

Ashburton District Council

AGENDA

Notice of Meeting:

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

Date: Wednesday 6 April 2022

Time: 1.00pm

Venue: Council Chamber

Membership

Mayor	Neil Brown
Deputy Mayor	Liz McMillan
Members	Leen Braam Carolyn Cameron John Falloon Rodger Letham Lynette Lovett Angus McKay Diane Rawlinson Stuart Wilson

Covid-19 Protection

Council meetings will go ahead as normal under the Red traffic light setting. A vaccine pass is no longer required but people attending must wear a mask. There is also the opportunity to view the meeting via livestream.

Watch the live-stream of this meeting on our You Tube channel, Facebook page and website:
<https://www.ashburtondc.govt.nz/council/public-meetings-research-centre>

Meeting Timetable

Time	Item
1pm	Meeting commences
2.50pm	Welcome to new and long-serving staff

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

4	Council – 16/03/22	3
5	Extraordinary Council – 29/03/22	7
6	Audit & Risk Committee – 23/03/22	9
7	Methven Community Board – 14/03/22	25

Reports

8	Adoption of Draft Annual Plan 2022-23	27
9	Climate Change Policy	31
10	Economic Development Quarterly Report	66
11	Three Waters Reform	72
12	Road Closure – Standing Quarter Mile Sprint Event	87
13	Financial Variance Reports – January & February 2022	92
14	Mayor’s Report	159
15	Councillor Reports – <i>Nil</i>	

Business Transacted with the Public Excluded

16	Council – 16/03/22		PE 1
	• Ashburton Contracting Ltd	Section 7(2)(h) Commercial activities	
17	Audit & Risk Committee – 23/03/22	Sections 7(2)(h) & (a) Commercial activities and Protection of privacy of natural persons	PE 2
18	Award of Contract WATE0220 Methven/Methven-Springfield/Mt Somers	Section 7(2)(h) Commercial activities	PE 3
19	Camping Ground Operations	Section 7(2)(h) Commercial activities	PE 9

4. Council Minutes – 16 March 2022

Minutes of the Council meeting held on Wednesday 16 March 2022, commencing at 1pm in the Council Chamber, 137 Havelock Street, Ashburton.

Present

Deputy Mayor Liz McMillan (Chair); Councillors Leen Braam, Carolyn Cameron, John Falloon, Rodger Letham, Lynette Lovett, Angus McKay, Diane Rawlinson and Stuart Wilson.

In attendance

Hamish Riach (Chief Executive), Jane Donaldson (GM Strategy & Compliance), Steve Fabish (GM Community Services), Neil McCann (GM Infrastructure Services), Sarah Mosley (Manager People & Capability), Dan Huisman (Senior Communications Advisor) and Phillipa Clark (Governance Team Leader).

Staff present for the duration of their reports: Andrew Guthrie (Assets Manager) and Crissie Drummond (Infrastructure Services Team Lead).

Via MS Teams: Paul Brake (GM Business Support).

Presentations

Environment Canterbury – 1.30pm-2.10pm

ChristchurchNZ – 2.11pm-2.30pm

1 Apologies

His Worship the Mayor Neil Brown

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 Mayor's report:

- Voices for Freedom Ashburton correspondence –vaccine passport mandates

Lovett/Braam

Carried

3 Declarations of Interest

Nil.

Commemoration of Christchurch terrorist attack

Council observed a moment's silence in remembrance of the victims of the terrorist attack on the Christchurch mosques, 15 March 2019.

4 Confirmation of Minutes – 2/03/22

That the minutes of the Council meeting held on 2 March 2022, be taken as read and confirmed.

Braam/Falloon

Carried

5 Stockwater Race Closure – Longbeach Road

The Chief Executive advised that the objector to this closure has been in contact after they learned today that the matter is being considered without them having the opportunity to speak.

Progressing the recommendation wasn't fully supported; Councillors opposed considered that the objector should have been notified sooner of today's meeting, with the opportunity to be present.

Councillors in support of the recommendation commented on the ecological assessment which concludes that the race closure should proceed. The report further identified a recommended process for the closure.

That the recommendation be now considered.

Letham/McKay

Carried

1. **That** Council approves the closure of the stockwater race from a junction at 310 Longbeach Road (RS 20914 BLKS IV VIII HINDS SD, PN: 16221), and finishing at a junction located on Boundary Road where the race exists 273 Longbeach Road (Lot 1 DP 62106, PN: 21899).
2. **That** the Willowby water race (the race) closure proceeds in the following order of operation:
 - (i) translocation of fish, and any other significant aquatic life, from the race into the new Willowby race;
 - (ii) Diversion of all remaining flow into the new race at 344 Longbeach Road, possibly by bunding the old channel;
 - (iii) As the race dewater, the receding habitat should be electric-fished downstream to push any remaining fish out of the bottom of the race;
 - (iv) Bund the race at its downstream confluence with the new race in the vicinity of 779 Boundary Road;
 - (v) Fill the race in an upstream direction, pumping any residual dirty groundwater onto adjacent pasture; and
 - (vi) The contractor to consider the means of mitigating the residual flow of groundwater along the decommissioned course of the race.

Letham/McKay

Carried

Cr Braam recorded his vote against the motion.

Environment Canterbury – NE Ashburton wastewater

Aurora Grant (Consents Planning Manager) and Tracey Gray (Principle Consents Planner)

Presentation on ECan's response to the consenting of on-site wastewater consent applications in the north-east Ashburton area. Key points:

- A wastewater system, servicing a 4 person household can contribute nitrogen levels similar to a small to medium dairy platform. A high number in close proximity can run into issues for consenting safely.
- NE Ashburton area already has high nitrates, due to other land uses in the area (maps presented showed intensification of housing from mid 1990s to mid 2010s).
- Auditing the applications has been approached as a collective. Some current applications sit within the drinking water protection zone. Currently 8 applications lodged with ECan and others pending. 30 potential homes affected in all stages.
- Since detailed groundwater nitrate mapping was undertaken by ECan in 2000, scientists have identified specific bores for ongoing monitoring. Appears to have been little change since then (relatively static).
- Health risk is the key concern – risk to other bore users. Also, new NES / freshwater management requires a higher regard – need to put health of the water body first.
- Tangata whenua values to consider – generally that's to improve things.
- ECan is working closely with consultants and system designers to see whether there's a system that can deal with nitrates.

- Permitted activity framework provides option of installing wastewater holding tanks which have to be emptied regularly. Tank options include 'blackwater/greywater' (whole lot is emptied), and an option where only grey water is discharged and black is removed.
- Consenting pathway, particularly those in community drinking water zones, is quite uncertain. Would struggle to move forward with anything but a public notification, and no guarantee that consent would be granted at the end of the process (150 days for public notification).
- ECan have ongoing bore monitoring data and can provide more detail on the science.
- All applications are for advanced aerated systems, either discharged by drip irrigation or a sand trench (widely used in Canterbury). While extremely good at controlling e-coli, if maintained properly, they can't remove nitrates which is what ECan is concerned about – and that's part of the reason for the process being ongoing, as ECan continue to work with systems suppliers.
- Applicants also have the ability to test the bores themselves and provide ECan with data through the auditing process, but an additional cost.
- Some applicant's requests are in a holding pattern – waiting to see what happens with other applications that are closer to being notified. Others have asked for time to explore permitted activity options, or are progressing.

The Group Manager Environmental Services advised that Council also has responsibility in this area, under the Health Act, and is working with ECan. Both councils acknowledge that communication could have been better and that has been addressed with the input of both ADC and ECan consenting teams.

Council thanked ECan officers for the presentation and the information that was shared at a public meeting last week.

7 ChristchurchNZ

Kath Low (Head of Tourism) and Bruce Moffat (Marketing Manager) presented the half year report.

Key points:

- Ōpuke hot pools – highest number of attendees recorded in December. Announced yesterday they will be closed on Tuesdays and Wednesdays (an impact of Covid).
- Visitor spending – electronic card data shows trends and year on year comparisons, but a number of other tools are being tested which would provide more tangible information about actual tourism value. ChChNZ's data analyst is exploring this.
- Tourism Advisory Group – purpose is to receive feedback from a cross-section of industry experts to ensure the work ChChNZ is undertaking is fit for purpose and on point. A recent meeting talked about a range of marketing initiatives and industry challenges. Top line indication is that there are concerns and feedback was sought from the group.
- Tourism NZ are undertaking a programme with the support of MBIE to help drive tourist visitation, but the numbers needed vs what that campaign might generate will likely see a shortfall. It's anticipated that border openings will see mainly family visitation initially, followed by leisure market. In other countries, there hasn't been an immediate, significant rush of tourism. Anticipate that it will be slow in NZ too.
- Tourism NZ and MBIE are looking to support and grow the tourism (staff) skill base, anticipating that an influx of young people will be seen when the borders open.
- Domestic tourism market is important too - a campaign to promote this (by Tourism NZ) will run throughout the year. Also committed to a large campaign with tourism in Australia.

That Council receives the ChristchurchNZ report.

McMillan/Braam

Carried

6 Triennial Elections 2022

1. **That** the report be received.
2. **That** the names of the candidates for the 2022 Ashburton District Council triennial elections, and any subsequent by-elections, be arranged on the ballot paper in random order.

McKay/Lovett Carried

8 Mayor's Report

• Mayor's Discretionary Fund

That Council receives the Mayoral Discretionary Fund report and endorses the criteria and guidelines to be applied to applications made for financial assistance.

Cameron/Braam Carried

• Extraordinary Business – Voices for Freedom

At the request of the Ashburton Voices for Freedom Group, Cr Lovett presented eight letters from families and individuals seeking Council's consideration of removing the requirement for vaccine passports to access Council facilities.

That Council receives the information from the Voices for Freedom Ashburton Group, and that a report be provided for Council's consideration of removing the vaccination pass mandate from Council facilities.

Lovett/Falloon Carried

That Council receives the Mayor's report.

Braam/Rawlinson Carried

9 Deputy Mayor's Report

That Council receives the Deputy Mayor's report.

McMillan/Wilson Carried

Council adjourned for afternoon tea from 3.15pm until 3.30pm.

Business transacted with the public excluded – 3.30pm.

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:	
10	Council 3/02/22 • Ashburton Contracting Ltd	Section 7(2)(h)	Commercial activities
11	Library & Civic Centre PCG 8/03/22	Section 7(2)(h)	Commercial activities

McKay/Braam Carried

The meeting concluded at 3.46pm.

Confirmed 6 April 2022

MAYOR

5. Council Minutes – 29 March 2022

Minutes of the Extraordinary Council meeting held on Tuesday 29 March 2022, commencing at 1pm in the Council Chamber, 137 Havelock Street, Ashburton.

Present

His Worship the Mayor Neil Brown; Councillors Leen Braam, John Falloon, Rodger Letham, Lynette Lovett, Angus McKay, Liz McMillan, Diane Rawlinson and Stuart Wilson.

In attendance

Hamish Riach (Chief Executive), Jane Donaldson (GM Strategy & Compliance), Steve Fabish (GM Community Services), Neil McCann (GM Infrastructure Services), Mark Chamberlain (Roading Manager), Linda Clarke (Communications Officer) and Phillipa Clark (Governance Team Leader).

Via MS Teams: Paul Brake (GM Business Support), Sarah Mosley (Manager People & Capability), Ruben Garcia (Communications Manager), Daniel Huisman (Senior Communications Advisor) and Erin Register (Finance Manager).

1 Apologies

Cr Carolyn Cameron

Carried

2 Extraordinary Business

Nil.

3 Declarations of Interest

Nil.

4 Funding request for additional road maintenance

1. That Council approves additional maintenance funds of \$300,000 from the Forestry Reserve fund to undertake additional road maintenance on failed sections of the roading network before the winter season.

2. That Council approves the inclusion of \$1.7 million from the forestry reserve into the Roading renewal budget in the draft Annual Plan 2022/23, which will be consulted on with the community.

Braam/Rawlinson

Carried

5 Review of My Vaccine Passes for Council facilities

1. That Council receives the report.

Mayor/McMillan

Carried

2. That Council removes My Vaccine Passes entry requirements at the following Council facilities, effective 11.59pm on 4 April 2022:

- Ashburton Administration Building
- Ashburton Public Library
- Ashburton Art Gallery & Heritage Centre
- Ashburton District Council Chambers

- EA Networks Centre
- Mt Hutt Memorial Hall
- Ashburton Holiday Park

Mayor/McMillan

Carried

The recommendation to delegate future decisions to the Chief Executive wasn't fully supported. Those opposed acknowledged that the Chief Executive has responsibility for staff, but consider that Council is responsible for decisions that affect the wider community.

- 3. That** Council delegates to the Chief Executive all future decisions regarding the operation and/or entry to Council facilities in regards to COVID-19 and/or the COVID-19 Protection Framework at orange and green settings.

Mayor/McMillan

Carried

Cr McKay recorded his vote against motion #3.

The meeting concluded at 1.33pm.

Confirmed 6 April 2022

MAYOR

6. Audit & Risk Committee Minutes - 23/03/22

Minutes of the Audit & Risk Committee meeting held on Wednesday 23 March 2022, commencing at 1.30pm, in the Council Chamber, 137 Havelock Street, Ashburton.

Present

Councillors Leen Braam (Chair), Carolyn Cameron, John Falloon, Liz McMillan, Stuart Wilson and Murray Harrington .

Also present:

Councillors Lynette Lovett, Angus McKay and Diane Rawlinson

In attendance

Hamish Riach (Chief Executive), Jane Donaldson (GM Strategy & Compliance), Neil McCann (GM Infrastructure Services), Michael Wong (Building Services Manager), Erin Register (Finance Manager) and Carol McAtamney (Governance Support).

Via Teams: Sarah Mosley (Manager People & Capability), Paul Brake (GM Business Support), Ruben Garcia (Communications Manager)

Dereck Ollssen (Audit NZ) – 1.57pm-2.33pm

1 Apologies

Mayor Neil Brown

Sustained

2 Extraordinary Business

Nil.

3 Declarations of Interest

Nil.

4 Confirmation of Minutes – 9/2/22

That the minutes of the Audit & Risk Committee meeting held on 9 February 2022, be taken as read and confirmed.

Cameron/Falloon

Carried

5 Experience Mid Canterbury 2018/19 Audited Report

It was noted that the full audit report had not been circulated with the agenda. A copy will be forwarded to members.

That the Audit & Risk Committee receives the 2018/19 Experience Mid Canterbury Annual Report.

Wilson/Falloon

Carried

6 IANZ Biannual Accreditation Audit

1. **That** the Audit & Risk Committee receives the Building Consent Authority Accreditation Assessment Report.

2. **That** Council be notified when the non-compliances are cleared by IANZ and Council's accreditation is renewed.

Cameron/McMillan

Carried

7 Ashburton Contracting Limited – Draft Statement of Intent 2022-23 *Pgs 11-24*

• **Dividend policy**

It was agreed to include:

- ACL to be formally advised of the dividend amount the Council has adopted into the budget
- Point 13 add 'ACL will endeavour to meet Council's budget dividend amount'.

Recommendation to Council

- | |
|---|
| <p>1. That the Audit & Risk Committee receives the Ashburton Contracting Limited 2022-23 draft Statement of Intent and refers it to Council for approval.</p> <p>2. That Council formally advise the ACL Board of any comments on the draft Statement of Intent before 28 April 2022.</p> |
|---|

Wilson/Falloon

Carried

Business transacted with the public excluded – 1.57pm

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:	
8	Audit & Risk Committee minutes	Section 7(2)(a)	Protection of privacy of natural persons
9	Audit NZ 2021 Report	Section 7(2)(h)	Commercial activities
10	Health & Safety	Section 7(2)(a)	Protection of privacy of natural persons

McMillan/Cameron

Carried

The meeting concluded at 2.40pm.

ASHBURTON CONTRACTING LIMITED

STATEMENT OF INTENT FROM 1 JULY 2022 (Covering the Financial Year Ended 30 June 2023)

1. PREAMBLE

This Statement of Intent (SOI) is required by section 64 of the Local Government Act 2002.

The Board of a Council Controlled Trading Organisation must deliver to the Council a draft Statement of Intent on or before 1 March each year. The Board must;

- a) consider any comments on the draft Statement of Intent that are made to it within two months of 1 March by the Council, and
- b) deliver the completed Statement of Intent to the shareholders on or before 30 June each year.

2. GOVERNANCE

Role of the Board

The collective responsibility of the Directors is to direct the management of the Company.

The Board carries out its responsibilities by setting the Company's strategic direction, providing leadership to put this into effect, appointing the Chief Executive Officer (CEO), agreeing targets and objectives and monitoring performance. The CEO has been delegated responsibility for the day-to-day management of the Company. He has an executive team to assist him.

Board Composition

The Company's Constitution provides the Board will consist of not more than five directors of whom not more than one shall be a member or employee of any Local Authority. Directors of the Company are appointed by the shareholder by notice in writing to the Company. The term of appointment shall be for a maximum period of three years, but may be for a lesser period as specified by Council at the time of appointment. Retiring directors are eligible for re-election.

Board Meetings

Each year there are a minimum of eleven scheduled directors' meetings. The Board is able to meet at other times if there is business to be conducted. Any two directors have the power to summon a meeting of the Board.

Remuneration of Directors

The Shareholder by ordinary resolution from time to time sets a total maximum amount payable for annual directors' fees divided among the directors as they consider appropriate.

Director's Fees may be reviewed on an annual basis with a maximum review interval of two years. The Directors shall engage an independent consultant to provide a recommendation to the Shareholder.

Board Interaction with Management

Board policy is to make site visits to view Company operations and to familiarise directors with issues associated with the business. These visits usually involve interaction between directors and management and direct access to employees when their particular area of expertise is required. Most contact is with the CEO whom the Directors hold accountable for the operational performance of the Company.

Directors Obligations

Directors' Interests

A Directors' Interests Register is maintained and records particulars of notices given by Directors in regard to positions and shareholdings held in other companies and entities. The Register is reviewed annually as part of the Company's annual reporting process. All Board Meetings contain an agenda item addressing any changes to Directors Interests or Conflicts of Interest.

Officers Interests

A Register of interests of senior management is maintained.

Directors' and Officers' Insurance and Indemnity

The Company has arranged Directors' and Officers' Liability Insurance which ensure directors and officers will incur no monetary loss as a result of actions undertaken by them as directors and officers. Certain actions are specifically excluded, for example, criminal acts and the incurring of penalties and fines which may be imposed in respect of breaches of law.

Financial Results

Management prepare monthly accounts which are provided to the Directors as part of the Board Report for review.

Unaudited half yearly summary reports are prepared for the Ashburton District Council.

The Company prepares Annual Accounts which are audited by Audit New Zealand. The directors review and sign the Annual Accounts which are incorporated in the Annual Report.

External Auditor

Section 70 of the Local Government Act 2002 requires that the Auditor General is the auditor of Council Controlled Organisations.

3. OBJECTIVES

The principal objectives of Ashburton Contracting Ltd are in accordance with section 59 of the Local Government Act 2002 to:

- a) be a successful business; and
- b) be a good employer; and
- c) exhibit a sense of social and environmental responsibility by having regard to the interests of the community in which it operates and by endeavouring to accommodate or encourage these when able to do so; and
- d) conduct its affairs in accordance with sound business practice.

4. NATURE AND SCOPE OF ACTIVITIES

The nature of the Company's activities are that of a civil and roading contractor. Its activities include excavation, transport, construction, drainage, civil works, pipeline installation and surfacing (chip sealing/hotmix).

The company manufactures hotmix and readymix concrete.

The company has vehicle repair workshops which service internal and external customers.

The company carries out quarrying and the supply of aggregates and landscaping products.

The company maintains water, sewer and wastewater facilities.

The company is a partner in the Lake Hood Extension Project (LHEP) joint venture.

The company supplies goods, materials, services and equipment for sale or hire.

The company engages in any other relevant activity as determined by the directors in consultation with the Shareholder from time to time.

5. RATIONALE AND OBJECTIVES FOR ASHBURTON DISTRICT COUNCIL OWNERSHIP

The rationale for the ongoing ownership of the Company in terms of contributing to the Ashburton District Council Long Term Plan is;

- a) To ensure local capacity and capability to undertake civil works, particularly focused on infrastructure.
- b) To promote competition in the district for civil construction and maintenance activities.

- c) To form part of a balanced portfolio of Council investments.
- d) To provide a commercial rate of return on the Council's investment.

6. **PERFORMANCE MEASURES**

- a) Budgeted profit before tax for ACL Parent is achieved. ACL Parent excludes LHEP.
- b) The annual rate of return on ACL Parent average shareholder's funds will be a *target* of 10% before tax based on the rolling average of the last 5 years (excluding any subvention payments and the before tax profit or loss relating to the LHEP).
- c) The Company will achieve its annual budgeted external revenue.
- d) Health & Safety:
 - i. The Company will maintain its ISO 45000 Health and Safety certification.
 - ii. The Company will strive to reduce its lost time injury (LTI) frequency rate year upon year.
 - iii. The Company will strive to reduce its medical treatment injury (MTI) rate year upon year.
- e) Environmental: The Company will maintain its ISO 14001 Environmental certification.
- f) Quality Systems: The Company will maintain its ISO 9001 Quality certification.
- g) The Company will comply with the Resource Management Act.
- h) The Company will ensure business management procedures and practices meet with the requirements of the Auditor such that the Company receives an unqualified audit report of its annual Financial Statements.

7. **LAKE HOOD EXTENSION PROJECT (LHEP) POLICY**

The Company will actively participate in and manage the performance of its investment in the Lake Hood Extension Project and report on its progress in the Notes to the Financial Statements of the Annual Report.

8. **FINANCIAL FORECASTS**

The budget projection for the year ending 30 June **2023** and forecast projections for each of the years ending 30 June **2024** and 30 June **2025** will be disclosed to the shareholder, on a confidential basis, in a timely manner to enable the Council to incorporate this information in its Annual Plan.

9. **RATIO OF EQUITY TO TOTAL ASSETS**

- a) Equity is defined as the paid-up capital, plus any tax paid profits earned and less any dividends distributed to shareholders. They include undistributed profits which have been accumulated in accounts known as either "Revenue Reserves" or "Capital Reserves".
- b) Total Assets are defined as the sum of all current assets, investment assets and fixed assets of the Company.
- c) The ratio of Equity to Total Assets will be no less than 50%.

10. **DIRECTORS' ESTIMATE OF THE COMPANY VALUE**

The Directors estimate that the commercial value of the shareholder's investment in Ashburton Contracting Ltd will be represented by the opening balance of Equity.

11. **REPORTING TO SHAREHOLDER**

The Company will report to the Shareholder on both a regular basis and as and when necessary. The following information will be available to the shareholder based on an annual balance date of 30 June:

11.1 **Draft Statement of Intent**

The Directors shall deliver to the shareholder a Draft Statement of Intent on or before 1 March each year which fulfils the requirements of section 64 of the Local Government Act 2002.

11.2 **Completed Statement of Intent**

The Directors shall deliver to the shareholder a completed Statement of Intent on or before 30 June each year, which fulfils the requirements of section 64 of the Local Government Act 2002.

11.3 **Reporting**

Within two months after the end of the first half and the second half of each financial year, the Directors will meet with the shareholder and deliver to the Shareholder, a report containing the following unaudited information as a minimum in respect of the period year under review:

- a) An Income Statement disclosing actual and budgeted revenue and expenditure and comparative figures for the same period in the previous financial year.

- b) A Statement of Changes in Equity with comparative figures for the same period in the previous financial year.
- c) A Balance Sheet period with comparative figures for the same period in the previous financial year.
- d) An abbreviated Statement of Cash Flows with comparative figures for the same period in the previous financial year.
- e) A commentary on the results for the period under review. Where the Report is in respect of the first six months, the report will contain an outlook for the second six months with reference to any significant factors that are likely to have an effect on the Company's performance, including an estimate of the financial result for the year based on that outlook.
- f) Commentary on the Company's performance with regard to Health and Safety including appropriate graphical information on the Company's performance and KPIs.

11.4 Quarterly Reports

In addition, an abbreviated report, content to be agreed between the Board and the Ashburton District Council to maintain an overview on the Company and its operations, be provided at quarterly intervals between the half yearly report and the annual report.

11.5 Annual Report

Within three months of the end of each financial year, the Directors shall deliver to the Shareholder, an Annual Report which shall contain audited Financial Statements in respect of the financial year, containing the following information as a minimum:

- a) A Directors' Report including a summary of the financial results, a review of operations, a comparison of performance in relation to objectives and any recommendation as to dividend.
- b) An Income Statement disclosing actual and budgeted revenue and expenditure with comparative figures from the previous Annual Report.
- c) A Statement of Changes in Equity at the end of the year with comparative figures from the previous Annual Report.
- d) A Balance Sheet at the end of the year with comparative figures from the previous Annual Report.
- e) A Statement of Cash Flows with comparative figures from the previous Annual Report.
- f) An auditor's report on the above statements and the measurement of performance in relation to objectives.

12. **ACCOUNTING POLICIES**

The accounting policies adopted for Ashburton Contracting Limited are documented in Appendix 1. The Company will report at 30 June 2022 under NZ IFRS Tier 1 of the New Zealand Accounting Standards Framework as a large, for-profit entity after annual expenses exceeded \$30m.

13. **DIVIDEND POLICY**

13.1 ACL is committed to maximising the long-term sustainable distribution flow to the shareholder and maintain a distribution intent of paying 50% of any net after-tax return to the shareholder, subject to capital requirements of the Company. Any distribution needs to be prudent in the circumstances and meet Solvency Tests.

13.2 The ACL Parent Profit after Tax excludes any realised capital gains/losses, revaluation movements, any material one-off non-cash items, and any after tax profits/losses arising from the Lake Hood Extension Project.

13.3 Some, or all, of the distributions to the Shareholder may be made, with agreement of the Shareholder, by subvention payment or other mutually agreed method after taking account of all tax considerations.

14. **CHARITABLE GIFTS POLICY**

14.1 The Company may make charitable gifts to qualifying entities in terms of the 2007 Income Tax Act. Qualifying entities are those entities which are not carried on for private pecuniary profit and whose funds are wholly applied to charitable, benevolent, philanthropic or cultural purposes within New Zealand. The limit of the gifts is the level of taxable income for the Company. Charitable gifts for less than \$20,000 in total in any one financial year will not require prior formal approval of the Ashburton District Council.

14.2 Any charitable gift in excess of \$20,000 must have the formal agreement of the Company Directors and the Ashburton District Council regarding the recipient qualifying entity, the project and the amount of the gift.

15. **PROCEDURES FOR ACQUISITION OF INTERESTS IN OTHER COMPANIES OR ORGANISATIONS**

- 15.1 As a general policy, any proposed investment by the Company in other companies or organisations will be required to meet the weighted average cost of capital (WACC) of the proposed investment(s).
- 15.2 If the directors believe that the Company should invest in, or otherwise acquire, an interest in another company or organisation, the directors will obtain prior approval of the shareholder by special resolution.

16. **SALES OF GOODS/ SERVICES TO LOCAL AUTHORITIES**

- 16.1 The Company will provide goods and services to the Ashburton District Council as part of its normal business activities. These goods and services shall be charged for on a commercial basis.
- 16.2 Ashburton Contracting Limited, under any contract with Ashburton District Council, will be required to meet levels of service determined by the Council.

Appendix I

ACCOUNTING POLICIES

Significant Accounting Policies

Ashburton Contracting Limited (the "Company") is a company domiciled in New Zealand.

The Company is a Council Controlled Trading Organisation as defined in Section 6 (1) of the Local Government Act 2002, wholly owned by the Ashburton District Council and is a profit-orientated entity for financial reporting purposes.

The Company's business includes contracting for physical works, both maintenance and construction, offering goods and services for sale and plant and equipment for hire. These activities occur predominantly in the Ashburton district and immediate surrounding areas and may be undertaken in other geographical areas.

Statement of Compliance

The financial statements have been prepared in accordance with the Companies Act 1993, Generally Accepted Accounting Practice in New Zealand (NZ GAAP), the pronouncements of the Chartered Accountants of Australia and New Zealand (CAANZ) and they comply with New Zealand equivalents to International Financial Reporting Standards (NZ IFRS).

The Company is a Tier 1 for-profit reporting entity under the New Zealand Accounting Standards Framework on the basis that it is a large, for-profit entity that has annual expenditure over \$30 million. The Company has in previous years elected to report under the reduced Tier 2 disclosure regime. The Company has in some cases chosen to include information within its accounts used for the financial reporting requirements of its parent.

Basis of Preparation

The financial statements are presented in New Zealand dollars, rounded to the nearest thousand. They are prepared on the historical cost basis except for Land and Buildings, Investment Properties, and certain other investments, which are stated at fair value.

Non-current assets held for sale are stated at the lower of carrying amount and fair value less costs to sell.

The preparation of financial statements in conformity with NZ IFRS requires management to make judgements, estimates and assumptions that affect the application of policies and reported amounts of assets and liabilities, income and expense. The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances, the results of which form the basis of making the judgments about carrying values of assets and liabilities that are not readily apparent from other sources.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

The accounting policies set out below have been applied consistently to all periods presented in these financial statements, except where otherwise stated.

Changes in Accounting policies and disclosures

New and amended standards and interpretations

The Company has not early adopted any standards, interpretations or amendments that have been issued but are not yet effective.

Property, Plant and Equipment

Owned Assets

Items of property, plant and equipment are stated at cost or deemed cost less accumulated depreciation and impairment losses, except for Land and Buildings which are valued annually by a registered valuer and are stated at fair value.

The cost of self-constructed assets includes the cost of materials, direct labour and an appropriate proportion of production overheads.

Where parts of an item of property, plant and equipment have different useful lives, they are accounted for as separate items of property, plant and equipment.

Subsequent Costs

Further expenditures are added to cost only if it is probable that the future economic benefits embodied with the item will flow to the Company and the cost of the item can be measured reliably. All other costs are recognised in the profit or loss as an expense when incurred.

Depreciation

Depreciation is charged to profit or loss on either straight-line or diminishing value basis over the estimated useful lives of each part of an item of property, plant and equipment. Lower value assets (cost less than \$50,000) are depreciated at the current maximum rates allowed by the Inland Revenue Department as these rates approximate the useful lives and residual values associated with these assets. Land is not depreciated.

The estimated useful lives are as follows:

- Buildings 30- 50 years
- Plant and Equipment 3-38 years
- Office Equipment & Fixtures 3-10 years
- Land Improvements 20 years

The residual value and useful life of an asset is reviewed, and adjusted if applicable, at each financial year-end.

Intangible Assets

Intangible assets acquired by the Company are stated at cost less accumulated amortisation and impairment losses.

