and Meetings Act 1987 the following item be introduced as extraordinary business, to be taken with the public excluded:

- Tradewaste consent – verbal update – Section 7(2)(h) Commercial activities

Hooper/Lovett — Carried

3 Declarations of Interest

Nil.

4 Confirmation of Minutes – 25/06/25

Minutes amended to record that Cr Cameron was also present.

That the minutes of the Three Waters Committee meeting held on 25 June 2025, as amended, be taken as read and confirmed.

Hooper/McMillan — Carried

5 Keenans Road Watermain Extension

There was a discussion around treatment of interest costs. The process within report is in accordance with all previous reticulation extensions and leaves the interest cost out of the connecting party's cost. Officers will look at addressing the interest cost issue as part of future revisions of the revenue and financing policy.

The Mayor questioned the zone maximum number of 53 (currently 21 sited) and whether that was a realistic figure. It was deemed that they can't speculate the future of the area/subdivisions, so 53 was a conservative estimate for future development.

This scheme would add value to these existing properties, and it will make them more preferential for subdividing and building new properties. The Committee generally agreed that the price should be between the 21 existing properties.

Officers explained that if the cost in the initial consultation is changed, it would need to go back out for consultation with the revised costings, should Council wish to make that decision.

Post meeting note: the requested information on Taits Rd water extension has been circulated to Council

Recommendation to Council

That Council approves:

1. the construction and initial funding of a water network extension in Seafield Road, Southpark Road and Keenans Road, as shown in the plan in Appendix Three to this report;
2. the part recovery of the construction cost through lump sum contributions from the connecting landowners (totalling an estimated $45,990 exclusive of GST); and
3. recovery of the balance of the construction costs from each property as they connect to the watermain in future (estimated at $9,198 exclusive GST, and to be indexed to inflation), with this charge to be incorporated into the 2026-27 Annual Plan.

Lovett/McMillan Carried

6 General Operations and Maintenance

Investigations of groundwater infiltration to the wastewater network. A video was shown of the flow through a manhole of waterjets through cracks which has a knock-on effect to the pipe system.

There has been a letter drop in Tinwald, and it is anticipated that residents will self-identify where they have issues and through further investigations. This is also in line with the building team as this is part of the Building Act.

There currently is no formal monitoring of illegal discharges in Tinwald; trying to find a suitable financial solution to this issue. But still need to check the roof lines/piping for the roof run-off, which goes through the pipe work and into the wastewater network when the water table is high.

Some comms work will need to be done to remind property owners that it’s illegal for wastewater to be discharged into the stormwater network, and the cost on the ratepayer when this happens.

Ocean Farm

Over the past few years there has been a change in the quality of the grass. Officers will be consulting with specialists for advice on grass plantings to best benefit the grazing lambs.

7 Projects

Drinking Water

Report back to Council on the number of properties on Taverners Road. Good to know if they have an alternative water sources. The tender has been committed.

Backflow Investigations and Implementations

A contractor started this week who’ll work through until December. Looking at properties with hazards and working to eliminate those hazards.

Advanced Water Metering Trial

Officers have met with Intellihub regarding sites in Rakaia. They're in discussions with Spark in terms of delivering a better internet service. The metering installation is being scoped. Once this has been tendered, they will come back with the budget required based on the trial.

Stormwater

- **Proctor Park Fencing**

Project of safety and minimising risk for this particular site due to the proximity of the playground to the stormwater, not a new precedent for future subdivisions.

The Committee adjourned for morning tea from 10.36am to 10.50am

8 Drinking Water Compliance

Some of the capital projects have been completed; however the reporting period for the rules is 12 months and the full compliance benefit of the upgrades completed this year won't be known until 1 January 2026.

10 Financials

Drinking Water - Montalto

Awaiting feedback from Taumata Arowai. The Chief Executive advised that the Water Services Development Plan, still under development, will show the impact on the Montalto scheme.

Business transacted with the public excluded 11:18am

That the public be excluded from the following parts of the proceedings of this meeting, namely – the general subject of each matter to be considered while the public is excluded, the reason for passing this resolution in relation to each matter, and the specific grounds under Section 48 (1) of the Local Government Official Information and Meetings Act 1987 for the passing of this resolution are as follows:

Item No	General subject of each matter to be considered:	In accordance with Section 48(1) of the Act, the reason for passing this resolution in relation to each matter:	
13	Tradewaste consent	Section 7(2)(h)	Commercial activities

McMillan/Hooper Carried

The meeting concluded at 12.11pm.

7. Biodiversity Advisory Group Minutes – 4/08/25

Minutes of a meeting of the Biodiversity Advisory Group held on Monday 4 August 2025, in the Wakanui Room, 2 Baring Square East, Ashburton, commencing at 1.00pm.

Present

Mayor Neil Brown; Councillors Leen Braam (Chair), Lynette Lovett and Richard Wilson.

Donna Field, Val Clemens, Edith Smith, Gen de Spa, Ian Fraser, Kim Wall, Angela Cushnie, Robb Stevens, Luke Spence and Sarah Mason.

In attendance

Neil McCann (GM Infrastructure & Open Spaces), Ian Soper (Open Spaces Manager), Dr Christian Chukwuka (Ecologist/Biodiversity Officer), Lucy Brown (Governance Support) and Linda Clarke (Communications Advisor).

ECan Presentation

Jason Butt (Biodiversity Advisor) and Tracey Perkins (Senior Land Management Advisor - Ashburton)

The Chair welcomed visitors from Waimate District Council who have been invited to observe today's meeting – Andrew Oliver (Biodiversity & Climate Change Officer), Dylan Murray (Regulatory & Compliance GM), Nicole Timney (Community & Strategy GM), Cr John Begg (Chair Kelcey's Bush), Ann Dennison (Point Bush Eco-sanctuary) and Max Crowe (QEII Trust).

1 Apologies

Adi Avnit, Mary Ralston, Sally Stevens, Barry Maister, Mike Salvesen, Barry Austin, Joe Butler and Willy Leferink.

For early departure: Edith Smith and Donna Field.

2 Extraordinary Business

Nil

3 Declarations of Interest

Nil

4 Confirmation of Minutes

That the minutes of the Biodiversity Advisory Group meeting held on 3 February 2025 be taken as read and confirmed.

Wilson/Smith Carried

5 ECan Presentation Wetlands – Jason Butt (Biodiversity Advisor)

Introduction of Jason Butt, Principal Advisory ECan. Background of his role and responsibilities, noting his lead role in the National Wetland Trust.

Presentation deepens understanding and learnings from the recent field trip.

Jason spoke of the types of wetlands and their current state of play (90% destroyed/lost), their environmental importance / impacts, threats and protection methods. He gave examples of specific locations/projects (Delaney Wetland Culverden Basin & Ahurir Wetland Huritini / Halswell River) and an outline of the types of activity and conditions around consenting requirements for restoration and active management.

Available resource - [Consenting Wetlands in Canterbury Guide]

6 Ecologist / Biodiversity Advisor's Report

That the Ecologist/Biodiversity Advisor's report be received.

Wilson/Brown Carried

Christian requested that group actions be completed by the end of this week in preparation for reporting to Council later this month. He will incorporate these items into the action plan table. Since the last meeting, mapping activities have been completed with relevant landowners to be contacted shortly.

Christian acknowledged Council's support for funding, as well as Kanuka Trust collaboration projects.

The Hinds drain report and cat management report are currently works in progress with expected completion prior to the end of Council term.

ECan Canterbury Biodiversity Strategy Revitalisation workshop this Thursday 7 August. Christian will bring information back to the Biodiversity Advisory Group to consider its content.

7 Group Updates

Staveley Camp

Gen de Spa provided an update.

Kanuka Mid Canterbury Regenerative Trust

Kim Wall spoke of their alignment of goal 3 of the Bio Strategy. Mayfield School visit this morning. Impact of changing environment and impacts over time.

Spoke of their involvement in the Methven Birdsong Project. Angela spoke of the collaboration of resources and team effort of working with Kim with opportunities and results for the longer term.

The Chair commended on the Tinwald Reserve planting sessions with Tinwald School students, noting the enthusiastic reception and the uplifting energy these initiatives brought to the community.

Synlait

Sarah Mason spoke to her written update. Supporting Kanuka Trust and CPW and their activity with irrigation companies.

Further to Jason's presentation, Sarah mentioned Synlait's involvement with the Delaney wetland, North Canterbury.

Fonterra

Robb Stevens provided an update on Fonterra's Biodiversity credits from the Whakamana Te Waituna Trust. Trialling two standards at both national and local level.

He further reported on Fonterra's partnership with Landcare Trust supporting wetland regeneration and development.

Department of Conservation

Ian Fraser spoke about DOC's recent funding boost for endangered species, for work in the basin, Awa Awa Reserve and Ōtūwharekai.

Ian Soper commented on DOC's Douglas fir/wilding pines felling at Lake Heron.

Angela Cushnie inquired about goose control mechanisms, with Ian Soper confirming this area sits under ECan's jurisdiction.

Forest and Bird

Val Clemens reported that 40 volunteers recently assisted in the removal of conifers at Lake Heron. Pleasing to hear of the removal of other trees by DOC recently.

Harris Reserve plantings were very well supported. Thanked Christian and ADC for their involvement. The next planting open day is Sunday 14 September with 500 plants to plant.

Ashburton Lakes winter bird count completed with 35 volunteers and approximately 5000 birds counted.

Acknowledged Peter Smith, recipient of the Te Kuka Award for long and consistent service, as well as John Waugh in his retirement and dedication to the Zone Committee.

Botanical Society visit to Whakanui Beach will take place on Saturday 9 August, 10.30am.

Mid Canterbury Catchment Collective

Angela Cushnie provided an update and was appreciative of recent bridging funds secured from 1 September. Further details will be shared once arrangements are finalised.

End of Term

Being the final meeting of the Biodiversity Advisory Group in this term of Council, the Chair took the opportunity to acknowledge the valuable services and dedication of the Group's members and, on behalf of Council, thanked them for their contribution to Council and the community.

The contribution and recent retirement of Alice Shanks (QEII Trust) was also acknowledged, as were the impending retirements from Council of Mayor Neil Brown and Councillors Leen Braam and Lynette Lovett.

The Chair thanked the visiting members of Waimate District Council for their attendance and the meeting closed at 2:40pm.

9 Next Meeting

To be confirmed in the new term of Council.

8. *Water Services Delivery Plan - Adoption*

Author *Mark Low: Strategy & Policy Manager*
Toni Durham: GM Democracy & Engagement

Executive Team Member *Hamish Riach: Chief Executive*

Summary

- The purpose of this report is for the Council to adopt the Ashburton District Council's Water Services Delivery Plan (WSDP) prepared based on implementing a Stand-Alone Business Unit (SABU) to deliver water services.

Recommendation

1. **That** Council:

   a) Notes the Chief Executive agrees to certification of the Water Services Delivery Plan

   b) Adopts the attached Water Services Delivery Plan for submission to the Secretary for Local Government.

Attachment

Appendix 1 Local Government (Water Services Preliminary Arrangements) Act 2004
Appendix 2 ADC's Water Services Delivery Plan

Background

Overview of the Local Water Done Well Reform

1. New Zealand's water services have been the focus of significant reform since the previous Government's Three Waters Review in 2017, which was prompted by the 2016 Havelock North water supply contamination incident. This review highlighted critical issues in water safety, management, and infrastructure.

2. Initially addressed through the previous Government's Three Waters Reform Programme, the approach was revised in 2023 with the introduction of the Local Water Done Well (LWDW) framework by the current Coalition government. Detailed information on the reforms can be found here.

3. LWDW aims to ensure safe, reliable, and financially sustainable water services nationwide, while retaining local asset ownership and decision-making.

4. LWDW responds to several systemic issues identified in water service delivery across the country, including aging infrastructure, underinvestment, inconsistent service levels, and gaps in regulatory oversight. The framework establishes a pathway for councils to assess and adopt delivery models that meet stricter quality, financial, and environmental standards.

The Current Situation

5. LWDW require Councils to develop a Water Services Delivery Plan (WSDP). A WSDP must detail the current state of water services infrastructure, identify future investment needs to meet regulatory standards, and growth needs, and demonstrate financial sustainability for future water services delivery. This is based on the Council's selected service delivery model.

6. A WSDP is a statutory requirement under the Local Government (Water Services Preliminary Arrangements) Act 2024 *(the Act)*. The Local Government (Water Services) Bill currently progressing through parliament sets out the framework and detail for the provision of water services.

7. Council is required to submit its WSDP to the Secretary for Local Government for assessment by 3 September 2025.

8. As part of preparing a WSDP, Council is required to select its future service delivery model. Council consulted with the community on this from 27 March to 27 April on two delivery models:
   a) Stand-Alone Business Unit (SABU) (proposed model)
   b) Water Services Council-Controlled Organisation (WSCCO) Model

9. The consultation received 234 submissions, with 88% favouring the Stand-Alone Business Unit (SABU) over the WSCCO model. On 21 May 2025, Council adopted the SABU as the future service delivery model for Ashburton District and Council's WSDP.

8 Local Water Done Well – Service Delivery Option

That Council adopts the Stand Alone Business Unit (SABU) as the delivery model for Council's Water Services Delivery Plan (WSDP) for the future delivery of water services in Ashburton District.

Cameron/Todd Carried

(Carried unanimously)

Water Services Delivery Plan – Key legislative requirements

10. Council's WSDP must fulfil the following key requirements.

- **Timeframe:** The Plan must cover a minimum 10 – year consecutive period, starting from 2024/25 to 2033/34.
- **Scope:** The Plan must comprehensively address three water services including water supply, wastewater, and stormwater.
- **Consultation Requirements:** The Plan must be based on the service delivery model agreed upon through community consultation. However, no separate consultation is required regarding the content or preparation of the Plan.
- **Content Requirements:** The plan must include:
  - The current state of ADC's water services, including baseline information on infrastructure, service levels, and performance
  - Outline future water services arrangements.
  - An implementation plan outlining transition to future water service delivery model including proposed actions, and timelines
  - Demonstrate ADC's public commitment to deliver Water Services in a way that:
    - Ensures ADC will meet all relevant regulatory quality standards
    - Is financially sustainable
    - Ensures ADC will meet all drinking water quality standards
    - Supports ADC's housing growth and urban development, as specified in the ADC LTP
- **Adoption and Certification:** The plan must be:
  - Adopted by Council resolution
  - Certified by the Chief Executive as being financially sustainable.
- **Submission deadline:** Council adopted, and CE certified Plan must be submitted to the Secretary of Local Government by 3 September 2025.
- **Acceptance Authority**: the Secretary of Local Government holds the authority to accept the submitted plan or send it back to the Council to amend and resubmit.

Process for preparation of WSDP

11. Preparation of the plan has been led by a group of officers including Water Services, Finance and Strategy and Policy using the templates provided by the DIA. Some external support has been provided for finance elements with the Plan externally peer reviewed by Morrison Low.

12. Following the outcome of this meeting, officers will submit the adopted plan to Secretary of Local Government by 3 September.

Key Features of Ashburton District Council's Water Services Delivery Plan (WSDP)

13. Ashburton District Council's WSDP has the following key features:

- **Service Delivery Model**: It is based on the delivery of water services using the selected SABU model, following the outcomes of community consultation required by the Act.
- **Scope**: It covers all three water services – water supply, wastewater and stormwater.
- **Financial sustainability:** It demonstrates that the Ashburton District Council meets financial sustainability requirements over the 10-year timeframe of the Plan.
- **Water Services investment:** It includes capital investment to ensure ADC water services meet relevant regulatory requirements, drinking water quality standards, renewals and growth requirements.
- **Debt headroom:** Council maintains sufficient debt headroom across the Plan period with the lowest capacity projected in 2027 followed by a steady increase in following years.
- **Revenue requirements:** It demonstrates that increased revenue will be required to deliver water services across the Ashburton District.
- **Water Services charges/rates:** It outlines projected increases in water services charges/rates over the next ten years, from $1,441 in 2024/25 to $2,948 in 2033/34.
- **Borrowing limits:** It demonstrates that the Council remains within borrowing limits of 250% in its Treasury Policy.
- **Implementation and start date:** It includes a three-phase implementation plan with the SABU to delivery water services across the district proposed to start operating on 1 July 2027.

14. The plan is attached to this report.

Chief Executive certification

15. The Act requires the WSDP submitted to the Secretary for acceptance to be certified by the Chief Executive of the territorial authority that:

- the plan complies with the Act
- the information contained in the plan is true and accurate

16. The Chief executive confirms he is prepared to certify the plan in its current form as per these requirements.

WSDP Acceptance

17. Following lodgement, the following outlines the DIA acceptance process:

WSDP Acceptance/Non Acceptance

1. DIA assess plans
2. DIA Review panel reviews recommendations from assessment process and makes recommendation to Secretary for Local Government
3. Then.....

Plan accepted

- Secretary for Local Government notifies the council(s) that the Plan has been accepted, and the reasons for that decision
- Councils must publish their Plan on their website(s) as soon as reasonably practicable, and advise DIA that they have done so by emailing wsdp@dia.govt.nz
- DIA must provide a copy of the Plan to the Commerce Commission and Water Services Authority
- DIA will publish a link to councils' accepted Plans on its website. For transparency, we will also publish our assessment of your Plan.

Plan not accepted

- Secretary for Local Government notifies the council(s) that the Plan has not been accepted, the reasons for that decision, and either:
  - Requires the council(s) to amend the Plan and resubmit it by a certain date OR
  - Does not accept the Plan (this may then lead to Ministerial assistance or intervention – see below).

Options analysis

Option one – Council adopts the attached Water Services Delivery Plan (recommended option).

18. Under this option, the Council adopts the Water Services Delivery Plan for submission to the Secretary for Local Government.

Advantages:	***Disadvantages:***
• Council fulfills its obligation under LWDW water reform program. • Community and Council preferences for a SABU are met, and implementation can progress, pending final acceptance of the Plan.	• None identified.
Risks: No risks identified.	

Option two – Council amends and adopts the Water Services Delivery Plan.

19. Under this option, Council amends and adopts the attached Water Services Delivery Plan for submission to the Secretary for Local Government.

Advantages:	***Disadvantages:***
• Plan would more closely reflect the preferences of Council.	• Dependent on changes requested, Chief Executive may be unwilling to certify the plan • Plan may not be adopted or lodged in time • Failure to comply with legislative requirements under LWDW would mean intervention from DIA and/or the Minister.
Risks: High Legal and Reputational Risk where plan amendments may cause the plan to not be lodged within the legislative deadlines or mean that the plan does not meet the requirements of the Act.	

Option three – Council does not adopt the attached Water Services Delivery Plan.

20. Under this option, Council <u>does not adopt</u> the attached Water Services Delivery Plan for submission to the Secretary for Local Government.

Advantages:	***Disadvantages:***
• None identified	• Failure to comply with legislative requirements under LWDW would result in intervention from DIA and/or the Minister • Community preferences for a SABU may not be realised if intervention occurs
Risks: High Legal and Reputational Risk in not adopting or lodging a plan within the legislative deadlines.	

Legal/policy implications

Legislation

21. The Government is implementing the LWDW framework in three legislative stages, each outlining specific requirements and providing councils with the tools to transition to the new water services environment.

Water Services Acts Repeal Act 2024

22. Enacted in February 2024, this Act repealed previous water services legislation, including the *Water Services Entities Act 2022*. It restored council ownership and responsibility for water services delivery, allowing councils to continue managing water services locally.

Local Government (Water Services Preliminary Arrangements) Act 2024

23. Enacted in September 2024, this Act provides the establishment framework for LWDW. It requires councils to develop and submit a Water Services Delivery Plan (WSDP) to the Department of Internal Affairs (DIA) by 3 September 2025 (unless an exemption is granted). The WSDP must set out the Council's proposed service delivery model, and include baseline infrastructure and financial data, and strategies for meeting financial, operational, and regulatory obligations.

Local Government (Water Services) Bill

24. Introduced in December 2024, this Bill sets enduring legislative framework for water services delivery. It sets out the options available for service delivery models, establishes a new economic regulation and consumer protection regime regulated by the Commerce Commission, and implements changes to water quality regulations, including enhanced standards for wastewater and stormwater.

25. The Water Services Bill is currently working through the Parliamentary stages. It was reported back to the House on 17 June 2025 and is currently at the Committee of the Whole House stage. Note the Minister introduced a significant Amendment Paper as part of this stage which if confirmed, would require territorial authorities that do not transfer responsibility for providing water services (i.e. retain delivery inhouse) to submit WSDPs on a regular basis, the next being due by 3 September 2030.

Climate change

26. The decisions of this report may have a minor impact on climate change, however the water services activities are all impacted by changing weather patterns.

Review of legal / policy implications	
Reviewed by In-house Counsel	*Tania Paddock; General Counsel*

Strategic alignment

27. The recommendation relates to Council's community outcomes of *'A prosperous economy built on innovation, opportunity and high quality infrastructure'* and *'A balanced and sustainable environment'.*

Wellbeing		Reasons why the recommended outcome has an effect on this wellbeing
Economic	✓	The future delivery of water services will impact on all well-beings for our community.
Environmental	✓	
Cultural	✓	
Social	✓	

Financial implications

Requirement	Explanation
What is the cost?	Preparing the material presented and undertaking consultation has been met from within existing consultancy and staff budgets.
Is there budget available in LTP / AP?	Yes
Where is the funding coming from?	Water Services, Policy, Treasury and Communications cost centres
Are there any future budget implications?	Yes, delivery of a SABU has implementation and ongoing costs which have included in the financial modelling. These costs will be recovered from ring-fenced water services following implementation of the SABU.
Reviewed by Finance	Helen Barnes; General Manager Business Support

Significance and engagement assessment

Requirement	Explanation
Is the matter considered significant?	No
Level of significance	Medium
Rationale for selecting level of significance	N/A
Level of engagement selected	3. Consult
Rationale for selecting level of engagement	Under the Act, Council have consulted on and selected the service delivery model for Water Services as required. The WSDP is a requirement of this Act for submission to the Secretary of Local Government by 3 September 2025. As per Section 17(3) of the Act there is no requirement to consult on the WSDP.
Reviewed by Strategy & Policy	Mark Low; Strategy and Policy Manager

Next steps

Date	Action / milestone
Before 3rd September 2025	WSDP submission to Secretary of Local Government for review and acceptance

Appendix One: Local Government (Water Services Preliminary Arrangements) Act 2024

Part 2
Water services delivery plans and foundational information disclosure requirements
Subpart 1—Water services delivery plans

Water services delivery plan: preparation and contents

8 Territorial authority must prepare water services delivery plan

(1) Each territorial authority must prepare a water services delivery plan that—

- (a) identifies the current state of the authority’s water services; and
- (b) demonstrates publicly its commitment to deliver water services in a way that—
  - (i) ensures that the territorial authority will meet all relevant regulatory quality standards for its water services; and
  - (ii) is financially sustainable for the territorial authority; and
  - (iii) ensures that the territorial authority will meet all drinking water quality standards; and
  - (iv) supports the territorial authority’s housing growth and urban development, as specified in the territorial authority’s long-term plan.

Appendix 2

Water Services Delivery Plan

Ashburton District Council

2025

Table of Contents

Part A: Statement of financial sustainability, delivery model, implementation plan and assurance

Statement that water services delivery is financially sustainable

Introduction

Ashburton District Council (Council) has historically invested well into its three-waters infrastructure. This is demonstrated by reasonable asset condition, a major capital work programme to progress with compliance (detailed in Part B) and financially sustainable delivery of services (detailed in Part D). This plan covers the 10-year period from 2024/25 to 2033/34.

A Stand-alone Business Unit (SABU) will be established to deliver water services for Ashburton District. It will operate within Council's existing organisational structure, with additional autonomy due to its own Water Services Strategy, budget, revenue and governance.

There will be a transitional period of two years (until 30 June 2027) where the implementation plan (outlined further in the document) will be progressed.

Council water services currently meet revenue, investment and financing sufficiency. This is not forecast to change between now and 30 June 2028. Council has enough headroom to borrow for unexpected events.

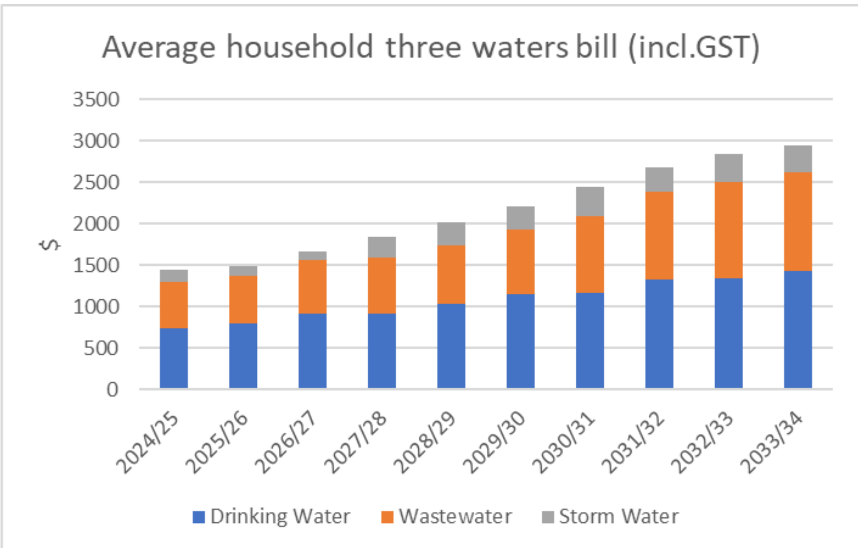
Council confirms that it meets the Financially Sustainable delivery assessment, as detailed in Part D of this plan. A summary of financial sustainability is provided below.

Revenue Sufficiency

Council's projected revenues are sufficient and meet the 'revenue sufficiency' test. Projected revenue is greater than projected expenditure, with the net surplus used to fund renewals expenditure and repay debt.

94% of revenue is collected through rates (general and targeted) for water services (2024/25). The remainder is collected through fees and charges, financial and development contributions and other revenue.

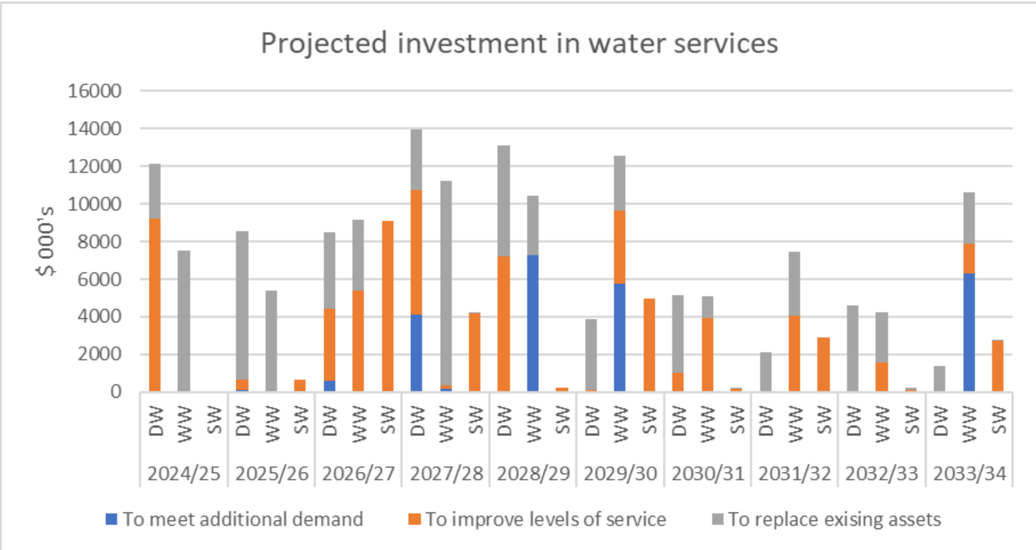
Over the period, an increase in revenue is required to fund, deliver and manage water services upgrades to meet the required capital programme.



Both Water Supply and Wastewater services are charged via targeted rates. Stormwater is currently charged for through the General rate and Urban Amenity rate – a targeted Capital Value rate. The urban amenity rate is allocated to meet the cost of various services including stormwater, footpaths, parks and open spaces. This funding mechanism will require a review to ensure appropriate ring-fencing. Therefore, a review of the Revenue and Financing Policy is scheduled for adoption alongside the 2027-37 Long Term Plan (LTP). Council is planning to install water metering in remaining communities where these are currently not installed. Meters are currently used for volume monitoring and leak detection and Council has not committed to using water meters for volumetric charging.

Investment Sufficiency

Investment is required to address strategic issues, including providing for growth, resource consenting and meeting levels of service. To meet regulatory requirements and forecasted growth, the Plan includes projects requiring renewal or upgrading as budgeted for in the Long-Term Plan 2024-34. In addition, new projects identified through the Local Water Done Well process to meet regulatory and water quality requirements are funded in planned years. Some of these projects were signalled through the 2024-34 Infrastructure Strategy but not funded in the LTP 24-34. Council's proposed water services investment is sufficient and meets the 'investment sufficiency' test and meets all known growth, renewal, levels of service and anticipated regulatory requirements. This is further detailed in Part B and Part D.

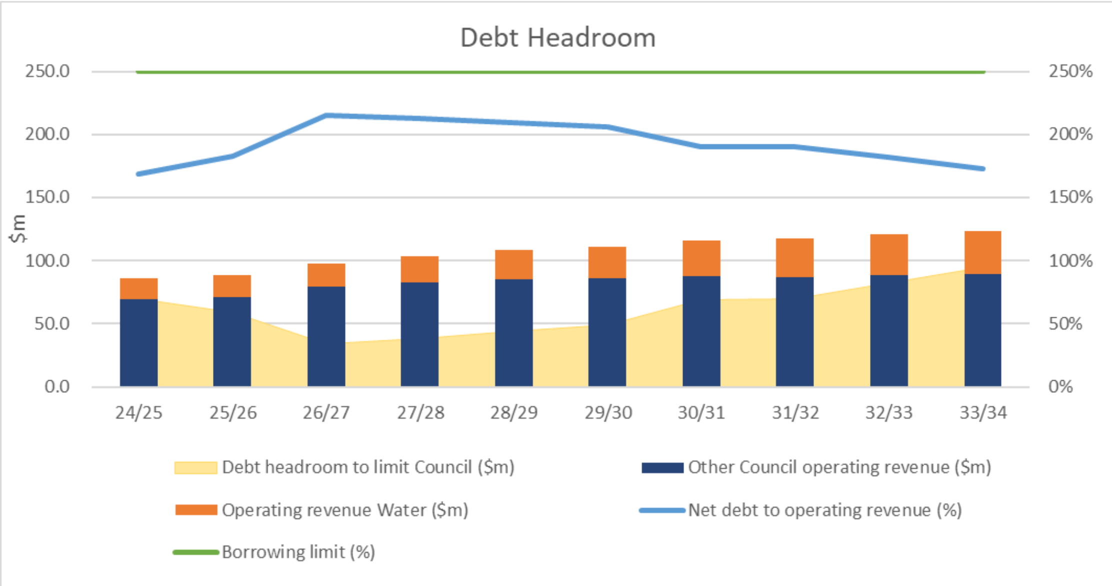


All proposed levels of investment required are fully funded. Asset renewals will be funded by depreciation where accumulated renewals fund in the relevant scheme's account are sufficient, otherwise they will be funded by debt. New and upgraded infrastructure to meet regulatory requirements and increased levels of service will be funded by debt. New and upgraded infrastructure to provide for growth will be funded by development contributions.

From 2026/27 the plan transitions to a 100% depreciation recovery approach used to fund renewals and debt repayment. The plan initially discounts depreciation funding in order to alleviate the cost of rising charges to users. By 2029/30 Water Supply and Wastewater are working on a 100% recovery basis. Stormwater is forecast to recover 30% of depreciation over the plan. Council considers this prudent due to the majority of capex programme for this activity attributable to increasing levels of service. The total rate requirement is divided by the number of connections to arrive at an overall charge.

Financing Sufficiency

In addition to increased revenue, borrowing will be required to fund the capital programme. Council is within treasury policy borrowing limits of 250% of operating revenue, with available headroom to cover unforeseen events. This is shown by the graph below:



Proposed delivery model to deliver financially sustainable water services

Existing Delivery

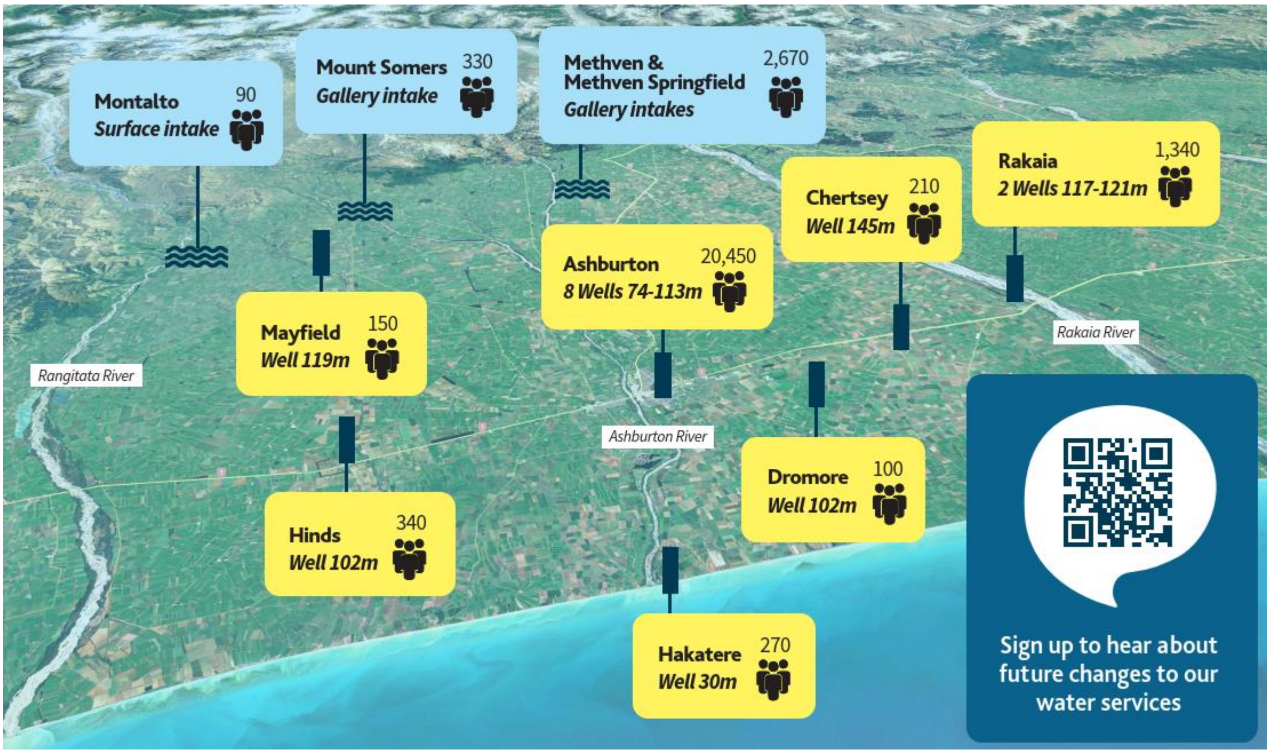
Existing water services delivery involves three essential areas: water supply, wastewater, and stormwater. Council is responsible for planning, funding, building and maintaining the infrastructure and processes that support the provision of these services. This includes ensuring they meet community needs and agreed levels of service, comply with regulatory, environmental and quality standards, and address challenges such as population growth and climate change.

Water Supply, wastewater and stormwater are all included in this Water Services Delivery Plan (WSDP).

Water supply

Council operates 10 community drinking water supplies across the district, which service more than 10,800 homes and businesses.

There are over 520 kilometres of reticulated drinking water infrastructure that services Ashburton (including Tinwald, Lake Hood and Fairton), Methven (including Methven-Springfield), Rakaia, Hinds, Mt Somers, Mayfield, Chertsey, Hakatere, Dromore, and Montalto.



Water sources for drinking water include groundwater bores, infiltration galleries, and surface water intakes. Environment Canterbury (as the Regional Council) allocates water via resource consents, which set upper limits on the volume of water that can be taken from the various water sources. The Water Services Authority - Taumata Arowai sets drinking water standards, quality assurance rules and environmental performance measures that we are required to follow, to meet our duties as a water supplier under the Water Services Act 2021.

Wastewater

Council manages wastewater collection, treatment and disposal services for communities across the district. There are three community-based wastewater schemes that service approximately 64% of the district's population.

Most of the reticulated network operates on gravity, with 18 pump stations used to service defined subdivisions. The largest pump stations serve Lake Hood and the Ashburton Business Estate.

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

The Wilkins Road, Ashburton treatment plant also accepts septage waste from private septic tanks, transported by private liquid waste carriers, enabling safe treatment and handling of residual waste from customers not connected to the reticulated networks. There are also caravan waste dump stations on each network to handle this waste stream.

Stormwater

Council provides 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 aim to ensure property and the environment are protected from flooding, and that roads and footpaths continue to be accessible during rain events.

In Ashburton, stormwater from residential, commercial and industrial properties is collected via gravity pipelines and open drains before being discharged to soakage pits and watercourses. Some stormwater is held in detention and infiltration basins. There is also a retention pond adjacent to Mill Creek for flood control.

