

# Ashburton District Council

## AGENDA

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### Notice of Meeting:

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

**Date:** Wednesday 19 March 2025

**Time:** 1pm

**Venue:** Hine Paaka Council Chamber  
Te Whare Whakatere, 2 Baring Square East, Ashburton

### Membership

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

## Meeting Timetable

Time	Item
<b>1.00pm</b>	Council meeting commences

### 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

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## Reports

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## Business Transacted with the Public Excluded

<b>14</b>	Council – 5/03/25	<b>PE 1</b>
	<ul style="list-style-type: none"> <li>Methven Birdsong Trust                      Section 7(2)(h) Commercial activities</li> <li>H&amp;S report                                      Section 7(2)(a) Protection of privacy of natural persons</li> <li>ACL    Section 7(2)(h) Commercial activities</li> </ul>	
	[Now in open meeting]	
	<ul style="list-style-type: none"> <li>Land purchase (Council 5/02/25)</li> <li>Local Water Done Well</li> <li>CE Appointment</li> </ul>	
<b>15</b>	Methven Community Board – 10/03/25	<b>PE 3</b>
	<ul style="list-style-type: none"> <li>Methven &amp; Foothills</li> <li>Birdsong Initiative Trust                      Section 7(2)(h) Commercial activities</li> </ul>	
<b>16</b>	Second Ashburton Urban Bridge Project – community engagement	<b>PE 26</b>
	Section 7(2)(g) Maintain legal professional privilege	
<b>17</b>	Second Bridge and Local Road Project Partner Agreement	<b>PE 39</b>
	Section 7(2)(i) Conduct of negotiations	

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## **4. Council Minutes – 5 March 2025**

Minutes of the Council meeting held on Wednesday 5 March 2025, commencing at 1.00pm in the Hine Paaka Council Chamber, Te Whare Whakatere, 2 Baring Square East, Ashburton.

### **Present**

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

### **In attendance**

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

Staff present for the duration of their reports: Mark Chamberlain (Roading Manager), Erin Register (Finance Manager), Mark Low (Strategy & Policy Manager) and Tania Paddock (Legal Counsel).

### **1 Apologies**

Nil.

### **2 Extraordinary Business**

Nil.

### **3 Declarations of Interest**

Nil.

### **Public Forum**

Darel Hall, General Manager Cholmondeley Children's Centre (1.04-1.12pm)

Darel provided a brief overview of the respite service that Cholmondeley Children's Centre offers to families throughout Canterbury and thanked Council for the community support provided by people and organisations in the Ashburton district. Council heard that Friday 7 March, will be Cholmondeley's 100<sup>th</sup> anniversary.

### **4 Confirmation of Minutes**

#### **- Council – 19/02/25**

**That** the minutes of the Council meeting held on 19 February 2025, be taken as read and confirmed.

McMillan/Cameron

Carried

### **5 Audit & Risk Committee – 12/02/25**

**That** Council receives the minutes of the Audit & Risk Committee meeting held on 12 February 2025.

Ellis/Cameron

Carried

**6 Three Waters Committee – 12/02/25**

**That** Council receives the minutes of the Three Waters Committee meeting held on 12 February 2025.

Hooper/Todd

Carried

**7 Triennial elections 2025 – Order of candidates’ names**

1. **That** the report be received.
2. **That** the names of the candidates for the 2025 Ashburton District Council triennial elections, and any subsequent by-elections, be arranged on the ballot paper in random order.

McMillan/Lovett

Carried

**8 Ashburton Car Club Road Closure – Sealed Autocross**

**That** Council permits Seaside Road, from Bonningtons Road to Fitzgerald Road, to be closed from 8.00am until 6.00pm on Sunday 30 March 2025, to allow the Sealed Autocross Event to take place.

Ellis/Todd

Carried

**9 Financial Variance Report – January 2025**

The Finance Manager will report back with an explanation for the 80% community safety expenditure. Council will also be updated on the delay to the forestry harvest and borrowing.

**That** Council receives the 31 January 2025 financial variance report.

Todd/Hooper

Carried

**Business transacted with the public excluded –1.30pm**

**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 19/02/25 <ul style="list-style-type: none"><li>• Methven &amp; Foothills Birdsong Initiative Trust</li></ul>	Section 7(2)(h)	Commercial activities
11	Audit & Risk 12/02/24 <ul style="list-style-type: none"><li>• H&amp;S report</li></ul>	Section 7(2)(a)	Protection of privacy of natural persons
12	Local Water Done Well	Section 7(2)(h)	Commercial activities
13	Ashburton Contracting Ltd	Section 7(2)(h)	Commercial activities
14	Executive Committee <ul style="list-style-type: none"><li>• CE recruitment</li></ul>	Section 7(2)(a)	Protection of privacy of natural persons

Cameron/Braam

Carried

## Business transacted with the public excluded now in open meeting

- **Local Water Done Well**

1. **That** Council removes the 'Single Council Controlled Organisation (CCO) governed and managed by shared arrangement with EA Network's model as an option for the Ashburton District's delivery of water services; and
2. **That** Council's remaining options for water services delivery are a Stand-alone Business Unit of Council and a single Council CCO.

Wilson/Cameron

Carried

Passed on a show of hands giving 8 for and 2 against

- **Chief Executive appointment**

**That** Council adopts the negotiated terms and authorises the Mayor to sign the five year employment agreement for Hamish Riach that will commence on 10 September 2025.

Todd/McMillan

Carried

- **Acquisition of 77 Johnstone St – second urban bridge road network** [Council 5/02/25]

1. **That** Council approves the entry into an Agreement for Sale and Purchase for the purchase of 77 Johnstone Street, Tinwald, legally described as Lot 2 Deposited Plan 60937 and contained in Record of Title CB36A/1150, comprising of 2.0215 hectares more or less, being land designated for Ashburton's second urban bridge, for a purchase price of \$1,460,000 inclusive of GST (if any), and that the Agreement include provision for up to \$50,000 in compensation as required by the Public Works Act 1981.
2. **That** Council approves the property purchase being loan funded.

Mayor/McMillan

Carried

Council concluded at 3.46pm.

Confirmed 19 March 2025

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MAYOR

## 5. *Road Safety Co-ordinating Committee – 4/03/25*

Minutes of the Ashburton District Road Safety Co-ordinating Committee meeting held on 4 March 2025, commencing at 9.30am in the Wakanui Room, Te Whare Whakaterere, 2 Baring Square East, Ashburton.

### 1 Welcome and Apologies

**That** apologies for absence be received from Mayor Neil Brown, James Long (Waka Kotahi) and John Skevington (Automobile Association).

Phill Hooper/Richard Wilson

Carried

#### Present:

Liz McMillan	ADC Deputy Mayor (Chair)	Craig Chambers	FENZ
Phill Hooper	ADC Councillor	Stephanie Poole	ACADS
Richard Wilson	ADC Councillor	Shane Cochrane	NZ Police
Jim Crouchley	Ia Ara Aotearoa/Transporting NZ	Neil Simons	Principal Association
Lesley Symington	Safer Mid Canterbury	Chris Chambers	Waka Kotahi
Lucy Mehrtens	Road Safety (Sth Canterbury)	Michelle Bunt	Road Safety (Sth Canterbury)
Steve Burgerhout	NZ Police		

#### In attendance:

Mark Chamberlain	Roading Manager	Carol McAtamney	Governance Support Officer
Georgie Wilson	Road and Safety Technician		

### 2 Notification of Extraordinary Business

Nil.

### 3 Confirmation of Minutes

**That** the minutes of the Ashburton District Road Safety Coordinating Committee meeting held on 3 December 2024, be taken as read and confirmed.

Neil Simons/Richard Wilson

Carried

### 4 Correspondence

Nil.

### 5 Reports/Agency Updates

#### 5.1 Ashburton District Road Safety

- Variable speed limit signs have now been erected outside the district's schools.
- CoDriVR pilot finishes in June. Discussions are currently being undertaken on the future of this programme (funding/location etc).

## **5.2 Waka Kotahi/NZTA**

### **Rangitata and Hinds River Bridges**

Both the Rangitata River bridge and the Hinds River bridge are to be closed overnight to allow AC surfacing to be completed.

The Rangitata River bridge is to be closed from 9-12 March, 8pm to 6am and the Hinds River bridge will be closed from 13-14 March, 8pm to 6am.

During their closures both bridges will open at midnight for 30 minutes to allow traffic that is required to stay on SH1 through. There will be a detour route for all other drivers throughout the night.

### **Thomson's Track/SH77 Intersection**

A couple of near misses have been reported at the Thomson Track/SH77 intersection – signage at this intersection is with NZTA for review.

## **5.3 Ashburton Principals Association**

- Chertsey Kyle road speeds past the Chertsey School remain a concern with traffic ignoring the 30km limit.
- Reinforce through Comms the 20km speed limits when passing school buses that are picking up or dropping off children. South Canterbury have the same issues and will work in conjunction with ADC to promote this.

## **5.4 FENZ**

- A report detailing road incident statistics was tabled and worked through.

### **NZ Police**

- A statistics sheet was tabled
- With the current diversions on Seaford Road it has highlighted that the Cochranes Road stop signage is inadequate.
- Staffing levels in Ashburton vastly under strength.
- The second safety centre north of Rakaia is scheduled to be completed prior to Christmas

### **Safer Ashburton**

- A detailed plan for the proposed Bike Skills park was presented.
- Project costs estimated at \$500,000k
- Funding options are currently being investigated.

### **South Canterbury Road Safety Team**

Will be working with Ashburton, Hurunui and Selwyn District Council's at the Kirwee Field days, 26/28 March, on a campaign focused around operating/driving agricultural vehicles on our roads and complying with the NZTA Agricultural Vehicles guides and VDAM rule.

## **6 Next Meeting**

The next meeting date is Tuesday 3 June 2025 at 9.30am.

The meeting closed at 10.32am.

## 6. *Stockwater Transition Working Group – 6/03/25*

Minutes of a meeting of the Stockwater Transition Working Group held on Thursday 6 March 2025, in the Hine Paaka Council Chamber, 2 Baring Square East, Ashburton, commencing at 1.30pm.

### Present

Mayor Neil Brown; Councillors Richard Wilson (Chair) and Carolyn Cameron; John Wright (Consultant), Darryl Hydes (Federated Farmers) and Marcelo Wibmer (ECan).

Via MS Teams Treena Davis (Aoraki Environmental Consultancy).

### In attendance

Neil McCann (GM Infrastructure & Open Spaces), Toni Durham (GM Democracy & Engagement), Andrew Guthrie (Assets Manager), Crissie Drummond (Infrastructure Services Support Lead), Linda Clarke (Communications Advisor) and Carol McAtamney (Governance Support).

### 1 Apologies

Sally Reihana (AEC) and David Acland

Sustained

### 2 Confirmation of Minutes

**That** the minutes of the Stockwater Transition Working Group meeting held on 5 December 2024 be taken as read and confirmed.

Cameron/Mayor

Carried

### 4 Pudding Hill Intake closure – initial investigations

An assessment was undertaken to consider whether suitable alternative stockwater supplies are available to properties affected by the proposed closure of the Pudding Hill intake and downstream race network.

The assessment highlighted that 70% of the 171 affected properties had an existing source of water that could be utilised to provide stockwater. Of the remaining 30% of properties, it was assessed that all had a feasible supply alternation, primarily through Spaxton Stock Water Limited or Barrhill Chertsey Irrigation Limited.

Officers are to undertake discussions with the potential identified alternative suppliers to work through the details.

### 5 Pudding Hill Intake closure – wider community engagement

It was noted that Mt Harding Creek Catchment Group should be included as a key stakeholder. The Mt Harding Catchment Group/community have indicated they wish to retain this stream with an environmental flow. It receives water from Washpen Creek (when flowing) and springs but would require more water to keep it flowing as it is mostly augmented with stockwater from Pudding Hill and Methven Auxiliary.

A water balance exercise has been commissioned on Mt Harding creek and will be undertaken by Aqualink.



### **Cultural Assessment**

Discussions are being undertaken with AEC on options for going forward.

### **Archaeological Assessment**

The concrete channel is a protected site as is any structure dated pre 1900's and authority is required if anything is to be changed with the structure. Advice is currently being sought on whether turning off water is defined as a 'change'.

### **Stormwater Drainage Investigations**

The primary focus of concern is the impact of the stormwater that goes into the race running down Forest Drive and what will happen with that stormwater as it cannot be 'disposed' of in the rural area. Options are being explored.

## **6 Methven Auxiliary Intake – closure investigation**

208 initial survey were sent out to users, 137 responses have been received. Reminder letters/emails have been sent out to those that have not yet responded.

The Chair is to undertake community engagement sessions. Dates of these sessions will be circulated to the group members.

## **7 Next meetings**

The Stockwater Transition Working Group is scheduled to meet on Thursday 22 May and Thursday 21 August 2025, commencing at 1.30pm.

The meeting concluded at 2.22pm.

## **7. Methven Community Board – 10/03/2025**

Minutes of the Methven Community Board meeting held on Monday 10 March 2025, commencing at 9.00 am, in the Mt Hutt Memorial Hall Board Room, 160 Main Street, Methven.

### **Present**

Kelvin Holmes (Chair), Megan Fitzgerald, Allan Lock, Richie Owen, Robin Jenkinson and Crs Rob Mackle and Liz McMillan

### **In attendance**

Toni Durham (GM Democracy & Engagement), Helen Barnes (GM Business Support), Bert Hofmans (Open Spaces Planner), Renee Julius (Property Manager) Linda Clarke (Communications Advisor), Lou Dunstan (Policy Advisor), Tayyaba Latif (Policy Advisor) and Carol McAtamney (Governance Support).

#### **1 Apologies**

Mayor Neil Brown for absence and Richie Owen for lateness Sustained

#### **2 Extraordinary Business**

Nil.

#### **3 Declarations of Interest**

Nil.

#### **4 Confirmation of Minutes**

**That** the minutes of the Methven Community Board meeting held on 27 January 2025, be taken as read and confirmed.

Fitzgerald/McMillan Carried

#### **5 Draft Methven Community Strategic Plan 2025**

**That** the Methven Community Board receive the report.

Jenkinson/Fitzgerald Carried

#### **6 Activity Reports**

**That** the reports be received.

McMillan/Jenkinson Carried

#### **6.1 Infrastructure & Open Spaces**

##### **• Roading**

It was noted that in the town centre the words 'pedestrians giveaway' had been painted on the roads at some crossings but not all, a request was made for them all to be painted.

- **Dog Park**

The southern shelter has been removed from the dog park, a request for a temporary replacement (perhaps a wind shade) be erected until the trees are established.

#### 6.4 Business Support

- **Grant allocations**

A list of grants made by the Board for the past two year period is to be provided to the Board members.

- **Finance Report**

It was noted that there was no amount budgeted for room hire and that the YTD actual figure for room hire was \$182.60 which was quite low – these amounts are to be looked into.

#### Business transacted with the public excluded – 9.26am

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

Item No	General subject of each matter to be considered:	In accordance with Section 48(1) of the Act, the reason for passing this resolution in relation to each matter:	
7	MCB Minutes 27/01/25 - Methven & Foothills Birdsong Initiative – Concept Plan	Section 7(2)(h)	Commercial activities
8	Methven & Foothills Birdsong Initiative Trust – Concept plan and lessee consultation	Section 7(2)(h)	Commercial activities

McMillan/Jenkinson

Carried

The meeting concluded at 11.04am.

Confirmed 14 April 2025

\_\_\_\_\_  
Chairman

## **8. Local Water Done Well: Service Delivery Models for Consultation**

Author *Mark Low: Strategy & Policy Manager*  
*Toni Durham: GM Democracy & Engagement*  
Executive Team Member *Hamish Riach: Chief Executive*

### **Summary**

- The purpose of this report is to support the Council in progressing Ashburton District's compliance with the Local Water Done Well (LWDW) framework.
- Specifically, this report outlines the steps required to determine a proposed delivery model for water services as part of developing and adopting its Water Services Delivery Plan (WSDP).
- The report provides:
  - A summary of the legislative context, including the requirements of the Local Government (Water Services Preliminary Arrangements) Act 2024 (Preliminary Arrangements Act) and the Local Government (Water Services) Bill (Water Services Bill).
  - An evaluation of two water service delivery models: Stand-Alone Business Unit (SABU) within Council and a Water Services Council-Controlled Organisation (WSCCO).
- This report is structured to summarise key findings and recommendations. The basis for these conclusions is provided in the attached *ADC LWDW Business Case*, which contains detailed financial modelling, evaluation and methodology. The Indicative Business Case (Appendix 1) should be read in conjunction with this report.

### **Recommendation**

- 1. That** Council receives the information in the Local Water Done Well: Service Delivery Models for Consultation Report.
- 2. That** Council confirms water services for Ashburton Districts Local Water Done Well to be three waters, specifically the drinking water, wastewater and stormwater activities.

- 3. That** Council consults the community on the following two delivery models in the public consultation process:
- a. Stand-Alone Business Unit
  - b. Water Services Council-Controlled Organisation (WSCCO) Model
- 4. That** Council selects the Stand-Alone Business Unit within Council as its proposal for public consultation.

## Attachment

**Appendix 1** Section 61-64 Preliminary Arrangements Act

**Appendix 2** Morrison Low Financial Modelling

### *[Supplemental documents]*

**Appendix 3** Ashburton District Council Local Water Done Well Business Case

**Appendix 4** ADC Local Water Done Well Proposal Consultation Document

## Background

### The current situation

1. The LWDW reforms require Council to develop a Water Services Delivery Plan (WSDP). This must detail the current state of water infrastructure, identify future investment needs, and outline the financial and operational strategies required to comply with current and anticipated regulatory standards set out under the LWDW reforms.
2. The WSDP must also include detail on Council's proposed or anticipated model for delivering water services. This is a statutory requirement under the Preliminary Arrangements Act, with Council required to submit its WSDP to the Department of Internal Affairs (DIA) by September 2025.
3. The Water Services Bill also establishes specific criteria and financial oversight mechanisms that delivery models must comply with, including information disclosure and economic regulation under the Commerce Commission and water quality regulation under Taumata Arowai.
4. To prepare a WSDP, Council first needs to undertake a consultation process as part of making a decision on the anticipated or proposed model or arrangement for delivering water services that will be included in its WSDP.

### Overview of the Local Water Done Well Reform

5. New Zealand's water services have been the focus of significant reform since the Government's Three Waters Review in 2017, which was prompted by the 2016 Havelock North contamination incident. This review highlighted critical issues in water safety, management, and infrastructure. Initially addressed through the previous Government's Three Waters Reform Programme, the approach was revised in 2023 with the introduction of the Local Water Done Well (LWDW) framework.
6. LWDW replaces the Three Waters Reform Programme and aims to ensure safe, reliable, and financially sustainable water services nationwide, while retaining local asset ownership and decision-making.
7. LWDW responds to several systemic issues identified in water service delivery across the country, including aging infrastructure, underinvestment, inconsistent service levels, and gaps in regulatory oversight. The framework establishes a pathway for councils to assess and adopt delivery models that meet stricter quality, financial, and environmental standards.

## **Key Objectives of LWDW**

### ***Fit-for-Purpose Service Delivery Models***

8. Councils are required to select delivery models that ensure sustainable and efficient management of water services.
9. These models must be tailored to meet the specific needs of local communities, considering factors such as population growth, environmental challenges, and existing infrastructure conditions.

### ***Financial Sustainability***

10. LWDW prioritises the financial sustainability and economic viability of water services, requiring councils to ringfence water finances and implement robust revenue, investment, and cost-recovery mechanisms.
11. Clear financial management standards are mandated to ensure long-term infrastructure maintenance and upgrades.

### ***Enhanced Oversight and Regulation***

12. The framework strengthens the role of central regulators, including Taumata Arowai (water quality) and brings in the Commerce Commission (responsible for the new economic regulation).
13. Councils must comply with stringent water quality, environmental, and pricing standards to protect public health and environmental integrity.
14. The framework also includes financial ringfencing, ensuring water service funds are transparently managed and not used for other council activities.

## **Why is LWDW being implemented?**

15. LWDW is designed to address regional inconsistencies in water service quality and systemic weaknesses across New Zealand, including:
  - **Aging Infrastructure:** Decades of underinvestment have left some councils with deteriorating water assets in need of urgent upgrades.
  - **Health Risks:** Events like the Havelock North water contamination highlighted the risks posed by poorly managed drinking water systems.
  - **Environmental Concerns:** Inadequate wastewater and stormwater management have led to significant environmental degradation, including polluted waterways and ecosystems.
  - **Inconsistent Service Levels:** Smaller councils often lack the resources to deliver safe and reliable water services, leading to inequities across regions.

16. LWDW aims to ensure that water services are sustainable, equitable, and aligned with modern regulatory and environmental expectations, while maintaining councils' ability to make decisions tailored to their local communities.

### **What are our water services?**

17. Water services delivery involves managing three essential areas: water supply, wastewater, and stormwater. Council is responsible for planning, funding, building and maintaining the infrastructure and processes that supports providing these services. This includes ensuring they meet community needs, comply with environmental and quality standards, and address challenges such as population growth and climate change.
18. For the purpose of Local Water Done Well, Council has prepared this work on the basis that all three waters will be included in the assessment and evaluation of delivery models. The rationale for this being that there will be significant challenges in uncoupling drinking water and wastewater from stormwater. Currently there are strong synergies between all three waters, particularly with regard to asset management, resource consents and the regulatory framework.

### ***Water supply***

19. We operate 11 community drinking water supplies across our district, which service more than 10,800 homes and businesses.
20. We have over 520 kilometres of reticulated drinking water infrastructure that services Ashburton (including Tinwald, Lake Hood and Fairton), Methven (including Methven-Springfield), Rakaia, Hinds, Mt Somers, Mayfield, Chertsey, Hakatere, Dromore, and Montalto.
21. Water sources for our drinking water include groundwater bores, infiltration galleries, and surface water intakes. Environment Canterbury (as the Regional Council) allocates water to us via resource consents, which set upper limits on the volume of water that can be taken from the various water sources. The Water Services Authority - Taumata Arowai sets drinking water standards, quality assurance rules and environmental performance measures that we are required to follow, to meet our duties as a water supplier under the Water Services Act 2021.

### ***Wastewater***

22. We manage wastewater collection, treatment and disposal services for our communities across the district. We have three community-based wastewater schemes that service approximately 64% of our population.
23. The majority of the reticulated network operates on gravity, with 18 pump stations used to service defined subdivisions. The largest pump stations serve Lake Hood and the Ashburton Business Estate.



