

Ashburton District Council

AGENDA

Notice of Meeting:

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

Date: Wednesday 9 August 2023

Time: 1.00pm

Venue: Council Chamber

Membership

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

Meeting Timetable

Time	Item
1.00pm	Council meeting commences Welcome Te Wera King
1.15pm	Waka Kotahi – James Caygill, Director Regional Relationships
2pm	Rakitata Revival Group – Karl Russell & Sally Reihana (Arowhenua / AEC) – Anna Ivanova, Kim Whitwell (ECan) and Brad Edwards (DOC)
2.50pm	Welcome to new and long-serving staff

1 Apologies

2 Extraordinary Business

3 Declarations of Interest

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

Minutes

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Reports

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Business Transacted with the Public Excluded

11	Council 25/07/23	PE 1
	<ul style="list-style-type: none"> Executive Committee – ACL Appointments Committee Audit & Risk Committee EANC masterplan 	<ul style="list-style-type: none"> Section 7(2)(a) Protection of privacy of natural persons Sections 7(2)(h) & (a) Commercial activities and Protection of privacy of natural persons Section 7(2)(h) Commercial activities
12	Library & Civic Centre 1/08/23	PE 2
	Section 7(2)(h) Commercial activities	

4. Council Minutes – 25 July 2023

Minutes of the Council meeting held on Tuesday 25 July 2023, commencing at 9.00am in the Council Chamber, 137 Havelock Street, Ashburton.

Minutes of the Council meeting held on Tuesday 25 July 2023, commencing at 9am in the Council Chamber, 137 Havelock Street, Ashburton.

Present

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

In attendance

Hamish Riach (Chief Executive), Toni Durham (GM Democracy & Engagement), Leanne Macdonald (GM Business Support), Sarah Mosley (GM People & Facilities), Andrew Guthrie (Assets Manager) and Phillipa Clark (Governance Team Leader).

Staff present for the duration of their reports: Mark Low (Strategy & Policy Manager), Tayyaba Latif (Policy Advisor), Simon Worthington (Economic Development Manager), Hernando Marilla (Operations Manager) and Justin Bloomfield (Operations & Services Officer).

1 Apologies

Crs Rob Mackle and Tony Todd

Carried

2 Extraordinary Business

Nil.

3 Declarations of Interest

Item 7 –Crs Hooper and Braam, as members of the Tinwald Reserve Board, both declared an interest and gave notice that they will withdraw from debate and decision on this matter.

4 Confirmation of Minutes – 28/06/23

That the minutes of the Council meeting held on 28 June 2023, be taken as read and confirmed.

McMillan/Cameron

Carried

5 Audit & Risk Committee – 21/06/23

That Council receives the minutes of the Audit & Risk Committee meeting held on 21 June 2023.

Ellis/Cameron

Carried

6 New Library & Civic Building – parking time restrictions

1. **That** as shown on the attached plan, Council introduces;

- (i) A time restriction of 30 minutes for five of the angle parks opposite the new building and 60 minutes for the remaining 13 angle parks;

- (ii) a time restriction of 10 minutes for one park on Havelock Street between the kerb build-out and the coach/loading zone;
 - (iii) a time restriction of 120 minutes for the five parks along Havelock Street adjacent to the new building.
2. **That** Council reviews the above parking time restrictions after the new building has been operational for 12 months.

Cameron/Braam

A suggestion to review all of the CBD parking after 12 months of the new building becoming operational was generally supported. Councillors speaking in support acknowledged that there may be some unintended consequences resulting from the new building's parking proposal and reassessing in 12 months will have the benefit of parking warden and public feedback.

Councillors opposed had concerns that a full review is likely to further restrict parking and negatively impact retailers and businesses in the CBD who are already faced with the challenge of high vacancy rates.

Amendment

1. **That** as shown on the attached plan, Council introduces;
- (i) A time restriction of 30 minutes for five of the angle parks opposite the new building and 60 minutes for the remaining 13 angle parks;
 - (ii) a time restriction of 10 minutes for one park on Havelock Street between the kerb build-out and the coach/loading zone;
 - (iii) a time restriction of 120 minutes for the five parks along Havelock Street adjacent to the new building.
2. **That** Council reviews all time restricted parking within the Ashburton CBD after the new building has been operational for 12 months.

Ellis/Lovett

Carried

The amendment became the substantive motion and was carried.
Cr Cameron and Cr Wilson recorded their votes against the amendment.

7 Use of Reserve Contributions

Crs Braam and Hooper withdrew from the debate and decision.

• Chertsey School playground

Council wouldn't support a new playground being developed on the reserve land at Chertsey, due to its location on the state highway, but acknowledged that reserve contributions shouldn't be used to fund play equipment on Ministry of Education land.

1. **That** Council declines to fund the Chertsey School Playground project from the Council's reserve contributions account; and
2. **That** Council requests an Officer's report on the feasibility and cost of developing an alternative playground in Chertsey, with this to be considered through the LTP process.

Cameron/Ellis

Carried

- **Tinwald Domain Disc Golf**

1. **That** Council approves funding of \$15,000 from the reserves contributions account for the Tinwald Domain Disc Golf course.

Cameron/Ellis

Carried

8 **Bike Skills Park location**

1. **That** Council approves the development of a Bike Skills Park on the Ashburton Domain in and around the existing pump track next to the playground.