Amortisation of intangible assets with a finite life is charged to profit or loss on a straight-line basis over the estimated useful lives of the intangible assets. The estimated useful life of software is three to ten years.

Intangible assets with indefinite useful lives are not amortised, but are tested for impairment annually, either individually or at the cash-generating-unit level. The assessment of indefinite life is reviewed annually to determine whether the indefinite life continues to be supportable. If not, the change in useful life from indefinite to finite is made on a prospective basis. An intangible asset is derecognised upon disposal (i.e. at the date the recipient obtains control) or when no future economic benefits are expected from its use or disposal. Any gain or loss arising upon derecognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in the statement of profit or loss.

Inventories

Inventories are stated at the lower of cost or net realisable value using weighted average. Net realisable value is the estimated selling price in the ordinary course of business, less the estimated costs of completion and selling expenses.

Revenue from contracts with customers

Revenue from contracts with customers is recognised when control of the goods or services is transferred to the customer, at an amount that reflects the consideration to which the Company expects to be entitled in exchange for those goods or services. The Company has concluded that it is the principal in its revenue arrangements, because it controls the goods or services before transferring them to the customer.

Civil construction and contracting

Civil construction and contracting services include drainage, sealing, asphalt laying, utilities and rural contracting.

Construction services within a contract are deemed to represent a single performance obligation, which is satisfied progressively over the construction period. Performance is measured using an output method, by reference to regular progress claims and assessments by client contract engineers.

Any expected loss on construction contracts is recognised immediately as an expense in profit or loss.

Any variable consideration, such as liquidated damages, included in the Company's revenue contracts is included in the transaction price only to the extent that it is highly probable that a significant reversal in the amount of cumulative revenue recognised will not occur. Payment is due as specified in the payment schedules.

Rendering of services

Contracts for workshop and transport services are comprised of one performance obligation, with revenue being recognised over time. Payment is generally due upon completion and acceptance by the customer. An input method (cost incurred) is used as a measure of progress.

Production and sale of goods

The Company earns revenue from the sale of goods, including ready-mix concrete and aggregates. Revenue from the sale of goods is recognised at the point in time when control of the asset is transferred to the customer, generally on delivery. Payment is generally due based on standard 30-day trading terms.

Contract assets, contract liabilities and trade receivables

When a performance obligation is satisfied by transferring a promised good or service to the customer before the customer pays consideration or before payment is due, the Company presents the contract as a contract asset, unless the Company's rights to that amount of consideration are unconditional, in which case the Company recognises a receivable. Trade receivables are measured at the transaction price determined under NZ IFRS 15.

When an amount of consideration is received from a customer prior to the Company transferring a good or service to the customer, the Company recognises a contract liability.

The Company recognises an allowance for expected credit losses (ECLs) for all debt instruments not held at fair value through profit or loss. ECLs are based on the difference between the contractual cash flows due in accordance with the contract and all the cash flows that the Company expects to receive, discounted at an approximation of the original effective interest rate.

For trade receivables and contract assets, the Company applies the simplified approach in calculating ECLs. Therefore, the Company does not track changes in credit risk, but instead recognises a loss allowance based on lifetime ECLs at each reporting date.

Warranties

The Company provides for defects liability periods in accordance with NZ IAS 37.

Cash and Cash Equivalents

Cash and cash equivalents comprise cash balances and call deposits with original maturities of less than 3 months. Bank overdrafts that are repayable on demand form an integral part of the Company's cash management and are included as a component of cash and cash equivalents for the purpose of the statement of cash flows.

Investments

Other Investments

Investments in equity securities held by the Company are recorded at fair value through profit or loss.

Advances and other financial assets at amortised cost

If there has not been a significant increase in credit risk since initial recognition, ECLs are provided for credit losses that result from default events that are possible within the next 12-months. If there has been a significant increase in credit risk since initial recognition, a loss allowance is required for credit losses expected over the remaining life of the instrument.

Joint Venture

The Joint Venture has been incorporated into the financial statements using the equity method.

Impairment of non-financial assets

The carrying amount of the Company's assets other than inventories are reviewed at each balance date to determine whether there is any objective evidence of the indication of impairment. If any such indication exists, the asset's recoverable amount is estimated.

If the estimated recoverable amount of an asset is less than its carrying amount, the asset is written down to its estimated recoverable amount and an impairment loss is recognised in profit or loss. For revalued assets the impairment loss is recognised in other comprehensive income for that asset. Where that results in a debit balance in the revaluation reserve, the balance is recognised in profit or loss.

Reversal of Impairment

Impairment losses are reversed when there is a change in the estimates used to determine the recoverable amount. For revalued assets the reversal of an impairment loss is recognised in other comprehensive income and credited to the revaluation reserve. However, to the extent that an impairment loss for that asset was previously recognised in profit or loss, a reversal of the impairment loss is also recognised in profit or loss.

Income Tax

Income tax on the profit or loss for the year comprises current and deferred tax. Current tax is the expected tax payable on the taxable income for the year, using tax rates enacted or substantively enacted at the reporting date, and any adjustment to tax payable in respect of previous years. Deferred tax is provided using the balance sheet method, providing for temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. The amount of any deferred tax provided is based on the expected manner of realisation or settlement of the carrying amount of assets and liabilities using tax rates or substantively enacted at the balance date.

Current tax and deferred tax is charged or credited to profit or loss, except when it relates to items recognised in other comprehensive income, in which case the tax is dealt with in other comprehensive income.

A deferred tax asset is recognised only to the extent that it is probable that future taxable profits will be available against which the asset can be utilised.

Employee Entitlements

The Company has made provision in respect of entitlements for annual leave, long service leave and retirement gratuities. The provision is calculated on an actual entitlement basis at current rates of pay.

The Company recognises a liability for sick leave to the extent that compensated absences in the coming year are expected to be greater than sick leave entitlements earned in the coming year. The amount is calculated based on the unused sick leave entitlement that can be carried forward at balance date, to the extent the Company anticipates it will be used by staff to cover those future absences.

Obligations for contributions to defined contribution superannuation plans are recognised as an expense in profit or loss when they are due.

Expenses

Net Financing Costs

Net financing costs comprise interest payable on borrowings, interest receivable on funds invested and dividend income. Interest income is recognised in profit or loss as it accrues. Dividend income is recognised in profit or loss on the date the Company's right to receive payment is established.

Trade and Other Payables

Trade and Other Payables are stated at amortised cost. Due to their short-term nature, they are not discounted.

Provisions

A provision is recognised in the balance sheet when the Company has a present legal or constructive obligation as a result of a past event, and it is probable that an outflow of economic benefits will be required to settle the obligation.

Loans

Subsequent to initial recognition, loans are measured at amortised cost using the effective interest method.

Goodwill

All business combinations are accounted for by applying the purchase method. Goodwill represents the difference between the cost of the acquisition and the fair value of the net identifiable assets acquired.

Goodwill is stated at cost less any accumulated impairment losses. Goodwill is allocated to cash generating units and is tested annually for impairment.

The impact of Covid-19 has been considered in the impairment assessment. The impact on the company was not significant and has not resulted in any impairment of goodwill.

Impairment of Goodwill

An impairment loss is recognised whenever the carrying amount of an asset or its cash-generating unit exceeds its recoverable amount. The amount of the impairment loss is measured as the difference between the assets carrying amount and the recoverable amount.

An impairment loss in respect of goodwill is not reversed.

Calculation of recoverable amount

The recoverable amount of assets is the greater of their market value less cost to sell and value in use.

In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the assets. For an asset that does not generate largely independent cashflows, the recoverable amount is determined for the cash-generating unit to which the asset belongs.

Reversal of impairment

An impairment loss in respect of an asset carried at amortised cost is reversed if the subsequent increase in recoverable amount can be related objectively to an event occurring after the impairment loss was recognised.

An impairment loss in respect of goodwill is not reversed.

In respect of other assets, an impairment loss is reversed if there has been a change in the estimated use to determine the recoverable amount.

An impairment loss is reversed only to the extent that the assets carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortisation, if not impairment loss had been recognised.

Leases

Right-of use assets

The Company recognises right-of-use assets at the commencement date of the lease (i.e. the date the underlying asset is available for use). Right-of-use assets are measured at cost, less any accumulated depreciation and impairment losses, and adjusted for any re-measurement of lease liabilities. The cost of right-of-use assets includes the amount of lease liabilities recognised, initial direct costs incurred, and lease payments at or before the commencement date less any lease incentives received. Right-of-use assets are depreciated on a straight-line basis over the shorter of the lease term or the estimated useful life of the asset.

Lease liabilities

At commencement date of the lease, the Company recognises lease liabilities measured at the present value of lease payments to be made over the lease term. These lease payments include fixed payments (including in-substance fixed payments) less any lease incentive receivable, variable lease payments that depend on an index or a rate, and amounts expected to be paid under residual value guarantees. The lease payments also include the exercise price of an option reasonably certain to be exercised by the Company and penalties for terminating the lease if the lease term reflects the Company's exercising the option to terminate.

Variable lease payments that do not depend on an index or a rate are recognised as expenses (unless they are incurred to produce inventories) in the period in which the event or condition that triggers the payment occurs.

In calculating the present value of lease payments, the Company uses a borrowing rate at the lease commencement that best represents the term of the lease. For plant and vehicle leases the company uses the Bank fixed interest rate for the term of the lease and for property, an appropriate market yield is used. After the commencement date, the amount of the lease liabilities is increased to reflect the accretion of interest and reduced for the lease payments made. In addition, the carrying amount of lease liabilities is re-measured if

there is a modification, a change in the lease term, a change in the lease payments or a change in the assessment of an option to purchase the underlying asset.

Short term leases and leases of low-value assets

The Company applies the short-term lease recognition exemption to its short-term leases i.e. those with a lease term of 12 months or less from the commencement date with no purchase option.

The Company also applies the lease of low-value assets recognition exemption to leases of office equipment that are considered to be low value. Management has defined this as assets which are, when new, valued at \$7,000 or less.

Lease payments on short-term leases and leases of low-value assets are recognised as an expense on a straight-line basis over the lease term.

Goods and Services Tax (GST)

All amounts are shown exclusive of GST, except for trade receivables and payables that are stated inclusive of GST.

New Accounting Standards

Not applicable.

7. Methven Community Board –14 March 2022

Minutes of the Methven Community Board meeting held on Monday 14 March 2022, commencing at 10.30am, in the Mt Hutt Memorial Hall Boardroom, 160 Main Street, Methven.

Present

Cr Liz McMillan (Chair); Kelvin Holmes, Ron Smith, Richie Owen and Cr Rodger Letham.

In attendance

Jane Donaldson (Group Manager Strategy & Compliance), Toni Durham (Strategy and Policy Manager), Ian Soper (Open Spaces Manager) and Clare Harden (Community Liaison Officer)

1 Appointment of Chair

That Cr Liz McMillan be appointed to Chair the Methven Community Board meeting on 14 March 2022.

Smith/Holmes Carried

2 Apologies

Dan McLaughlin, Sonya McAlpine

Smith/Owen Carried

3 Extraordinary Business

Nil

4 Declarations of Interest

Nil

5 Confirmation of Minutes

That the minutes of the Methven Community Board meeting held on 31 January 2022, be taken as read and confirmed.

Smith/Holmes Carried

6 Resignation of Deputy Chair

That the Board accepts the resignation of Deputy Chairperson, Sonia McAlpine, noting her intention to remain a Board member until the end of this term.

Smith/Holmes Carried

7 Election of Deputy Chair

That Kelvin Holmes be elected as Deputy Chairperson for the Methven Community Board.

Smith/Letham Carried

Activity Reports

That the reports be received.

McMillan/Holmes Carried

8 Community Services

Open Spaces

- Ian gave an update on the cemetery work, final quote arrived on Friday for work to reinstate the land where the trees have been taken away.
- The cemetery will need more plants in the future. The Board will wait for the area to be cleared for this.
- Ian explained that there is an area that could be added as a walkway through Camrose Estate to Holmes Road. The Council is working with the developer on this.

9 Infrastructure Services

- An update from Jane Donaldson was given around the high demand for building consents and areas the Building Services team is working on to reduce pressure.

9.1 Strategy & Policy

- Toni Durham gave an update on the Mobile Shops & Hawkers Bylaw
- The Board is happy that the Methven Mall be taken out of the bylaw. This does not exclude fundraising tables like the Red Cross & Daffodil day.
- The Board would like to see Chambers Park to be added to the consultation document.
- Also the Board would like to see “not during the house of darkness” removed.
- One off applications are still able to come through for areas not designated.
- The Board will submit to the bylaw when submissions open.

Draft Annual Plan 2022-23 – consultation

- There will be community consultation for the 2022 – 23 Annual Plan starting from 7 April.
- MCB would like to have a meeting before the community consultation
- Toni will get back to the Board around a date for this.

NZTA Rooding update - Liz has presented petition to James Caygill (NZTA) on the speed limit change.

Discretionary grant requests

Kelvin Holmes and Ron Smith withdrew from debate on the Methven Lions application.

Liz McMillan withdrew from debate on the Walkway festival

That the Methven Community Board approves funding of \$5,000 from the Board’s discretionary fund for the Methven Fire Fighters Support Group.

Letham/Holmes

Carried

That the Methven Community Board approves funding of \$8,500 from the Board’s discretionary fund for the Methven Lions Walkway Project.

Owen/McMillan

Carried

That the Methven Community Board defer the Walking festival application to the 2022/2023 year, due to the postponement of the majority of this event this year.

Owen/Smith

Carried

The meeting concluded at 12.10pm.

Next meeting: Monday 2 May 2022

Dated 2 May 2022

Chairman

8. Adoption of the Draft Annual Plan 2022-23 and Consultation Document

Author	<i>Janice McKay; Corporate Planner</i>
Activity manager	<i>Toni Durham; Strategy & Policy Manager</i>
Group manager	<i>Jane Donaldson; Strategy and Compliance Group Manager</i> <i>Paul Brake; Business Support Group Manager</i>

Summary

- The purpose of this report is to adopt the Draft Annual Plan 2022-23 and Consultation Document for the purpose of community consultation

Recommendation

1. **That** Council adopts the Draft Annual Plan 2022-23 and Consultation Document for consultation with the community from the 7 April – 6 May 2022.

Attachment

- Appendix 1** Draft Annual Plan
Appendix 2 Consultation document

Background

Draft Annual Plan

1. Council is required, under section 95 of the Local Government Act 2002, to prepare an Annual Plan for each financial year, and to adopt that plan prior to the commencement of the year which it relates to.
2. The Ashburton District Council draft Annual Plan 2022-23 details Council's budget, activities and projects for the coming year, and represents year two of the Council's Long Term Plan (LTP) 2021-31.
3. The average rate increase in year two of the LTP 2021-31 was 7.8% and the average rate increase in the Draft Annual Plan 2022-23 is 9.4%.
4. Council recognised that the LTP year two budget which used an inflation rate of 2.9% would not be adequate to continue to meet the current levels of service, due to recent inflationary pressure, which has seen us use a 5% rate of inflation in this draft Annual Plan.
5. This, coupled with the impact from the recent property revaluations has led us to recommend consultation with the community on the draft Annual Plan.

Consultation Document

6. Consultation on an Annual Plan is recommended when the differences between the Draft Annual Plan and year two of the LTP are 'significant' or 'material'.
7. Consultation must give effect to the consultation principles under the LGA (S82).
8. Where consultation occurs, a Consultation Document (CD) must be prepared.
9. The key topics for discussion in the CD are as follows:
 - Topic One | Reviewing our day-to-day services
 - Topic Two | Using forestry reserves to bring our major roading repairs programme forward

Options analysis

Option one – adopt the Draft Annual Plan and Consultation Document (recommended option)

10. Council would adopt the Draft Annual Plan and Consultation Document and proceed on time with community consultation beginning Thursday, April 7.
11. Consultation will be undertaken between April 7 and May 6. This will allow Council enough time to hold hearings and deliberations, make any amendments as a result of consultation, and adopt the final Annual Plan by 30 June 2022, as required by statute.

Option two – adopt the Draft Annual Plan and Consultation Document with amendments

12. Council would adopt the Draft Annual Plan and Consultation Document with amendments. This is possible but adds complexity and risks the quality of consultation with the community and meeting the statutory deadline of 30 June 2022 for the Annual Plan.

Option three – do not adopt the Draft Annual Plan and Consultation Document

13. Council would not adopt the Draft Annual Plan and Consultation Document. Council would then not be able to engage the community as planned. This would put significant risk on the Annual Plan 2022-23 being adopted by the 30 June 2022 statutory deadline. This would mean Council fails to meet its legislative obligations under the Local Government Act 2002.

Legal/policy implications

14. The Draft Annual Plan and Consultation Document has been prepared within the requirements of the Local Government Act 2002.

Financial implications

Requirement	Explanation
What is the cost?	Not applicable
Is there budget available in LTP / AP?	Yes
Where is the funding coming from?	Strategy & Policy budget
Are there any future budget implications?	No
Reviewed by Finance	Not required.

Significance and engagement assessment

15. Officers have assessed the significance of the Annual Plan 2022-23 to be medium-high significance. This means that we advise that the Council **does** undertake consultation on the Annual Plan 22-23.
16. While the assessment does not trigger an automatic requirement of consulting, officers believe the risks to Council of not consulting are real and significant.
17. The main drivers for this advice are as follows:

- *High community impact* – The proposed rate increase is higher than forecast in year two of the LTP and is falling disproportionately across our communities. This is hitting when the economic impacts from Covid-19 on businesses and households are really starting to bite with inflation lifting significantly and impacting all areas of life.
- *High community interest* – It is expected that the rate increase will be of high interest to the broader community and could attract regional (at a minimum) media interest. By undertaking consultation, the Council will have the opportunity to explain the rate increase and its drivers. It has been reported that some other Councils are not lifting rates to the same extent we are by using the BERL inflation rate of 2.9%. Council’s decision to reflect more accurately the inflationary pressure being experienced could exacerbate debate around our increase.

Requirement	Explanation
Is the matter considered significant?	Yes
Level of significance	Medium-High
Level of engagement selected	3. Consult – Formal two-way conversation
Rationale for selecting level of engagement	As explained above, high community interest and high community impact.
Reviewed by Strategy & Policy	Toni Durham; Strategy & Policy Manager

Next steps

Date	Action / milestone
April 7 – May 6	Public consultation
May 26	Public hearings and deliberations
June 1-2	Deliberations or workshop if needed
June 29	Annual Plan adopted
July	Annual Plan takes affect

9. *Climate Change Policy Review*

Author	<i>Mel Neumann; Graduate Policy Advisor Richard Mabon; Senior Policy Advisor</i>
Activity Manager	<i>Toni Durham; Strategy & Policy Manager</i>
GM responsible	<i>Jane Donaldson; GM Strategy & Compliance Hamish Riach; Chief Executive</i>

Summary

- Council's Climate Change Policy is due for review.
- There have been issues regarding the implementation of the policy, and therefore Council has not made much progress towards achieving the objectives set out in the policy.
- The aim of this report for Council to adopt the updated policy, and to develop a Resilience Action Plan, as discussed in the Climate Change Workshop held on 9 March 2022.
- Council has the following options regarding the policy:
 - Rollover the current policy (status quo), or
 - Adopt the policy as attached (recommended)
- Council has the following options regarding the development of an action plan:
 - Do not develop a Resilience Action Plan (status quo), or
 - Develop a Resilience Action Plan (recommended)
- If Council agrees to develop a Resilience Action Plan, officers will bring a draft to Council.

Recommendation(s)

1. **That** Council receives the Climate Change Policy Review Background Report attached in appendix 1.
2. **That** Council adopts the Climate Change Policy 2022 as attached in appendix 2.
3. **That** Council resolves to develop a 'Resilience Action Plan' to give effect to the Climate Change Policy.

Attachments

- Appendix 1** Climate Change Policy Review Background Report
Appendix 2 Draft Climate Change Policy 2022

Background

The current situation

1. Climate change is referred to as the greatest issue of our time¹. Impacts within Canterbury are expected to include increasing temperatures, sea level rise, drought, fires, and increased frequency and intensity of storms².
2. Council adopted the Climate Change Policy in 2019, and it is now due for review.
3. Officers have undertaken a review of the policy, attached in appendix 1. The report assesses how the policy is being implemented, what we are doing well, and what we can be doing better.
4. The review has identified that little progress has been made towards the goals of our current policy, that the policy is not specific on what we will do to achieve those goals, and that there is no mechanism in place to assess whether we are doing our part across the organisation.
5. Officers believe that our current policy is still fit for purpose (with minor updates), and that rather than re-developing the policy itself, Council should develop a plan to show what we will do to meet the goals set out in the policy. This Plan can be reported against to monitor progress and provide public accountability.

Previous Council direction

6. On 2 March 2022, Council received the Canterbury Climate Change Risk Assessment Technical Report, developed by Tonkin and Taylor and published by the Canterbury Mayoral Forum.
7. Council held a Climate Change Policy workshop on 9 March 2022, which covered the content of the policy review. Elected members agreed that our current policy goals are still fit for purpose, and indicated that a Resilience Action Plan should be developed.

Options analysis – Policy options

Option one – Roll over the current policy (status quo)

8. Council could decide to roll over the current policy.

Advantages

- Retains current policy goals, objectives and commitments
- No staff time required.

¹ United Nations website - [Climate Change 'Biggest Threat Modern Humans Have Ever Faced', World-Renowned Naturalist Tells Security Council, Calls for Greater Global Cooperation | Meetings Coverage and Press Releases](#)

² NIWA website - [Climate change projections for the Canterbury Region \(niwa.co.nz\)](#)

Disadvantages

- The operating environment for Councils in terms of climate change is quite dynamic. In three years there has been a number of important legislation changes and government actions which need to be acknowledged in the policy
- The current policy has references to out of date documents (e.g. 2018-28 LTP)
- This would be a missed opportunity to include new information (e.g. info from the Canterbury Climate Change Risk Assessment Technical Report)
- Could be seen as Council not taking climate change seriously
- No accountability mechanism or framework for implementing the policy
- Does not attempt to remedy the issues identified
- Not in line with Council direction given at the workshop 9 March.

Option two – Adopt the policy as attached in appendix 2 (recommended)

9. Council could decide to adopt the policy as attached in appendix 2. This is the recommended option.
10. The attached policy includes updated references to documents, and new risk information. It also includes an indication that Council will develop an action plan to give effect to the policy.

Advantages

- The updated policy is in line with the direction given by Elected Members during the workshop on 9 March
- Retains the current policy goals, objectives and commitments
- Notes the intention to develop a resilience action plan to give effect to policy
- Incorporates up to date information.

Disadvantages

- There are no disadvantages to this option.

Options analysis – Action plan options

Option one – Do not develop a draft ‘Resilience Action Plan’ (status quo)

11. A working definition of a draft Resilience Action Plan is set out in paragraph 12. Council could decide to not develop a draft Resilience Action Plan.

Advantages

- Policy still in place
- No staff time / resourcing required.

Disadvantages

- Could be seen as Council not taking climate change seriously
- No clarity for the public on how council aims to achieve the goals of the policy
- No accountability mechanism or framework for implementing the policy
- Does not attempt to remedy the issues identified
- Not in line with Council direction given at the workshop 9 March.

Option two – Develop a draft ‘Resilience Action Plan’ (recommended)

12. When we use the term “Resilience Action Plan” officers mean, in the first instance a Plan that:

- describes what Council is doing to address climate change adaptation and mitigation, why we are doing those things, how we will monitor progress, and how we will measure success.
- Includes actions that Council is undertaking within approved operating budgets.
- May identify future actions that Council could undertake in future subject to funding.

13. This officers’ working definition is not binding on Council. Under this option, officers will prepare and bring forward a draft action plan to a future Council meeting for discussion. Officers will aim to have the draft developed by 30 June 2022. At that point, Councillors can give feedback on whether that meets their expectations.

Advantages

- Provides an accountability mechanism
- Provides a clear pathway for implementing the Policy
- Shows that Council is taking the issue of climate change seriously
- Provides transparency on the actions that Council is taking and plans to take

Disadvantages

- Staff time required
- May result in the need for resource reallocation to allow the organisation to take meaningful action.

Legal/policy implications

14. There is no specific requirement to have a Climate Change Policy or Resilience Action Plan.

Local Government Act 2002

15. Council is, however, legally obligated to take community wellbeing and future generations into account when making decisions (sections 10 & 14, Local Government Act 2002). This can be interpreted as a legal obligation to consider the impacts of climate change on the community, and the impact of the organisation on climate change. For

this reason, a growing number of Councils are developing policy and plans addressing climate change.

Climate Change Response Act 2002

16. Council is now legally required to report on climate change risks and adaptation planning upon request, as part of its contribution to national climate risk assessment and adaptation planning (Section 5ZW, Climate Change Response Act 2002, “the CRA”)
17. The CRA states that the Minister or Commission may request any or all of the following information:
 - (a) a description of the organisation’s governance in relation to the risks of, and opportunities arising from, climate change;
 - (b) a description of the actual and potential effects of the risks and opportunities on the organisation’s business, strategy and financial planning;
 - (c) a description of the processes that the organisation uses to identify, assess and manage the risks;
 - (d) a description of the metrics and targets used to assess and manage the risks and opportunities, including, if relevant, timeframes and progress;
 - (e) any matters specified in regulations.

Other duties

18. Council has duties under other enactments that are affected by climate change, or will be in future. These include duties under the Resource Management Act 1991, the Civil Defence Emergency Management Act 2002, the Building Act 2004, the Water Services Act 2021, and the Health Act 1956, amongst others.

Long-Term Plan 2021-31

19. The Long-Term Plan 2021-31 notes Council’s commitment to increase resilience against climate change.

Strategic alignment

20. The recommendation relates to all four of Council’s community outcomes:
 - ‘Residents are included and have a voice’,
 - ‘A district of great spaces and places’,
 - ‘A balanced and sustainable environment’ and
 - ‘A prosperous economy based on innovation and opportunity’

because taking climate action will have a positive impact on all aspects of the community.

Wellbeing		Reasons why the recommended outcome has an effect on this wellbeing
Economic	✓	Climate change will likely have a huge impact on our local economy, for example, through effects on agricultural production. Planning and adapting to climate change will be important to protect the economic wellbeing of our district.
Environmental	✓	Taking action to reduce our emissions will have a positive impact on the environmental wellbeing of our district.
Cultural	✓	Climate change will likely have a huge impact on the cultural wellbeing of the district, for example through impacts on mahinga kai and connections to whakapapa. Planning and adapting to climate change will be important to protect the cultural wellbeing of our district.
Social	✓	Climate change will likely have a huge impact on our society, as impacts are likely to be unevenly distributed across different communities. Planning and adapting to climate change in an equitable way will be important to protect the social wellbeing of our district.

Financial implications

Requirement	Explanation
What is the cost?	There is no cost to adopting the policy. The development of a draft Resilience Action Plan will cost in staff time. If the Resilience Action Plan is adopted by Council at a later date there may be future budget required.
Is there budget available in LTP / AP?	Not required for development of draft. Any budget required following adoption can be taken into account for future LTP / Annual Plans.
Where is the funding coming from?	Not applicable for the draft.
Are there any future budget implications?	If draft Resilience Action Plan is adopted in future then there may be budget required. This can be assessed during budgeting processes.
Reviewed by Finance	Paul Brake; Group Manager Business Support

Significance and engagement assessment

- The adoption of the policy and development of a draft Resilience Action Plan has been assessed against Council's Community Engagement Policy and does not trigger high significance.

Requirement	Explanation
Is the matter considered significant?	No
Level of significance	Medium
Rationale for selecting level of significance	This report aims to select a way forward with the Climate Change Policy Review. This decision is not considered to be significant, however, subsequent decisions may be assessed as significant.
Level of engagement selected	1. Inform – one way communication. The community will be advised of the decision via public meeting minutes.
Rationale for selecting level of engagement	This report aims to guide elected members on selecting a way forward with the Climate Change Policy Review. Provided Council go ahead with the recommended option, once the draft Resilience Action Plan is developed, Council can decide the preferred scope, assess its significance and the appropriate level of community engagement.
Reviewed by Strategy & Policy	Toni Durham; Strategy & Policy Manager

Next steps

If Council resolves to develop a draft Resilience Action Plan, officers will bring a draft action plan to a future Council meeting for discussion. At this point, Council can consider budget implications and decide the preferred scope.

Climate Change Policy Review

Background report

Document Control

Revision	Name	Author	Reviewed by	Date
1	First draft	Mel Neumann	Toni Durham	Feb 2022

Contents

1. Introduction	4
2. Current situation	5
2.1. Climate change context	5
2.2. What Council is currently doing.....	10
3. The ‘What’.....	11
3.1. What is working?	11
3.2. What is <i>not</i> working?	12
4. The ‘Why’	12
4.1. Why do we need to do more / less?	12
5. The ‘When’	15
5.1. When do we need to take action?.....	15
6. The ‘Who’	16
7. The ‘How’	16
7.1. How can we do better?	16
7.2. How are other councils taking action?.....	16
8. Next Steps.....	17
8.1. Decisions required	17
Appendix 1	18
Appendix 2	22
Appendix 3	23

1. Introduction

Council’s Climate Change Policy was adopted in 2019, and is now due for review.

This report aims to assess what aspects of our policy and approach to climate change risks are currently working or not working, and how Council can improve our climate change response.

The report includes the ‘what’, ‘why’, ‘when’, ‘who’, and ‘how’ analysis of our climate change response.

Project objectives:

Obtain direction from elected members on the review of Council’s Climate Change Policy and the possible development of a strategic document.

Report objectives:

- set the scene on the impacts of climate change in the Ashburton District;
- outline Council’s current approach to climate change;
- identify what gaps and issues there are in our approach;
- provide information on the approach other Councils take; and
- identify options to remedy issues.

2. Current situation

2.1. Climate change context

Climate change is the increase in global average temperature caused by anthropogenic (human-induced) greenhouse gases emitted into our atmosphere. There are many flow on effects that can occur from the increase in global temperature.

Climate change impacts in Canterbury



Temperature increase

In Canterbury, it is expected that with just a 0.5-1.5°C increase, there will be many more hot and dry periods in spring and summer. The rising temperatures will trigger other changes too, such as a shift in rainfall patterns and growing seasons, droughts and fires will become more likely, and there will be less snow and fewer frosts. This can result in an increase in pests and diseases, both on land and in water, and can put our biodiversity and water quality at risk.

Animals can also suffer from the heat affecting their wellbeing and production. In Canterbury the rising temperatures resulting in long, dry periods will put increased demand on agricultural irrigation, and if water supply is limited then this may impact the production of fruit, vegetables, meat and dairy products.