24. Wastewater is collected and then transferred to wastewater treatment plants. Ashburton and Methven use aeration and oxidation ponds for treatment, while Rakaia uses clarifiers, a trickling filter and UV disinfection. In all cases, treated wastewater is discharged to land.
25. The Wilkins Road treatment plant also accepts septage waste from private septic tanks, transported by private liquid waste carriers, enabling safe treatment and handling of residual waste from customers not connected to the reticulated networks. There are also caravan waste dump stations on each network to handle this waste stream.

### **Stormwater**

26. We provide urban stormwater collection and disposal networks in Ashburton, Methven and Rakaia. Lake Hood and Hinds have small systems of swales and open drains. These networks and systems aim to ensure property and the environment are protected from flooding, and that roads and footpaths continue to be accessible during rain events.
27. In Ashburton, stormwater from residential, commercial and industrial properties is collected via gravity pipelines and open drains before being discharged to soakage pits and watercourses. Some stormwater is held in detention and infiltration basins. There is also a retention pond adjacent to Mill Creek for flood control.
28. Ashburton has the only system where stormwater discharges to the kerb and channel from private dwellings. From the kerb and channel the stormwater enters the system. New houses typically dispose of stormwater to ground on site via soakpits.
29. Methven and Rakaia have limited piped stormwater networks, with most Methven stormwater being disposed, via kerb and channel, to the main stockwater race or to the 'Garden of Harmony', which functions as a stormwater detention and soakage area, and Rakaia stormwater being discharged to soakpits or to the Rakaia River. System capacity is adequate with no significant flooding issues, although there is some nuisance flooding.

### **Previous Council decisions**

30. In October 2024, Council decided to focus Local Water Done Well analysis on three options, as follows:
  - Stand-alone Business Unit of Council (SABU)
  - Single Council CCO
  - Single Council CCO governed and managed by shared arrangement with EA Networks
31. At the 5 March 2025 Council meeting, Council removed the Single Council CCO governed and managed by shared arrangements with EA Networks from further analysis and consideration. This decision was driven by Council deciding to focus on retaining as much control and oversight of the future water service delivery model as possible.

## Water Service Delivery Model Options

32. Two models have been evaluated in detail:

### ***Stand-Alone Business Unit (SABU) Delivery Model***

33. The SABU Model keeps water services governance and management directly with the Council. The Council oversees all aspects of water supply, wastewater, and stormwater services, ensuring alignment and coordinated service delivery with other Council functions like parks, transport, and urban planning.

34. The key characteristics of this model are:

<b>SABU Key Characteristics</b>	
<b>Ownership</b>	<ul style="list-style-type: none"><li>• 100% council owned, as it is a stand-alone business unit within Council.</li><li>• No new organisation is created.</li></ul>
<b>Governance</b>	<ul style="list-style-type: none"><li>• Internal business unit or division responsible to the elected councillors, with other usual council governance oversight or additional oversight to meet LWDW requirements</li></ul>
<b>Strategic Oversight</b>	<ul style="list-style-type: none"><li>• Council retains strategic oversight of water services</li><li>• Councils will need to prepare and adopt a Water Services Strategy</li></ul>
<b>Accountability</b>	<ul style="list-style-type: none"><li>• Water business unit reports to Council as per established processes</li><li>• Water services delivery will be accountable to the public through usual local democracy practices</li><li>• Council will need to prepare a Water Services Annual Report (separate to current Annual Report) – including new financial statements on water supply, wastewater and stormwater – will be completed to enhance current requirements</li></ul>
<b>Funding &amp; Financing</b>	<ul style="list-style-type: none"><li>• Borrowing undertaken by Council with water activity group meeting its share of financing costs (on internal and any external borrowing)</li><li>• Funding from existing revenue streams (e.g. water rates) ring-fenced for transparency</li></ul>
<b>Operations</b>	<ul style="list-style-type: none"><li>• Operational control remains with Council</li><li>• Council determines how services charged for with flexibility to use general rates, targeted rates or volumetric charging, ring-fenced for transparency</li><li>• Compliance responsibility remains entirely with Council for Taumata Arowai, Regional Council and Commerce Commission current and anticipated requirements.</li></ul>

### ***Single Council Water Services Council Controlled Organisation (WSCCO) Model***

35. A WSCCO is an independent entity established to govern and manage water services, with the Council retaining ownership of the entity and strategic oversight. This model focuses exclusively on water services and operates under its own governance and financial framework.

36. The key characteristics of this model are:

<b>WSSCO Key Features</b>	
<b>Ownership</b>	<ul style="list-style-type: none"> <li>• New limited liability company, 100% owned by the council</li> <li>• Ownership rights are outlined in the company constitution, subject to compliance with legislation</li> </ul>
<b>Governance</b>	<ul style="list-style-type: none"> <li>• Appointments could be made directly by Council or via an Appointments Committee (or similar body). Flexibility to design governance (e.g. involvement of community, iwi etc.) and appointment arrangements Board of Directors are comprised of independent, professional directors, with directors required to have “an appropriate mix of skills, knowledge, and experience in relation to providing water services”. Board cannot contain Council Elected Members or staff.</li> </ul>
<b>Strategic Oversight</b>	<ul style="list-style-type: none"> <li>• Council must issue statement of expectations to WSSCO</li> <li>• WSSCO prepares water services strategy and consults the Council.</li> </ul>
<b>Accountability</b>	<ul style="list-style-type: none"> <li>• Board is accountable to council shareholders and reports regularly on performance e.g. quarterly (shareholders are accountable to community)</li> <li>• WSSCO required to give effect to statement of expectations in its water services strategy and meet statutory requirements</li> <li>• WSSCO prepares annual report, including financial statements, and information on performance and other matters outlined in water services strategy.</li> </ul>
<b>Funding &amp; Financing</b>	<ul style="list-style-type: none"> <li>• If it is the asset owner, WSSCO has the ability to borrow directly from council or from LGFA up to approximately 500% of revenue (but likely supported by council, e.g. by Council guarantee). Increased borrowing capacity through LGFA compared to the SABU option.</li> <li>• WSSCO determines the charges required annually. Charges must move from rates to fixed fees or volumetric pricing within 5 years.</li> </ul>
<b>Operations</b>	<ul style="list-style-type: none"> <li>• Operational control sits with WSSCO</li> <li>• Asset ownership could remain under Council ownership or transfer to WSSCO</li> <li>• WSSCO determines how services charged for</li> <li>• Compliance responsibility remains entirely with WSSCO for Taumata Arowai, Regional Council and Commerce Commission current and anticipated requirements.</li> </ul>

## Water Service Delivery Model Options Analysis

37. An evaluation of the two delivery models is detailed in the attached Business Case (appendix 1). This document outlines the methodology, criteria, and analysis used to assess how each model aligns with Ashburton District’s strategic priorities, regulatory requirements, and financial sustainability.
38. Financial modelling has been undertaken by Morrison Low and is attached in Appendix 2. This found that each option is financially viable and will achieve financial sustainability, as required under the LWDW reforms.

## Options analysis

39. Council must select a delivery model to present as its proposal during the public consultation process.
40. Identifying a delivery model as its proposal for consultation is a requirement of Preliminary Arrangements Act. It also provides clarity to the community on the Council's preferred position.

### **Option one – Council approves the Stand-Alone Business Unit within Council as the proposal for consultation (recommended option).**

41. Under this model, the Council retains full governance and operational responsibility for water supply, wastewater, and stormwater services.

<p><b>Advantages:</b></p> <ul style="list-style-type: none"> <li>• Council elected members remain directly accountable for the governance of water services.</li> <li>• Builds on existing systems and processes, avoiding disruptions associated with transitioning to a new governance structure.</li> <li>• Avoids establishment and transition costs associated with creating new governance and operational structures under a CCO model.</li> <li>• Retains Council authority over funding mechanisms, such as general rate, targeted rates, or volumetric pricing.</li> </ul>	<p><b>Disadvantages:</b></p> <ul style="list-style-type: none"> <li>• New rules and expectations, and more stringent and detailed regulation, may mean that elected members' ability to influence and guide the activity is diminished, leaving a risk of elected members being held accountable for aspects of the service that they can't influence / change.</li> <li>• The Bill introduces a new legislative framework for operating which will require upskilling of staff to ensure compliance with new legislation and additional staffing resource which may be difficult to recruit for in a provincial town (particularly in the pricing &amp; regulation, financial/business analyst and general finance areas).</li> </ul>
<p><b>Risks:</b></p> <p>Operational Risk – While this option will have the least impact on Council operations, it will still require a significant change to operations and governance that will need adaptation.</p>	

### **Option two – Council approves the Single Council Water Services Council Controlled Organisation (WSCCO) Model as the proposal for consultation**

42. This model involves establishing an independent legal entity to manage water services, with the Ashburton District Council as its sole shareholder and Council having strategic oversight. The CCO operates autonomously, focusing exclusively on water service delivery.

<p><b>Advantages:</b></p> <ul style="list-style-type: none"> <li>• The CCO has an increased borrowing capacity, increasing the potential capacity to fund large-scale infrastructure investments.</li> <li>• Independent governance allows for focused attention on water service delivery, potentially improving efficiency.</li> <li>• Well-suited to scale and accommodating future growth</li> </ul>	<p><b>Disadvantages:</b></p> <ul style="list-style-type: none"> <li>• Establishing a new governance structure and transitioning operations to the CCO involves substantial costs, including IT, legal, administrative, and staffing expenses.</li> <li>• Transferring operational control to an independent entity reduces the Council's direct oversight of water services, potentially reducing consideration of local priorities and community expectations.</li> <li>• Strategic decisions made by the CCO may not fully reflect Ashburton District's broader priorities</li> </ul>
<p><b>Risks:</b></p> <p>Operational Risk – Council will need to adapt its approach from being operationally-focused to governance-focused to ensure that the directors, who are accountable to Council, ensure the accountability of the WSCCO.</p>	

## Legal/policy implications

### Legislation

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

#### ***Water Services Acts Repeal Act 2024***

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

#### ***Local Government (Water Services Preliminary Arrangements) Act 2024 (Preliminary Arrangements Act)***

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

### ***Local Government (Water Services) Bill (Water Services Bill)***

46. Introduced in December 2024, this Bill sets enduring legislative framework for water services delivery. It sets out the options available for service delivery models, establishes a new economic regulation and consumer protection regime regulated by the Commerce Commission, and implements changes to water quality regulations, including enhanced standards for wastewater and stormwater.
47. The Water Services Bill is currently at Select Committee stage. The Finance and Expenditure Select Committee report is due by 17 June 2025, with the Government intending to enact the Bill into law in mid-2025.

### ***Water Services Delivery Plan***

48. The WSDP is a core requirement of the LWDW reforms. Mandated under the Preliminary Arrangements Act, the WSDP ensures that water service providers can meet enhanced regulatory standards while demonstrating financial sustainability in the delivery of water services.
49. The Council is actively developing its WSDP. This plan will detail the current state of Ashburton's water infrastructure, identify future investment needs, and outline the financial and operational strategies required to comply with current and anticipated regulatory standards set out under the LWDW reforms. The WSDP must be finalised and submitted to the DIA by September 2025.
50. Central to the WSDP is the selection of the anticipated or proposed service delivery model for water services. This model will shape how the Council meets its obligations under the LWDW framework, ensuring water services are efficient, financially sustainable and meets regulatory requirements.

### ***Selection of a Water Services Delivery Model***

51. The Water Services Bill establishes a framework requiring councils to select a compliant delivery model to ensure water services are provided effectively, sustainably, and complies with legislative requirements. While the Bill offers flexibility in choosing the most appropriate model, councils are limited to selecting from a defined set of delivery options outlined in the Bill.
52. Councils must choose one of the below models:
  - Deliver services directly.
  - Transfer responsibility to a water organisation (Water Services Council-Controlled Organisation) through a transfer agreement.
  - Contract with third parties for service delivery on behalf of the Council (the Council retaining governance and pricing control).
  - Enter into joint arrangements with other councils.

- Become shareholders in water organisations established by other councils.
- Explore other compliant arrangements.

53. If a water organisation is used, it must (or subject to certain exemptions):

- Be a company under the *Companies Act 1993*.
- Be owned by councils, consumer trusts, or a combination of both.
- Operate exclusively in water services or related activities.
- Have independent, competency-based boards, excluding elected members or council employees.

### ***Evaluation Requirements for Selecting a Service Delivery Model***

54. In determining which of these models to adopt, Council must comply with the requirements of the Preliminary Arrangements Act. This includes undertaking a comparative assessment of the proposed delivery model alongside any alternative options to be included in the consultation process.

55. The assessment must include:

- A clear explanation and reasoning for selecting the proposed model as its proposal and presenting alternative options.
- An evaluation of the advantages, disadvantages, and trade-offs associated with each model identified.
- A detailed assessment of how proceeding with each model would likely affect key factors, including:
  - rates;
  - Council debt;
  - service levels; and
  - any charges for water services.
- For any proposal involving the transfer of control of strategic assets, a description of the mechanisms that will ensure effective monitoring or accountability to assess performance regarding the asset.

56. This comparative assessment is provided in the Business Case in Appendix 1.

### ***Consultation Requirements***

57. Council is required to undertake a consultation process as part of making a decision on the anticipated or proposed model or arrangement for delivering water services that will be included in its WSDP. This process ensures that the community has an opportunity to provide feedback on the proposed model and any alternative options under consideration.

58. Council can choose to follow the standard consultation principles and requirements under the *Local Government Act 2002* (LGA). Alternatively, the Preliminary Arrangements Act provides a tailored consultation process, designed to streamline procedural requirements and focus consultation on the statutory requirements of the Act.
59. Officers have prepared this report, and process to date, on the basis of the Preliminary Arrangements Act consultation process. This means that Council:
- **Must Evaluate at Least Two Models:** As required by the Preliminary Arrangements Act, the Council must assess and present a minimum of two delivery models for consultation. These must include:
    - The current approach to delivering water services (In-House Model), and
    - Either a Water Services Council-Controlled Organisation (WSCCO) Model or a joint local government arrangement.
  - **Can Consider Additional Models:** Council may include other delivery models in the consultation if these align with the options outlined in the Water Services Bill and support Ashburton's unique priorities or conditions.
  - **Must Identify a Proposal:** Council must clearly specify its preferred water services delivery model as the "proposal" for consultation.

## Climate change

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

### Review of legal / policy implications

Reviewed by In-house Counsel	<i>Tania Paddock; Legal Counsel</i>
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## Strategic alignment

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

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



## Financial implications

Requirement	Explanation
What is the cost?	Preparing the material presented and undertaking consultation has largely been met from within existing staff resource, with \$30,000 spent on financial modelling and preparation.
Is there budget available in LTP / AP?	Yes
Where is the funding coming from?	Strategy & Policy, Treasury and Communications cost centres
Are there any future budget implications?	Yes – both options presented will have implementation costs. These have been included in the financial modelling but not in future budgets. These will need to be included ahead of implementing either option.
Reviewed by Finance	Helen Barnes: GM Business Support

## Significance and engagement assessment

Requirement	Explanation
Is the matter considered significant?	Yes
Level of significance	Medium
Rationale for selecting level of significance	N/A
Level of engagement selected	3. Consult
Rationale for selecting level of engagement	Council is required to undertake a consultation process as part of making a decision on the anticipated or proposed model or arrangement for delivering water services that will be included in its WSDP. Council can choose to follow the standard consultation principles and requirements under the <i>Local Government Act 2002</i> (LGA). Alternatively, the Preliminary Arrangements Act provides a tailored consultation process, designed to streamline procedural requirements and focus consultation on the statutory requirements of the Act. Officers propose that the consultation is undertaken in accordance with the Preliminary Arrangements Act.
Reviewed by Strategy & Policy	Mark Low; Strategy and Policy Manager

## Next steps

Date	Action / milestone
<b>27 March – 27 April</b>	LWDW Consultation period
15-16 May	LWDW Submitter Hearings
21 May	Council deliberations & decision on delivery model

## Appendix One: Section 60-64 Water Services Preliminary Arrangements Act

### *Alternative requirements*

#### **60 Alternatives to requirements in Local Government Act 2002**

- (1) When a territorial authority complies with an alternative requirement specified in [sections 61 to 64](#), it need not comply with the corresponding requirement in the LGA2002.
- (2) However, except as specified in this Part, all other relevant requirements in the LGA2002 continue to apply. For example, the requirements in [sections 77\(1\)\(c\)](#), [81](#), and [82](#) of the LGA2002 continue to apply.
- (3) In the circumstances described in [section 58\(a\)\(i\)](#), a territorial authority may decide to rely on none, any, or all of the alternative requirements set out in [sections 61 to 64](#).
- (4) A territorial authority that does not rely on an alternative requirement must comply with the corresponding requirement in the LGA2002.
- (5) [Section 76](#) of the LGA2002 does not apply to the extent that a territorial authority complies with an alternative requirement.

#### **61 Alternative requirement: decision making**

- (1) This section applies if a territorial authority—
- (a) is deciding whether or not to establish, join, or amend—
- (i) a water services council-controlled organisation; or
  - (ii) a joint local government arrangement under [section 137](#) of the LGA2002; or
- (b) before adopting its water services delivery plan, is making decisions in relation to an anticipated or proposed model or arrangement for delivering water services in its water services delivery plan (*see* [section 13\(1\)\(k\)](#)).
- (2) In the course of that decision-making process, the territorial authority—
- (a) must identify both of the following 2 options for delivering water services:
- (i) remaining with the existing approach for delivering water services; and
  - (ii) establishing, joining, or amending (as the case may be) the WSCCO or the joint local government arrangement; but
- (b) may identify additional options for delivering water services; and
- (c) must assess the advantages and disadvantages of all options identified.
- (3) For the purpose of [section 60\(1\)](#), the corresponding requirement for this section is in [section 77\(1\)\(a\) and \(b\)](#) of the LGA2002.

#### **62 Alternative requirement: consultation**

- (1) This section applies if a territorial authority—
- (a) is deciding whether or not to establish, join, or amend—
- (i) a water services council-controlled organisation; or
  - (ii) a joint local government arrangement under [section 137](#) of the LGA2002; or
- (b) when adopting its water services delivery plan, is making decisions in relation to an anticipated or proposed model or arrangement for delivering water services in its water services delivery plan (*see* [section 13\(1\)\(k\)](#)); or
- (c) decides to consult on a part of its water services delivery plan, other than a model or arrangement described in paragraph (b).
- (2) Before a territorial authority makes a decision described in subsection (1), it is required to undertake consultation only once.

- (3) A territorial authority that makes a decision described in subsection (1)(a) is not required to undertake any further consultation before making a decision described in subsection (1)(b).
- (4) Despite subsections (2) and (3), a territorial authority may decide to undertake further consultation before making the decision.
- (5) When deciding whether to undertake further consultation, a territorial authority must have regard to—
- (a) the requirement in [section 78\(1\)](#) of the LGA2002; and
  - (b) the extent to which the authority already knows the views and preferences of persons likely to be affected by, or to have an interest in, the decision; and
  - (c) the nature and significance of the decision, including its likely impact from the perspective of the persons who will or may be affected by, or have an interest in, the decision.
- (6) This section applies despite anything to the contrary in the authority's significance and engagement policy adopted under [section 76AA](#) of the LGA2002.
- (7) A territorial authority that defers adopting its 2024–2034 long-term plan under [clause 48](#) of Schedule 1AA of the LGA2002 may, to satisfy the requirement to consult on the decision under this section, combine—
- (a) the consultation under this section; and
  - (b) the authority's consultation on its 2025–2034 long-term plan.
- (8) For the purpose of [section 60\(1\)](#), the corresponding requirement for this section is in [section 56\(1\)](#) of the LGA2002.

### **63 Alternative requirement: consultation on amendment to long-term plan**

- (1) This section applies if a territorial authority is required to amend its long-term plan for the purpose of—
- (a) a proposal to give effect to an anticipated or proposed model for delivering water services under a water services delivery plan (*see* [section 13\(1\)\(k\)](#)); or
  - (b) a proposal to establish, join, or amend a WSCCO or a joint local government arrangement under [section 137](#) of the LGA2002.
- (2) The territorial authority is not required to consult on the proposal if the authority—
- (a) has already consulted its community in relation to the proposal; and
  - (b) is satisfied that its community has a good understanding of the implications of the proposal; and
  - (c) is satisfied that it understands its community's views on the proposal.
- (3) This section applies despite anything to the contrary in the authority's significance and engagement policy adopted under [section 76AA](#) of the LGA2002.
- (4) For the purpose of [section 60\(1\)](#), the corresponding requirements for this section are in [sections 93\(5\)](#) and [97\(2\)\(b\)](#) of the LGA2002.

### **64 Alternative requirement: information requirements for consultation**

- (1) This section applies when a territorial authority consults—
- (a) in relation to whether or not to establish, join, or amend—
    - (i) a water services council-controlled organisation; or
    - (ii) a joint local government arrangement under [section 137](#) of the LGA2002; or
  - (b) before adopting its water services delivery plan, in relation to an anticipated or proposed model or arrangement for delivering water services in its water services delivery plan (*see* [section 13\(1\)\(k\)](#)); or
  - (c) on a part of its water services delivery plan, other than a model or arrangement described in paragraph (b).
- (2) When a territorial authority consults in the circumstances described in subsection (1), the authority must make the following information publicly available:

- (a) the proposal, an explanation of the proposal, and the reasons for the proposal;
  - (b) an analysis of the reasonably practicable options (including the proposal), which must,—
    - (i) if the authority relies on the alternative requirement in [section 61\(2\)](#), be the options identified under [section 61\(2\)\(a\) and \(b\)](#); or
    - (ii) in all other cases, be the options identified under [section 77\(1\)](#) of the LGA2002;
  - (c) how proceeding with the proposal is likely to affect—
    - (i) the authority's rates, debt, and levels of service; and
    - (ii) any charges for water services;
  - (d) how not proceeding with the proposal is likely to affect—
    - (i) the authority's rates, debt, and levels of service; and
    - (ii) any charges for water services;
  - (e) if the proposal involves establishing, joining, or amending a joint WSCCO or a joint local government arrangement, the implications for communities throughout the joint service area of the joint WSCCO or the joint local government arrangement;
  - (f) if the proposal involves transferring ownership or control of a strategic asset to the WSCCO or the joint local government arrangement, a description of any accountability or monitoring arrangements the authority will use to assess the performance of the WSCCO or the joint local government arrangement in regard to the asset;
  - (g) any other relevant implications of the proposal that the authority considers will be of interest to the public.
- (3) For the purpose of [section 60\(1\)](#), the corresponding requirement for this section is in [section 82A\(2\)](#) of the LGA2002.
- (4) In this section,—

**publicly available** means that the territorial authority must take reasonable steps to—

- (a) ensure that the information or a copy of it is accessible to the general public in a manner appropriate to the purpose of the information, including, where practicable, on the territorial authority's internet site; and
- (b) publicise, in a manner appropriate to the purpose and significance of the information, both the fact that the information (or a copy of it) is available and the manner in which the information (or the copy) may be accessed

**strategic asset** has the meaning set out in [section 5\(1\)](#) of the LGA2002.

## Ashburton District Council

### Local Water Done Well Financial Modelling

### March 2025

## Executive Summary

This report presents financial modelling for Ashburton District Council's (ADC) three waters functions under two service delivery models:

- Standalone Business Unit (BU)
- Standalone Council-Controlled Organisation (CCO)

The modelling evaluates each model's financial performance under two scenarios: a "Base Case" reflecting ADC's current Long-Term Plan (LTP) and a "plus 25% Capex" scenario incorporating higher capital investment requirements.