Ashburton has the only system where stormwater discharges to the kerb and channel from private dwellings. From the kerb and channel the stormwater enters the system. New houses typically dispose of stormwater to ground on site via soak pits.

Methven and Rakaia have limited piped stormwater networks. Most Methven stormwater is disposed of, via kerb and channel, to the main stockwater race or to the 'Garden of Harmony', which functions as a stormwater detention and soakage area. Rakaia stormwater is discharged to soak pits or to the Rakaia River. System capacity is adequate with no significant flooding issues, although there is some nuisance flooding.

Ashburton has a network-wide stormwater consent, which includes a programme of capital and operational projects and measures to monitor and maintain water quality in the receiving environments. Consents for Methven and Rakaia are being worked on and will be applied for in the near future.

Proposed Delivery Model

Council has formally endorsed implementing a Stand-Alone Business Unit (SABU) model as their proposed water services delivery model.

Key benefits:

Establishment of a SABU acknowledges the benefits in preserving local governance, reinforcing accountability, and cultivating a direct and transparent relationship between the Council, residents, users and ratepayers. This decision reflects the strong community preference expressed during the consultation process, where an overwhelming majority supported the SABU model (see Consultation and Engagement Section). In summary, key benefits are:

- **Adaptability:** Council's existing organisation allows for the efficient integration of the new requirements, including use of existing resources.
- **Direct local accountability**: Accountability and transparency remains with democratically elected members.
- **Integrated services:** Existing relationships and structures are in place within Council operations (e.g. planning, asset management, property, strategy, civil defence emergency management), and external relationships with key stakeholders including mana whenua and Environment Canterbury. This model enables Council to take advantage of these shared overheads, relationships and expertise, while coordinating water services alongside other Council services.

- **Affordability:** The SABU model is financially viable, with modelling indicating a lower household cost compared to the alternative models assessed.
- **Compliance:** Council continues to work towards full compliance with regulatory requirements, with the WSDP detailing projects to achieve full compliance.
- **Pricing:** Council maintains full control over charging mechanisms but would be subject to oversight from the Commerce Commission.
- **Funding capacity:** Maintains current borrowing capacity capped at 250% of revenue by Council, however through the Local Government Funding Agency (LGFA) we could lift this to borrow up to 280% of revenue, with sufficient debt headroom.

Key components

The SABU will be established to meet the requirements of water legislation, including increased financial ring-fencing and compliance with water quality and new economic regulation requirements. The SABU will be responsible for the planning, design, and management of delivery for three waters services.

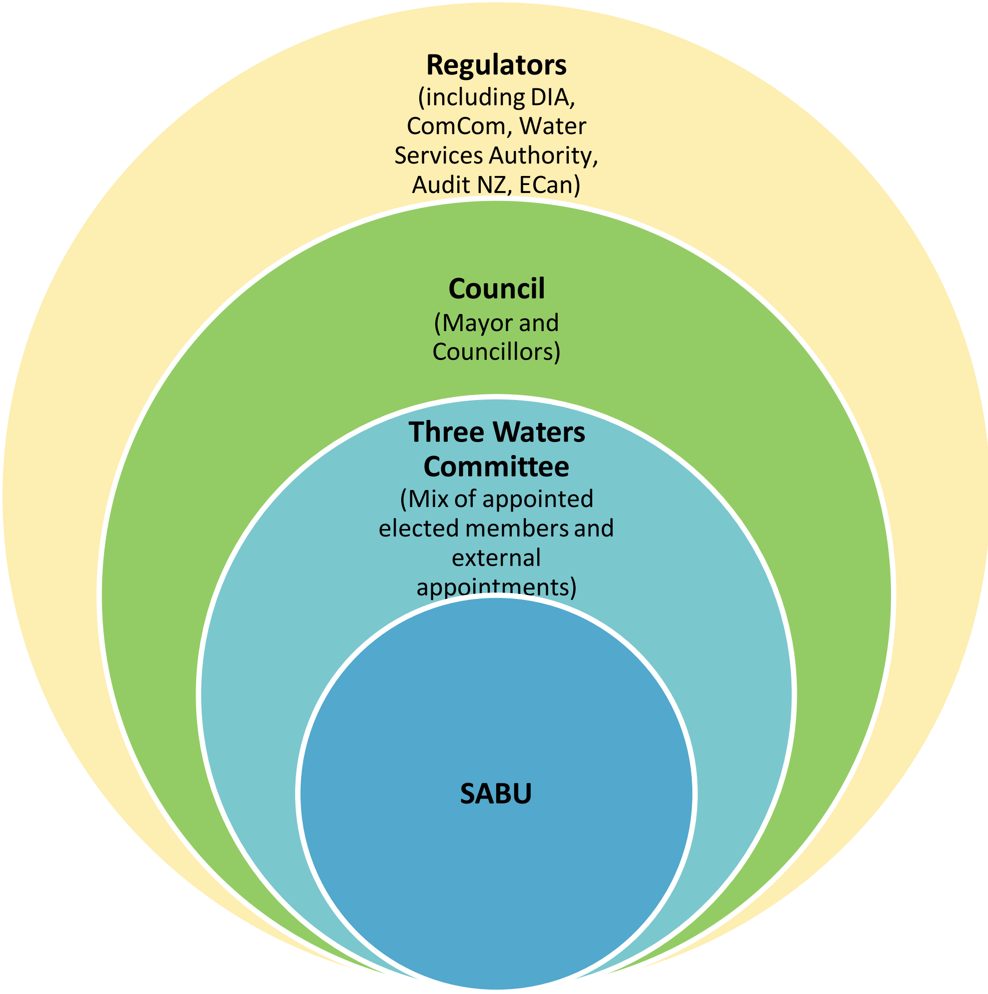
The following table summarises key components of the SABU model:

Component	Summary
Scope	The SABU will include all three water services for Ashburton District – water supply, wastewater and stormwater, as summarised above under Existing Delivery and in Part B: Network Performance.
Ownership	Wholly owned by Council as a Business Unit within the organisational structure.
Governance	Responsible to Council through established mechanisms under Local Government Act 2002. Council will appoint a committee to separate three waters governance, the committee may include independent experts as well as elected members.
Strategy	Will prepare a Water Services Strategy, in line with legislation and Council's policy, strategies, and objectives.
Accountability	Will prepare Water Services focused annual reports and financial statements, in line with legislation and Council reporting timeframes.
Borrowing	Borrows directly through Council, with the SABU meeting its share of financing costs (on internal and external borrowing). Debt limits will continue to follow Council's financial strategy.
Resourcing	Will include all existing Water services staff, with a proposed staff organisational structure outlined below, and additional resource with new roles as required or use via service level agreements of existing Council departments.
Internal Council connections	Support to the unit will be provided from across the Council operation, with Service Level agreements established with relevant departments, including meeting the share of the cost of this support.

Organisational Structure

The SABU will operate as a part of the wider Council organisation, including connections with external and internal partners, with its operations financially ring-fenced from other activities to comply with regulatory requirements.

The diagrams below show the proposed governance and organisational structure for the SABU.



Chief Executive

Group Manager: Infrastructure & Open Spaces

Water Services Manager

Assets Manager

- Development Engineer
- Three Waters Engineer
- Compliance Advisor – Drinking Water
- Water Services Technician
- Asset Management Officer
- Compliance & Sustainability Advisor
- Technical Support Officer
- Up to 4 new positions

Projects & Operations Manager

- Projects Engineer
- Utilities Contracts Engineer
- Projects & Compliance Officer
- Environmental Monitoring Officer
- 3 Waters Compliance Officer

Day to day operations of water services are currently contracted out to **Ashburton Contracting Limited**

Approach to Ringfencing Water Services revenue

Water Services are largely ring-fenced within existing Council operations, except for stormwater. As included in the Implementation Plan shown in the following section, to enable full ring-fencing these tasks will be required prior to implementation of the SABU:

- Maintain balance sheet and rates separation ensuring that Water Services revenues and expenditures are attributed specifically to water, wastewater and stormwater activities.
- Separate management of all revenues, operating expenditure, capital expenditure and debt servicing for water services. This includes cash surpluses being retained for future expenditure on Water Services.
- Establishment of service level agreements for internal Council services (e.g. Information services, finance, strategy and policy, people and capability).

Revenue Collection Approach

Council currently uses a mix of rates and user charges to collect revenue for Water Services. Rates are predominately targeted, with water supply and wastewater paid for by those who use the service. Water Supply and Wastewater rates are harmonised across the District where the service is received.

Under the SABU, governance of water services and the authority to set rates will remain with the elected Council. The Revenue and Financing Policy outlines the existing charging and funding arrangements for water services, and the current policy is expected to continue as Council transitions to the SABU.

However, some adjustments to the charging and funding structure for water services will be introduced, which will be incorporated through a revision of the Council's Revenue and Financing Policy. This includes adjustments to stormwater funding, as outlined above. At this stage, Council has not committed to a volumetric or fixed charges regime for Water Supply.

Implementation plan

Implementing the proposed service delivery model

Council has committed to the following draft implementation plan for the proposed service delivery model. This is based on its current understanding of the legislative and regulatory framework the Water Services SABU will be subject to, internal requirements for establishment, anticipated resourcing and governance.

Draft implementation plan timeframes are set out below and in the Additional Information at the end of the WSDP. These will be refined as the detailed Implementation Plan is developed. The Plan will be implemented by an internal establishment team, including staff from across the organisation and external support as required. Progress will be reported to the Water Services Committee and/or Council.

Key timeframes and milestones are set out below:

	Start Date	**End Date**	**Milestones**
Phase 1: WSDP confirmation and Preliminary Establishment	1 September 2025	30 June 2026	
• Establishment Team in place			By 30 Sep 2025
• Publish WSDP *(depending on DIA acceptance)*			By 31 Oct 2025
• SABU Gap Analysis complete			By 28 Nov 2025
Phase 2: SABU Preliminary Establishment	1 July 2026	30 June 2027	
• Service Level Agreements (SLAs) confirmed			By 30 Sep 2026
• Financial separation, funding arrangements and systems in place			30 April 2027
• Water Services Strategy adopted			By 30 June 2027
Phase 3: SABU Full Implementation	1 July 2027	Ongoing	
• SABU launch			1 July 2027
• SABU fully staffed/resourced and change management processes completed (where required)			By 1 July 2027
• Water Services fully ring-fenced			By 1 July 2027

Phase 1: Confirmation from DIA of Water Services Delivery Plan and preparation for SABU establishment (September 2025 to June 2026)

Key Activities:

- Receive feedback from DIA on WSDP. Update and finalise as required.
- Appoint a project team to oversee the SABU establishment, with progress reports to the Three Waters Committee.
- Develop detailed implementation plan, covering all aspects of SABU establishment, required tasks to meet legislative and regulatory requirements, timing, and resourcing.
- Define the role and function of governance for SABU, including Terms of Reference, Committee Membership, delegations, and independent appointments.
- Conduct gap analysis of SABU, including ring-fencing and reporting requirements and need for additional staff required to manage regulatory and compliance workstreams.
- Prepare 2026/27 water services budgets for the Annual Plan to meet the findings of the gap analysis.
- Update job titles and position descriptions for existing staff within the SABU structure to align with new business requirements and confirm with People and Capability if a change management process is required for identified roles. This includes any necessary line reporting changes or team structure changes.
- Establish new Water Services governance arrangements for the 2025-28 Council term, following the 2025 local government elections.
- Define Strategy, Policy and Bylaw framework for the new SABU.

Phase 2: Preliminary establishment of SABU (July 2026 – June 2027)

Key Activities:

- Develop and finalise formal Service Level Agreements (SLAs) between the SABU and other Council service providers including:
    - Executive Team – responsible for the strategic direction and daily operations of the organisation
    - Roading Teams – Internal unit responsible for roading and transport functions, including the management of road drainage assets.
    - Finance and Rating team - Internal team responsible for collection of rates, finance, treasury, budgeting and forecasting, vehicle and plant
    - People & Capability – Internal team responsible for Human Resources, and Health & Safety support services
    - Information Systems – Internal team responsible for IT, Hardware & Software, Information Management and GIS
    - Customer Services – Internal team responsible for managing incoming customer enquiries including CRM allocation
    - Governance – Internal team responsible for managing meeting scheduling, agendas, minutes and governance support
    - Strategy & Policy – Internal team responsible for managing development and review of Council corporate documentation (LTP, Annual Plan, Annual Reports) and strategies, policies and bylaws
    - Communication – Internal team responsible for organisational public relations including media statements and enquiries, Council social media and messaging
    - Property – Internal team responsible for building, accommodation, support services for procuring land and easements
    - Regulatory Services - Internal teams responsible for planning, building consenting, environmental monitoring and emergency management
    - Legal – Internal team responsible for corporate legal advice, drafting and reviewing legal documents and support
- Review of overhead allocation to reflect SABU SLA's.
- Recruitment of additional roles needed as part of the establishment of the SABU.
- Review funding arrangements for Water Services, including consultation where appropriate.
- Review the Revenue and Financing Policy to reflect ringfencing of the SABU revenue and expenditure.
- Review of the Development Contributions Policy, including for Stormwater Development Contributions
- Finalise Strategy, Policy and Bylaw work programme for the SABU.
- Establish a framework to prepare and publish the standalone financial statements required by the Local Government (Water Services) Act.
- Continue regular water services hui with rūnaka and establish any amendments to the Service Level Agreement to meet SABU arrangements.
- Gradually implement enhanced financial systems for reporting and invoicing. Provide targeted training (where required).
- Develop the three-year Water Services Strategy, independent of the Long Term Plan, outlining goals for service delivery, environmental standards, infrastructure maintenance and economic regulation compliance.
- Establish balance sheet and rates separation ensuring that Water Services revenues and expenditures are attributed specifically to water, wastewater and stormwater activities.
- Establish separate management of all revenues, operating expenditure, capital expenditure and debt servicing for water services. This includes cash surpluses being retained for future expenditure on Water Services.

Phase 3: Full implementation of SABU (1 July 2027 onwards)

Key Activities:

- Fully implement the three-year Water Services Strategy (including forecast financial statements).
- Implement new reporting and accountability framework, including full compliance with reporting framework and audit requirements.
- Maintain ongoing compliance with economic and environmental regulations.
- Conduct regular service performance and "fit for purpose" reviews of the SABU, covering efficiency reviews, setting of targets and strategy updates.
- Monitor and adjust SLAs, reporting, and invoicing systems where required.

Consultation and engagement

Following the enactment of the Water Services Preliminary Arrangement Act 2024, Council commenced work on determining its future water services delivery arrangements. Council commissioned Morrison Low to complete financial modelling while Council's officers prepared a Business Case considering two service delivery models to underpin the information needed for effective community consultation.

During the 19 March 2025 Council meeting, Council resolved to consult with the community on the following two service delivery models:

1. Stand-Alone Business Unit (SABU) - Council continues to deliver drinking water, wastewater, and stormwater services after making all necessary changes to meet new requirements.
2. Water Services Council Controlled Organisation (WSCCO) - Council establishes a WSCCO which manages and delivers water services independently, with Council as shareholder.

Council selected Option 1, the SABU as its proposed model for community consultation. Consultation was carried out in accordance with Sections 61 to 64 of the Local Government (Water Services Preliminary Arrangements) Act 2024.

From 27 March to 27 April 2025, Council undertook community consultation on the future of water services delivery for the district. Given the significance of the decision, a copy of the consultation document was delivered to each household. As part of the consultation, Council provided the following additional information:

- What's next for our water?
- Consultation document
- Financial modelling
- Future for water services delivery indicative Business Case

Two community meetings were held in Methven and Ashburton on 8 & 9 April 2025, with the Ashburton meeting live streamed on Council's YouTube channel. There was significant promotion via Facebook, newspaper advertising and via other mediums district-wide.

Council received 234 submissions, with the significant majority preferring the Stand-Alone Business unit. A full summary of the feedback can be reviewed here. The table below provides an overview of feedback received.

Water service delivery model that you support	**%**	**Count**
Option 1 - Stand-Alone Business Unit (Our Proposal)	88	200
Option 2 – Water Services Council Controlled Organisation	9	20
Option 3 – Don't Know/Other	3	7
Skipped		7
Total	100.0	234

A hearing and deliberations were held on 15 May 2025 with the opportunity for the public to present on their submissions. A final report was presented to Council on 21 May 2025 for a final decision.

Assurance and adoption of the Plan

ADC has prepared this plan following extensive review of the options followed by community consultation ultimately resulting in the decision to proceed with the establishment of a SABU for the future delivery of water services for the Ashburton District community.

In addition to internal quality assurance processes, the following independent reviews been undertaken:

- Independent review against the requirements in the Act.
- Independent analysis of financial sustainability compliance with Local Water Done Well.

Council resolution to adopt the Plan

Resolution to be inserted post Council meeting

Certification of the Chief Executive of Ashburton District Council

I certify that this Water Services Delivery Plan:

- complies with the Local Government (Water Services Preliminary Arrangements) Act 2024, and
- the information contained in the Plan is true and accurate.

Signed: ____________________________

Name: Hamish Riach

Designation: Chief Executive

Council: Ashburton District Council

Date: ____________________________

Part B: Network performance

Investment to meet levels of service, regulatory standards and growth needs

Serviced Population

Residential Demand

Ashburton District serves a population of 36,800, of which 25,950 (71%) are provided with water supply services and 23,480 (64%) are provided with wastewater services. These ratios are expected to remain the same over the next 30 years.

Ashburton District has seen modest growth since 2018 of 10%. The most recent population projections (refer LTP) predicts 0.5% increase every year from 36,800 people in 2023 to 41,400 in 2048. Based on recent trends, most of our rural areas and small towns are likely to experience similar changes in population during the ten-year planning period.

The populations and connection numbers in the following table are based on drinking water connections. Fewer customers receive wastewater and stormwater services than drinking water. These are broken down further in the Serviced Areas tables below.

Projected serviced population	FY2024/25	FY2025/26	FY2026/27	FY2027/28	FY2028/29	FY2029/30	FY2030/31	FY2031/32	FY2032/33	FY2033/34
Serviced population	23,385	23,480	23,574	23,669	23,764	23,859	23,955	24,051	24,147	24,244
Total residential connections	10,526	10,568	10,610	10,652	10,694	10,737	10,780	10,823	10,866	10,909
Total non-residential connections	1,888	1,895	1,902	1,909	1,916	1,923	1,930	1,937	1,944	1,951
Total number of connections	12,414	12,463	12,512	12,561	12,610	12,660	12,710	12,760	12,810	12,860

Industrial Demand

Ashburton does not have a high industrial demand for potable water from water-intensive industries. Approximately 10% of water supplied goes to commercial and industrial customers, and the highest users consume approximately 60m^3/day. Trade waste and septic tank waste comprises a smaller percentage of our wastewater stream.

It is likely that at least one large trade waste customer will commence discharging to the Ashburton network in the foreseeable future, due to the increasing difficulties of obtaining and operating consents to discharge to ground. No discharges have been approved to date, although discussions have taken place. These discharges would be likely to require capital or process upgrades to increase the capacity of our treatment plants.

Agricultural Demand

Montalto and Springfield are rural areas where water is used for both household and stock drinking purposes. Springfield is a restricted supply with a fixed overall allocation, which is unlikely to see much growth. Montalto is an on-demand supply which may see demand change with land use change. In some areas this is demand reduction, as people change the use of their land, and obtain their stockwater and water supply from elsewhere, but it may also be increased demand if intensification took place.

Serviced areas

Council has 10 potable water schemes, 3 wastewater schemes, and four stormwater rating areas. The Methven scheme covers the supply to the Methven township as well as the supply to the Methven Springfield rural area.

The water schemes cover the towns and villages of Ashburton (including Tinwald, Lake Hood and Fairton), Methven, Rakaia, Hinds, Mayfield, Mt Somers, Hakatere and Chertsey. The Dromore scheme is a rural scheme which covers rural households and is not a stockwater or irrigation scheme. The Montalto scheme and Methven Springfield supply area are rural water supplies where the water is used for both stockwater and for household/drinking water; of the two, only Montalto is classified as a mixed-use-rural supply for compliance purposes. The remaining areas of the district do not receive Council drinking water. These areas are mainly rural and standalone farms, although there are some smaller private community water supplies such as Highbank and Lyndhurst.

The three wastewater schemes cover the townships of Ashburton (including Tinwald and Lake Hood but not Fairton), Methven and Rakaia. Wastewater servicing only covers the urban areas, so lifestyle and rural residential areas on the periphery of the towns, notably the north-east Ashburton area between Ashburton and Fairton, are not serviced at this time.

Stormwater schemes are nominally established in Ashburton, Methven, Rakaia and Hinds. However, while Ashburton has a reasonably developed piped network, Methven and Rakaia have small sections of network serving specific areas, while Lake Hood and Hinds have small systems of swales and open drains.

Our water supplies generally have single distribution zones, and only Ashburton and Methven have significant non-residential areas. Council therefore consider most schemes as residential. Ashburton, Methven and Rakaia do have significant numbers of non-residential connections, so these are listed separately in the table below.

Below is a summary of the Serviced Areas. Data is taken from the most recent Activity Management Plan and applies for the 2024/25 financial year.

Serviced areas (by reticulated network)	Water supply # schemes		Wastewater # schemes		Stormwater # catchments
Total	10 Supplies 11 Distribution Zones Total Connections 12,414 2024-25		3 Schemes 10,888 Connections (2024-25)		3 schemes with stormwater networks. Most properties do not have formal connections to the stormwater system, and we do not individually rate properties for stormwater services. To estimate properties served, we assume the same numbers as wastewater because both services cover the core urban areas. Estimates are therefore: • Ashburton: 8,313 • Methven: 946 • Rakaia: 547
Residential areas	**Areas**	**Residential Connections**	**Areas**	**Residential Connections**	
	Ashburton including Tinwald, Lake Hood, & Fairton (ASH003)	8,864	Ashburton includes Tinwald, & Lake Hood	8,313	
	Chertsey (CHE002)	91	Methven	946	
	Dromore (DRO001)	38	Rakaia	547	
	Hakatere (HAK001)	109			
	Hinds (HIN001)	155			
	Mayfield (MAY001)	72			
	Methven (MET001)	1,118			
	Mt Somers (MTS001)	140			
	Rakaia (RAK001)	568			
Non-residential areas	**Area**	**Non-residential connections**	**Area**	**Non-residential connections**	
	Ashburton (ASH003)	870	Ashburton (ASH003)	865	
	Methven (MET001)	158	Methven (MET001)	158	
	Rakaia (RAK001)	70	Rakaia (RAK001)	59	

<table>
<tr><th>Serviced areas
(by reticulated network)</th><th colspan="2">Water supply
schemes</th><th>Wastewater
schemes</th><th>Stormwater
catchments</th></tr>
<tr><td></td><td>Springfield (MET002) – 126: rural connections</td><td>This distribution zone has been included as a non-residential area, although it is a rural farm scheme with both stockwater and household drinking water supply uses.

It is not identified as a mixed-use-rural for compliance purposes.</td><td></td><td></td></tr>
<tr><td>Mixed-Use rural drinking water schemes (where these schemes are not part of the council’s water services network)</td><td colspan="2">The Montalto (MON001) rural water supply is a mixed-use stockwater and drinking water supply. This is a Council supply but standalone, not connected to any other network. The scheme serves 35 connections.</td><td>N/A</td><td>N/A</td></tr>
<tr><td>Areas that do not receive water services</td><td colspan="2">Approximately 5,676 properties do not receive Council water supply services. These are rural properties throughout the district not serviced by a Council drinking water supply.</td><td>Approximately 7,202 properties do not receive Council wastewater service. Properties not serviced by a Council wastewater township include the Hinds township, other small villages such as Chertsey and rural properties throughout the district not serviced by a Council wastewater supply.</td><td>Approximately 7,202 properties do not receive Council stormwater services. Properties not serviced by a Council wastewater township include the Hinds township, other small villages such as Chertsey and rural properties throughout the district not serviced by a Council stormwater network.</td></tr>
</table>

Serviced areas (by reticulated network)	Water supply # schemes	Wastewater # schemes	Stormwater # catchments
Proposed growth areas • Planned (as identified in district plan) • Infrastructure enabled (as identified and funded in LTP)	**North East Ashburton (peri-urban).** A project nominally in 2027-28 would allow water supply to be rolled out to this area, between Smithfield Road and the Ashburton Business Estate. **Second Bridge watermain** A new watermain is planned for 2026-2029 to service the second Ashburton bridge and the connecting road to Grahams Road. This will provide capacity, resilience and a trunk network for development around the new road. **Other areas** Other areas are not specifically planned or funded in the LTP but will be responded to on a case-by-case basis in response to development.	**North East Ashburton (peri-urban).** In conjunction with the water network design we have completed servicing feasibility work for the same area. There is no formal project identified in the LTP, but this may come if community demand arises.	N/A

Levels of Service and Performance Reporting

Levels of Service (LOS) are the standards of service Council has committed to and are reporting against through the Annual Report. They are set according to the requirements of legislation, consumers, community outcomes, and strategic goals. These are measured by various performance measures, some of which are mandatorily set by the government. The following table includes the most recent LOS performance measure results, as included in the 2023/24 Annual Report. Overall, across Water Services in 2023/24, seventeen performance measures were achieved, and eight performance measures were not achieved.

Drinking Water

Levels of Service	Performance Measure	2023/24 Result	Target 2024/25	Target 2025/26	Target 2026/27	Target 2027/28 – 2033/34
We provide quality drinking water to connected properties	The extent to which the local authority's drinking water supply complies with the following parts of the drinking water quality assurance rules:[1] (a) 4.4 T1 Treatment Rules; (b) 4.5 D1.1 Distribution System Rule; (c) 4.7.1 T2 Treatment Monitoring Rules; (d) 4.7.2 T2 Filtration Rules; (e) 4.7.3 T2 UV Rules; (f) 4.7.4 T2 Chlorine Rules; (g) 4.8 D2.1 Distribution System Rule; (h) 4.10.1 T3 Bacterial Rules; (i) 4.10.2 T3 Protozoal Rules; and (j) 4.11.5 D3.29 Microbiological Monitoring Rule	[2]Ashburton 18.18% Methven 88.70% Rakaia 49.07% Chertsey 48.75% Dromore 49.17% Fairton 45.83% Hakatere 71.04% Hinds 53.33% Mayfield 50.21% Montalto 47.92% Mt Somers 89.38%	100%	100%	100%	100%
Council contractors respond to drinking water failures and requests with median response times	Median response time to urgent and non-urgent callouts* - Urgent call-out attendance	0.82 (49 minutes)	Ashburton township: 1 hour; rest of district: 2 hours[3]	Ashburton township: 1 hour; rest of district: 2 hours[3]	Ashburton township: 1 hour; rest of district: 2 hours[3]	Ashburton township: 1 hour; rest of district: 2 hours[3]
	Median response time to urgent and non-urgent callout* - Urgent call-out resolution	1.58 hours	4 hours	4 hours	4 hours	4 hours
	Median response time to urgent and non-urgent callouts* - Non-Urgent call-out attendance	2 days (48 hours) [4]	1 day	1 day	1 day	1 day
	Median response time to urgent and non-urgent callouts* - Non-Urgent call-out resolution	2.81 days (67.5 hours)	5 days	5 days	5 days	5 days
We provide efficient and sustainable drinking water services	Reduction in real water loss from the reticulated systems*	59%[5]	33%	33%	33%	33%
	Reduction in average consumption / resident / day*	838L[6]	≤735L	≤720L	≤706L	≤692L - ≤642L
	Customer satisfaction with drinking water services* a) Clarity b) Taste	8.38	≤10 complaints/1,000 connections	≤10 complaints/1,000 connections	≤10 complaints/1,000 connections	≤10 complaints/1,000 connections

	c) Odour d) Pressure or flow e) Continuity of supply f) Council's response to any of these issues					
	Residents are satisfied with Council's drinking water supplies	86%	80%	80%	80%	80%

Notes:

* Mandatory performance measure set by the Department of Internal Affairs

[1] *In August 2024 the DIA issued new targets for water supply compliance reporting which have superseded the following two performance measure which were included in the Long Term Plan 2024-34: 'All Council drinking water schemes achieve bacteria compliance' and 'All Council drinking water schemes achieve protozoal compliance'.*

[2] *Results are a percentage of each supplies compliance with the Drinking Water Quality Assurance Rules (DWQARs) relevant to it for the 2023-2024 year.*
- *Ashburton Methven & Rakaia must comply with the level 3 DWQARs (h), (i) & (j)*
- *Chertsey, Dromore, Fairton, Hakatere, Hinds, Mayfield, Montalto & Mt Somers must comply with the level 2 DWQARs (c), (d), (e) & (f)*
- *DWQARs covered by this measure are not all the rules relevant to each supply. The measure is focused on Treatment performance rules & Distribution water quality rules only.*

[3] *The target has been split based on location due to the time involved in travelling to the call-out*

[4] *For non-urgent call-outs, the contractor focuses on resolution on first visit to site. This reduces the average resolution time but does result in average call-out attendance being longer.*

[5] *Not all properties on Council supplies are metered and so the approved water loss calculation yields a coarse figure and includes losses on private reticulation*

[6] *This result is also impacted by higher losses on schemes. No universal metering across Ashburton district means it is not possible to determine whether the increase is due to increased resident consumption or increased network leakage.*

Wastewater

Levels of service	Performance measures		2023/24 Result	Target 2024/25	Target 2025/26	Target 2026/27	Target 2027/28 – 2033/34
We provide an efficient and sustainable wastewater service	Dry weather overflow incidents * *The number of dry weather sewerage overflows from the Council's sewerage systems, expressed per 1,000 sewerage connections to that sewerage system.*		1.88 / 1,000[1] connections	≤1.0/1,000 connections	≤1.0/1,000 connections	≤1.0/1,000 connections	≤1.0/1,000 connections
	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	1[2]	0	0	0	0
		Infringement notices	1[3]	0	0	0	0
		Enforcement orders	0	0	0	0	0
		Convictions	0	0	0	0	0
	Median response time to callouts* *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.*	Call-out attendance time	0.45 hours (27 minutes)	1 hour	1 hour	1 hour	1 hour
		Call-out resolution	2.47 hours (149 minutes)[4]	4 hours	4 hours	4 hours	4 hours
	Customer satisfaction with wastewater services* *The total number of complaints received by Council expressed per 1,000 connections about:*	a) Sewage odour b) Sewerage system faults c) Sewerage system blockages d) Council's response to issues with our sewerage system	11.64 complaints / 1,000 connections[5]	≤ 10 complaints/ 1,000 connections	≤ 10 complaints/ 1,000 connections	≤ 10 complaints/ 1,000 connections	≤ 10 complaints/ 1,000 connections

Notes:

* Mandatory performance measure set by the Department of Internal Affairs

[1] *It is difficult to provide a definitive reason for the increase in dry weather overflow events. It is speculated that lower network flows during the extended dry period may be a contributing factor.*

[2] *Rakaia WWTP issued an abatement notice on 27 November 2023 and 8 January 2024. These abatements are considered as one as they are for the same issue – being sludge disposal non-compliance. Notice to be addressed with the sludge drying beds project.*

[3] *Infringement received on 30 November 2023 for sludge discharge from Rakaia Wastewater Treatment Plant.*

[4] *The increase in dry weather overflow incidents may have impacted resolution timeframes.*

[5] *This is related to a spike in the number of blockages attended to. We speculate that this may be due to lower infiltration and inflow resulting in less flushing flows through the network.*

Stormwater

Levels of service	Performance measures		2023/24 Result	Target 2024/25	Target 2025/26	Target 2026/27	Target 2027/28 – 2033/34
We provide protection from flooding for private properties	Flooding events from stormwater overflows * *The number of flooding events from stormwater overflows, and for each flooding event the number of habitable floors affected, expressed per 1,000 properties connected to the stormwater system*	The number of flooding events	0	0	0	0	0
		The number of habitable floors affected for each flooding event	0[1]	0	0	0	0
	Median response time (in hours) to callouts * *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*		0[2]	1 hour	1 hour	1 hour	1 hour
We provide efficient and sustainable stormwater services	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	0	0
		Infringement notices	0	0	0	0	0
		Enforcement orders	0	0	0	0	0
		Convictions	0	0	0	0	0
	Customer satisfaction with stormwater services (complaints / 1,000 connections) * *The total number of complaints received by Council about the performance of its stormwater system, expressed per 1,000 connections to the stormwater systems.*		3.47[3]	≤5 complaints/1,000 connections	≤5 complaints/1,000 connections	≤5 complaints/1,000 connections	≤5 complaints/1,000 connections

Notes:

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

[1] *Not applicable as there were no relevant weather events during this period.*

[2] *Not applicable as there were no relevant weather events during this period*

[3] *There was a slight increase in 2023/24 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.*

Water services infrastructure associated with providing for population growth and development capacity

Ashburton District is expected to grow 12.5% over the next 30 years.

The capital programme under a SABU has a limited focus on growth infrastructure. The main anticipated areas are the North-East Ashburton peri-urban area (water and possibly wastewater) and the area to the east of Tinwald along the path of the new road from the second bridge. Concept work has been done on other areas currently zoned for residential development, but no detailed design.

Council has also considered the possibility of developing a wastewater scheme for Hinds to allow it to develop and grow. This will be part of the wastewater strategy developed over the next 18 months and has been included as a possibility in our financial modelling.

On the network side Council takes a reactive approach to growth; on the headworks side we do have plans for an additional bore in the Allenton zone to meet local demand in the Allenton pressure zone should significant growth arise in that area, and a further bore. Council has taken a slow approach to demand management, mainly employing seasonal water restrictions and acoustic leak detection. Council have installed meters on the village supplies and one town supply (Methven) but notably have not installed meters in Ashburton or Rakaia. There has been no appetite to introduce price signals for residential water use through volumetric charging or otherwise; meters on residential properties are purely for leak detection and demand monitoring purposes. This position may change in the future, especially if demand begins to exceed consent limits or supply capacity.

Assessment of the current condition and lifespan of the Water Services network

Parameters	Drinking supply	Wastewater	Stormwater
Average age of Network Assets	Average age of watermains is 36.9 years.	Average age of sewer mains is 31.9 years.	Average age of stormwater pipes is 32.2 years.
Critical Assets	• **Ashburton:** Connections to Lake Hood, Ashburton Business Estate and Fairton, pipe on the river bridge, crossings under SH1 and South Island Main Trunk (SIMT) railway, large trunk mains on Walnut Avenue and Alford Forest Road. • **Methven:** Raw and treated trunk mains. • **Rakaia:** pipes under SH1 and SIMT railway • **Other:** mains serving large areas of the scheme, typically raw or treated trunk mains Above-ground assets have not been formally assessed for criticality.	• **Ashburton:** Outfalls from town, river crossing and transfer pipeline from Wilkins Road Wastewater Treatment Plant (WWTP) to Ocean Farm WWTP, crossings under SH1 and SIMT railway. • **Methven** Dolma St, and Methven Chertsey Road outfalls to WWTP • **Rakaia** outfall to WWTP and pipes under SH1 and SIMT railway Above-ground assets have not been formally assessed for criticality.	• **Ashburton:** Collector pipes on Oak Grove, West St and Chalmers Avenue; crossings under SH1 and SIMT railway • **Methven:** pipes around the Central Business District, under SH77 • **Rakaia:** pipe under roundabout near SIMT railway Above-ground assets have not been formally assessed for criticality.

Parameters	Drinking supply	Wastewater	Stormwater
Above ground assets • Treatment plant/s	14	4[1]	N/A – no specific treatment plants
• Percentage or number of above ground assets with a condition rating	Approximately 75%	No above ground assets with a condition rating	No above ground assets with a condition rating
• Percentage of above – ground assets in poor or very poor condition	15%	No above ground assets with a condition rating	No above ground assets with a condition rating
	Notes: Above-ground condition assessment is informal; this is an active area of improvement. Assets are inspected by plant operators and issues raised but not formally rated. The percentage figures are estimates based on experience.	*Notes:* Above-ground condition assessment is informal; this is an active area of improvement. Assets are inspected by plant operators and issues raised but not formally rated.	*Notes:* Above-ground condition assessment is informal; this is an active area of improvement. Assets are inspected by plant operations but not formally rated.
Below ground assets • Total Km of reticulation	603km of watermains	211.8km of sewer mains	45.2km of stormwater mains
• Percentage of network with condition grading	100%	97.6%	85.8%
• Percentage of network in poor or very poor condition	38%	30.7%	29.5%

Condition assessment was last applied across the networks in 2023, as part of the 2024-34 LTP planning process. Individual assets are then updated based on contractor reports, CCTV inspections and other information that may come to light. A reassessment will be carried out in preparation for the 2027-37 planning cycle.

Many above-ground assets have not been formally assessed for condition or criticality. This is an active area of improvement. Because the assets are able to be inspected by plant operators and issues raised, the need for a formal assessment is less than for the unseen assets. However, this assessment would permit a proactive and strategic approach to maintenance and renewal, and part of our data strategy is to incorporate the available data and improve the body of knowledge, including by formalised structured assessments.

The average age of our networks is reasonably low, helped by having started a renewal programme early, in the 1990s and 2000s. There are schemes which are at the end of life and were built as complete schemes, which makes the renewals ‘lumpy’. This is contributing to an apparent backlog at the moment, where, for example, the Hinds and Dromore schemes, and the oldest parts of the Methven scheme, are beginning to fail and are therefore being renewed at an accelerated pace. There are also areas of Ashburton, such as Tinwald, which are in a similar position. This will be compensated for in future by lower renewals on those schemes as newer pipes need less intervention.