Rising temperatures can affect water bodies and aquatic life by reducing the amount of oxygen available in the water as well as increasing the frequency of algal blooms. More hot days also make crops, plants and trees very dry and can turn them into fire hazards, as seen recently in the Port Hills, Pukaki and Ōhau.

Sea level rise

Sea level rise can happen because rising temperatures warm ocean waters, which make them expand. It also occurs because more water is being added to the oceans due to melting glaciers and ice sheets. The melting glaciers in the Southern Alps are driving sea level rise. NIWA climate change projections for Canterbury highlight that our sea levels may rise by an average of 30cm in the next 30 years, and by 80cm in 60 to 80 years.

Saltwater may reach into rivers and underground aquifers (potentially effecting some drinking water supplies), and coastal erosion, which is already predominant at Wakanui and Hakatere¹,

¹ Information retrieved from Canterbury Maps - <https://canterburymaps.govt.nz/Map/?webmap=1392627f95c14cc38f96cd43857d9c6f>

may affect more properties. Rising sea level may also lead to more saturated soils beneath the water table, increasing the chance of liquefaction in coastal areas during an earthquake.

Sea level rise will change our foreshores, estuaries, dunes and coastal lakes and wetlands. This will affect flora and fauna, including migratory and coastal birds. Rising water tables could impact wastewater systems, particularly gravity fed sewers as they may back up or spill.

Drought

As Canterbury’s climate warms, the likelihood of drought is expected to increase. The drying of the region is expected to be gradual and some districts will be more affected than others. The coasts and plains will experience increased drought conditions, but this will be at a lesser degree than the high country areas.

Longer dry periods will mean that restrictions to water supply will become more common. There will be increased demands on agricultural irrigation, and production could be affected. There will be significant effects on the water race network which is often supplied by rainfall, snowmelt, rivers and springs. Water races can also be used for fighting fires.

Drought can deplete the water we have in storage, which can also put pressure on water supply.

Long-term drought affects the availability and quality of drinking water as reduced stream and river flows can increase the concentration of pollutants in the water. Viruses and bacteria can also pollute both groundwater and surface water when rainfall decreases, so people who get their drinking water from their own wells may be more vulnerable to drought-related infectious diseases.

Wastewater can also become more concentrated if there is less water in our pipes to dilute it, posing a threat to human health and ecosystems when it is discharged.

Drought can significantly impact our native flora and fauna. Long dry periods can cause native trees to die and be replaced by more drought tolerant introduced species, increasing the risk of wildfires. This directly reduces the food resources of species that are reliant on our native ecosystems to survive, putting the richness of our biodiversity at risk.

Increasing drought and its impact on landscaped and biodiversity poses a significant risk to Māori interests, values, practices and wellbeing, due to loss of mahinga kai and taonga species etc.

Fire

As the region gets hotter, it will also get windier and drier. This combination means that Canterbury has an increasing risk of wildfire over the next century, and that the fire season will become longer (i.e. not just over the summer months). The four main drivers of wildfire are increased temperature, increased wind, decreased humidity, and decreased rainfall.

Most of NZ’s native trees have a low resilience to fire, and when vegetation is removed by burning, the risk of erosion increases. Wildfire could significantly change our natural landscape, and damage ecosystems and indigenous species that are susceptible to fire.

Wildfires can have devastating effects for people, property, business and biodiversity. The smoke from wildfires can also impact the air we breathe, affecting our health. Wildfires can also damage

infrastructure like roads and electricity networks, meaning that in the immediate aftermath, communities could be isolated.

Rainfall

The effect of climate change on rainfall in Canterbury is expected to vary. Traditionally dry inland areas are expected to become drier, with 5% to 15% less rain, however winters could be wetter in some parts of Canterbury, with between 15%-40% more rain. The combination of drier summers and wetter winters could have real impacts on the environment and economy.

Increasingly waterlogged soils can delay crop planting and cause significant crop damage, resulting in shortage and price increases.

Changes in annual rainfall as well as drought and sea level rise, puts our groundwater, lakes and rivers at extreme risk. If groundwater and surface water aren't recharged by rainfall, there are flow-on impacts for agriculture and horticulture.

More rain, coupled with warmer weather, encourages the beech trees in the high country to produce more seeds, known as a mast event. The increased food supply for predators rapidly increases their numbers, with drastic consequences for their other food source – our native birds and taonga species.

Severe storms

As the temperatures increase, so too does the atmosphere's capacity to carry more moisture. This can result in more severe rainfall events, which is likely to result in more floods.

Extreme winds are also expected to increase over the next century; although Canterbury already often experiences strong winds, these may become stronger and more frequent.

The temperature differences between the land and the sea will become more pronounced in summer, which can cause more strong north-easterly airflows.

Severe storms not only endanger lives, but can cause considerable damage to our landscape, communities and infrastructure. These can stretch our emergency services and resources, as well as having long-lasting social, psychological, economic and ecological impacts.

Extreme rainfall can result in floods, landslides and soil erosion. They can also pose a serious hazard to public health through damaging water supplies and exposing contaminated sites, potentially leading to the transmission of water borne diseases. Increased flooding and high rainfall will create challenges for waterlogged soils and crop damage, and farmers may look to new crops to mitigate this.

The forestry sector is at risk of being affected by extreme weather events, such as storms and high winds, which can cause forest damage and soil erosion.

Rising sea temperatures

Oceans are highly vulnerable to the impacts of rising temperatures. They absorb much of the additional energy in the earth's atmosphere trapped by increasing greenhouse gases.

As ocean water warms, it expands, resulting in sea-level rise. Increased ocean and air temperatures can also melt polar ice that adds to rising sea levels. Projections suggest that sea-

surface temperatures in New Zealand will increase 0.8-2.5°C by the end of this century. This increase in temperature means the ocean’s crucial role in removing carbon dioxide from our atmosphere is reduced.

Warmer water can impact aquatic life by reducing the amount of dissolved oxygen available in the water and increasing the frequency of algal blooms. Algal blooms affect mahinga kai as well as recreational fishing and swimming.

Changes in sea temperatures can significantly impact our marine life. Marine life may need to change location to seek their preferred temperatures, or may not be able to survive at all, leading to extinction. Warmer water may bring invasive species and diseases to our ocean and shores. However, new species migrating to our oceans may also result in new fishing opportunities. A warmer sea-surface temperature can also affect the abundance of phytoplankton, which are microscopic organisms that play a crucial part in ocean ecosystems.

Increased levels of carbon dioxide in the atmosphere means our oceans are absorbing more carbon dioxide, leading to an increase in ocean acidity. Increased acidity in the oceans can have a real impact on our aquaculture industry, of which more than 60 percent is mussels. Shellfish are particularly vulnerable to increased ocean acidity, especially as they form their shells in the early and juvenile life stages².

Opportunities

While there are many negative impacts of climate change, there are also opportunities that arise from these changes. Opportunities include things like:

- The ability to grow different types of crops due to warmer temperatures, longer growing seasons and fewer frosts. A longer growing season could also increase productivity and reduce crop waste
- Increased water storage from winter rainfall
- Warmer living conditions may reduce energy consumption in winter
- Less disruption to transport networks due to less snowfall and icy conditions
- More employment opportunities created by an increase in ‘green’ jobs/emerging markets
- The development of new adaptation and mitigation technologies
- Conserving and enhancing intact ecosystems such as wetlands could help lessen the impact of extreme weather events as well as providing ecological value
- Gives us an opportunity to look at how we can increase the efficiency of our facilities, infrastructure, and services.

It is important to note that opportunities arising from the changing climate often come with trade-offs, and can be direct or indirect. They often do not arise from the changing climate itself, but from our response to climate change (e.g. new technologies and green jobs). Opportunities cannot be considered in isolation but must be considered as part of the broader climate change context as the risks often outweigh the benefits.

² All context information is retrieved from <https://itstimecanterbury.co.nz/>. This information has originated from NIWA, Tonkin & Taylor, Environment Canterbury, Te Rūnanga o Ngāi Tahu, Ministry for the Environment, and Statistics NZ.

Greenhouse gas emissions in Canterbury

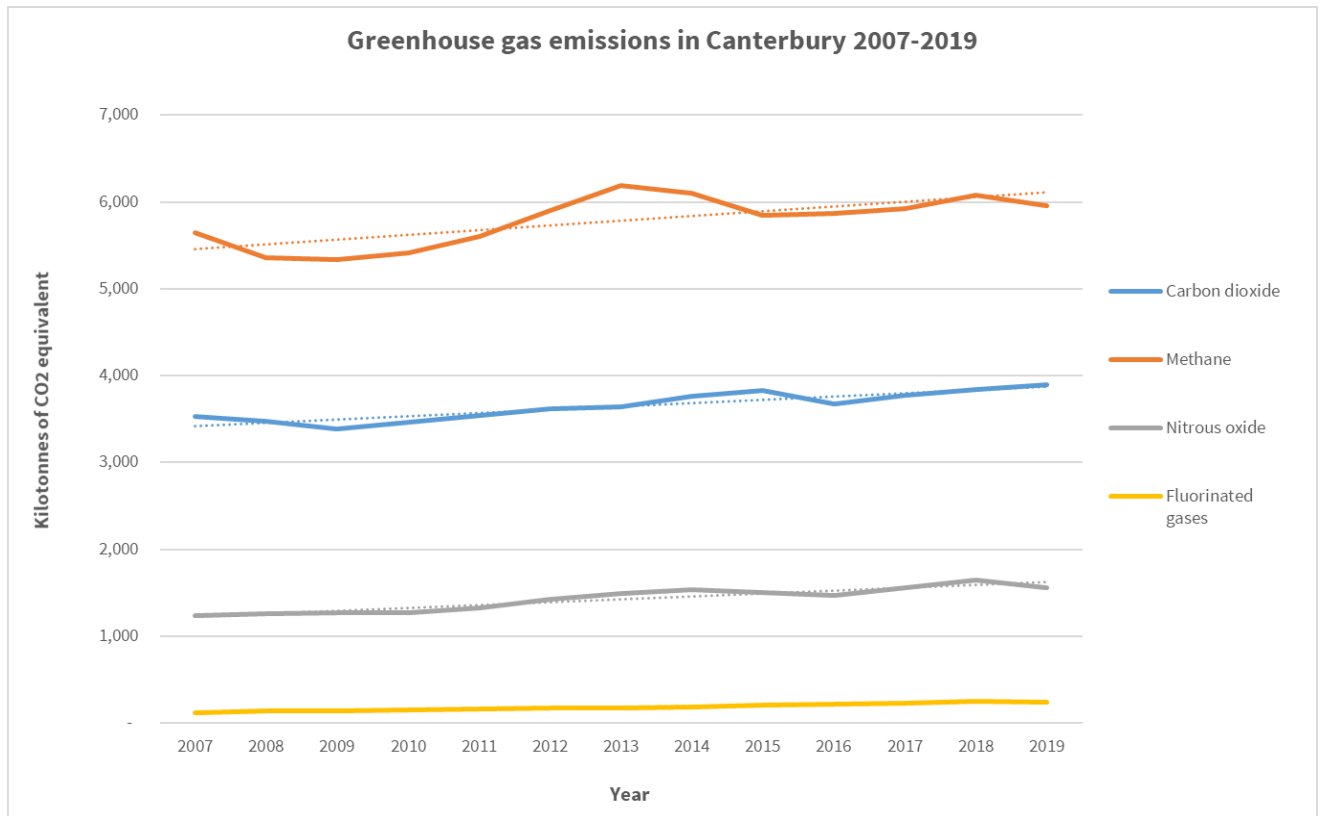


Figure 1. Graph showing greenhouse gas emissions in Canterbury between 2007 & 2019

Canterbury is NZ’s second highest emitting region³.

The graph above shows a trend of increasing greenhouse gas emissions in Canterbury. Statistics NZ note that the fall in agricultural emissions in 2019 was due to a decline in livestock.

In 2019, Canterbury’s greenhouse gas emissions were 18.39tCO₂e per person, compared with 4.79tCO₂e per person globally⁴ and 16.4tCO₂e per person nationally.

Climate change and Te Rūnanga o Arowhenua⁵

NIWA (the National Institute of Water and Atmospheric Research) undertook research in close collaboration with representatives from Te Rūnanga o Arowhenua to gain a better understanding of how small vulnerable coastal Māori communities such as Arowhenua are able to respond and adapt to complex local impacts that have arisen through direct and indirect changes in climate conditions.

³ Data retrieved from Statistics NZ, *Greenhouse gas emissions by region (industry and household): Year ended 2019*

⁴ Retrieved from *CO2 Emissions per Capita - Worldometer (worldometers.info)*

⁵ Retrieved from ‘Māori Community Adaptation to Climate Variability and Change – Examining risk, vulnerability and adaptive strategies with Ngāti Huirapa at Arowhenua Pā, Te Umu Kaha (Temuka), New Zealand’, https://niwa.co.nz/sites/niwa.co.nz/files/niwa_report_akl2011-015_0.pdf

The researchers noted that matters discussed with the community often intersected environment, economic, social, political and cultural aspects of community life with dialogue dominated by references to local flooding and impacts on whānau (extended family); historical changes in river courses, flows and mahinga kai (food gathering areas); causes and amplification of flood risks due to human modification of the environment; as well as the important role of local planning in setting regulations and managing natural hazards and risks.

It was found that the community at Arowhenua possesses considerable capacity to deal with climate hazards and related stresses; however, such capacities are not uniform across the community and that some individuals are more equipped to cope and adapt than others.

Rapid transformations in local community structure, decreases in Māori-owned land holdings, lack of financing for infrastructural maintenance and insurance, a growing reliance on modern services, land-use change, resource management regimes, and whānau spending more time away from traditional areas for employment and education, were all identified as factors increasing the sensitivity of the community to climatic risks. Inversely, these factors were also suggested to be undermining certain aspects of the community's adaptive capacity.

2.2. What Council is currently doing

Council is still maturing in this space. However, things that Council is currently doing in terms of climate change mitigation and adaptation include:

- Having a Climate Change Policy that sets out our intentions (emissions reductions and increased resilience)
- Part of 'It's Time, Canterbury' campaign, raising awareness about climate change and its impacts
- Have undertaken energy audits under an agreement with EECA (Energy Efficiency & Conservation Authority), and have made small changes in an effort to increase our energy efficiency
- Part of the Canterbury Regional Climate Change Working Group undertaking a detailed regional risk assessment (which reports to the Canterbury Regional Climate Change Steering Group, under the Mayoral Forum)
- Have made submissions to central government from a local perspective (e.g. Climate Change Commission draft advice, Ministry of Transport pathways to net zero by 2050)
- Sustainable design incorporated into major projects (e.g. Library & Civic Centre and CBD upgrade)
- Resilient Business Plan in development by the Economic Development Team
- Investing in larger capacity core infrastructure
- More investment in biodiversity
- Developing and reviewing Civil Defence Community Response Plans.

Our Climate Change Policy

Council adopted the Climate Change Policy in 2019. The current policy goals are as follows:

“Council will strive to understand climate change and what it means for the Ashburton District now and in the future, and create opportunities to share that knowledge with the wider community.

Council will respond to climate change in ways that:

- a. Ensure the sustainability of Council assets and services for the present and future well-being of the Ashburton District; and*
- b. Enhance the resilience and preparedness of Ashburton households and businesses in the present and for the future; and*
- c. Reduce carbon emissions from its own activities.”*

The policy also notes Council’s commitment to have appropriate regard for climate change adaptation and mitigation in its decision-making and resource allocation, and the commitment to continue developing in the climate change space.

The policy includes six principles that Council commits to consider when making decisions that can impact on (or are impacted by) climate change, and these are:

1. Kaitiakitanga / stewardship
2. Anticipatory governance
3. Equity / justice
4. Informed decision-making
5. Work as one
6. Resilience.



3. The ‘What’

3.1. What is working?

Having a climate change policy clearly sets out our intentions to the community in regards to climate change adaptation and mitigation.

Having a policy that is broad allows us to adapt to fast changing legislation in the climate change space.

We also consider climate change when planning for the future in our Infrastructure Strategy, which is reviewed every three years as part of our Long-Term Plan.

3.2. What is not working?

No designated team or person responsible - the implementation of climate action is widely spread across the organisation, without having a single team that is responsible for over-seeing the work. This is touched on more under section 6 of this report. The lack of a project lead and framework has contributed to the absence of progress-monitoring. As no officer or team has been responsible for climate action, there is no one to be held accountable.

In February 2022, Council allocated an additional staff member from 1 July 2022 to Strategy & Policy in the Annual Plan budget to enable the Strategy & Policy Team to take responsibility for co-ordinating climate action on behalf of the organisation. As a team that works on behalf of the entire organisation, the team is well placed to establish and implement a plan.

Lack of resource - A point in our current policy notes that Council will have appropriate regard for climate change adaptation and mitigation in its decision-making and resource allocation, however, while there has been a small amount of work done towards increasing our energy efficiency, some actions will require up-front costs in order to allow for significant savings in the future. Therefore, at this stage there is only a focus on the actions that do not have up-front cost or are low-cost, and this limits the amount of work we can do towards reducing our energy wastage. There is potential to make significant energy savings which will result in cost savings over time, however many of these projects require budget. The impending shift to the Library and Civic Centre is also a constraint over the next 12 months in regards to making energy savings in the current library and administration buildings.

Lack of framework or pathway - While there are positives to having a Climate Change Policy that provides a broad overview of our intentions, it lacks a framework or pathway. Because of this, little progress has been made towards the objectives and goals set out in the policy. It also means that while we are clear with the community on our intentions, we are not transparent on what actions we plan to take.

Because there is no action plan, there is no guidance to help officers understand the degree of climate action that Council is willing to take.

4. The ‘Why’

4.1. Why do we need to do more / less?

Our biggest risk in relation to climate change is failure to adequately respond.

The IPCC (Intergovernmental Panel on Climate Change) has recently released its sixth assessment report. The report makes it clear that climate change is a problem now, and not for the future.

The 26th Conference of the Parties (COP26) recently held in Glasgow resulted in the nations adopting the Glasgow Climate Pact, which aims to turn the 2020s into a decade of climate action and support. The package of decisions consists of a range of agreed items, including strengthened efforts to build resilience to climate change, to curb greenhouse gas emissions, and to provide the necessary finance for both. Nations also collectively agreed to work to reduce the gap between existing emissions reduction plans and what is required to reduce emissions, so that the rise in average global temperature can be limited to 1.5°C. As part of the package of decisions, they also

completed the Paris Agreement rulebook as it relates to market mechanisms and non-market approaches, and the transparent reporting of climate actions and support provided or received.

The recent flooding events in Canterbury⁶ have served as a reminder to us that we need to do what we can to ensure our organisation and community are resilient against external pressures.

The context provided in section 2.1 of this report shows that this is a serious issue that will have flow-on effects to every part of our community.

In addition, Council has a legal responsibility to ensure the social, cultural, economic and environmental well-being of our community. It is highly likely that climate change will have an impact on all of these.

Statutory changes are coming too. The first NZ Emissions Reduction Plan is due by the end of 2021, and the National Adaptation Plan is due to be published in August 2022. These new documents are likely to put pressure on local governments to increase their climate change focus.

Other Councils of a similar size and/or location are already increasing their climate change response (as shown in appendix 1). It is important that our Council and district does not get left behind.

As noted in the current Climate Change Policy, the range and potential scale of climate impacts on Council’s statutory duties, roles and responsibilities (and the potential for Council to lessen the adverse effects) show that climate change response is essential local government work. Council’s approach to climate change adaptation and mitigation will benefit from more consistency and alignment as this will be more effective and efficient than ad hoc approaches.

Section 10 of the Local Government Act 2002 states that the purpose of local government is to promote the social, economic, environmental and cultural wellbeing of communities in the present and for the future.

Climate change will have a severe impact on all four of these well-beings. By taking action to reduce our impact on the climate, we are attempting to reduce these impacts.

Well-being	Climate change impact
Cultural	Māori are among the first to be directly affected by climate change because, as shown in the diagram in Appendix 2, Māori wellbeing is very much connected to te taiao (the environment), te whenua (land), te wai (water) and taonga (treasured) species. These significant cultural values are being adversely affected by climate change, which threatens traditional practices connected to Māori identity and wellbeing. Examples include culturally significant places at risk of being damaged, the likelihood of losing taonga species, the ability to manaaki (provide hospitality) will be threatened, mātauranga (knowledge) may not be passed on, and that the timing of tohu (environmental indicators) are all changing as a result of an increase in coastal erosion soil erosion through higher winds, flooding and storm events, fire, drought events and land use changes. Climate change is likely to negatively affect the physical,

⁶ NIWA scientists have researched similar flooding that occurred in Northland in 2014 and found that the amount of the risk of the event that was attributable to anthropogenic climate change was 47%. ([How much Canterbury flood damage was caused by climate change | Stuff.co.nz](https://www.stuff.co.nz/nz/news/122222222))

Well-being	Climate change impact
	spiritual, mental, and social wellbeing of Māori due to the impacts on te taiao. ⁷
Economic	There are expected to be severe impacts on agriculture due to increased temperatures, drought, winds, fires, and storms. All of these could impact the agricultural production within our district and therefore have a severe impact on our local economy.
Environmental	It is expected that with the increase in sea level there will be an increase in coastal erosion. Increased frequency and severity of storms will cause inland flooding. Droughts will increase fire susceptibility, and fires will result in a loss of biodiversity. Increasing temperatures are expected to have a major impact on our waterways, as there will be a decrease in water quantity and quality. These environmental changes will affect the natural ecological balance, and will result in positive feedback loops (e.g. the melting of sea ice increases the ocean’s heat absorption, further increasing the melting of sea ice).
Social	Climate change will have effects on health (increase in pests and diseases), food security (impacts on agricultural production), livelihoods, migration, water security etc. The effects of climate change are expected to be felt more strongly amongst some communities than others, and therefore this is expected to create/increase inequities and divides amongst communities.

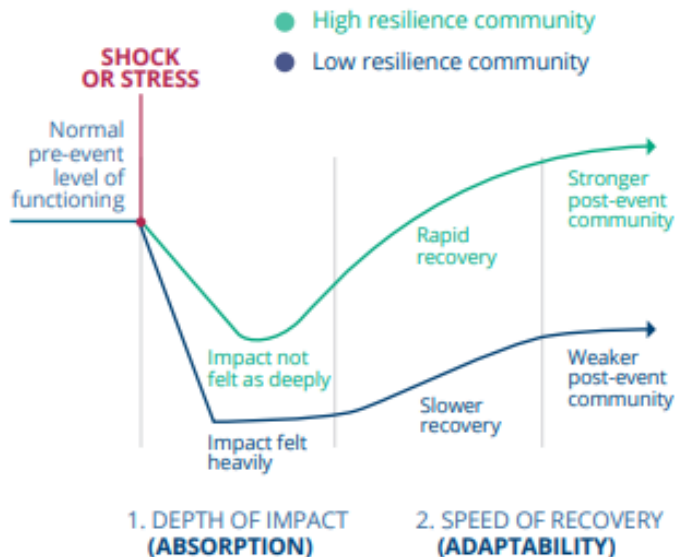


Figure 2. Graph showing the two dimensions of resilience: absorption and adaptability⁸.

⁷ How climate change affects Māori | Ministry for the Environment

⁸ Retrieved from National Disaster Resilience Strategy, Civil Defence NZ.

The graph above shows the difference in how high and low resilience communities respond to events. It reinforces the importance of building our resilience and capacity to deal with changes.

Community feedback

Feedback received during consultation on our initial Climate Change Policy in 2018 attracted 10 submissions. One submission said that the policy didn't go far enough, and four said that we needed an action plan to implement the policy.

In the feedback received on our Long-Term Plan 2021-31 pre-engagement survey, 14 responses noted that Council should show more leadership around climate change and reducing greenhouse gas emissions.

The community has consistently indicated to us that the environment is a high priority. In the 2018 LTP 'our place' pre-engagement survey asking 801 respondents to rank what Council should be prioritising, the environment was placed third out of eight. In the 2020 survey, we received 1,121 responses and respondents ranked the environment priority in fourth place, out of eight.

Submissions received in March/April 2021 on our Long-Term Plan consultation included one that noted we needed to provide more education to the community on climate change action, two that said we needed to have more of a focus on climate change, and six that said Council needs to show more leadership in this area.

5. The 'When'

5.1. When do we need to take action?

It is recommended that if Council wished to develop an action plan, it should be completed by the end of 2022 in order for it to help guide the development of our Long-Term Plan 2024-34.

It is important to note that there are a lot of legislative changes coming our way. Central Government has indicated that the development of the first NZ Emissions Reduction Plan is due by the end of 2021, and the National Adaptation Plan is due to be published in August 2022.

The Ministry for the Environment has indicated that they are planning to release local government guidelines along with the Emissions Reduction Plan, to help councils understand how to give effect to the plan. This is likely to increase the requirement for us to take action, and soon.

Legislative changes

Legislative changes that are coming in the near future and will have an impact on local governments include:

- Emissions Reduction Plan
- National Adaptation Plan
- RMA reform (Natural & Built Environments Act, Strategic Planning Act, Climate Change Adaptation Act)

6. The ‘Who’

At present, the policy owner is the Chief Executive. Several teams are undertaking Climate Change work within Council, including:

- Strategy & Policy Team – representing Council on the Regional Climate Change Working Group, undertaking policy review, and preparing submissions on climate change topics
- Communications Team – involved in the Environment Canterbury-led Climate Change Campaign, ‘It’s time Canterbury’
- Infrastructure Services – responsible for energy efficiency research to date, as well as asset management planning for resilience
- Emergency Management – responsible for Community Response Plans

The delivery and embedding of the policy into tangible outcomes for Council to date has been challenging due to the implementation being widely spread across the organisation without a single owner with oversight. Going forward the implementation of our Climate Change Policy will be co-ordinated by the Strategy & Policy Team.

7. The ‘How’

7.1. How can we do better?

Council has the following options:

- **Do the same, status quo** - Retain our current policy (with updated references to documents), or
- **Do more** - Re-develop our policy, and include information on how we plan to meet our targets, or
- **Do most** - Retain our current policy (with updated references) and noting the intention to develop a Resilience Action Plan **AND**
Develop a “no frills” Resilience Action Plan to provide a framework for implementing the current policy. This can also be used as an accountability mechanism.

7.2. How are other councils taking action?

Officers have undertaken desktop research to identify how other councils are responding to climate change. More in depth information is included in Appendix 1.

An assessment of six other councils of a similar size to us found that⁹:

- Three are currently introducing hybrid / electric vehicles to their fleet;
- Two had a focus on energy management or were increasing their energy efficiency;
- Four had a focus on emissions reductions; and

⁹Appendix 1

- Six were developing or had developed some form of resilience plan or strategy.

An assessment of the nine other councils in Canterbury found that⁶:

- Three are currently introducing hybrid / electric vehicles to their fleet
- Two had a focus on energy management or were increasing their energy efficiency
- Six had a focus on emissions reductions; and
- Seven were developing or had developed some form of resilience plan or strategy.

8. Next Steps

8.1. Decisions required

Council must firstly determine whether our current approach to climate change is sufficient.

- Is Council happy with the current Climate Change Policy?
- Is the current mechanism for meeting our Climate Change Policy objectives fit for purpose? Is Council happy with the general response to climate change? If not, is there a desire to develop a ‘Resilience Action Plan’?

DECISION ONE – Climate Change Policy

1. Stick with the current policy (status quo), or do something different?

If status quo, discussion concludes and Council roll over existing policy.

If something different, officers will prepare a draft Climate Change Policy 2021 to bring back to Council.

DECISION TWO – Implementation

2. Stick with the status quo, or do something different?

If status quo, discussion concludes.

If something different, officers will prepare a draft Resilience Action Plan to bring back to Council.

Appendix 1

Climate action taken by other councils

Councils of a similar size to Ashburton District Council (as identified in 2018-19 representation review):

Council	Actions	Funding
Matamata-Piako District Council	<ul style="list-style-type: none"> Committed to better understanding carbon footprint and how to reduce, and planning for resilience. Developing an emissions goal and strategy to reduce emissions across Council. In 2021, they started a programme to transition the fleet into hybrid or fully electric and this will continue as part of the fleet renewal programme. Have an energy efficiency working group that monitor and recommend opportunities for improvement when it comes to energy use at Council facilities. Enabling staff to work from home more and facilitating virtual meetings to reduce the requirement for travel. Also has a sustainability policy. 	Revenue and Financing Policy does not clearly state how this is funded.
Taupo District Council	<ul style="list-style-type: none"> Have started to develop an action plan to look at reducing the emissions that Council generates and also reduce the impacts of climate change on Taupō District Council. The plan includes aspects such as: <ul style="list-style-type: none"> Gas flare at the Broadlands Road Landfill They have implemented a Plan Change to the DP in relation to flood hazards They have introduced electric vehicles to the Council vehicle fleet. 	Revenue and Financing Policy does not clearly state how this is funded. States that it 'will be catered for within existing budgets'.
Whakatane District Council	<ul style="list-style-type: none"> Have a Climate change strategy & six action plans: <ul style="list-style-type: none"> Provides clear direction to increase resilience against the potential impacts of climate change. Provides a target of net carbon zero organisation and net carbon zero district by 2030 (excluding biogenic methane and nitrous oxide). Action plans provide direction to meet the target. Launched an energy management programme in 2019 and continue to make energy savings and emissions reductions by moving towards electric vehicle fleet and moving to heat pumps rather than fossil fuels to heat water at the Whakatāne Aquatic Centre. The upcoming redevelopment of the Wakatāne Council office includes a number of further 'greening' enhancements. 	Revenue and Financing Policy does not clearly state how this is funded.

Council	Actions	Funding
	<ul style="list-style-type: none"> Developing a climate change adaptation plan – this will help to figure out how to adapt, and when and where to grow in the future. Recent update of report templates so that decisions have a broader range of considerations including climate change. 	
Manawatu District Council	<ul style="list-style-type: none"> Developing an Environmental Strategy that will seek to address Council’s impact on the environment and guide them in adapting to the effects of climate change. 	The Governance and Strategy activity is funded by 50% general rate and 50% UAGC.
Horowhenua District Council	<ul style="list-style-type: none"> Horowhenua Climate Change Action Plan in development Working with Horizons Regional Council – Climate Change Action Plan, towards a climate-resilient region. Opportunities for mitigation and resilience considered throughout all of Council’s infrastructure and planning activities. 	Revenue and Financing Policy does not clearly state how this is funded.
Southland District Council	<ul style="list-style-type: none"> Investing in a regional LIDAR mapping project to better understand potential impacts so they can adapt planning in high hazard areas. The next stage is to identify a priority programme for infrastructure to address these issues. 	Community leadership activity is funded via General rate (high), targeted rate (low), and other sources e.g. grants and subsidies (low).