## Key Findings

Item	Description
Household charges	The standalone business unit consistently provides the lowest household charges over 10, 20, and 30 years. In contrast, the CCO requires slightly higher upfront charges due to borrowing constraints during establishment.
Debt management	The standalone business unit benefits from greater access to debt, as Council's low debt profile for non-water activities offsets higher water-related debt requirements. The CCO, however, faces debt constraints due to the isolation of waters debt, requiring revenue increases to stay within debt limits.
Broader considerations	Modelling results generally indicate that the standalone business unit is the most resilient and cost-effective option for households. However, the choice of a preferred service delivery model should also consider the broader implications, including risk profiles and non-financial factors. Particular factors to consider include: <ul style="list-style-type: none"> <li>• The level of risk associated with the provision of three waters services</li> <li>• The extent to which investment in three waters assets will dominate Council decision-making</li> <li>• The ability for Council to respond to increased scrutiny from economic and quality regulation, and the impacts on the wider organisation.</li> </ul>

## Introduction

This report outlines the initial results of our financial modelling of ADC's three waters functions under alternative service delivery models and capital investment programmes.

## Delivery Models

The delivery models and modelling assumptions applied to each are summarised in the table below.

Service delivery	Description	Modelling assumptions
Standalone Business Unit	An in-house service delivery model encompassing the current structure of three waters teams within ADC's wider infrastructure group.	<p>Source data provided by ADC forms the foundation of the modelled outcomes, with specific adjustments applied for the following:</p> <ul style="list-style-type: none"> <li>Progressive depreciation funding to 100% fully funded by FY2028<sup>1</sup>. Adjustments are applied to targeted rates.</li> <li>Debt movements and financing costs aligned to targeted rates movements.</li> <li>Depreciation calculated based on global rates and alternate capital investment profiles.</li> <li>Where required, increase revenue to maintain total council net debt-to-revenue below 250%.</li> <li>Additional cost allowance for increased reporting and monitoring to respond to economic and water quality regulators.</li> </ul>
Standalone Council-Controlled Organisation (CCO)	Establishment of a newly formed CCO to deliver water services from 1 July 2027.	<p>Modelling inputs are aligned to the standalone business unit model above, with separate adjustments to allow for:</p> <ul style="list-style-type: none"> <li>Establishment costs and ongoing additional overheads.</li> <li>Efficiencies as a result of the service delivery model.</li> <li>Where required, increase revenue to maintain a funds from operations (FFO) to net debt ratio above 10%<sup>2</sup>.</li> </ul>

An alternate scenario is incorporated into the results to illustrate a capital investment program exceeding the 'Base Case' LTP inputs. This scenario is labelled as the '+25% Capex' result, offering insights into the performance of alternate models under a higher spending framework.

<sup>1</sup> The 2024 ADC LTP currently allocates funding below the level required for 100% depreciation of water assets. However, to demonstrate best practices in water services management for modelling purposes, it is projected that water services will achieve financial sustainability (100% depreciation funding) by 2028.

<sup>2</sup> In the case of ADC, funds from operations represent operating profit minus depreciation (a non-cash expense).

## Results

### Average household charges

The charts below compare average residential household waters charges (GST inclusive) for the two service delivery models. For comparative purposes, all costs are nominal (i.e. they include inflation). Based on modelling performed for other councils nationally, a range of household charges (excluding ADC) have been included on each chart for comparative purposes (labelled as 'Range').

Figure 1 Average annual waters charge per residential household – Base Case

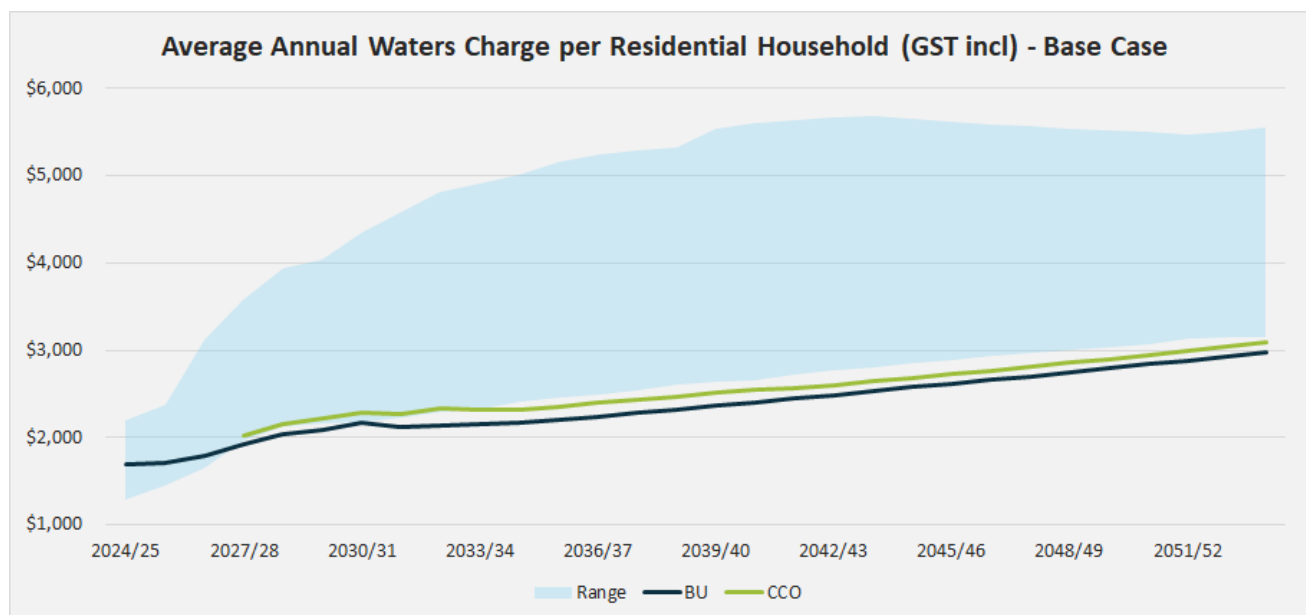
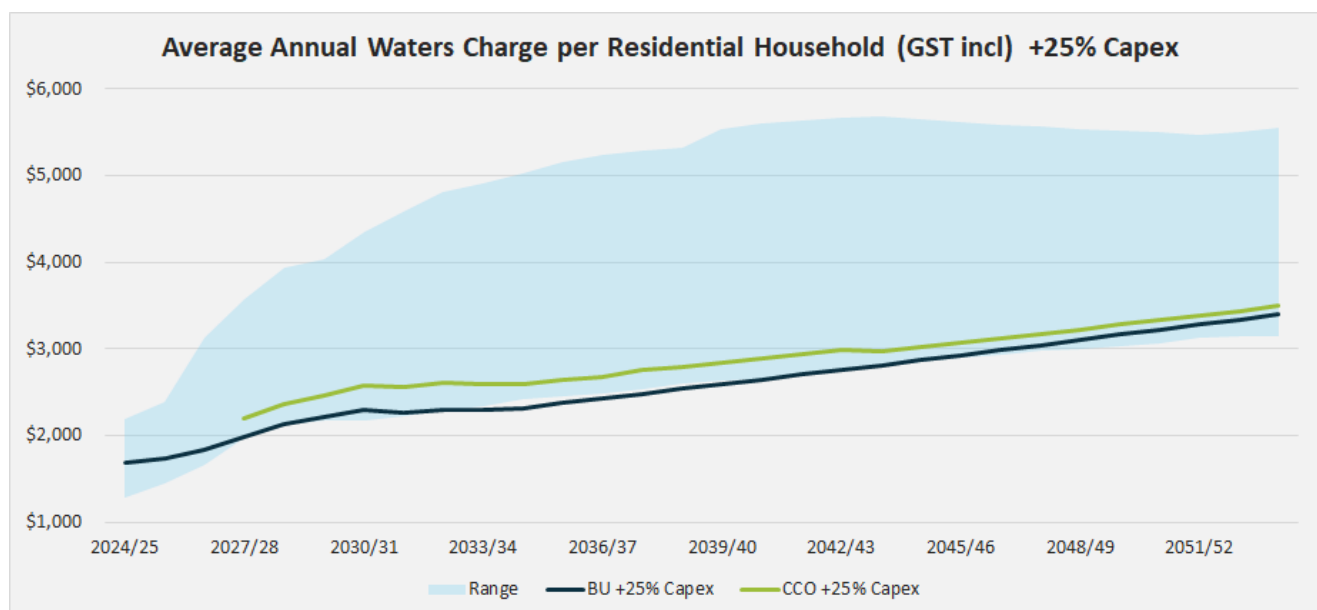


Figure 2 Average annual waters charge per residential household – Plus 25% Capex



Household costs under the CCO model differ slightly from those of the standalone business unit from the outset. This divergence is primarily driven by the CCO's need to increase revenue and household charges to remain within borrowing limits, as detailed in the 'Three Waters Debt' section below. Additionally, the CCO



requires capital investment during setup and incurs higher ongoing operational expenses than the standalone business unit. While the CCO model is projected to deliver some efficiencies over time, these are modest at the size and scale of ADC and are not fully realised until more than a decade into operation.

### Long-term averages

Figure 2 shows that over time the CCO option achieves near parity with the standalone business unit. This shortening is not driven by increasing efficiencies but rather by the requirement of front-loading charges during the earlier, debt-constrained years. Consequently, the cost of servicing the debt in later years is reduced (this concept is further discussed in the 'Three Waters Debt' section below).

To further illustrate the higher costs overall for the CCO, the following tables present the average household charges over various periods within the model:

*Table 1 Average Household Charges - Base Case*

Average Household Charge: Base Case	10-Year	20-Year	30-Year
Standalone Business Unit	\$1,984	\$2,166	\$2,368
CCO	\$2,082	\$2,283	\$2,483

*Table 2 Average Household Charges - +25% Capex*

Average Household Charge: +25% capex	10-Year	20-Year	30-Year
Standalone Business Unit	\$2,076	\$2,322	\$2,593
CCO	\$2,261	\$2,536	\$2,776

### Three Waters Debt

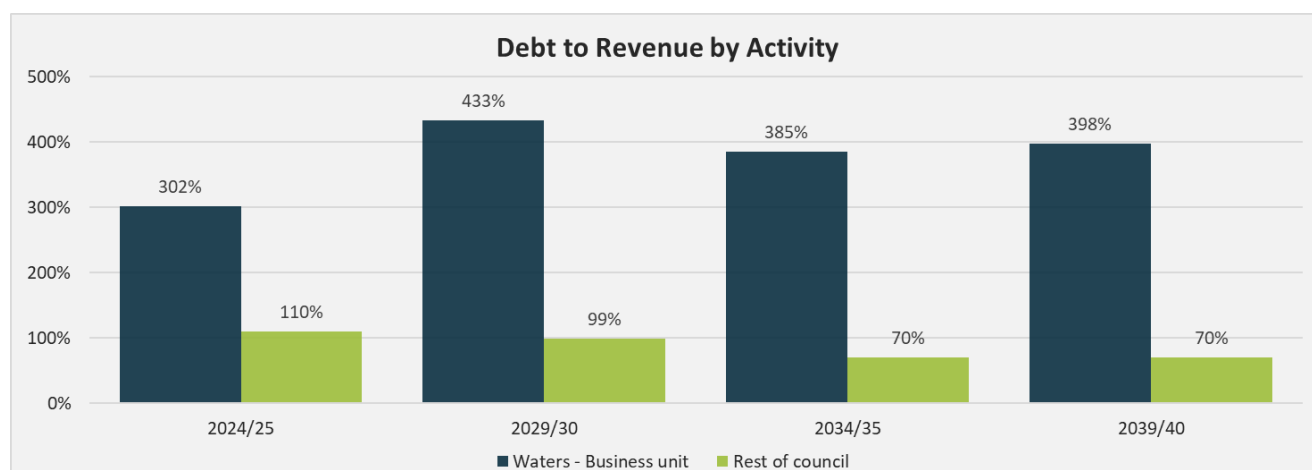
A key difference between the CCO and the standalone business unit models is debt. More specifically, the different borrowing limits that apply and the practical impact those differences have on household charges. This is further explained for each model below and shown in the corresponding charts.

#### Debt under the standalone business unit model

Under the standalone business unit, debt is managed at the total council level, with a consolidated net debt-to-revenue (DTR) limit set at 250%. No specific debt parameters are set at the individual activity level, meaning that as long as the council-wide DTR limits are not exceeded, individual activities can operate with unrestricted DTR percentages.

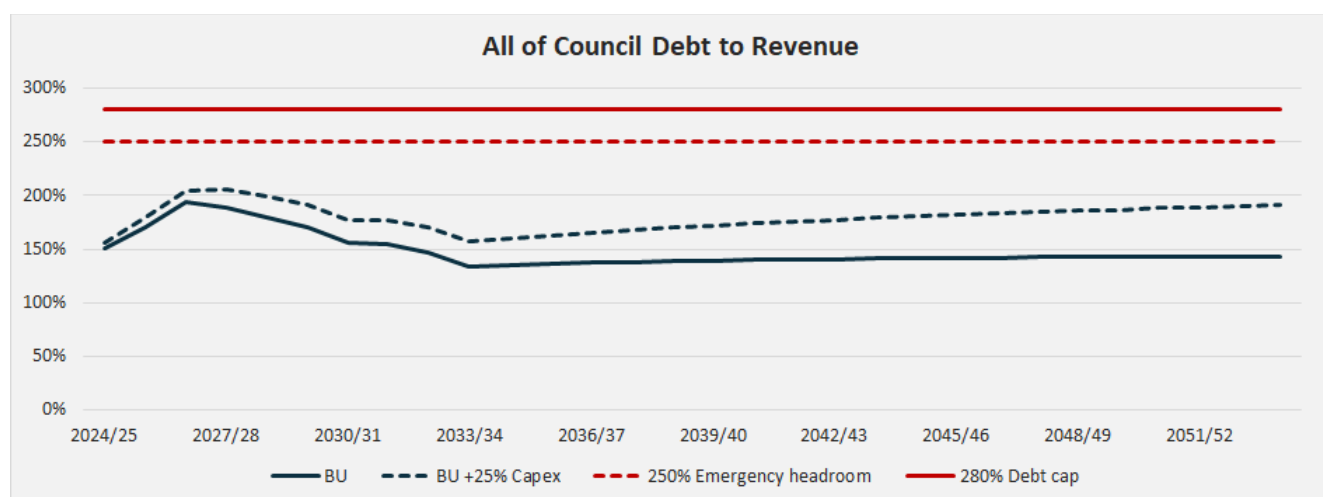
As shown in Figure 3, ADC's DTR for water-related activities is projected to increase significantly, rising from approximately 300% in FY25 to nearly 400% by FY35 and remaining at that level thereafter. In contrast, the DTR for non-water-related activities is expected to steadily decline over the same timeframe, dropping from approximately 110% in FY25 to around 70% by FY35.

Figure 3 Base case standalone business unit debt to revenue by activity



The mix of a high DTR for water-related activities and a low DTR for the rest of the Council's operations results in a net balance within the 250% threshold overall. This remains true even under the '+25% Capex' investment program, as shown in Figure 4 below.

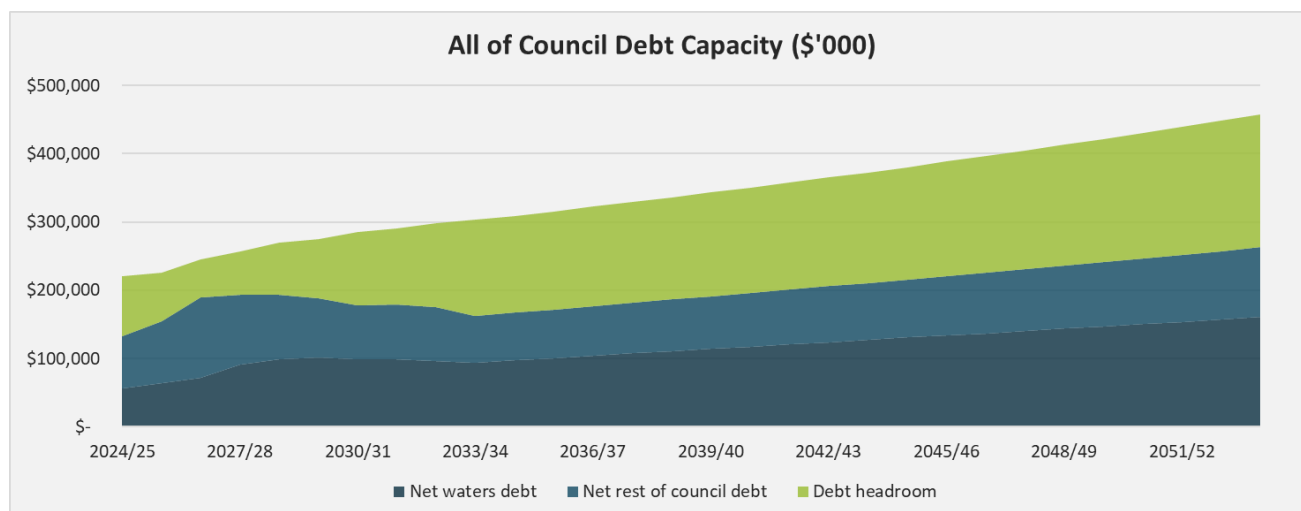
Figure 4 All of Council debt to revenue %



While this balance benefits water-related activities by providing relatively unrestricted access to debt, it can, in many cases, limit a council's ability to borrow for unforeseen needs in other non-water-related areas. Figure 5 below illustrates ADC's debt headroom under the base case modelling scenario, showing only minor constraints during the first 3–5 years. This suggests that retaining water activities in-house is unlikely to significantly restrict ADC's ability to manage debt for its other activities.

Sensitivity testing to determine the conditions under which the debt ceiling would be reached identified that the rest of the Council's debt to revenue would need to remain at the FY26 level of 125%, and capital investment would need to increase by an additional 30% above the current '+25% Capex' scenario for debt limits to be breached.

Figure 5 Base Case standalone business unit debt capacity



### Debt under the CCO model

The following key requirements for Water CCO lending were defined per the Local Government Funding Agency (LGFA) December 2024 update.

- **Funds from Operations (FFO) to Debt Covenant:** Water CCOs are expected to maintain an FFO to debt ratio between 8% and 12%.
- **Transition Period for Debt Covenants:** The LGFA recognises that not all Water CCOs will meet debt covenant requirements immediately and allows a transition period of up to five years for compliance.

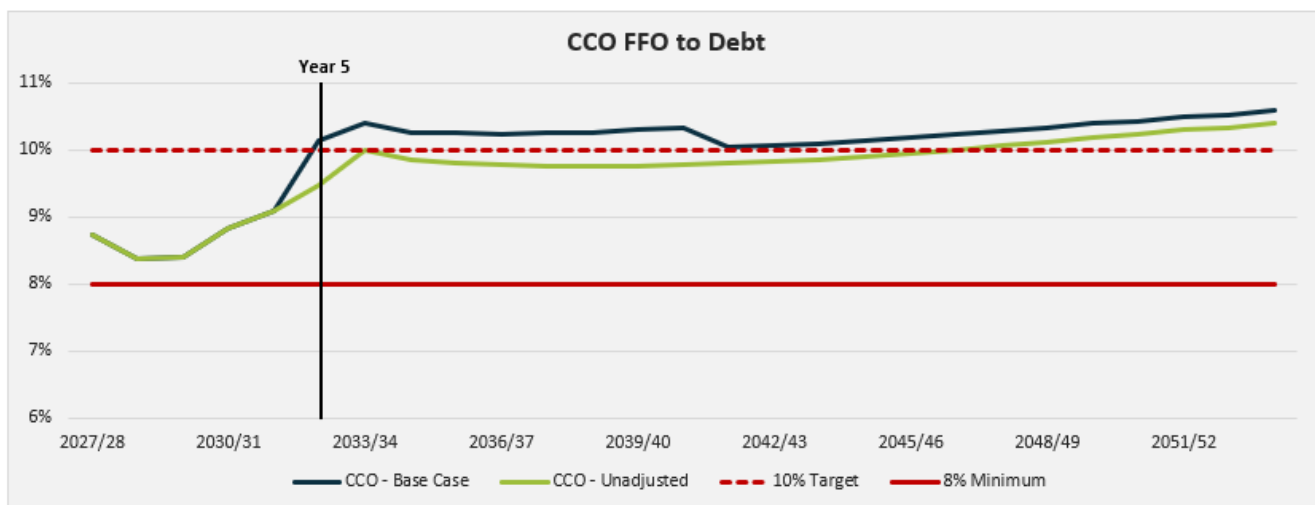
For financial modelling purposes, it has been assumed that a 10% FFO to debt ratio, representing the mid-point of the LGFA range, will be the minimum threshold for an ADC Waters CCO. However, during the initial five years of its operation, a lower threshold of 8% has been modelled as the minimum requirement. This gradually increases to the target of 10% by the end of the fifth year, reflecting the transition period outlined by the LGFA.

For ADC, FFO essentially represents its net operating cash flows. While the 10% FFO-to-debt ratio often corresponds to a DTR in the 400–500% range, it focuses on free cash flows relative to the net debt balance rather than operating revenue to debt.

Although the CCO model is often associated with higher debt limits, the high proportion of waters debt means this is not the case for ADC. When this debt is transferred to a CCO and supported solely by waters revenue, increases in household charges are required to stay within borrowing limits. While only minor adjustments were needed to avoid breaching FFO-to-debt ratio targets, this highlights the constrained debt headroom faced by the CCO model, particularly during its establishment phase.