Council are also looking into more innovative rehabilitation methods, such as structural or non-structural lining, to allow more kilometres of pipe to be renewed for a given cost.

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[1] The Ashburton scheme has both the Wilkins Road Treatment Plant and Ocean Farm Treatment and Disposal Site, which are physically separate sites connected by an 11.5km pipeline.

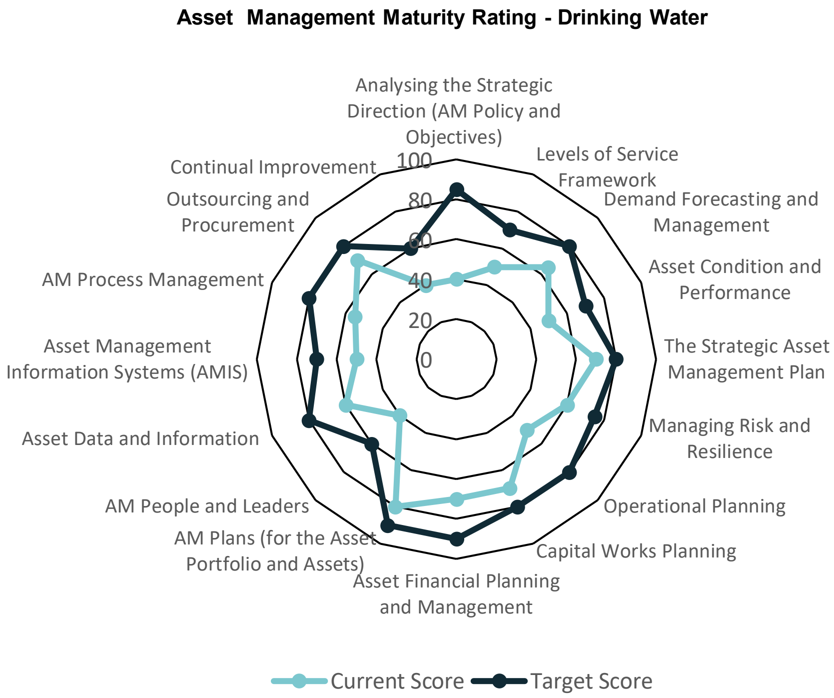
Asset management approach

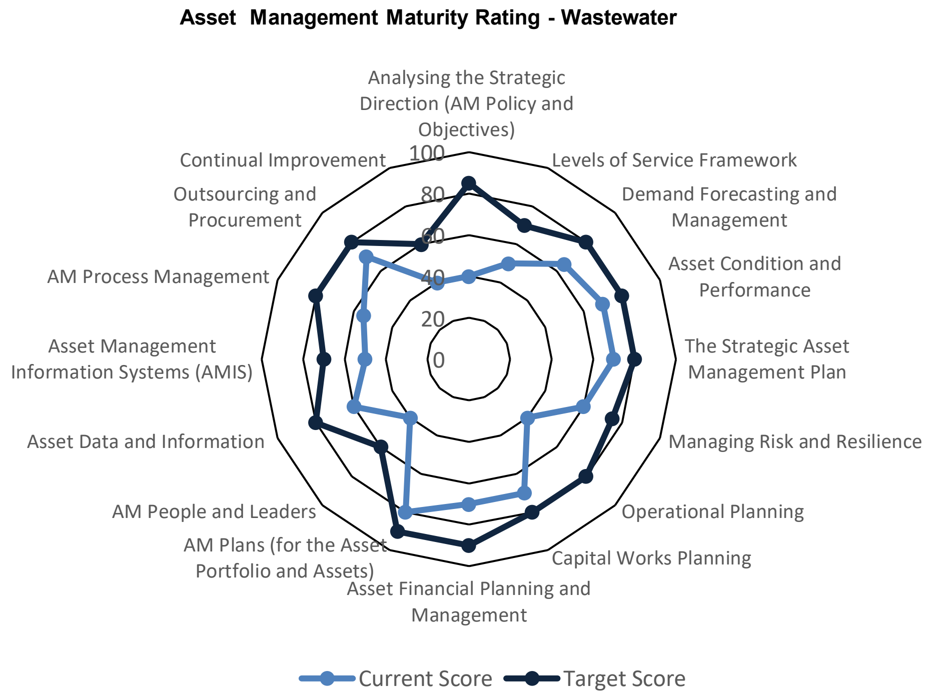
The management of water service delivery is proposed to be kept in-house. Day to day operations of all three waters is contracted out, to Ashburton Contracting Limited (ACL) until 2030, but managed closely by Council staff. ACL is required to operate and maintain the assets to achieve specified outcomes and ensure they provide the required levels of service. Compliance, asset management, forward work planning and reporting is done by Council staff. This includes updating and improving our 30-year Infrastructure Strategy and Asset Management Plans. Council have been undertaking a process of improving our formal asset management processes for a number of years, although due to limited resourcing progress has been slower than we would like.

A recent asset management maturity assessment, aligned to the International Infrastructure Management Manual (IIMM) framework, highlighted a range of areas for improvement. The most notable areas for more improvement identified were around continuous improvement, strategic direction and Asset Management (AM) leadership, the implementation of the Asset Management Information System (AMIS) itself, and operational planning. Notable proposed improvements are updating operational documents such as manuals, Standard Operating Procedure (SOPs) and maintenance plans, developing AM systems, objectives and policies, and implementing work management systems to better relate operational and capital work programmes.

Overall we assessed ourselves at Core level, with some Intermediate aspects. Council generally set our targets at Intermediate level. Core means that good practices are in place for the essential components, such as asset registers, simple risk assessments and renewal planning. Intermediate means that good practice is well-embedded and being used, and that some analysis and critical evaluation is being carried out, such as risk and criticality-based maintenance and renewals. The highest level, Advanced, incorporates higher level techniques such as predictive modelling, dynamic planning and optimised decision-making.

The summary results are shown here:





Our main focus for the next few years is on improving data systems – expanding our asset management information system (Infor Public Sector) and Geographic Information Systems (GIS) (ESRI ArcGIS), improving records management using SharePoint, and improving the interconnectivity and availability of our other data sets, such as Supervisory Control and Data Acquisition (SCADA), laboratory and inspection data. An in-development data strategy will document the current sources, repositories and users of our data, and will set out a pathway to improve the availability, integration and utilisation of this information to significantly improve our asset management practice. We propose to add a dedicated data analyst position to the team to implement this.

In parallel, we are looking to improve our formal processes and practices, including aligning ourselves with, and assess progress against, a formal asset management framework. Historically we have been broadly aligned with the IIMM, and the IIMM has now been aligned with ISO 55001. The next step of this work, after completing the maturity assessment, is the development of the foundational documents, including an Asset Management Policy and Asset Management Strategy, and committing to an improvement programme.

Statement of Regulatory Compliance

Resource Consents

Drinking Water

Council holds 17 resource consents which include 182 conditions setting out the requirements that must be satisfied. Council holds 14 consents to take water, 3 consents to discharge to both land and water, and no consents to construct and maintain in-stream structures.

The Fairton and Lake Hood consents are no longer in use as these schemes have been connected to Ashburton, but the consents have not been surrendered.

A summary of the significant water supply consents and their status is provided in the table below. Information has been obtained from our consents register. The non-compliant results are considered low risk and plan to be addressed over the course of the Plan through leak detection, water metering and renewal assessments.

Water Supply Scheme	Consent Description	Consent Number	Expiry Date	Aggregate compliance achieved?	Overall environmental performance	Overall administrative performance of the consent
Methven Springfield	Take groundwater	CRC002108	30/01/2041	Non - Compliant	Medium	High
Methven	Take groundwater	CRC011923	08/08/2037	Non - Compliant	Low (high exceedance of annual volume limit)	High
Mt Somers	Take groundwater	CRC022026	15/07/2037	Compliant	High	High
Hinds	Take groundwater	CRC041517	18/02/2039	Non - compliant	Medium	High
Ashburton	Ashburton WTPs Take groundwater	CRC050225.1	26/11/2039	Non - Compliant	Medium	High
Ashburton	Tinwald WTP Take groundwater	CRC051262.1	26/11/2039	Non - Compliant	Medium	High
Montalto	Take surface water	CRC052628	04/08/2045	Compliant	High	High
Mayfield	Take groundwater	CRC120547	17/05/2045	Compliant	High	High
Lake Hood	Take groundwater	CRC164142	18/03/2037	Bore not used	N/A	N/A
Dromore	Take groundwater	CRC170019	29/07/2051	Non - compliant	Medium	High
Methven	Methven WTP Discharge backwash to land	CRC231924	24/03/2058	Compliant	High	High
Mt Somers	Mt Somers WTP Discharge backwash to land	CRC231934	14/03/2058	Compliant	High	High
Rakaia	Take groundwater	CRC244450	29/04/2044	Compliant	High	High

Various	Multiple WTPs Discharge stormwater to land in a protection zone	CRC244645	31/07/2059	Not monitored		
Hakatere	Take groundwater	CRC991485	07/04/2034	Non - compliant	Medium (exceedance only minimal)	High
Chertsey	Take groundwater	CRC991612	04/03/2034	Compliant	High	High
Fairton	Take groundwater	CRC980747.1	03/12/2032	Compliant	High	High

Wastewater

Council holds 18 operational resource consents in the wastewater area, which include 210 conditions setting out the requirements that must be satisfied. Council holds 2 consents to take water, 13 consents to discharge to land, water and air, 1 land-use consent and 2 consents related to the maintenance of a stream diversion and associated structure.

A summary of the significant wastewater consents and their status is provided in the table below. Information has been obtained from our consents register.

Wastewater Scheme	Consent Description	Consent Number	Expiry Date	Aggregate compliance achieved?	Overall environmental performance	Overall administrative performance of the consent
Ashburton	Wilkins Road WWTP Oxidation pond seepage	CRC030474	03/06/2039	Compliant	High	High
Ashburton	Ocean Farm WWTP Irrigation	CRC030999.1	13/06/2039	Significant Non-compliance	Low	Med - high
Ashburton	Ocean Farm WWTP Wetland overflow	CRC031000.1	13/06/2039	Non - compliant	Low	Medium (data not always accurate)
Ashburton	Ocean Farm WWTP Wetland seepage	CRC031001.1	03/06/2039	Compliant	High	High
Ashburton	Wilkins Road WWTP Aeration pond seepage	CRC031002	03/06/2039	Compliant	High	High
Ashburton	Wilkins Road WWTP Aeration pond air discharge	CRC031003	03/06/2039	Non-Compliant No Action Required	Medium	Medium (odour alert not actioned)
Ashburton	Divert Wheatstone Drain	CRC031005	03/06/2039	Not Monitored		
Ashburton	Discharge Wheatstone Drain to River	CRC031006	03/06/2039	Compliant	High	High
Ashburton	Divert Wheatstone Drain	CRC031007	03/06/2039	Not monitored		N/A
Ashburton	Ocean Farm WWTP Irrigation air discharge	CRC031148	03/06/2039	Compliant	High	High
Ashburton	Ocean Farm WWTP Storage pond overflow	CRC093639	03/06/2039	Compliant	High	High
Ashburton	Ocean Farm WWTP Irrigation bore water take	CRC200198	03/06/2039	Compliant	High	High

Rakaia	Rakaia WWTP Sludge drying beds air discharge	CRC244473	29/07/2029	Compliant	High	High
Rakaia	Rakaia WWTP Land use consent	CRC244933	29/07/2029	Not Monitored		
Rakaia	Rakaia WWTP Groundwater bore water take	CRC980563	26/11/2032	Compliant	High	High
Rakaia	Rakaia WWTP Irrigation discharge	CRC980564.1	11/03/2033	Non-Compliance No Action Required	Medium	Medium
Rakaia	Rakaia WWTP Plant air discharge	CRC980565	23/03/2033	Non-compliance No action required	Medium	Medium
Methven	Methven WWTP Land disposal	CRC991241	08/07/2034	Non-compliance No action required	Medium	High

Stormwater

Council holds 8 resource consents which include 132 conditions setting out the requirements that must be satisfied. Council holds 1 consent to divert surface water, 5 consents to discharge to both land and water, and 2 consents to construct and maintain in-stream structures.

A summary of the significant stormwater consents and their status is provided in the table below. Information has been obtained from our consents register.

Stormwater Scheme	Consent Description	Consent Number	Expiry Date	Aggregate compliance achieved?	Overall environmental performance	Overall administrative performance of the consent
Ashburton	Network-wide discharge consent	CRC186263	17/06/2044	Non-compliant	Medium	Medium
Ashburton	Maintain Mill Creek	CRC020158.1	30/11/2026	Not monitored	-	-
Ashburton	Dobson St Maintenance of outfalls and culvert	CRC103734	29/11/2045	Not monitored	-	-
Ashburton	Mill Creek Discharge dewatering water for maintenance	CRC120550	20/11/2036	Not monitored	-	-

Ashburton	Mill Creek Dam and divert water for maintenance	CRC120552	20/11/2036	Not monitored	-	-
Ashburton	Woollen Mills Drive Discharge to land	CRC143888	20/01/2044	Not monitored	-	-
Ashburton	Lochlea Discharge to land	CRC213699	29/04/2046	Not monitored	-	-
Methven	Wayne Place Discharge to land	CRC051734.1	17/06/2040	Not monitored	-	-

Expired Consents

Council currently has no expired consents that are being renewed under section 124 Resource Management Act 1991.

Active Consent applications

Council currently has no active consent applications.

Current and Future Extent of Compliance with regulatory requirements

Drinking Water

Our water supplies currently do not all comply with the Drinking Water Quality Assurance Rules (DWQAR), but we are in the midst of a major capital upgrade programme which will address these requirements. Methven and Mt Somers have already had membrane treatment plants built, commissioned in 2023 and 2024, and the remainder of our Water Treatment Plants (WTPs) are having UV disinfection equipment installed (including cartridge filters if required). At the time of writing four plants out of nine have been completed and the upgrade programme is expected to be complete by the end of the 2025 calendar year.

There are also operational and procedural improvements being made in parallel. These include improvements to manuals, processes and procedures, and the data collection and auditing to go along with them. Source water risk management plans are under development, drawing on the existing source risks in the Water Safety Plans and the source delineation work previously completed. We have also initiated a backflow prevention programme to meet the distribution zone rules. The outcome of this work will mean Council addresses the non-compliances with bacterial compliance as shown in the table below.

Montalto is an exception due to historic differences in how it is configured that make applying the acceptable solutions difficult. We are working through the implications and options with Water Services Authority – Taumata Arowai to provide an affordable and practical solution for the community and have included budget for an anticipated solution.

Our water supplies mostly comply with resource consents, although there are some instances where water abstraction limits are exceeded at peak times. These are being addressed through an increased focus on demand management (including restrictions and water efficiency education), network and customer metering, leak detection, and in the case of the Dromore and Methven schemes through accelerated renewals to eliminate the leaks and faults we know are common on sections of old, poor-quality network. This is an ongoing process.

Most water sources are reliable and good quality. Mt Somers has had concerns with its source in dry summers, and an investigation into an additional or replacement source is planned. No capex has been allocated for construction of an additional source at this time. For the other schemes, we intend to manage demand within the current consents until they are due for renewal.

No Council water supplies have fluoride mandates. Methven is currently fluoridated, no other schemes are, and we have no plans to change our current fluoridation pattern. We have allowed in our financial modelling for a nominal rollout in 2028-29, although this will be reviewed nearer the time and is dependent on updates from the Ministry of Health.

Wastewater

Our wastewater schemes all have active resource consents. There are a number of non-compliances, currently covered by active action plans, developed in discussion with ECan, and investigations. In particular we have experienced high nitrogen loading rates at the Ocean Farm WWTP and high faecal coliform counts at the Ocean Farm wetland, attributed to bird activity.

We are undertaking a district-wide wastewater strategy, looking at populations, loadings, regulations and technologies, which will be used to underpin a medium-term plan for our schemes to achieve compliance with current and anticipated future regulatory standards, and to meet future growth and demand. It will also identify possible future schemes for the longer term. The Ashburton wastewater scheme is likely to need upgrades first, to address the irrigation system used for land disposal and to improve treatment effectiveness and free up capacity. After this, we expect that Methven and Rakaia are likely to need upgrades when their consents approach expiry. The expected need for upgrades is reflected in the capex and opex forecasts.

We are not specifically delaying any consent renewals for the future standards, but should the strategy work indicate a need to review the existing consents then we are likely to consider whether it is beneficial to replace the consents under the new framework rather than amend the existing.

Stormwater

Ashburton has a network-wide consent, and Methven and Rakaia have network-wide consent applications in development. The Ashburton consent, and its associated stormwater management plan, sets out a programme of capital upgrades for collecting and treating stormwater before discharge. This is set out in the long term plan, although has been deferred from 2025-26 to 2026-27 due to competing priorities.

Ashburton is currently non-compliant, due mainly to delays in beginning the implementation of various measures required under the stormwater management plan. This includes an assessment of industrial sites, reviews of the monitoring programme, notifications to ECan and tracking of new discharge sites, and scheduled updates of the hydraulic model. Most of these have been set in motion, and the proposed addition of an engineer with a focus on stormwater will help provide resourcing to give this the attention needed to bring the consent into compliance.

Non-Compliances

We intend to fully comply with current and future requirements, and none of our schemes are fundamentally unable to comply. Measures to get us to full compliance have been discussed above.

Parameters	Drinking supply schemes	Wastewater schemes	Stormwater Schemes/ catchments
Drinking water supply			
Ashburton includes Tinwald Lake Hood & Fairton (ASH003) • Bacterial compliance (E.coli) • Protozoa compliance • Chemical compliance • Boiling water notices in place • Fluoridation • Average consumption of drinking water • Water restrictions in place (last 3 years) • Firefighting sufficient	• No (No E. coli detected in 2024) • Yes • Yes • None in last 3 years • No • 5,668,729m^3/year • Yes • Yes	n/a	n/a
Chertsey (CHE002) • Bacterial compliance (E.coli) • Protozoa compliance • Chemical compliance • Boiling water notices in place • Fluoridation • Average consumption of drinking water • Water restrictions in place (last 3 years) • Firefighting sufficient	• No (No E. coli detected in 2024) • No • Yes • None in last 3 years • No • 23,887m^3/year • Yes • No (not a firefighting supply)	n/a	n/a
Dromore (DRO001) • Bacterial compliance (E.coli) • Protozoa compliance • Chemical compliance • Boiling water notices in place • Fluoridation • Average consumption of drinking water • Water restrictions in place (last 3 years) • Firefighting sufficient	• No (No E. coli detected in 2024) • No • Yes • None in last 3 years • No • 77,749m^3/year • Yes Permanent Hosing Ban Supply is for in house domestic use only • No (not a firefighting supply)	n/a	n/a

Parameters	Drinking supply schemes	Wastewater schemes	Stormwater Schemes/ catchments
Hakatere (HAK001) • Bacterial compliance (E.coli) • Protozoa compliance • Chemical compliance • Boiling water notices in place • Fluoridation • Average consumption of drinking water • Water restrictions in place (last 3 years) • Firefighting sufficient	• Yes • Yes • Yes • None in last 3 years • No • 28,087m^3/year • Yes • No (not a firefighting supply)	n/a	n/a
Hinds (HIN001) • Bacterial compliance (E.coli) • Protozoa compliance • Chemical compliance • Boiling water notices in place • Fluoridation • Average consumption of drinking water • Water restrictions in place (last 3 years) • Firefighting sufficient	• No (No E. coli detected in 2024) • No • Yes • None in last 3 years • No • 117,318m^3/year • Yes • No (not a firefighting supply)	n/a	n/a
Mayfield (MAY001) • Bacterial compliance (E.coli) • Protozoa compliance • Chemical compliance • Boiling water notices in place • Fluoridation • Average consumption of drinking water • Water restrictions in place (last 3 years) • Firefighting sufficient	• No (No E. coli detected in 2024) • No • Yes • None in last 3 years • No • 36,370m^3/year • Yes • No (not a firefighting supply)	n/a	n/a

Parameters	Drinking supply schemes	Wastewater schemes	Stormwater Schemes/ catchments
Methven (MET001 and MET002) • Bacterial compliance (E.coli) • Protozoa compliance • Chemical compliance • Boiling water notices in place • Fluoridation • Average consumption of drinking water • Water restrictions in place (last 3 years) • Firefighting sufficient	• Yes • Yes • Yes • Yes (since 30 June 2022) MET001 4 Notices 24.9 days, MET002 3 Notices 72.5 days • Yes (MET002 since July 2024) • MET001 644,862m^3/year MET002 531,016,3/year • Yes - MET001 MET002 Permanent Hosing/Irrigation Ban Supply is stockwater & in house domestic use only • Yes	n/a	n/a
Montalto (MON001) • Bacterial compliance (E.coli) • Protozoa compliance • Chemical compliance • Boiling water notices in place • Fluoridation • Average consumption of drinking water • Water restrictions in place (last 3 years) • Firefighting sufficient	• No (E. coli was detected in one weekly sample in 2024) • No • Yes • Yes Permanent in effect since February 2018 • No • 288,432m^3/year • Yes Permanent Hosing/Irrigation Ban Supply is stockwater & in house domestic use only • No (not a firefighting supply)	n/a	n/a
Mt Somers (MTS001) • Bacterial compliance (E.coli) • Protozoa compliance • Chemical compliance • Boiling water notices in place • Fluoridation • Average consumption of drinking water • Water restrictions in place (last 3 years) • Firefighting sufficient	• No (No E. coli detected in 2024) • No • Yes • Yes (Since 30 June 2022) 5 Notices 20.1 days • No • 43,629m^3/year • Yes • No (not a firefighting supply)	n/a	n/a

Parameters	Drinking supply schemes	Wastewater schemes	Stormwater Schemes/ catchments
Rakaia (RAK001) • Bacterial compliance (E.coli) • Protozoa compliance • Chemical compliance • Boiling water notices in place • Fluoridation • Average consumption of drinking water • Water restrictions in place (last 3 years) • Firefighting sufficient	 • Yes • Yes • Yes • None in last 3 years • No • 303,537m^3/year • Yes • Yes	n/a	n/a

Notes:

- The compliance table above is the latest completed compliance year (2024 under the DWQARs) at the time of writing.
- Compliance status reported as Yes/No based on DWQARs % compliance rate converted to Yes if >50%, No if <50% for relevant rule subsets.
- For Bacterial compliance a note about E.coli detections added when DWQARs compliance rated as No (<50% DWQARs compliance).

Parameters	Drinking supply schemes	Wastewater schemes	Stormwater Schemes/ catchments
Resource Management			
• Significant consents (note if consent is expired and operating on S124)	Water supply take [14] Water discharge [3]	Wastewater discharge water/land/air [13] Network [0]	Stormwater discharge [5] Network [1]
• Expire in the next 10 years	3	1	0
• Non-compliance: • Significant risk non-compliance • Moderate risk non-compliance • Low risk non-compliance	 0 0 1	 1 2 3	 0 1 0
• Active resource consent applications	0	0	0
• Compliance actions (last 24 months): • Warning • Abatement notice • Infringement notice • Enforcement order • Convictions	 0 0 0 0 0	 1 1 1 0 0	 0 0 0 0 0

Notes:

- The abatement notice and infringement for wastewater are related to the same issue, around the discharge of sludge to land at the Rakaia WWTP. This was first brought to light by ECan in late 2023 and cleared in December 2024 after a capital upgrade to install sludge drying beds and off-site disposal instead of discharging to land.

Capital expenditure required to deliver water services and ensure that water services comply with regulatory requirements

This WSDP follows the 2024-34 LTP for the most part, although we have included some additional expenditure in this plan. The additional expenditure does not appear in the LTP or 30-year Infrastructure Strategy because of the high uncertainty around what the projects might look like, when they might take place and how much they might cost. However in order to demonstrate the that the water services comply with regulatory requirements and sustainability of future service delivery it is prudent to include the likely level of expenditure, accepting that it comes with uncertainty. These projects will be included in the Water Services Strategy.

Drinking Water

We are currently working our way through a major upgrade programme to meet the DWQARs. For the remainder of the next 10 years the focus is on ongoing renewals, although we are also adding resilience to our network through the installation of a new pipeline along the second Ashburton river bridge, and additional reservoir storage for Methven and Rakaia. In the longer term, we are preparing for future capacity and security of supply needs by looking at additional sources for Ashburton and Mt Somers and considering the installation of water meters for asset management purposes to understand water demand and water loss.

Other major works anticipated are the Montalto water supply upgrade (2027-28), potential additional equipment for fluoridation, if directed by the Ministry of Health (2028-29), and a solution to the high Nitrates in the Tinwald bore, either a deeper bore or nitrate removal treatment (2029).

Wastewater

We have a number of resource consents due for renewal in the 2030s, and so we have modelled the potential future investments needed to ensure our plants and networks can continue to meet expectations with the increased population forecast. These upgrades would take place progressively and are nominally included in 2027 (Ocean Farm irrigation), 2030-32 (Ocean Farm nitrate removal), 2033-34 (Rakaia and Methven WWTP treatment level upgrades).

We are also preparing for demands from peri-urban areas and unserved communities and have allocated funds to extend wastewater to business areas around Ashburton, nominally in 2029-30, and to develop a wastewater scheme for Hinds, nominally in 2035-36. These sorts of investments will become increasingly important to allow for growth in the district.

Stormwater

We currently have a significant programme of capital expenditure to improve the collection and treatment of stormwater before discharge, as laid out in the Stormwater Management Plan that is part of the network-wide stormwater consent for Ashburton. We are also working through similar consents for Rakaia and Methven, although their networks are substantially smaller and so the capital required is likely to be small.

Projected investment requirements

Projected investment in water services $000	FY2024/25	FY2025/26	FY2026/27	FY2027/28	FY2028/29	FY2029/30	FY2030/31	FY2031/32	FY2032/33	FY2033/34
Drinking Water										
Capital expenditure - to meet additional demand	0	123	629	4,115	1	1	1	1	1	1
Capital expenditure - to improve levels of service	9,191	554	3,784	6,624	7,241	98	1,008	0	0	0

Capital expenditure - to replace existing assets	2,924	7,868	4,075	3,213	5,882	3,779	4,120	2,141	4,614	1,395
Total projected investment for drinking water	12,115	8,545	8,488	13,952	13,124	3,878	5,129	2,142	4,615	1,396
Wastewater										
Capital expenditure - to meet additional demand	1	0	1	160	7,282	5,777	1	1	1	6,320
Capital expenditure - to improve levels of service	0	62	5,405	209	0	3,850	3,939	4,030	1,546	1,580
Capital expenditure - to replace existing assets	7,498	5,334	3,719	10,844	3,164	2,900	1,130	3,449	2,699	2,682
Total projected investment for wastewater	7,499	5,396	9,125	11,213	10,446	12,527	5,070	7,480	4,246	10,582
Stormwater										
Capital expenditure - to meet additional demand	0	0	1	1	1	1	1	1	1	1
Capital expenditure - to improve levels of service	0	651	9,070	4,198	255	4,951	150	2,920	139	2,699
Capital expenditure - to replace existing assets	0	0	0	23	0	0	26	0	76	9
Total projected investment for stormwater	0	651	9,071	4,222	256	4,952	177	2,921	216	2,709
Total projected investment in water services	**19,614**	**14,592**	**26,684**	**29,387**	**23,826**	**21,357**	**10,376**	**12,543**	**9,077**	**14,687**

Historical delivery against planned investment

The table below shows historical actual investment spend on water services infrastructure against planned investment.

Delivery against planned investment	**Renewals investment for water services**				**Total investment in water services**			
	FY2024/25	**FY21/22 - FY23/24**	**FY18/19 - FY20/21**	**Total**	**FY2024/25**	**FY21/22 - FY23/24**	**FY18/19 - FY20/21**	**Total**
Total planned investment (set in the relevant LTP)	10,422	18,262	12,570	41,254	19,614	48,559	32,393	100,566
Total actual investment	4,920	18,600	7,064	30,584	9,612	53,798	21,480	84,890
Delivery against planned investment (%)	47%	102%	56%	74%	49%	111%	66%	84%

Delivery was behind budgets in FY18/19-FY20/21 due to extreme resourcing constraints in both the project delivery team and with contractors. This was addressed for FY21/22 with new and additional staff on both sides, and especially in Council, and the trend has been positive since then.

The low number in 2024/25 is largely due to two major activities, a trunk sewer renewal and the significant water treatment plant upgrade programme, starting later than expected, progressing more slowly, and therefore delaying spend. In the case of the WTP upgrades in particular, this was a consequence of very long lead times for UV disinfection equipment coming from overseas. This will be balanced out in FY2025/26 as the projects reach completion.

The SABU's dedicated governance structure, along with the allocation of additional resources, is expected to play a critical role in ensuring that the planned investment is delivered consistently and effectively each year.

Part C: Revenue and financing arrangements

Revenue and charging arrangements

Charging and billing arrangements

Council's Revenue & Financing Policy 2024 (RFP) details charging arrangements for each of the three waters services will continue while transitioning to the SABU. In the future (see Implementation Plan), the Council will review the RFP and explore alternative charging methods, like fixed charges or charging based on water usage, to ensure financial sustainability, fairness and affordability as well as facilitating the separation of stormwater revenue. Any changes to the current rating mechanisms will be implemented following a review of the RFP.

Charging is currently applied as follows for Water Services:

Drinking water

	Definition and Charging	Scheme/Catchment covered	2025/26 rate (Incl GST)
Group Water Supply rate - connected	Fixed amount per separately used or inhabited part of a rating unit	Ashburton urban, Lake Hood, Methven, Chertsey, Dromore, Fairton, Hakatere, Hinds, Mayfield, Methven, Methven/Springfield, Montalto, Mt Somers and Rakaia	$741.50
Group Water Supply rate - serviceable	Fixed amount per separately used or inhabited part of a rating unit	Ashburton, Chertsey, Dromore, Fairton, Hakatere, Hinds, Mayfield, Methven, Montalto, Mt Somers and Rakaia	$370.75
Extraordinary User	Extraordinary user is defined in Council's Water Supply Bylaw as 'a category of on demand supply including all purposes for which water is supplied other than ordinary supply and which may be subject to specific conditions and limitations. Charged a fixed amount per 1,000 litres in excess of 90 cubic metres consumed per quarter.		$1.00/1,000 litres in excess of 90 cubic metres consumed per quarter
Residential Extraordinary Users	'Residential extraordinary' is further defined as properties connected to the Council water supply network located in Residential D, or Rural A zones of the Ashburton District Plan, or the Methven-Springfield water supply. Charged a fixed amount per 1,000 litres of water in excess of 438 cubic metres consumed per annum.		$1.00/1,000 litres in excess of 438 cubic metres consumed per annum
Barrhill Water Supply	Fixed Targeted rate on all rating units connected to the Barrhill Water supply scheme	Barrhill	$391.60
Lyndhurst Water Supply	Fixed Targeted rate on all rating units connected to the Lyndhurst Water supply scheme	Lyndhurst	$193.20
Montalto Water Supply	• Fixed Targeted rate on all rating units connected to the Montalto Water supply scheme • Differential rate based on hectares of land	Montalto Montalto	$2,252.00 $75.30/hectare

Fees and Charges	Fees include connection and disconnection fees, water main tapping fees, reticulation recovery fees, inspection fees, bulk water charges, water meter testing fees		Various
Development Contributions	Charge on new developments that place additional demand on capacity in the Council's water supply infrastructure.	Ashburton, Methven, Mt Somers, Hinds, Fairton, Methven-Springfield, Mt Somers	$1,941 – $21,510 (dependent on the location of the water supply service)

Wastewater

	Definition and Charging	**Scheme/Catchment covered**	**2025/26 rate (incl GST)**
Group Wastewater Supply rate - connected	Fixed amount per separately used or inhabited part of a rating unit	Ashburton urban, Methven, Rakaia	$603.60
Group Wastewater Supply rate - serviceable	Fixed amount per separately used or inhabited part of a rating unit	Ashburton urban, Methven, Rakaia	$301.80
Group Wastewater Supply rate – Fixed amount per additional urinal/plan	Additional targeted rate for connected rating units (other than those rating units used primarily as a residence) within the Ashburton urban area, Methven and Rakaia townships. These charges will be set differentially based on the number of urinals/pans in excess of three in each rating unit.	Ashburton urban, Methven, Rakaia	$201.20
Fees and Charges	Fees include connection and disconnection fees, trade waste fees, septage fees, reticulation recovery fees, inspection fees		Various
Development Contributions	Charge on new developments that place additional demand on capacity in the Council's wastewater infrastructure.	Ashburton, Methven	$1,215 - $2,625 (dependent on the location of the wastewater service)

Stormwater

	Definition and Charging	**Scheme/Catchment covered**	**2025/26 rate**
Stormwater collection, treatment and disposal networks	General Rate (10%) & Targeted Rate (90%) • Targeted rates (urban amenity rate) for stormwater on the basis of the capital value of each rating unit in the Ashburton, Hinds, Methven and Rakaia townships.	Ashburton, Hinds, Methven, Rakaia and some rural communities	$114 for average Ashburton residential ratepayer.

	• A general rate based on the capital value of each separately used or inhabited part of a rating unit in the District.		
Development Contributions			Currently not charged[2]

Council maintains separate reserves for each water, wastewater and stormwater scheme. The reserve is adjusted for any rating surplus or deficit at each year end. Running balances are maintained so that the balance is taken into account when setting rates for the following years. Development contributions revenue is used to repay debt against each particular scheme. Transfers are made into a depreciation reserve for each scheme, called the renewals reserve, to hold funds for future asset renewals, and funding is released from the reserve as renewals are undertaken and to repay debt.

Water services revenue requirements and sources

The SABU is projected to gather sufficient revenue from 2028/29 onwards to cover operating expenses (including depreciation). This surplus covers renewals expenditure and debt repayment long term. Council is smoothing in the initial years of the plan in order to reduce the transitional impact of charge increases on users.

The sources of revenue detailed in the previous section are likely to continue under the SABU, with water charged for using existing mechanisms. Revenue sources are likely to include those listed below, with any review work to be undertaken in phase 2 of the implementation plan:

Source of revenue	Description
General Rates	Ten percent of the rate requirement for Stormwater is currently collected through the general rate. This funding mechanism will be reviewed alongside a review of the Revenue and Financing Policy scheduled for adoption alongside the 2027-37 Long Term Plan.
Targeted Rates	Fixed amount per separately used or inhabited part of a rating unit for water and wastewater. Volumetric rates charged for certain users (e.g. extraordinary users). These fluctuate based on water usage. Targeted rate based on the capital value of each rating unit for stormwater. Ninety percent of the rate requirement for Stormwater is currently collected through Urban Amenity rates in particular communities. This funding mechanism will be reviewed alongside a review of the Revenue and Financing Policy scheduled for adoption alongside the 2027-37 Long Term Plan.
Fees and Charges	New Connections application fees for all water services. Drinking water - Extraordinary properties are defined in Council's Water Supply Bylaw as 'a category of on demand supply including all purposes for which water is supplied other than ordinary supply and which may be subject to specific conditions and limitations. 'Residential extraordinary' is further defined as properties connected to the Council water supply network located in Residential D, or Rural A zones of the Ashburton District Plan, or the Methven-Springfield water supply. Wastewater also has fees and charges associated with income from trade waste customers and septage income which is the tanker waste at treatment plants. Commercial and Industrial water supply fees and charges relates to income from Bulk Filling Stations (usage and Application fees). High Water User Agreement applications.

[2] Introduction of a Stormwater Development Contribution is being considered in the review of the Council's Development Contributions Policy and is included in the WSDP Implementation Plan.

Borrowing	Borrowing is used to fund capital expenditure for renewals and level of service improvements. Borrowing may be used to fund capital expenditure for growth assets, which is then repaid through development contributions.
Development contributions	These are payments required to recover the costs of growth-related capital expenditures from participants in the development process, rather than from general rates or any indirect funding source.
Grants and Subsidies	These are funds provided by government bodies or organisations to support water infrastructure projects including funding tools such as the Infrastructure Acceleration Fund.

The total revenue requirement over the period 2024-2034 is summarised below, broken down by the sources of revenue. Council does not use commercial or non-residential differentials and there are no users that contribute a significant portion of revenue.

Funding impact statement ($000)	FY24/25	FY25/26	FY26/27	FY27/28	FY28/29	FY29/30	FY30/31	FY31/32	FY32/33	FY33/34
Sources of operating funding										
General rates	150	123	247	395	347	383	390	438	449	460
Targeted rates	15,404	16,020	17,901	19,778	21,768	23,902	26,646	29,335	31,123	32,507
Subsidies and grants for operating purposes	0	0	0	0	0	0	0	0	0	0
Local authorities fuel tax, fines, infringement fees and other receipts	426	437	446	456	466	477	488	499	510	522
Fees and charges	565	579	191	196	199	204	209	214	218	223
Total operating funding	16,545	17,159	18,785	20,825	22,780	24,966	27,733	30,486	32,300	33,712

Charging and collection of rates revenue will be through the rates system, using the mechanisms described above. Charging for other sources of revenue will be through invoicing via our general debtors system.