Other councils within Canterbury:

Council	Action	
Christchurch City Council	<ul style="list-style-type: none"> Emissions target of net zero GHG emissions (excl. methane) by 2045 & halve emissions by 2030 compared with 2016/17 levels. Have implemented an internal Resource Efficiency & GHG emission programme (monitors energy use, GHG, solid waste generation and water use). Focusing on cycle ways, pedestrian areas, and public transport. Has replaced a significant number of staff pool cars with a battery electric car share fleet. Has a: 	Strategic Planning, Future Development and Regeneration activity leads the climate change programme – funded by general rates (high), targeted rates (low),

Council	Action	
	<ul style="list-style-type: none"> - Ōtoutahi Christchurch Climate Resilience Strategy 2021 - Resilient Greater Christchurch Plan - Sustainable Procurement Policy - Resource Efficiency & GHG Emissions Policy - Coastal Hazards Adaptation Programme - Integrated Water Strategy (includes response to effects of sea level rise) - Sustainable Energy Strategy - Climate Smart Strategy - Christchurch Energy Action Plan. 	grants and other (low) and fees and charges (low).
Hurunui District Council	<ul style="list-style-type: none"> • Has commissioned Jacobs to complete a District Coastal Hazard & Risk Assessment. Planning to work with communities on adaptive pathways available. 	The Coastal Hazard activity is funded by a targeted rate.
Kaikoura District Council	<ul style="list-style-type: none"> • Has a 'sustainable living programme'. 	Revenue and Financing Policy does not clearly state how this is funded.
Mackenzie District Council	<ul style="list-style-type: none"> • No information. 	No information
Selwyn District Council	<ul style="list-style-type: none"> • Has undertaken an assessment of carbon emissions. • Has a Climate Change Policy – focusses on carbon reduction. • Developing a comprehensive adaptation strategy. • Expert group formed within the Council to examine climate change related opportunities and risks and to develop an integrated adaptation action plan. • Appointed a new lead staff member for climate change and sustainability. • Undertaking flood modelling and flood protection projects. • Has transport strategies focussed on move to low carbon transport options. • Introducing electric and hybrid cars to Council fleet. • New Council buildings – have high environmental standards and energy efficiency. 	Revenue and Financing Policy does not clearly state how this is funded.
Timaru District Council	<ul style="list-style-type: none"> • Has approved funds of \$360,000 per annum for climate change resource in 21-31 LTP. • Developing a climate change strategy within first 3 years of LTP, with a focus on understanding risks and planning to respond to the risks. • Establishing Councils carbon footprint and working to reduce emissions from services. • Undertaking installation of new technology e.g. landfill gas management. 	Have set up a new climate change & sustainability activity, funded 80% general rate and 20% UAGC.

Council	Action	
	<ul style="list-style-type: none"> • Developing policies and processes to embed sustainability and climate change into council projects and decision making. • Has a Carbon policy – outlines the management of carbon risk and management of obligations under the NZ ETS. 	
Waimakariri District Council	<ul style="list-style-type: none"> • Preparing a climate change response strategy in 2020/21. • Established an additional Communications and Engagement Advisor role in anticipation of the need to further engage with the public about natural hazards and climate change. • Undertaking a stocktake of corporate climate change response. • Recently updated district wide flood model (incorporates sea level rise) • Has a Climate Change Policy – with a focus on reducing emissions and enhancing preparedness. • Developing a climate change scenario. • Has an Organisational Sustainability Strategy & Action Plan. • Undertaken a GHG emissions inventory to understand corporate emissions profile and produce emissions reduction targets. 	Revenue and Financing Policy does not clearly state how this is funded.
Waimate District Council	<ul style="list-style-type: none"> • Continually monitoring the financial effects associated with flood events. • Commissioned an independent report to understand Councils impact on climate. • Have replaced public pool’s coal based heating system to a modern electric alternative. • Gradual transition of Councils vehicle fleet to hybrids. • Developing Climate Change Strategy. 	Strategy activity is funded 100% general rate, however the Revenue and Financing Policy does not clearly state how the rest is funded.
Waitaki District Council	<ul style="list-style-type: none"> • Undertaking coastal protection projects. • Has a Coastal Roads Strategy – aims to maintain connectivity of coastal roads subject to erosions. • Undertaking / investigating works to remove waste from closed landfills at risk of erosion. • In the early stages of carbon accounting and reduction planning – commissioned a GHG inventory report in 2019. • Investigating options for reduction of carbon emissions associated with 3 waters activities. • Developing a Long-Term Action Plan. • Reviewing rules in District Plan to consider effects of climate change. • Continually investigating climate change risks. • Undertaking a rural resilience project (in response to frequency and severity of storm events). 	Revenue and Financing Policy does not clearly state how this is funded.

Appendix 2

Diagram showing the connections between climate change and Māori wellbeing¹⁰



¹⁰ Retrieved from Ministry for the Environment, 'How climate change affects Māori' webpage.

Appendix 3

Further reading

Document/Website	Details	Links to information
It's Time, Canterbury	'It's Time, Canterbury' is a climate change campaign led by ECan in association with all Canterbury councils. The website has a lot of incredibly useful information about the impacts of climate change on the region.	https://itstimecanterbury.co.nz
Ōtautahi Christchurch Climate Resilience Strategy	Includes a great example of an action plan/programme for climate change response.	Ōtautahi-Christchurch-Climate-Resilience-Strategy.pdf (ccc.govt.nz)
National Disaster Resilience Strategy	The strategy sets out goals and objectives for civil defence emergency management over the next ten years.	National-Disaster-Resilience-Strategy-10-April-2019.pdf (civildefence.govt.nz)

Policy

DRAFT CLIMATE CHANGE POLICY

TEAM:	Strategy and Policy
RESPONSIBILITY:	Chief Executive Strategy and Policy Manager
ADOPTED:	XXX-6 March 2022
REVIEW:	In 2021-2025 and then every five three years or as required.
CONSULTATION:	Required
RELATED DOCUMENTS:	Ashburton District Council Long-Term Plan 20 21-31 18-28 Ashburton District Plan Resource Management Act 1991 Local Government Act 2002 Climate Change Response Act 2002 Canterbury Climate Change Risk Assessment

Policy Objective

To enable the Council to respond in a more integrated manner to climate change to:

- Ensure the sustainability of Council assets and services for the present and future resilience and well-being of the Ashburton District; and
- Enhance the resilience and preparedness of present and future Ashburton District households and businesses; and
- Manage the carbon emissions of the Council to provide an example of effective climate change mitigation for the District, and offer support and encouragement to businesses and households in their mitigation efforts.

Definitions

Adaptation means:

- in human systems, the process of adjustment to actual or expected climate and its effects, to moderate harm or exploit beneficial opportunities.
- In natural systems, the process of adjustment to actual climate and its effects

Climate Change means a change of climate which is attributed directly or indirectly to human activity that alters the composition of the global atmosphere and which is in addition to natural climate variability observed over comparable time periods.

Council means Ashburton District Council.

Mitigation means a human intervention to reduce greenhouse gas emissions or enhance the sinks of greenhouse gases.

Resilience means the capacity of social, economic and environmental systems to cope with a hazardous event or trend or disturbance, responding or reorganizing in ways that maintain their essential function, identity and structure while also maintaining the capacity for adaptation, learning, and transformation.

Policy Statement

1. Scope

- 1.1 This policy is intended to guide the actions and decisions of Ashburton District Council.
- 1.2 This policy does not apply to Ashburton District Council council-controlled organisations or private households and businesses except to the extent those organisations, households, and businesses are users of Council services and assets.

2. Current Position

Climate change and its impacts

- 2.1 Climate change has the definition contained in this Policy.
- 2.2 The Canterbury mayoral Forum commissioned and published a *Canterbury Climate Change Risk Assessment (CCCRA)* from Tonkin & Taylor which was released in 2022. The full Technical Report and a Summary Report can be found at www.canterburymayors.org.nz
- 2.3 Based on an RCP 8.5 scenario, the CCCRA states that climate projections for Canterbury by 2100 are::
 - a. Sea level is predicted to rise by about 0.8m above present day levels
 - b. Our annual mean temperature is set to rise by 1.5 to 3.5°C. Overall our maximum daytime temperatures will be up 2.5°C. Canterbury's alpine and subalpine areas could be 5-6°C warmer.
 - c. Wildfire will become more likely as hotter, drier summers occur. Rural areas will be more highly exposed.
 - d. Drought potential is likely to increase across most of Canterbury
 - e. There will be between 20 and 60 more hot days¹ annually. It is also predicted that there will be 20-50 fewer cold days per year.² As temperatures rise, there will be less snow days across the region.
 - f. Wind is likely to increase in speed, and winter and spring are likely to be windier. This seasonal change is likely to be more strongly felt in inland areas north and west of Rangiora.
 - g. Summer rainfall is projected to increase up to 20% in the inland Canterbury plains. It is projected to gradually reduce towards coastal areas. Winter rainfall has the potential to be more strongly associated with storm events.
 - h. Severe storms are likely to happen more often.

Risks and opportunities

- 2.2.4 The overall findings in the CCCRA show that climate change risks are threatening all eleven categories of risk in the framework, and that direct and indirect risks will increase over time. While many present risks are currently rated as insignificant or low, by 2100 there are high or extreme risks against all values. Present day risks that are rated high or extreme include those related to biodiversity, water, infrastructure services, economic prosperity and sense of community.
- 2.2.5 The CCCRA also identifies opportunities arising from the projected increase in temperature, and reduction in cold days in winter:
 - a. Warmer winter living conditions that reduce energy consumption and improve wellbeing

¹ Hot days are those over 25°C.

² Cold days are those at or below 0°C.

- b. A longer growing season could present opportunities to increase productivity, reduce crop waste and grow new varieties.
- c. Increased water storage from winter rainfall.
- d. Less disruption to transport networks due to less snow and ice.
- e. Increased air and ocean temperatures may provide a new environment for new marine fish species.

2.6 It is important to note that opportunities cannot be considered in isolation, as the risks may outweigh the benefits.

Council duties and responsibilities

2.3 Council has a range of **statutory** duties and responsibilities that can impact on, or are impacted by, climate change. These ~~statutory and associated duties~~ include land use planning, corporate planning, relationships with Māori, land transport, water supply, wastewater treatment, and disposal, stormwater treatment and disposal, waste management, civil defence emergency management, public health, building control, resource consenting and environmental monitoring. This list is not exhaustive. ~~Few, if any, Council activities will be unaffected.~~

~~2.3.2.4~~ [Council also has a range of statutory duties, in terms of climate change. Section 5ZW of the Climate Change Response \(Zero Carbon\) Amendment Act 2019 sets out requirements for Council to report upon climate change risks and planning, upon request by the Minister or Commission.](#)

~~2.4~~ The 2018 ~~28~~2021 ~~31~~ Long Term Plan records that Council responses to climate change will include:

- ~~a. Monitoring and planning for the provision of drinking water to address reduced water availability from groundwater and variable river flows~~
- ~~b. Investigating major rain events and their impact on wastewater and stormwater capacity and performance. Increased inflow from intense rainfall may result in overflows or other service failures.~~
- ~~c. Planning for the effects of increased demand, decreased river flows and lower groundwater availability on our water race network.~~
- ~~d. Planning for impacts on the road network, such as the effects of drought on the efficiency of roadside swale drainage, the impact of flooding on road assets, and increase drying of unsealed roads leading to surface material wind erosion.~~
- ~~e. Continuing to build relationships with tangata whenua and foster Maori contribution to decision making. Mana whenua will be affected by the impact of climate change on Māori customary rights due to rising sea levels inundating customary lands, including mahinga kai and sacred sites (wahi tapu and urupā).~~
- ~~f. Continuously improving our Biodiversity Action Plan, Civil Defence Emergency Management Plan and District Plan to ensure that land use development, biodiversity enhancement and community resilience are appropriate for a changing climate including increased extreme weather events.~~

2.5 Future operational activities also offer scope for new climate change response. ~~Reviewing the District Plan and Development Contributions Policy Strategy and policy work~~ offers the opportunity to build environmental and economic resilience by enabling, promoting and supporting climate-appropriate ~~economic developments services and assets~~. ~~So too does Council led developments (such as the Ashburton Industrial Park, the Ashburton CBD Project, and the Library and Civic Centre) and planned investment in economic development. Council projects also enable modelling of sustainable development, such as water harvesting.~~

2.6 ~~The range and potential scale of climate impacts on Council's statutory duties, roles and responsibilities (and the potential for Council to lessen the adverse effects) show that~~[In summary](#), climate change response is essential local government work. Council's approach to climate change adaptation and mitigation will benefit from more consistency and alignment as this will be more effective and efficient than ad hoc approaches.

Response from Central Government

2.7 Since the Policy was first adopted in 2019, Government has put a number of initiatives in place, including:

- a. Formation of the Climate Change Commission in November 2019, primarily to give advice to Government on emissions reduction
- b. Amendment to the Climate Change Response Act 2002 to enable the setting of emissions budgets, emission reduction targets and creation of an emissions reduction plan.
- c. Amendments to the same Act now require New Zealand to prepare a six-yearly national climate change risk assessment, and national adaptation plans.

2.8 The parts of the work programme in terms of climate change response that the Government is still developing includes:

- a. A National Emissions Reduction Plan – due May 2022
- b. A National Adaptation Plan – due August 2022
- c. Reform of the resource management system, including statutory guidance on managed retreat
- d. Waste minimization initiatives

~~2.82.9~~ The unfolding of these initiatives ~~over 2019 and beyond~~ will provide more certainty about the roles and responsibilities of local authorities (and may increase them). They will also provide better information, support and (potentially) funding for local authorities as they manage local climate change response.

Response from Council

2.10 Council puts most of its climate change effort into adaptation, as will many territorial authorities. Government and local communities expect that local government will pay increasing attention to all aspects of climate change.

~~2.92.11~~ Council ~~proposes to~~ will develop a ‘Resilience Action Plan’ which aims to set out the actions that are or will be taken in order to give effect to this policy. The plan will also provide a document to report against on a six monthly basis.

~~2.10~~ Council currently governs its climate change adaptation work through the corporate planning and reporting systems. These mechanisms provide for some consistency and integration and there is potential for continuous improvement.

~~2.112.12~~ Council ~~proposes~~ has work underway to establish a benchmark for its carbon emissions and ~~strive will work~~ to reduce these emissions.

3. Policy Goals

- 3.1 Council will strive to understand climate change and what it means for the Ashburton District now and in the future, and create opportunities to share that knowledge with the wider community.
- 3.2 Council will respond to climate change in ways that:
 - a. Ensure the sustainability of Council assets and services for the present and future well-being of the Ashburton District; and
 - b. Enhance the resilience and preparedness of Ashburton households and businesses in the present and for the future; and
 - c. Reduce carbon emissions from its own activities.

4. Principles

- 4.1 In making decisions that can impact on (or are impacted by) climate change, Council will consider the following principles, alongside other decision-making considerations:
 - a. **Kaitiakitanga/Stewardship** – Council shares in a collective duty of care to safeguard the natural environment. Policies and decisions on climate change need to be flexible and enabling to allow for local decisions and empower organisations and individuals to reduce emissions.

- b. **Anticipatory Governance** – Council will think and act with the long-term in mind to provide clear and consistent plans towards a low emissions economy.
- c. **Equity/Justice** – Council will consider the needs of the most vulnerable and those without a voice – including future generations – as it responds to climate change. This includes recognising and advocating for the needs of communities and individuals disproportionately affected by climate change.
- d. **Informed decision-making** – Council will use the best available information to understand the potential impacts of climate change and available options for responding to those impacts – including their costs and benefits. Council will make this information available to engage in meaningful conversations with communities.
- e. **Work as one** – Wherever practicable, Council will work co-operatively and collaboratively with partner organisations and communities in the District. Council will also strive to ensure greater alignment and integration of its activities relating to climate change.
- f. **Resilience** – Some impacts of climate change are already inevitable. Council will work with communities and businesses to improve their understanding of climate change risks and what they can do to avoid and mitigate climate change risk so that they can continue to thrive.

5. Decision-making and resource allocation

- 5.1 Council will have appropriate regard for climate change adaptation and mitigation in its decision-making and resource allocation.
- 5.2 Council will continue to develop its people, processes and tools to ensure that decision-making and resource allocation that can impact on (or is impacted by) climate change is integrated, effective and efficient.

10. Economic Development quarterly report – October, November and December 2021

Author *Simon Worthington, Economic Development Manager*
Group manager *Steve Fabish, GM Community Services*

Summary

- The purpose of this report is to provide Council with a high-level update on Economic Development activity and progress from September to December 2021.
- The report is framed around the seven pillars included in Council's adopted Economic Development Strategy and Action Plan.
- These seven pillars are now under review as part of the Economic Development Strategy refresh.

Recommendation

- 1. That** Council receives the Economic Development quarterly update.

Strategy and Development Plan Update

Pillar 1: Signalling Council is Open for Business

This pillar relates to Council setting up, establishing its position, and delivering its services in a way that supports economic development. With the outbreak of COVID 19 having a dramatic effect on all of New Zealand it has been key for Council to work with industry to ensure positive outcomes. Action was required to lead the district community as they navigated their way through the COVID 19 lockdown and the subsequent commencement of recovery.

Update

- The Economic Development Team partnered with the Guardian newspaper to support the ‘Shop Local’ campaign. Retailers have reported increased foot traffic and are appreciative of the Council supporting local businesses following two years of disruption.
- The draft Welcoming Plan is now well underway. This plan formally recognises that a council and community have met the Welcoming Communities Standard’s outcomes set by Immigration NZ. Accredited communities benefit from a competitive advantage to retain (and attract) newcomers who contribute to the local economy. Work will commence in this financial year to take the next step in accreditation and continue to ensure Ashburton District retains its status as one of the best Welcoming Communities regions in New Zealand.
- The Council is formulating the approach for supporting a strong and vibrant agricultural economy by building off the research within the Nitrate report (step 1) and Land and Climate Change report (step 2). This will inform the development of the Resilient Business programme (step 3) and identify Council’s role in supporting a strong primary industry (step 4) over the medium and long term.

Pillar 2: Placemaking and Branding

Placemaking is about creating the space(s) where people want to live, work and play – places where people and business want to be.

Update

- Work commenced on the design of signs that provide a more welcoming tone to people entering Ashburton on State Highway 1.
- The November Citizenship Ceremony was cancelled due to the nationwide Covid-19 Alert Level 4 lockdown, DIA taking the decision to cancel largely due to ceremonies being unable to take place in Auckland due to large Covid-19 numbers.

- The rescheduled Bite Nite Culture Fest was cancelled in November due to the continued uncertainty and restrictions with the Covid-19 pandemic. Youth Council were involved in the decision making for this cancellation.
- The Business of the Year Awards project has been progressing during the quarter, there were a total of 70 businesses registered across eight different categories. Text voting for the People’s Choice in Retail closed during this quarter with a close count between the winner and the runner up. All the winners will be announced at the gala dinner originally scheduled to take place in February and now postponed until after the Covid-19 peak.
- Throughout the period community events struggled to run due to Covid-19 conditions.
- The second round of the Regional Event Funding opened on 1 September and closed on 30 September. A total of 9 applications have been received requesting a total of \$60,670. There is \$38,175 to be allocated in this round.
- The annual Nights of Lights Festival has since been cancelled due to the ongoing uncertainty and restrictions of the Covid-19 pandemic. Mayor Brown conducted a virtual lighting of the tree that was recorded and posted in Council’s social media channels.
- The Apprenticeship Ceremony went ahead in November with around 50 local apprentices.

Pillar 3: Unlocking Latent Potential

Developing a mechanism to deal with projects that come to Council.

Update

- Work continued throughout the period on the background work for the refresh of the Economic Development Strategy. A summer intern was appointed to assist in the identification of participants and building the engagement website.
- An Aviation Training School has approached Ashburton District Council to expand their business activities at the Ashburton Airport. The Economic Development Team have been working to connect this business with the relevant Council functions and assisted in the identification of land and buildings for them to conduct their activities.
- The Rakaia Business Park will see the creation of an Agritech Business Park by the Agritech Group Ltd, a local group of developers and business owners. The concept will see the creation of a commercial industrial park, focused on delivering technology and green technology business to business solutions that serve the rural service sector. At the heart of the development will be a green energy solution that will provide power to the business estate and also provide hydrogen fuel to transport and logistics companies.

- The Fairfield Freight Hub is a development to relocate the rail siding infrastructure currently sitting alongside State Highway 1 to the industrial precinct north of Ashburton. It is anticipated that this development will add value to the industrial precinct, support a mode shift from road to rail and support high value export produce being rail freighted to Lyttelton and Timaru Ports. An application to Government was made and Minister Wood confirmed his support for the project with a \$2.5M investment.
- A sheep milk factory continued to develop traction throughout the period. Commercial Property put together a deal that will see a sheep milk dryer built on the industrial estate. Other functions of Council, such as Planning, Water, and Building Services will continue to work on the project that is being facilitated by the Economic Development team.

Pillar 4: Agriculture and Technology

Assisting the agriculture and technology sectors' existing industry bodies to assimilate technology into the sector.

Update

- Two pieces of work are underway which will support the on-farm uptake of innovation and technology
- Land Use and Climate Change project.
 - The project commenced with engaging The Agribusiness Group to undertake the desktop analysis of climate change research and how it is communicated to farmers.
 - Furthermore, a summer student (studying ecology) was employed to explore tensions for land use change. This involved analysing the data for irrigation consent expiries, studying the economic life of existing dairy and arable farming infrastructure and aging population demographics.
 - The next step is to complete the desktop analysis which will inform the approach of the farmer focus groups which will be run in April May 2022.
 - The final report is due on the 30 June 2022.
- Resilient Business Project
 - The project is continuing to be developed with several meetings of the working group which have fleshed out more project detail.
 - Several meetings with agri-corporates have helped identify the value that the project will deliver to commercial businesses, alongside farmers and industry. These discussions will help shape the development of the project.
 - The SFFF proposal is intended to be submitted in April 2022.
 - The programme is proposed to run for five years. This project will also deliver to pillars 5 & 6.

Pillar 5: Natural Resource Management

Protecting and enhancing the district's natural capital, particularly recognising water as a crucial resource.

Update

- The follow up Nitrate report was completed, presented and accepted by the Council.
- The report modelled the potential economic impact of delivering to the freshwater nitrate aspect of the environmental reforms. The report approach considered the adoption of all currently available mitigations on farm, the implementation of aquifer recharge across the district and land use change to a low intensity–low nitrogen loss land use.
- The report was made publicly available and presentations were given to number of stakeholders. These include the Waimate District Council and community stakeholders, Federated Farmers – Mid Canterbury, rural professionals based in Ashburton and several Ashburton based businesses.
- Presentations to farmers in the district will occur once the disruption of Covid has subsided.

Pillar 6: Start-up, SME's and Business Support

Lobbying, advocacy and influencing policy settings important to business.

Update

- Throughout the December period the Council supported the Ashburton Guardian's Shop Local Campaign. This support kept the focus on the newly revitalised CBD and businesses who were struggling with Covid-19. The consumer spend data will be updated later in the financial year to examine the impact of this initiative.

Pillar 7: Connecting and Supporting Infrastructure

Acknowledging Ashburton District's reliance on key infrastructure like roading and telecommunications.

Update

- The Rakaia Business Park will see the creation of an Agritech Business Park by the Agritech Group Ltd, a local group of developers and business owners. The concept will see the creation of a commercial industrial park, focused on delivering technology and green technology business to business solutions that serve the rural service sector. At the heart of the development will be a green energy solution that will provide power to the business estate and also provide hydrogen fuel to transport and logistics companies.
- The Fairfield Freight Hub is a development to relocate the rail siding infrastructure currently sitting alongside State Highway 1 to the industrial precinct north of Ashburton. It is anticipated that this development will add value to the industrial

precinct, support a mode shift from road to rail (reducing congestion and carbon emissions) and support high value export produce being rail freighted to Lyttelton and Timaru Ports. An application to Government was made and Minister Wood confirmed his support for the project with a \$2.5M investment.

Legal/policy implications

This report directly relates to the 7 pillars agreed to and set under the *Economic Development Strategy and Action Plan*.

Financial implications

1. The funding that will be applied to the PGF express grant will be subject to the funding guidelines as set out by MBIE.

Requirement	Explanation
What is the cost?	Covered within operating budgets and grant funding received.
Is there budget available in LTP / AP?	Yes
Where is the funding coming from?	Agricultural Portfolio Advisor role is funded by PGF The initial stage of the Resilient Business Project is covered by Our Land and Water Rural Professionals Fund Economic Development is 100% funded by General Rates.
Are there any future budget implications?	Yes – further investment from Council may be required to continue to access Government funding, specifically the Sustainable Farming Futures Fund (SFFF). Further work is needed to identify ‘in kind’ contributions and what cash contributions (if any) may be required. Economic Development would also like to signal the intent to make the Agricultural Portfolio Advisor role permanent in the 2023/24 budget round.
Reviewed by Finance	No

Significance and engagement assessment

The report discusses matters that are of significance to economic development, however, this report does not require any decision of Council, and therefore a significance assessment hasn’t been undertaken.

The January to March 2022 Economic Development activity quarterly report will be presented to Council on the 20 April 2022.

11. Three Waters Reform Proposal – DIA Response to Feedback in September 2021

Author *Hamish Riach; Chief Executive*

Summary

- This report refers to correspondence received from the Department of Internal Affairs (DIA) acknowledging Council’s feedback and questions in September 2021 on the Government’s Three Waters Reform proposals.
- DIA have provided detail on areas that have been influenced by the feedback and have also answered the 17 specific questions submitted by Ashburton District Council.

Recommendation

1. **That** Council receives the DIA’s response to Ashburton District Council’s submission feedback provided in September 2021 on the Three Waters Reform proposals at that time.

Attachments

Appendix 1 Department of Internal Affairs – response to ADC, 7/03/22
Appendix 2 ADC decision, 29/09/21

Background

1. On 29 September 2021, Council received a comprehensive report from officers on the Three Waters Reform proposal. This was in response to the Government's (June-July 2021) Three Waters Reform announcements and the implications of the reforms for ADC.
2. The report reflected the conclusion of a two month process that involved workshops /webinars with Morrison Low, DIA and LGNZ, as well as meetings with other councils and Ngai Tahu in relation to the structure of the proposed Entity D³.
3. There were a number of issues and uncertainties to work through. Councils were being asked whether they wished to consider alternative arrangements to deliver water services in the future (such as asset transfers, divestment, change in ownership, and/or setting up council controlled organisations).
4. At this time it was understood from the Government that all councils would have the right to opt out of the reforms at some point in the future if they so wished. There was no expectation of councils needing to decide whether to opt in (or out) at the time of providing feedback. However, in late October the Government removed the ability for councils to opt out with their announcement that it would introduce legislation that would see the Three Waters Reforms become mandatory by July 2024.
5. Although not required to formally consult on the reform proposals, Council chose to undertake a community survey, the outcome of which was included in the submission/ feedback provided to DIA. Council had agreed that there would be full consultation with the community once there was a proposal to consult on, however this opportunity was denied with the Minister's announcement of mandatory reform.
6. The focus of the survey was to gauge:
 - *how important is it for the community to have its say on how three waters services are provided?*
 - *how important is the continued improvement of health and environmental standards in respect of three waters from that currently provided?*
 - *were people willing to pay more than current charges for any higher standards, either through rates or water charges?*
7. Results of the survey (504 responses) clearly showed that the community shared Council's concerns at assets being transferred from local ownership to Government control and that the case for change is flawed. Significantly, the majority agreed that it is important for the community to be able to have its say on how three waters services are provided.
8. Council's [Feedback to DIA](#) supported the fundamental premise of the reform that all New Zealanders should have access to safe drinking water, but noted that solutions need to be cost-effective and efficient and the community voice must be heard.

³ Ashburton District Council has been placed in Water Services Entity D, although the precise boundaries at the top of the South Island are still up for discussion.

9. Council's submission raised a number of questions that needed to be addressed around matters such as:
 - *governance arrangements of the new water entities,*
 - *future pricing policies*
 - *the inclusion of stormwater in the reform proposals*
 - *how Ashburton's investment priorities will be guaranteed*
 - *regulation of private water supplies*
 - *if stockwater supplies would have to meet drinking water standards.*
10. Council concluded that making the reform mandatory would set the reform process up poorly with local communities and urged Government to allow Council to have formal consultation with the community before a final decision was made.
11. In October 2021, the Department of Internal Affairs, Local Government NZ and Taituarā published a detailed summary of the feedback from all councils on the Three Waters Reform proposals DIA received during the eight-week engagement period. They did not, however, at that time respond to the specific points made in Council's feedback.
12. On 7 March 2022 the DIA did provide a response to the 17 specific questions submitted in our feedback. In many cases the answers refer to links to ongoing pieces of work, reflecting the fact that much of the detailed work remains a work in progress.
13. This response from DIA is now attached as **Appendix 1**

Legal/policy implications

Legislation

14. Local Government Act 2002, [Part 6, sections 76-79](#) sets out the requirements for decision-making and consultation. In particular, section 76 requires that in making a significant decision, which the future management and/or ownership of three waters assets will be, councils must comply with the decision-making provisions.
15. Section 78 requires that in the course of making a decision Council must consider community views but section 78(3) explicitly says that consideration of community views does not require consultation (which is reinforced by case law).

Long-term Plan

16. Local Government Act 2002, [section 130](#) sets out Council's obligations relating to the provision of water services. Under current legislation, it would be necessary to amend Council's LTP, and consult on the ownership and governance arrangements and asset transfers proposed for the delivery of the three waters services.

Financial implications

17. The costs of Council being involved in the three waters reform process to date have been met from within existing budgets and there are no financial implications in receiving this report.

Significance and engagement assessment

18. The future of water services delivery is a significant issue. The September 2021 report provided initial analysis of the reform proposals for Council's information and highlighted uncertainties.
19. Council has received comprehensive feedback to its submission and can now share the outcome of this process with the community.



45 Pipitea Street

Wellington

Phone 0800 25 78 87

dia.govt.nz

Date 7 March 2022

Ashburton District Council Chief Executive

Hamish.Riach@adc.govt.nz

Tēnā koe Ashburton District Council Chief Executive

This letter is to thank you for your council's feedback on the Three Waters Reform proposals, update you where feedback has resulted in changes to the Government's proposals, and answer your council's specific questions.

In October 2021, the Department, LGNZ and Taituarā published a detailed summary of the feedback received during the eight-week engagement period. This feedback has been valuable and continues to influence the shape of the three waters reform. The detailed summary is available alongside all council submissions on the Department's website here: [Council feedback submissions](#)

As you will be aware, following the October feedback there have been some significant changes to the reform process and proposals. We can now provide further detail on some of the areas that have been influenced by council feedback.