The chart below illustrates this effect, comparing the CCO base case (staying within FFO to net debt limits) to an unadjusted version where no specific increases in household charges are modelled (no FFO debt limits). In the unadjusted base case, the FFO to net debt ratio stays marginally below the 10% target until FY45.

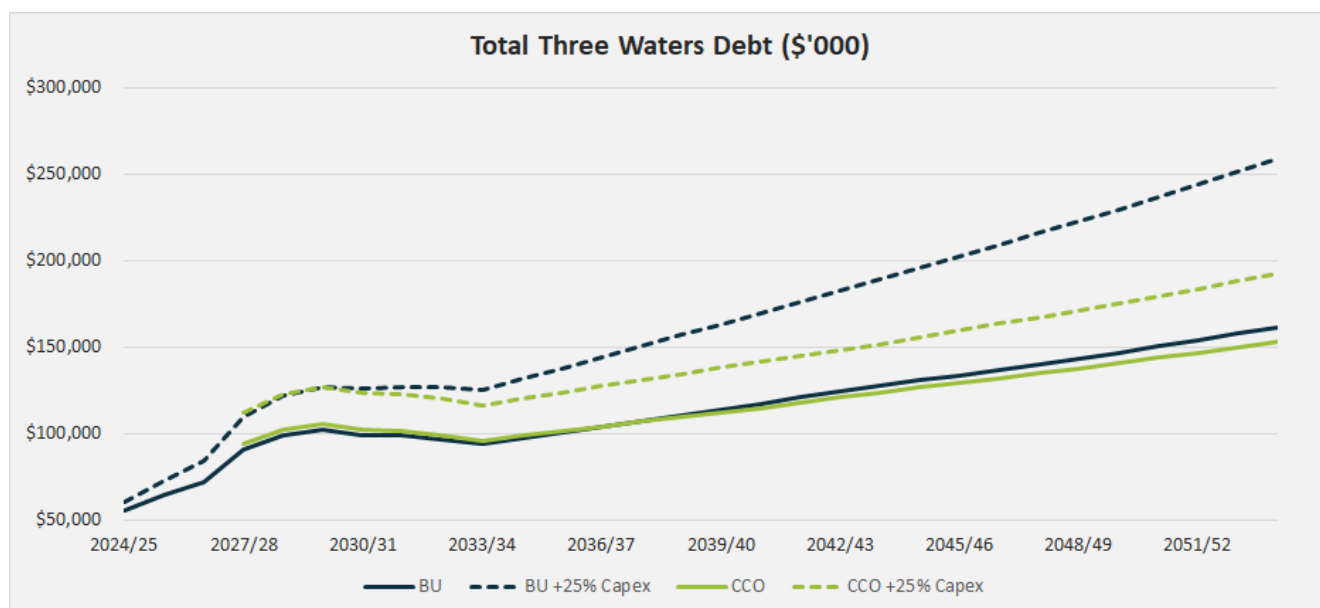
Figure 6 CCO FFO to debt – note that the FFO ratio must remain above the red line



### Impact on Three Waters debt

As shown in Figure 7 below, the higher charges under the CCO models lead to reduced waters debt over the 30 years. The compounding effect of this reduced debt level results in near parity for annual household charges between the standalone business unit and CCO in the outer years, as reduced debt translates to lower financing costs.

Figure 7 Total three waters debt



While lower long-term charges may appear near neutral between options, they are at the cost of higher charges in the near term for the CCO. With the CCO, this outcome is not a strategic choice, but a requirement imposed by debt limits. In contrast, the standalone business unit could theoretically achieve a similar debt profile and household charges as a deliberate decision rather than a forced requirement.

## Methodology

### Data Sources

The foundation of our financial modelling is the information provided by ADC in response to our request for information for the financial years 2025-2034 (except capital investment detailed below). Results beyond this period have been modelled based on high-level trends over the 10 years provided.

The 'Rest of Council' debt profile used in calculating the DTR for the standalone business unit scenarios has been adjusted upward by \$32 million. This adjustment reflects the additional investment required to develop a second bridge starting in FY27.

### Capital Investment

Capital investment and its funding and financing are material components of financial modelling. The capital investment programme in the modelled results was determined as follows:

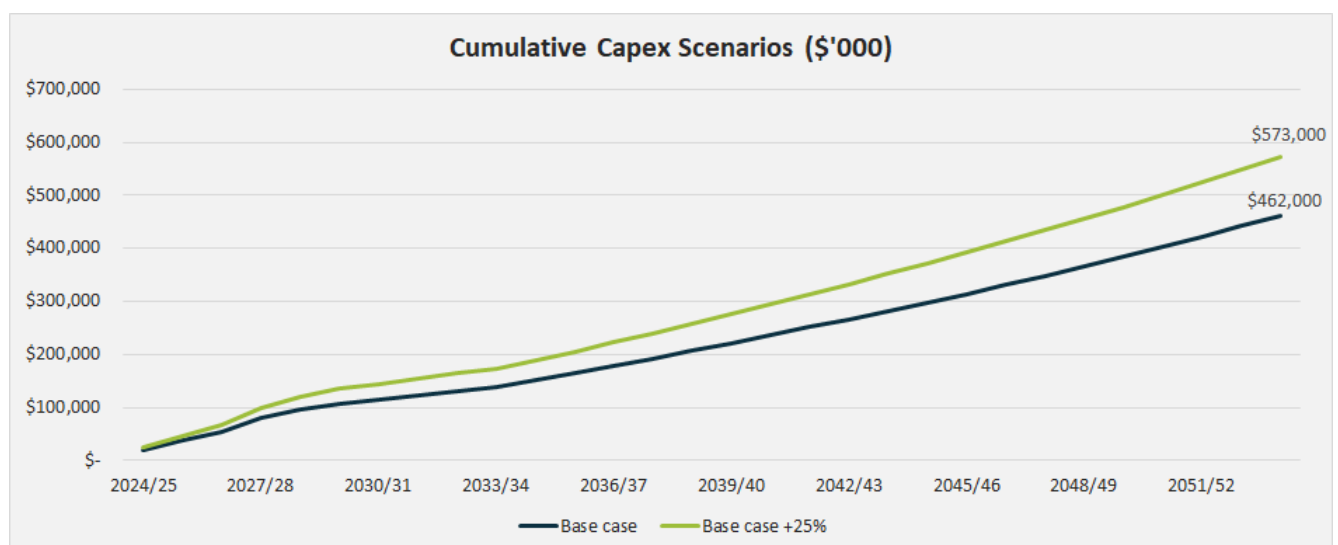
#### Base Case

- **FY25-34:** Remains in line with ADC's LTP inputs, with only minor adjustments made to stormwater to align the renewal programme with the asset replacement register.
- **FY35/54 – Growth and Upgrades:** Spend over this period is evenly spread based on the average over the LTP period (adjusted for inflation).
- **FY35/54 – Renewals:** Inputs are taken from the Infrastructure Strategy, which is also based on the average over the LTP period, with minor adjustments for one-off projects.

#### Plus 25% Capex

To illustrate how the two service delivery methods react to varying investment scenarios, the plus 25% capex scenario has been included within all modelling. This is a direct 25% uplift from the base case capital investment each year. The cumulative difference between the two scenarios is presented in Figure 8 below.

Figure 8 Cumulative Capex Scenarios



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## 9. *Ashburton Residential and Business Land Assessment*

Author	<i>Brad Thomson; District Planning Manager</i>
Activity Manager	<i>Brad Thomson; District Planning Manager</i>
Executive Team Member	<i>Ian Hyde, Group Manager Compliance &amp; Development</i>

### Summary

- The purpose of this report is to present a Residential and Business Land Assessment produced by Tim Heath from Property Economics.
- The assessment provides a detailed picture of the types of land in the District, the amount, and the planning implications for the district's short, medium and long term (30 year) growth prospects.

#### Recommendation

1. **That** Council receives the Ashburton Residential and Business Land Assessment produced by Property Economics in December 2024 , attached as Appendix 1.

### Attachment

**Appendix 1**    Ashburton Residential and Business Land Assessment, December 2024  
*[Supplemental Document]*

## Background

- In July 2024 the Council engaged Tim Heath from Property Economics to undertake an economic assessment of Ashburton District's current and future residential and business markets, and subsequent land requirements.
- This is to provide a detailed picture of the planning implications for the district's short, medium and long term (30 year) growth prospects.

## Legal/policy implications

### **Legislation – Resource Management Act**

1. Section 35 of the Resource Management Act (the Act) requires the Council to gather information, monitor, and keep records, as is necessary to carry out effectively its functions under the Act or regulations under the Act.
2. Section 31 of the Act sets out the Council's functions. These include the requirement to maintain a District Plan, and the requirement to make provision for sufficient development capacity in respect of housing and business land to meet the expected demands of the district.
3. The Ashburton Residential and Business Land Assessment assists the Council to fulfill its requirement to gather information and monitor the state of the environment regarding its function of providing for sufficient development capacity in respect of housing and business land.

### **Legislation – National Policy Statement**

4. The National Policy Statement on Urban Development (NPS UD) provides further clarification on the Council's requirement to provide sufficient development capacity for housing and business land. The NPS UD seeks to provide for well-functioning urban environments.
5. Policy 2 of the NPS UD requires the Council to provide at least sufficient development capacity to meet expected demand for housing and for business land over the short term (within 3 years), medium term (between 3 and 10 years), and long term (between 10 and 30 years).
6. Clauses 3.1 and 3.2 further set out the implementation requirements, including the definitions and requirements for determining "sufficient" development capacity.
7. The Ashburton Residential and Business Land Assessment assists the Council to fulfill its requirement to give effect to the relevant objectives and provisions of the NPS UD, by applying the relevant definitions and requirements set out in Policy 2 and Clauses 3.1 and 3.2 in the assessment.

## Climate change

8. This report does not have an impact on climate change.

## Strategic alignment

9. The recommendation relates to Council's community outcomes of Economic, Environmental, and Social Wellbeing because the assessment will provide guidance on well-functioning urban environments.

Wellbeing		Reasons why the recommended outcome has an effect on this wellbeing
Economic	✓	<ul style="list-style-type: none"><li>The assessment will assist staff in understanding the availability of land for economic development</li></ul>
Environmental	✓	<ul style="list-style-type: none"><li>The assessment will better inform future spatial planning improving the efficient use of infrastructure</li></ul>
Cultural	✗	
Social	✓	<ul style="list-style-type: none"><li>The assessment will provide guidance on well-functioning urban environments improving the social wellbeing of residents</li></ul>

## Financial implications

Requirement	Explanation
What is the cost?	N/A Report has already been commissioned
Is there budget available in LTP / AP?	N/A
Where is the funding coming from?	226 District Plan
Are there any future budget implications?	No
Reviewed by Finance	<i>Erin Register; Finance Manager.</i>

## Significance and engagement assessment

10. Council decision relates to the adoption of the assessment which will then be able to be made available to the public

Requirement	Explanation
Is the matter considered significant?	No
Level of significance	Low



Rationale for selecting level of significance	The report contains an assessment of potential future land requirements, and what could be considered to accommodate these.
Level of engagement selected	1. Inform one-way engagement
Rationale for selecting level of engagement	The assessment has been written by an external party and this will allow the report to be made public. Any outcomes from the recommendations resulting the report (e.g. changes in land zoning) would be subject to District Plan change processes.
Reviewed by Strategy & Policy	Mark Low; Strategy and Policy Manager

## ***10. Proposed Private District Plan Change 6 (Pajanti Limited, 259 Alford Forest Road)***

Author	<i>Lauren Wright; Planner</i>
Activity Manager	<i>Brad Thomson; District Planning Manager</i>
Executive Team Member	<i>Ian Hyde; Group Manager Compliance &amp; Development</i>

### **Summary**

- The purpose of this report is to consider the recommendations of Independent Commissioner John Scheele who has been appointed to consider submissions and make a recommendation on a proposed alteration (PC6) to the Ashburton District Plan.
- The proposed Plan Change seeks to rezone 1Ha of Residential D land (low density residential; known as the Pajanti development site) at 259 Alford Forest Road to Residential C and to adopt the operative provisions of the Residential C Zone onsite in order to facilitate medium-density residential development.
- Having considered the application, s42A report prepared by Council Staff and submissions received, Commissioner Scheele has recommended that the Plan Change be adopted. A copy of the Commissioner's recommendations is attached.

### **Recommendation**

- 1. That** Council adopts the Commissioner's recommendations attached to this report in respect of Plan Change 6 to the Ashburton District Plan comprising the rezoning of 259 Alford Forest Road from Residential D to Residential C and the addition of the following new rules:
  - Rule 4.9.18 (Residential Chapter): Pajanti Outline Development Plan, Ashburton
    - Any development within the Pajanti Outline Development Plan shall be undertaken in general accordance with that Outline Development Plan attached in Appendix 4-7.
  - Rule 9.8.12 (Subdivision Chapter) Plan: Pajanti Outline Development Plan
    - Any subdivision and/or development within the Pajanti Outline Development Plan shall be in general accordance with the Outline Development Plan in Appendix 4-7

- Inclusion of a new Outline Development Plan as Appendix 4-7 showing the proposed roading layout, right of way location, and building line restriction along the western boundary.
- The insertion of new rule 4.9.18 will require subsequent renumbering of the Residential Zone rules. This will maintain consistency within the District Plan by grouping all rules relating to developments being undertaken in general accordance with outline development plans being located together.

## Attachments

- Appendix 1**    Commissioner's Recommendation Report  
**Appendix 2**    Amended Outline Development Plan

## Background

### Background of Plan Change 6

1. Plan Change 6 was lodged with Council by David Harford Consulting Ltd, on behalf of Pajanti Ltd, on 23 July 2024 and accepted by Council under Clause 25(2)(b) RMA on 23 July 2024.
2. The Applicant has outlined the purpose of rezoning 1Ha of Residential D to Residential C land as to provide for greater intensity of land use for residential development. Through PC6, the Applicant is seeking the ability to create higher density residential development than what is currently provided for by the Residential D zoning. The proposed plan change would require the future vesting of a road with Council at the time of subdivision and a building restriction line has been noted along the western boundary in response to the geotechnical report supplied as part of the application.
3. Two neutral submissions were received as a result of the notification process, one being from Environment Canterbury and the other from Waka Kotahi, the New Zealand Transport Agency.
4. Matters contained within the submissions were addressed and concluded with neither submitter wishing to be heard at a hearing.
5. Commissioner Scheele determined that a hearing was not required under Section 100 of the RMA 1991 and submitted his recommendation of 13 February 2025.

## Options analysis

### Option One – Confirm the Commissioner’s Recommendation (Recommended)

6. The Council, as decision maker under Sections 10 and 29 of Schedule 1, is not bound by the Commissioner’s recommendation. However, the principles of natural justice require the Council’s decision to reflect an assessment of the information provided in the Commissioner’s report and recommendations, including the summary of submissions made and evidence given. Council cannot abrogate from its duty to make its decision based on the Section 10 and Section 29 considerations. Where it has delegated the task to undertake that consideration to expert commissioners, it would be a rare and exceptional case for it to reject or fundamentally depart from the recommendations in circumstances where the Council itself has not heard the evidence.

<p><b>Advantages:</b></p> <ul style="list-style-type: none"> <li>• Enables the recommendations of the Commissioner to be given effect to and for medium density residential development to occur onsite in the future. This will likely result in an increase in residential accommodation within the township relative to the status quo (Operative District Plan).</li> <li>• Supports the decision being seen as reasonable, and limits exposure to judicial review.</li> </ul>	<p><b>Disadvantages:</b></p> <ul style="list-style-type: none"> <li>• None identified</li> </ul>
<p><b>Risks:</b></p> <p>None identified beyond the statutory right for submitters to appeal the decision.</p>	

### Option two – Reject the Commissioner’s recommendations

7. The quasi-judicial requirements of Sections 10 and 29 of Schedule 1 and the decision to delegate the power to hear submissions and evidence and make a recommendation establishes a formal process. This in turn establishes a legitimate expectation of those involved in the process that the Council when receiving the recommendation will give it full and proper regard. The Council itself hasn’t heard the evidence and must rely instead on the Commissioner’s report. Where the Commissioner’s recommendation is to approve with or without modification, a subsequent decision of Council to reject the proposed Plan Change is effectively a decision to reject the Commissioner’s recommendation.
8. A decision to reject the recommendation and to instead decide that the Plan Change application should be declined must be based on the information provided in the Commissioner’s report and must be reasonable. Any decision that fails to satisfy these requirements will be in breach of legitimate expectations that the process will be fairly and properly followed and consequently may be vulnerable to judicial review.
9. If the Council decided to reject the Plan Change and that decision was appealed, experts would have to be found who could support the Council’s decision in the Environment Court. The experts the Council has engaged to date could be subpoenaed by an appellant.

<p><b>Advantages:</b></p> <ul style="list-style-type: none"> <li>• None identified</li> </ul>	<p><b>Disadvantages:</b></p> <ul style="list-style-type: none"> <li>• There may be additional costs to Council following judicial review of the decision.</li> </ul>
<p><b>Risks:</b></p> <p>Moderate risk of judicial review by participants in the process.</p> <p>Moderate reputational risk due to the decision being seen as unreasonable or unsound.</p>	

## Legal/policy implications

### Resource Management Act

10. This proposed Plan Change has been undertaken through the process enshrined within the first Schedule of the Resource Management Act. Section 10 of this Schedule states that in making a decision on provisions and decisions made in submissions, a local authority must:
- (1)... give a decision on the provisions and matters raised in submissions, whether or not a hearing is held on the proposed policy statement or plan concerned.*
  - (2) The decision—*
    - (a) must include the reasons for accepting or rejecting the submissions and, for that purpose, may address the submissions by grouping them according to—*
      - (i) the provisions of the proposed statement or plan to which they relate; or*
      - (ii) the matters to which they relate; and*
    - (ab) must include a further evaluation of the proposed policy statement or plan undertaken in accordance with section 32AA; and*
    - (b) may include—*
      - (i) matters relating to any consequential alterations necessary to the proposed statement or plan arising from the submissions; and*
      - (ii) any other matter relevant to the proposed statement or plan arising from the submissions.*
  - (3) To avoid doubt, the local authority is not required to give a decision that addresses each submission individually.*
  - (4) The local authority must—*
    - (aaa) have particular regard to the further evaluation undertaken in accordance with subclause (2)(ab) when making its decision; and*
    - (a) give its decision no later than 2 years after notifying the proposed policy statement or plan under clause 5; and*
    - (b) publicly notify the decision within the same time.*
  - (5) On and from the date the decision is publicly notified, the proposed policy statement or plan is amended in accordance with the decision.*

Section 29 of Schedule 1 also applies to privately initiated plan changes such as PC6. Section 29 states:

*(4) After considering a plan or change, undertaking a further evaluation of the plan or change in accordance with [section 32AA](#), and having particular regard to that evaluation, the local authority—*

*(a) may decline, approve, or approve with modifications the plan or change; and*

*(b) must give reasons for its decision.*

Section 31 of the Resource Management Act sets out the functions of territorial authorities under the Act:

*(1) Every territorial authority shall have the following functions for the purpose of giving effect to this Act in its district:*

*(a) the establishment, implementation, and review of objectives, policies, and methods to achieve integrated management of the effects of the use, development, or protection of land and associated natural and physical resources of the district*

The proposed additions to Residential Zones and Subdivision Chapters of the District Plan align with the National Policy Statement on Urban Development by enabling medium density development, which will in turn, increase housing supply in an appropriate location with access to services and infrastructure.

### **Climate change**

11. The Plan Change is not directly related to the management of natural hazard risk that may be attributed to a changing climate.

### **Strategic alignment**

12. The recommendation relates to Council's community outcomes of Economic, Environmental, and Social Wellbeing because the proposed Plan Change seeks to provide for medium density residential development where the zoning currently permits low density residential development.

Wellbeing		Reasons why the recommended outcome has an effect on this wellbeing
Economic	✓	<ul style="list-style-type: none"> <li>The addition of residential allotments in this location will support housing supply and affordability in Ashburton.</li> </ul>
Environmental	✓	<ul style="list-style-type: none"> <li>The housing will be supplied in a location that maximises efficient use of infrastructure.</li> </ul>
Cultural	x	
Social	✓	<ul style="list-style-type: none"> <li>The supply of housing will support the social wellbeing of the residents.</li> </ul>

## Financial implications

Requirement	Explanation
What is the cost?	User pays – costs associated with privately requested plan changes such as this are recovered through Councils adopted fees and charges.
Is there budget available in LTP / AP?	N/A
Where is the funding coming from?	User pays
Are there any future budget implications?	No
Reviewed by Finance	N/A

## Significance and engagement assessment

13. The public notification engagement process as prescribed by Schedule 1 of the Resource Management Act 1991 must be followed.

Requirement	Explanation
Is the matter considered significant?	No
Level of significance	Medium
Rationale for selecting level of significance	N/A
Level of engagement selected	3. Consult – Formal two-way communication.



Rationale for selecting level of engagement	The public notification process prescribed by Schedule 1 of the Resource Management Act has been followed. Changes to District Plans are administered through a statutory process under the Resource Management Act 1991 which includes a statutory consultation component. This stage of the process is for Council to make a final decision on the Commissioners recommendations which will conclude this process.
Reviewed by Strategy & Policy	Mark Low; Strategy and Policy Manager

### BEFORE THE ASHBURTON DISTRICT COUNCIL

**UNDER**

The Resource Management Act 1991

**AND**

**IN THE MATTER OF**

Proposed Private Plan Change 6 to the Ashburton  
District Plan: Rezoning of 259 Ashford Forest Road,  
Ashburton

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**REPORT AND RECOMMENDATIONS OF INDEPENDENT HEARING COMMISSIONER**

**John Scheele**

**13 February 2025**

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## PRELIMINARY

### Introduction

1. This report contains the recommendations of John Scheele, the Independent Hearing Commissioner appointed to consider Private Plan Change 6 (PC6) to the Ashburton District Plan (the District Plan) and the decisions sought from the submissions received. Proposed PC6 relates to rezoning of 259 Alford Forest Road, Ashburton, from Residential D to Residential C.
2. Schedule 1 of the Resource Management Act 1991 requires a local authority to hold a hearing if any person who made a submission on a plan change request has requested to be heard (clause 8B).
3. I have received and reviewed the evidence of both the Council Officer (Ms Wright) and for the Plan Change Applicant (Mr Harford). No submitters have sought to be heard. The Council Officer has indicated in their Section 42A report<sup>1</sup> that they do not consider a hearing necessary. The Plan Change Applicant has stated in their evidence that they are satisfied for a decision to be made “off the papers” unless I have matters or concerns that I wish to discuss in person<sup>2</sup>.
4. I consider I have sufficient information to make a recommendation on Plan Change 6 based off the papers before me and I have no questions for any parties. Therefore, it is my view that a hearing was not necessary.