McMillan/Lovett

Carried

9 **Service Delivery Review – Economic Development**

1. **That** Council receives the Economic Development section 17A review, as in Appendix 1.
2. **That** Council continues to deliver the Economic Development service in-house.
3. **That** progress reporting on Economic Development be done through activity briefings and six-monthly reporting on the Economic Development Strategy Action Plan.
4. **That** a high-level third party desktop review of the Economic Development service delivery is recommended prior to the LTP 2027-37.
5. **That** the Long Term Plan (2024/34) include budget for a service delivery review by a third party.

Cameron/McMillan

Carried

10 **Ashburton and Rakaia resource recovery fees and charges**

1. **That** Council approves increasing the minimum charges for residual waste at the Ashburton and Rakaia resource recovery parks to account for the Government's \$20 waste levy increase, and the increase in Transwaste's transport charges to the Kate Valley landfill; and
2. **That** effective from 1 July 2023 the following charges will apply:

Ashburton & Rakaia resource recovery park fees	1 July 2023 – 30 June 2024	1 July 2023 – 30 June 2024
Residual waste minimum charge (up to 40kg)	\$8.00	\$9.00
Residual waste minimum charge (40 – 80kg)	\$19.00	\$23.00
Residual waste minimum charge (80 – 120kg)	\$33.00	\$39.00
Residual waste loads over 120kg (rate per tonne)	\$301.00	\$344.00

Braam/Lovett

Carried

11 **Affordable Waters Reform**

The Deputy Mayor suggested that Council may want to delay making a decision on its preferred date for *Entity I* to start and give the Canterbury and West Coast councils time to meet and develop a collective view. This approach was discussed at an online meeting of the C4LD aligned councils which she joined on 21 July where it was agreed to invite the West Coast councils to attend the Mayoral Forum on 25 August.

The Mayor commented that agreeing to a date would signal that Council is willing to join the new Entity, but Council remains opposed to the 3Waters Reform. He suggested that Council should wait

until after the October elections before making any further decision on the proposed 1 April 2025 start date, as a change of government will bring new rules.

The Chief Executive advised that Council needs to express an opinion now, rather than later. He cautioned that delaying could result in Council being unable to influence the start date for *Entity I* and it will make it difficult for the Mayor to present ADC's view to the Mayoral Forum. Supporting the 1 April 2025 date would provide certainty for affected staff and would also enable three waters to be taken out of the LTP 2024-34.

Councillors in support of delaying the decision shared a view that supporting the establishment of *Entity I*: Canterbury / West Coast on 1 April 2025 would imply support for the reforms. Others commented that a date should be set, as late as possible.

That the matter lies on the table until the Council meeting on 18 October 2023.

McMillan/Lovett

Carried

12 Deputy Mayor's report

The Mayor recorded his thanks to the Deputy Mayor for her support and attendance at a number of meetings and events while he was on leave in July.

That Council receives the Deputy Mayor's report.

McMillan/Cameron

Carried

• Flood event

Council received a brief update on the status of road closures throughout the district following the weekend's flood event. The Assets Manager reported that approximately 40 roads were closed and are being reopened once deemed safe.

Business transacted with the public excluded – 10.44am

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

Item No	General subject of each matter to be considered:	In accordance with Section 48(1) of the Act, the reason for passing this resolution in relation to each matter:	
13	Council 28/06/23 <ul style="list-style-type: none">Library & Civic Centre PCG 13/06/23EPH – Friendship Lane	Section 7(2)(h) Section 7(2)(h)	Commercial activities Commercial activities
14	Audit & Risk Committee 21/06/23	Sections 7(2)(a) & (h)	Protection of privacy of natural persons Commercial activities
15	Executive Committee 5/07/23	Section 7(2)(a)	Protection of privacy of natural persons
16	EA Networks Centre masterplan	Section 7(2)(h)	Commercial activities

Braam/Hooper

Carried

The meeting concluded at 11.15am.

Confirmed 9 August 2023

MAYOR

5. Methven Community Board – 24/06/23

Minutes of the Methven Community Board meeting held on Monday 24 July 2023, commencing at 10:30am, in the Mt Hutt Memorial Hall Board Room, 160 Main Street, Methven.

Present

Kelvin Holmes (Chair), Megan Fitzgerald, Allan Lock, Richie Owen, Robin Jenkinson, Deputy Mayor Liz McMillan and Cr Rob Mackle.

In attendance

Toni Durham (GM Democracy & Engagement), Heather Stoddart (Governance Support), Annie Jacobs (Snowfed Editor)

1 Apologies

Mayor Neil Brown (absence)

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 12 June 2023 be taken as read and confirmed.

Fitzgerald/Lock

Carried

5 Community Board Standing Orders 2023

Recommendation to Council

That the Methven Community Board adopts the 2023 Standing Orders for the conduct of its meetings, with the following amendments:

- i) Provisions for meetings by audio-visual link – yes.
- ii) A casting vote for chairpersons – yes.
- iii) Option B (less formal) as the default for speaking and moving motions.

Jenkinson/Fitzgerald

Carried

6 Community Board Code of Conduct

Recommendation to Council

That the Methven Community Board Elected Members Code of Conduct 2023 be adopted.

Mackle /Lock

Carried

7 Activity Reports

That the reports be received.

McMillan/Fitzgerald

Carried

- **Economic Development Strategy & Consultation**

Toni Durham to ensure that an invite is sent to the MCB for the hearing planned for 17 August 2023.

- **Local Alcohol Policy**

Invite extended to all who wish to attend the submission hearings on 3 August.