Existing and projected commercial and industrial user charges

For wastewater, large industries currently pay as per trade waste agreements for trade waste discharge and will continue on the same basis. Trade waste fees are set as per our Trade Wastes Bylaw and fees and charges. Trade waste disposal fees for the year 2025/26 are included below: Trade Waste Fees

Trade waste Disposal	**2025/26**
Registration form and assessment	Free
Application fee for a trade waste consent (one-off)	$160
Annual charge for a permitted category	$250
Annual charge for conditional consent	$426
Transgression follow up inspections/ investigations	At cost
Trade waste excess volume charges (per m^3)	$0.60
Trade waste excess BOD5 charges (per kg)	$2.40
Septic tank waste (per m^3)	$60.00

The affordability of projected water services charges for communities

Maintaining an affordable service is very important to Council. Council will seek to provide water services in an efficient way while meeting regulatory requirements. Charges will reflect the full cost of providing the services, including making adequate provision for the renewal of assets.

Water reform and Council LTP processes have highlighted that Water Services will cost more in the future. The cost of providing these services is increasing, including servicing debt and inflation.

The projected average charge over the period 2024-34 increases from $1,441 in 2024/25 to $2,948 in 2033/34. This is an average increase of 10.5% per year. Water services charges will remain reasonable at between 1.6% and 2.7% of the district's projected median household income over the next ten years. The actual impact on individual customers will depend on future methods of charging, which will vary based on factors such as where a property is located, future funding strategies and usage.

There is no definitive measure of affordability. Using a percentage of household income metric is comparable to affordability metrics for other essential utility services, such as electricity.

Ashburton District Council provides some financial relief options for residents through various circumstances in its Rates Remission Policy which will be reviewed in future. Additionally, the Department of Internal Affairs (DIA) Rates Rebate Scheme offers financial assistance to low-income homeowners, with rebates of up to $790 for the 2024/2025 rating year. These measures aim to support residents struggling with water service costs while ensuring equitable access to essential services and apply for all water services.

Funding and financing arrangements

Water services financing requirements and sources

Projected borrowing requirements over the 10-year period

The projected borrowing requirements for Water Services shows an opening net debt position at the beginning of July 2024 projected to be $72.5m, growing to $133.2 by the end of 2033/34. More commentary is provided in Part D.

Minimum cash and working capital requirements for the sustainable delivery of water services

Under the assumptions applied in preparing the projected financial statements, the minimum cash balance is approximately an overdraft of $7.17 million. This represents the aggregate cash balance for water, wastewater and stormwater services. While there are four years of overdraft, these are temporary with cash and financial assets forecast to consist of funds of $10.465 million in 2033/34.

Working capital requirements will be managed through Council's liquidity requirements set in the Liability Management policy.

Borrowing limits for water services and all Council business

Council has a debt-to-revenue limit of 250% currently in its Treasury Policy. Under the LWDW framework and in line with guidance provided by the LGFA, the council would have the ability to increase the debt to revenue limit up to 280%. Council will decide in future whether it will increase its debt to revenue limit through a review of its treasury policies.

Financial strategy for financing water services investment and operating expenditure

The financial strategy under this WSDP is for water services investment and operating expenditure to be funded by operating revenue and debt. More specifically:

- Operating revenue will fund operating expenditure including depreciation and the cost of servicing debt. The funding of depreciation (non-cash) reflects a proxy for funding capital expenditure renewals and or historic debt used to fund capital expenditure. Therefore, the resulting operating revenue cash surplus will be used to fund capital expenditure renewals and/or historical debt repayments (funded depreciation).
- Growth Capex will also be part-funded by capital revenues, primarily in the form of Development Contributions.
- Debt will be used to fund any shortfall in capital expenditure after allowance for funded depreciation and capital revenues above.

Expected tenor of new borrowings and how interest rate and refinance risk will be managed

The tenor of new borrowings will be based on commercial funding agreements reached between the Council (as the borrower) and the LGFA or other funders (as the lender). In principle, it is assumed that the tenor of new borrowings will match the economic useful life of the underlying infrastructure or investment that the debt is being raised to fund. In this way Council can achieve better intergenerational equity for customers, as the burden of paying for infrastructure will be spread across the period over which benefits will be derived from the use of those assets. It is assumed that Ashburton District's credit rating will remain unchanged, and on this basis, Council will continue to access debt on terms (and at interest rates) that reflect this rating, within the context of prevailing economic conditions. Debt levels will be managed to maintain credit rating.

Ashburton District's current credit rating is AA+. It has been assumed that cost of financing will match the current council cost of financing based on its existing arrangements and Treasury Management Policy.

Debt repayment strategy

Council will manage debt repayment under terms that will match the life of the underlying asset(s). In other words, debt will be repaid over the life of the asset(s). Outside of this, no specific assumptions have been made to extinguish debt early or use excess cash (in the form of cumulative surpluses or reserves) to pay down debt.

Internal borrowing arrangements

As Council operates multiple activities, its debt portfolio is managed on a cash requirement basis with no differentiation between internal and external borrowing. Surplus funds generated from non-Water Services activities may supplement Councils overall debt portfolio through the use of internal borrowing, however funds are not specifically allocated against individual activities or projects. There is no internal lending from Water Services to other Council activities. Overall borrowing costs (internal and external) are managed in the same way that council manages its external borrowing portfolio and this arrangement will continue going forward.

Determination of debt attributed to water services

As of 30 June 2024, the debt value related to Water Services within Council, was determined based on actual debt balances. Rather than borrowing for individual projects, Council borrows at the council level, necessitating a year-end allocation of the debt. This same approach will apply throughout the life of the WSDP.

Capital spending has historically been tracked for each major council activity, and this was updated for the 2023/24 financial year. Local Government Funding Agency (LGFA) borrowings, commercial papers, and bonds were then proportionally allocated to these major activities, based on their share of capital spending. HIF debt specifically pertains to waters and transportation activities and was allocated according to the capital spending incurred in each of these areas. Through Phase one of the Implementation Plan Council will investigate, and then implement, the appropriate financial methods and systems to ensure compliance with the required standards.

The total value of Water Services borrowing at 30 June 2024 is $55.868m.

The net debt to operating revenue for Water Services at 30 June 2024 is 355%.

Insurance arrangements

Confirmation of insurance policies

Council holds the necessary insurance policies. Above ground water assets are covered by our membership of the Local Authority Protection Programme Disaster Fund (LAPP) and under our Material Damage Policy. This policy is put in place through our Broker using Chubb, QBE, NZI, AIG and BHSI. Through the Implementation Plan we will establish how these costs will be attributed for water services and document this for ring-fencing.

Annual insurance risk assessments

Council reviews insurance cover annually. No formal risk assessments are undertaken however a framework is being developed with council to be implemented going forward.

Risk evaluation and assessment

Risk evaluation and assessment is performed by Council's insurers.

Level of insurance cover

Insured values are based on the latest valuations provided by asset managers, either specifically for insurance purposes, or from general valuation exercises, with additional margins added to form an insurance replacement value.

The current level of insurance for above ground water services assets is $49 million. The current level of insurance cover for the replacement of the underground water services assets is $530 million.

Insurance management policy summary

Insurance reviews and asset identification standards will be reviewed regularly. Values will be updated per the most recent valuations and assets added or removed as applicable. Above-ground structures, such as treatment plants, reservoirs, and pump stations, will be insured for all necessary perils at a suitable replacement value subject to an overall group policy limit.

Below-ground assets may be insured for 40% of their replacement value for natural disaster perils only. The remaining 60% of costs may be provided by central government under the Civil Defence Emergency Management cost sharing policy.

Formal documentation will be developed for key insurable risks, risk appetite, tolerance, and mitigations, and links to disaster response policies. Insurance is reported to Council on an annual basis.

Part D: Financial sustainability assessment

Financially sustainable water services provision

Confirmation of financially sustainable delivery of water services by 30 June 2028

Council water services currently meet revenue, investment and financing sufficiency. This is not forecast to change between now and 30 June 2028. Financial sustainability includes confirmation of:

- Revenue sufficiency – Council has sufficient revenue to cover the costs (including servicing debt) of water services delivery
- Investment sufficiency – Council forecasts sufficient investment to meet agreed levels of service, regulatory requirements and provision for growth
- Financing sufficiency – Council has appropriate funding and financing arrangements in place to fund the planned programme with Council having sufficient headroom to manage unexpected future costs

Details and evidence of financial sustainability are included in the remaining sections of Part D.

Actions required to achieve financially sustainable delivery of water services

Intended actions to implement a SABU and achieve financial sustainable delivery of water services are identified in the Implementation plan in Part A. These include more stringent ring-fencing and financial reporting required to ensure that economic regulation is met.

Charges increases are included in line with indicative examples provided during consultation.

To meet regulatory requirements and forecasted growth, the Plan includes projects requiring renewal or upgrading as budgeted for in the Long-Term Plan 2024-34. In addition, new projects identified through the Local Water Done Well process to meet regulatory and water quality requirements are included in planned years. Some of these projects were signalled through the 2024-34 Infrastructure Strategy but not funded. The programme meets all known growth, renewal, levels of service and anticipated regulatory requirements.

From 2026/27 the plan transitions to a 100% Depreciation Recovery approach used to fund renewals and debt repayment. The plan initially discounts depreciation funding in order to alleviate the cost of rising charges to users. By 2029/30 Drinking and Wastewater are working on a 100% recovery basis. Stormwater is forecast to recover 30% of depreciation over the plan. Council considers this prudent due to the majority of capex programme for this activity attributable to increasing levels of service. The total rate requirement is divided by the number of connections to arrive at an overall charge.

Stormwater is currently charged through the General rate and Urban Amenity rate which will require review to ensure appropriate ring-fencing, as outlined in the implementation plan. Council is planning to install water meters in remaining communities where these are currently not installed. Meters are currently used for volume monitoring and leak detection and Council has not committed to using water meters for volumetric charging.

Levels of borrowing will be managed within borrowing limits. On the whole of Council basis there is sufficient headroom to sit within the Council’s 250% net debt limit, noting that Council could increase this to 280% if required.

Risks and constraints to achieving financially sustainable delivery of water services

The following are potential risks to achieving financially sustainability and mitigation approaches:

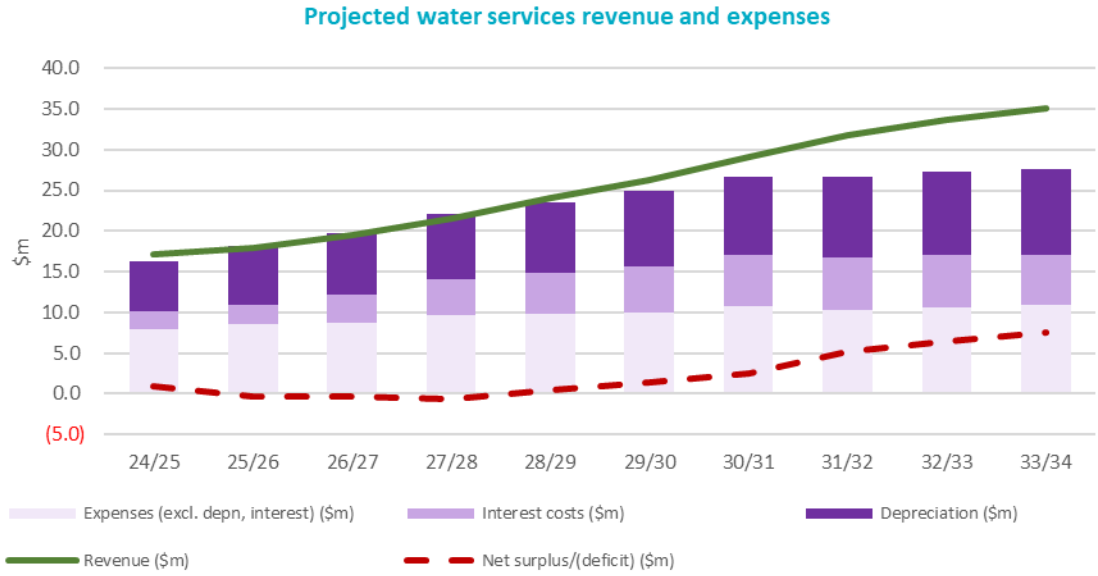
Risk/Constraint	Mitigation
Significant delays in the capital expenditure programme	The programme will be revised annually. Contractors will be employed to progress excess work that is unable to be delivered internally.

Capex programme is materially different from projected	Programme will be revised through annual budgets, and debt, interest and affordability projections will be updated. Council has significant headroom before reaching LGFA borrowing covenants to allow taking on additional debt if required.
Real inflation / interest costs are higher than projected	Inflation and interest costs allowances in the budget match what was considered appropriate in the LTP. Programme will be revised through annual budget, taking into account external factors.
Growth developments lag behind water services growth related capital costs resulting in additional debt servicing costs	Close relationships will be maintained with developers to ensure appropriate timing.
Loss of insurance cover	Should insurance be lost, costs of damage reinstatement from a significant natural event would be significant and works would need to be prioritised. Additional borrowings and increases to rates would be required. Borrowing headroom would help manage this risk.
Significant change to legislation or regulatory settings (e.g. resource consent requirements, change in treatment standards) require higher levels of investment	Legislation/standards is not expected to significantly differ from current approach. Council will work with regulators and central government to be prepared for any changes.
A significant natural event that places fiscal pressure on Council	Council has borrowing headroom to help mitigate this risk. Council's Capital Programme would also likely need significant revision.

Financial sustainability assessment - revenue sufficiency

Projected water services revenues cover the projected costs of delivering water services

Council projected revenues are sufficient and meet the 'revenue sufficiency' test. Additional operating costs are included the meet the requirements of new regulatory compliance under the LWDW programme. The following chart summarises the projected revenue, expenses (with depreciation and interest shown separately), and operating surplus over the 10-year period to 2033/34. The projected revenue exceeds expenses in all years except 2025/26 to 2027/28 where there is a deficit of $0.3m - $0.6m annually. A net surplus is forecast from Year 5 (2028/29) onwards. This surplus is essential to build to ensure sufficient revenue is collected to fund capital renewal projects and pay down debt.



Average projected charges for water services over FY2024/25 to FY2033/34

The following table outlines the projected average charge per connection over the ten years to 2033/34. An average annual increase of 7.6% is forecast over the 10 year life of the plan. This reflects Councils use of debt to fund capex where existing depreciation funding does not cover the capex requirement.

The analysis is for the purpose of assessing affordability at a generalised level. The actual impact on individual customers will depend on future methods of charging, which may vary based on factors such as future funding strategies and usage.

Projected Median Household Income has been calculated using Census 2023 data and inflating this by the inflation rate applied in this Plan (based on the assumptions of the 2024/34 LTP).

Projected average charge per connection / rating unit (including GST)	FY2024/25	FY2025/26	FY2026/27	FY2027/28	FY2028/29	FY2029/30	FY2030/31	FY2031/32	FY2032/33	FY2033/34
Drinking water	737	799	919	914	1,031	1,153	1,171	1,329	1,334	1,428
Wastewater	565	577	637	680	707	782	924	1,048	1,173	1,186
Stormwater	139	114	112	253	279	271	352	306	327	334
Average charge per connection / rating unit	1,441	1,490	1,668	1,847	2,017	2,206	2,446	2,683	2,834	2,948
Increase in average charge	1.3%	3.4%	12.0%	10.7%	9.2%	9.4%	10.9%	9.7%	5.6%	4.0%
Water services charges as % of median household income	**1.6%**	**1.6%**	**1.8%**	**1.9%**	**2.1%**	**2.2%**	**2.4%**	**2.6%**	**2.7%**	**2.7%**

Projected operating surpluses/(deficits) for water services

The table shows the Council forecasts to cover operational expenditure over the life of the plan. In general, the plan forecasts surpluses for most of the 10 years except 2025/26 to 2028/29. Council has a policy of funding depreciation on key assets and has prepared this plan based on transitioning to funding 100% of depreciation costs in each year of the plan. Where a surplus exceeds the cost of renewals then remaining funds are applied to debt. In general Council plans to fund Growth and LOS capex with Development Contributions and Loan Funding. A small deficit is budgeted in years 2-5 due to Council transitioning users over to the full cost of Water Services.

Operating surplus ratio (whether revenues cover costs)	FY2024/25 ($000)	FY2025/26 ($000)	FY2026/27 ($000)	FY2027/28 ($000)	FY2028/29 ($000)	FY2029/30 ($000)	FY2030/31 ($000)	FY2031/32 ($000)	FY2032/33 ($000)	FY2033/34 ($000)
Operating surplus/(deficit) excluding capital revenues – combined water services	322	(1,059)	(998)	(1,259)	(740)	103	1,133	3,877	5,067	6,175
Operating revenue – combined water services	16,545	17,159	18,785	20,825	22,780	24,966	27,733	30,486	32,300	33,712
Operating surplus ratio	1.9%	(6.2%)	(5.3%)	(6.0%)	(3.2%)	0.4%	4.1%	12.7%	15.7%	18.3%

Projected operating cash surpluses for water services

The table below shows the plan forecasts for Council to have positive cashflows for the life of the plan. Starting at 52.5% in 2024/25 and increasing to 67.6% in 2033/34, the operating cash ratio illustrates council's robustness and increasing strength over the 10 year plan. Modelling indicates sufficient cashflows to cover renewals expenditure requirements. While debt funding is used to subsidise this in the early years of the plan, the forecast cashflow is positive in repaying any renewals related to debt drawn down. In light of this, cash surpluses are first used to fund renewals and then water services debt repayment.

Operating cash ratio (whether revenues cover costs)	FY2024/25	FY2025/26	FY2026/27	FY2027/28	FY2028/29	FY2029/30	FY2030/31	FY2031/32	FY2032/33	FY2033/34

Operating surplus/(deficit) + depreciation + interest costs - capital revenues ($000)	8,687	8,638	10,136	11,218	13,001	14,944	17,029	20,125	21,681	22,794
Operating revenue – combined water services ($000)	16,545	17,159	18,785	20,825	22,780	24,966	27,733	30,486	32,300	33,712
Operating cash ratio	52.5%	50.3%	54.0%	53.9%	57.1%	59.9%	61.4%	66.0%	67.1%	67.6%

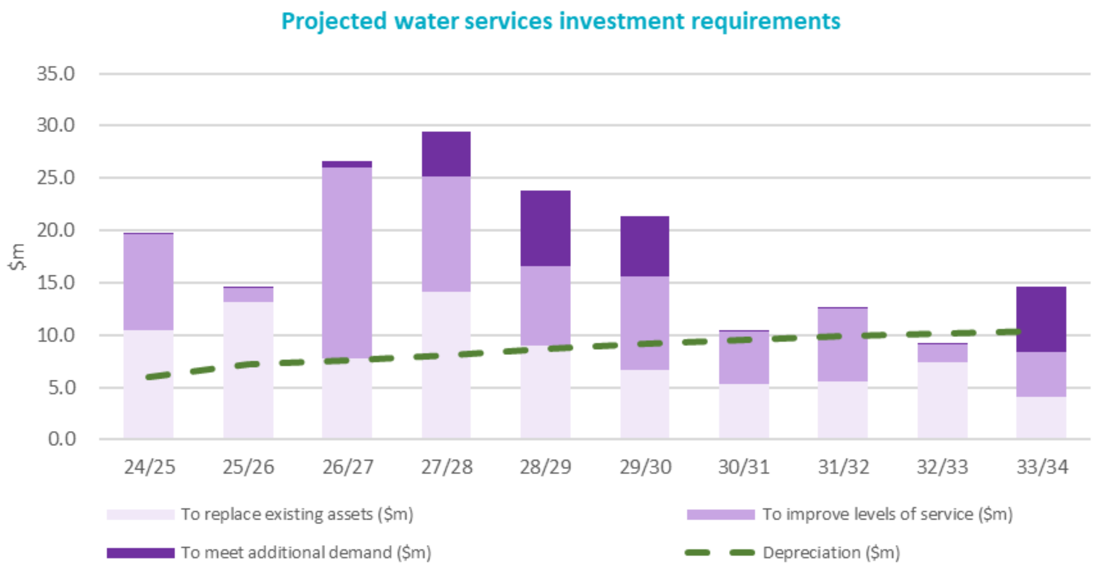
Financial sustainability assessment - investment sufficiency

Projected water services investment is sufficient to meet levels of service, regulatory requirements and provide for growth

Council proposed water services investment are sufficient and meet the 'investment sufficiency' test. The programme is based on assets requiring renewal, regulatory requirements and forecasted growth as budgeted for in the Long Term Plan 2024-34. The WSDP also includes additional projects to meet requirements as identified through the Local Water Done Well process that are spread throughout the ten year period. The proposed level of investment has funds allocated using the following three types of capex, as described below.

- *Growth*: Capital expenditure to meet additional demand such as expanding the Water Supply network in response to urban growth.
- *Level of service*: Capital expenditure to improve levels of service such as developing new infrastructure and upgrading existing systems. This ensures compliance with regulatory requirements, such as resource consents and drinking water standards, particularly in areas where current service levels fall short.
- *Renewal*: Capital expenditure to replace existing assets to ensure a reliable service can continue.

In summary, Council forecasts to invest $181m in Water Services infrastructure over the life of the 10 year plan. This is more than double the level of depreciation ($87m). Levels of Service ($74m) and Growth projects ($24m) are funded by a mix of loan funding and Development Contributions. Renewals expenditure ($84m) is funded by depreciation supported by a small amount of loan funding when required. Refer to Part B of the WSDP which includes detailed analysis and commentary regarding the projected Water Services investment. Appendix 1 provides a summary of the significant capital projects included in the WSDP plan. This is shown in the graph below.



Renewals requirements for water services

The table outlines the Water Services Asset Sustainability Ratio over 10 years. As outlined in Part B. Network Performance, the proposed Water Services renewals investment is modelled and put into the relevant asset management plans. The Asset Management Plans are used to prepare the 30-year Infrastructure Strategy and Long Term Plan 2024-34. This has been budgeted for in alignment with asset replacement methodologies which, in addition to asset age and condition, factor in other aspects such as levels of service, criticality, budget, cost savings opportunities and growth.

The early years have a front-loading of renewals, which eases over the period. This is mainly due to already planned water renewals in Methven being accelerated in response to analysis of water balances and fault reports, and some renewals being done to facilitate treatment plant upgrades. Additional renewals projects have identified and entered as part of this plan.

Over the life of the plan, Ashburton District has a positive average Asset Sustainability ratio of 3.3%. This indicates there is sufficient investment in renewals to replace assets as they meet the end of their useful lives. The table below shows the annual Asset Sustainability Ratio for the 10 years of the plan. From 2029/30 the ratio turns negative after high positive ratios for the first 5 years. This is attributable to the front loading of the renewals work programme, while stormwater does not forecast any renewals expenditure over the plan with all capex within this activity classified as Levels of Service improvements. Additionally, depreciation will be used for repayment of water services loan funding.

Indications from asset management and analysis of network performance will be used to regularly review the required renewal work and budgets. For example, assets like stormwater pipes, which are relatively young and not due for renewal for some time, will show a negative ratio. These assets will be monitored and renewals budgeted for in future decades as needed. Water and wastewater assets will continue to show positive ratios, on average, for 30 years and beyond as we work through our ongoing renewal programmes.

Asset sustainability ratio	**FY2024/25 ($000)**	**FY2025/26 ($000)**	**FY2026/27 ($000)**	**FY2027/28 ($000)**	**FY2028/29 ($000)**	**FY2029/30 ($000)**	**FY2030/31 ($000)**	**FY2031/32 ($000)**	**FY2032/33 ($000)**	**FY2033/34 ($000)**
Capital expenditure on renewals – all water services assets	10,422	13,202	7,794	14,080	9,046	6,679	5,276	5,590	7,389	4,086
Depreciation – all water services assets	6,035	7,270	7,542	8,069	8,650	9,147	9,609	9,872	10,194	10,461
Asset sustainability ratio[3]	72.7%	81.6%	3.3%	74.5%	4.6%	(27.0%)	(45.1%)	(43.4%)	(27.5%)	(60.9%)

[3] The Asset Sustainability Ratio is Capital expenditure on renewals divided by depreciation, minus 1. This ratio assesses whether projected renewals investment is more or less than projected depreciation and is an indicator as to whether the renewals programme is replacing network assets in line with the rate of asset deterioration. Where the ratio is positive, this means that there is more projected renewals investment than projected depreciation. Where this ratio is negative, this means that projected renewals investment is less than projected depreciation.

Total water services investment required over 10 years

The Asset Investment Ratio is positive for the next 10 years of the capital programme, indicating that total investment is higher than annual depreciation. The Levels of investment were identified as part of the Council's long term plan process and through additional projects included as this plan was compiled. The level of investment adequately considers capital expenditure for growth and improving levels of service.

Fluctuations in the ratio are due to additional projects included and the timing of investments to meet regulatory requirements, levels of services and growth. Greater certainty on regulatory requirements is also reflected in the early years of the ratio.

Asset investment ratio	FY2024/25 ($000)	FY2025/26 ($000)	FY2026/27 ($000)	FY2027/28 ($000)	FY2028/29 ($000)	FY2029/30 ($000)	FY2030/31 ($000)	FY2031/32 ($000)	FY2032/33 ($000)	FY2033/34 ($000)
Total capital expenditure – all water services assets	19,614	14,592	26,684	29,387	23,826	21,357	9,246	12,543	9,077	14,687
Depreciation – all water services assets	6,035	7,270	7,542	8,069	8,650	9,147	9,609	9,872	10,194	10,461
Asset investment ratio[4]	225.0%	100.7%	253.8%	264.2%	175.5%	133.5%	(3.8%)	27.1%	(11.0%)	40.4%

Average remaining useful life of network assets

The asset consumption ratio remains stable over the next 10 years, increasing slightly from 61% to 71%. This indicates that the proposed level of investment is sufficient to address aging assets and this is spread consistently across the consumers impacted in the first ten years. Council's planned investment increases the average remaining useful lives of its Water Services network assets.

Asset consumption ratio	FY2024/25 ($000)	FY2025/26 ($000)	FY2026/27 ($000)	FY2027/28 ($000)	FY2028/29 ($000)	FY2029/30 ($000)	FY2030/31 ($000)	FY2031/32 ($000)	FY2032/33 ($000)	FY2033/34 ($000)
Book value of water infrastructure assets	325,319	345,150	368,599	394,708	415,294	433,346	439,210	448,275	453,761	464,731
Replacement value of water infrastructure assets	528,686	537,401	560,851	586,959	607,545	625,598	631,461	640,526	646,012	656,982
Asset consumption ratio[5]	61.5%	64.2%	65.7%	67.2%	68.4%	69.3%	69.6%	70.0%	70.2%	70.7%

4 The Asset Investment Ratio compares total investment to projected depreciation. Where the ratio is positive, this means that there is more projected investment than projected depreciation. Where this ratio is negative, this means that projected investment is less than projected depreciation.

5 The Asset Consumption Ratio compares the book value of water infrastructure assets to total replacement value of water infrastructure assets. The ratio percentage represents the average remaining useful life of network assets. If this ratio materially reduces over time, then this means that the burden on future consumers to replace network assets is increasing.

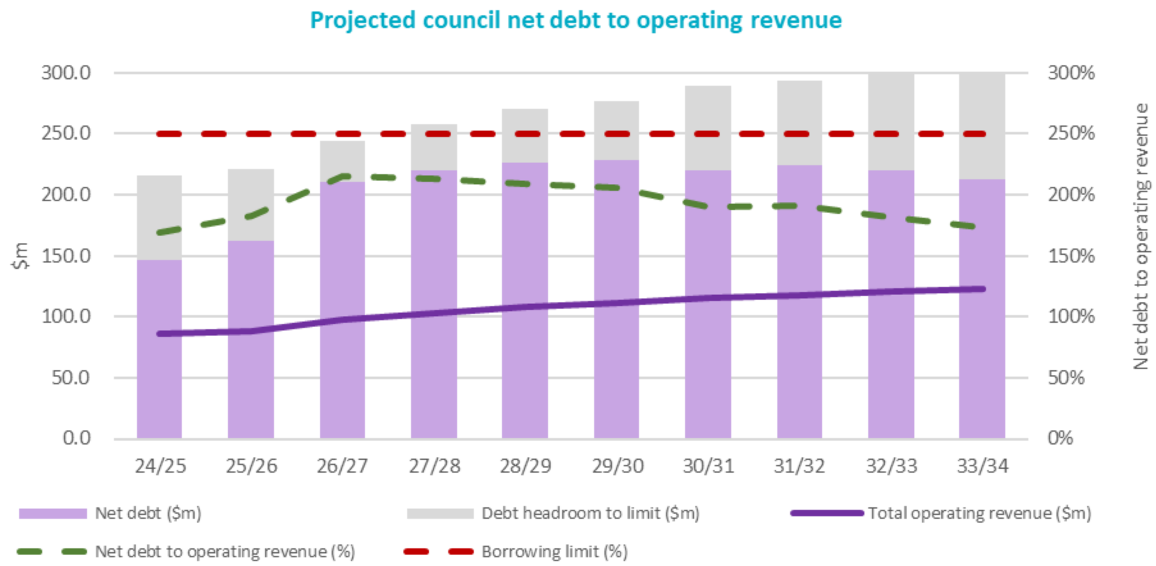
Financial sustainability assessment - financing sufficiency

Confirmation that sufficient funding and financing can be secured to deliver water services

The following summarises the expected funding and financing activities over the 10-year period to 2033/34. Council confirm that funds are available to meet all the expenses required to complete the capital programme successfully. The WSDP is considered to meet the financing sufficiency test. Asset renewals will be funded by depreciation. Regulatory requirements and increased levels of service will be funded by debt. Growth will be funded by developer contributions and debt. Proposed borrowings will be sourced from Local Government Funding Agency (LGFA).

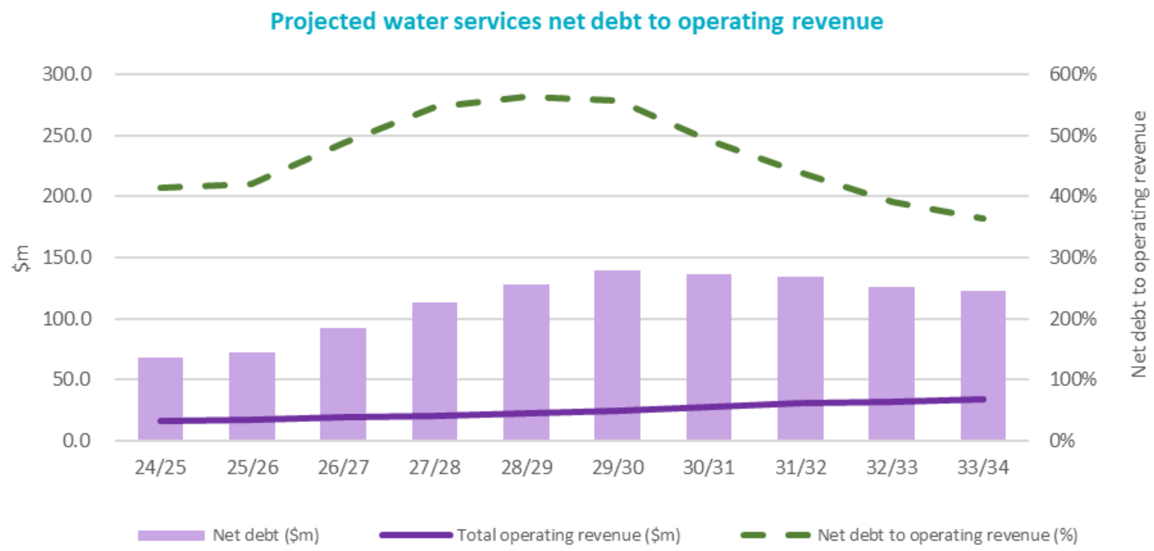
Projected council borrowings against borrowing limits

The graph below shows that Council's net-debt to revenue ratio is within Council's policy of 250%, and there is sufficient headroom to borrow for unexpected events. Council Net debt reaches $228 million in 2029/30 before trending down to $212.6 million in 2033/34. As a percentage Net Debt to Operating Revenue reaches 215% in 2026/27 before trending down over the remainder of the plan to 173% in 2033/34.



Projected water services borrowings against borrowing limits

The graph below shows three waters net debt-to-revenue ratio, excluding the rest of Council. ADC has not implemented a benchmark for Water Services and instead considers the water debt as part of all council debt as required by its adopted benchmarks. There is sufficient headroom within the whole of Council debt limits (250% of net debt to operating revenue) to borrow for any unexpected expenditure or events. Council may consider establishing a Water Services benchmark in the future.



Projected borrowings for water services

Net Debt is forecast to double over the life of the plan. Starting at $69m in year 1 and progressing to $122m in year 10, the debt increase is primarily used to fund LOS and Growth Capex. Any debt associated with renewals is forecast to be repaid with operational cash surpluses. Council will review its Financial Strategy and Revenue and Financing Policy as part of the 2027/37 Long Term Plan process. All proposed borrowings will be through the Local Government Funding Agency (LGFA).

LGFA only requires whole of Council net debt-to-revenue to be under 250%. Council has not set an activity level debt limit for water services. This is something that will be considered as part of the 2027/37 Long Term Plan process. Councils' overall debt limit (250%) is not forecast to be breached throughout the plan with sufficient headroom available for unexpected events. Council considers this a prudent approach.

Net debt to operating revenue	**FY2024/25 ($000)**	**FY2025/26 ($000)**	**FY2026/27 ($000)**	**FY2027/28 ($000)**	**FY2028/29 ($000)**	**FY2029/30 ($000)**	**FY2030/31 ($000)**	**FY2031/32 ($000)**	**FY2032/33 ($000)**	**FY2033/34 ($000)**
Net debt attributed to water services (gross debt less cash)	68,388	72,247	91,717	113,608	128,259	139,073	136,253	133,693	126,123	122,759
Operating revenue – combined water services	16,545	17,159	18,785	20,825	22,780	24,966	27,733	30,486	32,300	33,712
Net debt to operating revenue %	413%	421%	488%	546%	563%	557%	491%	439%	390%	364%

Borrowing headroom/(shortfall) for water services

Council has yet to attribute a Water Services debt level limit, however, for the purposes of this modelling has used the LGFA limit to CCO's of 500% until a limit can be agreed. The table indicates no headroom over years 3 to 5 of the plan, but Council at an organisational level has sufficient headroom to fund any unexpected expenditure. In this way Water Services are not constrained by the 500% limit. This will be reviewed as part of the development of the 2027/37 LTP.

Borrowing headroom/(shortfall) against limit	**FY2024/25 ($000)**	**FY2025/26 ($000)**	**FY2026/27 ($000)**	**FY2027/28 ($000)**	**FY2028/29 ($000)**	**FY2029/30 ($000)**	**FY2030/31 ($000)**	**FY2031/32 ($000)**	**FY2032/33 ($000)**	**FY2033/34 ($000)**
Operating revenue	16,545	17,159	18,785	20,825	22,780	24,966	27,733	30,486	32,300	33,712
Debt to revenue limit for water services (%)	500%	500%	500%	500%	500%	500%	500%	500%	500%	500%
Maximum allowable net debt at borrowing limit	82,725	85,795	99,298	111,512	120,878	127,118	135,155	134,260	137,232	139,024
Projected net debt attributed to water services	68,388	72,246	91,717	113,608	128,259	139,073	136,253	133,693	126,123	122,759
Borrowing headroom/(shortfall) against limit	14,337	13,549	2,210	(9,481)	(14,360)	(14,244)	2,411	18,737	35,376	45,800

Free funds from operations

Council has an average ratio of 8.2% over the 10 years and is forecast to strengthen to 13.6% in 2033/34. This indicates as a standalone service, there is sufficient leverage to fund debt as required. While the FFO is below the 10% that would otherwise apply based on existing connection numbers, Council considers that its credit risk is lower than an equivalent WSCCO and therefore a lower FFO is reasonable. The plan shows that Council remains compliant with total council DTR and lending covenants.