### The Plan Change

5. Proposed PC6 is a privately requested plan change by Pajanti Ltd (the applicant) which seeks to rezone 259 Alford Forest Road, Ashburton (Lots 14, 16, 17, 31 and 34-36 DP 864 and Lot 1 DP 41503, comprising approximately 1.0091 hectares) from Residential D to Residential C zone.
6. The specific amendments proposed to the District Plan include the addition of new rules:
  - a. Rule 4.9.18 (Residential Chapter):

#### *Pajanti Outline Development Plan, Ashburton*

- a) *Any development within the Pajanti Outline Development Plan shall be undertaken in general accordance with that Outline Development Plan attached in Appendix 4-7*

- b. Rule 9.8.12 (Subdivision Chapter) Plan:

#### *Pajanti Outline Development Plan*

- a) *Any subdivision and/or development within the Pajanti Outline Development Plan shall be in general accordance with the Outline Development Plan in Appendix 4-7*

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<sup>1</sup> Paragraph 2.1.4 of the Section 42A report

<sup>2</sup> Paragraph 3.1 of Mr Harford's evidence

- c. Inclusion of a new Outline Development Plan as Appendix 4-7 showing the proposed roading layout, right of way location, and building line restriction along the western boundary.
- 7. The insertion of new rule 4.9.18 will require subsequent renumbering of the Residential Zone rules. This will maintain consistency within the District Plan by grouping all rules relating to developments being undertaken in general accordance with outline development plans being located together.
- 8. The Plan change seeks to enable medium density residential development with the ability to connect to existing services and infrastructure.
- 9. No other additional rules or changes are proposed to the District Plan.

### Background to PC6

- 10. The plan change was requested by Pajanti Ltd to rezone their 1.0091ha property at 259 Alford Forest Road from Residential D to Residential C to enable medium-density residential development. The current Residential D zoning requires minimum 4,000m<sup>2</sup> lots, while Residential C allows for smaller lots of 360m<sup>2</sup>.
- 11. The applicant's key reasoning for the plan change is that the site's location opposite existing Residential C zoning, along with available urban infrastructure, makes it suitable for more intensive residential use. They argue that 4,000m<sup>2</sup> sections are inefficient given the site's urban fringe location and servicing capabilities. Their proposal identifies future development of up to twelve residential lots ranging from 588-793m<sup>2</sup>, providing housing choice while maintaining reasonable section sizes.
- 12. The request underwent initial Council review in April 2023, leading to refinements addressing roading layout, street trees, servicing, and natural hazards. The final requested plan change was accepted for notification in July 2024, incorporating an Outline Development Plan showing a future road layout and building restriction line along the western boundary. New Zealand Transport Agency Waka Kotahi (NZTA) and Environment Canterbury (ECan) submitted neutral responses, with NZTA's primary concern being appropriate separation between the new road access and the Farm Road intersection.

### Notification and submissions

- 13. Proposed PC6 was publicly notified 19 September 2024 with submissions closing 18 October 2024. Two submissions were received, from NZTA and ECan. Further submissions were invited from 7 November 2024, closing 21 November 2024. No further submissions were received.
- 14. The main issues raised by the submitters as summarised in the s42A<sup>3</sup> report were:
  - a. Road location and safety: NZTA's main concern was ensuring adequate separation between the proposed road and the SH77/Farm Road intersection. NZTA approved

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<sup>3</sup> s42A report, paragraph 8.2

the location shown in the Pajanti Outline Development Plan, though noted further approvals would be required during subdivision.

- b. Regional policy consistency: ECan adopted a position that the proposed plan change generally aligns with the Canterbury Regional Policy Statement objectives and policies concerning urban development, infrastructure, and land use.
15. Te Runanga o Arowhenua was consulted under Schedule 1 Clause 3 of the RMA<sup>4</sup>. While they raised no direct issues with the proposal, they noted that future subdivision could incorporate accidental discovery protocols and indigenous landscape planting conditions to address cultural matters.

### Updates to the Outline Development Plan

16. The evidence of Mr Harford on behalf of the applicant recommended one minor modification to the ODP. Specifically, Mr Harford suggested removing the cadastral outlines showing the underlying current cadastral boundaries from the ODP diagram, while retaining all other elements. Mr Harford's reasoning was that showing the existing cadastral boundaries may create confusion when people read the District Plan, as they may mistakenly interpret those as being the intended layout, rather than just the current cadastral boundaries<sup>5</sup>.
17. I consider this a sensible recommendation that will improve clarity and interpretation of the ODP without affecting its substantive content or purpose. The removal of the cadastral boundaries will assist future plan users focus on the key development control elements of the road layout, right of way location and western building line restriction.
18. The applicant submitted an updated version of the ODP on 10 February 2025 which removes the cadastral boundaries while maintaining all other elements. I have reviewed this updated ODP and confirm it appropriately implements the recommended change while preserving all necessary development control elements.

### Information considered

19. In making this recommendation, there has been consideration of:
- a. Proposed PC6 and the accompanying s32 Report;
  - b. The request for further information and the applicant's response on various matters and justification for the plan change;
  - c. The written submissions from New Zealand Transport Agency Waka Kotahi and Canterbury Regional Council;
  - d. The s42A Report and its appendices on the plan change; and
  - e. The evidence on behalf of the Plan Change Applicant, Pajanti Ltd, including the updated outlined development plan submitted on 10 February 2025.

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<sup>4</sup> Paragraph 5.3.2 of the Council Officers s42A report

<sup>5</sup> Section 3.3 of Mr Harford's evidence

### Existing environment

20. The existing environment is described in the applicant's s32 report<sup>6</sup> and summarised in Council's s42A report<sup>7</sup>, which I adopt.
21. Of relevance, the surrounding environment is reflective of a transition between urban and rural activities. Adjacent land to the north and south is zoned Residential D, containing larger residential lifestyle properties. Rural land and smaller farming operations lie to the west below the terrace.
22. The site is located adjacent to State Highway 77 (Alford Forest Road) which forms one of the main entrances to Ashburton township. The change in speed limit from 100km/hr to 50km/hr occurs approximately 200m north of the site, assisting in defining the urban/rural boundary.
23. The site has access to full urban services including water, sewer, power and telecommunication infrastructure within the road corridor.

### Matters of agreement

24. I note that both Mr Harford and Ms Wright are in general agreement as to the assessment of relevant matters, and the assessment and conclusions reached by Mr Harford, which I have summarised below.

### Site development potential

25. The proposed plan change represents an opportunity to rezone 1 hectare of land from Residential D to Residential C, enabling medium density residential allotments on Ashburton's urban fringe. The location is assessed as suitable for residential development with minimal adverse impacts on existing urban form.

### Infrastructure capacity

26. The site demonstrates sufficient capacity for efficient infrastructure connection, including water, wastewater, electricity and telecommunication services. Existing network infrastructure can accommodate the proposed development with minimal upgrades.

### Natural hazards

27. Technical assessments, including a geotechnical evaluation, confirm land suitability that identifies minimal natural hazards risks. The proposed development includes appropriate building line restrictions (required to mitigate slope stability risks) and is expected to have negligible environmental impact.

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<sup>6</sup> s34 report, paragraphs 24-35

<sup>7</sup> s42A report, paragraphs 3.1.4-3.1.5 and section 3.2

## Development approach

28. The plan change provides benefits including housing variety, medium-density residential development, efficient land utilisation, and contribution to the district's housing supply. It represents a balanced approach to urban expansion that considers both developmental potential and community needs.

## Findings as to above Matters of Agreement

29. Both Mr Harford and Ms Wright agree with the above assessment and conclusions, and I have not been presented with any contrary opinions or evidence. I agree with and adopt the above assessments.

## Remaining matters of contention

30. The remaining area of contention (though there remains general agreement) between Mr Harford and Ms Wright relates to residential density.
31. I have considered this matter below.

## Residential density

32. The applicant proposes a self-imposed limitation of twelve residential lots<sup>8</sup>, with lot sizes ranging from 588m<sup>2</sup> to 793m<sup>2</sup>. As stated at paragraph 53 of their plan change request:

*"This Plan Change provides a new zoning for the site with the intention to provide a minimum allotment size from 558m<sup>2</sup> - 793m<sup>2</sup> (subject to survey) which allow for larger allotment area for dwellings, accessory buildings and ample outdoor space for amenity."*

The applicant's rationale is explained at paragraph 55 where they outline that:

*"Informal property market feedback is that land purchasers do not want to larger [sic] parcel of land to maintain. Allotments within the 3-4000m<sup>2</sup> range are too low density and will create surplus land."*

33. In contrast, Council staff do not support including a maximum lot number restriction. As noted in paragraph 3.1.6 of the s42A report, they concluded:

*"Matters such as servicing, amenity, urban form and reverse sensitivity would be appropriately addressed through the operative Residential C density standards."*

34. The Council's position would enable development to occur at the full density as anticipated in the Residential C zone, which allows for minimum lot sizes of 360m<sup>2</sup>. This means the 1.0091-hectare site could potentially accommodate more than 12 lots if developed to the maximum density allowed under the zone provisions.

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<sup>8</sup> As set out in the plan change request documents at paragraphs 6, 63 and 142 along with the indicative subdivision plan forming Annexure 4



35. This reflects a minor tension between the applicant favouring larger lots and Council's position that standard Residential C zone provisions enabling the potential for greater residential density should apply. The Council's view aligns with broader planning objectives around efficient use of urban land and infrastructure, while the applicant's position reflects market assessment and development preferences.
36. The final residential density will be determined through a future subdivision consent process. At that time, a detailed assessment will consider crucial factors including servicing capacity, amenity effects, urban form outcomes, and reverse sensitivity, among other potential effects. The number and potential location of future residential units will be evaluated against these matters, taking into account the agreed building restriction along the western boundary.
37. Given that these detailed assessments will occur during the subdivision process, and without sufficient information at this stage to justify a reduced density, imposing a maximum density restriction through the plan change is unwarranted. It is my view that the standard Residential C zone provisions provide an appropriate framework for assessing future subdivision proposals on their merits.

## Statutory requirements

38. I agree with and adopt the assessment of Ms Wright, and Mr Harford, of the key statutory planning frameworks and District Plan provisions, which can be summarised as follows:

### The National Policy Statement on Urban Development

39. The National Policy Statement on Urban Development require councils to remove unnecessary constraints and to plan for growth, with a focus on creating well-functioning urban environments. As a Tier 3 authority, Ashburton District Council must consider these requirements. Particularly Policies 1, 2, 5 and 8 which support enabling housing supply and urban development. The proposal aligns with these policies by enabling medium density development in an appropriate location with access to services and infrastructure.

### The Canterbury Regional Policy Statement

40. The Canterbury Regional Policy Statement (RPS) provides the framework for integrated management of natural and physical resources in the region. The relevant chapters address land use, infrastructure and urban development matters. The key policies support consolidated urban growth and efficient use of infrastructure. The proposed plan change demonstrates consistency with the RPS direction on urban growth and development patterns.

### The Ashburton District Plan

41. The Ashburton District Plan contains several relevant objectives and policies. Objective 4.1 addresses residential amenity values and character, seeking to protect and enhance residential amenity while providing for growth and housing diversity. Objective 4.2 focuses on residential

growth, providing for different forms of residential development in appropriate locations. Objective 9.1 relates to the effects of subdivision, ensuring subdivision maintains amenity while enabling efficient land use.

42. The supporting policies in the District Plan address managing different residential areas and densities, setting environmental standards for development, promoting variety in residential development, providing necessary infrastructure services, and using outline development plans for larger developments. The proposed plan change demonstrates consistency with this planning framework.

### Statutory requirement conclusion

43. I agree with both planners' assessment that the proposal is consistent with and appropriately implements the statutory planning framework. The rezoning from Residential D to Residential C enables appropriate intensification in a location with available infrastructure, maintains residential amenity through the Outline Development Plan approach, provides for housing choice and efficient use of urban land, includes appropriate development controls and standards, and represents consolidated urban growth in accordance with high order policy direction.

### Submissions

44. Two submissions were received on Proposed Plan Change 6.
45. The NZTA submission centred on the placement of the proposed road, specifically requesting it remain setback from the SH77/Farm Road intersection as shown in the Outline Development Plan. Though NZTA initially sought to be heard, they withdrew this request.
46. The ECan submission confirmed their opinion that the proposal is generally consistent with the Canterbury Regional Policy Statement objectives and provisions. ECan have not sought to be heard.
47. Having reviewed the Council's officer's s42A report, I note that the reporting officer has recommended both submissions be accepted in full. The submissions from NZTA and ECan took neutral positions on Plan Change 6 and sought no amendments as notified. I have considered the officer's analysis and reasoning and adopt their recommendation to accept both submissions in full.

### Section 32AA

48. Section 32AA of the Act requires a further evaluation for any changes to the proposal since the original s32A evaluation was completed. While one minor change has been recommended to Plan Change 6 following notification, namely the removal of cadastral boundaries from the Outline Development Plan to improve clarity and interpretation, this amendment is not

substantive in nature and does not alter the fundamental elements or effects of the plan change proposal.

49. The recommended change to the outline development plan is purely presentational. It removes the potential for confusion by eliminating the display of existing cadastral boundaries while retaining all other substantive elements. As the modification does not affect the development outcomes or environmental effects assessed in the original s32 elevation, that elevation remains valid and no further elevation under s32AA is required. This aligns with the purpose of s32AA which is to evaluate substantive changes to proposals rather than minor amendments that do not affect the underlying assessment.

## Overall conclusion

50. Based on the assessment of the plan change request, submissions received, and evaluation against relevant statutory requirements, I recommend that Private Plan Change 6 be approved as notified, for the following reasons:

- a. The proposal represents an appropriate use of urban land, enabling medium-density residential development in a location with existing infrastructure capacity and good connectivity to Ashburton township
- b. Technical assessments confirm the site's suitability for development, with minimal natural hazards risks and sufficient infrastructure capacity to support the intended residential use
- c. The plan change aligns with the relevant objectives and policies of the National Policy Statement on Urban Development, particularly regarding enabling housing supply and creating well-functioning urban environments
- d. The proposal demonstrates consistency with the Canterbury Regional Policy Statement's direction on urban growth and consolidated development patterns
- e. The rezoning implements the objectives and policies of the Ashburton District Plan, particularly regarding residential growth, amenity protection, and efficient land use
- f. The inclusion of an Outline Development Plan provides appropriate controls for future development, including roading layout and building line restrictions
- g. The matters raised in the submissions from NZTA and ECan will be appropriately addressed through the existing provisions of the District Plan and insertion of a new Outline Development Plan
- h. The standard Residential C zone provisions will provide an appropriate framework for assessing future subdivision proposals without need for additional density restrictions

51. Therefore, I recommend that the Ashburton District Council:

- a. Accepts the submissions from New Zealand Transport Agency Waka Kotahi and Environment Canterbury

- b. Adopt Private Plan Change 6 to rezone 259 Alford Forest Road, Ashburton from Residential D to Residential C, including:
  - i. the proposed amendments to Rules 4.9.18 (and subsequent renumbering of the Residential Chapter) and 9.8.12
  - ii. the inclusion of the Pajanti Outline Development Plan dated 10 February 2025 as Appendix 4-7

### Overall recommendation

52. Having considered the evidence, and for the reasons set out above, it is recommended that the Council:

- a. Adopt PC6 with the wording as set out in Appendix One; and
- b. Accept the submissions on PC6 as set out in Appendix Two.

Dated this 13<sup>th</sup> day of February 2025

A handwritten signature in black ink, appearing to read 'John Scheele', with a long horizontal flourish extending to the right.

John Scheele  
Independent Hearing Commissioner

## Appendix One: Plan Change 6 as Recommended by the Commissioner

For the purposes of these amendments, the operative Ashburton District Plan text is shown as normal text, with topic headings also in bold text.

Amendments proposed by this recommendation as a result of Private Plan Change 6 are shown as **bold underline text** with strikeouts shown as ~~**bold strikethrough**~~.

### 4.9 Site Standards

...

#### **4.9.18 Pajanti Outline Development Plan, Ashburton**

- a) **Any development within the Pajanti Outline Development Plan shall be undertaken in general accordance with that Outline Development Plan attached in Appendix 4-7.**

#### **4.9.1819 Reverse Sensitivity**

- a) Any new residential unit or habitable accessory building or additions and/or alterations to the same, which is located within 80 metres of the legal boundary of State Highway 77 within the area known as the Lochhead Outline Development Plan (Appendix 4-3.) shall be designed so that noise from vehicle traffic using State Highway 77 (allowing for an increase in noise arising from increased traffic growth during a period of not less than 10 years from the commencement of construction) shall meet the internal noise guidelines outlined in AS/NZS 2107:2000 "Acoustics – Recommended design sound levels and reverberation times for building interiors". The particular performance standards to be achieved are that internal sound levels shall not exceed 35dB LAeq (24 hour) in bedrooms and 40 dBLAeq (24 hour) for other habitable rooms.
- b) A report from a suitably qualified and experienced acoustic engineer shall be supplied with any application for building consent demonstrating compliance with this rule.

#### **4.9.1920 Landscaping**

- a) Any landscaping including vegetation undertaken within sites along the State Highway 77 boundary within the area known as the Lochhead Outline Development Plan (Appendix 4-3.) shall not be planted closer to the traffic lanes than 2.5 times the anticipated full grown height.

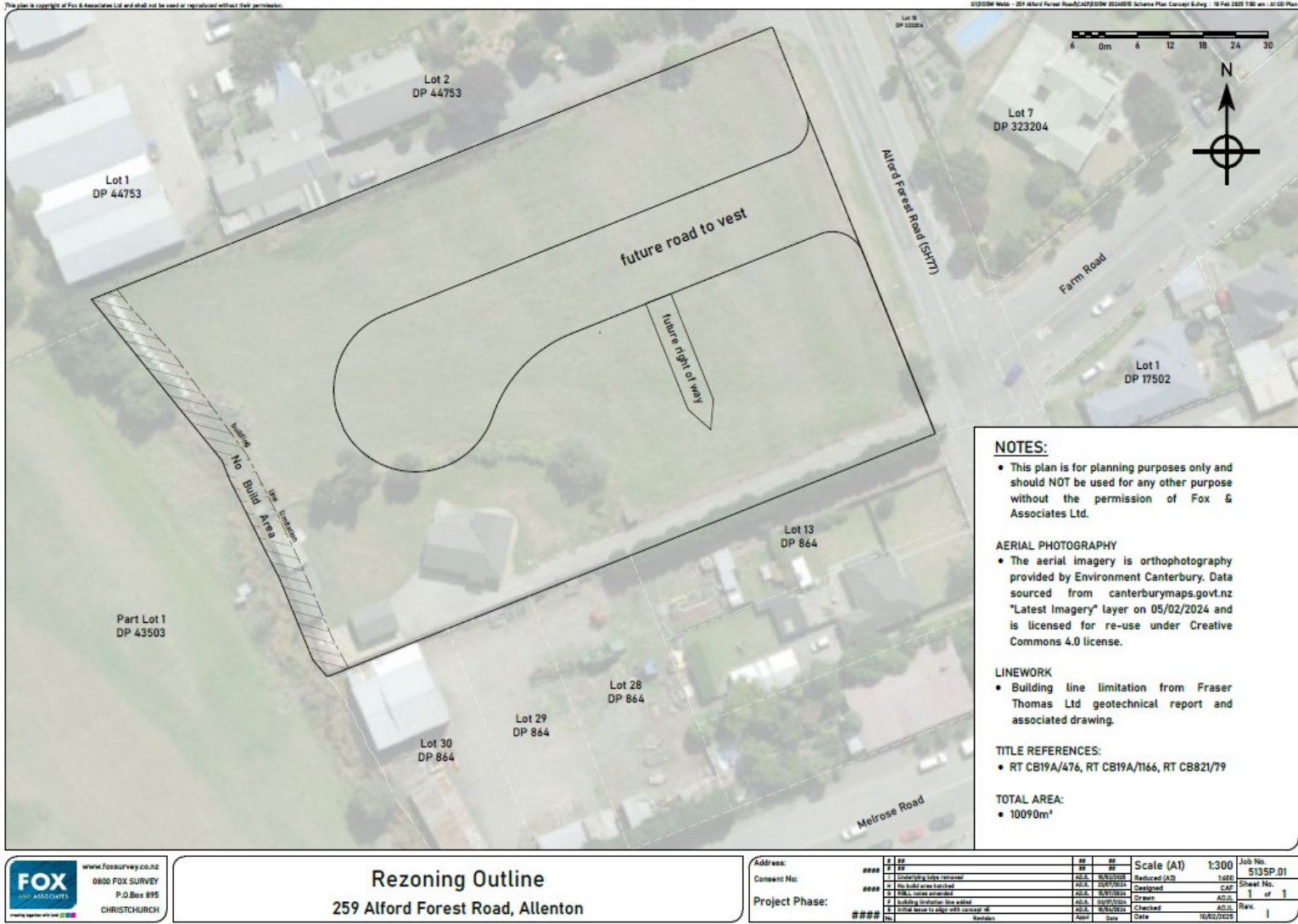
### 9.8 General Standards

...