- **Long Term Plan 2024-34**

There are another two early engagement workshops scheduled for the 9/10 August. Attendance at the workshops can be an issue especially in terms of getting a good community cross sector representation. Invites to be emailed out to target specific people and/or groups, but can't always rely on people/groups attending.

- **Representation Review Work**

Led by the Strategy & Policy Manager, Mark Low. . Mark to be invited to attend the next MCB meeting. Need to engage with MCB and have a conversation around boundaries. Since the last review, there has been the development of new subdivisions. The new review needs to capture the growth and justify that the new boundaries are part of the community and have a greater representation for the area in line with the local infrastructure.

- **Customer Request Management**

Need to ensure the CRM relating to the damaged equipment, specifically boards on the seats have been repaired.

- **Time Restricted Parking – Methven Mall**

Toni Durham to provide a timeframe on the installation of the Methven Mall signage.

- **Methven Tree Lights**

The Board agreed that a conversation with a representative from EA regarding the issue with power and whether there was an adequate power supply and if it was up to current code. If these were issues, then for them to be rectified before the 50th Anniversary celebrations.

- **Roading**

It was mentioned that Dolma Street had had their gutters cleaned and all the waste was scraped to the side, but never cleared away properly and it all to end back in the gutter. Follow up needs to happen with WasteCo regarding best practise to avoid similar issues.

With the recent rainfall conditions, the town handled the excess water relatively well. The Garden of Harmony was completely flooded; expected as it's the storm water basin. However, due to the depth of water 5-6 metres in some places, it was recommended that there needs to be restricted access and necessary signage making the public aware.

It was noted that the walkway by McCloy road may need a touch up after the flooding.

There needs to be a conversation with Neil McCann to discuss decent soakage down Racecourse Avenue (west of new subdivision) as there is a lot of surface water, which is a reoccurring problem.

- **Drinking water**

The membrane plant is due to be commissioned mid-August. It was proposed that it would be good to have an open day to the public, before it's commissioned, however concerns were shared around the Health & Safety aspect of this. It was suggested that a promotional information walk through video could be made to promote this new facility.

- **Watermain renewals 2023/24**

Robin to follow up to ensure there is a clear site and no obstructions for the community event planned for the 24 August on Kilworth St.

- **Reserves**

The Board discussed the need for playgrounds to be made accessible (for children with disabilities), maybe not all but at least one in the area. It was confirmed that Ian Soper is aware of the need for making playgrounds more accessible and this is a work in progress.

It was requested that a rubbish bin be provided near the playground of Grace Island Drive. This will to be raised with officers.

The “Welcome to Methven” sign had been damaged on Barkers Rd as it had been hit by a car. This sign was organised and paid for by the MCB. Ian Soper is aware of the issue, and it will be scheduled to be fixed, however the bottom board may not be replaced.

- **Solid Waste Management**

In response to the previous minutes, the Board would like to investigate other sites for the greenwaste location. It needs revisiting as it’s currently not the right location.

Officers are to undertake investigations into alternative sites (e.g. Vaughan Road or Pudding Hill sites) and report back with options for consideration.

The meeting concluded at 11.44am.

Confirmed 4 September 2023

Chairman

6. Update on National Policy Statement on Indigenous Biodiversity

Author	<i>Dr. Christian Chukwuka, Ecologist/Biodiversity Advisor</i>
Activity Manager	<i>Ian Soper, Open Space Manager</i> <i>Ian Hyde, District Planning Manager</i>
Executive Team Member	<i>Neil McCann, GM Infrastructure and Open Spaces</i>

Summary

- The purpose of this report is to inform the Council of the Government gazette of the National Policy Statement on Indigenous Biodiversity (NPS-IB).
- NPS-IB was gazetted on 7 July 2023 and is to commence on 4 August 2023.
- The Policy seeks to maintain indigenous biodiversity to ensure “no overall loss in indigenous biodiversity in New Zealand.
- It also mandates all local councils to undertake a district-wide significant natural area assessment including crown and private lands within five years from the commencement date.
- The report summarised the local Council’s responsibilities under the NPS-IB and implications for managing the adverse effect of subdivision, land use and development on indigenous biodiversity within and outside the SNA.

Recommendation

- 1. That** the Council accepts the report and receives the information.

Background

The current situation

1. The New Zealand Government on 7 July 2023 released the new National Policy Statement for Indigenous Biodiversity (NPS-IB).
2. The Policy Statement seeks to protect and maintain indigenous biodiversity across Aotearoa New Zealand.
3. The Policy will come into effect from 4 August 2023 with a requirement for councils to update their policies, and strategies to give effect to the NPS-IB requirement.
4. NPS-IB applies to indigenous biodiversity in the terrestrial environment throughout the district including geothermal ecosystems and specified highly mobile faunas (mainly birds).
5. Indigenous biodiversity refers to all naturally occurring living organisms in New Zealand and the ecological complexes of which they are part. These include "all forms of indigenous flora, fauna, and fungi, and their habitats¹".
6. Currently, New Zealand Biodiversity is being threatened and the NPS-IB seeks to maintain indigenous biodiversity to ensure "**no overall loss in indigenous biodiversity in New Zealand**".
7. Other objectives include partnering with tangata whenua, growing stakeholders' relationship with the Council, supporting and incentivising biodiversity protection and aligning biodiversity actions with other national initiatives.
8. In January 2020, the Ashburton District Council gave effect to the NPS-IB and made a submission to the proposed draft through a public submission.
9. Most of the points raised by the Ashburton District Council during the submission have been incorporated into the final gazetted policy statement and these include recognition of public conservation as part of a significant natural area and review of significant conservation value sites existing in the ADC District Plan.
10. The Council acknowledged that the NPS-IB will provide national guidance in managing the biodiversity and provides consistencies across councils.
11. Where conflict arises with other legislation, the National Policy Statement on Indigenous biodiversity comes after the New Zealand Coastal Policy Statement 2010 and National Policy Statement for Freshwater Management 2020 or the Resource Management (National Environmental Standards for Freshwater) Regulations 2020 and does not limit iwi participation legislation.