Free funds from operations	FY2024/25 ($000)	FY2025/26 ($000)	FY2026/27 ($000)	FY2027/28 ($000)	FY2028/29 ($000)	FY2029/30 ($000)	FY2030/31 ($000)	FY2031/32 ($000)	FY2032/33 ($000)	FY2033/34 ($000)
Projected net debt attributed to water services	68,388	72,247	91,717	113,608	128,259	139,073	136,253	133,693	126,123	122,759
Projected free funds from operations – water services	6,357	6,211	6,543	6,810	7,910	9,250	10,742	13,749	15,261	16,636
Free funds from operations to net debt ratio	9.3%	8.6%	7.1%	6.0%	6.2%	6.7%	7.9%	10.3%	12.1%	13.6%

Part E: Projected financial statements for water services

Projected financial statements – Combined Water Services

Projected funding impact statement

Projected funding impact statement - water services	FY2024/25	FY2025/26	FY2026/27	FY2027/28	FY2028/29	FY2029/30	FY2030/31	FY2031/32	FY2032/33	FY2033/34
Sources of operating funding										
General rates	150	123	247	395	347	383	390	438	449	460
Targeted rates	15,404	16,020	17,901	19,778	21,768	23,902	26,646	29,335	31,123	32,507
Subsidies and grants for operating purposes	0	0	0	0	0	0	0	0	0	0
Local authorities fuel tax, fines, infringement fees and other	426	437	446	456	466	477	488	499	510	522
Fees and charges	565	579	191	196	199	204	209	214	218	223
Total sources of operating funding	16,545	17,159	18,785	20,825	22,780	24,966	27,733	30,486	32,300	33,712
Applications of operating funding										
Payments to staff and suppliers	5,424	5,850	6,153	6,834	6,981	7,203	7,823	7,504	7,705	7,965
Finance costs	2,330	2,427	3,592	4,408	5,092	5,694	6,286	6,375	6,420	6,159
Internal charges and overheads applied	2,434	2,671	2,497	2,774	2,797	2,819	2,881	2,857	2,914	2,953
Other operating funding applications	0	0	0	0	0	0	0	0	0	0
Total applications of operating funding	10,188	10,948	12,242	14,016	14,870	15,716	16,990	16,737	17,039	17,076
Surplus/(deficit) of operating funding	6,357	6,211	6,543	6,810	7,910	9,250	10,742	13,749	15,261	16,636
Source of capital funding										
Subsidies and grants for capital expenditure	0	0	0	0	0	0	0	0	0	0
Development and financial contributions	640	783	670	686	1,265	1,294	1,324	1,353	1,385	1,416
Increase/(decrease) in debt	13,162	7,618	17,356	14,550	12,816	12,600	1,893	960	(5,572)	2,189
Gross proceeds from sales of assets	0	0	0	0	0	0	0	0	0	0
Other dedicated capital funding	0	0	0	0	0	0	0	0	0	0
Total sources of capital funding	13,802	8,401	18,026	15,236	14,081	13,894	3,217	2,313	(4,186)	3,605
Applications of capital funding										
Capital expenditure - to meet additional demand	1	123	631	4,276	7,284	5,779	3	3	3	6,322
Capital expenditure - to improve levels of services	9,191	1,267	18,259	11,031	7,496	8,899	5,097	6,950	1,685	4,279
Capital expenditure - to replace existing assets	10,422	13,202	7,794	14,080	9,046	6,679	5,276	5,590	7,389	4,086
Increase/(decrease) in reserves	546	22	(2,115)	(7,342)	(1,835)	1,786	3,583	3,520	1,998	5,554
Increase/(decrease) in investments	0	0	0	0	0	0	0	0	0	0
Total applications of capital funding	20,160	14,614	24,569	22,045	21,991	23,143	13,959	16,062	11,074	20,241
Surplus/(deficit) of capital funding	(6,358)	(6,213)	(6,543)	(6,810)	(7,910)	(9,250)	(10,742)	(13,749)	(15,261)	(16,636)
Funding balance	(1)	(2)	0	0	0	0	0	0	0	0

Projected statement of comprehensive revenue and expense

Projected statement of profit and loss - water services	FY2024/25	FY2025/26	FY2026/27	FY2027/28	FY2028/29	FY2029/30	FY2030/31	FY2031/32	FY2032/33	FY2033/34
Revenue										
Operating revenue	16,545	17,159	18,785	20,825	22,780	24,966	27,733	30,486	32,300	33,712
Other revenue	640	783	670	686	1,265	1,294	1,324	1,353	1,385	1,416
Total revenue	17,185	17,942	19,455	21,511	24,044	26,259	29,057	31,839	33,685	35,128
Expenses										
Operating expenses	5,424	5,850	6,153	6,834	6,981	7,203	7,823	7,504	7,705	7,965
Finance costs	2,330	2,427	3,592	4,408	5,092	5,694	6,286	6,375	6,420	6,159
Overheads and support costs	2,434	2,671	2,497	2,774	2,797	2,819	2,881	2,857	2,914	2,953
Depreciation & amortisation	6,035	7,270	7,542	8,069	8,650	9,147	9,609	9,872	10,194	10,461
Total expenses	16,223	18,218	19,784	22,084	23,520	24,863	26,599	26,609	27,233	27,537
Net surplus/(deficit)	962	(276)	6,153	6,834	6,981	7,203	7,823	7,504	7,705	7,965
Revaluation of infrastructure assets	10,074	1,393	4,307	4,790	5,410	5,842	6,227	6,394	6,603	6,743
Total comprehensive income	11,036	1,117	3,979	4,217	5,935	7,239	8,684	11,625	13,055	14,334
Cash surplus/(deficit) from operations (ex non-cash items)	6,997	6,994	7,213	7,496	9,174	10,543	12,066	15,103	16,646	18,052

Projected statement of cashflows

Projected statement of cashflows - water services	FY2024/25	FY2025/26	FY2026/27	FY2027/28	FY2028/29	FY2029/30	FY2030/31	FY2031/32	FY2032/33	FY2033/34
Cashflows from operating activities										
Cash surplus/(deficit) from operations	6,997	6,994	7,213	7,496	9,174	10,543	12,066	15,103	16,646	18,052
[Other items]			0							
Net cashflows from operating activities	6,997	6,994	7,213	7,496	9,174	10,543	12,066	15,103	16,646	18,052
Cashflows from investing activities										
Capital expenditure – infrastructure assets	(19,614)	(14,592)	(26,684)	(29,387)	(23,826)	(21,357)	(9,246)	(12,543)	(9,077)	(14,687)
[Other items]	0	0	0	0	0	0	0	0	0	0
Net cashflows from investing activities	(19,614)	(14,592)	(26,684)	(29,387)	(23,826)	(21,357)	(9,246)	(12,543)	(9,077)	(14,687)
Cashflows from financing activities										
New borrowings	13,162	11,307	21,320	19,221	18,115	18,485	8,376	7,699	1,403	9,185
Repayment of borrowings	0	(3,688)	(3,964)	(4,671)	(5,299)	(5,885)	(6,483)	(6,740)	(6,974)	(6,996)
Net cashflows from financing activities	13,162	7,619	17,356	14,550	12,816	12,600	1,893	960	(5,572)	2,189
Net increase/(decrease) in cash and cash equivalents	545	21	(2,115)	(7,342)	(1,835)	1,786	4,713	3,520	1,998	5,554
Cash and cash equivalents at beginning of year	3,616	4,161	4,182	2,067	(5,275)	(7,109)	(5,323)	(610)	2,910	4,908
Cash and cash equivalents at end of year	4,161	4,182	2,067	(5,275)	(7,109)	(5,323)	(610)	2,910	4,908	10,461

Projected statement of financial position

Projected statement of financial position	FY2024/25	FY2025/26	FY2026/27	FY2027/28	FY2028/29	FY2029/30	FY2030/31	FY2031/32	FY2032/33	FY2033/34
Assets										
Cash and cash equivalents	4,161	4,181	2,067	(5,275)	(7,109)	(5,323)	(610)	2,910	4,908	10,461
Other current assets	0	0	0	0	0	0	0	0	0	0
Infrastructure assets	325,319	345,150	368,599	394,708	415,294	433,346	439,210	448,275	453,761	464,731
Other non-current assets	0	0	0	0	0	0	0	0	0	0
Total assets	329,480	349,331	370,667	389,433	408,184	428,023	438,600	451,185	458,669	475,192
Liabilities										
Borrowings – current portion	0	0	0	0	0	0	0	0	0	0
Other current liabilities	0	0	0	0	0	0	0	0	0	0
Borrowings – non-current portion	72,549	76,428	93,784	108,333	121,150	133,750	135,643	136,603	131,031	133,220
Other non-current liabilities	0	0	0	0	0	0	0	0	0	0
Total liabilities	72,549	76,428	93,784	108,333	121,150	133,750	135,643	136,603	131,031	133,220
Net assets	256,931	272,903	276,883	281,100	287,035	294,273	302,957	314,582	327,638	341,972
Equity										
Revaluation reserves	206,999	206,999	211,306	216,096	221,506	227,348	233,575	239,969	246,572	253,315
Other reserves	49,932	65,904	65,577	65,004	65,529	66,925	69,382	74,613	81,065	88,656
Total equity	256,931	272,903	276,882	281,159	287,283	294,722	303,606	315,431	328,686	343,221

Projected financial statements – Drinking Water

Projected funding impact statement

Projected funding impact statement - water services	FY2024/25	FY2025/26	FY2026/27	FY2027/28	FY2028/29	FY2029/30	FY2030/31	FY2031/32	FY2032/33	FY2033/34
Sources of operating funding										
General rates	0	0	0	0	0	0	0	0	0	0
Targeted rates	7,951	8,657	10,001	9,981	11,303	12,693	12,938	14,751	14,857	15,969
Subsidies and grants for operating purposes			0	0	0	0	0	0	0	0
Local authorities fuel tax, fines, infringement fees and other			0	0	0	0	0	0	0	0
Fees and charges	451	463	72	74	75	77	79	81	82	84
Total sources of operating funding	8,402	9,120	10,073	10,055	11,378	12,770	13,017	14,832	14,939	16,053
Applications of operating funding										
Payments to staff and suppliers	3,030	3,370	3,456	3,561	3,696	3,792	3,867	3,957	4,059	4,137
Finance costs	1,351	1,361	1,960	2,122	2,619	2,931	2,892	2,893	2,769	2,645
Internal charges and overheads applied	1,072	1,177	1,101	1,124	1,140	1,156	1,180	1,168	1,190	1,204
Other operating funding applications										
Total applications of operating funding	5,453	5,908	6,517	6,807	7,455	7,879	7,940	8,017	8,018	7,986
Surplus/(deficit) of operating funding	2,949	3,212	3,556	3,248	3,923	4,891	5,077	6,815	6,920	8,068
Source of capital funding										
Subsidies and grants for capital expenditure										
Development and financial contributions	177	429	185	190	194	198	203	207	212	217
Increase/(decrease) in debt	8,843	4,904	3,448	10,578	6,642	(823)	2	(2,620)	(2,652)	(3,683)
Gross proceeds from sales of assets										
Other dedicated capital funding										
Total sources of capital funding	9,020	5,333	3,633	10,768	6,836	(625)	205	(2,413)	(2,440)	(3,466)
Applications of capital funding										
Capital expenditure - to meet additional demand	0	123	629	4,115	1	1	1	1	1	1
Capital expenditure - to improve levels of services	9,191	554	3,784	6,624	7,241	98	1,008	0	0	0
Capital expenditure - to replace existing assets	2,924	7,868	4,075	3,213	5,882	3,779	4,120	2,141	4,614	1,395
Increase/(decrease) in reserves	(146)	(1)	(1,299)	64	(2,364)	389	153	2,260	(134)	3,206
Increase/(decrease) in investments										
Total applications of capital funding	11,969	8,544	7,189	14,016	10,760	4,267	5,282	4,402	4,481	4,602
Surplus/(deficit) of capital funding	(2,949)	(3,211)	(3,556)	(3,248)	(3,923)	(4,891)	(5,077)	(6,815)	(6,920)	(8,068)
Funding balance	0	0	0	0	0	0	0	0	0	0

Projected statement of comprehensive revenue and expense

Projected statement of profit and loss - water services	FY2024/25	FY2025/26	FY2026/27	FY2027/28	FY2028/29	FY2029/30	FY2030/31	FY2031/32	FY2032/33	FY2033/34
Revenue										
Operating revenue	8,402	9,120	10,073	10,055	11,378	12,770	13,017	14,832	14,939	16,053
Other revenue	177	429	185	190	194	198	203	207	212	217
Total revenue	8,579	9,549	10,258	10,245	11,572	12,968	13,220	15,039	15,151	16,270
Expenses										
Operating expenses	3,030	3,370	3,456	3,561	3,696	3,792	3,867	3,957	4,059	4,137
Finance costs	1,351	1,361	1,960	2,122	2,619	2,931	2,892	2,893	2,769	2,645
Overheads and support costs	1,072	1,177	1,101	1,124	1,140	1,156	1,180	1,168	1,190	1,204
Depreciation & amortisation	2,641	3,301	3,470	3,641	3,909	4,168	4,273	4,401	4,480	4,601
Total expenses	8,094	9,209	9,987	10,448	11,363	12,046	12,213	12,418	12,498	12,586
Net surplus/(deficit)	485	340	271	(203)	209	922	1,007	2,621	2,653	3,684
Revaluation of infrastructure assets	1,182	1,393	1,592	1,773	2,106	2,343	2,398	2,477	2,496	2,564
Total comprehensive income	1,667	1,733	1,863	1,569	2,315	3,265	3,405	5,098	5,149	6,248
Cash surplus/(deficit) from operations (ex non-cash items)	3,126	3,641	3,741	3,438	4,117	5,089	5,280	7,022	7,132	8,285

Projected statement of cashflows

Projected statement of cashflows - water services	FY2024/25	FY2025/26	FY2026/27	FY2027/28	FY2028/29	FY2029/30	FY2030/31	FY2031/32	FY2032/33	FY2033/34
Cashflows from operating activities										
Cash surplus/(deficit) from operations	3,126	3,641	3,741	3,438	4,117	5,089	5,280	7,022	7,132	8,285
[Other items]										
Net cashflows from operating activities	3,126	3,641	3,741	3,438	4,117	5,089	5,280	7,022	7,132	8,285
Cashflows from investing activities										
Capital expenditure – infrastructure assets	(12,115)	(8,545)	(8,488)	(13,952)	(13,124)	(3,878)	(5,129)	(2,142)	(4,615)	(1,396)
[Other items]	0	0	0	0	0	0	0	0	0	0
Net cashflows from investing activities	(12,115)	(8,545)	(8,488)	(13,952)	(13,124)	(3,878)	(5,129)	(2,142)	(4,615)	(1,396)
Cashflows from financing activities										
New borrowings	8,843	6,952	5,728	13,049	9,548	2,401	3,306	794	789	(216)
Repayment of borrowings		(2,048)	(2,280)	(2,471)	(2,906)	(3,224)	(3,304)	(3,414)	(3,441)	(3,467)
Net cashflows from financing activities	8,843	4,904	3,448	10,578	6,642	(823)	2	(2,620)	(2,652)	(3,683)
Net increase/(decrease) in cash and cash equivalents	(146)	0	(1,299)	64	(2,364)	389	153	2,260	(134)	3,206
Cash and cash equivalents at beginning of year	666	520	520	(779)	(715)	(3,079)	(2,691)	(2,537)	(277)	(411)
Cash and cash equivalents at end of year	520	520	(779)	(686)	(2,958)	(2,468)	(2,212)	150	118	3,425

Projected statement of financial position

Projected statement of financial position	FY2024/25	FY2025/26	FY2026/27	FY2027/28	FY2028/29	FY2029/30	FY2030/31	FY2031/32	FY2032/33	FY2033/34
Assets										
Cash and cash equivalents	520	520	(779)	(715)	(3,079)	(2,691)	(2,537)	(277)	(411)	2,794
Other current assets										
Infrastructure assets	117,020	133,945	140,555	152,638	163,960	166,014	169,267	169,485	172,117	171,476
Other non-current assets										
Total assets	117,540	134,465	139,776	151,924	160,881	163,323	166,730	169,208	171,705	174,271
Liabilities										
Borrowings – current portion										
Other current liabilities										
Borrowings – non-current portion	40,596	41,697	45,145	55,723	62,365	61,542	61,544	58,924	56,273	52,590
Other non-current liabilities										
Total liabilities	40,596	41,697	45,145	55,723	62,365	61,542	61,544	58,924	56,273	52,590
Net assets	76,944	92,768	94,631	96,260	98,765	102,230	105,835	111,133	116,482	122,930
Equity										
Revaluation reserves	79,295	79,295	80,887	82,660	84,766	87,110	89,508	91,985	94,481	97,045
Other reserves	(2,351)	13,473	13,744	13,540	13,749	14,671	15,678	18,299	20,951	24,635
Total equity	76,944	92,768	94,631	96,200	98,515	101,781	105,185	110,284	115,433	121,681

Projected financial statements – Wastewater

Projected funding impact statement

Projected funding impact statement - water services	FY2024/25	FY2025/26	FY2026/27	FY2027/28	FY2028/29	FY2029/30	FY2030/31	FY2031/32	FY2032/33	FY2033/34
Sources of operating funding										
General rates	0	0	0	0	0	0	0	0	0	0
Targeted rates	6,102	6,254	6,931	7,428	7,753	8,606	10,207	11,627	13,071	13,267
Subsidies and grants for operating purposes	0		0	0	0	0	0	0	0	0
Local authorities fuel tax, fines, infringement fees and other	426	437	446	456	466	477	488	499	510	522
Fees and charges	113	115	118	121	123	126	129	132	135	138
Total sources of operating funding	6,641	6,806	7,495	8,005	8,342	9,209	10,824	12,258	13,716	13,927
Applications of operating funding										
Payments to staff and suppliers	2,003	2,074	2,228	2,266	2,316	2,498	2,545	2,603	2,674	2,848
Finance costs	861	969	1,487	1,715	1,718	2,017	2,435	2,544	2,602	2,488
Internal charges and overheads applied	981	1,076	1,007	1,029	1,043	1,057	1,080	1,069	1,089	1,102
Other operating funding applications										
Total applications of operating funding	3,845	4,119	4,722	5,010	5,078	5,572	6,060	6,217	6,365	6,438
Surplus/(deficit) of operating funding	2,796	2,687	2,772	2,995	3,265	3,637	4,764	6,042	7,350	7,489
Source of capital funding										
Subsidies and grants for capital expenditure	0	0	0	0	0	0	0	0	0	0
Development and financial contributions	463	354	485	496	1,071	1,096	1,121	1,146	1,173	1,199
Increase/(decrease) in debt	4,501	2,245	4,840	77	6,353	8,900	2,320	1,224	(2,416)	3,899
Gross proceeds from sales of assets										
Other dedicated capital funding										
Total sources of capital funding	4,964	2,599	5,325	573	7,424	9,995	3,441	2,371	(1,243)	5,098
Applications of capital funding										
Capital expenditure - to meet additional demand	1		1	160	7,282	5,777	1	1	1	6,320
Capital expenditure - to improve levels of services	0	62	5,405	209	0	3,850	3,939	4,030	1,546	1,580
Capital expenditure - to replace existing assets	7,498	5,334	3,719	10,844	3,164	2,900	1,130	3,449	2,699	2,682
Increase/(decrease) in reserves	262	(108)	(1,028)	(7,644)	243	1,106	3,135	933	1,862	2,005
Increase/(decrease) in investments										
Total applications of capital funding	7,761	5,288	8,097	3,569	10,688	13,633	8,205	8,413	6,108	12,588
Surplus/(deficit) of capital funding	(2,797)	(2,689)	(2,772)	(2,995)	(3,265)	(3,637)	(4,764)	(6,042)	(7,350)	(7,489)
Funding balance	0	0	0	0	0	0	0	0	0	0

Projected statement of comprehensive revenue and expense

Projected statement of profit and loss - water services	FY2024/25	FY2025/26	FY2026/27	FY2027/28	FY2028/29	FY2029/30	FY2030/31	FY2031/32	FY2032/33	FY2033/34
Revenue										
Operating revenue	6,641	6,806	7,495	8,005	8,342	9,209	10,824	12,258	13,716	13,927
Other revenue	463	354	485	496	1,071	1,096	1,121	1,146	1,173	1,199
Total revenue	7,104	7,160	7,980	8,501	9,413	10,305	11,945	13,405	14,889	15,126
Expenses										
Operating expenses	2,003	2,074	2,228	2,266	2,316	2,498	2,545	2,603	2,674	2,848
Finance costs	861	969	1,487	1,715	1,718	2,017	2,435	2,544	2,602	2,488
Overheads and support costs	981	1,076	1,007	1,029	1,043	1,057	1,080	1,069	1,089	1,102
Depreciation & amortisation	2,760	3,272	3,364	3,555	3,785	4,006	4,265	4,382	4,561	4,687
Total expenses	6,605	7,391	8,086	8,565	8,863	9,578	10,325	10,598	10,926	11,125
Net surplus/(deficit)	499	(231)	(106)	(64)	550	727	1,620	2,806	3,963	4,001
Revaluation of infrastructure assets	6,921	0	2,142	2,309	2,519	2,716	2,955	3,047	3,187	3,262
Total comprehensive income	7,420	(231)	2,036	2,245	3,069	3,443	4,575	5,853	7,149	7,263
Cash surplus/(deficit) from operations (ex non-cash items)	3,259	3,041	3,257	3,491	4,335	4,733	5,885	7,188	8,524	8,688

Projected statement of cashflows

Projected statement of cashflows - water services	FY2024/25	FY2025/26	FY2026/27	FY2027/28	FY2028/29	FY2029/30	FY2030/31	FY2031/32	FY2032/33	FY2033/34
Cashflows from operating activities										
Cash surplus/(deficit) from operations	3,259	3,041	3,257	3,491	4,335	4,733	5,885	7,188	8,524	8,688
[Other items]										
Net cashflows from operating activities	3,259	3,041	3,257	3,491	4,335	4,733	5,885	7,188	8,524	8,688
Cashflows from investing activities										
Capital expenditure – infrastructure assets	(7,499)	(5,396)	(9,125)	(11,213)	(10,446)	(12,527)	(3,940)	(7,480)	(4,246)	(10,582)
[Other items]										
Net cashflows from investing activities	(7,499)	(5,396)	(9,125)	(11,213)	(10,446)	(12,527)	(3,940)	(7,480)	(4,246)	(10,582)
Cashflows from financing activities										
New borrowings	4,501	3,704	6,421	1,873	8,211	11,032	4,819	3,884	374	6,701
Repayment of borrowings		(1,458)	(1,581)	(1,796)	(1,858)	(2,132)	(2,499)	(2,660)	(2,789)	(2,802)
Net cashflows from financing activities	4,501	2,246	4,840	77	6,353	8,900	2,320	1,224	(2,416)	3,899
Net increase/(decrease) in cash and cash equivalents	261	(109)	(1,028)	(7,644)	243	1,106	4,265	933	1,862	2,005
Cash and cash equivalents at beginning of year	1,490	1,751	1,642	614	(7,030)	(6,788)	(5,682)	(1,417)	(484)	1,377
Cash and cash equivalents at end of year	1,751	1,641	614	(7,030)	(6,788)	(5,682)	(1,417)	(484)	1,377	3,383

Projected statement of financial position

Projected statement of financial position	FY2024/25	FY2025/26	FY2026/27	FY2027/28	FY2028/29	FY2029/30	FY2030/31	FY2031/32	FY2032/33	FY2033/34
Assets										
Cash and cash equivalents	1,751	1,641	614	(7,030)	(6,788)	(5,682)	(1,417)	(484)	1,377	3,383
Other current assets										
Infrastructure assets	163,981	166,105	174,009	183,976	193,155	204,393	207,023	213,168	216,039	225,197
Other non-current assets										
Total assets	165,732	167,746	174,623	176,945	186,368	198,711	205,606	212,683	217,417	228,580
Liabilities										
Borrowings – current portion										
Other current liabilities										
Borrowings – non-current portion	29,399	31,644	36,485	36,562	42,916	51,816	54,135	55,359	52,944	56,843
Other non-current liabilities										
Total liabilities	29,399	31,644	36,485	36,562	42,916	51,816	54,135	55,359	52,944	56,843
Net assets	136,333	136,102	138,138	140,383	143,452	146,895	151,470	157,324	164,473	171,737
Equity										
Revaluation reserves	94,695	94,695	96,837	99,146	101,665	104,381	107,336	110,383	113,570	116,832
Other reserves	41,638	41,407	41,301	41,237	41,787	42,514	44,134	46,941	50,903	54,904
Total equity	136,333	136,102	138,138	140,383	143,452	146,895	151,470	157,324	164,473	171,737

Projected financial statements – Stormwater

Projected funding impact statement

Projected funding impact statement - water services	FY2024/25	FY2025/26	FY2026/27	FY2027/28	FY2028/29	FY2029/30	FY2030/31	FY2031/32	FY2032/33	FY2033/34
Sources of operating funding										
General rates	150	123	247	395	347	383	390	438	449	460
Targeted rates	1,351	1,109	970	2,370	2,712	2,602	3,500	2,956	3,196	3,270
Subsidies and grants for operating purposes	0	0	0	0	0	0	0	0	0	0
Local authorities fuel tax, fines, infringement fees and other										
Fees and charges	1	1	1	1	1	1	1	1	1	1
Total sources of operating funding	1,502	1,233	1,218	2,766	3,060	2,986	3,891	3,395	3,646	3,731
Applications of operating funding										
Payments to staff and suppliers	391	406	469	1,007	970	914	1,411	945	972	980
Finance costs	118	97	145	571	754	746	958	938	1,049	1,025
Internal charges and overheads applied	381	418	389	621	614	606	621	620	635	647
Other operating funding applications										
Total applications of operating funding	890	921	1,003	2,199	2,338	2,265	2,990	2,503	2,656	2,652
Surplus/(deficit) of operating funding	612	312	215	567	722	721	901	892	990	1,079
Source of capital funding										
Subsidies and grants for capital expenditure										
Development and financial contributions	0	0	0	0	0	0	0	0	0	0
Increase/(decrease) in debt	(182)	469	9,068	3,894	(179)	4,523	(429)	2,356	(504)	1,973
Gross proceeds from sales of assets										
Other dedicated capital funding										
Total sources of capital funding	(182)	469	9,068	3,894	(179)	4,523	(429)	2,356	(504)	1,973
Applications of capital funding										
Capital expenditure - to meet additional demand	0	0	1	1	1	1	1	1	1	1
Capital expenditure - to improve levels of services	0	651	9,070	4,198	255	4,951	150	2,920	139	2,699
Capital expenditure - to replace existing assets	0	0	0	23	0	0	26	0	76	9
Increase/(decrease) in reserves	430	131	212	238	287	292	295	327	270	343
Increase/(decrease) in investments										
Total applications of capital funding	430	782	9,283	4,461	543	5,244	472	3,248	486	3,052
Surplus/(deficit) of capital funding	(612)	(313)	(215)	(567)	(722)	(721)	(901)	(892)	(990)	(1,079)
Funding balance	0	0	0	0	0	0	0	0	0	0

Projected statement of comprehensive revenue and expense

Projected statement of profit and loss - water services	FY2024/25	FY2025/26	FY2026/27	FY2027/28	FY2028/29	FY2029/30	FY2030/31	FY2031/32	FY2032/33	FY2033/34
Revenue										
Operating revenue	1,502	1,233	1,218	2,766	3,060	2,986	3,891	3,395	3,646	3,731
Other revenue	0	0	0	0	0	0	0	0	0	0
Total revenue	1,502	1,233	1,218	2,766	3,060	2,986	3,891	3,395	3,646	3,731
Expenses										
Operating expenses	391	406	469	1,007	970	914	1,411	945	972	980
Finance costs	118	97	145	571	754	746	958	938	1,049	1,025
Overheads and support costs	381	418	389	621	614	606	621	620	635	647
Depreciation & amortisation	634	697	708	872	956	974	1,071	1,089	1,153	1,173
Total expenses	1,524	1,618	1,711	3,071	3,294	3,239	4,061	3,592	3,809	3,825
Net surplus/(deficit)	(22)	(385)	(493)	(305)	(234)	(252)	(170)	(197)	(163)	(94)
Revaluation of infrastructure assets	1,971	0	572	708	785	783	874	870	920	916
Total comprehensive income	1,949	(385)	80	403	551	531	704	673	757	823
215	567	722	721	901	892	990	1,079	215	567	722

Projected statement of cashflows

Projected statement of cashflows - water services	FY2024/25	FY2025/26	FY2026/27	FY2027/28	FY2028/29	FY2029/30	FY2030/31	FY2031/32	FY2032/33	FY2033/34
Cashflows from operating activities										
Cash surplus/(deficit) from operations	612	312	215	567	722	721	901	892	990	1,079
[Other items]										
Net cashflows from operating activities	612	312	215	567	722	721	901	892	990	1,079
Cashflows from investing activities										
Capital expenditure – infrastructure assets	0	(651)	(9,071)	(4,222)	(256)	(4,952)	(177)	(2,921)	(216)	(2,709)
[Other items]	0	0	0	0	0	0	0	0	0	0
Net cashflows from investing activities	0	(651)	(9,071)	(4,222)	(256)	(4,952)	(177)	(2,921)	(216)	(2,709)
Cashflows from financing activities										
New borrowings	(182)	651	9,171	4,299	356	5,052	251	3,021	240	2,700
Repayment of borrowings		(182)	(103)	(405)	(535)	(529)	(680)	(665)	(744)	(727)
Net cashflows from financing activities	(182)	469	9,068	3,894	(179)	4,523	(429)	2,356	(504)	1,973
Net increase/(decrease) in cash and cash equivalents	430	130	212	238	287	292	295	327	270	343
Cash and cash equivalents at beginning of year	1,460	1,890	2,020	2,232	2,471	2,757	3,049	3,345	3,671	3,941
Cash and cash equivalents at end of year	1,890	2,020	2,232	2,471	2,757	3,049	3,345	3,671	3,941	4,284

Projected statement of financial position

Projected statement of financial position	FY2024/25	FY2025/26	FY2026/27	FY2027/28	FY2028/29	FY2029/30	FY2030/31	FY2031/32	FY2032/33	FY2033/34
Assets										
Cash and cash equivalents	1,890	2,020	2,232	2,471	2,757	3,049	3,345	3,671	3,941	4,284
Other current assets										
Infrastructure assets	44,318	45,100	54,035	58,094	58,179	62,940	62,920	65,622	65,605	68,058
Other non-current assets										
Total assets	46,208	47,120	56,268	60,564	60,936	65,989	66,265	69,294	69,547	72,342
Liabilities										
Borrowings – current portion										
Other current liabilities										
Borrowings – non-current portion	2,554	3,087	12,155	16,049	15,870	20,393	19,964	22,320	21,816	23,789
Other non-current liabilities										
Total liabilities	2,554	3,087	12,155	16,049	15,870	20,393	19,964	22,320	21,816	23,789
Net assets	43,654	44,033	44,113	44,515	45,066	45,596	46,301	46,974	47,731	48,553
Equity										
Revaluation reserves	33,009	33,009	33,612	34,320	35,105	35,888	36,762	37,632	38,552	39,469
Other reserves	10,645	11,024	10,500	10,195	9,961	9,708	9,539	9,342	9,178	9,085
Total equity	43,654	44,033	44,113	44,515	45,066	45,596	46,301	46,974	47,731	48,553

Water Services Delivery Plan: additional information

Significant capital projects

For the purpose of this breakdown, significant projects listed below are a combination significant value and / or inclusion of projects that address compliance / growth matters identified in the plan.

Significant capital projects – drinking water:

Significant capital projects – drinking water	FY2024/25	FY2025/26	FY2026/27	FY2027/28	FY2028/29	FY2029/30	FY2030/31	FY2031/32	FY2032/33	FY2033/34
Projects to meet additional demand										
Second Bridge Watermain - Wilkins to Grahams Rds.	-	123,000	628,560	642,360	-	-	-	-	-	-
Ashburton - Peri-Urban Water Servicing	-	-	-	3,472,857	-	-	-	-	-	-
Total investment to meet additional demand	**-**	**$123,000**	**$628,560**	**$4,115,217**	**-**	**-**	**-**	**-**	**-**	**-**
Projects to improve levels of services										
Ashburton – UV treatment upgrade	$7,000,000									
Ashburton Additional source	-	-	-	-	-	$98,498	$1,007,688	-	-	-
Ashburton 2nd Bridge – Watermain on bridge					$3,282,300					
Methven - New 800-1000 m^3reservoir	-	-	-	$149,884	$1,378,566	-	-	-	-	-
Rakaia - UV Upgrade	$1,349,000	-	-	-	-	-	-	-	-	-
Rakaia - New ~500m^3 reservoir (or 2x238m^3)	-	-	-	$96,354	$886,221	-	-	-	-	-
Montalto water scheme upgrade	-	-		$1,528,000	-	-	-	-	-	-
Water meter rollout Ashburton & Rakaia	-	-	$3,784,000	$3,866,000	-	-	-	-	-	-
Tinwald Nitrate management	-	-	-	-	$1,129,000	-	-	-	-	-
Total investment to meet improve levels of services	**$9,191,400**	**$553,550**	**$3,784,000**	**$6,513418**	**$7,241,087**	**$98,498**	**$1,007,688**	**-**	**-**	**-**
Projects to replace existing assets										
Ashburton Water Main renewals	$349,960	$1,570,587	$2,107,226	$1,250,071	$1,731,711	$2,203,780	$1,462,116	$1,545,352	$1,536,355	$1,264,214
UV Project	$2,000,000	-	-	-	-	-	-	-	-	-
Methven Water Main renewals	$2,236,794	$1,839,195	$12,225	$250,255	$261,458	$228,578	$150,152	$190,922	$94,944	-
Rakaia Water Main renewals	$106,490	$1,391,518	-	$ 25,619	$525,297	$541,025	$34,353	$35,142	$35,949	$36,741
Other Water main / plant renewals	$1,371,052	$4,232,185	$3,149,571	$2,908,020	$4,610,322	$2,081,981	$3,779,174	$1,704,645	$4,312,915	$1,490,460
Total investment to replace existing assets	**$2,924,296**	**$7,868,159**	**$4,075,759**	**$3,213,482**	**$5,881,514**	**$3,779,361**	**$4,120,381**	**$2,140,664**	**$4,614,101**	**$1,395,257**
Total investment in drinking water assets	**$12,115,696**	**$8,544,709**	**$8,487,319**	**$13,842,117**	**$13,122,601**	**$3,877,860**	**$5,128,069**	**$2,140,664**	**$4,614,101**	**$1,395,257**

Significant capital projects – wastewater

Significant capital projects – wastewater	FY2024/25	FY2025/26	FY2026/27	FY2027/28	FY2028/29	FY2029/30	FY2030/31	FY2031/32	FY2032/33	FY2033/34
Projects to meet additional demand										
Tuarangi Road Block - Residential C Zone Servicing	-	-	-	160,076	1,635,898	-	-	-	-	-
Hinds scheme	-	-	-	-	-	-	-	-	-	6,319,000
Business district expansion	-	-	-	-	5,645,000	5,775,000	-	-	-	-
Total investment to meet additional demand	**0**	**0**	**0**	**$160,076**	**$7,280,898**	**$5,775,000**	**0**	**0**	**0**	**$6,319,000**
Projects to improve levels of services										
Ocean Farm Wetland Irrigation	-	-	5,405,000	-	-	-	-	-	-	-
Ocean Farm Nitrate Management	-	-	-	-	-	3,850,000	3,939,000	4,029,000	-	-
Rakaia & Methven RC	-	-	-	-	-	-	-	-	1,545,000	1,579,000
Total investment to meet improve levels of services	**-**	**$61,500**	**$5,405,000**	**$208,767**	**-**	**$3,850,000**	**$3,939,000**	**$4,029,000**	**$1,545,000**	**$1,579,000**
Projects to replace existing assets										
Ocean Farm Wetland Remediation	-	$512,500	$523,800	-	-	-	-	-	-	-
Ashburton Renewals	$153,725	$2,132,288	$2,059,664	$10,149,804	$2,315,240	$2,240,358	$836,595	$1,788,188	$2,438,457	$2,415,602
Grit Chamber & Renewals	$7,000,000	-	-	-	-	-	-	-	-	-
Methven Renewals	$134,037	$2,474,691	$402,133	$469,809	$619,114	$424,191	$52,711	$1,414,466	$8,987	$9,185
Rakaia Renewals	-	-	$513,324	-	-	-	-	-	-	
Total investment to replace existing assets	**$7,497,762**	**$5,334,729**	**$3,718,917**	**$10,844,439**	**$3,164,115**	**$2,899,603**	**$1,129,777**	**$3,448,647**	**$2,699,087**	**$2,681,974**
Total investment in wastewater assets	**$7,497,762**	**$5,396,229**	**$9,123,917**	**$11,213,282**	**$10,445,014**	**$12,524,603**	**$5,068,777**	**$7,477,647**	**$4,244,087**	**$10,579,974**

Significant capital projects – stormwater

Significant capital projects – stormwater	FY2024/25	FY2025/26	FY2026/27	FY2027/28	FY2028/29	FY2029/30	FY2030/31	FY2031/32	FY2032/33	FY2033/34
Projects to meet additional demand										
-	-	-	-	-	-	-	-	-	-	-
Total investment to meet additional demand	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
Projects to improve levels of services										
West St Attenuation & Treatment Facilities - D&C	-		$1,843,853	-	-	-	-	-	-	-
West St Trunk Stormwater Main (Havelock/River) - Construction	-	$554,320	5,098,879	-	-	-	-	-	-	-
West St Trunk main (Wills/Havelock) - D&C	-	$96,350	$1,871,014	-	-	-	-	-	-	-
Chalmers Ave Attenuation & Treatment Facilities - D&C	-	-	$216,225	$4,198,465	-	-	-	-	-	-
West St Trunk Stormwater Main (Walnut/Wills) - D&C	-	-	-	-	$254,706	$4,950,888	-	-	-	-
West St Trunk Stormwater Main (Mill Ck/Walnut) - D&C	-	-	-	-	-	-	$150,237	$2,920,066	-	-
Trevors Rd Attenuation & Treatment Facilities - D&C	-	-	-	-	-	-	-	-	$139,003	$2,699,239
Total investment to meet improve levels of services	**0**	**$650,670**	**$9,029,970**	**$4,198,465**	**$254,706**	**$4,950,888**	**$150,237**	**$2,920,066**	**$139,003**	**$2,699,239**
Projects to replace existing assets										
-	0	0	$23,000	0	0	$26,000	0	$76,000	$9,000	0
Total investment to replace existing assets	**0**	**0**	**$23,000**	**0**	**0**	**$26,000**	**0**	**$76,000**	**$9,000**	**0**
Total investment in stormwater assets	**0**	**$650,670**	**$9,029,970**	**$4,198,465**	**$254,706**	**$4,950,888**	**$150,237**	**$2,920,066**	**$139,003**	**$2,699,239**

Risks and assumptions

Disclosure of risks and material assumptions for water services delivery

These assumptions and risks are taken from the 2024-34 Council Infrastructure Strategy and the corporate risk register where relevant to Water Services and have been reviewing/updated in the preparation of the WSDP to recognise new risks from a SABU.