Refinements to the Representation, Governance and Accountability proposals

The largest area of feedback related to the representation, governance and accountability of the new entities. In response to feedback received through last year's eight-week period, the Government made a number of changes to the original proposal. In summary, these are:

- greater flexibility for each regional representative group to determine its own arrangements through a constitution – this differs from the original proposal, which required a number of matters to be hard-wired in primary legislation providing limited room for flexibility;
- board appointments and removals to be made by a sub-committee of the regional representative group – the original proposal was for these powers to be exercised by an arms-length 'independent selection panel' which has now been removed;
- direct accountability for duties imposed on the board to the regional representative group – members may be removed for failure to carry out these duties;
- the board is required to give effect to the statement of strategic and performance expectations issued by the regional representative group – this is a stronger provision than originally proposed and enables the group to have more direct influence over the entity's strategic direction.

These refinements are set out in an [exposure draft](#) of the proposed legislation that was provided to the Working Group on Representation, Governance and Accountability for further consideration. The exposure draft also sets out the proposed ownership provisions for the new entities and protections against privatisation.

Working Groups established to consider the top three areas of feedback

Alongside the above changes, the Government also established the Working Group on Representation, Governance, Representation and Accountability comprised of representatives from local government and iwi leaders. This Group is assessing these aspects of the proposals, including the new proposals in the exposure draft, and will shortly provide a report to the Minister of Local Government for consideration.

Since its establishment last year, the Working Group has assessed a range of options for reform, including looking back at the alternatives to reform such as alternate funding arrangements.

The Minister of Local Government and Cabinet will consider the Working Group's recommendations with any changes being reflected in the Water Services Entities Bill. The Working Group's report will be available on the Department's website once it is presented to the Minister: [three waters reform programme working groups - dia.govt.nz](https://www.dia.govt.nz/three-waters-reform-programme-working-groups)

Informed by your feedback, the Government has also established two technical working groups to consider the other areas that received the most detailed feedback. A Planning Technical Working Group will consider questions relating to the interface between the Three Waters Reforms, Resource Management and planning system, and the Rural Supplies Technical Working Group is considering the interface with rural schemes.

You can find out more about these working groups, including their Terms of Reference and papers on the above Working Group webpage.

Indicative legislative timing

Legislation remains on track and expected to be introduced in several phases. The first bill is expected to be introduced by mid-2022, following consideration of the recommendations from the Representation, Governance and Accountability Working Group. This bill will contain the ownership, governance and accountability arrangements for the entities, and the primary relationships between entities and territorial authorities, mana whenua and the Crown.

A second bill is expected in late-2022 informed by the findings of the Planning Interface and Rural Supplies technical working groups. This legislation will provide for the detailed operational duties, functions and powers of the entities including for how they will participate in and give effect to plans.

Separate legislation will be required to provide for economic and consumer protection regulation, for which policy advice is being led by the Ministry of Business, Innovation and Employment. More on this process can be found here: <https://www.mbie.govt.nz/have-your-say/economic-regulation-and-consumer-protection-for-three-waters/>

Receiving updates from the Department of Internal Affairs

The Department will continue its ongoing communications and engagement on the Three Waters Reforms. This will include keeping councils and iwi updated on the progress of the legislation and the work of the National Transition Unit.

As councils, we know you have an important role in representing the views of your communities. If you have not been receiving the Department's regular updates on the reforms, please check your subscription here: [Get the latest updates from Three Waters](#). We encourage you to ensure your staff are registered for these updates as well.

Detailed questions from your council

In addition to the consistent areas of feedback, your council asked some more detailed questions. We acknowledge that many councils have been awaiting responses to these questions. The Department received more than 400 questions from councils. The below table provides the Department’s response to these specific questions. The Department will continue to refresh the frequently answered questions on our website as further information becomes available. These can be found at <https://www.dia.govt.nz/three-waters-reform-programme-frequently-asked-questions>

Ngā mihi,

Nick Davis

Acting Executive Director, Three Waters Reform Programme



Question	DIA response
<p>i. How can Council have guaranteed influence over the direction of the WSE, given the complicated and multi-layered proposed governance structure?</p> <p>ii. What further work is planned on alternative ways of achieving balance sheet separation than the current multi-layered structure of the Representative Governance Group and the Independent Selection Panel?</p> <p>iii. How can the community have guaranteed influence, given the size and scale of the entities?</p>	<p>The Government has established the Working Group on Representation, Governance and Accountability as a result of council feedback and questions relating to this aspect of the Three Waters Reforms. You can find out more about this working group and other working groups established as a result of council feedback here: three waters reform programme working groups - dia.govt.nz. In response to feedback received through this eight-week period, the Government has already made a number of changes to the proposed oversight and governance structure for the new water services entities.</p> <p>These are set out in an exposure draft of proposed legislation and include greater flexibility for each regional representative group to determine its own arrangements through a constitution. This exposure draft has been provided to the Working Group for consideration and is available at the above link. The exposure draft makes it clear that Regional Representative Groups may choose to include representatives from every council in their service delivery area. In addition, the changes allow for board appointments and removals to be made by a committee of the regional representative group rather than by an arms-length ‘independent selection panel. We have also clarified that Water Services Entities Boards are directly accountable to the regional representative group.</p>

<p>iv. How can Council be guaranteed that the District’s three waters investment priorities will be met?</p>	<p>Councils, as owners, will articulate their priorities to entities through Statements of Strategic Performance Expectations. Entities in turn will demonstrate how they will give effect to these priorities in their statements of intent, asset management plans and other accountability documents that will be monitored by the Regional Representatives Group. Councils will also signal their priorities through LTP, district and other non-statutory plans that entities will be required to take into account.</p>
<p>v. How will Council have visibility of future pricing proposals of the WSE?</p>	<p>The Water Services Entities Bill has a requirement for the water services entity to consult their regional representative group on their funding and pricing plan. Each council will be represented on this group.</p>
<p>vi. Will the proposed economic regulator regulate all private supplies and WSEs, and if not, where is the cut-off point for not being regulated?</p>	<p>MBIE undertook consultation on the economic regulation and consumer protection regime in December last year. We anticipate Cabinet to take and communicate decisions informed by this consultation this year. You can find their consultation documents here.</p>
<p>vii. What work was done on the realities of stormwater being included in the reform proposals?</p>	<p>The Department of Internal Affairs set up a Stormwater Technical Working Group in March 2021 to discuss the proposed approach to the transfer of stormwater functions and delivery to water services entities. The Stormwater Technical Working Group drew together approximately 30 members with experience, knowledge, and expertise in stormwater and three waters generally. The members were drawn from the water sector, territorial and unitary authorities, regional councils, iwi, and Māori.</p> <p>The independent chair was David Warburton. The Stormwater Technical Working Group developed recommendations for a framework to support the further policy work and engagement on how to ensure that the transfer of stormwater management to the proposed water service entities will achieve the objectives of the reform. The Stormwater Technical Working Group delivered its report and is no longer active at this stage in the reforms.</p> <p>This report is published on the Three Waters Reform Programme website.</p>

	<p>Since then a dedicated stormwater team has been set up across the policy team and the National Transition Unit which is developing the future stormwater system.</p> <p>The Stormwater Technical Working Group is no longer meeting but a Stormwater Reference Group is being set up, with the same chair, with members from Taumata Arowai and local authority staff from each of the four entities.</p> <p>Additionally, two technical working groups are being set up, one from territorial authority stormwater technical staff (including from the roading and parks teams) and one made up of regional council and unitary authority staff working in stormwater and flood management. These groups are linked with local establishment units for each entity, and will work through the further detail of transferring stormwater responsibilities to water services entities and what is retained by local government.</p>
<p>viii. How will charging for stormwater work, noting the private and public benefit of stormwater?</p>	<p>No decisions have been made on how to charge for stormwater. Initial decisions will be made by Cabinet in mid 2022 and feed through into a second Bill. These decisions will take account of the public benefits of stormwater meaning that the approach to charging may be different to that decided on for drinking water and waste water services.</p>
<p>ix. How will decisions be reached on which stormwater infrastructure transfers to the WSE and which remains with the Ashburton District Council?</p>	<p>In June 2021, Cabinet agreed that “the water service entities will be responsible for: services and infrastructure relating to stormwater quality and quantity including taking over the related services and assets currently held by territorial authorities (though not including stormwater services and infrastructure related to their role as road controlling authorities)” See Cabinet paper</p> <p>This means that no road stormwater infrastructure will transfer to the water services entities, which will remain with territorial authorities as they will remain the road controlling authorities. Road stormwater systems’ predominant function is to drain water off the road as part of maintaining road safety.</p>

	<p>The responsibility for road stormwater systems, therefore, will remain with territorial and unitary authorities as road-controlling authorities (and Waka Kotahi for state highways) as they develop, operate, and fund roads.</p> <p>For stormwater infrastructure not related to the road, the Stormwater Technical Working Group identified a framework based on the predominant use and criticality for effective functioning of the stormwater system. If the function of the asset, infrastructure, or land has stormwater as a predominate use, and is critical to the function of the stormwater system, then it would transfer to the water services entity.</p> <p>If the predominate use of an asset, infrastructure, or land is not stormwater (such as a park or a road drainage system) then it will not be transferred. However, where an asset, infrastructure, or land is critical to the function of the stormwater system then the proposed water services entity and current owner/operator must establish an agreement to manage the interface between the respective stormwater functions, and other function of that asset, infrastructure, or land.</p> <p>The report is now available on the three waters reform programme website.</p>
<p>x. How can Council have a guarantee as to how the WSE will follow Council’s planning and land development ambitions and not be an inhibitor to development in the Ashburton District?</p>	<p>Local government will continue to have primary accountability for urban and land use planning. Water services entities will be expected to be active participants in planning processes led by local government, including by participating in the development and implementation of plans, and ensuring that the development of plans is informed by a full understanding of the cost associated with water infrastructure needed to support housing and urban development. Water services entities will be required to identify and make provision for infrastructure to support growth and development identified in relevant plans.</p>

	<p>This will enable them to service demand for new strategic capacity, including to meet the three waters needs of all new housing development, and commercial and industrial customers. When providing new infrastructure, the entities will need to work with urban and land use planning authorities, and other infrastructure providers, to ensure that the delivery of infrastructure is sequenced and supports committed development, to minimise the likelihood of redundant assets. Water Services Entities strategies and plans to achieve this will be monitored by Regional Representatives.</p> <p>A Planning Technical Working Group is being established to inform design of operational policy and legislation to give effect to this.</p>
<p>xi. How will WSEs be compelled to contribute meaningfully to Ashburton District civil defence emergency planning and management?</p>	<p>The National Emergency Management Agency is currently reviewing and replacing the Civil Defence and Emergency Management Act. Decisions on this work, and introduction of the new legislation is expected over the coming months. Necessary connections into the new emergency management system will be made through policy decisions, and incorporated into water services entities legislation.</p>
<p>xii. How does the three waters reform integrate meaningfully with the broader local government reform that is currently underway, most notably the reform of the RMA and the review into the Future for Local Government?</p>	<p>The Government has established the Planning Technical Working Group as a result of council feedback and questions relating to the interface between the Three Waters Reforms, Resource Management Reforms and future planning system. You can find out more about this working group and other working groups established as a result of council feedback here: three waters reform programme working groups - dia.govt.nz The Department is also working closely with the Ministry for the Environment and other government agencies to ensure alignment three waters reform with other concurrent reforms including the Resource Management Reforms. Following the report from the Review into the Future for Local Government Panel in September this year, the Department will also work alongside Taituarā and LGNZ to ensure the Government's response takes into consideration the interface with three waters reform.</p>

<p>xiii. Has Government considered the impact of the reforms on local body governance?</p>	<p>The Government established the Future for Local Government Review to consider this question. This review aims to find new approaches to local governance that create the conditions for communities to prosper and thrive. This review includes consideration of the implications of the resource management and three water reforms for local government. You can find more information on the review here</p>
<p>xiv. How will rural schemes that are primarily supplying stockwater be treated?</p>	<p>The Government has established the Rural Supplies Technical Working Group to advise on this and other issues of importance to rural communities, as a result of council feedback and questions relating to the implications of reform for rural schemes. This will include consideration of the relationships and obligations of Water Services Entities to rural water schemes and the communities served by rural water schemes. You can find out more about this working group and other working groups established as a result of council feedback here: three waters reform programme working groups - dia.govt.nz</p>
<p>xv. How will Government resource the workforce required for the reforms to be successful?</p>	<p>The People and Workforce workstream within the National Transition Unit is responsible for workforce planning and is currently conducting an information gathering exercise with councils to allow detailed modelling and planning to be undertaken. A large proportion of roles are expected to be filled through transfer of existing staff (where a person's current work is transferred to the new entity). Other roles will be created in the entities to ensure that all work required is staffed, including at management levels. Staff and councils will be offered opportunities to participate in the design of roles and structure. A workforce development strategy is under development to strengthen training and development pathways and attract new staff to the water industry.</p>
<p>xvi. How will the maintenance contract between Ashburton DC and contractor Ashburton Contracting Ltd be treated on transfer (presumably 1 July 2024), including the protection of their workforce?</p>	<p>Policy work is currently underway as to how commercial contracts will transfer and how third-party rights will be protected. It is anticipated that commercial contracts that remain in force past June 2024 will be transferred to the new water services entities. Further detailed guidance on how this process will work will be released later this year.</p>

<p>xvii. Will the present consent conditions of Council infrastructure be honoured?</p>	<p>It is anticipated that all three waters (drinking water, wastewater, and stormwater) related consents held by local authorities councils will transfer to the new water services entities substantively unchanged. Policy work is currently underway as to how best to transfer these consents. We anticipate further detailed guidance will be released later this year.</p>
---	--

Appendix 2

Ashburton District Council resolution 29/09/21

Three Waters Reform Proposal

That Council:

1. **notes** the Government's 30 June and 15 July 2021 Three Waters Reform announcements;
2. **notes** officer's advice on the accuracy of the information provided to Council in June and July 2021 as a result of the RFI and WICS modelling processes;
3. **notes** that a decision to either support the Government's preferred three waters service delivery option is not lawful (would be ultra vires) at present due to section 130 of the Local Government Act 2002 (LGA), which prohibits Council from divesting its ownership or interest in a water service except to another local government organisation, and what we currently know (and don't know) about the Government's preferred option;
4. **notes** that Council cannot make a formal decision on the Government's proposed reform for three waters service delivery without doing a Long Term Plan (LTP) amendment and ensuring it meets section 130 of the LGA;
5. **notes** that the Government intends to make further decisions about the three waters service delivery model after 30 September 2021;
6. **requests** the CEO to seek guidance on and/or give feedback to the Government on
 - a. the following areas of the Government's proposal that Council needs more information on:
 - i. How can Council have guaranteed influence over the direction of the WSE, given the complicated and multi-layered proposed governance structure?
 - ii. What further work is planned on alternative ways of achieving balance sheet separation than the current multi-layered structure of the Representative Governance Group and the Independent Selection Panel?
 - iii. How can the community have guaranteed influence, given the size and scale of the entities?
 - iv. How can Council be guaranteed that the District's three waters investment priorities will be met?
 - v. How will Council have visibility of future pricing proposals of the WSE?
 - vi. Will the proposed economic regulator regulate all private supplies and WSEs, and if not, where is the cut-off point for not being regulated?
 - vii. What work was done on the realities of stormwater being included in the reform proposals?
 - viii. How will charging for stormwater work, noting the private and public benefit of stormwater?
 - ix. How will decisions be reached on which stormwater infrastructure transfers to the WSE and which remains with the Ashburton District Council?
 - x. How can Council have a guarantee as to how the WSE will follow Council's planning and land development ambitions and not be an inhibitor to development in the Ashburton District?
 - xi. How will WSEs be compelled to contribute meaningfully to Ashburton District civil defence emergency planning and management?
 - xii. How does the three waters reform integrate meaningfully with the broader local government reform that is currently underway, most notably the reform of the RMA and the review into the Future for Local Government?
 - xiii. Has Government considered the impact of the reforms on local body governance?
 - xiv. How will rural schemes that are primarily supplying stockwater be treated?
 - xv. How will Government resource the workforce required for the reforms to be successful?

- xvi. How will the maintenance contract between Ashburton DC and contractor Ashburton Contracting Ltd be treated on transfer (presumably 1 July 2024), including the protection of their workforce?
 - xvii. Will the present consent conditions of Council infrastructure be honoured?
- b. the following areas of the Government’s proposal that Council needs more information on:
- i. The Governance Structure to be altered to enable direct Council involvement in Board and Director performance, accountability, appointments etc;
 - ii. Ensure all information is available before asking councils to consult their communities and make a decision on the reforms – including all those matters raised in a. above.
- c. The following feedback from the Community survey conducted by the Ashburton District Council be fed back to DIA/Government:
- i. 504 responses were received from our community
 - ii. 97% of respondents felt it was important for the community to be able to have its say on how three water services are provided
 - iii. 64% of our respondents believe that the continued improvement of health and environmental standards in three waters from what is currently provided is important
 - iv. 27% of respondents are prepared to pay more for higher standards, with a further 21% happy to do so if the improvements are localised, justified and/or decided upon by local representation
 - v. Other feedback included concern with the:
 - 1. the community wants to make the decision to opt in /out of the reform - risk of the reform being made mandatory
 - 2. loss of local assets, representation and control
 - 3. complexity of the three water structure
 - 4. speed of the process to date
 - 5. governance arrangements, including iwi representation
7. **notes** that the CEO will report back further once further information and guidance has been received from Government on what the next steps look like and how these should be managed
8. **in noting the above, agrees** Council has given consideration to sections 76, 77, 78, and 79 of the Local Government Act 2002 and in its judgment considers it has complied with the decision making process that those sections require (including, but not limited to, having sufficient information and analysis that is proportionate to the decisions being made).

Mayor/McMillan

Carried

12. Ashburton Car Club - Road Closure

Author *Rhys Roberts; Technical Support Officer-Roading*
Activity Manager *Mark Chamberlain; Roading Manager*
GM Responsible *Neil McCann; Group Manager – Infrastructure Services*

Summary

- This report considers an application from the Ashburton Car Club for temporary road closure of sections of Winslow Willowby Road, on 23 April 2022, to hold the Standing ¼ Mile Sprint event.
- This report outlines the benefits and risks to be taken into consideration on whether to approve or decline the road closure.
- Objections closed on 25 March 2022 and no objections have been submitted.

Recommendation

1. **That** Council permits the following roads to be closed from 9.00am Saturday 23 April 2022 until 4.00pm the same day to allow the Standing ¼ Mile Sprint event to be held:
Winslow Willowby Road, from approximately 500 metres away from State Highway 1 to Longbeach Road.

Attachment

Appendix 1 Map

Background

1. The Ashburton Car Club has applied to Council for temporary road closure to allow them to hold the Standing ¼ Mile event.
2. This event has been advertised with a period of time for objections to be submitted. No objections were received when the objections period closed on 25 March 2022.
3. The required insurances and traffic management plan have been received and approved.
4. This application must be considered by Council under Paragraph 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 motor sport events under the Local Government Act, as event participants may be under 16 years of age.
5. The Ashburton Car Club has run car racing events safely and successfully for over 17 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.
6. 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.
7. 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. For these reasons, Officers recommend the request be approved.

Options analysis

Option 1 – Approve Road Closure (Recommended)

8. Council's 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.
9. Ashburton Car Club has a strong record of safe and successful management of these events in the district for over 17 years.
10. The responsibility for risk free operation lies with the organisers and all contingencies are covered in the conditions of closure.
11. 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.

Option 2 – Decline Road Closure

12. This is not preferred.
13. As mentioned in Option 1 these events have been held for a number of years without incident and are well supported by the local community. Many people look forward to these types of events and they provide a positive attraction to the District.

Legal/policy implications

14. 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.”

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

Financial implications

16. There are no financial implications.

Requirement	Explanation
What is the cost?	No costs incurred 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?	No
Finance review required?	No – there are no financial implications for Council.

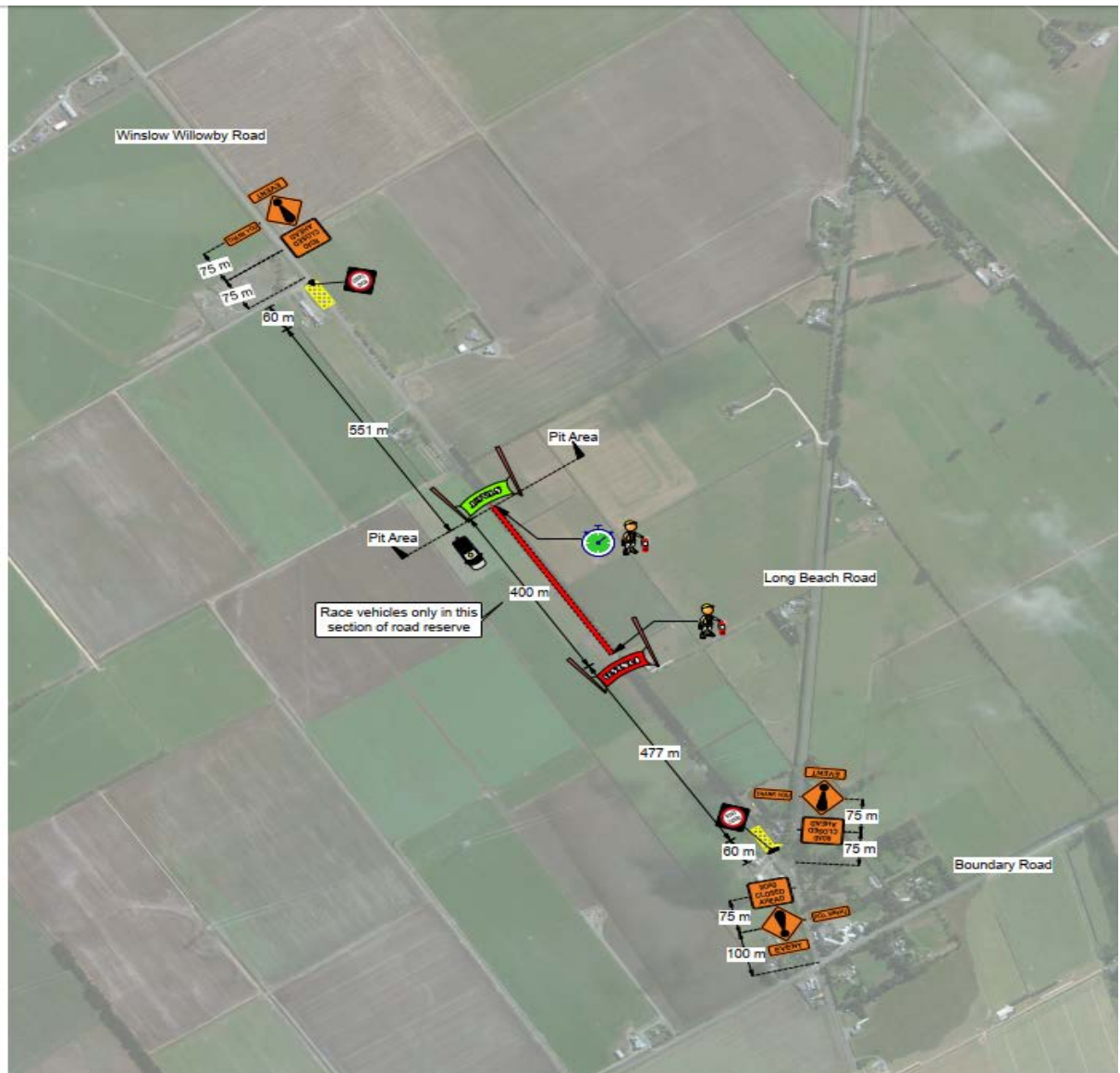
Significance and engagement assessment

17. Property owners in the affected areas have been approached and letters dropped off so they are aware of the road closures and the event.
18. The event has also been publicly notified.
19. Other local organisations are actively involved with marshalling, security etc.
20. Emergency services are provided with copy of road closure information after approval has been given.
21. There will also be publicity around this road closure due to the normal media coverage of public meeting agenda items.

22. The advance communications and notifications are consistent with the overall significance of this decision and the legal requirements.

Requirement	Explanation
Is the matter considered <i>significant</i> ?	No
Level of significance	Medium
Level of <i>engagement</i> 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	Richard Mabon, Senior Policy Advisor

Appendix 1



13. Financial reports

Activity Manager *Erin Register; Finance Manager*
GM Responsible *Paul Brake; Group Manager Business Support*

Attachments

- Financial variance report – January 2022
- Financial variance report – February 2022
- EA Networks Centre income & expenditure report – January 2022
- EA Networks Centre income & expenditure report – January 2022

***Ashburton District Council
Financial Variance Report
for the period ending
31 January 2022***

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.....	3
Income and Expenditure – Summary	4
Transportation – Income & Expenditure Report.....	5
Drinking Water – Income & Expenditure Report	7
Wastewater – Income & Expenditure Report	9
Stormwater – Income & Expenditure Report.....	11
Stockwater – Income & Expenditure Report.....	12
Waste Reduction & Recycling – Income & Expenditure Report.....	14
Recreation Facilities – Income & Expenditure Report	15
Recreation & Community Services – Income & Expenditure Report	17
Economic Development – Income & Expenditure Report	19
Parks & Open Spaces – Income & Expenditure Report.....	21
Community Governance & Decision Making – Income & Expenditure Report	23
Environmental Services – Income & Expenditure Report.....	24
Miscellaneous, Dividends & Internal Overheads – Income & Expenditure Report	26
Balance Sheet.....	28
Net Debt and Borrowings.....	29
Council Investments	31
Receivables Summary (Including Prior Month Comparative).....	32

Income and Expenditure – Overview

For period ending 31 January 2022

<p>\$50.67 M</p> <p>Actual YTD Operating Income</p>	<p>\$88.60 M</p> <p>Forecast Full Year Operating Income</p>	<p>-\$37.93 M</p> <p>Variance Operating Income</p>	<p>57%</p> <p>% of Forecast Operating Income</p>
<p>\$42.06 M</p> <p>Actual YTD Operating Expenditure</p>	<p>\$70.65 M</p> <p>Forecast Full Year Operating Expenditure</p>	<p>-\$28.59 M</p> <p>Variance Operating Expenditure</p>	<p>60%</p> <p>% of Forecast Operating Expenditure</p>
<p>\$4.12 M</p> <p>Actual YTD Capital Income</p>	<p>\$25.01 M</p> <p>Forecast Full Year Capital Income</p>	<p>-\$20.88 M</p> <p>Variance Capital Income</p>	<p>16%</p> <p>% of Forecast Capital Income</p>
<p>\$31.97 M</p> <p>Actual YTD Capital Expenditure</p>	<p>\$70.39 M</p> <p>Forecast Full Year Capital Expenditure</p>	<p>-\$38.42 M</p> <p>Variance Capital Expenditure</p>	<p>45%</p> <p>% of Forecast Capital Expenditure</p>
<p>\$0.00 M</p> <p>Actual YTD Loans Repaid</p>	<p>\$4.67 M</p> <p>Forecast Full Year Loans Repaid</p>	<p>-\$4.67 M</p> <p>Variance Loans Repaid</p>	<p>0%</p> <p>% of Forecast Loans Repaid</p>

Income and Expenditure – Summary

For period ending 31 January 2022

	Actual YTD	Full Year Budget	Variance	Percentage of Budget
Revenue				
Rates	23,398,376	39,582,245	(16,183,869)	59%
Fees and Charges	6,350,523	9,394,169	(3,043,647)	68%
Subsidies and Grants	9,474,280	27,309,971	(17,835,691)	35%
Finance Income	111,379	50,000	61,379	223%
Other Revenue	3,511,621	5,361,236	(1,849,615)	66%
Other Sales	1,103,428	966,077	137,351	114%
Development / Financial Contributions	674,281	600,000	74,281	112%
Gain on Sale of Assets	1,217,951	3,363,500	(2,145,549)	36%
Vested Assets	4,828,903	1,969,500	2,859,403	245%
Total Revenue	50,670,742	88,596,699	(37,925,957)	57%
Operating Expenditure				
Payments to Staff and Suppliers	31,201,931	51,661,390	(20,459,459)	60%
Finance Costs	996,796	2,264,939	(1,268,143)	44%
Other Expenses	159,018	192,200	(33,182)	83%
Depreciation	9,701,153	16,533,317	(6,832,164)	59%
Total Expenditure	42,058,898	70,651,846	(28,592,948)	60%
Net operating surplus (deficit)	8,611,844	17,944,853	(9,333,009)	48%
Capital Income				
Loans Raised	0	20,407,678	(20,407,678)	0%
Land Sales	4,112,880	4,500,000	(387,120)	91%
Other Asset Sales & Disposals	10,191	100,000	(89,809)	10%
Total Capital Income	4,123,072	25,007,678	(20,884,606)	16%
Capital Expenditure				
Infrastructural Assets	9,905,987	16,632,284	(6,726,297)	60%
Cyclic Renewals	4,786,664	16,413,201	(11,626,537)	29%
Land	8,910	0	8,910	0%
Plant	529,419	872,787	(343,368)	61%
Additions/Alterations	11,311,108	26,084,964	(14,773,857)	43%
Other Assets	5,427,114	10,385,327	(4,958,213)	52%
Total capital expenditure	31,969,202	70,388,563	(38,419,361)	45%
Loan Repayments	0	4,671,875	(4,671,875)	0%
Total capital to be funded	27,846,130	50,052,761	(22,206,630)	56%

Transportation – Income & Expenditure Report

For period ending 31 January 2022

	Actual YTD	Budget Full Year	Variance	Percentage of Budget	Permanent Variance
Operating Income					
Footpaths	860,831	1,254,405	(393,574)	69%	No
Roading	9,489,437	17,230,934	(7,741,497)	55%	No
	10,350,269	18,485,339	(8,135,070)	56%	
Operating Expenditure					
Footpaths	684,716	1,254,405	(569,688)	55%	No
Roading	10,584,105	13,716,467	(3,132,362)	77%	Yes
	11,268,821	14,970,872	(3,702,051)	75%	
Capital Income					
Footpaths	0	70,988	(70,988)	0%	
Roading	0	2,743,292	(2,743,292)	0%	No
	0	2,814,280	(2,814,280)	0%	
Capital Expenditure					
Footpaths	1,011,784	838,668	173,116	121%	Yes
Roading	5,626,360	14,748,296	(9,121,936)	38%	No
	6,638,144	15,586,964	(8,948,820)	43%	
Loan Repayments					
Footpaths	0	59,922	(59,922)	0%	
Roading	0	105,804	(105,804)	0%	No
	0	165,726	(165,726)	0%	
<i>The above financials include the following:</i>					
Development Contributions	0	0	0	0%	
<i>The above financials do not include the following:</i>					
Vested Assets	1,965,898	836,500	1,129,398	235%	

The above financials do not include appropriations - to and from activities

Transportation – Operating Expenditure

Roading **\$3,132,362F**

Reason for variance

This expenditure includes the emergency work for both the May Flood Event and the July rainfall event. Original Council budget for this work was \$50k therefore will need to report to Council to arrange further funding once aware of actual costs. Other than this expenditure is tracking along close to YTD budget.