12. The NPS-IB will be rolled over into the proposed National Planning Framework to be developed under the Natural and Built Environments Bill (NBE). The NBE is expected to replace the Resource Management Act when repealed.
13. The Council Biodiversity Strategy (in development) would align with the NPS-IB and will help to implement the NPS-IB at the Territorial Authority level.
14. Both documents, Council Biodiversity Strategy and the NPS-IB, will complement the community and stakeholders' efforts over the years in biodiversity management across the district.

Key dates for the Implementation at Territorial Authority level

15. NPS-IB was gazetted on July 7, 2023, and is to commence on August 4, 2023.
16. Significant Natural Area (SNA) survey to be completed within five years from the date of commencement (August 4, 2028)
17. Confirmation if the methodology used for existing significant value assessment is consistent with the NPS-IB assessment approach within 4 years from the date of commencement (August 4, 2027). In the case of Ashburton District Council, Areas of Significant Conservation Values in the District Plan and Significant Vegetation sites in ADC GIS map.
18. District Plan changes to give effect to NPS-IB are to be done as soon as reasonably practical for the Council or before mid-2031.

Responsibilities of the Territorial Authorities

19. Territorial Authorities are/must:
 - Responsible for implementing relevant NPSIB policies at the territorial authority level.
 - Engage with the tangata whenua, people and communities in decision making and when given effect to the NPS-IB.
 - Partner with iwi/Māori "to the extent they wish to be Involved¹¹" in the management of indigenous biodiversity and when making changes to plan and policy to give effect to the NPS-IB. Other roles of Tangata Whenua as partners are listed in S3.3 of Appendix A.
 - Manage indigenous biodiversity and its effect on it from subdivision, use and development using an integrated approach. The integrated approach recognises interconnectedness and the interaction of the whole environment (terrestrial, terrestrial environment, freshwater, and the coastal marine area), coordinated management of subdivision, use and development, and aligning all strategies and

planning tools that are relevant to indigenous biodiversity as provided in the legislation.

- Adopt precautionary approach towards proposed activity where the effect of IB is uncertain, unknown or little understood. A precautionary approach, summarised as "first, do no harm," entails adopting precautionary measures if an activity has a suspected risk to indigenous biodiversity and/or when scientific evidence is uncertain.
- Promote the resilience of indigenous biodiversity to climate change and recognise the role of indigenous biodiversity in mitigating the effect of climate change.
- Undertake a district-wide assessment to identify areas of significant indigenous vegetation or significant habitat of indigenous fauna that qualify as SNA using a prescribed assessment approach in the Policy Statement. The assessment shall be undertaken in partnership with the tangata whenua and landowners.
- Engage with landowners and crown agencies for SNA identification and may also assist landowners and others with the implementation of the Policies.
- Notify a plan or plan changes to include each area identified as an SNA in its district.
- Make plan changes to enable established activities that does not affect SNA or result in loss of or reduced SNA ecological integrity to continue.
- Provide information to the community about highly mobile fauna, their habitats and suitable techniques for managing adverse effect on highly mobile fauna and their habitats.
- Promote restoration on indigenous biodiversity and provides incentives for restoration in priority areas.
- Promote increase percentage vegetation cover in the district through objective and policies as set by the Regional Council.
- Have regard to the relevant regional biodiversity strategy when developing restoration objectives and policies.
- Make plan and policy changes to reflect information requirement on resource consent application activity with more than minor adverse effect on biodiversity.
- Work with Regional Council to develop a biodiversity monitoring plan.

Implications of the NPS-IB to local authority consenting requirements.

20. Adverse effects from any new use, subdivision or development that will result in the following listed below must be avoided.

- loss of ecosystem representation and extent:
 - disruption to sequences, mosaics, or ecosystem function:
 - fragmentation of SNAs or the loss of buffers or connections within an SNA:
 - a reduction in the function of the SNA as a buffer or connection to other important habitats or ecosystems:
 - a reduction in the population size or occupancy of Threatened or At Risk (declining) species that use an SNA for any part of their life cycle.
21. Projects with national significance and regional public benefits (e.g. construction or upgrade, mineral extraction, aggregate extraction, or operation or expansion of any coal mine that was lawfully established before the commencement date), activities with a functional need or operational need and activities without an alternative practical location are exempted from above and to be managed using effect management hierarchy.
 22. Existing activities, not new subdivision, use of development, that are within the SNA or affect SNA can continue provided that they do not result in loss of extent or degradation of ecological integrity of an SNA and are not greater in intensity over time from 4 August 2023.
 23. Existing use rights under sections 10 or 20A of the RMA are not precluded within the NPS-IB.
 24. Plantation forestry activities can continue within NPS-IB provided that the adverse effects are managed in manner that maintain the long terms population of any Threatened or At Risk (declining) species present in the area.
 25. For activities (new subdivision, use, or development) and indigenous biodiversity outside the SNA and Maori land, any significant adverse effect must be managed by applying the effects management hierarchy.
 26. Maintenance of improved pasture are allowed to continue provided that,
 - “there is adequate evidence to demonstrate that the maintenance of improved pasture is part of a regular cycle of periodic maintenance of that pasture; and
 - any adverse effects of the maintenance of improved pasture on an SNA are no greater in intensity, scale, or character than the effects of activities previously.
 - undertaken as part of the regular cycle of periodic maintenance of that pasture; and
 - the improved pasture has not itself become an SNA; and

- the land is not an uncultivated depositional landform; and
- the maintenance of improved pasture will not adversely affect a Threatened or At Risk (declining) species.”