#### **9.8.12 Pajanti Outline Development Plan**

- a) **Any subdivision and/or development within the Pajanti Outline Development Plan shall be in general accordance with the Outline Development Plan in Appendix 4-7**

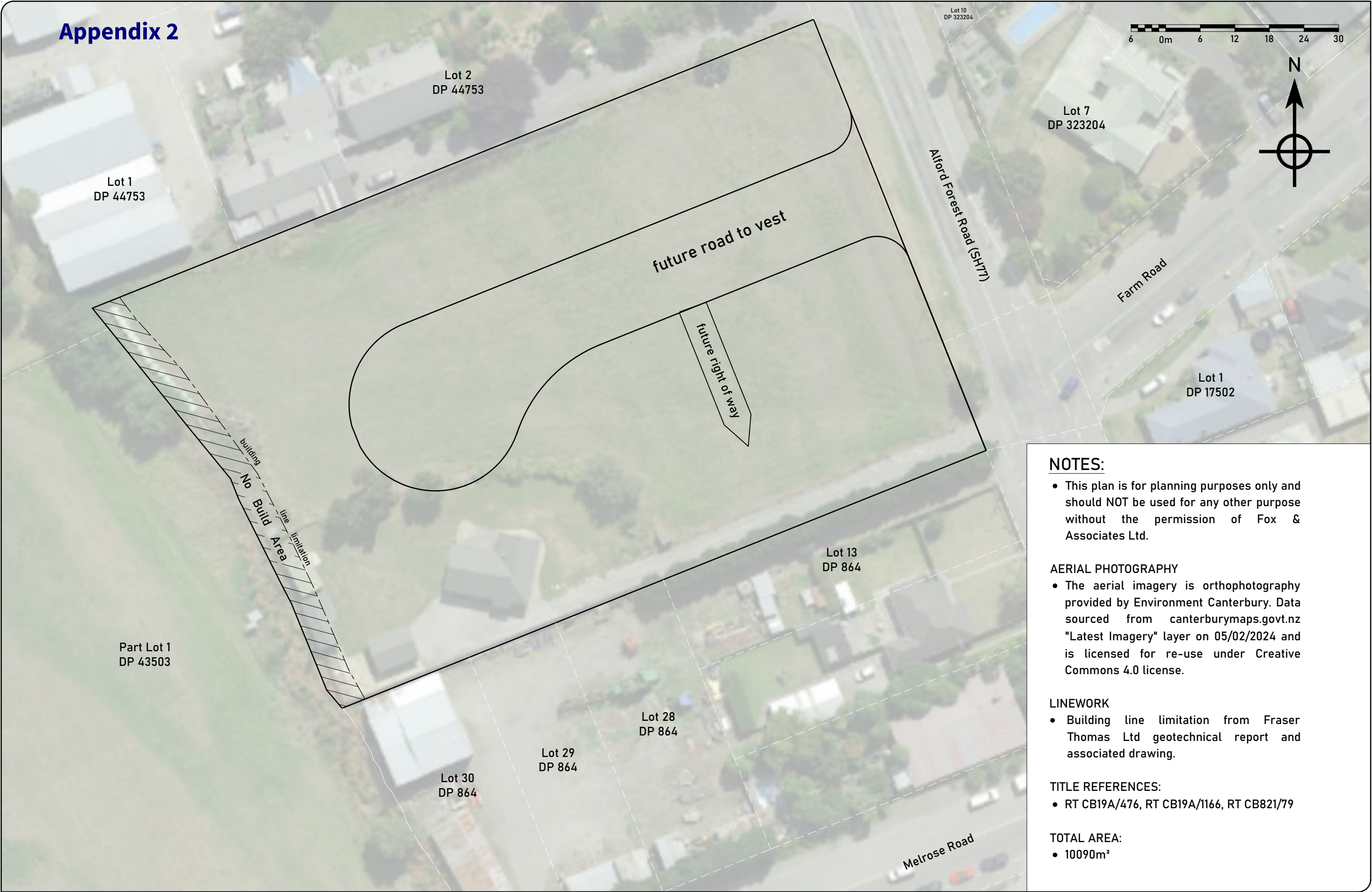
Appendix 4-7: Pajanti Outline Development Plan (Residential C Zone)



## Appendix Two: Summary of Submissions with Commissioners' Recommendations

Submitter	Submission No.	Decision No.	Summary of relief sought	Recommendation
New Zealand Transport Agency - Waka Kotahi (NZTA)	S1	S1.1	<ul style="list-style-type: none"> <li>• That the proposed road to be vested with Council remain in the location shown in the Pajanti Outline Development Plan (ODP).</li> <li>• NZTA previously advised that the new road should be setback from the Farm Road intersection. The ODP illustrates this, and the proposed new road location is acceptable to NZTA.</li> <li>• Further approval from NZTA will be required at the time of subdivision consent under the District Plan and under the Government</li> </ul>	Accept in full
Canterbury Regional Council	S2	S2.1	<ul style="list-style-type: none"> <li>• Environment Canterbury neither supports nor opposes the proposal. The proposal is generally consistent with the objectives and policies of the operative Canterbury Regional Policy Statement (CRPS).</li> <li>• Relevant CRPS policies include 5.3.1, 5.3.2, 5.3.3, 5.3.5, 11.3.1, 9.3.1, and 17.3.2.</li> </ul>	Accept in full







## ***11. Naming of Private Right of Way – Camrose Estate***

Author	<i>Brad Thomson; District Planning Manager</i>
Activity Manager	<i>Brad Thomson; District Planning Manager</i>
Executive Team Member	<i>Ian Hyde; Group Manager Compliance &amp; Development</i>

### **Summary**

- The purpose of this report is to name a private right of way serving 6 allotments to be developed under subdivision SUB22/0054. This relates to a multi stage subdivision known as Camrose Estate off Grace Ireland Drive, Methven.
- There is no statutory requirement to name a private right of way.
- Council has an adopted Naming Policy which is used when assessing proposals to name roads and private rights of way.
- The applicant has proposed only one name “Don Church Lane” which is not compliant with the Policy.

### **Recommendation**

1. **That** Council declines the application to name the right-of-way to be developed as part of subdivision SUB22/0077, known as Camrose Estate, located off Grace Ireland Drive, Methven, due to the non-compliance of the application with Council’s Naming Policy.

### **Attachment**

#### **Appendix 1** Road naming application plan

## Background

### The current situation

1. The right of way under discussion forms part of the “Camrose” residential subdivision in Methven and serves six residential properties. The right of way is shown in Appendix 1 to this report and is highlighted in yellow on it.
2. There is no statutory requirement for private rights of way to be named but Council’s Naming Policy provides the option for applicants make a request to Council that they be named when serving six or more properties.
3. The applicants have applied to name the right of way but have offered and justified only one name in this instance, this is inconsistent with the Policy which requires three options to be provided to Council.
4. The applicants have acknowledged the three options required by the Policy but have clarified that the one name provided was intentional and if it is not accepted they are content for the right of way to remain un-named.
5. The justification for the name proposed by the applicants is summarised below:

*We wish to name the Right of Way **"Don Church Lane"** to recognise the late Donald George Church (26/12/37 - 18/08/22). Donald, or Don to all that knew him, was a lifelong resident of Ashburton and had a massive influence in the Mid-Canterbury, and especially Methven, business community. This included in latter years chairing the successful Methven Memorial Hall upgrade committee as well as founding with me and going on to chair Camrose Estates Limited until his passing. Camrose Estates Limited was founded to create value for the Lochhead Charitable Trust that has donated millions to the Methven community including towards Methven’s only Rest Home allowing its timely expansion. Don was also an especially avid skier at Mt Hutt right through to his 80’s.*

- The applicants also note that they have consulted with Mr Church’s family who support the proposal.

#### **Offered name: Don Church Lane**

6. Officers have reviewed the requested name and have vetted it against the applicable standards.
7. It is considered that the preferred name demonstrates a suitable relationship to its environment and the history of the area as expected within the Council’s naming policy.
8. The use of the suffix “Lane” is appropriate given the status of the access as a private right of way.

## Options analysis

### Option one – Do nothing (Preferred option)

- While the name proposed meets the criteria in Council's Naming Policy and applicable addressing standards, the lack of provided alternatives is contrary to the requirements for application under the Policy.
- As per AS/NZS (Addressing standards), naming of a short road (culdesac/private accessway) which is not proposed to be lengthened or have any additional sites need not be separately named. It may be treated as a simple access way or driveway and address numbers assigned in terms of the road onto which the culdesac connects. This means that the discretion to name rests with Council.
- If Council accepts officers recommendation to not accept the proposal, the name may be offered for consideration in future naming applications.

<b>Advantages:</b> <ul style="list-style-type: none"><li>• Council's Naming Policy is protected</li></ul>	<b>Disadvantages:</b> <ul style="list-style-type: none"><li>• None, there is no requirement to name a private right of way.</li></ul>
<b>Risks:</b> None identified.	

### Option two – Name the road

9. While there is no obvious reason from a staff perspective for the rejection of the nominated name itself, the process by which it has been proposed could encourage other proposals which are non compliant with Council Policy and cause difficulty in implementing Council policy consistently in the future.

<b>Advantages:</b> <ul style="list-style-type: none"><li>• None identified.</li></ul>	<b>Disadvantages:</b> <ul style="list-style-type: none"><li>• Inconsistent with the Naming Policy.</li></ul>
<b>Risks:</b> May create a precedent for future naming applications.	

## Legal/policy implications

### Legislation (Statutes & Regulations)

- The right of way is not a legal road as defined within the Local Government Act 1974 and therefore [Clause 319\(j\)](#) which relates to the powers of councils in respect to roads and includes naming responsibilities which do not apply as they would a vested road.
- Accordingly, there are no statutory implications other than to inform LINZ and other affected stakeholders of the new name if adopted.

### **Council Strategies, Plans, Policies, Bylaws**

- Ashburton District Council has adopted a policy on naming. Section 1.2 is of particular relevance to this application. This section states:

*Applications should include three proposed names in order of preference, together with a brief explanation of the background to each of the names proposed on the application form provided by Council. Applicants will be contacted if further information is required.*

- The complete Naming Policy can be found [here](#).

### **Climate change**

10. This naming report does not have a direct impact on climate change

### **Strategic alignment**

11. The recommendation relates to Council's community outcome of Social because of the following

Wellbeing		Reasons why the recommended outcome has an effect on this wellbeing
Economic	X	None
Environmental	X	None
Cultural	X	None
Social	X	None

### **Financial implications**

Requirement	Explanation
What is the cost?	N/A
Is there budget available in LTP / AP?	N/A
Where is the funding coming from?	If a name is adopted, costs associated with the naming are borne by the applicant/developer.
Are there any future budget implications?	N/A
Reviewed by Finance	Not required.

## Significance and engagement assessment

Requirement	Explanation
Is the matter considered significant?	No
Level of significance	Low
Rationale for selecting level of significance	The recommendation scores low significance
Level of engagement selected	Inform
Rationale for selecting level of engagement	The recommended option will not require any wider engagement to be taken. The applicant will be informed of Council's decision following the Council meeting.
Reviewed by Strategy & Policy	Mark Low; Strategy & Policy Manager

## Appendix 1 – Road naming application plan

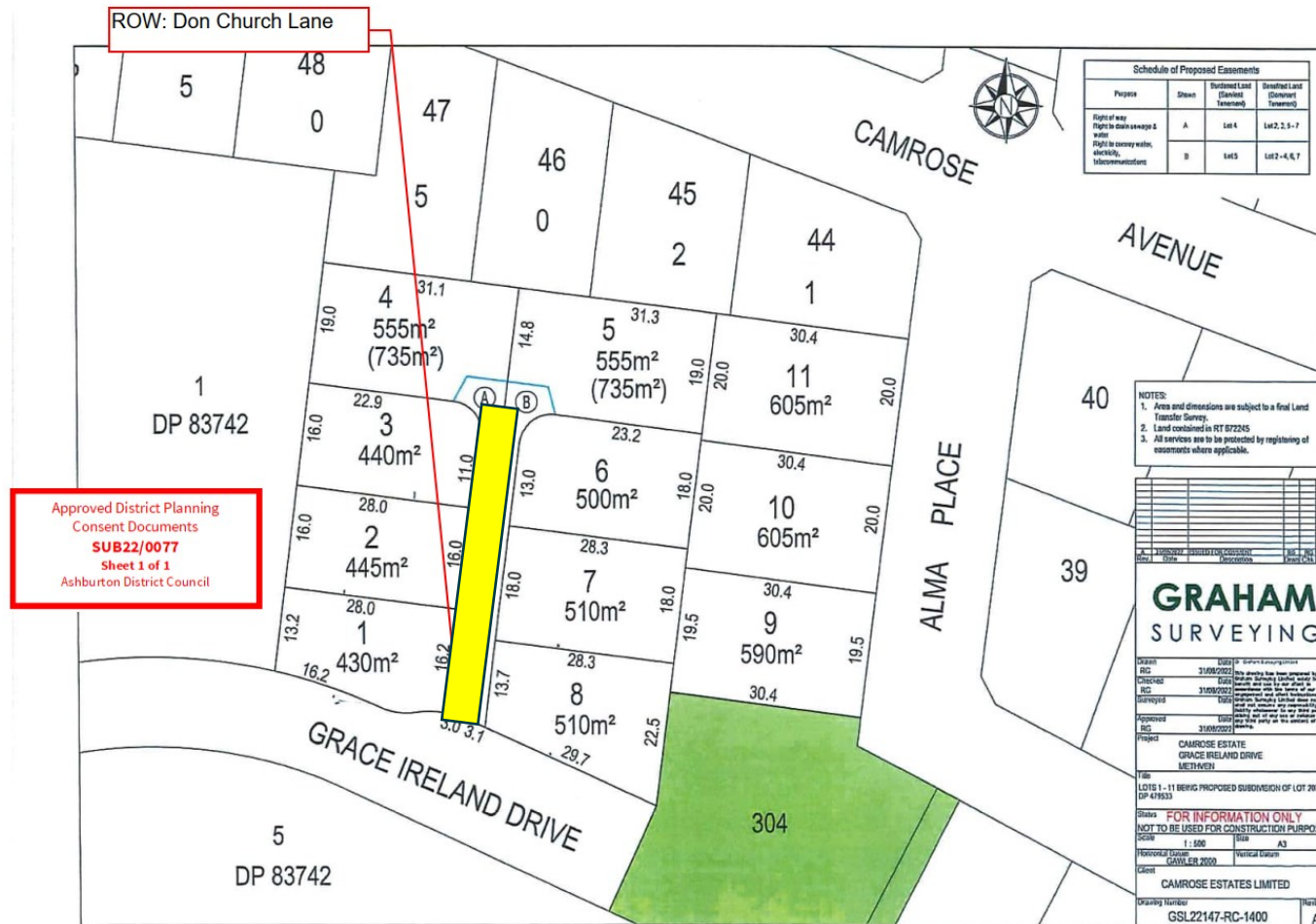


Figure 1 - Right of way to be named (in yellow)

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## ***12. Financial Report***

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

### **Attachments**

Financial variance report – 28 February 2025

### **Recommendation**

<p><b>That</b> Council receives the February 2025 financial variance report.</p>
--

***Ashburton District Council  
Financial Variance Report  
For the period ending  
28 February 2025***



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.

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## Income and Expenditure – Overview

For period ending 28 February 2025

<b>\$64.11 M</b> Actual YTD Operating Income	<b>\$97.17 M</b> Revised Budget Full Year Operating Income	<b>(\$33.06) M</b> Variance Operating Income	<b>66%</b> % of Revised Budget Operating Income
<b>\$57.93 M</b> Actual YTD Operating Expenditure	<b>\$89.43 M</b> Revised Budget Full Year Operating Expenditure	<b>(\$31.51) M</b> Variance Operating Expenditure	<b>65%</b> % of Revised Budget Operating Expenditure
<b>\$4.01 M</b> Actual YTD Capital Income	<b>\$37.04 M</b> Revised Budget Full Year Capital Income	<b>(\$33.04) M</b> Variance Capital Income	<b>11%</b> % of Revised Budget Capital Income
<b>\$25.94 M</b> Actual YTD Capital Expenditure	<b>\$59.76 M</b> Revised Budget Full Year Capital Expenditure	<b>(\$33.81) M</b> Variance Capital Expenditure	<b>43%</b> % of Revised Budget Capital Expenditure
<b>\$5.00 M</b> Actual YTD Loans Repaid	<b>\$10.42 M</b> Revised Budget Full Year Loans Repaid	<b>(\$5.42) M</b> Variance Loans Repaid	<b>48%</b> % of Revised Budget Loans Repaid

This report is for the first 8 months or 67% of the year.

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

## Income and Expenditure – Summary

For period ending 28 February 2025

	Actual YTD	Full Year Revised Budget	Variance	Percentage of Revised Budget
<b>Revenue</b>				
Rates	35,615,897	52,448,857	(16,832,960)	68%
Fees and Charges	8,370,235	12,033,675	(3,663,439)	70%
Subsidies and Grants	8,228,679	12,841,317	(4,612,638)	64%
Finance Income	580,206	450,000	130,206	129%
Other Revenue	4,187,029	6,805,006	(2,617,977)	62%
Other Sales	656,383	1,502,276	(845,893)	44%
Development / Financial Contributions	1,408,687	900,000	508,687	157%
Gain on Sale of Assets	703,005	3,884,000	(3,180,995)	18%
Vested Assets	4,359,332	6,305,000	(1,945,668)	69%
<b>Total Revenue</b>	<b>64,109,453</b>	<b>97,170,131</b>	<b>(33,060,678)</b>	<b>66%</b>
<b>Operating Expenditure</b>				
Payments to Staff and Suppliers	40,133,699	63,389,747	(23,256,047)	63%
Finance Costs	4,132,408	6,610,187	(2,477,779)	63%
Other Expenses	567,683	145,700	421,983	390%
Depreciation	13,092,613	19,285,939	(6,193,326)	68%
<b>Total Expenditure</b>	<b>57,926,403</b>	<b>89,431,572</b>	<b>(31,505,169)</b>	<b>65%</b>
<b>Net operating surplus (deficit)</b>	<b>6,183,050</b>	<b>7,738,558</b>	<b>(1,555,508)</b>	<b>80%</b>
<b>Capital Income</b>				
Loans Raised	0	34,944,703	(34,944,703)	0%
Land Sales	1,418,826	0	1,418,826	0%
Other Asset Sales & Disposals	2,586,750	2,100,000	486,750	123%
<b>Total Capital Income</b>	<b>4,005,576</b>	<b>37,044,703</b>	<b>(33,039,127)</b>	<b>11%</b>
<b>Capital Expenditure</b>				
Infrastructural Assets	2,799,522	19,247,400	(16,447,878)	15%
Cyclic Renewals	13,387,586	20,844,825	(7,457,239)	64%
Plant	293,366	611,957	(318,591)	48%
Additions/Alterations	3,699,462	10,248,069	(6,548,607)	36%
Other Assets	5,624,109	8,805,335	(3,181,226)	64%
<b>Total capital expenditure</b>	<b>25,943,089</b>	<b>59,757,586</b>	<b>(33,814,496)</b>	<b>43%</b>
Loan Repayments	5,000,000	10,421,283	(5,421,283)	48%
<b>Total capital to be funded</b>	<b>26,937,513</b>	<b>33,134,166</b>	<b>(6,196,653)</b>	<b>81%</b>

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

# Transportation – Income & Expenditure Report

For period ending 28 February 2025

	Actual YTD	Revised Budget Full Year	Variance	Percentage of Revised Budget	Permanent Variance
<b>Operating Income</b>					
Footpaths	798,271	1,570,605	(772,335)	51%	Yes
Roading	13,756,104	21,591,662	(7,835,558)	64%	No
	14,554,375	23,162,267	(8,607,892)	63%	
<b>Operating Expenditure</b>					
Footpaths	973,633	1,465,525	(491,892)	66%	No
Roading	11,568,153	18,971,267	(7,403,114)	61%	No
	12,541,786	20,436,792	(7,895,006)	61%	
<b>Capital Income</b>					
Roading	0	2,600,000	(2,600,000)	0%	No
	0	2,600,000	(2,600,000)	0%	
<b>Capital Expenditure</b>					
Footpaths	166,897	683,000	(516,104)	24%	Yes
Roading	9,472,921	11,955,739	(2,482,818)	79%	No
	9,639,818	12,638,739	(2,998,921)	76%	
<b>Loan Repayments</b>					
Footpaths	43,363	26,281	17,082	165%	
Roading	181,498	544,971	(363,473)	33%	No
	224,861	571,252	(346,391)	39%	

The above financials include the following:

Development Contributions	0	0	0	0%
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The above financials do not include the following:

Vested Assets	1,990,369	2,150,000	(159,631)	93%
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The above financials do not include appropriations - to and from activities.

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

Budgeted Loan Repayments for the current year are actioned at year end.

## Transportation – Operating Income

### Footpaths

**\$772,335U**

#### *Reason for variance*

34% of requested footpath budget was approved by NZTA so the lower expenditure will result in less subsidy for footpaths.

## Transportation – Capital Expenditure

### Footpaths

**\$516,104F**

#### *Reason for variance*

NZTA approved 34% of our requested budget for footpaths. The actual spend will match what has been approved by NZTA so there will be an underspend against the Council budget.

### Roading

**\$2,482,818F**

#### *Reason for variance*

Expenditure to date is 79% because of the reseals and rehabilitations that are mostly completed so end of year expenditure will still be within budget.

# Drinking Water – Income & Expenditure Report

For period ending 28 February 2025

	Actual YTD	Revised Budget Full Year	Variance	Percentage of Revised Budget	Permanent Variance
<b>Operating Income</b>					
Group Water Supplies	5,690,757	8,157,292	(2,466,534)	70%	Yes
Montalto Water Supply	268,126	399,800	(131,674)	67%	No
Lyndhurst Water Supply	15,102	18,457	(3,355)	82%	
Barhill Water Supply	8,499	3,945	4,554	215%	
	5,982,485	8,579,494	(2,597,009)	70%	
<b>Operating Expenditure</b>					
Group Water Supplies	5,474,935	7,683,147	(2,208,212)	71%	Yes
Montalto Water Supply	245,058	403,728	(158,670)	61%	No
Lyndhurst Water Supply	3,752	5,409	(1,657)	69%	
Barhill Water Supply	1,099	1,566	(466)	70%	
	5,724,844	8,093,850	(2,369,006)	71%	
<b>Capital Income</b>					
Group Water Supplies	0	14,062,349	(14,062,349)	0%	No
	0	14,446,879	(14,446,879)	0%	
<b>Capital Expenditure</b>					
Group Water Supplies	2,933,391	15,409,174	(12,475,783)	19%	Yes
Montalto Water Supply	3,086	399,530	(396,445)	1%	Yes
	2,936,477	15,808,704	(12,872,227)	19%	
<b>Loan Repayments</b>					
Group Water Supplies	557,559	1,876,785	(1,319,226)	30%	No
Montalto Water Supply	0	18,192	(18,192)	0%	
Lyndhurst Water Supply	9,317	13,048	(3,731)	71%	
Barhill Water Supply	2,446	2,379	67	103%	
	569,322	1,910,404	(1,341,082)	30%	
<i>The above financials include the following:</i>					
Development Contributions	288,803	177,015	111,788	163%	
<i>The above financials do not include the following:</i>					
Vested Assets	235,202	660,000	(424,798)	36%	

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

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

*Budgeted Loan Repayments for the current year are actioned at year end.*

## Drinking Water – Operating Income

### Group Water Supplies

**\$2,466,534U**

#### *Reason for variance*

The Capital Services Contributions (AKA Development Contributions) are ~77k above the full year budget and will be a permanent favourable variance at 30 June. Forecasting a final favorable variance of ~\$170k. The budgets for these items did not reflect the increased development contribution fee structure finally adopted in the Long Term Plan. This has been addressed for the Y2 budgets.