Transportation – Capital Expenditure

Footpaths **\$173,116U**

Reason for variance

This footpath capital expenditure is part of the CBD revitalisation project. With the practical completion of that project there will be minimal additional capital expenditure this year.

Drinking Water – Income & Expenditure Report

For period ending 31 January 2022

	Actual YTD	Budget Full Year	Variance	Percentage of Budget	Permanent Variance
Operating Income					
Group Water Supplies	2,966,218	4,819,241	(1,853,023)	62%	No
Methven/Springfield Water Supply	129,449	227,238	(97,789)	57%	
Montalto Water Supply	179,033	304,287	(125,254)	59%	No
Lyndhurst Water Supply	10,448	16,561	(6,113)	63%	
Barhill Water Supply	2,444	4,486	(2,042)	54%	
	<u>3,287,593</u>	<u>5,371,813</u>	<u>(2,084,220)</u>	<u>61%</u>	
Operating Expenditure					
Group Water Supplies	3,046,960	4,664,401	(1,617,441)	65%	No
Methven/Springfield Water Supply	118,434	230,067	(111,633)	51%	No
Montalto Water Supply	188,334	306,540	(118,206)	61%	No
Lyndhurst Water Supply	2,603	3,513	(910)	74%	
Barhill Water Supply	792	1,061	(269)	75%	
	<u>3,357,123</u>	<u>5,205,582</u>	<u>(1,848,459)</u>	<u>64%</u>	
Capital Income					
Group Water Supplies	0	4,899,204	(4,899,204)	0%	No
Methven/Springfield Water Supply	0	375,099	(375,099)	0%	No
	<u>0</u>	<u>5,274,303</u>	<u>(5,274,303)</u>	<u>0%</u>	
Capital Expenditure					
Group Water Supplies	599,307	6,173,251	(5,573,944)	10%	Yes
Methven/Springfield Water Supply	17,567	484,947	(467,380)	4%	No
Montalto Water Supply	0	65,000	(65,000)	0%	
	<u>616,874</u>	<u>6,723,198</u>	<u>(6,106,324)</u>	<u>9%</u>	
Loan Repayments					
Group Water Supplies	0	470,896	(470,896)	0%	No
Methven/Springfield Water Supply	0	6,937	(6,937)	0%	
Lyndhurst Water Supply	0	13,048	(13,048)	0%	
Barhill Water Supply	0	3,425	(3,425)	0%	
	<u>0</u>	<u>494,306</u>	<u>(494,306)</u>	<u>0%</u>	
<i>The above financials include the following:</i>					
Development Contributions	161,147	172,952	(11,805)	93%	
<i>The above financials do not include the following:</i>					
Vested Assets	314,564	301,000	13,564	105%	

The above financials do not include appropriations - to and from activities

Drinking Water – Capital Expenditure

Group Water Supplies

\$5,573,944F

Reason for variance

Any favourable variance in this area will be influenced by timing of a number of larger scale projects.

The current status of the relevant projects is as follows:

- Methven reservoir – The site works are well-advanced but the kitset steel panels are now expected in the country late April. The delays here are related to global supply chain issues.
- Methven meters installation – The large order for smart meters was made in Sept 2021 and the shipment is expected to arrive in the country in May.
- Methven membrane treatment upgrade - Physical works on the balance of the membrane water treatment plant is unlikely to proceed in the current year, but there is expected to be an advanced payment required on the membrane equipment at the time of placement of the order (March / April).

Wastewater – Income & Expenditure Report

For period ending 31 January 2022

	Actual YTD	Budget Full Year	Variance	Percentage of Budget	Permanent Variance
Operating Income					
Ashburton Wastewater	6,445,678	8,357,093	(1,911,415)	77%	Yes
Methven Wastewater	282,451	394,239	(111,788)	72%	No
Rakaia Wastewater	181,771	336,622	(154,851)	54%	No
	6,909,900	9,087,954	(2,178,054)	76%	
Operating Expenditure					
Ashburton Wastewater	2,281,585	4,059,841	(1,778,256)	56%	No
Methven Wastewater	207,447	392,599	(185,152)	53%	No
Rakaia Wastewater	211,569	338,663	(127,094)	62%	No
	2,700,601	4,791,103	(2,090,502)	56%	
Capital Income					
Ashburton Wastewater	0	5,900,619	(5,900,619)	0%	No
Methven Wastewater	0	276,088	(276,088)	0%	No
Rakaia Wastewater	0	54,962	(54,962)	0%	
	0	6,231,669	(6,231,669)	0%	
Capital Expenditure					
Ashburton Wastewater	6,394,407	11,284,862	(4,890,455)	57%	No
Methven Wastewater	0	442,363	(442,363)	0%	No
Rakaia Wastewater	11,884	166,318	(154,434)	7%	No
	6,406,291	11,893,543	(5,487,252)	54%	
Loan Repayments					
Ashburton Wastewater	0	911,137	(911,137)	0%	No
Methven Wastewater	0	12,443	(12,443)	0%	
Rakaia Wastewater	0	45,818	(45,818)	0%	
	0	969,398	(969,398)	0%	
<i>The above financials include the following:</i>					
Capital Services Contribution	304,417	330,080	(25,663)	92%	
<i>The above financials do not include the following:</i>					
Vested Assets	623,154	480,000	143,154	130%	

The above financials do not include appropriations - to and from activities

Wastewater – Operating Income

Ashburton Wastewater

\$1,911,415U

Reason for variance

The Capital Services Contribution is tracking well ahead of budget at this point and may result in a favourable at year end, but it is too soon to quantify at this stage. It's likely due to higher than forecast development activity.

Stormwater – Income & Expenditure Report

For period ending 31 January 2022

	Actual YTD	Budget Full Year	Variance	Percentage of Budget	Permanent Variance
Operating Income					
Ashburton Stormwater	692,686	1,144,014	(451,328)	61%	No
Methven Stormwater	66,653	110,298	(43,645)	60%	
Rakaia Stormwater	37,226	62,072	(24,846)	60%	
Hinds Stormwater	6,931	11,758	(4,827)	59%	
Rural Stormwater	30,851	51,139	(20,288)	60%	
	<u>834,347</u>	<u>1,379,281</u>	<u>(544,934)</u>	<u>60%</u>	
Operating Expenditure					
Ashburton Stormwater	517,711	1,174,174	(656,463)	44%	No
Methven Stormwater	35,431	111,057	(75,626)	32%	
Rakaia Stormwater	11,964	62,358	(50,394)	19%	
Hinds Stormwater	3,357	11,758	(8,401)	29%	
Rural Stormwater	2,804	51,139	(48,335)	5%	
	<u>571,266</u>	<u>1,410,485</u>	<u>(839,219)</u>	<u>41%</u>	
Capital Expenditure					
Ashburton Stormwater	143,447	86,936	56,511	165%	
Methven Stormwater	0	1,462	(1,462)	0%	
	<u>143,447</u>	<u>88,399</u>	<u>55,048</u>	<u>162%</u>	
Loan Repayments					
Ashburton Stormwater	0	263,647	(263,647)	0%	No
Methven Stormwater	0	7,539	(7,539)	0%	
	<u>0</u>	<u>271,186</u>	<u>(271,186)</u>	<u>0%</u>	
<i>The above financials include the following:</i>					
Development Contributions	0	0	0	0%	
<i>The above financials do not include the following:</i>					
Vested Assets	244,240	352,000	(107,760)	69%	

The above financials do not include appropriations - to and from activities

Stockwater – Income & Expenditure Report

For period ending 31 January 2022

	Actual YTD	Budget Full Year	Variance	Percentage of Budget	Permanent Variance
Operating Income					
Stockwater	599,829	1,038,366	(438,537)	58%	No
	<u>599,829</u>	<u>1,038,366</u>	<u>(438,537)</u>	<u>58%</u>	
Operating Expenditure					
Stockwater	740,215	1,039,213	(298,998)	71%	Yes
	<u>740,215</u>	<u>1,039,213</u>	<u>(298,998)</u>	<u>71%</u>	
Capital Expenditure					
Stockwater	23,118	317,371	(294,253)	7%	Yes
	<u>23,118</u>	<u>317,371</u>	<u>(294,253)</u>	<u>7%</u>	
Loan Repayments					
Stockwater	0	9,174	(9,174)	0%	
	<u>0</u>	<u>9,174</u>	<u>(9,174)</u>	<u>0%</u>	

The above financials include the following:

0	0	0	0%
---	---	---	----

The above financials do not include the following:

0	0	0	0%
---	---	---	----

The above financials do not include appropriations - to and from activities

Stockwater – Operating Expenditure

Stockwater **\$298,998F**

Reason for variance

The division is experiencing regular intake reinstatements due to regular weather events raising river levels which in turn are isolating or clogging intake galleries to the extent that contractors are regularly in the rivers redirecting river flow to enable supply to the intake is maintained. Should these conditions prevail to year end, it is likely there will be a permanent variance at year end.

Stockwater – Capital Expenditure

Stockwater **\$294,253F**

Reason for variance

The budget relates to the provision of fish screens at some of our intakes. This work is not being progressed at this time.

Waste Reduction & Recycling – Income & Expenditure Report

For period ending 31 January 2022

	Actual YTD	Budget Full Year	Variance	Percentage of Budget	Permanent Variance
Operating Income					
Refuse Collection	1,423,360	2,335,906	(912,546)	61%	No
Refuse Management	2,499,067	4,398,430	(1,899,363)	57%	No
	<u>3,922,427</u>	<u>6,734,336</u>	<u>(2,811,909)</u>	<u>58%</u>	
Operating Expenditure					
Refuse Collection	1,481,578	2,159,532	(677,954)	69%	No
Refuse Management	2,858,181	4,372,994	(1,514,813)	65%	No
	<u>4,339,758</u>	<u>6,532,526</u>	<u>(2,192,768)</u>	<u>66%</u>	
Capital Income					
Refuse Management	9,343	296,570	(287,227)	3%	No
	<u>9,343</u>	<u>296,570</u>	<u>(287,227)</u>	<u>3%</u>	
Capital Expenditure					
Refuse Collection	41,696	61,718	(20,022)	68%	No
Refuse Management	12,356	530,906	(518,551)	2%	No
	<u>54,052</u>	<u>592,624</u>	<u>(538,573)</u>	<u>9%</u>	
Loan Repayments					
Refuse Collection	0	1,511	(1,511)	0%	
Refuse Management	0	36,103	(36,103)	0%	
	<u>0</u>	<u>37,614</u>	<u>(37,614)</u>	<u>0%</u>	
<i>The above financials include the following:</i>					
Development Contributions	0	0	0	0%	
<i>The above financials do not include the following:</i>					
Vested Assets	0	0	0	0%	

The above financials do not include appropriations - to and from activities

Recreation Facilities – Income & Expenditure Report

For period ending 31 January 2022

	Actual YTD	Budget Full Year	Variance	Percentage of Budget	Permanent Variance
Operating Income					
Ashburton Museum	759,313	1,286,207	(526,894)	59%	No
Library	887,810	1,565,122	(677,311)	57%	No
Recreation Facilities and Services	3,220,558	6,318,242	(3,097,684)	51%	Yes
	<u>4,867,681</u>	<u>9,169,570</u>	<u>(4,301,889)</u>	<u>53%</u>	
Operating Expenditure					
Ashburton Museum	797,572	1,594,386	(796,814)	50%	No
Library	791,452	1,523,971	(732,518)	52%	No
Recreation Facilities and Services	3,649,444	6,603,228	(2,953,784)	55%	No
	<u>5,238,468</u>	<u>9,721,585</u>	<u>(4,483,117)</u>	<u>54%</u>	
Capital Expenditure					
Ashburton Museum	598	78,327	(77,729)	1%	
Library	94,148	197,640	(103,492)	48%	No
Recreation Facilities and Services	49,262	251,651	(202,390)	20%	No
	<u>144,007</u>	<u>527,618</u>	<u>(383,611)</u>	<u>27%</u>	
Loan Repayments					
Recreation Facilities and Services	0	6,846	(6,846)	0%	
	<u>0</u>	<u>6,846</u>	<u>(6,846)</u>	<u>0%</u>	
<i>The above financials include the following:</i>					
Development Contributions	0	0	0	0%	
<i>The above financials do not include the following:</i>					
Vested Assets	0	0	0	0%	

The above financials do not include appropriations - to and from activities

Recreation Facilities – Operating Income

Recreation Facilities and Services

\$3,097,684U

Reason for variance

The Operating Income for Recreation Facilities and Services is indicating a possible permanent variance. This possible variance is due to the ongoing effects from COVID-19 protocols. The Canterbury region was at levels 3 and 4 from 17 Aug 2021 to 7 September 2021 (3 weeks), causing the facility to be closed. The Canterbury region was in COVID-19 level 2 restrictions from 8 September 2021 to 3 December 2021. New Zealand has been in level red restrictions since 24 January 2022 and ongoing. Both level 2 and level red result in the closure of the pool space to casual users for up to 4 hours per day, permanent closure of the spa and steam rooms, reduced swim lesson and squad offerings, reduced numbers in the pool space when it is open to the public, no inflatables or pre-school programmes, cancelled stadium events, reduced equipment in the gym and reduced group fitness bookings. All of these reductions of services are directly related to the COVID-19 guidelines and result in loss of income. The Recreation services team is reducing spending where possible. However, a high volume and value of expenses occur in expenditure areas which are relatively fixed, including salaries and wages, electricity, and overhead allocations. In addition with the introduction of My Vaccine Pass scanning and monitoring the facility is incurring unbudgeted wage expenditure.

Recreation & Community Services – Income & Expenditure Report

For period ending 31 January 2022

	Actual YTD	Budget Full Year	Variance	Percentage of Budget	Permanent Variance
Operating Income					
Public Conveniences	325,477	544,186	(218,709)	60%	No
Elderly Persons Housing	395,057	547,090	(152,034)	72%	No
Memorial Halls	178,631	321,678	(143,047)	56%	No
Reserves and Camping Grounds	548,376	940,165	(391,789)	58%	No
Reserve Boards	350,471	633,507	(283,036)	55%	No
Community Safety	36,501	57,491	(20,990)	63%	
	1,834,513	3,044,117	(1,209,604)	60%	
Operating Expenditure					
Public Conveniences	368,651	545,083	(176,432)	68%	No
Elderly Persons Housing	436,964	518,790	(81,827)	84%	
Memorial Halls	401,909	610,910	(209,001)	66%	No
Reserves and Camping Grounds	443,622	1,041,966	(598,343)	43%	No
Reserve Boards	358,364	693,126	(334,762)	52%	No
Community Safety	36,322	57,491	(21,169)	63%	
	2,045,832	3,467,366	(1,421,534)	59%	
Capital Income					
Public Conveniences	0	215,801	(215,801)	0%	No
Elderly Persons Housing	0	145,608	(145,608)	0%	No
Reserves and Camping Grounds	0	1,482,252	(1,482,252)	0%	No
	0	1,843,661	(1,843,661)	0%	
Capital Expenditure					
Public Conveniences	14,604	581,447	(566,843)	3%	No
Elderly Persons Housing	3,761	204,000	(200,239)	2%	Yes
Memorial Halls	2,391	10,000	(7,609)	24%	
Reserves and Camping Grounds	8,910	1,600,000	(1,591,090)	1%	No
Reserve Boards	10,438	54,000	(43,562)	19%	
	40,104	2,449,447	(2,409,343)	2%	
Loan Repayments					
Public Conveniences	0	6,942	(6,942)	0%	
Reserves and Camping Grounds	0	1,200	(1,200)	0%	
Reserve Boards	0	40,000	(40,000)	0%	
	0	48,142	(48,142)	0%	
<i>The above financials include the following:</i>					
Development Contributions	700	0	700	0%	
<i>The above financials do not include the following:</i>					
Vested Assets	1,681,048	0	1,681,048	0%	

The above financials do not include appropriations - to and from activities

Recreation & Community Services – Capital Expenditure

Elderly Persons Housing

\$200,239F

Reason for variance

There will be a permanent variance at year end as the upgrading of units mentioned above under operating expenditure has been budgeted under capital however the nature of the work is operational

Economic Development – Income & Expenditure Report

For period ending 31 January 2022

	Actual YTD	Budget Full Year	Variance	Percentage of Budget	Permanent Variance
Operating Income					
Commercial Property	2,598,960	18,567,783	(15,968,823)	14%	Yes
Business & Economic Development	587,189	809,534	(222,345)	73%	No
District Promotion	148,666	247,821	(99,155)	60%	
Forestry	507,624	(86,729)	594,353	-585%	Yes
	<u>3,842,439</u>	<u>19,538,409</u>	<u>(15,695,970)</u>	<u>20%</u>	
Operating Expenditure					
Commercial Property	3,102,229	5,046,466	(1,944,236)	61%	No
Business & Economic Development	519,501	992,509	(473,008)	52%	No
District Promotion	111,476	247,821	(136,344)	45%	No
Forestry	632,862	370,452	262,409	171%	Yes
	<u>4,366,068</u>	<u>6,657,247</u>	<u>(2,291,179)</u>	<u>66%</u>	
Capital Income					
Commercial Property	4,188,418	6,633,623	(2,445,205)	63%	No
Forestry	31,500	0	31,500	0%	
	<u>4,219,918</u>	<u>6,633,623</u>	<u>(2,413,705)</u>	<u>64%</u>	
Capital Expenditure					
Commercial Property	11,045,574	23,399,000	(12,353,426)	47%	Yes
	<u>11,045,574</u>	<u>23,399,000</u>	<u>(12,353,426)</u>	<u>47%</u>	
Loan Repayments					
Commercial Property	0	2,332,772	(2,332,772)	0%	No
	<u>0</u>	<u>2,332,772</u>	<u>(2,332,772)</u>	<u>0%</u>	

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

Economic Development – Operating Income

Commercial Property **\$15,968,823U**

Reason for variance

It is expected that not all of the \$13,000,000 provincial growth fund income will be received in the current financial year. As at the end of January \$2,000,000 had been claimed for and received.

Forestry **\$594,353F**

Reason for variance

Additional income has been generated from salvage logging following the wind damage event in September. Salvage logging will be completed in March and the remaining harvesting program should be completed in May. A further \$250K of log sales is expected by the end of the financial year. This is a permanent variance.

Economic Development – Operating Expenditure

Forestry **\$262,409U**

Reason for variance

Additional expenditure was required to complete salvage logging following the wind damage event in September. This expenditure was especially associated with a delivered log sale with Port Blakely from the Diamond Town plantation near Staveley which is now complete. Some further additional expenditure associated with remaining harvesting program but this is not expected to exceed \$50K. This is a permanent variance.

Economic Development – Capital Expenditure

Commercial Property **\$12,353,426F**

Reason for variance

There is indication that due to delays in construction of the Library and Civic Centre not all of the budgeted amount for capital expenditure will be spent at year end.

Parks & Open Spaces – Income & Expenditure Report

For period ending 31 January 2022

	Actual YTD	Budget Full Year	Variance	Percentage of Budget	Permanent Variance
Operating Income					
Cemeteries	379,060	568,866	(189,806)	67%	No
Parks and Recreation	2,866,837	4,331,009	(1,464,172)	66%	No
	<u>3,245,897</u>	<u>4,899,875</u>	<u>(1,653,978)</u>	<u>66%</u>	
Operating Expenditure					
Cemeteries	357,750	568,866	(211,116)	63%	No
Parks and Recreation	1,940,581	3,598,156	(1,657,575)	54%	No
	<u>2,298,331</u>	<u>4,167,022</u>	<u>(1,868,691)</u>	<u>55%</u>	
Capital Income					
Cemeteries	0	68,444	(68,444)	0%	
Parks and Recreation	0	1,197,033	(1,197,033)	0%	Yes
	<u>0</u>	<u>1,265,477</u>	<u>(1,265,477)</u>	<u>0%</u>	
Capital Expenditure					
Cemeteries	96,145	108,455	(12,310)	89%	
Parks and Recreation	1,115,165	4,564,201	(3,449,035)	24%	Yes
	<u>1,211,311</u>	<u>4,672,656</u>	<u>(3,461,345)</u>	<u>26%</u>	
Loan Repayments					
Cemeteries	0	2,121	(2,121)	0%	
Parks and Recreation	0	80,681	(80,681)	0%	
	<u>0</u>	<u>82,802</u>	<u>(82,802)</u>	<u>0%</u>	

The above financials include the following:

Development Contributions	700	0	700	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

Parks and Open Spaces – Capital Income

Parks and Recreation

\$1,197,033U***Reason for variance***

There will be a permanent variance from the loan funded \$1,112,000 for Baring Square East upgrade/redevelopment project. This is due to the timing of works. The remaining unspent funds, is yet to be determined and will feature in a request for carry forward at year end.

Parks and Open Spaces – Capital Expenditure

Parks and Recreation

\$3,449,035F***Reason for variance***

There will be a permanent variance of approximately \$400,000 due to the Domain Promenade project not being progressed at this time. It is due to insufficient allocated funding to enable project completion. There will be a request to carry forward this funding at year end.

There may be additional unspent capital expenditure from the \$1.0m allocated for the Baring Square East upgrade/redevelopment project. Work is scheduled to commence this winter and staff will be requesting a carry forward of unspent funds.

Community Governance & Decision Making – Income & Expenditure Report

For period ending 31 January 2022

	Actual YTD	Budget Full Year	Variance	Percentage of Budget	Permanent Variance
Operating Income					
Council	1,757,948	2,964,663	(1,206,715)	59%	No
Methven Community Board	76,443	128,875	(52,432)	59%	
Youth Council	18,205	12,733	5,473	143%	
Community Grants Funding	1,737,137	1,985,863	(248,726)	87%	No
Water Zone Committee	143,061	255,941	(112,880)	56%	No
	<u>3,732,795</u>	<u>5,348,075</u>	<u>(1,615,280)</u>	<u>70%</u>	
Operating Expenditure					
Council	1,796,247	2,974,893	(1,178,647)	60%	No
Methven Community Board	43,439	145,875	(102,436)	30%	No
Youth Council	20,375	11,733	8,642	174%	
Community Grants Funding	1,349,138	1,675,039	(325,901)	81%	No
Water Zone Committee	52,231	430,566	(378,335)	12%	No
	<u>3,261,430</u>	<u>5,238,107</u>	<u>(1,976,677)</u>	<u>62%</u>	
Loan Repayments					
Community Grants Funding	0	99,000	(99,000)	0%	
Water Zone Committee	0	18,000	(18,000)	0%	
	<u>0</u>	<u>117,000</u>	<u>(117,000)</u>	<u>0%</u>	

The above financials include the following:

Development Contributions	684,933	503,000	181,933	136%
---------------------------	---------	---------	---------	------

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

Environmental Services – Income & Expenditure Report

For period ending 31 January 2022

	Actual YTD	Budget Full Year	Variance	Percentage of Budget	Permanent Variance
Operating Income					
Environmental Health	190,523	334,061	(143,538)	57%	No
Building Regulation	1,654,630	2,091,513	(436,883)	79%	No
Emergency Management	74,440	126,019	(51,579)	59%	
Liquor Licensing	156,031	198,918	(42,887)	78%	
Land Information Memorandum	82,543	98,856	(16,313)	83%	
Parking	105,804	290,777	(184,973)	36%	Yes
Animal Control	449,566	507,621	(58,055)	89%	
Resource Consents	476,136	699,368	(223,232)	68%	No
Monitoring and Enforcement	109,612	203,057	(93,445)	54%	
Planning	357,771	618,713	(260,943)	58%	No
	<u>3,657,057</u>	<u>5,168,903</u>	<u>(1,511,846)</u>	<u>71%</u>	
Operating Expenditure					
Environmental Health	140,291	264,050	(123,759)	53%	No
Building Regulation	1,403,126	2,091,513	(688,387)	67%	No
Emergency Management	169,276	125,486	43,790	135%	
Liquor Licensing	110,320	198,918	(88,598)	55%	
Land Information Memorandum	59,961	98,856	(38,894)	61%	
Parking	153,557	290,777	(137,220)	53%	No
Animal Control	261,389	506,621	(245,232)	52%	No
Resource Consents	469,499	699,368	(229,868)	67%	No
Monitoring and Enforcement	118,039	272,567	(154,528)	43%	No
Planning	166,992	490,605	(323,612)	34%	No
	<u>3,052,451</u>	<u>5,038,760</u>	<u>(1,986,309)</u>	<u>61%</u>	
Capital Expenditure					
Parking	11,398	0	11,398	0%	
Animal Control	761	0	761	0%	
	<u>12,160</u>	<u>0</u>	<u>12,160</u>	<u>0%</u>	
Loan Repayments					
Animal Control	0	8,800	(8,800)	0%	
Planning	0	128,109	(128,109)	0%	No
	<u>0</u>	<u>136,909</u>	<u>(136,909)</u>	<u>0%</u>	
<i>The above financials include the following:</i>					
Development Contributions	0	0	0	0%	
<i>The above financials do not include the following:</i>					
Vested Assets	0	0	0	0%	
<i>The above financials do not include appropriations - to and from activities</i>					

Environmental Services – Operating Income

Parking **\$184,973U**

Reason for variance

The income from coin operated stand-alone parking meters has ceased following the removal of all stand-alone meters in the CBD and their replacement with sensor controlled timed parking. Infringement income has also been affected by the Government's introduction of a grace period for Warrants of Fitness and vehicle registration. The lone pay and display unit serving the Cass St car-park continues to generate some parking revenue.

Miscellaneous, Dividends & Internal Overheads – Income & Expenditure Report

For period ending 31 January 2022

	Actual YTD	Budget Full Year	Variance	Percentage of Budget	Permanent Variance
Operating Income					
Non Allocated	110,628	0	110,628	0%	No
Dividends	427,000	50,000	377,000	854%	Yes
Library and Civic Centre	312,996	335,228	(22,233)	93%	
Leadership Team	911,779	1,610,291	(698,512)	57%	No
People & Capability	506,868	997,439	(490,571)	51%	No
Information Systems	1,747,027	3,192,950	(1,445,923)	55%	No
Customer Services	350,976	666,317	(315,340)	53%	No
Treasury	583,343	1,318,176	(734,833)	44%	No
Rates	355,934	754,880	(398,946)	47%	No
Community Relations	431,619	873,643	(442,024)	49%	No
Communications	432,760	697,060	(264,300)	62%	No
Property Administration	661,092	1,544,047	(882,955)	43%	No
Service Delivery	2,543,325	3,656,081	(1,112,756)	70%	No
Parks Administration	1,557,866	3,226,790	(1,668,924)	48%	No
Plant Operations	388,206	832,377	(444,171)	47%	No
	<u>11,321,419</u>	<u>19,755,279</u>	<u>(8,433,860)</u>	<u>57%</u>	
Operating Expenditure					
Non Allocated	106,499	0	106,499	0%	No
Dividends	7,934	50,000	(42,066)	16%	
Library and Civic Centre	321,381	335,229	(13,848)	96%	
Leadership Team	911,779	1,610,291	(698,512)	57%	No
People & Capability	506,868	1,135,635	(628,767)	45%	No
Information Systems	1,798,875	3,202,450	(1,403,575)	56%	No
Customer Services	350,982	666,317	(315,334)	53%	No
Treasury	583,694	1,318,176	(734,483)	44%	No
Rates	350,525	754,880	(404,354)	46%	No
Community Relations	431,806	1,000,507	(568,701)	43%	No
Communications	432,760	840,755	(407,995)	51%	No
Property Administration	661,096	1,544,047	(882,951)	43%	No
Service Delivery	2,543,325	3,655,831	(1,112,506)	70%	No
Parks Administration	1,546,025	3,223,790	(1,677,765)	48%	No
Plant Operations	565,876	832,377	(266,501)	68%	No
	<u>11,119,425</u>	<u>20,170,285</u>	<u>(9,050,860)</u>	<u>55%</u>	
Capital Income					
Library and Civic Centre	848	0	848	0%	
Information Systems	0	175,000	(175,000)	0%	No
Plant Operations	0	100,000	(100,000)	0%	No
	<u>848</u>	<u>275,000</u>	<u>(274,152)</u>	<u>0%</u>	
Capital Expenditure					
Library and Civic Centre	1,930	0	1,930	0%	
Information Systems	321,402	1,295,456	(974,054)	25%	Yes
Plant Operations	529,419	872,787	(343,368)	61%	No
	<u>852,806</u>	<u>2,168,243</u>	<u>(1,315,437)</u>	<u>39%</u>	
<i>The above financials include the following:</i>					
Development Contributions	0	0	0	0%	
<i>The above financials do not include the following:</i>					
Vested Assets	0	0	0	0%	
<i>The above financials do not include appropriations - to and from activities</i>					

Miscellaneous, Dividends & Internal Overheads – Operating Income

Dividends **\$377,000F**

Reason for variance

A dividend of \$700,000 has been received from ACL relating to the financial year ending June 2021 which is significantly higher than budgeted due to a record turnover for the year.

Miscellaneous, Dividends & Internal Overheads – Capital Expenditure

Information Systems **\$974,054F**

Reason for variance

While additional commitments have been made, due to delays in supply these are yet to be received and it is possible that not all the budgeted amount for capital expenditure will be spent at year end.

Due to individual item value and although purchased in bulk, some desktop equipment while purchased via capital funding have now been re-assigned as operational.