27. Every consent application with new activity with more than minor adverse effect on biodiversity shall not be considered without a report prepared by a suitably qualified ecologist or any other person with suitable expertise such as mātauranga Māori.

Legal/policy implications

Legislation

28. The NPS-IB has potential implications for a wide range of legislation. This includes the Resource Management Act 1991, Local Government Act (LGA) 2002, Canterbury Regional Policy Statement, proposed Natural and Built Environment Act etc. and will complement other National Policy Statements on Environment (Freshwater and Coastal Policy Statements).

Ashburton District Plan

29. Ashburton District Plan objective 3.2 stated to *protect, maintain and/or enhance indigenous biodiversity and ecosystems by controlling and managing activities that have the potential to affect the life-supporting capacity of soils, and water quality in the lakes, rivers and wetlands and significant nature conservation values.*”

30. This objective in ADC District Plan would be achieved fully within the NPS-IB provision.

Climate change

31. Ashburton District Council’s **Climate Resilience Plan 2022** emphasised continuing investment in biodiversity.

32. The NPS-IB also recognised indigenous biodiversity's role in mitigating the adverse effects of climate change.

Strategic alignment

33. The report relates to the Council's community outcome of "A balanced and sustainable environment - He taiao toitu" because Our community values biodiversity and it contributes to their wellbeing.

Wellbeing		Reasons why the recommended outcome has an effect on this wellbeing
Economic	✓	The protection and maintenance of indigenous biodiversity does not hinder new developments and subdivisions where it is appropriate without adverse effects on the environment.
Environmental	✓	NPS-IB seeks to protect indigenous biodiversity with no net loss for achieving a sustainable and functional ecosystem.
Cultural	✓	NPS-IB recognises the Maori values and partnership for environmental decision/management and will protect Mahinga kai and native taonga. It also recognises the power of kaitiakitanga by tangata whenua in protecting, maintaining, and restoring indigenous biodiversity within their rohe.
Social	✓	NPS-IB recognises the values of people and communities in connecting and enjoying indigenous biodiversity.

Financial implications

34. There are no financial implications associated with this report.
35. Future budget implications would be on the wider-district SNA assessment and Plan changes.
36. However, Central Government support to implement NPS-IB is expected and will be rolled out soon for Councils, tangata whenua and landowners.

Requirement	Explanation
What is the cost?	N/A
Is there budget available in LTP / AP?	No
Where is the funding coming from?	N/A
Are there any future budget implications?	Future budget implications would be for wider-district significant natural area (SNA) assessment and District Plan Change. This cost may include new staffing or contracting an external professional ecologist to support the in-house Council ecologist between 2024 and 2028 (timeline for the SNA assessment).
Reviewed by Finance	Erin Register; Finance Manager

Significance and engagement assessment

Requirement	Explanation
Is the matter considered significant?	No
Level of significance	low
Rationale for selecting level of significance	Not applicable
Level of engagement selected	Inform – One-way communication.
Rationale for selecting level of engagement	This report is to inform Council of the introduction of the NPS – IB. Implementation at the local council level will be in partnership with the tangata whenua and in consultation with the landowners, crown bodies, other Councils and stakeholders. Engagement with different groups and stakeholder is likely to happen at various levels as this work progresses.
Reviewed by Strategy & Policy	Mark Low, Strategy and Policy Manager

7. Bancorp Treasury Report – June 2023

Author *Erin Register: Finance Manager*
General Manager responsible *Leanne Macdonald; Group Manager: Business Support*

Summary

- The Bancorp Treasury Services Ltd provide a quarterly report as part of the contractual treasury services.
- Attached is the fourth report for the 2022-23 financial year, being for the period ending June 2023.
- This report is presented for Council’s information, and is made up of four sections –
 - 1 Economic Commentary
 - 2 Liquidity, Funding and Hedging Bands
 - 3 Interest Rate Risk Management
 - 4 Investment Portfolio.
- Page 4 confirms that Council remains policy compliant.
- Page 4 notes that Council’s average cost of funds has increased from 3.77% to 4.05% reflecting the current trend of rising interest rates.

Recommendation

1. **That** Council receives the Bancorp Treasury report for the June 2023 quarter.

Attachment

Appendix 1 Treasury report as at 30 June 2023

Background

1. Bancorp Treasury Services Ltd (Bancorp) provide a service to Ashburton District Council to support Council in managing their Treasury - Investment and Liability Policy.
2. Bancorp provide quarterly treasury reports that covers global and NZ market updates, along with Ashburton District Council specific updates on our investment and liability portfolios.

Legal/policy implications

3. There are no legal implications.

Financial implications

4. There are no financial implications as this report forms part of Bancorp's contractual services.

Requirement	Explanation
What is the cost?	This is part of the annual contractual fee of \$33,000 plus GST.
Is there budget available in LTP / AP?	Yes
Where is the funding coming from?	Treasury Consultancy - 132.30308.0000.
Are there any future budget implications?	No
Finance review required?	Erin Register; Finance Manager.