Key risks:

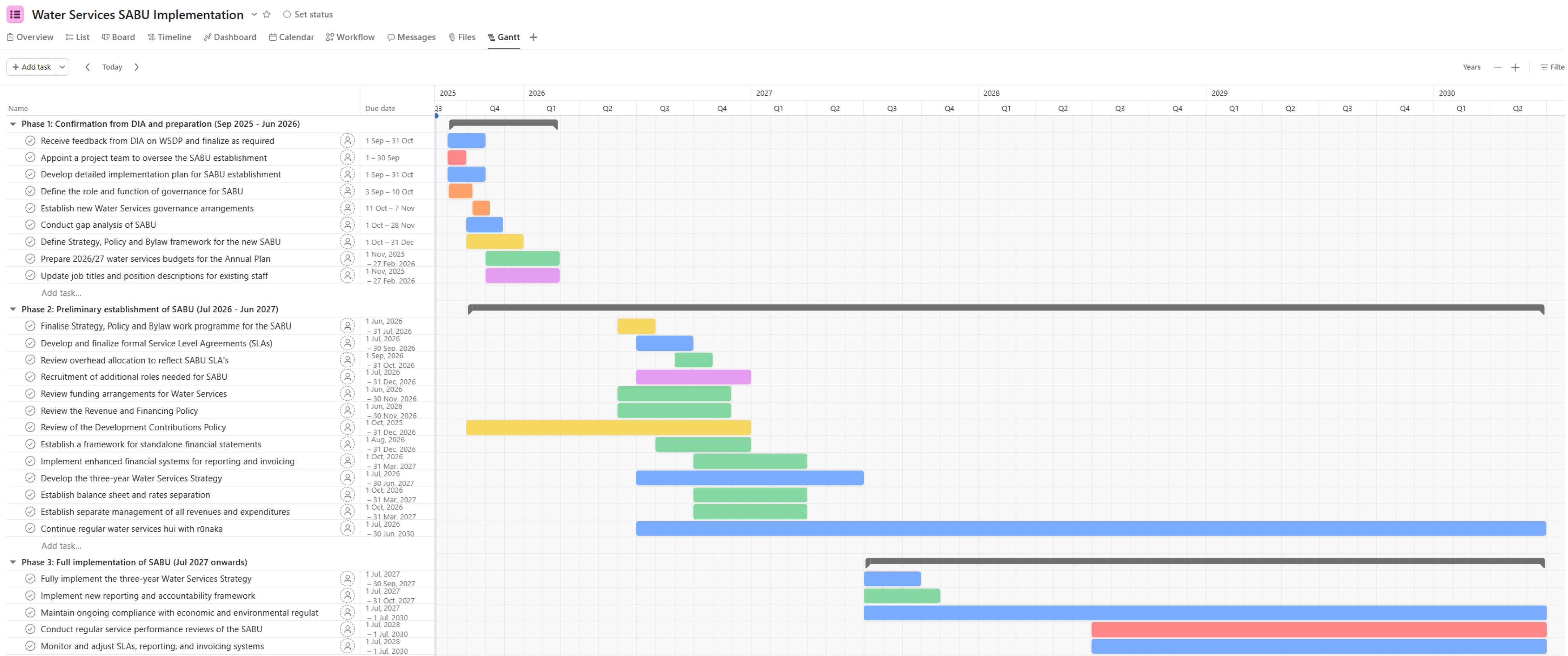
Parameters	Drinking supply	Wastewater	Stormwater
Future water service delivery	Natural disasters could disrupt the capital programme (e.g. AF8 earthquake). Data quality issues could impact the ability to effectively plan for renewals. Failure to act in a timely manner exacerbates climate risks and mitigation/adaptation costs, reduces benefits arising from new opportunities and increases dissatisfaction from members of the community. Conflict between urban versus rural expectations on water services issues (e.g. land management, rural stormwater, drinking water/use) create additional demands on council to resolve.		
Network performance	Critical asset failure could disrupt capital programme and delivery. Service interruption or compliance failures could impact programme and service delivery		More frequent storms and rainfall events may require more investment then planned.
Regulatory compliance	Ongoing legislation reform could create future standards changes.		New legislative reform increases stormwater compliance requirements
Delivery of Capital Programme	Supply chain issues impact the timing, cost and delivery of the capital programme. Scarce resources and availability, including those caused by peaks of work across the country in response to regulatory changes, may impact the delivery of the capital programme (e.g. contractors, consultants, project managers, and specialists at suppliers contractors). Inflationary pressure may require prioritisation of the capital programme.		
Organisational capacity	Losing three water talent to the region or beyond, especially if the SABU remains small when neighbours are scaling up (skilled and qualified staff will be in high demand, and larger organisations can offer more diverse and challenging work). Lack of trained/qualified resources with technical/specialist expertise impacts existing staff workloads and the quality of service delivery. Losing the availability of external resources to others in the region or larger water suppliers, resulting in poor service and high prices.		

Parameters	Drinking supply	Wastewater	Stormwater
Long term issues e.g. providing for growth, climate change	Climate change could increase levels of investment needed to meet level of service expectations. Direct costs of damage caused to facilities and assets by natural hazard events (including climate change), and rising insurance costs attributed to increased hazards or actual damage. Significant and unanticipated growth, or growth in areas not previously expected, may require increased investment into growth projects. Asset revaluation increasing depreciation costs could lead to rate rises above expectations.		

Key assumptions:

Parameters	Drinking supply	Wastewater	Stormwater
Future water service delivery	Deliver on Asset Management Plan and 30-year Infrastructure Strategy Obtain and maintain compliance with all applicable regulations, particularly Water Services Regulation 2022 Universal water metering in place (volumetric charging a decision for future Council's)	Deliver on Asset Management Plan and 30-year Infrastructure Strategy	Deliver on Asset Management Plan and 30-year Infrastructure Strategy
Network performance	Continue to replace aging assets to minimise risk of failures Leakage and loss data will inform renewal programme decisions	Continue to replace aging assets to minimise risk of failures Infiltration and leakage data will inform renewal programme decisions	Asset condition assessments will ensure timely renewal decisions
Regulatory compliance	Current and future regulatory compliance will be achieved.		
Delivery of Capital Programme	We will continue to deliver on our capital programme, and will have sufficient resources available.		
Organisational capacity	We assume we will be able to retain enough skilled staff to deliver effectively. We assume that we will have an increased FTE count, based on future requirement for delivery.		
Long term issues e.g. providing for growth, climate change	Population growth and climate change assumptions are reviewed regularly.		

Draft Implementation Plan



9. *Grant of Easements on Reserve – Bridge Street, Ashburton*

Author	*Jacqui Watson; Senior Legal Counsel*
Activity Manager	*Tania Paddock; General Counsel*
Executive Team Member	*Hamish Riach; Chief Executive*

Summary

- A resource consent to subdivide and a land use consent have issued for 64 Princes Street, Ashburton, permitting that property to be subdivided into four allotments on the basis that a right of way and a right to convey water is granted in favour of an adjoining parcel of Local Purpose (Road) Reserve at Bridge Street, Ashburton.
- The purpose of this report is to seek Council approval to the granting of the easement.

Recommendation

1. **That** Council approves the granting of a right of way easement and a right to convey water easement over Lot 8 Deposited Plan 13457 (being Local Purpose (Road) Reserve) at Bridge Street, Ashburton in favour of Lot 1 Deposited Plan 614133 (Record of Title 1224085) subject to section 48 of the Reserves Act 1977.
2. **That** Council agrees that the notification of the intention to grant the easement is not required, as the statutory test in section 48(3) of the Reserves Act 1977 is met, for the reasons set out in the report.
3. **That** Council exercises the authority delegated to administering bodies by the Minister of Conservation for the granting of an easement over reserve land.
4. **That** Council authorises the Chief Executive to sign all documentation in connection with the registration of the easement.

Attachments

Appendix 1	Record of Title 156797
Appendix 2	Survey Plan LT 614133
Appendix 3	Proposed Easement Instrument
Appendix 4	Discussion regarding the Property's future

Background

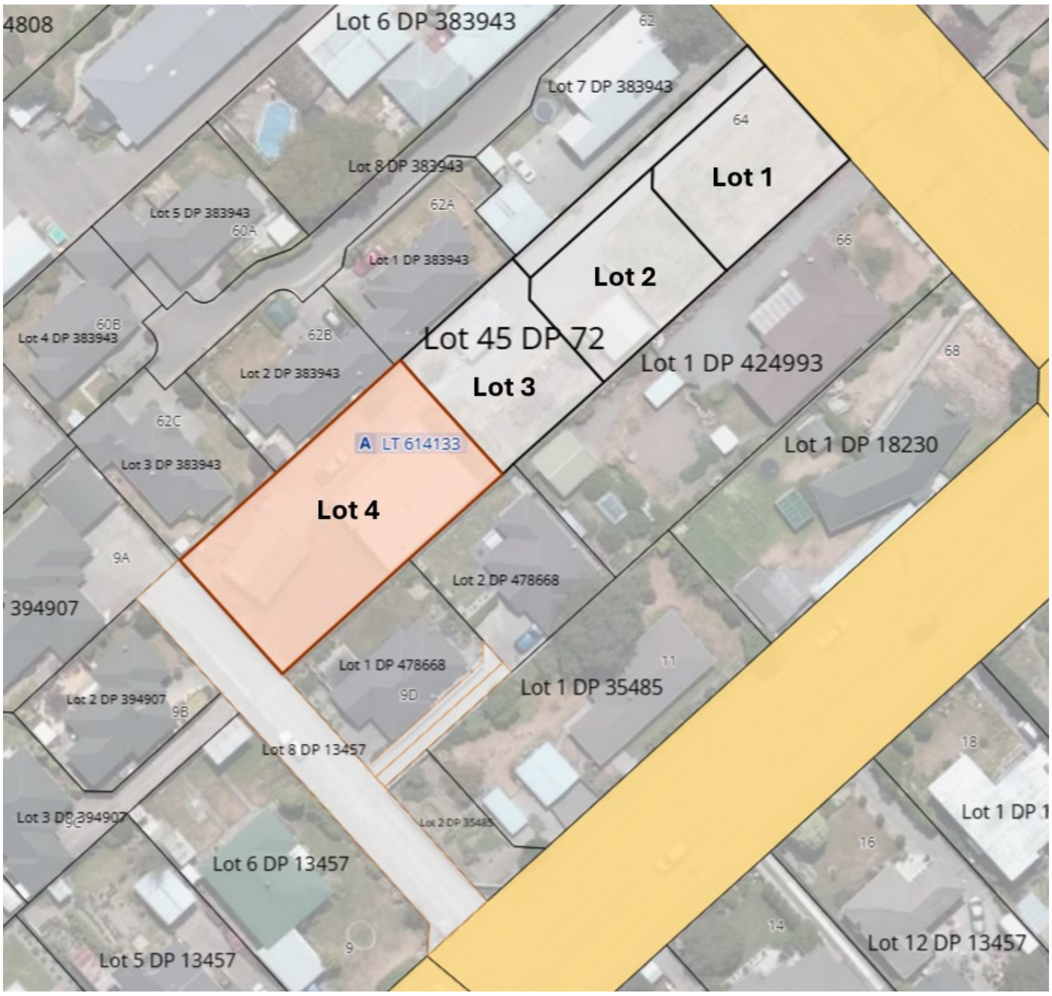
Lot 8 DP 13457

1. Council is the registered owner of a 463m² property legally described as Lot 8 Deposited Plan 13457, Record of Title 156797 off Bridge Street, Ashburton (**Property**) (see Record of Title at **Appendix 1**). The Property was vested in Council for the purpose of road reserve as part of a subdivision of adjoining land in October 1947 and is currently Local Purpose (Road) Reserve subject to the Reserves Act 1977. The Property is a sealed carriageway of approximately 5m in width, with kerb and channel along the southern side and a sealed footpath behind the kerb.

2. The Property (shown shaded orange on the image below) is used as right of way access for five adjoining properties, being 9A, 9B, 9C, 9D and 9E Bridge Street (also shown on the below plan). There are also various other easements for water, sewage, electricity, telecommunications and computer media along the Property.

Subdivision of 64 Princes Street, Ashburton

3. In November 2023 Council received a resource consent application with respect to the subdivision of 64 Princes Street, Ashburton (outlined in blue on the above plan) into four allotments (as shown below). The resource consent application was accompanied by a land use consent relating to the requirement under Rule 10.8.7 of the District Plan for on-site manoeuvring associated with the proposed use of a right of way easement over the Property by proposed Lot 4. Lots 1 to 3 are to have access off Princes Street. The District Plan permits up to 6 residential units to have access off a private way or access lot under 10.9.2.c.[1]



4. The land use consent was duly granted on 1 November 2023 noting:

    a. No properties would be adversely affected by the proposal;

    b. The small increase in vehicle movements along the right of way is anticipated by the District Plan; and

    c. The effects of the proposal are considered to be no more than minor.

[1] Section 10, Ashburton District Plan

5. The resource consent to subdivide the land was then approved on 10 February 2024. It included a standard condition that "all required easements are to be granted or reserved".

6. Following issue of the resource consent and land use consent, survey plan LT 614133 (**Survey Plan**) was prepared by the applicant's surveyor (see **Appendix 2**). The Survey Plan provides for the right of way and a right to convey water to be granted over the Property, in favour of proposed Lot 4, along with other easements required to create proposed Lots 1 – 3.

7. As the Property is subject to the Reserves Act 1977, Council approval is required to register an easement over the Property.

Easement Terms

8. The proposed easement instrument is attached at **Appendix 3**. The terms are largely standard however officers have provided that:

    a. Council will not be required to contribute to the cost of any maintenance, repair or replacement of the right of way unless it is necessary due to any act or omission of Council; and

    b. Council is only responsible for the water main pipe on the Property (as the pipe is a vested Council asset), and any costs associated with the private lateral pipe coming off the water main will be the responsibility of the owner of the benefitting land.

9. These terms have been agreed to by the owner of the benefitting land and officers now seek Council approval to enable registration of the easements.

Options analysis

Option one – Grant the proposed easements (<u>Recommended Option</u>)

Advantages:	***Disadvantages:***
- Granting the easement allows the subdivision to proceed. All requirements of the Resource Management Act 1991 have been assessed as met by the planning team. - The use of the Property is not changing, as five properties already use the Property to access their homes and have other services below ground. - The easement instrument provides for all costs to be met by the benefited land (in common with other users of the Property).	- Increased wear and tear of the sealed right of way.
Risks: - Other users of the right of way may be aggrieved that a further party will be able to use the access.	

Option two – Do not grant the proposed easements

Advantages:	*Disadvantages:*
- There are no advantages with this option.	- The subdivision would not be able proceed as currently designed. - The decision would be inconsistent with previous decisions made under the delegation from the Minister of Conservation to grant easements over the Property.
Risks: - Decision may be challenged by the developer.	

Legal/policy implications

Delegations

10. Granting of easements over reserves is governed by section 48 of the Reserves Act 1977 (**Act**). All powers under section 48 of the Act are reserved for Council through Council's delegations.

Reserves Act 1977

11. Where a reserve is vested in an administering body, the administering body may, pursuant to Section 48 of the Act, grant an easement over any part of the reserve for a number of purposes, including *(e) the provision of water systems,* and *(f) providing or facilitating access or the supply of water to or the drainage of any other land not forming part of the reserve or for any other purpose connected with any such land*.

12. Council, along with all territorial authorities, has delegated authority from the Minister of Conservation to grant easements over reserve land for which Council is the administering body.[2]

13. Section 48(2) provides that before granting an easement, the administering body must give public notice specifying the easement intended to be granted, and give full consideration to all objections and submissions received in respect of the proposal. Section 48(3) provides an exemption to the notice requirement, where:

    (a) the reserve is vested in an administering body and is not likely to be materially altered or permanently damaged; and

[2] Instrument of Delegation dated 12 June 2013

(b) *the rights of the public in respect of the reserve are not likely to be permanently affected-*

by the establishment and lawful exercise of the easement.

14. It is considered that it is appropriate to rely on the exemption in this case there will be no material alteration to the Property and the rights of the public in respect of the Property are unchanged.

15. As such, if Council approval is given to grant this easement, officers do not propose to give public notice of Council's intention to grant this easement.

Climate change

16. It is not considered that this decision will have any impact on climate change.

Future of the Property

17. **Appendix 4** contains a brief analysis of Council's options with respect to holding the Property. This information is not necessary for a decision to be made on the subject of this report, however it may be helpful background detail for any questions this report may raise.

Review of legal / policy implications	
Reviewed by In-house Counsel	*Tania Paddock; General Counsel*

Strategic alignment

18. The recommendation relates to Council's community outcome of *"a district of great spaces and places"* because granting the easements allows the subdivision of 64 Princes Street to proceed which will ultimately provide additional housing for Ashburton's growing population.

Wellbeing		**Reasons why the recommended outcome has an effect on this wellbeing**
Economic	✓	Allows for housing growth in Ashburton.
Environmental	N/A	
Cultural	N/A	
Social	✓	Allows for housing growth in Ashburton.

Financial implications

Requirement	Explanation
What is the cost?	The owner of the land that will benefit from the easement will meet all costs associated with the registration of the easement instrument.
Is there budget available in LTP / AP?	Not applicable.
Where is the funding coming from?	Not applicable.
Are there any future budget implications?	No
Reviewed by Finance	*Erin Register; Finance Manager*

Significance and engagement assessment

Requirement	Explanation
Is the matter considered significant?	No
Level of significance	Low
Rationale for selecting level of significance	N/A
Level of engagement selected	Inform – one-way communication
Rationale for selecting level of engagement	The Reserves Act 1977 sets out a process for public notice and public participation, should it be considered necessary. For the reasons set out earlier in this report, it is not considered that public notice is required.
Reviewed by Strategy & Policy	*Mark Low, Strategy and Policy Manager*

Appendix 1

RECORD OF TITLE
UNDER LAND TRANSFER ACT 2017
FREEHOLD
Search Copy

R.W. Muir
Registrar-General
of Land

Identifier	**156797**
Land Registration District	**Canterbury**
Date Issued	09 June 2004

Prior References

CB23/215	CB25/252	CB32/173

Estate	Fee Simple
Area	463 square metres more or less
Legal Description	Lot 8 Deposited Plan 13457
Purpose	Road Reserve

Registered Owners

Ashburton District Council

Interests

Subject to the Reserves Act 1977

Subject to a right of way over part marked A DP 343594 created by Transfer 6256554.3 - 17.12.2004 at 9:00 am

The easement created by Transfer 6256554.3 is subject to Section 243 (a) Resource Management Act 1991

Subject to a right to drain water and sewage and a right to convey water, electricity and telecommunications over part marked A DP 343594 created by Easement Instrument 6256554.4 - 17.12.2004 at 9:00 am

The easements created by Easement Instrument 6256554.4 are subject to Section 243 (a) Resource Management Act 1991

Subject to a right of way, right to drain water and sewage, right to convey water, electric power and telecommunications over part marked A on DP 424993 created by Easement Instrument 8666687.3 - 14.1.2011 at 9:06 am

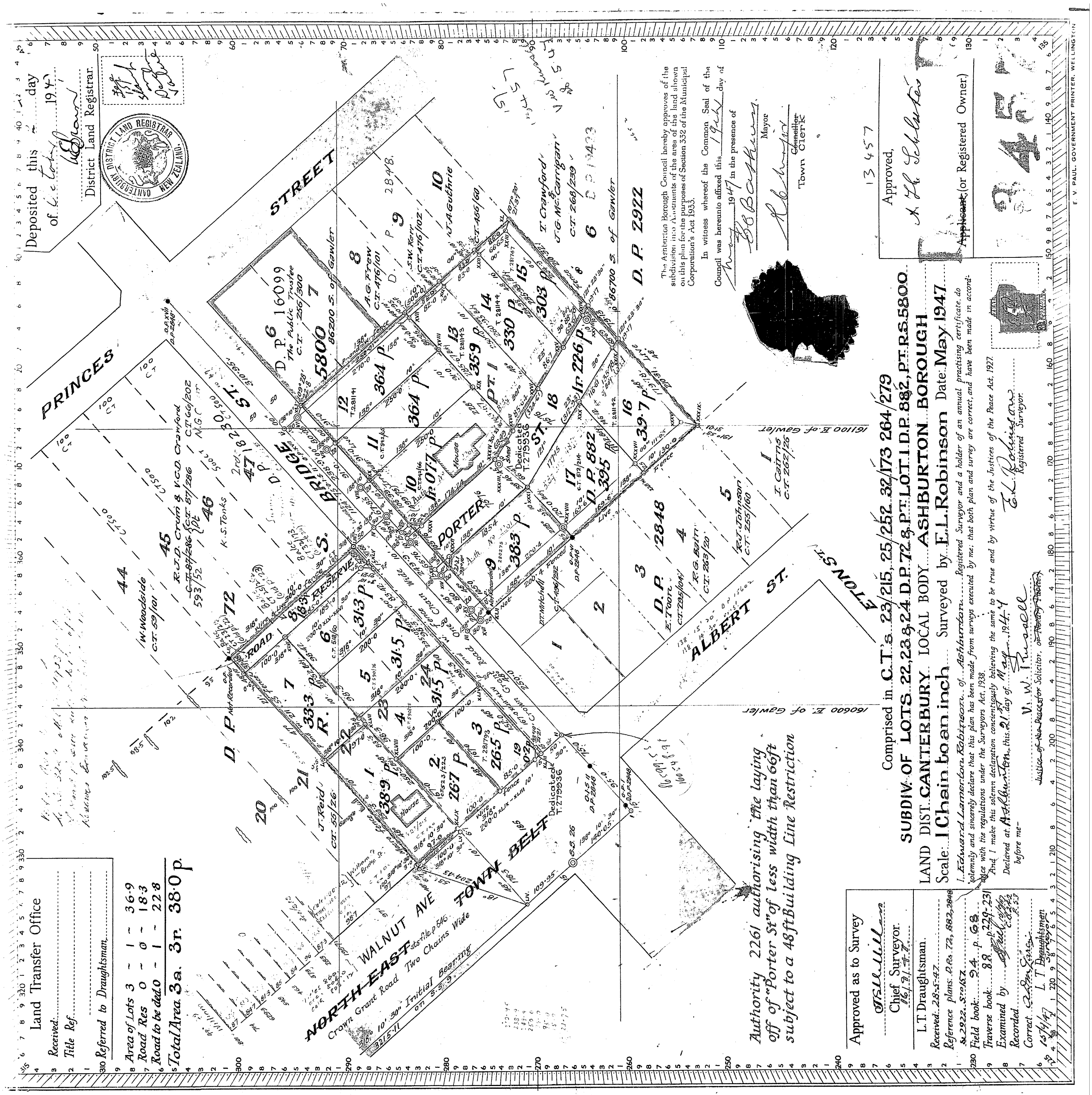
The easements created by Easement Instrument 8666687.3 are subject to Section 243 (a) Resource Management Act 1991

Subject to a right (in gross) to convey telecommunications and computer media over part marked A on DP 478668 in favour of Chorus New Zealand Limited created by Easement Instrument 10059520.3 - 12.5.2015 at 3:48 pm

The easements created by Easement Instrument 10059520.3 are subject to Section 243 (a) Resource Management Act 1991

Subject to a right of way over part marked A on DP 478668 created by Easement Instrument 10059520.4 - 12.5.2015 at 3:48 pm

The easements created by Easement Instrument 10059520.4 are subject to Section 243 (a) Resource Management Act 1991


Comprised in C.T.'s 23/215, 25/252, 32/173, 264/279
SUBDIV. OF LOTS 22, 23 & 24 D.P. 72 & PT. LOT 1 D.P. 882, PT. R.S. 5800
LAND DIST. CANTERBURY. LOCAL BODY ASHBURTON BOROUGH
Scale: 1 Chain to an inch. Surveyed by E.L. Robinson Date: May 1947
Authority 2261 authorising the laying off of "Porter St" of less width than 66ft subject to a 48ft Building Line Restriction
Total Area 3a. 3r. 38·0 p.
PRINCES STREET
BRIDGE ST.
PORTER ST.
ALBERT ST.
ETON ST.
NORTH EAST TOWN BELT
WALNUT AVE
Land Transfer Office
Approved as to Survey
Chief Surveyor
District Land Registrar
D.P. 2922

Appendix 2

Title Plan - LT 614133

Survey Number	LT 614133
Surveyor Reference	1912
Surveyor	Bruce William Speirs
Survey Firm	Land Services Group Ltd
Surveyor Declaration	I Bruce William Speirs, being a licensed cadastral surveyor, certify that-- (a) this dataset provided by me and its related survey are accurate, correct and in accordance with the Cadastral Survey Act 2002 and Cadastral Survey Rules 2021; and (b) the survey was undertaken by me or under my personal direction. Declared on 05 Mar 2025 11:41 AM

Survey Details

Dataset Description	Lots 1 - 5 being Subdivision of Lot 45 DP 72 and Easement Over Lot 8 DP 13457		
Status	Approved as to Survey		
Land District	Canterbury	**Survey Class**	Class A
Submitted Date	05/03/2025	**Survey Approval Date**	10/03/2025
		Deposit Date	

Territorial Authorities

Ashburton District

Comprised In

RT CB593/52

RT 156797

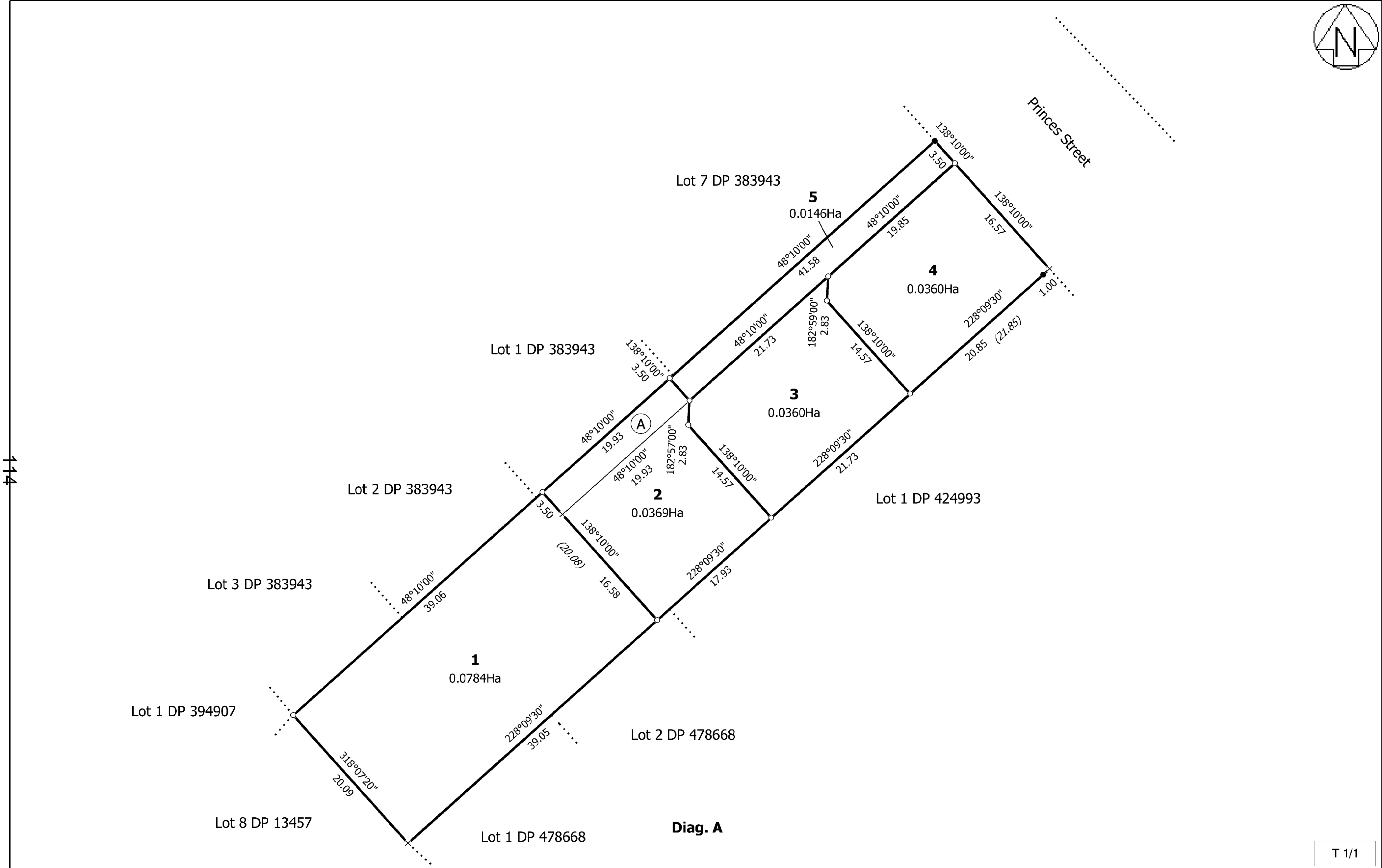
Created Parcels

Parcels	Parcel Intent	Area	RT Reference
Lot 1 Deposited Plan 614133	Fee Simple Title	0.0784 Ha	1224085
Lot 2 Deposited Plan 614133	Fee Simple Title	0.0369 Ha	1224086
Lot 3 Deposited Plan 614133	Fee Simple Title	0.0360 Ha	1224087
Lot 4 Deposited Plan 614133	Fee Simple Title	0.0360 Ha	1224088
Lot 5 Deposited Plan 614133	Fee Simple Title	0.0146 Ha	Multiple
Area A Deposited Plan 614133	Easement		
Total Area		0.2019 Ha	

LT 614133

LOTS 1 - 5 BEING SUBDIVISION OF LOT 45 DP 72 AND EASEMENT OVER LOT 8 DP 13457

<table>
<tr><th colspan="4">MEMORANDUM OF EASEMENT</th></tr>
<tr><th>Purpose</th><th>Shown</th><th>Burdened Land
(servient)
(tenement)</th><th>Benefited Land
(dominant)
(tenement)</th></tr>
<tr><td>Right of way
Right to convey water</td><td>Lot 8
DP 13457</td><td>Lot 8
DP 13457
(RT 156797)</td><td>Lot 1</td></tr>
<tr><td rowspan="2">Right to convey electricity
Right to convey telecommunications
Right to drain water
Right to drain sewage</td><td>A</td><td>Lot 2</td><td>Lot 1</td></tr>
<tr><td>Lot 5</td><td>Lot 5</td><td>Lot 1</td></tr>
<tr><td colspan="3">...
Authorised Officer</td><td>.................
Dated</td></tr>
</table>



Land District: Canterbury

Digitally Generated Plan
Generated on: 10/03/2025 11:05am Page 3 of 3

Lots 1 - 5 being Subdivision of Lot 45 DP 72 and Easement Over Lot 8 DP 13457

Surveyor: Bruce William Speirs
Firm: Land Services Group Ltd

Title Plan
LT 614133
Approved on: 10/03/2025

Appendix 3

This approved format may be used for lodgement as an electronic instrument under the Land Transfer Act 2017

Form 22

Easement instrument to grant easement or *profit à prendre*

(Section 109 Land Transfer Act 2017)

Grantor

Ashburton District Council

Grantee

Cameron James Turpin

Grant of Easement or *Profit à prendre*

The Grantor being the registered owner of the burdened land set out in Schedule A **grants to the Grantee** (and, if so stated, in gross) the easement(s) or *profit(s) à prendre* set out in Schedule A, with the rights and powers or provisions set out in the Annexure Schedule(s)

Schedule A *Continue in additional Annexure Schedule, if required*

Purpose of Easement, or *profit*	Shown (plan reference)	Burdened Land (Record of Title)	Benefited Land (Record of Title) or in gross
Right of way and Right to convey water	Lot 8 DP 13457	Lot 8 DP 13457 (Record of Title 156797)	Lot 1 DP 614133 (Record of Title 1224085)

Easements or *profits à prendre* rights and powers (including terms, covenants and conditions)

Unless otherwise provided below, the rights and powers implied in specified classes of easement are those prescribed by the Land Transfer Regulations 2018 and/or Schedule 5 of the Property Law Act 2007. The implied rights and powers are hereby varied and/or added to by the provisions set out in the Annexure Schedule.

Annexure Schedule

1. Interpretation

1.1. In the interpretation of this Easement Instrument:

a. Words importing the singular or plural number shall be deemed to include the plural and singular number respectively;

b. The headings appearing are inserted only as a matter of convenience and in no way define, limit or describe the scope or intent of the clauses of this Easement Instrument nor in any way affect this Easement Instrument;

c. References to any party include that party's executors, administrators, and assigns or being a company, its successors and assigns;

d. All covenants on the part of the Grantor shall be deemed to be covenants by each of the registered owners included in the term "Grantor" and shall jointly and severally bind each of the registered owners and their respective executors, administrators, successors and assigns.

1.2. Where there is a conflict between the provisions of Schedule 5 of the Land Transfer Regulations 2018 and/or Schedule 5 of the Property Law Act 2007 and modifications in this Easement Instrument, the modifications will prevail.

2. Right of way

2.1. Subject to clause 2.2, the Grantor shall not be required to contribute to the cost of any maintenance, repair or replacement of the right of way.

2.2. Any maintenance, repair or replacement of the right of way that is necessary because of any act or omission by the Grantor must be carried out promptly by the Grantor and at the sole cost of the Grantor. Where the act or omission is the partial cause of the maintenance, repair or replacement the costs payable by the Grantor responsible must be in proportion to the amount attributable to that act or omission, with the balance payable by the Grantee and the registered proprietor(s) or any other land which may have the benefit of a right of way over the Burdened Land, in such shares as may be agreed between those parties.

3. Right to convey water

3.1. The Grantee acknowledges that, subject to clause 3.2, the Grantee is solely responsible for arranging the repair and maintenance of the private lateral pipe (that connects off the Grantor's water main pipe on the Burdened Land) that serves only the Grantee's property, and for the associated costs of that lateral pipe, so as to keep the lateral pipe in good order and to prevent it from becoming a danger or nuisance.

3.2. Any maintenance, repair or replacement of the private lateral pipe that is necessary because of any act or omission by the Grantor must be carried out promptly by the Grantor and at the sole cost of the Grantor. Where the act or omission is the partial cause of the maintenance, repair or replacement the costs payable by the Grantor responsible must be in proportion to the amount attributable to that act or omission, with the balance payable by the Grantee.

Appendix four – Discussion regarding the Property's future

1. Council acquired the Property in October 1947 as part of a wider subdivision of the area. The land was vested to Mayor, Councillors and Burgesses of the Borough of Ashburton for the purposes of a road reserve subject to the provisions of the Public Reserves, Domains and National Parks Act 1928. A record of title was later issued for the Property, with the land now held as Local Purpose (Road) Reserve subject to the Reserves Act 1977. The Property is not Crown-derived reserve land.

2. Officers currently have no plans to change the status of the Property or dispose of this land. However, should Council wish to consider its options for this land, below is a summary of relevant options:

    a. Keep status quo, where Council holds the land as reserve, with various parties having right of way easement rights (and maintenance obligations) for access over the land.

    b. By resolution of Council, dedicate the land as road under section 111 Reserves Act 1977. This does not require consent of the parties who have registered easement interests over the land. Council would however need to investigate whether there are any encroachments on the Property and whether it has sufficient width to meet roading policy requirements. This approach would result in Council becoming responsible for maintenance.

    c. Dispose of the land under Reserves Act 1977. This parcel is not "Relevant Land" and is not subject to the Ngai Tahu Claims Settlement Act 1998. The disposal process is:

        i) The local purpose reserve status must be first be revoked under section 24 of the Reserves Act 1977, which requires the following steps to be taken:

            - Seek Council approval to initiate the process.
            - Consult with Department of Conservation (**DOC**) seeking approval in principle.
            - Council issues public notice of its intention to revoke reserve status. Public hearings held, if appropriate.
            - Council considers submissions and makes a decision on the revocation proposal.
            - If approved, Council resolution and public submissions provided to the Minister of Conservation for consideration and final decision.
            - If approved by Minister, reserve classification revoked via notice in the NZ Gazette.

        ii) Once reserve revocation process is complete, Council can seek to dispose of the land directly to adjacent landowners, or put the land on the open market. The land could only be disposed of with the existing registering interests in place, including the existing right of way easements. The existing easements can only be extinguished with the consent of the parties who have the benefit of the easement (that is, the adjoining property owners who use the Property to access their own dwellings).

3. The reserve revocation and disposal process would take some time, and would occur at Council's cost, with no certainty of outcome or that a willing buyer would be found for the land. Other than certainty of ownership, there is no benefit in adjacent landowners incurring cost to purchase the land as they already have legal access secured through the right of way easements. Similarly, the land is likely to be of little interest to a third party, as the land cannot be built over.