## Drinking Water – Operating Expenditure

### Group Water Supplies

**\$2,208,212F**

#### *Reason for variance*

Expenditure on the Maintenance Contracts is (28% or \$352k) above YTD budget. This is driven partly the volume of reactive works being much higher than that anticipated at time of budget preparation and the cost (and subsequent maintenance impact) of undertaking the annual leak detection programme. This item is being closely monitored but at this stage there is a forecast unfavourable variance in operating expenditure overall of ~\$200k expected at 30 June.

## Drinking Water – Capital Expenditure

### Group Water Supplies

**\$12,475,783F**

#### *Reason for variance*

There will be a delay in the delivery of the UV Upgrade Programme relating to supply chain issues. It is understood to be a longer lead-in time for the UV equipment supply (larger units) than originally allowed for in ADC programmes. In an effort to limit the impact on the wider programme, the key UV equipment has been purchased by Council. It is envisaged the project will now be fully completed by December 2025. At this point an estimated favourable variance of ~\$3.0M is anticipated at 30 June 25, and will be subject to a carryover request.

### Montalto Water Supply

**\$396,445F**

#### *Reason for variance*

This budget is carry over funding to support ongoing investigations and ultimately design of an upgrade solution for the supply. Following discussions with Taumata Arowai we anticipate changes to the Drinking Water Acceptable Solution for Mixed Use Rural Water Supplies which may make point of entry treatment a viable solution. On this basis, we are progressing a pilot trial of units at three sites to evaluate the performance of point of entry treatment. We envisage that the limited expenditure associated with the pilot trial against this budget will result in a forecast favourable variance of ~\$300k at 30 June.

# Wastewater – Income & Expenditure Report

For period ending 28 February 2025

	Actual YTD	Revised Budget Full Year	Variance	Percentage of Revised Budget	Permanent Variance
<b>Operating Income</b>					
Ashburton Wastewater	3,988,577	6,001,392	(2,012,815)	66%	No
Methven Wastewater	498,279	540,205	(41,927)	92%	Yes
Rakaia Wastewater	241,413	561,416	(320,002)	43%	No
	4,728,269	7,103,013	(2,374,744)	67%	
<b>Operating Expenditure</b>					
Ashburton Wastewater	4,055,337	5,502,186	(1,446,849)	74%	Yes
Methven Wastewater	308,652	538,517	(229,865)	57%	No
Rakaia Wastewater	280,098	564,074	(283,975)	50%	No
	4,644,087	6,604,776	(1,960,689)	70%	
<b>Capital Income</b>					
Ashburton Wastewater	0	5,618,171	(5,618,171)	0%	No
	0	5,618,171	(5,618,171)	0%	
<b>Capital Expenditure</b>					
Ashburton Wastewater	1,474,845	7,363,725	(5,888,880)	20%	Yes
Methven Wastewater	32,338	134,037	(101,699)	24%	No
Rakaia Wastewater	1,343,741	0	1,343,741	0%	Yes
	2,850,923	7,497,762	(4,646,839)	38%	
<b>Loan Repayments</b>					
Ashburton Wastewater	1,074,929	1,087,337	(12,409)	99%	
Methven Wastewater	11,623	16,277	(4,654)	71%	
Rakaia Wastewater	3,978	13,711	(9,733)	29%	
	1,090,529	1,117,325	(26,796)	98%	

The above financials include the following:

Capital Services Contribution	234,754	462,856	(228,102)	51%
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The above financials do not include the following:

Vested Assets	1,172,259	2,630,000	(1,457,741)	45%
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The above financials do not include appropriations - to and from activities.

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

Budgeted Loan Repayments for the current year are actioned at year end.



## Wastewater – Operating Income

### Methven Wastewater

**\$41,927U**

#### *Reason for variance*

The Methven Targeted Rates and Capital Services Contributions are above the year to date budget and will be a permanent favourable variance. This is due to a higher quantity of properties becoming rateable than when the budget was set. A favorable variance of ~\$140k is anticipated at 30 June.

## Wastewater – Operating Expenditure

### Ashburton Wastewater

**\$1,446,849F**

#### *Reason for variance*

Expenditure on the Maintenance Contracts is (40% or \$204k) above the YTD budget. This is driven partly the volume of reactive works being much higher than that anticipated at time of budget preparation and the cost (and associated maintenance impact) of undertaking the annual CCTV condition assessment with some of these costs still pending. This item is being closely monitored but at this stage there is a forecast unfavourable variance in operating expenditure overall of ~\$150k expected at 30 June.

## Wastewater – Capital Expenditure

### Ashburton Wastewater

**\$5,888,880F**

#### *Reason for variance*

The majority of the Ashburton capital budget comprises \$4.0M allocated for the Grit Chamber Pipeline Renewal and \$3.0M for the Rakaia Sludge Beds project. Both of these projects have been tendered and due to very favourable tender prices, the forecast total expenditure for both projects will fall in the range \$4.0-4.5M. This indicates a forecast favourable variance of \$2.5-3.0M at 30 June, and will therefore reduce the total borrowing required for these projects.

### Rakaia Wastewater

**\$1,343,741U**

#### *Reason for variance*

The expenditure relates to the Rakaia Sludge Beds project. The budget for this project is sitting in the Ashburton wastewater capital area so any expenditure in the Rakaia cost centre will be fully offset by the available budget in the Ashburton cost centre.

## Stormwater – Income & Expenditure Report

For period ending 28 February 2025

	Actual YTD	Revised Budget Full Year	Variance	Percentage of Revised Budget	Permanent Variance
<b>Operating Income</b>					
Ashburton Stormwater	897,309	1,314,555	(417,246)	68%	No
Methven Stormwater	70,279	102,934	(32,655)	68%	
Rakaia Stormwater	18,060	26,451	(8,391)	68%	
Hinds Stormwater	4,969	6,926	(1,957)	72%	
Rural Stormwater	35,056	51,345	(16,289)	68%	
	1,025,673	1,502,211	(476,538)	68%	
<b>Operating Expenditure</b>					
Ashburton Stormwater	847,598	1,541,173	(693,575)	55%	No
Methven Stormwater	55,162	104,268	(49,106)	53%	
Rakaia Stormwater	15,838	40,219	(24,381)	39%	
Hinds Stormwater	4,675	6,929	(2,254)	67%	
Rural Stormwater	442	51,345	(50,903)	1%	
	923,715	1,743,934	(820,219)	53%	
<b>Capital Income</b>					
Ashburton Stormwater	0	135,698	(135,698)	0%	No
	0	135,698	(135,698)	0%	
<b>Capital Expenditure</b>					
Ashburton Stormwater	0	135,698	(135,698)	0%	No
	0	135,698	(135,698)	0%	
<b>Loan Repayments</b>					
Ashburton Stormwater	195,609	173,989	21,620	112%	
Methven Stormwater	5,383	7,539	(2,156)	71%	
	200,992	181,528	19,464	111%	

The above financials include the following:

Development Contributions	0	0	0	0%
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The above financials do not include the following:

Vested Assets	376,048	865,000	(488,952)	43%
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The above financials do not include appropriations - to and from activities.

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

Budgeted Loan Repayments for the current year are actioned at year end.

## Stockwater – Income & Expenditure Report

For period ending 28 February 2025

	Actual YTD	Revised Budget Full Year	Variance	Percentage of Revised Budget	Permanent Variance
<b>Operating Income</b>					
Stockwater	1,025,311	1,462,895	(437,584)	70%	No
	1,025,311	1,462,895	(437,584)	70%	
<b>Operating Expenditure</b>					
Stockwater	758,484	1,429,295	(670,811)	53%	Yes
	758,484	1,429,295	(670,811)	53%	
<b>Capital Income</b>					
Stockwater	0	90,595	(90,595)	0%	
	0	90,595	(90,595)	0%	
<b>Capital Expenditure</b>					
Stockwater	0	90,595	(90,595)	0%	
	0	90,595	(90,595)	0%	
<b>Loan Repayments</b>					
Stockwater	12,620	23,360	(10,740)	54%	
	12,620	23,360	(10,740)	54%	

The above financials include the following:

0	0	0	0%
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The above financials do not include the following:

0	0	0	0%
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The above financials do not include appropriations - to and from activities.

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

Budgeted Loan Repayments for the current year are actioned at year end.

## Stockwater – Operating Expenditure

### Stockwater

**\$670,811F**

#### ***Reason for variance***

Expenditure on the Maintenance Contracts is (24% or \$81k) below the YTD budget. This is driven primarily by the relatively stable period in our source rivers and limited interventions required to reinstate intakes. This item is being closely monitored but at this stage there is a forecast favourable variance in operating expenditure overall of ~\$100k expected at 30 June.

# Waste Reduction & Recycling – Income & Expenditure Report

For period ending 28 February 2025

	Actual YTD	Revised Budget Full Year	Variance	Percentage of Revised Budget	Permanent Variance
<b>Operating Income</b>					
Refuse Collection	1,974,701	2,778,247	(803,546)	71%	No
Refuse Management	3,559,987	5,466,138	(1,906,151)	65%	No
	5,534,688	8,244,385	(2,709,696)	67%	
<b>Operating Expenditure</b>					
Refuse Collection	1,999,676	2,773,785	(774,109)	72%	No
Refuse Management	3,943,443	5,442,803	(1,499,359)	72%	No
	5,943,119	8,216,587	(2,273,468)	72%	
<b>Capital Income</b>					
Refuse Management	0	366,183	(366,183)	0%	No
	0	366,183	(366,183)	0%	
<b>Capital Expenditure</b>					
Refuse Management	365,030	749,000	(383,970)	49%	No
	365,030	749,000	(383,970)	49%	
<b>Loan Repayments</b>					
Refuse Collection	3,186	4,462	(1,276)	71%	
Refuse Management	19,787	44,564	(24,777)	44%	
	22,973	49,026	(26,053)	47%	
<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.*

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

*Budgeted Loan Repayments for the current year are actioned at year end.*

## Recreation Facilities – Income & Expenditure Report

For period ending 28 February 2025

	Actual YTD	Revised Budget Full Year	Variance	Percentage of Revised Budget	Permanent Variance
<b>Operating Income</b>					
Ashburton Museum and Art Gallery	1,870,428	2,729,736	(859,308)	69%	No
Library	1,606,232	2,361,687	(755,455)	68%	No
Recreation Facilities and Services	4,203,955	6,536,913	(2,332,959)	64%	No
	7,680,614	11,628,337	(3,947,722)	66%	
<b>Operating Expenditure</b>					
Ashburton Museum and Art Gallery	1,716,705	2,770,309	(1,053,604)	62%	No
Library	1,926,015	2,292,693	(366,678)	84%	Yes
Recreation Facilities and Services	4,280,336	6,600,091	(2,319,755)	65%	No
	7,923,056	11,663,093	(3,740,037)	68%	
<b>Capital Income</b>					
Recreation Facilities and Services	0	457,020	(457,020)	0%	No
	0	457,020	(457,020)	0%	
<b>Capital Expenditure</b>					
Ashburton Museum and Art Gallery	571,433	672,000	(100,567)	85%	No
Library	118,346	171,300	(52,954)	69%	
Recreation Facilities and Services	426,826	1,035,500	(608,675)	41%	No
	1,116,604	1,878,800	(762,196)	59%	
<b>Loan Repayments</b>					
Library	0	14,969	(14,969)	0%	
Recreation Facilities and Services	12,800	10,822	1,978	118%	
	12,800	25,791	(12,991)	50%	
<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.*

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

*Budgeted Loan Repayments for the current year are actioned at year end.*

## Recreation Facilities – Operating Expenditure

### Library

**\$366,678F**

The depreciation and operational cost of Te Whare Whakare is higher than budgeted. This will cause a permanent variance in the Library activity as it received 43% of these costs due to the footprint of the area.

# Recreation & Community Services – Income & Expenditure Report

For period ending 28 February 2025

	Actual YTD	Revised Budget Full Year	Variance	Percentage of Revised Budget	Permanent Variance
<b>Operating Income</b>					
Public Conveniences	508,711	736,597	(227,886)	69%	No
Elderly Persons Housing	2,100,653	2,394,410	(293,757)	88%	No
Memorial Halls	329,160	359,371	(30,211)	92%	
Reserves and Camping Grounds	792,109	1,027,321	(235,213)	77%	No
Reserve Boards	606,965	794,030	(187,065)	76%	No
Community Safety	51,885	76,599	(24,714)	68%	
	4,389,482	5,388,328	(998,846)	81%	
<b>Operating Expenditure</b>					
Public Conveniences	274,017	522,287	(248,270)	52%	No
Elderly Persons Housing	564,437	842,572	(278,135)	67%	No
Memorial Halls	520,615	666,058	(145,443)	78%	Yes
Reserves and Camping Grounds	683,117	1,026,121	(343,004)	67%	No
Reserve Boards	423,512	774,795	(351,283)	55%	No
Community Safety	69,498	76,599	(7,101)	91%	
	2,535,195	3,908,431	(1,373,236)	65%	
<b>Capital Income</b>					
Elderly Persons Housing	0	857,417	(857,417)	0%	No
Reserves and Camping Grounds	0	91,713	(91,713)	0%	
Reserve Boards	0	14,117	(14,117)	0%	
	0	963,247	(963,247)	0%	
<b>Capital Expenditure</b>					
Public Conveniences	314,297	470,000	(155,704)	67%	No
Elderly Persons Housing	2,381,553	2,821,959	(440,406)	84%	No
Memorial Halls	6,295	0	6,295	0%	
Reserves and Camping Grounds	38,623	91,713	(53,090)	42%	
Reserve Boards	142,689	72,117	70,572	198%	
	2,883,456	3,455,789	(572,333)	83%	
<b>Loan Repayments</b>					
Public Conveniences	179,905	24,796	155,109	726%	No
Elderly Persons Housing	7,090	48,432	(41,342)	15%	
Reserves and Camping Grounds	1,608	1,200	408	134%	
Reserve Boards	10,416	37,211	(26,795)	28%	
	199,019	111,639	87,380	178%	
<i>The above financials include the following:</i>					
Development Contributions	300	0	300	0%	
<i>The above financials do not include the following:</i>					
Vested Assets	585,454	0	585,454	0%	

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

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

*Budgeted Loan Repayments for the current year are actioned at year end.*



## Recreation & Community Services – Operating Expenditure

### **Memorial Halls**

**\$145,443F**

#### ***Reason for variance***

There will be a permanent unfavourable variance of due to increased insurance costs.

# Economic Development – Income & Expenditure Report

For period ending 28 February 2025

	Actual YTD	Revised Budget Full Year	Variance	Percentage of Revised Budget	Permanent Variance
<b>Operating Income</b>					
Commercial Property	3,422,530	7,656,558	(4,234,028)	45%	No
Business & Economic Development	738,597	1,020,304	(281,707)	72%	No
District Promotion	247,756	364,241	(116,485)	68%	No
Forestry	0	454,220	(454,220)	0%	Yes
	4,408,883	9,495,323	(5,086,440)	46%	
<b>Operating Expenditure</b>					
Commercial Property	5,388,536	8,029,186	(2,640,650)	67%	Yes
Business & Economic Development	651,784	1,149,304	(497,520)	57%	No
District Promotion	162,711	280,183	(117,473)	58%	No
Forestry	148,411	415,406	(266,995)	36%	Yes
	6,351,442	9,874,080	(3,522,638)	64%	
<b>Capital Income</b>					
Commercial Property	1,812,576	11,214,807	(9,402,231)	16%	Yes
	1,812,576	11,214,807	(9,402,231)	16%	
<b>Capital Expenditure</b>					
Commercial Property	1,005,956	9,299,807	(8,293,851)	11%	Yes
	1,005,956	9,299,807	(8,293,851)	11%	
<b>Loan Repayments</b>					
Commercial Property	2,323,684	5,967,749	(3,644,065)	39%	No
	2,323,684	5,967,749	(3,644,065)	39%	

The above financials include the following:

Development Contributions	0	0	0	0%
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The above financials do not include the following:

Vested Assets	0	0	0	0%
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The above financials do not include appropriations - to and from activities.

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

Budgeted Loan Repayments for the current year are actioned at year end.

## Economic Development – Operating Income

### Forestry

**\$454,220U**

#### *Reason for variance*

Forestry harvest of one block is no longer anticipated to occur in the 2024/25 financial year. There will be a partial offset by way of reduced harvesting costs as a result. This will be a permanent variance.

## Economic Development – Operating Expenditure

### Commercial Property

**\$2,640,650F**

#### *Reason for variance*

There will be a permanent variance of \$290k due to increased insurance costs.

There will be a permanent favourable variance of \$120k due to reduction in commissions for ABE.

### Forestry

**\$266,995F**

#### *Reason for variance*

Forestry harvesting will be deferred to a future year as mentioned under operating income. This will be a permanent variance.

## Economic Development – Capital Income

### Commercial Property

**\$9,402,231U**

#### *Reason for variance*

\$1.349M permanent variance due to unbudgeted freeholding of two Glasgow Leases.

There may be a permanent capital income variance, there is a sales and purchase contract in place, however this is not yet unconditional.

## Economic Development – Capital Expenditure

### Commercial Property

**\$8,293,851F**

#### *Reason for variance*

\$5.5m permanent variance due to next stage of the subdivision on hold at ABE.

There will be a permanent variance for the Ashburton Art Gallery and Museum plant upgrade which is currently budgeted at \$1.9m. This will be subject to a carryover request.

# Parks & Open Spaces – Income & Expenditure Report

For period ending 28 February 2025

	Actual YTD	Revised Budget Full Year	Variance	Percentage of Revised Budget	Permanent Variance
<b>Operating Income</b>					
Cemeteries	460,418	789,611	(329,193)	58%	No
Parks and Recreation	5,609,842	6,985,429	(1,375,587)	80%	No
	6,070,260	7,775,041	(1,704,781)	78%	
<b>Operating Expenditure</b>					
Cemeteries	464,377	665,057	(200,681)	70%	No
Parks and Recreation	4,002,413	5,808,089	(1,805,677)	69%	No
	4,466,789	6,473,147	(2,006,357)	69%	
<b>Capital Income</b>					
Parks and Recreation	0	264,307	(264,307)	0%	No
	0	264,307	(264,307)	0%	
<b>Capital Expenditure</b>					
Cemeteries	7,532	117,500	(109,968)	6%	No
Parks and Recreation	320,841	788,200	(467,358)	41%	No
	328,374	905,700	(577,326)	36%	
<b>Loan Repayments</b>					
Cemeteries	10,416	72,400	(61,984)	14%	
Parks and Recreation	142,275	125,107	17,168	114%	
	152,691	197,507	(44,816)	77%	

The above financials include the following:

Development Contributions	300	0	300	0%
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The above financials do not include the following:

Vested Assets	0	0	0	0%
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The above financials do not include appropriations - to and from activities.

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

Budgeted Loan Repayments for the current year are actioned at year end.

# Community Governance & Decision Making – Income & Expenditure Report

For period ending 28 February 2025

	Actual YTD	Revised Budget Full Year	Variance	Percentage of Revised Budget	Permanent Variance
<b>Operating Income</b>					
Council	2,663,101	3,912,116	(1,249,015)	68%	No
Methven Community Board	85,595	119,737	(34,142)	71%	
Community Grants Funding	1,625,368	2,033,799	(408,431)	80%	No
District Water Management	133,942	186,514	(52,572)	72%	
	4,508,006	6,252,166	(1,744,160)	72%	
<b>Operating Expenditure</b>					
Council	2,651,256	3,944,383	(1,293,126)	67%	No
Methven Community Board	102,289	128,052	(25,764)	80%	
Community Grants Funding	1,183,707	1,815,012	(631,305)	65%	No
District Water Management	115,394	429,160	(313,766)	27%	Yes
	4,052,646	6,316,607	(2,263,961)	64%	
<b>Capital Income</b>					
Community Grants Funding	0	500,000	(500,000)	0%	No
	0	500,000	(500,000)	0%	
<b>Loan Repayments</b>					
Community Grants Funding	70,692	99,000	(28,308)	71%	
District Water Management	12,853	18,000	(5,147)	71%	
	83,545	117,000	(33,455)	71%	
<i>The above financials include the following:</i>					
Development Contributions	754,953	754,984	(31)	100%	
<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.  
Loan Repayments are for the prior year due to timing of loans maturing at year end.  
Budgeted Loan Repayments for the current year are actioned at year end.*

## Community Governance & Decision Making – Operating Expenditure

### **District Water Management**

**\$313,766F**

#### ***Reason for variance***

The Investigations budget within this cost centre is being used to fund Council's exit from the stockwater activity. Based on the SETP programme, not all of the investigations budget will be utilised by 30 June 2025. A favourable variance of at least \$110,000 is anticipated and will be the subject of a request for carry over funding. The carryover was highlighted to Council when the budgets for the stockwater transition were considered.

# Compliance and Development – Income & Expenditure Report

For period ending 28 February 2025

	Actual YTD	Revised Budget Full Year	Variance	Percentage of Revised Budget	Permanent Variance
<b>Operating Income</b>					
Environmental Health	146,155	273,322	(127,167)	53%	No
Building Regulation	1,757,254	2,843,686	(1,086,432)	62%	No
Emergency Management	168,011	248,633	(80,622)	68%	
Liquor Licensing	145,183	221,308	(76,125)	66%	
Land Information Memorandum	194,595	217,752	(23,158)	89%	
Parking	247,322	320,384	(73,061)	77%	
Animal Control**	518,119	591,852	(73,733)	88%	
Resource Consents	524,979	727,117	(202,138)	72%	No
Monitoring and Enforcement	187,480	284,712	(97,232)	66%	
Planning	401,415	592,215	(190,800)	68%	No
	4,290,513	6,320,982	(2,030,469)	68%	
<b>Operating Expenditure</b>					
Environmental Health	182,254	273,322	(91,068)	67%	
Building Regulation	1,772,921	2,843,687	(1,070,765)	62%	No
Emergency Management	75,519	98,985	(23,466)	76%	
Liquor Licensing	171,236	221,308	(50,072)	77%	
Land Information Memorandum	73,534	105,716	(32,182)	70%	
Parking	169,732	236,596	(66,864)	72%	
Animal Control	370,661	591,852	(221,191)	63%	No
Resource Consents	616,787	727,118	(110,331)	85%	No
Monitoring and Enforcement	271,981	401,473	(129,492)	68%	No
Planning	263,627	497,913	(234,286)	53%	No
	3,968,252	5,997,969	(2,029,717)	66%	
<b>Capital Expenditure</b>					
Emergency Management	47,985	39,535	8,450	121%	
	47,985	39,535	8,450	121%	
<b>Loan Repayments</b>					
Animal Control	3,142	4,400	(1,258)	71%	
Planning	103,040	144,302	(41,262)	71%	
	106,182	148,702	(42,520)	71%	

The above financials include the following:

Development Contributions	0	0	0	0%
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The above financials do not include the following:

Vested Assets	0	0	0	0%
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The above financials do not include appropriations - to and from activities.