Significance and engagement assessment

Requirement	Explanation
Is the matter considered <i>significant</i> ?	No
Level of significance	Low
Level of engagement selected	Inform - one way
Rationale for selecting level of engagement	The community will be informed of the Bancorp Report through the usual media channels.
Reviewed by Strategy & Policy	Mark Low; Strategy and Policy Manager



Treasury Reporting Dashboard

30 June 2023

STRICTLY PRIVATE AND CONFIDENTIAL

Global (for the June 2023 quarter)

Stubbornly high core inflation, tight labour markets, and wage inflation continue to impact the developed economies, which has seen several central banks continue to hike. Some, like the Reserve Bank of Australia ("RBA") and the Bank of Canada ("BoC"), return to hiking after having earlier paused during the quarter.

At its June meeting, the US Federal Reserve ("Fed") paused its hiking cycle for the first time since March 2022, with the Fed Funds range at 5.00%-5.25%. However, this stalling will likely be consigned to the history books as the 'pointless pause' given that Fed Chair, Jerome Powell emphasised in his semi-annual testimony to Congress that *"the process of getting inflation down to 2% has a long way to go (as) the labour market remains very tight"*. He also reminded markets that *"we don't see rate cuts any time soon. The FOMC broadly feels it will be appropriate to raise rates again this year, and perhaps two more times,"* to support the FOMC's dot plot forecasts.

The benchmark US 10-year bond yield touched a quarterly low of 3.26% in early April but climbed in the second half of May up to 3.83% as the debt ceiling fiasco played out. There was a brief respite from the selling until yields began another up-move in response to concerns that inflation would remain high for a longer than expected period and that this would have to be met with further increase in the Fed Funds rate. By the end of June, the yield had reached 3.88%.

While the European Central Bank ("ECB") met expectations, raising the deposit rate by 25bps to 3.50% at its June meeting, the risks remain firmly skewed towards higher rates for longer after ECB President Christine Lagarde announced, *"inflation is expected to remain too high for too long. The ECB has more ground to cover. Barring a material change to our baseline, it is very likely that we will continue to increase rates at our next policy meeting in July."* Interestingly, there is increasing evidence of splits within the ECB after Germany's Isabel Schnabel, a member of the bank's Executive Board and noted hawk announced, *"it is better to overdo it [with rate hikes] than to fall short,"* while French Governor François Villeroy, a dove, called for calm emphasising *"we are guided by data, not forecasts."*

The June RBA Board meeting minutes confirmed that the risks have shifted to the upside when it comes to achieving the inflation target. The arguments favouring the two policy options of a pause or a 25bps rate increase were largely familiar: the slowing in activity and uncertain duration of policy lags versus the current strength of domestic inflation indicators, particularly the stickiness of services inflation.

Inflation in Australia came out better than expected after the May monthly release saw headline inflation fall to 0.0% from 0.3% in April. On an annual basis, inflation came in at 5.6%, a 13-month low, lower than last month's 6.8% and forecasts of 6.1%. Unfortunately, the 'core' print wasn't so encouraging, coming in at 6.4% on the year, while the trimmed mean eased to 6.1% from April's 6.7%.

New Zealand (for the June 2023 quarter)

	OCR	90 day	2 years	3 years	5 years	7 years	10 years
31 March 2023	4.75%	5.24%	5.03%	4.72%	4.40%	4.31%	4.27%
30 June 2023	5.50%	5.70%	5.47%	5.09%	4.69%	4.55%	4.50%
Change	+1.25%	+0.46%	+0.44%	+0.37%	+0.29%	+0.24%	+0.23%

New Zealand entered a recession after March quarter GDP contracted -0.1%. This, combined with the December quarter's -0.7% (revised lower from -0.6%), means the domestic economy contracted -0.8% over the six months to 31 March. In annual terms, the economy grew 2.2%, although it was lower than the 2.6% forecast. While many will 'blame' Cyclone Gabrielle for the poor March quarter result, the main areas of weakness in the data were services, transport, manufacturing, and education, suggesting the wider economy is in a more precarious state than previously forecast.

Since the Reserve Bank of New Zealand's ("RBNZ") 25bps rate hike to 5.50% in May, domestic interest rate moves have been subject to the inputs and influences of international movements. This has seen the swap curve firm 23bps-46bps higher, with the larger increases occurring at the short end of the yield curve. Looking ahead, the RBNZ could now be on-hold until its November meeting, given that Governor Orr's comments at the May *Monetary Policy Statement* ("MPS") suggest that the RBNZ is unlikely to change its economic outlook by the 12 July meeting. While the General Election (on 14 October) will likely result in the RBNZ maintaining the status quo as, generally speaking, central bankers don't want to be seen to be placing undue influence on political events. The major upcoming data releases will be June quarter CPI (19 July), unemployment (2 August), retail sales (23 August), the Treasury's Economic and Fiscal Update 2023 (12 September), and June quarter GDP (21 September). Beyond the RBNZ meeting and data releases, the focus from financial markets will be on the depth and duration of the domestic recession and corporate performance and forecasts.

By the end of June, the markets were assigning a 28% chance that the OCR would climb to 5.75% by the end of the year and that the first cut would be in the middle of 2024, with the OCR at 4.50%-4.75% by October 2024. This is in contrast to the RBNZ which sees the OCR remaining at its current level until late 2024.