Adjacent parcel

4. Council also owns an adjacent parcel of land as outlined in red below. This land was purchased by Council in February 1975 and appears to have been acquired for a future road (a public work). An August 1974 Council report notes that the land was required *"to allow a new road to be extended to enable the subdivision of properties in Bridge street, Princes street, William street, Walnut avenue block"*. The combined width of the two parcels is approximately 21 metres, which is similar to other roads in the area. However, Council never acquired any further land behind this parcel to extend the road, and the land behind has subsequently been developed for residential purposes.

5. As the land was acquired for a public work, Council must offer back this parcel to the previous owner under [section 40]() of the Public Works Act 1981 unless an exemption applies, such as paragraph (4) "*Where the … local authority believes on reasonable ground that, because of the size, shape or situation of the land he or it could not expect sell the land to any person who did not own land adjacent to the land to be sold, the land may be sold to an owner of adjacent land at a price negotiated between the parties."* This parcel is not reserve land. It also is not "Relevant Land" subject to the Ngai Tahu Claims Settlement Act 1998.

Disposal process for Crown-owned reserve land

6. The above land disposal processes are different to the disposal process for Crown-owned reserve land (such as the many gravel pits administered by Council, but owned by the Crown). If Council declares any Crown-owned reserve land to be surplus to its requirements, the reserve revocation and reserve land disposal process is undertaken by DOC and Council has no control over the process. DOC is not obligated to sell Crown-owned land, even if requested by Council. If DOC does proceed with reserve revocation and disposal, Crown owned land is likely to be subject to the Ngai Tahu Claims Settlement Act 1998, which provides Ngai Tahu the first right to purchase. If Ngai Tahu do not exercise this right, the land is put on the open market for sale. Council may be entitled to 50% of the net proceeds of the sale of Crown-owned reserve land, but would need to apply to DOC to receive these funds.

10. Road Closure – Ashburton Car Club Gravel Bent Sprint

Author *Tayla Bird; Data Management Officer-Roading*
Activity Manager *Mark Chamberlain; Roading Manager*
Executive Team Member *Neil McCann; Group Manager-Infrastructure & Open Spaces*

Summary

- The purpose of this report is to consider an application from the Ashburton Car Club for the temporary road closure of Le Bretons Road and Chertsey Road on Saturday, 13 September 2025 to hold the Gravel Bent Sprint Meeting.
- This report outlines the benefits and risks to be taken into consideration regarding whether to approve or decline the road closure.
- Council is not obliged to approve any road closures. Our practice has been to approve such requests, subject to being confident that the event organisers can manage the event safely, and that the road will be restored to pre-race condition.
- Officers are satisfied that the Ashburton Car Club can meet these expectations, as they have repeatedly done so for many years. This event requires no detours and the roads concerned do not experience high traffic volumes.

Recommendation

1. **That** Council permits the temporary closure of a portion of Le Bretons Road and Chertsey Road on Saturday, 13 September 2025 from 8:00 am to 5:30 pm to allow the Gravel Bent Sprint Meeting to be held.

Attachment

Appendix 1 Road closure diagram

Background

The current situation

1. The Ashburton Car Club has applied for a road closure to hold the Gravel Bent Sprint Meeting. The period of closure is from 8.00 am to 5:30 pm on Saturday, 13 September 2025.

2. The affected roads are:

   Le Bretons Road from Christys Road to Denshires Road
   Chertsey Road from Le Bretons Road for 2km.

3. The event has been advertised with a period for objections to be submitted. On the date that this report was finalised, no objections have been received with the objections period closing at 4.00pm Monday, 18 August 2025. Officers will give a verbal update to Council at the meeting on whether any objections have been received by the deadline.

4. The required insurance and traffic management plan have been received.

5. This application must be considered by Council under clause 11(e) of the Tenth Schedule of the Local Government Act 1974, because New Zealand Motorsport, of which the Ashburton Car Club is a member, requires roads to be closed for motorsport events under the Local Government Act, as event participants may be under 18 years of age.

6. The Ashburton Car Club has run car racing events safely and successfully for over 18 years. Their events are well organised, and every risk and precaution is taken by the organisers to ensure that the highest levels of safety are maintained. Their events are highly supported by the local community and are a valued attraction to the district.

Options analysis

Option one – Approve road closure (recommended option)

7. Our practice has been to approve such requests, subject to being confident that the event organisers can manage the event safely, and that the road will be restored to pre-race condition.

8. Ashburton Car Club has a strong record of safe and successful management of these events in the district.

9. The responsibility for risk-free operation lies with the organisers and all contingencies are covered in the conditions of closure.

10. The road condition will be inspected by Roading staff before and after the event. Staff are confident that the asset will be returned to its pre-existing condition after the event.

Advantages:	Disadvantages:
Ashburton Car Club events are supported by the local community. They have been running without issue for many years.	If an incident occurs this could prevent access to the road for a period of time.
Risks: Safety issues due to it being a motor vehicle event. Travel impact on residents, road users, spectators, and local businesses. The impact on the condition of the roads. These risks are considered LOW overall as they can all be successfully managed.	

Option two – Decline road closure

11. Ashburton Car Club has proven they can run this event with no issues so declining the temporary closure is not recommended by officers.

Advantages:	Disadvantages:
Any safety, travel delay or impact on road condition are avoided.	Many people look forward to these types of events and they provide a positive attraction to the district.
Risks: Reputational risk to Council to hold motorsport events within the district.	

Legal/policy implications

12. Clause 11 of the Tenth Schedule of the Local Government Act 1974 provides –

    "*That Council may, subject to such conditions as it thinks fit… close any road or part of a road to all traffic (e)… for any exhibition, fair, market, concert, film making, race or other sporting event or public function.*"

13. As noted previously, our practice is to enable these events to proceed subject to ensuring the safety of road users, residents, and spectators.

Review of legal / policy implications	
Reviewed by In-house Counsel	*Tania Paddock; General Counsel*

Strategic alignment

Wellbeing		Reasons why the recommended outcome has an effect on this wellbeing
Economic	✓	Events attract visitors from outside the district.
Environmental		
Cultural		
Social	✓	Connect communities to enable business, leisure and social activities (social, cultural wellbeing).

Financial implications

Requirement	Explanation
What is the cost?	No costs to council
Is there budget available in LTP / AP?	N/A
Where is the funding coming from?	All costs associated with this event are being paid by the organisers (Ashburton Car Club)
Are there any future budget implications?	N/A
Reviewed by Finance	Erin Register; Finance Manager.

Significance and engagement assessment

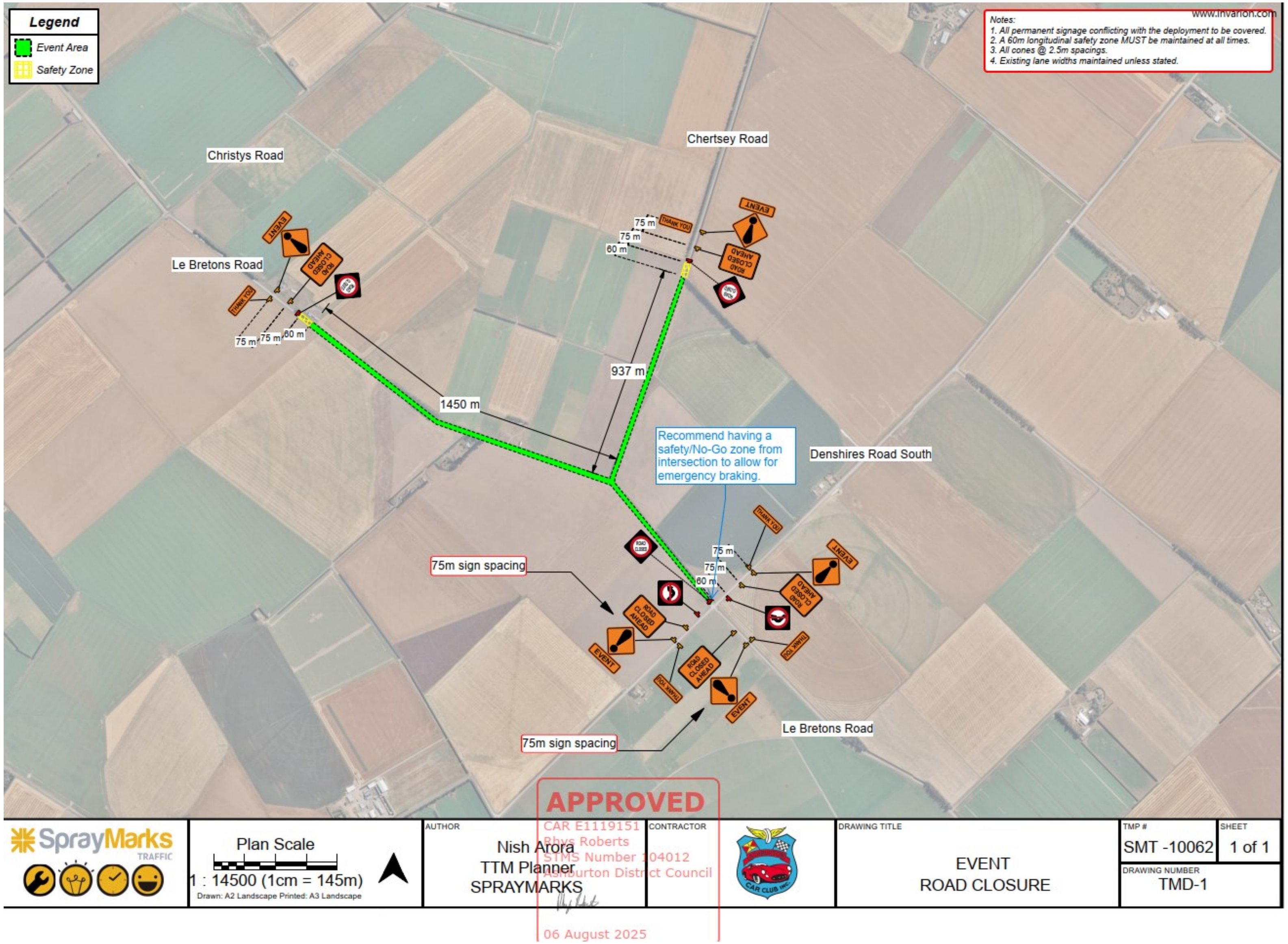
14. There will be a letter drop/visit to the residents in the affected areas so they are aware of the event and road closures.

15. The event has been publicly notified.

16. Emergency services are provided with a copy of road closure information after approval has been given.

Requirement	Explanation
Is the matter considered significant?	No
Level of significance	Medium
Rationale for selecting level of significance	N/A
Level of engagement selected	Level 3 – Consult. Council must advertise the closure and consider objections if any are received.
Rationale for selecting level of engagement	This level of engagement is required to meet statutory requirements.
Reviewed by Strategy & Policy	Mark Low; Strategy and Policy Manager

Appendix one – road closure diagram



11. Financial Report

Author — *Erin Register, Finance Manager*
GM responsible — *Helen Barnes; GM Business Support*

Attachments

Financial variance report – Preliminary 30 June 2025

Recommendation

That Council receives the Preliminary 30 June 2025 financial variance report.

Ashburton District Council
Preliminary
Financial Variance Report
For the period ending
30 June 2025

Ashburton DISTRICT COUNCIL

This report is a preliminary only.
At the time of producing this report there are year-end procedures yet to be completed.
These may include:

- Final overhead cost centre allocations and separate reserve allocations
- Work in Progress expensed or capitalised for infrastructural assets
- Revaluations for Infrastructural assets and Forestry
- Final interest recognition on special and separate reserves
- Lending requirements (internal) are yet to be finalised
- End of year accruals

Variances greater than $100,000 are highlighted in **red bold**. If the variance is permanent an explanation is provided.
F (favourable variance) means that either actual revenue is greater than budget or actual expenditure is less than budget.
U (unfavourable variance) is **when** actual revenue is less than budget or actual expenditure is greater than budget.

Contents

Income and Expenditure – Overview

For period ending 30 June 2025

$99.48 M Actual YTD Operating Income	**$97.17 M** Revised Budget Full Year Operating Income	**$2.31 M** Variance Operating Income	**102%** % of Revised Budget Operating Income
$87.70 M Actual YTD Operating Expenditure	**$89.43 M** Revised Budget Full Year Operating Expenditure	**($1.73) M** Variance Operating Expenditure	**98%** % of Revised Budget Operating Expenditure
$10.89 M Actual YTD Capital Income	**$37.14 M** Revised Budget Full Year Capital Income	**($26.26) M** Variance Capital Income	**29%** % of Revised Budget Capital Income
$42.55 M Actual YTD Capital Expenditure	**$59.96 M** Revised Budget Full Year Capital Expenditure	**($17.40) M** Variance Capital Expenditure	**71%** % of Revised Budget Capital Expenditure
$7.00 M Actual YTD Loans Repaid	**$10.42 M** Revised Budget Full Year Loans Repaid	**($3.42) M** Variance Loans Repaid	**67%** % of Revised Budget Loans Repaid

This report is for the full 12 months (or 100%).

Loan Repayments are for the prior year due to timing of loans maturing at year end.
Budgeted Loan Repayments for the current year are actioned at year end.

Income and Expenditure – Summary

For period ending 30 June 2025

	Actual YTD	Full Year Revised Budget	*Variance*	Percentage of Revised Budget
Revenue				
Rates	53,528,670	52,448,857	*1,079,813*	102%
Fees and Charges	13,161,002	12,033,675	*1,127,327*	109%
Subsidies and Grants	10,161,376	12,841,317	*(2,679,941)*	79%
Finance Income	864,684	450,000	*414,684*	192%
Other Revenue	7,841,987	6,805,006	*1,036,980*	115%
Other Sales	1,263,398	1,502,276	*(238,878)*	84%
Development / Financial Contributions	1,779,248	900,000	*879,248*	198%
Gain on Sale of Assets	2,118,687	3,884,000	*(1,765,313)*	55%
Vested Assets	8,765,924	6,305,000	*2,460,924*	139%
Total Revenue	**99,484,976**	**97,170,131**	***2,314,845***	**102%**
Operating Expenditure				
Payments to Staff and Suppliers	61,268,136	63,389,747	*(2,121,611)*	97%
Finance Costs	5,990,993	6,610,187	*(619,193)*	91%
Other Expenses	663,030	145,700	*517,330*	455%
Depreciation	19,781,813	19,285,939	*495,874*	103%
Total Expenditure	**87,703,972**	**89,431,572**	***(1,727,601)***	**98%**
Net operating surplus (deficit)	**11,781,004**	**7,738,558**	***4,042,445***	**152%**
Capital Income				
Loans Raised	6,768,442	35,044,703	*(28,276,261)*	19%
Land Sales	1,451,490	0	*1,451,490*	0%
Other Asset Sales & Disposals	2,665,813	2,100,000	*565,813*	127%
Total Capital Income	**10,885,745**	**37,144,703**	***(26,258,958)***	**29%**
Capital Expenditure				
Infrastructural Assets	8,057,552	19,247,400	*(11,189,848)*	42%
Cyclic Renewals	17,391,709	20,944,825	*(3,553,117)*	83%
Plant	325,250	611,957	*(286,707)*	53%
Additions/Alterations	5,920,514	10,348,069	*(4,427,555)*	57%
Other Assets	10,814,205	8,805,335	*2,008,871*	123%
Total capital expenditure	**42,553,768**	**59,957,586**	***(17,403,817)***	**71%**
Loan Repayments	7,000,000	10,421,283	*(3,421,283)*	67%
Total capital to be funded	**38,668,023**	**33,234,166**	***5,433,857***	**116%**

Loan Repayments are for the prior year due to timing of loans maturing at year end. Budgeted Loan Repayments for the current year are actioned at year end.

Transportation – Income & Expenditure Report

For period ending 30 June 2025

	Actual YTD	Revised Budget Full Year	Variance	Percentage of Revised Budget	*Permanent Variance*
Operating Income					
Footpaths	1,119,396	1,570,605	**(451,209)**	71%	*Yes*
Roading	18,863,185	21,591,662	**(2,728,477)**	87%	*Yes*
	19,982,581	23,162,267	(3,179,686)	86%	
Operating Expenditure					
Footpaths	1,422,944	1,465,525	(42,581)	97%	
Roading	16,463,544	18,971,267	**(2,507,723)**	87%	*Yes*
	17,886,488	20,436,792	(2,550,304)	88%	
Capital Income					
Roading	0	2,600,000	**(2,600,000)**	0%	*No*
	0	2,600,000	(2,600,000)	0%	
Capital Expenditure					
Footpaths	173,237	683,000	**(509,763)**	25%	*Yes*
Roading	12,265,651	11,955,739	**309,913**	103%	*Yes*
	12,438,889	12,638,739	(199,850)	98%	
Loan Repayments					
Footpaths	60,709	26,281	34,428	231%	
Roading	254,097	544,971	**(290,874)**	47%	*No*
	314,805	571,252	(256,447)	55%	
The above financials include the following:					
Development Contributions	0	0	0	0%	
The above financials do not include the following:					
Vested Assets	3,772,878	2,150,000	**1,622,878**	175%	

The above financials do not include appropriations - to and from activities.
Loan Repayments are for the prior year due to timing of loans maturing at year end.
Budgeted Loan Repayments for the current year are actioned at year end.

Transportation – Operating Income

Footpaths

Actual YTD to Full Year Budget
$451,209 Unfavourable

*Reason for **permanent unfavourable** variance*
Only 34% of the requested footpath capital expenditure budget was approved by NZTA resulting in less subsidy able to be claimed. This unfavourable variance has been offset by a reduction in the subsidised operating expenditure programme of work delivered.

Roading

Actual YTD to Full Year Budget
$2,728,477 Unfavourable

*Reason for **permanent unfavourable** variance*
The subsidy income will be less than budget because the ADC budgets were higher than those approved for subsidy by NZTA. The lower income aligns with the lower expenditure.

Transportation – Operating Expenditure

Roading

Actual YTD to Full Year Budget
$2,507,723 Favourable

*Reason for **permanent favourable** variance*
The full NZTA approved subsidised budget has been spent and claimed but there will be a variance because of the higher Council budget in place before the approval by NZTA.

Transportation – Capital Expenditure

Footpaths

Actual YTD to Full Year Budget
$509,763 Favourable

*Reason for **permanent favourable** variance*
As noted above, NZTA only approved 34% of the requested capital expenditure budget for footpaths. Actual spend at year end is forecast to match what has been approved by NZTA resulting in an underspend against the approved Council budget and a favourable permanent variance.

Roading

Actual YTD to Full Year Budget
$309,913 Unfavourable

*Reason for **permanent unfavourable** variance*
The capital expenditure over the budget is mainly because of the extra unsealed maintenance metalling required on the network from the periods of heavy rain in the last quarter of the year.

Drinking Water – Income & Expenditure Report

For period ending 30 June 2025

	Actual YTD	Revised Budget Full Year	Variance	Percentage of Revised Budget	*Permanent Variance*
Operating Income					
Group Water Supplies	8,695,978	8,157,292	**538,686**	107%	*Yes*
Montalto Water Supply	402,189	399,800	2,388	101%	
Lyndhurst Water Supply	21,256	18,457	2,799	115%	
Barhill Water Supply	9,814	3,945	5,869	249%	
	9,129,237	8,579,494	549,743	106%	
Operating Expenditure					
Group Water Supplies	8,624,687	7,683,147	**941,540**	112%	*Yes*
Montalto Water Supply	393,889	403,728	(9,840)	98%	
Lyndhurst Water Supply	5,263	5,409	(146)	97%	
Barhill Water Supply	1,539	1,566	(27)	98%	
	9,025,379	8,093,850	931,528	112%	
Capital Income					
Group Water Supplies	2,768,442	14,062,349	**(11,293,907)**	20%	*Yes*
	2,768,442	14,446,879	(11,678,437)	19%	
Capital Expenditure					
Group Water Supplies	7,212,687	15,409,174	**(8,196,487)**	47%	*Yes*
Montalto Water Supply	3,086	399,530	**(396,445)**	1%	*Yes*
	7,215,772	15,808,704	(8,592,932)	46%	
Loan Repayments					
Group Water Supplies	780,583	1,876,785	**(1,096,202)**	42%	*No*
Montalto Water Supply	0	18,192	(18,192)	0%	
Lyndhurst Water Supply	13,044	13,048	(4)	100%	
Barhill Water Supply	3,424	2,379	1,045	144%	
	797,050	1,910,404	(1,113,354)	42%	
The above financials include the following:					
Development Contributions	474,441	177,015	**297,426**	268%	
The above financials do not include the following:					
Vested Assets	607,579	660,000	(52,421)	92%	

The above financials do not include appropriations - to and from activities.
Loan Repayments are for the prior year due to timing of loans maturing at year end.
Budgeted Loan Repayments for the current year are actioned at year end.

Drinking Water – Operating Income

Group Water Supplies

Actual YTD to Full Year Budget
$538,686 Favourable

Reason for ***permanent favourable*** *variance*

Capital Services Contributions (Development Contributions) ended the year at $297,000 above the full year budget. The budgets for these items did not reflect the increased development contribution fee structure finally adopted in the Long-Term Plan. This has been addressed for the Year 2 budgets.

Additionally, Rates income finished at $257,000 above full year budget, contributing to the overall favourable position at year end. This is due to more connections than budgeted when the rates were assessed.

Drinking Water – Operating Expenditure

Group Water Supplies

Actual YTD to Full Year Budget
$941,540 Unfavourable

Reason for ***permanent unfavourable*** *variance*

Expenditure on maintenance contracts has ended the year at $825,000 above the annual budget. This is driven partly by the volume of reactive works being significantly higher than that anticipated at the time of budget preparation and the cost (and subsequent maintenance impact) of undertaking the annual leak detection programme. Operation of the new WTPs at Methven & Mt Somers is also higher than anticipated.

Overall expenditure was forecast in May to be an unfavourable variance in Group Water operating expenditure of around $569,000 at 30 June 2025. However, the activity ended the year at $942,000 unfavourable. This change was due to some unanticipated job costing corrections carried out in June, together with a much larger than expected June claim for the maintenance contract[1].

[1] The June claim was $110k larger than the median monthly claim for the 2024/25 year.

Drinking Water – Capital Income

Group Water Supplies

Actual YTD to Full Year Budget
$11,293,907 Unfavourable

*Reason for **permanent unfavourable** variance*
Loans are allocated at the end of the financial year as part of year end funding of capital expenditure. As noted below, capital expenditure is forecast to be below budget at year end, therefore loans are also forecast to be lower than budget. It is anticipated that a portion of this is related to timing and a request will be made to Council to carry forward both the capital expenditure and funding into the 2025/26 financial year.

Drinking Water – Capital Expenditure

Group Water Supplies

Actual YTD to Full Year Budget
$8,196,487 Favourable

*Reason for **permanent favourable** variance*
There were several delays in the delivery of the UV Upgrade Programme and wider capital programme. It is anticipated that the UV/filtration project will now be fully complete by December 2025.

This area has ended the year close to previous forecasting. Of this favourable variance, it is estimated approximately $4.5M will be requested for approval of carry over funding to complete the UV programme along with other outstanding projects.

Montalto Water Supply

Actual YTD to Full Year Budget
$396,445 Favourable

*Reason for **permanent favourable** variance*
The Montalto Water Supply budget is to support ongoing investigations and ultimately design of an upgrade solution for the supply.

It was envisaged that more progress would be made on the proposed pilot trial, but discussions with Taumata Arowai is ongoing. TAs input is needed to ensure the trial is correctly structured. The favourable variance will be requested as carry over funding to support the ongoing upgrade investigations.

Wastewater – Income & Expenditure Report

For period ending 30 June 2025

	Actual YTD	Revised Budget Full Year	Variance	Percentage of Revised Budget	*Permanent Variance*
Operating Income					
Ashburton Wastewater	6,346,784	6,068,122	**278,662**	105%	*Yes*
Methven Wastewater	747,214	683,183	64,032	109%	
Rakaia Wastewater	359,211	351,708	7,503	102%	
	7,453,210	7,103,013	350,197	105%	
Operating Expenditure					
Ashburton Wastewater	6,239,202	5,502,186	**737,017**	113%	*Yes*
Methven Wastewater	486,155	538,517	(52,361)	90%	
Rakaia Wastewater	502,640	564,074	(61,433)	89%	
	7,227,998	6,604,776	623,222	109%	
Capital Income					
Ashburton Wastewater	3,000,000	5,618,171	**(2,618,171)**	53%	*Yes*
Rakaia Wastewater	1,000,000	0	**1,000,000**	0%	*Yes*
	4,000,000	5,618,171	(1,618,171)	71%	
Capital Expenditure					
Ashburton Wastewater	3,296,239	7,363,725	**(4,067,486)**	45%	*Yes*
Methven Wastewater	72,688	134,037	(61,349)	54%	
Rakaia Wastewater	1,457,697	0	**1,457,697**	0%	*Yes*
	4,826,625	7,497,762	(2,671,137)	64%	
Loan Repayments					
Ashburton Wastewater	1,504,900	1,087,337	**417,563**	138%	*Yes*
Methven Wastewater	16,272	16,277	(5)	100%	
Rakaia Wastewater	5,569	13,711	(8,142)	41%	
	1,526,741	1,117,325	409,416	137%	
The above financials include the following:					
Capital Services Contribution	400,897	462,856	(61,959)	87%	
The above financials do not include the following:					
Vested Assets	2,448,585	2,630,000	**(181,415)**	93%	

The above financials do not include appropriations - to and from activities.
Loan Repayments are for the prior year due to timing of loans maturing at year end.
Budgeted Loan Repayments for the current year are actioned at year end.

Wastewater – Operating Income

Ashburton Wastewater

Actual YTD to Full Year Budget
$345,392 Favourable

Reason for forecast ***favourable*** *variance*
The final favourable variance comprises favourable variances in income from Fees ($132,000), Sales ($113,000) and Targeted Rates ($94,000). Fees and sales relate to income from septage fees and Ocean Farm standing grass and grazing activities. These items are budgeted conservatively due to their uncertainty and variability. The targeted rates favourable variance is due to 179 more connections than budgeted from when the rates were assessed.

Wastewater – Operating Expenditure

Ashburton Wastewater

Actual YTD to Full Year Budget
$737,017 Unfavourable

Reason for ***permanent unfavourable*** *variance*
Expenditure on the Maintenance Contracts ended the year at $432,000 above the full year budget. This is driven partly by the volume of reactive works being significantly higher than that anticipated at time of budget preparation and the cost (and associated maintenance impact) of undertaking the annual CCTV condition assessment. Another item influencing the variance is interest costs ($226,000). This is due to timing of budget being set and significant additional loan funded capital work in a previous year.

The change from the variance forecasts in May was due to some unanticipated job costing corrections carried out in June, together with a much larger than expected June claim for the maintenance contract[2].

[2] The June claim was $110k larger than the median monthly claim for the 2024/25 year.

Wastewater – Capital Income

Ashburton Wastewater

Actual YTD to Full Year Budget
$2,618,171 Unfavourable

*Reason for **permanent unfavourable** variance*
Loans are allocated at the end of the financial year as part of year end funding of capital expenditure. As noted below, capital expenditure is forecast to be below budget at year end, therefore loans are also forecast to be lower than budget.

Rakaia Wastewater

Actual YTD to Full Year Budget
$1,000,000 Favourable

*Reason for **permanent unfavourable** variance*
Loans are allocated at the end of the financial year as part of year end funding of capital expenditure. As noted below, capital expenditure is forecast to be above budget at year end, therefore loans are forecast to be higher than budget.

Wastewater – Capital Expenditure

Ashburton Wastewater

Actual YTD to Full Year Budget
$4,067,486 Favourable

*Reason for **permanent favourable** variance*
Most of the Ashburton capital expenditure budget comprises $4.0M allocated for the Grit Chamber Pipeline Renewal and $3.0M for the Rakaia Sludge Beds project. Due to very favourable tender prices, the final favourable variance at 30 June was $2.6M (Ash + Rak). It is noted there has been expenditure incurred on the Grit Chamber project through July so funding will be requested for carryover to complete the project.

Rakaia Wastewater

Actual YTD to Full Year Budget
$1,457,697 Unfavourable

Reason for ***permanent unfavourable*** *variance*
The expenditure relates to the Rakaia Sludge Beds project. The budget for this project is allocated in the Ashburton wastewater capital expenditure, therefore, any expenditure in the Rakaia cost centre will be fully offset by the available budget in the Ashburton cost centre.

Stormwater – Income & Expenditure Report

For period ending 30 June 2025

	Actual YTD	Revised Budget Full Year	Variance	Percentage of Revised Budget	*Permanent Variance*
Operating Income					
Ashburton Stormwater	1,345,925	1,314,555	31,370	102%	
Methven Stormwater	105,418	102,934	2,484	102%	
Rakaia Stormwater	27,090	26,451	638	102%	
Hinds Stormwater	7,454	6,926	528	108%	
Rural Stormwater	52,584	51,345	1,239	102%	
	1,538,471	1,502,211	36,260	102%	
Operating Expenditure					
Ashburton Stormwater	1,543,635	1,541,173	2,462	100%	
Methven Stormwater	91,092	104,268	(13,176)	87%	
Rakaia Stormwater	26,950	40,219	(13,269)	67%	
Hinds Stormwater	7,679	6,929	749	111%	
Rural Stormwater	13,033	51,345	(38,312)	25%	
	1,682,388	1,743,934	(61,546)	96%	
Capital Income					
Ashburton Stormwater	0	135,698	**(135,698)**	0%	*Yes*
	0	135,698	(135,698)	0%	
Capital Expenditure					
Ashburton Stormwater	0	135,698	**(135,698)**	0%	*Yes*
	0	135,698	(135,698)	0%	
Loan Repayments					
Ashburton Stormwater	273,853	173,989	99,864	157%	
Methven Stormwater	7,537	7,539	(2)	100%	
	281,389	181,528	99,861	155%	
The above financials include the following:					
Development Contributions	0	0	0	0%	
The above financials do not include the following:					
Vested Assets	987,073	865,000	**122,073**	114%	

The above financials do not include appropriations - to and from activities.
Loan Repayments are for the prior year due to timing of loans maturing at year end.
Budgeted Loan Repayments for the current year are actioned at year end.

Stormwater – Capital Income

Ashburton Stormwater

Actual YTD to Full Year Budget
$135,698 Unfavourable

*Reason for **permanent unfavourable** variance*
Loans are allocated at the end of the financial year as part of year end funding of capital expenditure. As noted below, capital expenditure is forecast to be below budget at year end, therefore loans are also forecast to be lower than budget.

Stormwater – Capital Expenditure

Ashburton Stormwater

Actual YTD to Full Year Budget
$135,698 Favourable

*Reason for **permanent favourable** variance*
This budget covered the detailed design for the West Street attenuation and treatment facility at the end of the existing West Street pipeline. The construction phase of this project was deferred from next year's budget to the 2026/27 year.

The favourable variance will be requested for carry forward expenditure to allow the work to be continued in the 2025/26 year.

Stockwater – Income & Expenditure Report

For period ending 30 June 2025

	Actual YTD	Revised Budget Full Year	Variance	Percentage of Revised Budget	*Permanent Variance*
Operating Income					
Stockwater	1,570,582	1,462,895	**107,687**	107%	*Yes*
	1,570,582	1,462,895	107,687	107%	
Operating Expenditure					
Stockwater	1,249,752	1,429,295	**(179,543)**	87%	*Yes*
	1,249,752	1,429,295	(179,543)	87%	
Capital Income					
Stockwater	0	90,595	(90,595)	0%	
	0	90,595	(90,595)	0%	
Capital Expenditure					
Stockwater	0	90,595	(90,595)	0%	
	0	90,595	(90,595)	0%	
Loan Repayments					
Stockwater	17,668	23,360	(5,692)	76%	
	17,668	23,360	(5,692)	76%	
The above financials include the following:					
Development Contributions	0	0	0	0%	
The above financials do not include the following:					
Vested Assets	0	0	0	0%	

The above financials do not include appropriations - to and from activities.
Loan Repayments are for the prior year due to timing of loans maturing at year end.
Budgeted Loan Repayments for the current year are actioned at year end.

Stockwater – Operating Income

Stockwater

Actual YTD to Full Year Budget
$107,687 Favourable

Reason for ***permanent favourable*** *variance*
Targeted Rates income finished at $105,000 above full year budget. This favourable variance is due to more connections than budgeted when the rates were assessed.

Stockwater – Operating Expenditure

Stockwater

Actual YTD to Full Year Budget
$179,543 Favourable

Reason for ***permanent favourable*** *variance*
Maintenance contracts finished at $226,000 below the full year budget. This is driven primarily by the relatively stable period in the source rivers and limited interventions required to reinstate intakes.

Waste Reduction & Recycling – Income & Expenditure Report

For period ending 30 June 2025

	Actual YTD	Revised Budget Full Year	Variance	Percentage of Revised Budget	*Permanent Variance*
Operating Income					
Refuse Collection	2,970,774	2,778,247	**192,528**	107%	*Yes*
Refuse Management	5,411,693	5,466,138	(54,445)	99%	
	8,382,468	8,244,385	138,083	102%	
Operating Expenditure					
Refuse Collection	3,218,045	2,773,785	**444,260**	116%	*Yes*
Refuse Management	6,271,114	5,442,803	**828,312**	115%	*Yes*
	9,489,159	8,216,587	1,272,572	115%	
Capital Income					
Refuse Management	0	366,183	**(366,183)**	0%	*No*
	0	366,183	(366,183)	0%	
Capital Expenditure					
Refuse Management	582,575	749,000	**(166,425)**	78%	*Yes*
	582,575	749,000	(166,425)	78%	
Loan Repayments					
Refuse Collection	4,461	4,462	(1)	100%	
Refuse Management	27,701	44,564	(16,863)	62%	
	32,162	49,026	(16,864)	66%	
The above financials include the following:					
Development Contributions	0	0	0	0%	
The above financials do not include the following:					
Vested Assets	0	0	0	0%	

The above financials do not include appropriations - to and from activities.
Loan Repayments are for the prior year due to timing of loans maturing at year end.
Budgeted Loan Repayments for the current year are actioned at year end.

Waste Reduction & Recycling – Operating Income

Refuse Collection

Actual YTD to Full Year Budget
$192,528 Favourable

Reason for ***permanent favourable*** *variance*
This is attributed to increased bin hire fee income ($116,120) and increased target rates income ($81,468) due to 368 additional district wide properties now receiving waste collection compared to when the rates were assessed.

Waste Reduction & Recycling – Operating Expenditure

Refuse Collection

Actual YTD to Full Year Budget
$444,260 Unfavourable

Reason for ***permanent unfavourable*** *variance*
This is primarily due to cost fluctuations of ($137,500), increase in servicing of new bins for new properties and new businesses ($71,400), additional collection service for properties that got additional bins ($78,000). The remaining variance is attributed to the professional fees for the preparation of the RFP and Tender Evaluation for the new Solid Waste Management Contract ($127,700).

Refuse Management

Actual YTD to Full Year Budget
$828,312 Unfavourable

Reason for ***permanent unfavourable*** *variance*
This is primarily due to cost fluctuation amounting to $626,300, transport and disposal of hazardous materials ($68,100), minor repairs at the ARRP grounds ($53,600), maintenance of equipment (42,500), the repair of the pit barrier arms ($31,800), repairs at various drop off facilities ($16,581) and repair of scales ($8,000).

Waste Reduction & Recycling – Capital Expenditure

Capital Expenditure – Refuse Management

Actual YTD to Full Year Budget
$166,425 Favourable

*Reason for **permanent favourable** variance*
The Ashburton Closed Landfill, Southwestern Slope Remediation contract has just been awarded. The contract is spread over 5-years commencing FY2024/2025. The unspent committed fund for this financial year will be requested to be carried forward to allow the work to be continued in the next financial year.

Recreation Facilities – Income & Expenditure Report

For period ending 30 June 2025

	Actual YTD	Revised Budget Full Year	Variance	Percentage of Revised Budget	*Permanent Variance*
Operating Income					
Ashburton Museum and Art Gallery	2,790,757	2,729,736	61,021	102%	
Library	2,408,813	2,361,687	47,125	102%	
Recreation Facilities and Services	6,626,324	6,536,913	89,411	101%	
	11,825,894	11,628,337	197,557	102%	
Operating Expenditure					
Ashburton Museum and Art Gallery	2,638,893	2,770,309	**(131,416)**	95%	*Yes*
Library	2,932,289	2,292,693	**639,596**	128%	*Yes*
Recreation Facilities and Services	6,539,769	6,600,091	(60,322)	99%	
	12,110,951	11,663,093	447,859	104%	
Capital Income					
Recreation Facilities and Services	600	557,020	**(556,420)**	0%	*No*
	600	557,020	(556,420)	0%	
Capital Expenditure					
Ashburton Museum and Art Gallery	583,466	672,000	(88,534)	87%	
Library	152,294	171,300	(19,006)	89%	
Recreation Facilities and Services	643,880	1,235,500	**(591,620)**	52%	*Yes*
	1,379,640	2,078,800	(699,160)	66%	
Loan Repayments					
Library	0	14,969	(14,969)	0%	
Recreation Facilities and Services	17,920	10,822	7,098	166%	
	17,920	25,791	(7,871)	69%	
The above financials include the following:					
Development Contributions	0	0	0	0%	
The above financials do not include the following:					
Vested Assets	0	0	0	0%	

The above financials do not include appropriations - to and from activities.
Loan Repayments are for the prior year due to timing of loans maturing at year end.
Budgeted Loan Repayments for the current year are actioned at year end.