Loan Repayments

For period ending 31 January 2022

	Actual YTD	Budget Full Year	Variance	Percentage of Budget	
Loan Repayments	0	4,671,875	(4,671,875)	0%	<i>No</i>

Balance Sheet

As at 31 January 2022

	YTD Actual	2021 Actual
Public Equity		
Ratepayers Equity	486,857,576	474,043,000
Revaluation Reserves	252,734,115	259,308,752
Funds and Reserves	65,668,692	58,066,249
	805,260,382	791,418,000
Non-Current Liabilities		
External Loans	70,600,000	70,600,000
Other Term Liabilities	2,468,715	2,468,715
	73,068,715	73,068,715
Current Liabilities		
Trade Creditors	2,106,187	2,219,481
GST	1,055,915	(1,319,885)
Deposits & Bonds	993,870	1,050,771
Other Current Liabilities	923,919	613,711
Accrued Liabilities	5,773,450	11,047,207
	10,853,341	13,611,285
Total Equity & Liabilities	889,182,443	878,098,000
Fixed Assets	151,222,632	153,322,844
Infrastructural Assets	645,576,442	654,065,521
Work in Progress	51,354,553	25,475,999
Advances	561,763	561,763
Shares	9,074,015	9,074,015
Current Assets		
Cash & Bank	2,642,552	24,672,000
Cash Investments	12,000,000	1,000,000
Receivables	14,559,711	5,534,120
Provision for Doubtful Debts	(121,463)	(121,463)
Stock	53,257	53,257
Accruals	1,702,544	3,909,078
Other Current Assets	556,437	550,866
	31,393,038	35,597,858
Total Assets	889,182,443	878,098,000

Net Debt and Borrowings

As at 31 January 2022

Net Debt



External Borrowing

	Year to Date Amount	Yield %		Maturity
Local Government Funding				
LGFA 2021	10,000,000	0.99	Floating	13-Apr-22
LGFA 2020	5,000,000	1.27	Floating	14-Apr-22
LGFA 2017	5,000,000	1.33	Floating	15-Apr-23
LGFA 2020 Coupon	5,000,000	1.24	Floating	15-Apr-24
LGFA 2018	2,000,000	1.21	Floating	15-Apr-24
LGFA 2021	7,000,000	1.06	Floating	15-Apr-25
LGFA 2020	10,000,000	1.32	Floating	15-Apr-26
LGFA 2020 Coupon	5,000,000	1.23	Fixed	15-Apr-27
LGFA 2020 Coupon	5,000,000	0.97	Fixed	15-Apr-27
LGFA 2021 Coupon	16,600,000	2.01	Fixed	15-May-28
Total External Funding	70,600,000			

Borrowing by Activity

As at 31 January 2022

Activity	External Borrowing	Internal Borrowing
Community Facilities & Support		1,129,667
Commercial Property	35,115,864	5,547,790
Wastewater	17,392,940	2,703,879
Drinking Water	9,435,991	-
Environmental Services	146,201	823,714
Stormwater	3,025,603	411,679
Cemeteries	1,605,448	47,633
Water Resources	379,360	-
Arts & Culture	2,376,000	-
Refuse and Recycling	523,594	81,854
Stockwater	184,000	53,915
Roading	287,000	2,832,093
Footpaths	-	744,250
Recreation Facilities	128,000	72,036
Civic Building	-	43,794
Camping		18,073
Public Conveniences		191,054
Reserve Boards	-	730,000
Total	70,600,000	15,431,430

Council Investments

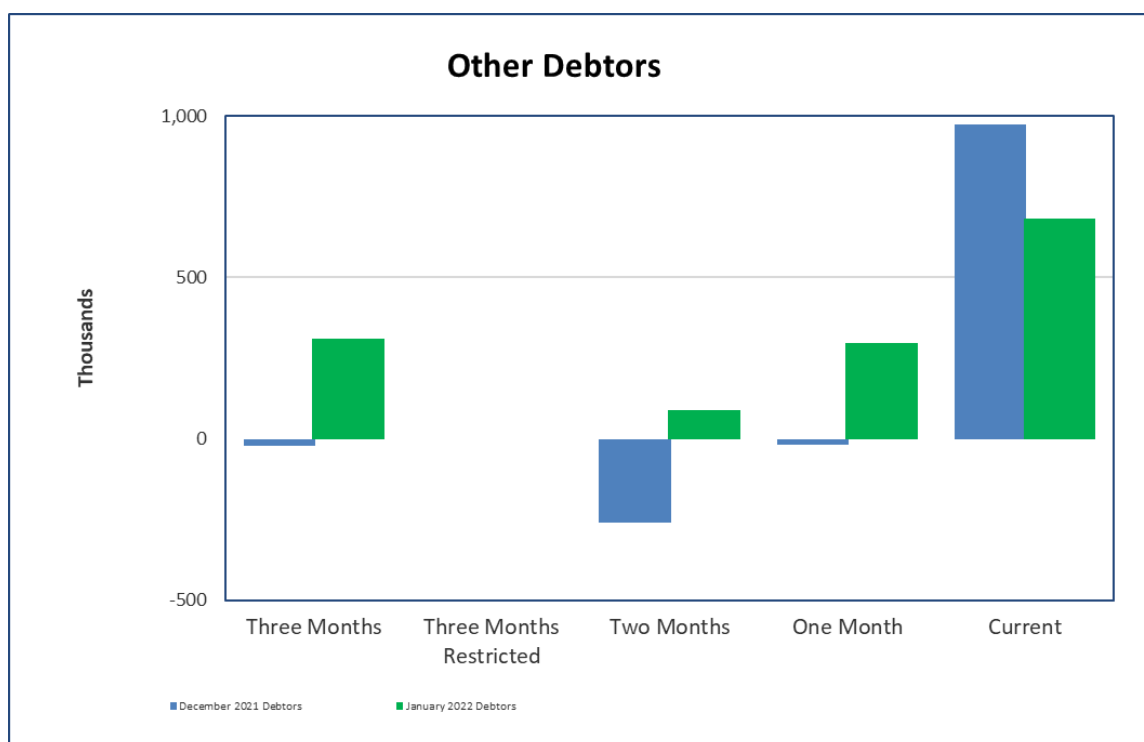
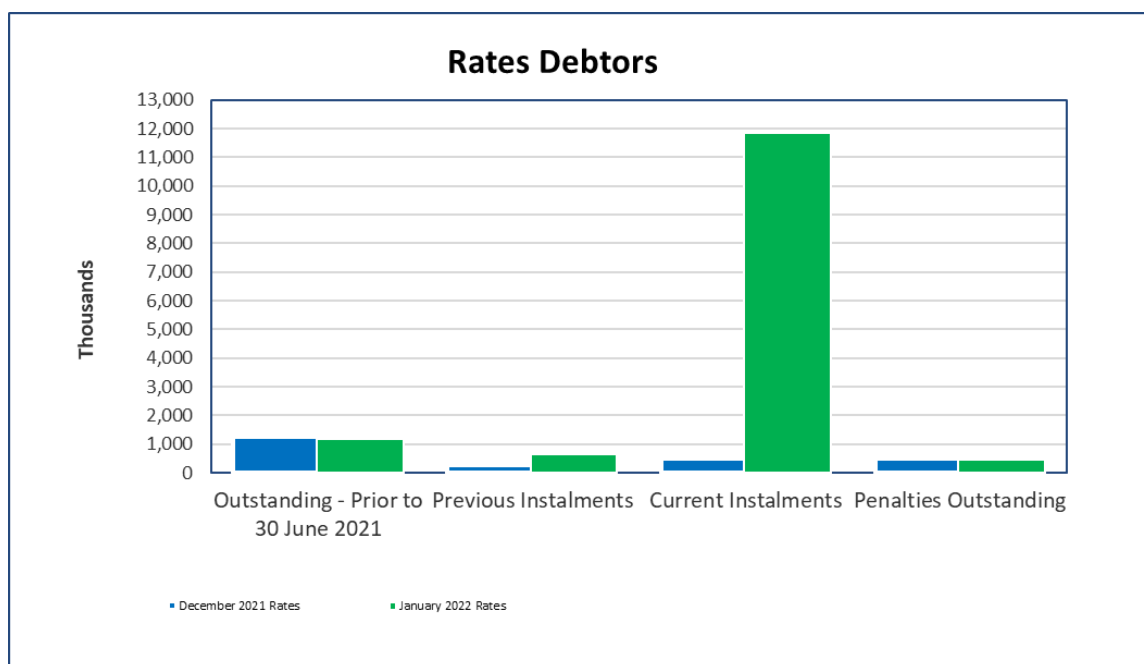
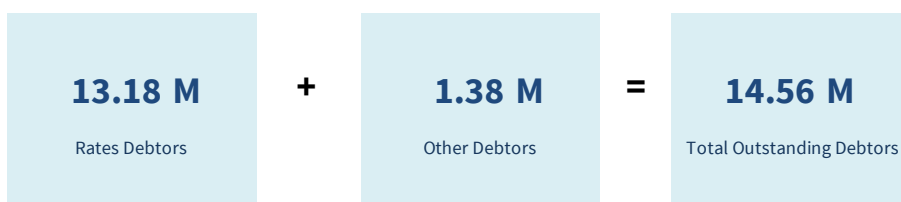
As at 31 January 2022

Listed below are the current significant investments held by Council.

Term deposits	Principal	Interest Rate	Term	Maturity
Westpac Bank	10,000,000	2.34%	365 Days	20-Dec-22
	10,000,000			
Local Authority Stock and Bonds	Principal	Coupon Rate	Yield (when purchased)	Maturity
Bonds				
BNZ	1,000,000	4.10%	4.10%	15-Jun-23
ANZ	1,000,000	3.00%	3.00%	17-Sep-26
	2,000,000			
Advances				
Eastfield Investments	561,763			
	561,763			
Shares				
Ashburton Contracting Ltd	4,500,000			
NZ Local Govt Co-op Shares	53,215			
RDR Management	30,000			
Transwaste Canterbury Ltd	1,362,000			
ATS	500			
Electricity Ashburton Rebates	1,300			
LGFA Equity	1,362,000			
Eastfield Investments	1,765,000			
	9,074,015			

Receivables Summary (Including Prior Month Comparative)

As at 31 January 2022



***Ashburton District Council
Financial Variance Report
for the period ending
28 February 2022***

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.....	3
Income and Expenditure – Summary	4
Transportation – Income & Expenditure Report.....	5
Drinking Water – Income & Expenditure Report.....	7
Wastewater – Income & Expenditure Report	9
Stormwater – Income & Expenditure Report.....	11
Stockwater – Income & Expenditure Report.....	12
Waste Reduction & Recycling – Income & Expenditure Report.....	14
Recreation Facilities – Income & Expenditure Report	15
Recreation & Community Services – Income & Expenditure Report	17
Economic Development – Income & Expenditure Report.....	19
Parks & Open Spaces – Income & Expenditure Report.....	21
Community Governance & Decision Making – Income & Expenditure Report	23
Environmental Services – Income & Expenditure Report.....	24
Miscellaneous, Dividends & Internal Overheads – Income & Expenditure Report	26
Balance Sheet.....	28
Net Debt and Borrowings.....	29
Council Investments	31
Receivables Summary (Including Prior Month Comparative).....	32

Income and Expenditure – Overview

For period ending 28 February 2022

<p>\$60.42 M Actual YTD Operating Income</p>	<p>\$88.60 M Forecast Full Year Operating Income</p>	<p>-\$28.18 M Variance Operating Income</p>	<p>68% % of Forecast Operating Income</p>
<p>\$47.22 M Actual YTD Operating Expenditure</p>	<p>\$70.65 M Forecast Full Year Operating Expenditure</p>	<p>-\$23.44 M Variance Operating Expenditure</p>	<p>67% % of Forecast Operating Expenditure</p>
<p>\$4.12 M Actual YTD Capital Income</p>	<p>\$25.01 M Forecast Full Year Capital Income</p>	<p>-\$20.88 M Variance Capital Income</p>	<p>16% % of Forecast Capital Income</p>
<p>\$34.72 M Actual YTD Capital Expenditure</p>	<p>\$70.39 M Forecast Full Year Capital Expenditure</p>	<p>-\$35.67 M Variance Capital Expenditure</p>	<p>49% % of Forecast Capital Expenditure</p>
<p>\$0.00 M Actual YTD Loans Repaid</p>	<p>\$4.67 M Forecast Full Year Loans Repaid</p>	<p>-\$4.67 M Variance Loans Repaid</p>	<p>0% % of Forecast Loans Repaid</p>

Income and Expenditure – Summary

For period ending 28 February 2022

	Actual YTD	Full Year Budget	Variance	Percentage of Budget
Revenue				
Rates	26,747,650	39,582,245	(12,834,595)	68%
Fees and Charges	7,033,171	9,394,169	(2,360,998)	75%
Subsidies and Grants	14,366,622	27,309,971	(12,943,349)	53%
Finance Income	136,607	50,000	86,607	273%
Other Revenue	4,112,428	5,361,236	(1,248,808)	77%
Other Sales	1,255,357	966,077	289,280	130%
Development / Financial Contributions	717,968	600,000	117,968	120%
Gain on Sale of Assets	1,217,951	3,363,500	(2,145,549)	36%
Vested Assets	4,828,903	1,969,500	2,859,403	245%
Total Revenue	60,416,657	88,596,699	(28,180,042)	68%
Operating Expenditure				
Payments to Staff and Suppliers	34,773,293	51,661,390	(16,888,097)	67%
Finance Costs	1,202,688	2,264,939	(1,062,251)	53%
Other Expenses	161,601	192,200	(30,599)	84%
Depreciation	11,078,929	16,533,317	(5,454,387)	67%
Total Expenditure	47,216,511	70,651,846	(23,435,335)	67%
Net operating surplus (deficit)	13,200,146	17,944,853	(4,744,707)	74%
Capital Income				
Loans Raised	0	20,407,678	(20,407,678)	0%
Land Sales	4,112,880	4,500,000	(387,120)	91%
Other Asset Sales & Disposals	9,884	100,000	(90,116)	10%
Total Capital Income	4,122,764	25,007,678	(20,884,914)	16%
Capital Expenditure				
Infrastructural Assets	10,230,135	16,632,284	(6,402,149)	62%
Cyclic Renewals	6,755,476	16,413,201	(9,657,725)	41%
Land	8,910	0	8,910	0%
Plant	661,546	872,787	(211,241)	76%
Additions/Alterations	11,568,660	26,084,964	(14,516,305)	44%
Other Assets	5,495,228	10,385,327	(4,890,099)	53%
Total capital expenditure	34,719,955	70,388,563	(35,668,608)	49%
Loan Repayments	0	4,671,875	(4,671,875)	0%
Total capital to be funded	30,597,191	50,052,761	(19,455,570)	61%

Transportation – Income & Expenditure Report

For period ending 28 February 2022

	Actual YTD	Budget Full Year	Variance	Percentage of Budget	Permanent Variance
Operating Income					
Footpaths	939,297	1,254,405	(315,109)	75%	No
Roading	10,993,694	17,230,934	(6,237,240)	64%	No
	11,932,990	18,485,339	(6,552,349)	65%	
Operating Expenditure					
Footpaths	830,855	1,254,405	(423,550)	66%	No
Roading	11,957,689	13,716,467	(1,758,778)	87%	Yes
	12,788,544	14,970,872	(2,182,328)	85%	
Capital Income					
Footpaths	0	70,988	(70,988)	0%	
Roading	0	2,743,292	(2,743,292)	0%	No
	0	2,814,280	(2,814,280)	0%	
Capital Expenditure					
Footpaths	1,011,784	838,668	173,116	121%	Yes
Roading	7,841,272	14,748,296	(6,907,024)	53%	No
	8,853,056	15,586,964	(6,733,908)	57%	
Loan Repayments					
Footpaths	0	59,922	(59,922)	0%	
Roading	0	105,804	(105,804)	0%	No
	0	165,726	(165,726)	0%	
<i>The above financials include the following:</i>					
Development Contributions	0	0	0	0%	
<i>The above financials do not include the following:</i>					
Vested Assets	1,965,898	836,500	1,129,398	235%	

The above financials do not include appropriations - to and from activities

Transportation – Operating Expenditure

Roading **\$1,758,778F**

Reason for variance

This expenditure includes the emergency work for both the May Flood Event and the July rainfall event. Original Council budget for this work was \$50k and Waka Kotahi has approved Emergency Works funding of \$4,427,806 with their share being \$2,898,751. Will need to report to Council to arrange further funding once aware of actual costs. Overall expenditure is close to YTD budget.

Transportation – Capital Expenditure

Footpaths **\$173,116U**

Reason for variance

This footpath capital expenditure is part of the CBD revitalisation project. With the practical completion of that project there will be minimal additional capital expenditure this year.

Drinking Water – Income & Expenditure Report

For period ending 28 February 2022

	Actual YTD	Budget Full Year	Variance	Percentage of Budget	Permanent Variance
Operating Income					
Group Water Supplies	3,362,977	4,819,241	(1,456,264)	70%	No
Methven/Springfield Water Supply	148,071	227,238	(79,167)	65%	
Montalto Water Supply	204,715	304,287	(99,572)	67%	
Lyndhurst Water Supply	11,945	16,561	(4,616)	72%	
Barhill Water Supply	2,794	4,486	(1,692)	62%	
	3,730,501	5,371,813	(1,641,312)	69%	
Operating Expenditure					
Group Water Supplies	3,444,177	4,664,401	(1,220,224)	74%	No
Methven/Springfield Water Supply	136,282	230,067	(93,786)	59%	
Montalto Water Supply	210,529	306,540	(96,011)	69%	
Lyndhurst Water Supply	2,919	3,513	(595)	83%	
Barhill Water Supply	883	1,061	(179)	83%	
	3,794,789	5,205,582	(1,410,793)	73%	
Capital Income					
Group Water Supplies	0	4,899,204	(4,899,204)	0%	No
Methven/Springfield Water Supply	0	375,099	(375,099)	0%	No
	0	5,274,303	(5,274,303)	0%	
Capital Expenditure					
Group Water Supplies	844,492	6,173,251	(5,328,760)	14%	Yes
Methven/Springfield Water Supply	17,567	484,947	(467,380)	4%	No
Montalto Water Supply	0	65,000	(65,000)	0%	
	862,059	6,723,198	(5,861,140)	13%	
Loan Repayments					
Group Water Supplies	0	470,896	(470,896)	0%	No
Methven/Springfield Water Supply	0	6,937	(6,937)	0%	
Lyndhurst Water Supply	0	13,048	(13,048)	0%	
Barhill Water Supply	0	3,425	(3,425)	0%	
	0	494,306	(494,306)	0%	
<i>The above financials include the following:</i>					
Development Contributions	179,156	172,952	6,204	104%	
<i>The above financials do not include the following:</i>					
Vested Assets	314,564	301,000	13,564	105%	

The above financials do not include appropriations - to and from activities

Drinking Water – Capital Expenditure

Group Water Supplies

\$5,328,760F

Reason for variance

Any favourable variance in this area will be influenced by timing of a number of larger scale projects.

The current status of the relevant projects is as follows:

- Methven reservoir – The site works are well-advanced but the kitset steel panels are now expected in the country late April. The delays here are related to global supply chain issues.
- Methven meters installation – The large order for smart meters was made in Sept 2021 and the shipment is expected to arrive in the country in May.
- Methven membrane treatment upgrade - Physical works on the balance of the membrane water treatment plant is unlikely to proceed in the current year, but there is expected to be an advanced payment required on the membrane equipment at the time of placement of the order (March / April).

Wastewater – Income & Expenditure Report

For period ending 28 February 2022

	Actual YTD	Budget Full Year	Variance	Percentage of Budget	Permanent Variance
Operating Income					
Ashburton Wastewater	6,825,692	8,357,093	(1,531,401)	82%	Yes
Methven Wastewater	323,578	394,239	(70,661)	82%	
Rakaia Wastewater	213,612	336,622	(123,010)	63%	No
	7,362,882	9,087,954	(1,725,072)	81%	
Operating Expenditure					
Ashburton Wastewater	2,597,329	4,059,841	(1,462,512)	64%	No
Methven Wastewater	237,100	392,599	(155,499)	60%	No
Rakaia Wastewater	241,236	338,663	(97,427)	71%	
	3,075,664	4,791,103	(1,715,439)	64%	
Capital Income					
Ashburton Wastewater	0	5,900,619	(5,900,619)	0%	No
Methven Wastewater	0	276,088	(276,088)	0%	No
Rakaia Wastewater	0	54,962	(54,962)	0%	
	0	6,231,669	(6,231,669)	0%	
Capital Expenditure					
Ashburton Wastewater	6,428,319	11,284,862	(4,856,543)	57%	No
Methven Wastewater	625	442,363	(441,738)	0%	No
Rakaia Wastewater	11,932	166,318	(154,386)	7%	No
	6,440,876	11,893,543	(5,452,667)	54%	
Loan Repayments					
Ashburton Wastewater	0	911,137	(911,137)	0%	No
Methven Wastewater	0	12,443	(12,443)	0%	
Rakaia Wastewater	0	45,818	(45,818)	0%	
	0	969,398	(969,398)	0%	
<i>The above financials include the following:</i>					
Capital Services Contribution	331,129	330,080	1,049	100%	
<i>The above financials do not include the following:</i>					
Vested Assets	623,154	480,000	143,154	130%	

The above financials do not include appropriations - to and from activities

Wastewater – Operating Income

Ashburton Wastewater

\$1,531,401U

Reason for variance

The Capital Services Contribution is tracking well ahead of budget at this point and may result in a favourable variance at year end of approximately \$150,000. Primarily due to higher than forecast development activity.

Stormwater – Income & Expenditure Report

For period ending 28 February 2022

	Actual YTD	Budget Full Year	Variance	Percentage of Budget	Permanent Variance
Operating Income					
Ashburton Stormwater	792,075	1,144,014	(351,939)	69%	No
Methven Stormwater	76,168	110,298	(34,130)	69%	
Rakaia Stormwater	42,554	62,072	(19,518)	69%	
Hinds Stormwater	7,924	11,758	(3,834)	67%	
Rural Stormwater	35,301	51,139	(15,838)	69%	
	954,022	1,379,281	(425,259)	69%	
Operating Expenditure					
Ashburton Stormwater	600,461	1,174,174	(573,713)	51%	No
Methven Stormwater	40,763	111,057	(70,294)	37%	
Rakaia Stormwater	13,825	62,358	(48,532)	22%	
Hinds Stormwater	3,817	11,758	(7,941)	32%	
Rural Stormwater	3,275	51,139	(47,864)	6%	
	662,141	1,410,485	(748,345)	47%	
Capital Expenditure					
Ashburton Stormwater	143,447	86,936	56,511	165%	
Methven Stormwater	0	1,462	(1,462)	0%	
	143,447	88,399	55,048	162%	
Loan Repayments					
Ashburton Stormwater	0	263,647	(263,647)	0%	No
Methven Stormwater	0	7,539	(7,539)	0%	
	0	271,186	(271,186)	0%	
<i>The above financials include the following:</i>					
Development Contributions	0	0	0	0%	
<i>The above financials do not include the following:</i>					
Vested Assets	244,240	352,000	(107,760)	69%	

The above financials do not include appropriations - to and from activities

Stockwater – Income & Expenditure Report

For period ending 28 February 2022

	Actual YTD	Budget Full Year	Variance	Percentage of Budget	Permanent Variance
Operating Income					
Stockwater	689,188	1,038,366	(349,178)	66%	No
	689,188	1,038,366	(349,178)	66%	
Operating Expenditure					
Stockwater	882,291	1,039,213	(156,921)	85%	Yes
	882,291	1,039,213	(156,921)	85%	
Capital Expenditure					
Stockwater	30,972	317,371	(286,399)	10%	Yes
	30,972	317,371	(286,399)	10%	
Loan Repayments					
Stockwater	0	9,174	(9,174)	0%	
	0	9,174	(9,174)	0%	

The above financials include the following:

0	0	0	0%
---	---	---	----

The above financials do not include the following:

0	0	0	0%
---	---	---	----

The above financials do not include appropriations - to and from activities

Stockwater – Operating Expenditure

Stockwater **\$156,921F**

Reason for variance

The division is experiencing regular intake reinstatements due to regular weather events raising river levels which in turn are isolating or clogging intake galleries to the extent that contractors are regularly in the rivers redirecting river flow to enable supply to the intake is maintained. Should these conditions prevail to year end, it is likely there will be a permanent variance at year end.

Stockwater – Capital Expenditure

Stockwater **\$286,399F**

Reason for variance

The budget relates to the provision of fish screens at some of our intakes. This work is not being progressed at this time.

Waste Reduction & Recycling – Income & Expenditure Report

For period ending 28 February 2022

	Actual YTD	Budget Full Year	Variance	Percentage of Budget	Permanent Variance
Operating Income					
Refuse Collection	1,627,825	2,335,906	(708,080)	70%	No
Refuse Management	2,774,880	4,398,430	(1,623,550)	63%	No
	<u>4,402,705</u>	<u>6,734,336</u>	<u>(2,331,631)</u>	<u>65%</u>	
Operating Expenditure					
Refuse Collection	1,569,075	2,159,532	(590,457)	73%	No
Refuse Management	2,973,775	4,372,994	(1,399,220)	68%	No
	<u>4,542,849</u>	<u>6,532,526</u>	<u>(1,989,677)</u>	<u>70%</u>	
Capital Income					
Refuse Management	9,036	296,570	(287,534)	3%	No
	<u>9,036</u>	<u>296,570</u>	<u>(287,534)</u>	<u>3%</u>	
Capital Expenditure					
Refuse Collection	41,696	61,718	(20,022)	68%	No
Refuse Management	90,814	530,906	(440,092)	17%	No
	<u>132,510</u>	<u>592,624</u>	<u>(460,114)</u>	<u>22%</u>	
Loan Repayments					
Refuse Collection	0	1,511	(1,511)	0%	
Refuse Management	0	36,103	(36,103)	0%	
	<u>0</u>	<u>37,614</u>	<u>(37,614)</u>	<u>0%</u>	

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

Recreation Facilities – Income & Expenditure Report

For period ending 28 February 2022

	Actual YTD	Budget Full Year	Variance	Percentage of Budget	Permanent Variance
Operating Income					
Ashburton Museum	867,891	1,286,207	(418,316)	67%	No
Library	1,036,972	1,565,122	(528,150)	66%	No
Recreation Facilities and Services	3,688,295	6,318,242	(2,629,946)	58%	Yes
	<u>5,593,158</u>	<u>9,169,570</u>	<u>(3,576,413)</u>	<u>61%</u>	
Operating Expenditure					
Ashburton Museum	944,593	1,594,386	(649,793)	59%	No
Library	914,516	1,523,971	(609,454)	60%	No
Recreation Facilities and Services	4,169,594	6,603,228	(2,433,634)	63%	No
	<u>6,028,703</u>	<u>9,721,585</u>	<u>(3,692,881)</u>	<u>62%</u>	
Capital Expenditure					
Ashburton Museum	598	78,327	(77,729)	1%	
Library	102,432	197,640	(95,209)	52%	
Recreation Facilities and Services	54,291	251,651	(197,360)	22%	No
	<u>157,321</u>	<u>527,618</u>	<u>(370,298)</u>	<u>30%</u>	
Loan Repayments					
Recreation Facilities and Services	0	6,846	(6,846)	0%	
	<u>0</u>	<u>6,846</u>	<u>(6,846)</u>	<u>0%</u>	
<i>The above financials include the following:</i>					
Development Contributions	0	0	0	0%	
<i>The above financials do not include the following:</i>					
Vested Assets	0	0	0	0%	

The above financials do not include appropriations - to and from activities

Recreation Facilities – Operating Income

Recreation Facilities and Services

\$2,629,946U

Reason for variance

The Operating Income for Recreation Facilities and Services is indicating a possible permanent variance. This possible variance is due to the ongoing effects from COVID-19 protocols. The Canterbury region was at levels 3 and 4 from 17 Aug 2021 to 7 September 2021 (3 weeks), causing the facility to be closed. The Canterbury region was in COVID-19 level 2 restrictions from 8 September 2021 to 3 December 2021. New Zealand has been in level red restrictions since 24 January 2022 and ongoing. Both level 2 and level red result in the closure of the pool space to casual users for up to 4 hours per day, permanent closure of the spa and steam rooms, reduced swim lesson and squad offerings, reduced numbers in the pool space when it is open to the public, no inflatables or pre-school programmes, cancelled stadium events, reduced equipment in the gym and reduced group fitness bookings. All of these reductions of services are directly related to the COVID-19 guidelines and result in loss of income. The Recreation services team is reducing spending where possible. However, a high volume and value of expenses occur in expenditure areas which are relatively fixed, including salaries and wages, electricity, and overhead allocations. In addition with the introduction of My Vaccine Pass scanning and monitoring the facility is incurring unbudgeted wage expenditure.

Recreation & Community Services – Income & Expenditure Report

For period ending 28 February 2022

	Actual YTD	Budget Full Year	Variance	Percentage of Budget	Permanent Variance
Operating Income					
Public Conveniences	378,086	544,186	(166,100)	69%	No
Elderly Persons Housing	448,320	547,090	(98,770)	82%	
Memorial Halls	199,640	321,678	(122,038)	62%	No
Reserves and Camping Grounds	629,464	940,165	(310,701)	67%	No
Reserve Boards	419,261	633,507	(214,246)	66%	No
Community Safety	41,834	57,491	(15,658)	73%	
	2,116,606	3,044,117	(927,512)	70%	
Operating Expenditure					
Public Conveniences	421,501	545,083	(123,582)	77%	No
Elderly Persons Housing	522,090	518,790	3,300	101%	
Memorial Halls	438,295	610,910	(172,615)	72%	No
Reserves and Camping Grounds	576,706	1,041,966	(465,260)	55%	No
Reserve Boards	405,690	693,126	(287,436)	59%	No
Community Safety	40,768	57,491	(16,723)	71%	
	2,405,049	3,467,366	(1,062,317)	69%	
Capital Income					
Public Conveniences	0	215,801	(215,801)	0%	No
Elderly Persons Housing	0	145,608	(145,608)	0%	No
Reserves and Camping Grounds	0	1,482,252	(1,482,252)	0%	No
	0	1,843,661	(1,843,661)	0%	
Capital Expenditure					
Public Conveniences	14,604	581,447	(566,843)	3%	No
Elderly Persons Housing	3,761	204,000	(200,239)	2%	Yes
Memorial Halls	5,598	10,000	(4,402)	56%	
Reserves and Camping Grounds	8,910	1,600,000	(1,591,090)	1%	No
Reserve Boards	10,438	54,000	(43,562)	19%	
	43,311	2,449,447	(2,406,136)	2%	
Loan Repayments					
Public Conveniences	0	6,942	(6,942)	0%	
Reserves and Camping Grounds	0	1,200	(1,200)	0%	
Reserve Boards	0	40,000	(40,000)	0%	
	0	48,142	(48,142)	0%	
<i>The above financials include the following:</i>					
Development Contributions	700	0	700	0%	
<i>The above financials do not include the following:</i>					
Vested Assets	1,681,048	0	1,681,048	0%	

The above financials do not include appropriations - to and from activities

Recreation & Community Services – Capital Expenditure

Elderly Persons Housing

\$200,239F

Reason for variance

There will be a permanent variance at year end as the upgrading of units mentioned above under operating expenditure has been budgeted under capital however the nature of the work is operational.