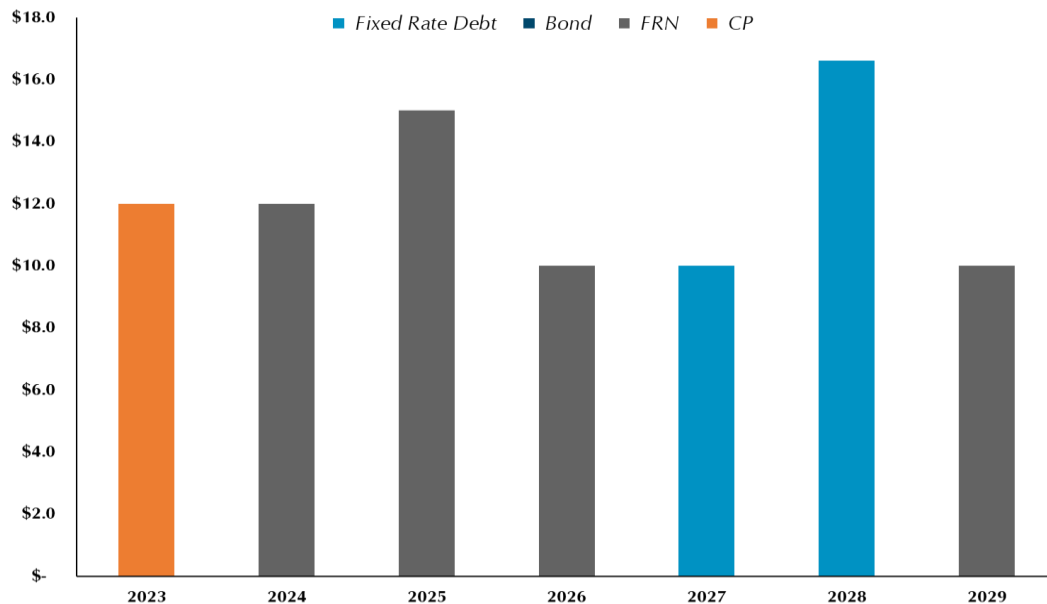
Even though the RBNZ has signalled an end to its hiking cycle, movements in New Zealand swap rates have been driven by movements in international yield curves until the cutting cycle begins. As an example, the recent rally in local swap rates has seen the 5-year swap rate break out of its prior 4.25%-4.50% range and rally to close the quarter at 4.69%, driven by the recent rally in US treasury yields, which saw the 10-year Treasury bond break out of its recent 3.30%-3.60% range to finish the quarter at 3.88%.

Internationally, investors will be monitoring the ratings agencies for any hints of a possible NZ sovereign rating downgrade, while the performance of the NZD and NZ interest rates will be largely dependent upon international inputs, especially international equity volatility, as liquidity drains ahead of the northern hemisphere summer.

Liquidity, Funding and Hedging Bands

4

Ashburton District Council - Maturity Profile



Policy Compliance	Compliant
Have all transactions been transacted in compliance with policy?	Yes
Is fixed interest rate cover within policy control limits?	Yes
Is the funding maturity profile within policy control limits?	Yes
Is liquidity within policy control limits?	Yes
Are counterparty exposures within policy control limits?	Yes

Debt

\$85.6m

External Council Drawn Debt

LGFA Debt

\$85.6m

Funds Drawn from LGFA

Headroom = cash in bank, term deposits and fixed rate bonds

\$11m

Liquidity Ratio

112.85%

Definition: (Cash Reserves + Lines of Credit + Drawn Debt)/Drawn Debt

Cost of Funds as at 30 June

4.05%

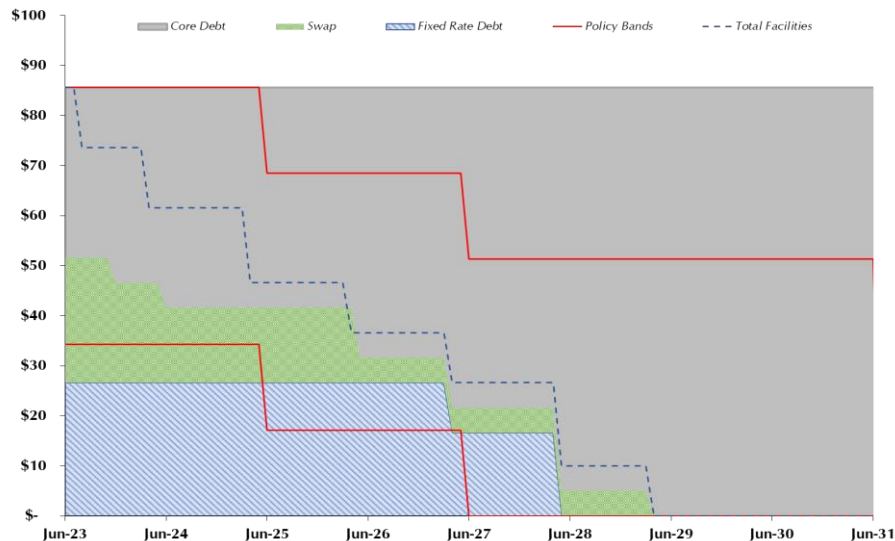
Fixed Rate Hedging Bands			
	Minimum	Maximum	Policy
0 - 2 years	40%	100%	Compliant
2 - 4 years	20%	80%	Compliant
4 - 8 years	0%	60%	Compliant