Recreation Facilities – Operating Expenditure

Ashburton Museum and Art Gallery

Actual YTD to Full Year Budget
$131,416 Favourable

*Reason for **permanent favourable** variance*
Expenditure was lower than budget due to wages and other staff related costs from periods of prolonged vacancy and the unspent $65,000 for the branding and website development project due to unforeseen delays. There will be a request to carry forward the branding and website development funds to the 2025/26 financial year.

Library

Actual YTD to Full Year Budget
$639,596 Unfavourable

*Reason for **permanent unfavourable** variance*
There is a permanent unfavourable variance due to depreciation and other operational costs for Te Whare Whakatere being higher than budgeted. The library activity is allocated 43% of these costs as overheads due to the footprint of the area.

Recreation Facilities – Capital Expenditure

Recreation Facilities and Services

Actual YTD to Full Year Budget
$591,620 Favourable

*Reason for **permanent favourable** variance*
There will be a permanent favourable variance at year end due to the EANC Mini Golf project progressing later than budgeted. A carry forward request will be presented to Council for the unspent budget to allow the project to be completed in the 2025/26 financial year.

Recreation & Community Services – Income & Expenditure Report

For period ending 30 June 2025

	Actual YTD	Revised Budget Full Year	Variance	Percentage of Revised Budget	*Permanent Variance*
Operating Income					
Public Conveniences	766,990	736,597	30,392	104%	
Elderly Persons Housing	2,946,114	2,394,410	**551,704**	123%	*Yes*
Memorial Halls	483,555	359,371	**124,185**	135%	*Yes*
Reserves and Camping Grounds	1,171,906	1,027,321	**144,585**	114%	*Yes*
Reserve Boards	915,594	794,030	**121,564**	115%	*Yes*
Community Safety	77,827	76,599	1,228	102%	
	6,361,986	5,388,328	973,658	118%	
Operating Expenditure					
Public Conveniences	442,285	522,287	(80,002)	85%	
Elderly Persons Housing	670,287	842,572	**(172,285)**	80%	*Yes*
Memorial Halls	676,643	666,058	10,585	102%	
Reserves and Camping Grounds	989,562	1,026,121	(36,558)	96%	
Reserve Boards	795,014	774,795	20,219	103%	
Community Safety	91,668	76,599	15,069	120%	
	3,665,460	3,908,431	(242,971)	94%	
Capital Income					
Elderly Persons Housing	0	857,417	**(857,417)**	0%	*No*
Reserves and Camping Grounds	0	91,713	(91,713)	0%	
Reserve Boards	0	14,117	(14,117)	0%	
	0	963,247	(963,247)	0%	
Capital Expenditure					
Public Conveniences	457,714	470,000	(12,286)	97%	
Elderly Persons Housing	4,170,066	2,821,959	**1,348,107**	148%	*Yes*
Memorial Halls	8,808	0	8,808	0%	
Reserves and Camping Grounds	38,623	91,713	(53,090)	42%	
Reserve Boards	182,403	72,117	**110,286**	253%	*Yes*
	4,857,613	3,455,789	1,401,824	141%	
Loan Repayments					
Public Conveniences	251,866	24,796	**227,071**	1016%	*No*
Elderly Persons Housing	9,926	48,432	(38,506)	20%	
Reserves and Camping Grounds	2,251	1,200	1,051	188%	
Reserve Boards	14,582	37,211	(22,629)	39%	
	278,626	111,639	166,987	250%	
The above financials include the following:					
Development Contributions	300	0	300	0%	
The above financials do not include the following:					
Vested Assets	949,808	0	**949,808**	0%	

The above financials do not include appropriations - to and from activities.
Loan Repayments are for the prior year due to timing of loans maturing at year end.
Budgeted Loan Repayments for the current year are actioned at year end.

Recreation & Community Services – Operating Income

Elderly Persons Housing

Actual YTD to Full Year Budget
$551,704 Favourable

Reason for ***permanent favourable*** *variance*
Grants received are $632,000 above budget, relating to the Friendship Lane rebuild, this partially offset by reduced rental income due to the relocation of existing tenants to the new units.

Memorial Halls

Actual YTD to Full Year Budget
$124,185 Favourable

Reason for ***permanent favourable*** *variance*
Consistent application of venue hire charges combined with busier facilities has resulted in increased income than that budgeted.

Reserves and Camping Grounds

Actual YTD to Full Year Budget
$144,585 Favourable

Reason for ***permanent favourable*** *variance*
$132,000 of the favourable variance is a result of contractors' reimbursement of the waste minimisation levy payable to the Ministry for the Environment.

Reserve Boards

Actual YTD to Full Year Budget
$121,564 Favourable

Reason for ***permanent favourable*** *variance*
Across the reserve boards there has been increased income from rentals, leases, donations and grants than that budgeted.

Recreation & Community Services – Operating Expenditure

Elderly Persons Housing

Actual YTD to Full Year Budget
$172,285 Favourable

*Reason for **permanent favourable** variance*
Expenditure is lower than budget as there were less refurbishments undertaken than anticipated. This will be requested as a carry forward into the 2025/26 financial year.

Recreation & Community Services – Capital Expenditure

Elderly Persons Housing

Actual YTD to Full Year Budget
$1,348,107 Unfavourable

*Reason for **permanent unfavourable** variance*
There will be a permanent variance at year end due to the Friendship Lane redevelopment project being delivered in a single stage over 12 months rather than two stages over two years. Completion in one stage resulted in lower project cost, a faster timeline and less disruption to tenants. This was completed 24 weeks ahead of the agreed timeline for the funding agreement and the final costs represent a saving on the total project budget of $180,000.

Reserve Boards

Actual YTD to Full Year Budget
$110,286 Unfavourable

*Reason for **permanent unfavourable** variance*
There will be a permanent unfavourable variance due to capital expenditure for the electricity and water upgrades for the Rakaia Domain. The expenditure has been funded by the reserve.

Economic Development – Income & Expenditure Report

For period ending 30 June 2025

	Actual YTD	Revised Budget Full Year	Variance	Percentage of Revised Budget	*Permanent Variance*
Operating Income					
Commercial Property	6,058,993	7,656,558	**(1,597,565)**	79%	*Yes*
Business & Economic Development	1,059,514	1,020,304	39,210	104%	
District Promotion	371,365	364,241	7,124	102%	
Forestry	0	454,220	**(454,220)**	0%	*Yes*
	7,489,872	9,495,323	(2,005,452)	79%	
Operating Expenditure					
Commercial Property	6,982,448	8,029,186	**(1,046,739)**	87%	*Yes*
Business & Economic Development	1,075,970	1,149,304	(73,334)	94%	
District Promotion	280,895	280,183	712	100%	
Forestry	286,577	415,406	**(128,830)**	69%	*Yes*
	8,625,889	9,874,080	(1,248,191)	87%	
Capital Income					
Commercial Property	3,916,051	11,214,807	**(7,298,756)**	35%	*Yes*
	3,916,051	11,214,807	(7,298,756)	35%	
Capital Expenditure					
Commercial Property	1,058,472	9,299,807	**(8,241,335)**	11%	*Yes*
	1,058,472	9,299,807	(8,241,335)	11%	
Loan Repayments					
Commercial Property	3,253,157	5,967,749	**(2,714,592)**	55%	*No*
	3,253,157	5,967,749	(2,714,592)	55%	
The above financials include the following:					
Development Contributions	0	0	0	0%	
The above financials do not include the following:					
Vested Assets	0	0	0	0%	

The above financials do not include appropriations - to and from activities.
Loan Repayments are for the prior year due to timing of loans maturing at year end.
Budgeted Loan Repayments for the current year are actioned at year end.

Economic Development – Operating Income

Commercial Property

Actual YTD to Full Year Budget
$1,597,565 Unfavourable

*Reason for **permanent favourable** variance*
Three sections budgeted to sell in the NE Industrial Park will not be realised this financial year this offset by a positive gain on revaluation of investment properties.

Forestry

Actual YTD to Full Year Budget
$454,220 Unfavourable

*Reason for **permanent unfavourable** variance*
The harvest of one forestry block did not occur in the 2024/25 financial year as was originally budgeted. The unfavourable income variance is partially offset by way of reduced harvesting costs as a result.

Economic Development – Operating Expenditure

Commercial Property

Actual YTD to Full Year Budget
$1,046,739 Favourable

*Reason for **permanent favourable** variance*
After this report was printed there was an additional journal to recode the loss on disposal of Glasgow Leases. The favourable balance at year end will be $542k.

The favourable variance at year-end is due to a combination of interest expense being lower than budget by $400k, $300k savings in commissions and larger than expected savings in legal, consultancy and maintenance. This has been offset with a $846k loss on the disposal of assets.

Forestry

Actual YTD to Full Year Budget
$128,830 Favourable

*Reason for **permanent favourable** variance*
As noted above, the forestry harvesting planned did not proceed, resulting in harvesting costs no longer being incurred. Thinning and pruning has also been delayed on some forestry blocks.

Economic Development – Capital Income

Commercial Property

Actual YTD to Full Year Budget
$7,298,756 Unfavourable

*Reason for **permanent unfavourable** variance*
During the year we have had unbudgeted income from the freeholding of two Glasgow Lease properties of $1.349M. Loan funding will be lower than budget by approximately $8.2M due to capital projects either being put on hold or deferred as noted below.

Economic Development – Capital Expenditure

Commercial Property

Actual YTD to Full Year Budget
$8,241,335 Favourable

*Reason for **permanent favourable** variance*
$5.5M of this favourable variance is due to the next stage of the subdivision being on hold at the ABE.

In addition, there is a favourable variance relating to the Ashburton Art Gallery and Museum plant upgrade ($1.9M budget); the Methven Medical Centre ($150k budget); and the Ashburton Domain Oval for improvements and booking system ($300k budget); Walnut Ave Pavilion upgrades ($75k budget) and finally the demolition of the Polytech ($434k budget). A request will be made to Council to carry forward these budgets into the 2025/26 financial year.

$85,000 remains unspent for the upgrading of the residential properties which will also be subject to a carry forward request.

Parks & Open Spaces – Income & Expenditure Report

For period ending 30 June 2025

	Actual YTD	Revised Budget Full Year	Variance	Percentage of Revised Budget	*Permanent Variance*
Operating Income					
Cemeteries	702,001	789,611	(87,611)	89%	
Parks and Recreation	8,044,244	6,985,429	**1,058,815**	115%	*Yes*
	8,746,245	7,775,041	971,204	112%	
Operating Expenditure					
Cemeteries	738,390	665,057	73,333	111%	
Parks and Recreation	6,215,236	5,808,089	**407,147**	107%	*Yes*
	6,953,626	6,473,147	480,479	107%	
Capital Income					
Parks and Recreation	0	264,307	**(264,307)**	0%	*No*
	0	264,307	(264,307)	0%	
Capital Expenditure					
Cemeteries	99,813	117,500	(17,687)	85%	
Parks and Recreation	677,777	788,200	**(110,422)**	86%	*Yes*
	777,590	905,700	(128,110)	86%	
Loan Repayments					
Cemeteries	14,582	72,400	(57,818)	20%	
Parks and Recreation	199,185	125,107	74,078	159%	
	213,768	197,507	16,260	108%	
The above financials include the following:					
Development Contributions	300	0	300	0%	
The above financials do not include the following:					
Vested Assets	0	0	0	0%	

The above financials do not include appropriations - to and from activities.
Loan Repayments are for the prior year due to timing of loans maturing at year end.
Budgeted Loan Repayments for the current year are actioned at year end.

Park & Open Spaces – Operating Income

Parks and Recreation

Actual YTD to Full Year Budget
$1,058,815 Favourable

Reason for ***permanent favourable*** *variance*
Reserve Contributions from developments are $880,000 above budget at year-end.

Park & Open Spaces – Operating Expenditure

Parks and Recreation

Actual YTD to Full Year Budget
$407,147 Unfavourable

Reason for ***permanent unfavourable*** *variance*
Significantly higher Insurance, Electricity and Interest costs are contributing factors to the unfavourable variance, along with various operational charges relating to Parks Recoveries and Job Charges.

Community Governance & Decision Making – Income & Expenditure Report

For period ending 30 June 2025

	Actual YTD	Revised Budget Full Year	Variance	Percentage of Revised Budget	*Permanent Variance*
Operating Income					
Council	3,997,131	3,912,116	85,015	102%	
Methven Community Board	128,471	119,737	8,734	107%	
Community Grants Funding	2,790,056	2,033,799	**756,257**	137%	*Yes*
District Water Management	206,678	186,514	20,164	111%	
	7,122,335	6,252,166	870,169	114%	
Operating Expenditure					
Council	4,056,966	3,944,383	**112,584**	103%	*Yes*
Methven Community Board	128,020	128,052	(32)	100%	
Community Grants Funding	1,304,256	1,815,012	**(510,756)**	72%	*Yes*
District Water Management	202,660	429,160	**(226,500)**	47%	*Yes*
	5,691,902	6,316,607	(624,705)	90%	
Capital Income					
Community Grants Funding	0	500,000	**(500,000)**	0%	*Yes*
	0	500,000	(500,000)	0%	
Loan Repayments					
Community Grants Funding	98,969	99,000	(31)	100%	
District Water Management	17,994	18,000	(6)	100%	
	116,963	117,000	(37)	100%	
The above financials include the following:					
Development Contributions	1,471,805	754,984	**716,821**	195%	
The above financials do not include the following:					
Vested Assets	0	0	0	0%	

The above financials do not include appropriations - to and from activities.
Loan Repayments are for the prior year due to timing of loans maturing at year end.
Budgeted Loan Repayments for the current year are actioned at year end.

Community Governance & Decision Making – Operating Income

Community Grants Funding

Actual YTD to Full Year Budget
$756,257 Favourable

*Reason for **permanent favourable** variance*
Capital Service Fee income is $720,000 above budget at year end.

Community Governance & Decision Making – Operating Expenditure

Council

Actual YTD to Full Year Budget
$112,584 Unfavourable

*Reason for **permanent unfavourable** variance*
The permanent unfavourable variance is due to depreciation and other operational costs for Te Whare Whakatere being higher than budgeted. The Council activity is allocated 17% of these costs as overheads.

Community Grants Funding

Actual YTD to Full Year Budget
$510,756 Favourable

*Reason for **permanent favourable** variance*
The Ashburton A&P Society were offered a $500,000 (funded through the raising of a loan) for their redevelopment through year 1 of the Long-Term Plan. This is not being uplifted.

District Water Management

Actual YTD to Full Year Budget
$226,500 Favourable

*Reason for **permanent favourable** variance*
The Investigations budget within this cost centre is being used to fund Council's exit from the stockwater activity. The SETP programme, did not envisage all the investigations budget being utilised by 30 June 2025. The favourable variance will be requested for carryover funding. The carryover was highlighted to Council when the budgets for the stockwater transition were considered.

Community Governance & Decision Making – Capital Income

Community Grants Funding

Actual YTD to Full Year Budget
$500,000 Unfavourable

*Reason for **permanent unfavourable** variance*
The Ashburton A&P Society were offered a $500,000 loan for their redevelopment through year 1 of the Long-Term Plan. This loan is not being uplifted.

Compliance and Development – Income & Expenditure Report

For period ending 30 June 2025

	Actual YTD	Revised Budget Full Year	Variance	Percentage of Revised Budget	*Permanent Variance*
Operating Income					
Environmental Health	219,583	273,322	(53,739)	80%	
Building Regulation	2,795,267	2,843,686	(48,419)	98%	
Emergency Management	259,224	248,633	10,591	104%	
Liquor Licensing	224,560	221,308	3,252	101%	
Land Information Memorandam	288,585	217,752	70,833	133%	
Parking	444,951	320,384	**124,567**	139%	*Yes*
Animal Control**	534,905	591,852	(56,947)	90%	
Resource Consents	782,206	727,117	55,089	108%	
Monitoring and Enforcement	283,343	284,712	(1,369)	100%	
Planning	599,614	592,215	7,399	101%	
	6,432,239	6,320,982	111,257	102%	
Operating Expenditure					
Environmental Health	294,959	273,322	21,637	108%	
Building Regulation	2,713,341	2,843,687	**(130,345)**	95%	*Yes*
Emergency Management	120,637	98,985	21,652	122%	
Liquor Licensing	258,679	221,308	37,371	117%	
Land Information Memorandam	110,144	105,716	4,427	104%	
Parking	313,014	236,596	76,418	132%	
Animal Control	599,289	591,852	7,438	101%	
Resource Consents	951,132	727,118	**224,014**	131%	*Yes*
Monitoring and Enforcement	404,797	401,473	3,324	101%	
Planning	367,865	497,913	**(130,047)**	74%	*Yes*
	6,133,859	5,997,969	135,889	102%	
Capital Expenditure					
Emergency Management	47,985	39,535	8,450	121%	
	47,985	39,535	8,450	121%	
Loan Repayments					
Animal Control	4,399	4,400	(1)	100%	
Planning	144,257	144,302	(46)	100%	
	148,655	148,702	(47)	100%	
The above financials include the following:					
Development Contributions	0	0	0	0%	
The above financials do not include the following:					
Vested Assets	0	0	0	0%	

The above financials do not include appropriations - to and from activities.
Loan Repayments are for the prior year due to timing of loans maturing at year end.
Budgeted Loan Repayments for the current year are actioned at year end.
***The majority of dog registration income is invoiced in July*

Compliance and Development – Operating Income

Parking

Actual YTD to Full Year Budget
$124,567 Favourable

*Reason for **permanent favourable** variance*
Parking Fee favourable variance is due to greater than expected numbers of tickets being issued and higher parking meter revenue than budgeted.

Compliance and Development – Operating Expenditure

Building Regulation

Actual YTD to Full Year Budget
$130,345 Favourable

*Reason for **permanent favourable** variance*
Contractors and consultancy fees have been less than budgeted for the year. This is due to the internal efficiencies staff have picked up allowing staff to process more consents in house.

Resource Consents

Actual YTD to Full Year Budget
$224,014 Unfavourable

*Reason for **permanent unfavourable** variance*
Salary, wages and consultancy costs exceeded budget for the year, primarily due to a requirement to use consultants to cover vacant positions in the Planning Team. This was partly offset by increased revenue of $55,089 received as a result of higher-than-expected levels of activity.

Planning

Actual YTD to Full Year Budget
$130,047 Favourable

Reason for ***permanent favourable*** *variance*
Salary and wages were underspent in part due to vacant positions during the year. Consultancy and legal expenditure were also less than expected due to uncertainty arising from Government legislative changes.

Miscellaneous, Dividends & Internal Overheads – Income & Expenditure Report

For period ending 30 June 2025

	Actual YTD	Revised Budget Full Year	Variance	Percentage of Revised Budget	*Permanent Variance*
Operating Income					
Dividends and Interest	2,752,966	2,250,000	**502,966**	122%	*Yes*
Te Whare Whakatere	2,028,466	780,361	**1,248,105**	260%	*Yes*
Executive Team	1,998,785	1,924,459	74,326	104%	
People & Capability	1,053,502	1,085,558	(32,056)	97%	
Information Systems	4,041,947	4,271,422	**(229,474)**	95%	*Yes*
Customer Services	872,273	797,062	75,211	109%	
Treasury	1,834,149	2,032,538	**(198,389)**	90%	*Yes*
Rates	1,073,475	851,788	**221,687**	126%	*Yes*
Community Relations	1,087,213	1,067,913	19,300	102%	
Communications	1,068,953	1,081,044	(12,091)	99%	
Property Administration	1,543,475	1,503,595	39,880	103%	
Service Delivery	4,654,748	4,376,789	**277,958**	106%	*Yes*
Parks Administration	4,145,756	4,181,814	(36,058)	99%	
Plant Operations	1,310,956	988,746	**322,210**	133%	*Yes*
	29,466,664	27,193,090	2,273,575	108%	
Operating Expenditure					
Dividends and Interest	53,377	51,988	1,390	103%	
Te Whare Whakatere	2,028,466	597,249	**1,431,217**	340%	*Yes*
Executive Team	1,998,785	1,924,459	74,326	104%	
People & Capability	1,053,502	1,116,059	(62,556)	94%	
Information Systems	4,041,947	4,456,422	**(414,475)**	91%	*Yes*
Customer Services	872,273	797,061	75,211	109%	
Treasury	1,834,149	2,210,587	**(376,438)**	83%	*Yes*
Rates	1,073,475	851,788	**221,687**	126%	*Yes*
Community Relations	1,087,213	1,079,613	7,600	101%	
Communications	1,068,952	1,081,044	(12,093)	99%	
Property Administration	1,543,475	1,583,593	(40,118)	97%	
Service Delivery	4,654,748	4,410,390	**244,358**	106%	*Yes*
Parks Administration	4,145,756	4,181,814	(36,058)	99%	
Plant Operations	1,054,218	1,076,399	(22,181)	98%	
	26,510,336	25,418,465	1,091,871	104%	
Capital Income					
Information Systems	0	97,000	(97,000)	0%	
Plant Operations	200,652	290,796	(90,144)	69%	
	200,652	387,796	(187,144)	52%	
Capital Expenditure					
Information Systems	279,213	340,500	(61,287)	82%	
Plant Operations	325,250	611,957	**(286,707)**	53%	*Yes*
	602,684	952,457	(349,773)	63%	
Loan Repayments					
Te Whare Whakatere	1,095	0	(1,095)	0%	
	1,095	0	(1,095)	0%	
The above financials include the following:					
Development Contributions	0	0	0	0%	
The above financials do not include the following:					
Vested Assets	0	0	0	0%	

The above financials do not include appropriations - to and from activities.
Loan Repayments are for the prior year due to timing of loans maturing at year end.

Miscellaneous, Dividends & Internal Overheads – Operating Income

Dividends and Interest

Actual YTD to Full Year Budget
$502,966 Favourable

Reason for ***permanent favourable*** *variance*
Interest and dividend income report $413,466 and $89,500 respectively above budget. Transwaste Limited Dividends received were $89,500 above budget. Above budget interest income is due to favourable interest rates, and the investment of funds wherever possible.

Te Whare Whakatere

Actual YTD to Full Year Budget
$1,248,105 Favourable

Reason for ***permanent favourable*** *variance*
The recovery for the year is higher than budgeted due to the recovery of depreciation expense. The LTP recorded the budget for depreciation expense for Te Whare Whakatere as gradually increasing each year. The correct treatment for recording depreciation should have been to record the full amount of depreciation required to be expensed for the financial year ($1,284,000).

Partially offsetting the favourable variance is an unfavourable variance for rental income ($190,000) in regard to a tenancy for level one.

Information Systems

Actual YTD to Full Year Budget
$229,474 Unfavourable

Reason for ***permanent unfavourable*** *variance*
The recovery for the year is lower than budgeted due to reasons mentioned under operating expenditure.

Treasury

Actual YTD to Full Year Budget
$198,389 Unfavourable

Reason for ***permanent unfavourable*** *variance*
The recovery for the year is lower than budgeted due to reasons mentioned under operating expenditure.

Rates

Actual YTD to Full Year Budget
$221,687 Favourable

Reason for ***permanent favourable*** *variance*
The recovery for the year is higher than budgeted due to reasons mentioned under operating expenditure.

Service Delivery

Actual YTD to Full Year Budget
$277,958 Favourable

Reason for ***permanent favourable*** *variance*
The recovery for the year is higher than budgeted due to reasons mentioned under operating expenditure.

Plant Operations

Actual YTD to Full Year Budget
$322,210 Favourable

Reason for ***permanent favourable*** *variance*
There is a permanent favourable variance due to unbudgeted capital gain on sale of vehicles of $156,676, and unbudgeted insurance proceeds of $33,979. Plant recoveries report $131,395 above budget contributing to this favourable variance.

Miscellaneous, Dividends & Internal Overheads – Operating Expenditure

Te Whare Whakatere

Actual YTD to Full Year Budget
$1,431,217 Unfavourable

Reason for forecast ***permanent unfavourable*** *variance*
Depreciation expense is higher than budgeted. As noted above, the LTP recorded the budget for depreciation expense for Te Whare Whakatere as gradually increasing each year. The correct treatment for recording depreciation should have been to record the full amount of depreciation required to be expensed for the financial year ($1,284,000). There were significant increases in insurance for the year which will exceed budget by $100,000.

Information Systems

Actual YTD to Full Year Budget
$414,475 Favourable

Reason for forecast ***permanent favourable*** *variance*
The favourable variance at end of year, is contributed to by:

- Vacant positions through the financial year, and approved carryover for fixed term positions through to 30 June 2026. Carryover over of previously approved budget to cover these positions ($172K) will be transferred to the new financial year.
- Lower ($55K) than budgeted consultancy costs due to activities being completed in-house, pricing advantaged through AoG agreements or joint activities with other Council.
- Licensing for higher website costs ($36K) were not realised in the year, but are expected in the new financial year
- Allocated depreciation was higher ($118K) than budgeted for the year.

Treasury

Actual YTD to Full Year Budget
$376,438 Favourable

Reason for forecast ***permanent favourable*** *variance*
There was an audit fee accrual for the work to complete the annual report after this report was printed. The year end favourable balance will be $44,691.
This favourable variance is a result of lower than budgeted personnel costs, due to staff vacancies, partly offset by higher than budgeted consulting and audit fees.

Rates

Actual YTD to Full Year Budget
$221,687 Unfavourable

Reason for ***permanent unfavourable*** *variance*
There is an unfavourable variance due to higher than budget rates remissions of $84,000, a portion of which relates to elderly pensioner housing remissions, new this financial year. Debt recovery reports $51,000 above budget as this is the first year staff have used an external debt management company for the collection of outstanding rates. However, arrears have significantly reduced through this initiative. Valuations Fees report above budget by $41,000 due to contracted inflation adjustments.

Service Delivery

Actual YTD to Full Year Budget
$244,358 Unfavourable

Reason for ***permanent unfavourable*** *variance*
There will be an unfavourable variance at year end due to higher than budget Salary and Wages and higher overhead costs than budgeted for Te Whare Whakatere.

Miscellaneous, Dividends & Internal Overheads - Capital Expenditure

Plant Operations

Actual YTD to Full Year Budget
$286,707 Favourable

Reason for ***permanent favourable*** *variance*
At 30 June there were 3 fleet vehicles, and a truck on order. A storm has held up the shipment of 2 of the fleet vehicles, with these vehicles unable to be released until after the shipment has been inspected. The third fleet vehicle was ordered in June with delivery in July. A request for carry-over will be made to complete the planned renewals.

Statement of Financial Position

As at 30 June 2025

	YTD Actual	30-Jun-24
Public Equity		
Ratepayers Equity	552,461,461	540,986,000
Revaluation Reserves	377,771,000	377,771,000
Funds and Reserves	59,688,000	59,688,000
	989,920,461	**978,445,000**
Non-Current Liabilities		
External Loans	143,600,000	130,600,000
Other Term Liabilities	324,344	650,000
	143,924,344	**131,250,000**
Current Liabilities		
Trade Creditors	4,980,149	3,886,385
Deposits & Bonds	1,390,805	1,835,395
Other Current Liabilities	665,176	210,321
Accrued Liabilities	6,836,732	8,935,898
	13,872,862	**14,868,000**
Total Equity & Liabilities	**1,147,717,667**	**1,124,563,000**
Fixed Assets	205,858,485	208,266,445
Infrastructural Assets	856,376,107	859,724,310
Work in Progress	40,044,608	12,502,519
Advances	379,118	395,158
Shares	11,176,477	10,425,549
Current Assets		
Cash & Bank	10,824,057	11,057,000
Cash Investments	12,000,000	4,000,000
GST	1,338,945	2,216,441
Receivables	2,810,783	4,906,616
Provision for Doubtful Debts	(64,688)	(64,688)
Stock	71,888	71,888
Accruals	5,715,658	6,529,416
Other Current Assets	1,186,229	4,532,346
	33,882,872	**33,249,019**
Total Assets	**1,147,717,667**	**1,124,563,000**

Net Debt and Borrowings

As at 30 June 2025

Net Debt

143.60 M External Loans	-	**22.82 M** Liquid Assets	=	**120.78 M** Net Debt

External Borrowing

Local Government Funding	Amount	Rate		Maturity
LGFA 2025	10,000,000	3.48%	Floating	25-Jul-25
LGFA 2025	10,000,000	3.46%	Floating	22-Aug-25
LGFA 2024	5,000,000	3.94%	Floating	15-Apr-26
LGFA 2023	5,000,000	4.09%	Floating	15-Apr-26
LGFA 2023	5,000,000	3.87%	Floating	15-Apr-26
LGFA 2020	10,000,000	4.12%	Floating	15-Apr-26
LGFA 2025	5,000,000	4.08%	Floating	15-Apr-27
LGFA 2024	5,000,000	3.92%	Floating	15-Apr-27
LGFA 2024	3,000,000	5.19%	Fixed	15-Apr-27
LGFA 2023	5,000,000	4.23%	Floating	15-Apr-27
LGFA 2023	5,000,000	4.04%	Floating	15-Apr-27
LGFA 2020	5,000,000	0.97%	Fixed	15-Apr-27
LGFA 2020	5,000,000	1.23%	Fixed	15-Apr-27
LGFA 2025	7,000,000	4.12%	Floating	15-May-28
LGFA 2025	5,000,000	4.17%	Floating	15-May-28
LGFA 2024	7,000,000	4.12%	Floating	15-May-28
LGFA 2021	16,600,000	2.01%	Fixed	15-May-28
LGFA 2025	8,000,000	4.32%	Floating	20-Apr-29
LGFA 2024	7,000,000	4.20%	Floating	20-Apr-29
LGFA 2023	5,000,000	5.08%	Fixed	20-Apr-29
LGFA 2022	10,000,000	4.06%	Floating	20-Apr-29
Total External Funding	**143,600,000**			

Borrowing by Activity

As at 30 June 2025

	External Borrowing	Internal Borrowing
Roading	6,725,934	-
Footpaths	603,240	-
Drinking Water	30,306,804	-
Wastewater	27,576,042	-
Stormwater	2,353,930	-
Stockwater	297,952	-
Refuse and Recycling	757,017	-
Recreation Facilities	164,448	-
Public Conveniences	17,989	-
Elderly Person Housing	239,860	-
Camping	14,170	-
Reserve Boards	697,287	-
Commercial Property	63,386,738	-
Cemeteries	1,787,620	-
Parks	5,838,318	-
Arts & Culture	1,948,035	-
Water Resources	307,366	-
Compliance & Development	535,649	-
Te Whare Whakatere	41,604	-
Total	**143,600,000**	**-**

Council Investments

As at 30 June 2025

Listed below are the current significant investments held by Council.

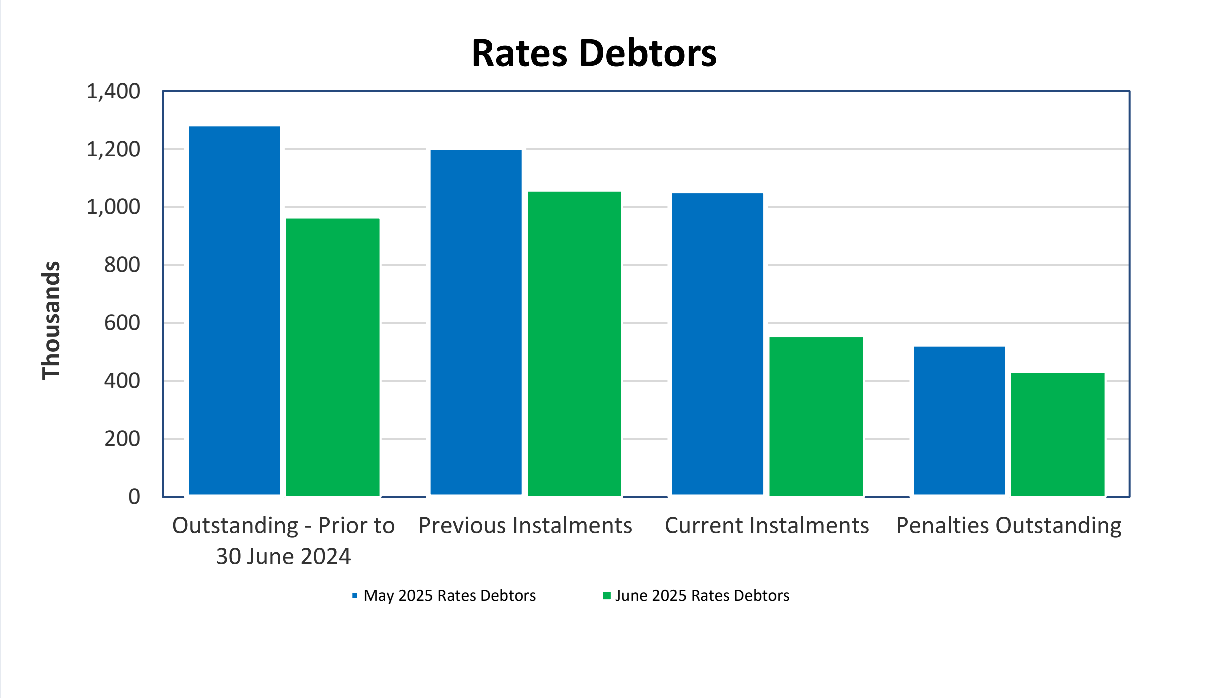
Term Deposit	**Principal**	**Interest**	**Term**	**Maturity**
Westpac	8,000,000	3.33%	1 Month	26-Jul-25
	8,000,000			

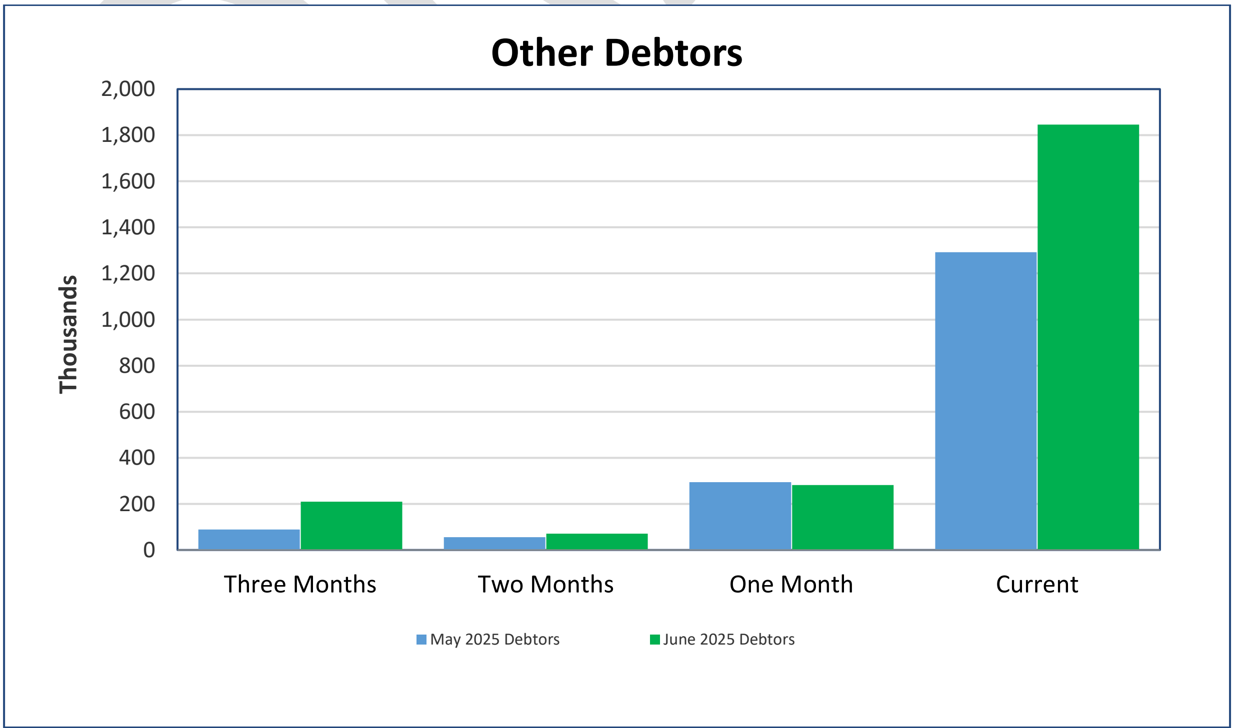
	Principal	**Interest**	**Maturity**
Bonds			
ANZ	1,000,000	2.99%	17-Sep-26
Westpac	1,100,000	6.19%	16-Sep-27
Kiwibank	1,000,000	5.73%	19-Oct-27
Westpac	900,000	6.73%	14-Feb-28
	4,000,000		
Advances			
Eastfield Investments	379,118		
	379,118		
Shares			
Ashburton Contracting Ltd	4,500,000		
Civic Financial Services Ltd	53,087		
RDR Management	30,000		
Transwaste Canterbury Ltd	1,111,590		
Ruralco	500		
Electricity Ashburton Rebates	1,300		
LGFA Equity	3,715,000		
Eastfield Investments	1,765,000		
	11,176,477		

Receivables Summary (Including Prior Month Comparative)

As at 30 June 2025

0.40 M	+	2.41 M	=	2.81 M
Rates Debtors		Other Debtors		Total Outstanding Debtors





Receivables Summary continued

Outstanding Debtors over 90 days	
>$100,000	0
$50,000 - $100,000	1
$30,000 - $50,000	1
$10,000 - $30,000	7

The above debtors are being actively managed or under a resolution process.