Economic Development – Income & Expenditure Report

For period ending 28 February 2022

	Actual YTD	Budget Full Year	Variance	Percentage of Budget	Permanent Variance
Operating Income					
Commercial Property	6,810,614	18,567,783	(11,757,168)	37%	Yes
Business & Economic Development	644,481	809,534	(165,053)	80%	No
District Promotion	169,949	247,821	(77,872)	69%	
Forestry	543,120	(86,729)	629,849	-626%	Yes
	<u>8,168,164</u>	<u>19,538,409</u>	<u>(11,370,245)</u>	<u>42%</u>	
Operating Expenditure					
Commercial Property	3,422,978	5,046,466	(1,623,487)	68%	No
Business & Economic Development	601,050	992,509	(391,459)	61%	No
District Promotion	113,365	247,821	(134,456)	46%	No
Forestry	665,119	370,452	294,667	180%	Yes
	<u>4,802,512</u>	<u>6,657,247</u>	<u>(1,854,735)</u>	<u>72%</u>	
Capital Income					
Commercial Property	4,081,380	6,633,623	(2,552,243)	62%	No
Forestry	31,500	0	31,500	0%	
	<u>4,112,880</u>	<u>6,633,623</u>	<u>(2,520,743)</u>	<u>62%</u>	
Capital Expenditure					
Commercial Property	11,086,340	23,399,000	(12,312,660)	47%	Yes
	<u>11,086,340</u>	<u>23,399,000</u>	<u>(12,312,660)</u>	<u>47%</u>	
Loan Repayments					
Commercial Property	0	2,332,772	(2,332,772)	0%	No
	<u>0</u>	<u>2,332,772</u>	<u>(2,332,772)</u>	<u>0%</u>	

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

Economic Development – Operating Income

Commercial Property **\$11,757,168U**

Reason for variance

It is expected that not all of the \$13,000,000 provincial growth fund income will be received in the current financial year. As at the end of January \$2,000,000 had been claimed for and received.

Forestry **\$629,849F**

Reason for variance

Additional income has been generated from salvage logging following the wind damage event in September. Salvage logging will be completed in April and the remaining harvesting program should be completed by May. A further \$250K of log sales is expected by the end of the financial year. This is a permanent variance.

The negative budget for the year is due to forestry income being a rates contributor.

Economic Development – Operating Expenditure

Forestry **\$294,667U**

Reason for variance

Additional expenditure was required to complete salvage logging following the wind damage event in September. This expenditure was especially associated with a delivered log sale with Port Blakely from the Diamond Town plantation near Staveley which is now complete. Some further additional expenditure associated with remaining harvesting program but this is not expected to exceed \$50K. This is a permanent variance.

Economic Development – Capital Expenditure

Commercial Property **\$12,312,660F**

Reason for variance

There is indication that due to delays in construction of the Library and Civic Centre not all of the budgeted amount for capital expenditure will be spent at year end.

Parks & Open Spaces – Income & Expenditure Report

For period ending 28 February 2022

	Actual YTD	Budget Full Year	Variance	Percentage of Budget	Permanent Variance
Operating Income					
Cemeteries	422,811	568,866	(146,056)	74%	No
Parks and Recreation	3,230,332	4,331,009	(1,100,677)	75%	No
	<u>3,653,142</u>	<u>4,899,875</u>	<u>(1,246,733)</u>	<u>75%</u>	
Operating Expenditure					
Cemeteries	391,158	568,866	(177,708)	69%	No
Parks and Recreation	2,278,161	3,598,156	(1,319,994)	63%	No
	<u>2,669,320</u>	<u>4,167,022</u>	<u>(1,497,702)</u>	<u>64%</u>	
Capital Income					
Cemeteries	0	68,444	(68,444)	0%	
Parks and Recreation	0	1,197,033	(1,197,033)	0%	Yes
	<u>0</u>	<u>1,265,477</u>	<u>(1,265,477)</u>	<u>0%</u>	
Capital Expenditure					
Cemeteries	103,066	108,455	(5,389)	95%	
Parks and Recreation	1,128,276	4,564,201	(3,435,925)	25%	Yes
	<u>1,231,342</u>	<u>4,672,656</u>	<u>(3,441,314)</u>	<u>26%</u>	
Loan Repayments					
Cemeteries	0	2,121	(2,121)	0%	
Parks and Recreation	0	80,681	(80,681)	0%	
	<u>0</u>	<u>82,802</u>	<u>(82,802)</u>	<u>0%</u>	

The above financials include the following:

Development Contributions	700	0	700	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

Parks and Open Spaces – Capital Income

Parks and Recreation

\$1,197,033U***Reason for variance***

There will be a permanent variance from the loan funded \$1,112,000 for Baring Square East upgrade/redevelopment project. This is due to the timing of works. The remaining unspent funds, is yet to be determined and will feature in a request for carry forward at year end.

Parks and Open Spaces – Capital Expenditure

Parks and Recreation

\$3,435,925F***Reason for variance***

There will be a permanent variance of approximately \$400,000 due to the Domain Promenade project not being progressed at this time. It is due to insufficient allocated funding to enable project completion now that the scope is known. There will be a request to carry forward this funding at year end.

There may be additional unspent capital expenditure from the \$1.0m allocated for the Baring Square East upgrade/redevelopment project. Work is scheduled to commence this winter and staff will be requesting a carry forward of unspent funds.

Community Governance & Decision Making – Income & Expenditure Report

For period ending 28 February 2022

	Actual YTD	Budget Full Year	Variance	Percentage of Budget	Permanent Variance
Operating Income					
Council	2,010,432	2,964,663	(954,231)	68%	No
Methven Community Board	87,423	128,875	(41,452)	68%	
Youth Council	19,384	12,733	6,651	152%	
Community Grants Funding	1,973,851	1,985,863	(12,012)	99%	
Water Zone Committee	168,382	255,941	(87,559)	66%	
	<u>4,259,472</u>	<u>5,348,075</u>	<u>(1,088,603)</u>	<u>80%</u>	
Operating Expenditure					
Council	2,130,901	2,974,893	(843,992)	72%	No
Methven Community Board	49,249	145,875	(96,626)	34%	
Youth Council	20,534	11,733	8,801	175%	
Community Grants Funding	1,455,475	1,675,039	(219,564)	87%	No
Water Zone Committee	57,423	430,566	(373,143)	13%	No
	<u>3,713,582</u>	<u>5,238,107</u>	<u>(1,524,525)</u>	<u>71%</u>	
Loan Repayments					
Community Grants Funding	0	99,000	(99,000)	0%	
Water Zone Committee	0	18,000	(18,000)	0%	
	<u>0</u>	<u>117,000</u>	<u>(117,000)</u>	<u>0%</u>	

The above financials include the following:

Development Contributions	770,011	503,000	267,011	153%
---------------------------	---------	---------	---------	------

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

Environmental Services – Income & Expenditure Report

For period ending 28 February 2022

	Actual YTD	Budget Full Year	Variance	Percentage of Budget	Permanent Variance
Operating Income					
Environmental Health	217,611	334,061	(116,450)	65%	No
Building Regulation	1,835,399	2,091,513	(256,114)	88%	No
Emergency Management	85,209	126,019	(40,810)	68%	
Liquor Licensing	170,636	198,918	(28,283)	86%	
Land Information Memorandum	96,140	98,856	(2,716)	97%	
Parking	117,920	290,777	(172,857)	41%	Yes
Animal Control	454,940	507,621	(52,681)	90%	
Resource Consents	536,973	699,368	(162,395)	77%	No
Monitoring and Enforcement	125,271	203,057	(77,786)	62%	
Planning	409,202	618,713	(209,511)	66%	No
	<u>4,049,301</u>	<u>5,168,903</u>	<u>(1,119,602)</u>	<u>78%</u>	
Operating Expenditure					
Environmental Health	170,909	264,050	(93,141)	65%	
Building Regulation	1,656,305	2,091,513	(435,208)	79%	No
Emergency Management	177,049	125,486	51,563	141%	
Liquor Licensing	125,468	198,918	(73,450)	63%	
Land Information Memorandum	68,345	98,856	(30,511)	69%	
Parking	171,610	290,777	(119,167)	59%	No
Animal Control	298,190	506,621	(208,431)	59%	No
Resource Consents	540,979	699,368	(158,388)	77%	No
Monitoring and Enforcement	142,478	272,567	(130,088)	52%	No
Planning	184,062	490,605	(306,543)	38%	No
	<u>3,535,395</u>	<u>5,038,760</u>	<u>(1,503,365)</u>	<u>70%</u>	
Capital Expenditure					
Parking	11,398	0	11,398	0%	
Animal Control	866	0	866	0%	
	<u>12,265</u>	<u>0</u>	<u>12,265</u>	<u>0%</u>	
Loan Repayments					
Animal Control	0	8,800	(8,800)	0%	
Planning	0	128,109	(128,109)	0%	No
	<u>0</u>	<u>136,909</u>	<u>(136,909)</u>	<u>0%</u>	

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

Environmental Services – Operating Income

Parking **\$172,857U**

Reason for variance

The income from coin operated stand-alone parking meters has ceased following the removal of all stand-alone meters in the CBD and their replacement with sensor controlled timed parking. Infringement income has also been affected by the Government's introduction of a grace period for Warrants of Fitness and vehicle registration. The lone pay and display unit serving the Cass St car-park continues to generate some parking revenue.

Miscellaneous, Dividends & Internal Overheads – Income & Expenditure Report

For period ending 28 February 2022

	Actual YTD	Budget Full Year	Variance	Percentage of Budget	Permanent Variance
Operating Income					
Non Allocated	135,857	0	135,857	0%	No
Dividends	592,000	50,000	542,000	1184%	Yes
Library and Civic Centre	353,232	335,228	18,004	105%	
Leadership Team	1,035,743	1,610,291	(574,547)	64%	No
People & Capability	576,147	997,439	(421,292)	58%	No
Information Systems	2,328,246	3,192,950	(864,705)	73%	No
Customer Services	419,690	666,317	(246,627)	63%	No
Treasury	771,634	1,318,176	(546,543)	59%	No
Rates	386,662	754,880	(368,218)	51%	No
Community Relations	504,039	873,643	(369,603)	58%	No
Communications	506,764	697,060	(190,296)	73%	No
Property Administration	783,911	1,544,047	(760,136)	51%	No
Service Delivery	2,865,808	3,656,081	(790,273)	78%	No
Parks Administration	1,839,609	3,226,790	(1,387,181)	57%	No
Plant Operations	564,043	832,377	(268,334)	68%	No
	13,663,386	19,755,279	(6,091,893)	69%	
Operating Expenditure					
Non Allocated	106,499	0	106,499	0%	No
Dividends	7,934	50,000	(42,066)	16%	
Library and Civic Centre	353,232	335,229	18,004	105%	
Leadership Team	1,035,743	1,610,291	(574,547)	64%	No
People & Capability	576,147	1,135,635	(559,487)	51%	No
Information Systems	2,328,716	3,202,450	(873,735)	73%	No
Customer Services	419,690	666,317	(246,627)	63%	No
Treasury	771,633	1,318,176	(546,543)	59%	No
Rates	388,072	754,880	(366,808)	51%	No
Community Relations	504,039	1,000,507	(496,467)	50%	No
Communications	506,764	840,755	(333,991)	60%	No
Property Administration	783,911	1,544,047	(760,136)	51%	No
Service Delivery	2,866,042	3,655,831	(789,789)	78%	No
Parks Administration	1,841,736	3,223,790	(1,382,055)	57%	No
Plant Operations	604,538	832,377	(227,839)	73%	No
	13,094,697	20,170,285	(7,075,588)	65%	
Capital Income					
Library and Civic Centre	848	0	848	0%	
Information Systems	0	175,000	(175,000)	0%	No
Plant Operations	0	100,000	(100,000)	0%	No
	848	275,000	(274,152)	0%	
Capital Expenditure					
Library and Civic Centre	1,930	0	1,930	0%	
Information Systems	331,113	1,295,456	(964,343)	26%	Yes
Plant Operations	661,546	872,787	(211,241)	76%	No
	994,793	2,168,243	(1,173,450)	46%	
<i>The above financials include the following:</i>					
Development Contributions	0	0	0	0%	
<i>The above financials do not include the following:</i>					
Vested Assets	0	0	0	0%	
<i>The above financials do not include appropriations - to and from activities</i>					

Miscellaneous, Dividends & Internal Overheads – Operating Income

Dividends **\$542,000F**

Reason for variance

A dividend of \$700,000 has been received from ACL relating to the financial year ending June 2021 which is significantly higher than budgeted due to a record turnover for the year.

Miscellaneous, Dividends & Internal Overheads – Capital Expenditure

Information Systems **\$964,343F**

Reason for variance

Outstanding commitments, including some for the new building are yet to be received due to delays in supply these are yet to be received and it is possible that not all the budgeted amount for capital expenditure will be spent at year end.

Due to individual item value and although purchased in bulk, some desktop equipment while purchased via capital funding have now been re-assigned as operational.

Loan Repayments

For period ending 28 February 2022

	Actual YTD	Budget Full Year	Variance	Percentage of Budget	
Loan Repayments	0	4,671,875	(4,671,875)	0%	<i>No</i>

Balance Sheet

As at 28 February 2022

	YTD Actual	2021 Actual
Public Equity		
Ratepayers Equity	489,213,124	474,043,000
Revaluation Reserves	252,734,115	259,308,752
Funds and Reserves	65,668,692	58,066,249
	807,615,930	791,418,000
Non-Current Liabilities		
External Loans	70,600,000	70,600,000
Other Term Liabilities	2,468,715	2,468,715
	73,068,715	73,068,715
Current Liabilities		
Trade Creditors	1,111,810	2,219,481
GST	1,102,856	(1,319,885)
Deposits & Bonds	1,084,414	1,050,771
Other Current Liabilities	1,063,741	613,711
Accrued Liabilities	5,274,232	11,047,207
	9,637,053	13,611,285
Total Equity & Liabilities	890,321,705	878,098,000
Fixed Assets	151,317,863	153,322,844
Infrastructural Assets	644,776,344	654,065,521
Work in Progress	54,815,977	25,475,999
Advances	561,763	561,763
Shares	9,124,015	9,074,015
Current Assets		
Cash & Bank	9,411,139	24,672,000
Cash Investments	12,000,000	1,000,000
Receivables	5,959,311	5,534,120
Provision for Doubtful Debts	(121,463)	(121,463)
Stock	53,257	53,257
Accruals	1,872,634	3,909,078
Other Current Assets	550,866	550,866
	29,725,744	35,597,858
Total Assets	890,321,705	878,098,000

Net Debt and Borrowings

As at 28 February 2022

Net Debt



External Borrowing

	Year to Date Amount	Yield %		Maturity
Local Government Funding				
LGFA 2021	10,000,000	0.99	Floating	13-Apr-22
LGFA 2020	5,000,000	1.27	Floating	14-Apr-22
LGFA 2017	5,000,000	1.33	Floating	15-Apr-23
LGFA 2020 Coupon	5,000,000	1.24	Floating	15-Apr-24
LGFA 2018	2,000,000	1.21	Floating	15-Apr-24
LGFA 2021	7,000,000	1.06	Floating	15-Apr-25
LGFA 2020	10,000,000	1.32	Floating	15-Apr-26
LGFA 2020 Coupon	5,000,000	1.23	Fixed	15-Apr-27
LGFA 2020 Coupon	5,000,000	0.97	Fixed	15-Apr-27
LGFA 2021 Coupon	16,600,000	2.01	Fixed	15-May-28
Total External Funding	70,600,000			

Borrowing by Activity

As at 28 February 2022

Activity	External Borrowing	Internal Borrowing
Community Facilities & Support		1,129,667
Commercial Property	35,115,864	5,547,790
Wastewater	17,392,940	2,703,879
Drinking Water	9,435,991	-
Environmental Services	146,201	823,714
Stormwater	3,025,603	411,679
Cemeteries	1,605,448	47,633
Water Resources	379,360	-
Arts & Culture	2,376,000	-
Refuse and Recycling	523,594	81,854
Stockwater	184,000	53,915
Roading	287,000	2,832,093
Footpaths	-	744,250
Recreation Facilities	128,000	72,036
Civic Building	-	43,794
Camping		18,073
Public Conveniences		191,054
Reserve Boards	-	730,000
Total	70,600,000	15,431,430

Council Investments

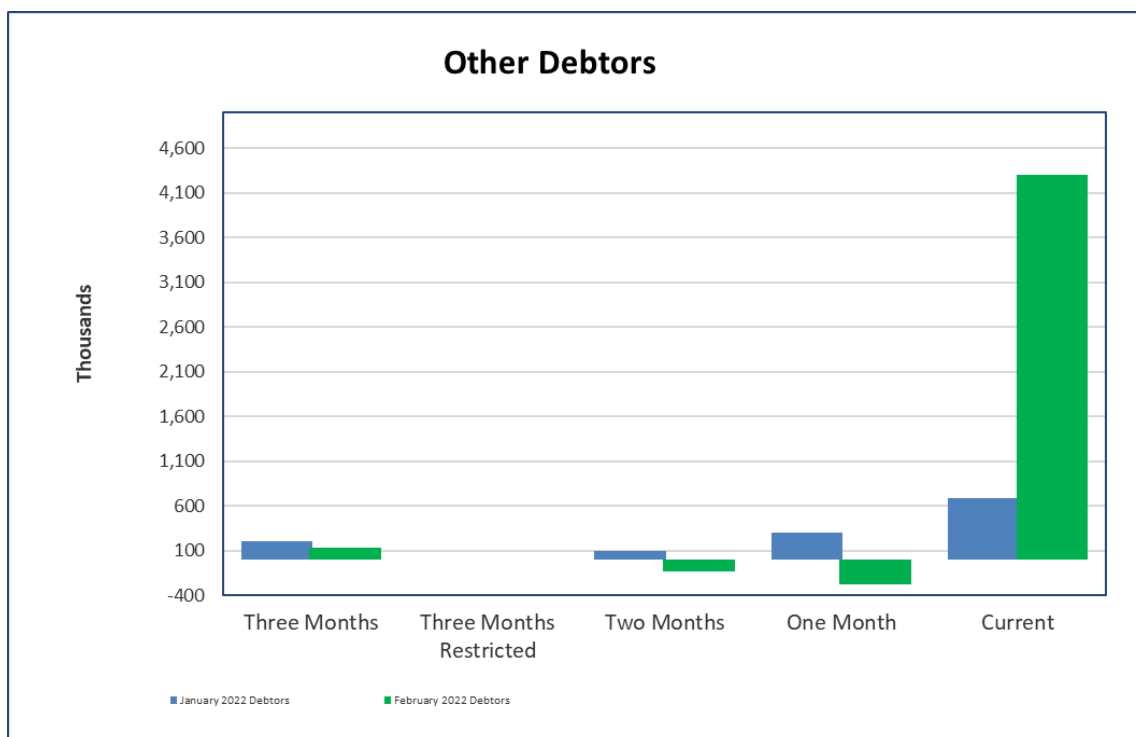
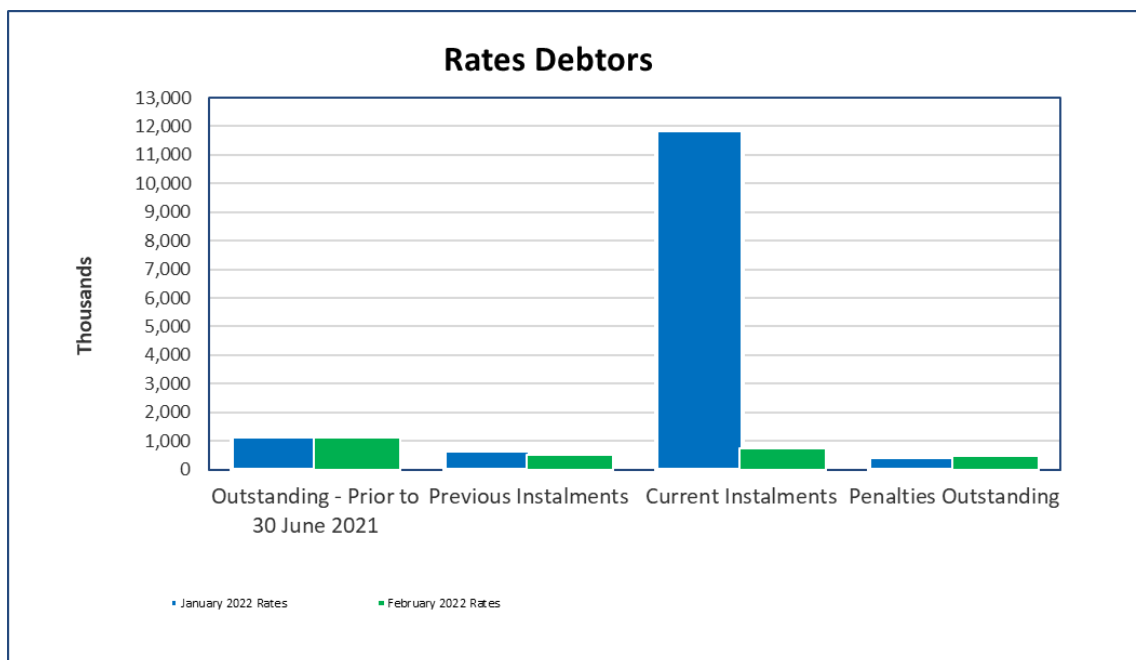
As at 28 February 2022

Listed below are the current significant investments held by Council.

Term deposits	Principal	Interest Rate	Term	Maturity
Westpac Bank	10,000,000	2.34%	365 Days	20-Dec-22
	10,000,000			
Local Authority Stock and Bonds	Principal	Coupon Rate	Yield (when purchased)	Maturity
Bonds				
BNZ	1,000,000	4.10%	4.10%	15-Jun-23
ANZ	1,000,000	3.00%	3.00%	17-Sep-26
	2,000,000			
Advances				
Eastfield Investments	561,763			
	561,763			
Shares				
Ashburton Contracting Ltd	4,500,000			
NZ Local Govt Co-op Shares	53,215			
RDR Management	30,000			
Transwaste Canterbury Ltd	1,362,000			
ATS	500			
Electricity Ashburton Rebates	1,300			
LGFA Equity	1,412,000			
Eastfield Investments	1,765,000			
	9,124,015			

Receivables Summary (Including Prior Month Comparative)

As at 28 February 2022



14. Mayor's Report

14.1 Local Government New Zealand

- **Zone 5 and 6 Meeting**

The LGNZ Zone 5 & 6 Conference was held via Zoom on Monday 14 March.

There's a lot of planning going into the Resource Management Act and plenty of thought as to how the RMA can work better in the future for us all. It is possible that there could be a 10 year transition period for this to be enacted.

There is also plenty of discussions being held around 3Waters, but no sign of backing down from the Minister of Local Government.

The Future for Local Government report to be presented to the Government was due to be completed by September but has now been pushed out until after the local body elections. It's a large piece of work that will play out into the future and one that we need to focus on.

- **Future for Local Government – LGNZ review**

On 29 March, Council joined a Zoom meeting with Future for Local Government Panel members Brendan Boyle and Antoine Coffin. The Panel are interested in Council's views on the five key shifts that they have identified to local governance in the future:

- 1) Strengthened local democracy
- 2) Stronger focus on wellbeing
- 3) Authentic relationship with Hapū/Iwi/Māori
- 4) Genuine partnership between central government and local government
- 5) More equitable funding

We learned that the Panel have a strong view that there needs to be a governance model that sits between central government and the community – it's not intended to remove local government, or have amalgamations. Instead it's about finding a way for local government to reassert itself and strengthen, while recognising the importance of partnering (i.e. with central government, NGOs, Iwi, and communities).

We had some really good discussion on each of the proposed shifts, with the realisation that change will require a massive mind-set shift from everybody if we are to achieve a more sustainable model of local government. The Panel was particularly interested in hearing our experiences and what it's going to take to reset things to a way that's more productive and meaningful than it is at the moment.

The Panel acknowledged there's no clear answer yet and, while this is framed as a review of the future for local government, there's much also that will require central government to look at and think about doing differently – not least will be getting a clear commitment from central government on a funding framework to support the changes.

The review panel will continue to meet with councils throughout the country and will undertake a round of similar meetings with Iwi before engaging with business and other sectors.

We'll hear more about the review process at the Local Government NZ conference in July, after which the Panel will be providing a draft report to the Minister mapping a series of recommendations and potentially seeking specific options. The local government sector will provide feedback and a report will be finalised for the Minister by the end of April 2023 with the intention that this report will be in the public domain ahead of the Parliamentary elections.

- **Conference and Annual General Meeting**

The LGNZ Conference is scheduled to be held in Palmerston North, 20/22 July 2022. The AGM is to be held on Saturday 28 July 2022, online via Zoom, commencing at 9.00am.

I plan to attend, along with the Deputy Mayor and Chief Executive, and as the Conference is being held the North Island, there is opportunity for another Councillor to attend. We will look to finalising these arrangements and confirm Council's delegates by the end of April.

- **Proxy vote**

Ashburton District Council is entitled to be represented by three delegates at the 2022 AGM (this is determined by our district's population). There is provision for the Mayor to be the presiding delegate with responsibility for voting on behalf of Council and, in the Mayor's absence another delegate may vote.

Recommendation

That the Mayor be authorised to have Council's proxy vote at the Local Government New Zealand annual general meeting 2022, and the Deputy Mayor be the alternate proxy.

- **Remit process**

LGNZ have invited member authorities wishing to submit proposed remits for consideration at the AGM to do so no later than Friday 20 May 2022. Notice is being provided now to allow members of zones and sectors to gain the required support necessary for their remit.

A remit screening committee (comprising LGNZ's President, Vice President, Chief Executive and lead of policy team) will review and assess proposed remits. Prior to their assessment meeting, the committee will receive analysis from LGNZ staff on each remit assessing each remit against the criteria outlined below. Proposed remits that fail to meet the specified criteria will be informed of the committee's decision, and reasons behind the decision, and of alternative actions available.

Proposed remits, other than those relating to the internal governance and constitution of Local Government New Zealand, should address only major strategic "issues of the moment". They should have a national focus articulating a major interest or concern at the national political level. The National Council's Remits Screening Policy is as follows:

Criteria

1. Remits must be relevant to local government as a whole, rather than exclusively relevant to a single zone or sector group, or an individual council;
2. Remits should be of a major policy nature (constitutional and substantive policy) rather than matters that can be dealt with by administrative action;
3. Remits should not involve matters that can be actioned by equally valid means other than the AGM; and
4. Remits should not deal with issues or matters that are “in-hand” and currently being actioned by LGNZ, (including through work programmes addressing the critical issues set out in LGNZ’s strategy, being three waters reform, resource management reform, the Future for Local Government Review, transport, climate change and housing), unless the issue is not currently being addressed.

Requirements

1. Remits must have formal support from at least one zone or sector group meeting, or five councils, prior to them being submitted, in order for the proposer to assess support and achieve clarity about the ambit of the proposal. Councils supporting remits do not have to come from the proposing council’s zone or sector;
2. Remits defeated at the AGM in two successive years will not be permitted to go forward;
3. Remits must be accompanied by background information and research to show that the matter warrants consideration by delegates. Such background should demonstrate the:
 - Nature of the issue;
 - Background to it being raised;
 - Issue’s relationship, if any, to the current LGNZ strategy, including work programmes addressing the critical issues identified above;
 - Level of work, if any, already undertaken on the issue by the proposer (and/or others), and outcomes to date;
 - Resolution, outcome and comments of any zone or sector meetings which have discussed the issue; and
 - Suggested actions that could be taken by Local Government New Zealand, should the remit be adopted.

At this stage I do not have any remits to propose; if any Councillors wish to propose a remit please let me know.

All accepted remits will be posted to the LGNZ website and proposed remits will be available for member consideration before the AGM papers are issued. *(Remit form appended)*

14.2 Meetings

• Mayoral calendar

March 2022

- 17 March: Canterbury Regional Leadership Group – Covid Protection Framework, via Zoom
- 17 March: LGNZ Reforms update, via Zoom
- 18 March: CE Performance Review
- 18 March: Sam Broughton, Selwyn District Mayor
- 21 March: Ian Cullimore and Robert Newlands – EA Networks Shareholders Committee with CE Hamish Riach
- 21 March: Advance Ashburton District Council
- 22 March: Rangitata Diversion Race meeting and fish screen site visit

- 22 March: Matt Doocey (Waimakariri MP) and Simon Watts (North Shore MP)
- 23 March: Canterbury Mayoral Forum – Regional Leadership Group meeting
- 23 March: Activity Briefings
- 23 March: Audit & Risk
- 24 March: Canterbury Mayoral Forum – Regional Leadership Group meeting, Covid Protection
- 24 March: Annual Plan workshop
- 24 March: Corporate Risk Register workshop
- 25 March: Canterbury Mayoral Forum/Papatipu Rūnanga Chairs joint hui
- 25 March: Rural Transport
- 28 March: Community Trust Mid and South Canterbury meeting
- 29 March: Ashburton Aquatic Park Charitable Trust Appointments Committee
- 29 March: Ashburton Aquatic Park Charitable Trust
- 29 March: Extraordinary Council meeting
- 29 March: LGNZ – Future for Local Government Roadshow
- 30 March: Canterbury Mayoral Forum – Regional Leadership Group meeting
- 30 March: Mobile Shop Bylaw workshop
- 30 March: Arts, Culture & Heritage workshop
- 31 March: Canterbury Mayoral Forum – Regional Leadership Group meeting, Covid Protection

April 2022

- 1 April: Regional Transport Committee Road User Charges submission workshop – Cr Stuart Wilson deputising via MS Teams)
- 1 April: Canterbury Mayoral Forum – Mobile Blackspot (via MS Teams)
- 4 April: Communities 4 Local Democracy Group – meeting with Minister Nanaia Mahuta
- 5 April: Historical panel opening at Rakaia Salmon site

Recommendation

<p>That Council receives the Mayor’s report.</p>

Neil Brown

Mayor

Annual General Meeting 2022

Remit application

Council Proposing Remit:	
Contact Name:	
Phone:	
Email:	
Remit passed by: (zone/sector meeting and/or list 5 councils as per policy)	
Remit:	

Background information and research:

Please attach separately and include:

- Nature of the issue;
- Background to its being raised;
- New or confirming existing policy;
- How the issue relates to the LGNZ strategy and work programmes on critical issues;
- What work or action on the issue has been done, and the outcome;
- Any existing relevant legislation, policy or practice;
- Outcome of any prior discussion at a Zone or Sector meeting;
- Evidence of support from Zone/Sector meeting or five councils; and
- Suggested course of action envisaged.

Please forward to: Local Government New Zealand
Scott Necklen, Deputy Chief Executive
PO Box 1214, Wellington 6140
Scott.necklen@lgnz.co.nz

No later than 5.00pm, Friday 20 May 2022.