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

Budgeted Loan Repayments for the current year are actioned at year end.

\*\*The majority of dog registration income is invoiced in July

## Miscellaneous, Dividends & Internal Overheads – Income & Expenditure Report

For period ending 28 February 2025

	Actual YTD	Revised Budget Full Year	Variance	Percentage of Revised Budget	Permanent Variance
<b>Operating Income</b>					
Dividends and Interest	1,019,706	2,250,000	(1,230,294)	45%	No
Te Whare Whakaterere	1,364,532	780,361	584,172	175%	Yes
Executive Team	1,379,708	1,924,459	(544,751)	72%	No
People & Capability	669,457	1,085,558	(416,101)	62%	No
Information Systems	2,631,682	4,271,422	(1,639,739)	62%	No
Customer Services	570,418	797,062	(226,644)	72%	No
Treasury	1,177,864	2,032,538	(854,674)	58%	No
Rates	615,896	851,788	(235,892)	72%	No
Community Relations	715,117	1,067,913	(352,796)	67%	No
Communications	668,449	1,081,044	(412,595)	62%	No
Property Administration	1,039,590	1,503,595	(464,005)	69%	No
Service Delivery	3,425,288	4,376,789	(951,501)	78%	No
Parks Administration	2,614,637	4,181,814	(1,567,177)	63%	No
Plant Operations	821,106	988,746	(167,640)	83%	No
	18,713,454	27,193,090	(8,479,636)	69%	
<b>Operating Expenditure</b>					
Dividends and Interest	560	51,988	(51,428)	1%	
Te Whare Whakaterere	1,008,492	769,109	239,384	131%	Yes
Executive Team	1,379,708	1,924,459	(544,751)	72%	No
People & Capability	669,458	1,116,059	(446,601)	60%	No
Information Systems	2,631,682	4,456,422	(1,824,739)	59%	Yes
Customer Services	570,418	797,061	(226,643)	72%	No
Treasury	1,177,864	2,210,587	(1,032,723)	53%	No
Rates	737,097	851,788	(114,692)	87%	No
Community Relations	715,117	1,079,613	(364,496)	66%	No
Communications	668,449	1,081,044	(412,595)	62%	No
Property Administration	1,039,590	1,583,593	(544,003)	66%	No
Service Delivery	3,425,289	4,410,390	(985,101)	78%	No
Parks Administration	2,614,637	4,181,814	(1,567,177)	63%	No
Plant Operations	714,233	1,076,399	(362,166)	66%	No
	17,352,595	25,590,325	(8,237,730)	68%	
<b>Capital Income</b>					
Information Systems	0	97,000	(97,000)	0%	
Plant Operations	123,000	290,796	(167,796)	42%	No
	123,000	387,796	(264,796)	32%	
<b>Capital Expenditure</b>					
Information Systems	115,769	340,500	(224,731)	34%	Yes
Plant Operations	293,366	611,957	(318,591)	48%	No
	409,135	952,457	(543,322)	43%	
<b>Loan Repayments</b>					
Te Whare Whakaterere	782	0	(782)	0%	
	782	0	(782)	0%	

The above financials include the following:

Development Contributions	0	0	0	0%
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The above financials do not include the following:

Vested Assets	0	0	0	0%
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The above financials do not include appropriations - to and from activities.

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



## Miscellaneous, Dividends & Internal Overheads – Operating Income

### **Dividends and Interest**

**\$1,230,294U**

Dividends and Interest includes dividends received from Transwaste of \$439,500. Balance is interest earned on bank funds.

## Miscellaneous, Dividends & Internal Overheads – Operating Income

### **Te Whare Whakaterere**

**\$584,172F**

There will be a permanent variance due to vacant tenancy on Level 1.

## Miscellaneous, Dividends & Internal Overheads – Operating Expenditure

### **Te Whare Whakaterere**

**\$239,384U**

Depreciation is higher than budgeted. In the LTP process, depreciation on Te Whare Whakaterere was budgeted gradually increasing each year. There will be a permanent variance at year end.

### **Information Systems**

**\$1,824,739F**

#### ***Reason for variance***

There will be a permanent variance due to vacant positions in the team year to date.

## Miscellaneous, Dividends & Internal Overheads - Capital Expenditure

### **Information Systems**

**\$224,731F**

#### ***Reason for variance***

Works planned for the year for the renewal of backup server and associated storage; and mobile device fleet are yet to commence or expenditure made.

Assessment of other forecast hardware replacements have altered requirements, resulting in forecast expenditure no longer required, and an anticipated end of year variance.

## Statement of Financial Position

As at 28 February 2025

	YTD Actual	30-Jun-24
<b>Public Equity</b>		
Ratepayers Equity	541,560,120	540,986,000
Revaluation Reserves	377,771,000	377,771,000
Funds and Reserves	66,886,543	59,688,000
	<b>986,217,663</b>	<b>978,445,000</b>
<b>Non-Current Liabilities</b>		
External Loans	135,600,000	130,600,000
Other Term Liabilities	324,344	650,000
	<b>135,924,344</b>	<b>131,250,000</b>
<b>Current Liabilities</b>		
Trade Creditors	2,368,537	3,886,385
Deposits & Bonds	1,802,928	1,835,395
Other Current Liabilities	2,976,182	210,321
Accrued Liabilities	5,409,792	8,935,898
	<b>12,557,440</b>	<b>14,868,000</b>
<b>Total Equity &amp; Liabilities</b>	<b>1,134,699,447</b>	<b>1,124,563,000</b>
<b>Fixed Assets</b>	204,300,137	208,266,445
<b>Infrastructural Assets</b>	849,706,672	859,724,310
<b>Work in Progress</b>	30,876,654	12,502,519
<b>Advances</b>	379,118	395,158
<b>Shares</b>	10,675,549	10,425,549
<b>Current Assets</b>		
Cash & Bank	17,477,919	11,057,000
Cash Investments	12,000,000	4,000,000
GST	(1,104,466)	2,216,441
Receivables	4,554,515	4,906,616
Provision for Doubtful Debts	(64,688)	(64,688)
Stock	71,888	71,888
Accruals	5,230,450	6,529,416
Other Current Assets	595,701	4,532,346
	<b>38,761,319</b>	<b>33,249,019</b>
<b>Total Assets</b>	<b>1,134,699,447</b>	<b>1,124,563,000</b>

## Net Debt and Borrowings

As at 28 February 2025

### Net Debt

135.60 M	-	19.57 M	=	116.03 M
External Loans		Liquid Assets		Net Debt

### External Borrowing

Local Government Funding	Amount	Rate		Maturity
LGFA 2025	12,000,000	4.34%	Floating	22-May-25
LGFA 2023	5,000,000	4.53%	Floating	15-Apr-25
LGFA 2022	5,000,000	4.47%	Floating	15-Apr-25
LGFA 2022	3,000,000	4.41%	Floating	15-Apr-25
LGFA 2021	7,000,000	4.48%	Floating	15-Apr-25
LGFA 2024	5,000,000	4.57%	Floating	15-Apr-26
LGFA 2023	5,000,000	4.72%	Floating	15-Apr-26
LGFA 2023	5,000,000	4.50%	Floating	15-Apr-26
LGFA 2020	10,000,000	4.75%	Floating	15-Apr-26
LGFA 2024	5,000,000	4.55%	Floating	15-Apr-27
LGFA 2024	3,000,000	5.19%	Fixed	15-Apr-27
LGFA 2023	5,000,000	4.86%	Floating	15-Apr-27
LGFA 2023	5,000,000	4.67%	Floating	15-Apr-27
LGFA 2020	5,000,000	0.97%	Fixed	15-Apr-27
LGFA 2020	5,000,000	1.23%	Fixed	15-Apr-27
LGFA 2025	5,000,000	4.62%	Floating	15-May-28
LGFA 2024	7,000,000	4.57%	Floating	15-May-28
LGFA 2021	16,600,000	2.01%	Fixed	15-May-28
LGFA 2024	7,000,000	4.80%	Floating	20-Apr-29
LGFA 2023	5,000,000	5.08%	Fixed	20-Apr-29
LGFA 2022	10,000,000	4.66%	Floating	20-Apr-29
<b>Total External Funding</b>		<b>135,600,000</b>		

## Borrowing by Activity

As at 28 February 2025

	External Borrowing	Internal Borrowing
Roading	6,798,533	
Footpaths	620,585	
Drinking Water	26,879,689	886,402
Wastewater	23,962,340	49,914
Stormwater	2,434,327	
Stockwater	303,000	
Refuse and Recycling	729,633	36,573
Recreation Facilities	169,568	
Public Conveniences	89,951	
Elderly Person Housing	195,145	47,551
Camping	14,813	
Reserve Boards	691,655	9,798
Commercial Property	62,991,069	1,325,142
Cemeteries	1,791,786	
Parks	5,019,051	876,177
Arts & Culture	1,976,312	
Water Resources	312,507	
Compliance & Development	578,122	
Civic Building	41,917	
<b>Total</b>	<b>135,600,000</b>	<b>3,231,557</b>

## Council Investments

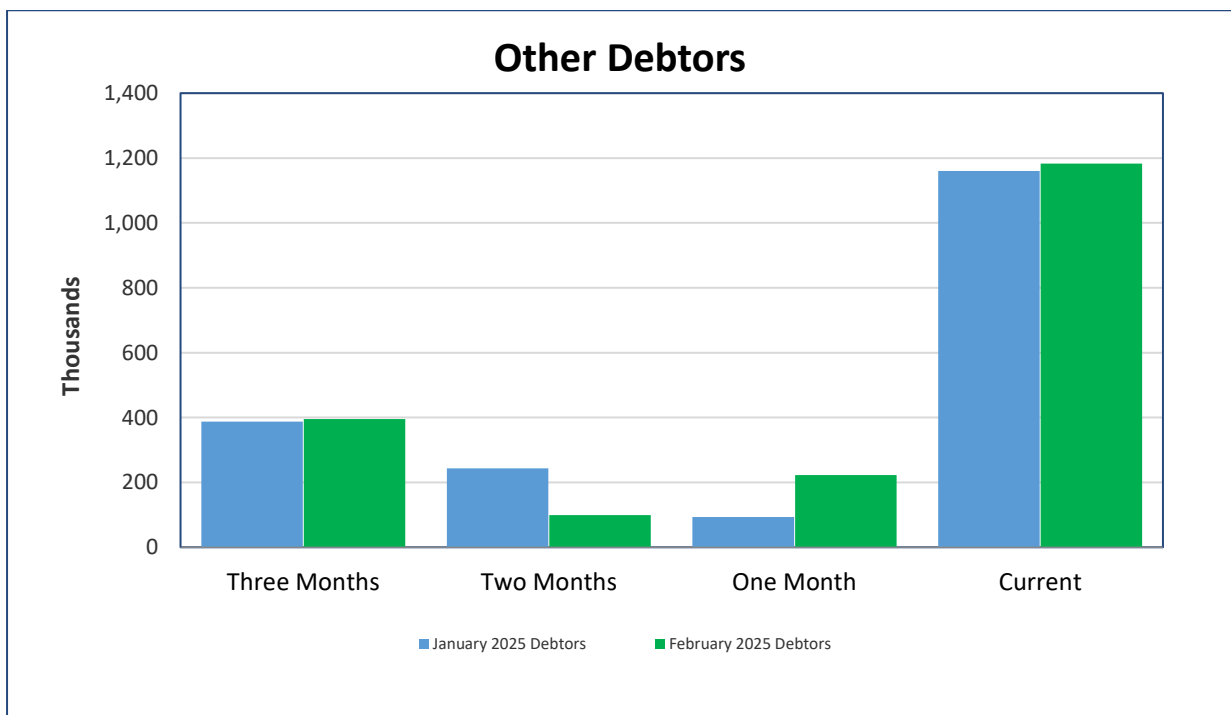
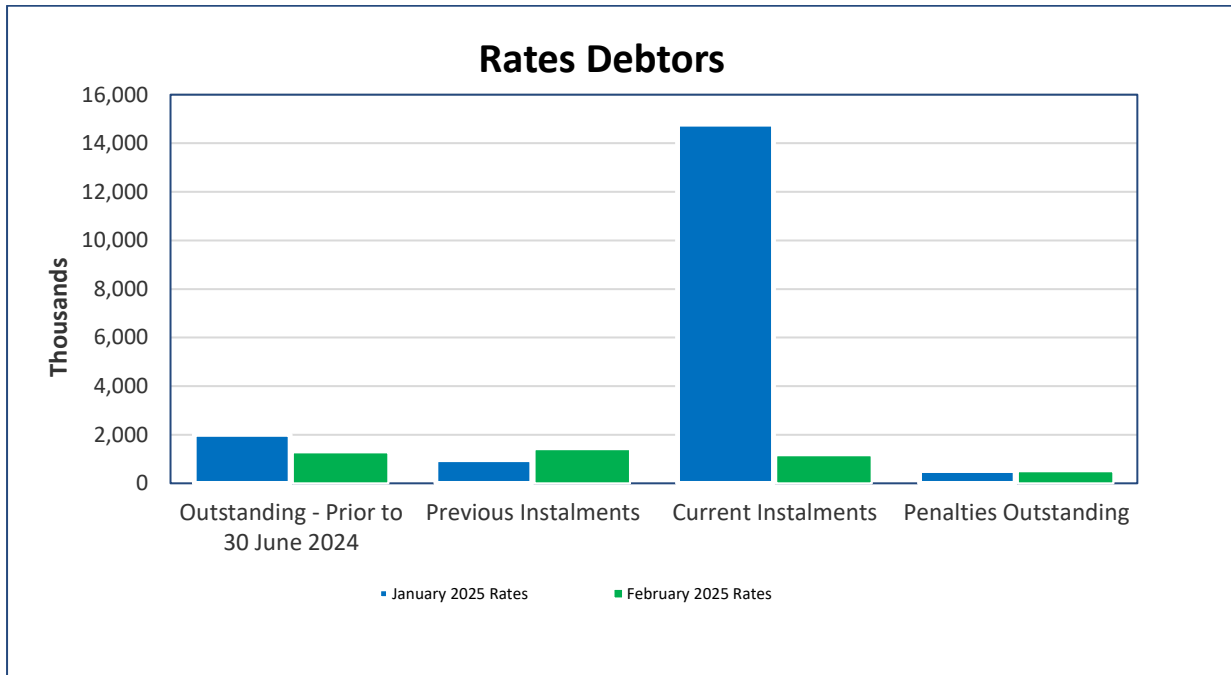
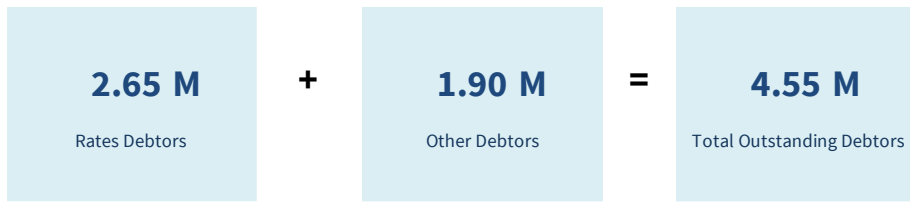
As at 28 February 2025

Listed below are the current significant investments held by Council.

<b>Term Deposit</b>	<b>Principal</b>	<b>Interest</b>	<b>Term</b>	<b>Maturity</b>
Westpac	8,000,000	3.87%	1 Month	24-Mar-25
	<b>8,000,000</b>			
	<b>Principal</b>	<b>Interest</b>	<b>Yield</b>	<b>Maturity</b>
<b>Bonds</b>				
ANZ	1,000,000	2.99%	5.31%	17-Sep-26
Westpac	1,100,000	6.19%	4.97%	16-Sep-27
Kiwibank	1,000,000	5.73%	4.01%	19-Oct-27
Westpac	900,000	6.73%	5.01%	14-Feb-28
	<b>4,000,000</b>			
<b>Advances</b>				
Eastfield Investments	379,118			
	<b>379,118</b>			
<b>Shares</b>				
Ashburton Contracting Ltd	4,500,000			
Civic Financial Services Ltd	52,159			
RDR Management	30,000			
Transwaste Canterbury Ltd	1,111,590			
ATS	500			
Electricity Ashburton Rebates	1,300			
LGFA Equity	3,215,000			
Eastfield Investments	1,765,000			
	<b>10,675,549</b>			

## Receivables Summary (Including Prior Month Comparative)

As at 28 February 2025



## ***Receivables Summary continued***

Outstanding Debtors over 90 days	
>\$100,000	0
\$50,000 - \$100,000	1
\$30,000 - \$50,000	3
\$10,000 - \$30,000	26

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

## **13. Mayor's Report**

### **13.1 Local Government New Zealand – four-monthly report**

Local Government NZ have released their latest four-monthly report and updates for the member councils –

[Read LGNZ's November-February four-monthly report](#)

- **Briefing to the Incoming Minister**

LGNZ produced a briefing for the new Minister for Local Government ahead of their first official meeting with him last week. This follows his very positive engagement at the All-of-local-government meeting on 27 February and engagement at Waitangi.

[Read the BIM](#)

- **Revised guide to LGNZ's 2025 standing order templates**

In December, LGNZ released updated versions of their standing order templates for [city and district councils](#), [regional councils](#), and [community boards](#). An updated guide has also been published. The guide reflects changes made to the 2025 standing orders templates and will help councils apply their standing orders in practice.

[Read the Guide to the 2025 LGNZ standing orders templates](#)

### **13.2 SuperLocal25 Conference**

This year's Local Government NZ conference will be held at Te Pae, Christchurch from 16-17 July 2025.

I will be attending the Conference along with the Chief Executive. Council's guidelines for attending conferences provide for up to three Councillors to attend the South Island LGNZ conferences. Last year Crs Cameron and Wilson attended the Wellington conference and the 2023 delegates were the Deputy Mayor, Cr Lovett and Cr Wilson.

#### **Recommendation**

**That** the Mayor and Chief Executive, along with Councillors \_\_\_\_\_, \_\_\_\_\_ and \_\_\_\_\_ be appointed as Ashburton District Council's 2025 LGNZ Conference delegates.



- **Conference Remits**

LGNZ have invited member authorities to submit proposed remits for consideration ahead of the AGM in July.

Notice is being provided now to allow members of zones and sectors gain the required support necessary for their remit. Remit applications are due by Tuesday 13 May 2025. We note that remits must be supported by one zone or one sector, or five member councils.

LGNZ's remit criteria are:

1. The remit is relevant to local government as a whole, not just a single zone, sector or council.
2. The remit relates to significant matters, including constitutional and substantive policy, rather than matters that can be dealt with administratively.
3. The remit concerns matters that can't be addressed through channels other than the AGM.
4. The remit does not deal with issues already being actioned by LGNZ. This covers work programmes underway as part of LGNZ's strategy.

### **13.3 All of Local Government Meeting / LGNZ Rural and Provincial**

CE Hamish Riach and I attended the All of Local Government Meeting/LGNZ Rural and Provincial meeting, 27/28 February in Wellington.

Click on the link to view the presentations and highlights: [Presentations and Highlights](#)

### **13.4 Chief Executive Recruitment**

The CE recruitment process commenced last year, as required by the Local Government Act. Once a CE has completed seven years of service the position is to be readvertised.

Brannigans Consultancy were engaged to assist the Council's Executive Committee with this process. The role was advertised and 25 applications were received, with five of these being shortlisted. A recommendation was then made to the full Council who reappointed incumbent CE Hamish Riach. The employment contract has been signed by both parties.

### **13.5 Meetings**

- **Mayoral calendar**

#### **February 2025**

- 20 February: Onno Mulder and Andrew Barlass - EA Networks along with CE Hamish Riach
- 20 February: Council Agencies
- 20 February: Richard Bruce
- 20 February: Advance Ashburton Investment committee
- 21 February: Tuia Mentoring workshop (via MS Teams) along with Deputy Mayor Liz McMillan
- 21 February: 2025 Chinese New Year Dinner celebrations
- 22 February: 2025 Bluegreens Forum, Methven

- 24 February: CE Recruitment process
- 24 February: Lynn Leadley and Heather Cullimore
- 24 February: Local Water Done Well update with CE Hamish Riach
- 25 February: Hokonui Radio Interview
- 25 February: Tayla Argyle – TUIA Representative with Deputy Mayor Liz McMillan
- 25 February: Bill Thomas and Angela Cushnie – Ashburton Water Zone with Councillor Richard Wilson
- 25 February: Ashburton Water Zone committee meeting
- 25 February: Tony McCormick – RDR with CE Hamish Riach
- 26 February: Budget workshop
- 26 February: Freshwater conference briefing
- 27 February: All of Local Government meeting
- 27 February: Canterbury Mayor Forum, meeting with Minister Chris Bishop
- 28 February : Rural and Provincial meeting

### March 2025

- 3 March: Alister Lilley and Gary Casey
- 4 March: Annual National Freshwater Conference, Auckland
- 5 March: Council Meeting
- 5 March: NEMA Emergency Management System Improvement and Emergency Management Hui (via MS Teams)
- 5 March: Hon. James Meager and Simon Coleman along with CE Hamish Riach (via MS Teams)
- 6 March: Budget workshop
- 6 March: Elderly Persons Housing Policy workshop
- 6 March: Stockwater Transition workshop
- 7 March: Mayfield Show
- 8 March: Martin Keogh – Regional Deputy Chief Executive Health NZ
- 11 March: Lin Christie
- 11 March: Tony Sands
- 12 March: Solid Waste Management workshop
- 12 March: Environment Canterbury
- 12 March: Community Rooding Reference group
- 19 March: Citizenship Ceremony
- 19 March: Council meeting

### Recommendation

<p><b>That</b> Council receives the Mayor’s report.</p>
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Neil Brown  
**Mayor**