Interest Rate Risk Management

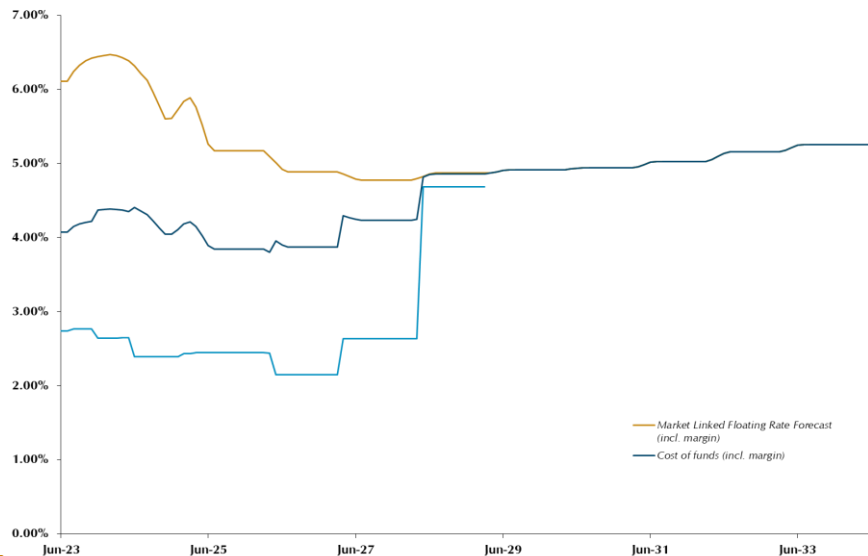
5

Ashburton District Council - Debt and Cover

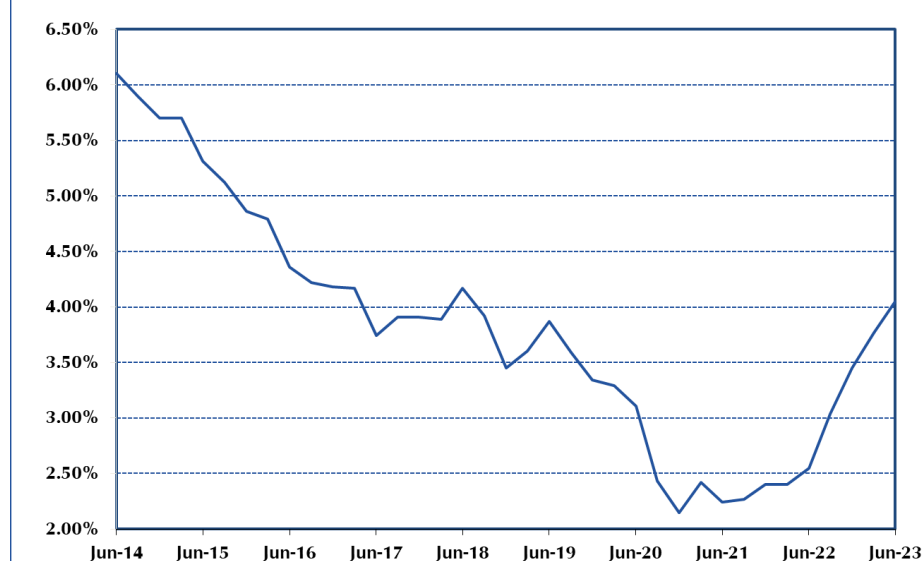


<i>Current % of Debt Fixed</i>	60.3%
<i>Current % of Debt Floating</i>	39.7%
<i>Value of Fixed Rate (m)</i>	\$51.6
<i>Value of Forward Starting Cover</i>	\$5.0
<i>Value of Floating Rate (m)</i>	\$34.0
<i>Total Facilities In Place</i>	\$85.6

Ashburton District Council - Interest Rate Projection



Ashburton District Council - Cost of funds



Ashburton DC funding

As at 30 June

6

Listed below are Ashburton DC's individual debt tranches as at 30 June incorporating Commercial Paper ("CP"), Floating Rate Notes ("FRN") and Fixed Rate Bonds ("FRB") all of which are sourced from the LGFA.

Instrument	Maturity	Rate	Margin	Amount
LGFA CP	15-Aug-23	5.70%	0.64%	\$5,000,000
LGFA CP	15 Aug-23	5.75%	0.15%	\$7,000,000
LGFA FRN	15-Apr-24	5.77%	0.22%	\$2,000,000
LGFA FRN	15-Apr-24	6.10%	0.55%	\$5,000,000
LGFA FRN	15-Apr-24	5.83%	0.28%	\$5,000,000
LGFA FRN	15-Apr-25	5.92%	0.37%	\$7,000,000
LGFA FRN	15-Apr-25	5.84%	0.29%	\$3,000,000
LGFA FRN	15-Apr-25	5.90%	0.35%	\$5,000,000
LGFA FRN	15-Apr-26	6.18%	0.63%	\$10,000,000
LGFA FRB	15-Apr-27	1.23%	0.76%	\$5,000,000
LGFA FRB	15-Apr-27	0.97%	0.69%	\$5,000,000
LGFA FRB	15-May-28	2.01%	0.60%	\$16,600,000
LGFA FRN	20-Apr-29	6.19%	0.60%	\$10,000,000
			TOTAL	\$85,600,000



LGFA Borrowing Rates

As at 30 June

7

Listed below are the credit spreads and applicable interest rates as at 30 June for Commercial Paper ("CP"), Floating Rate Notes ("FRN") and Fixed Rate Bonds ("FRB"), at which Ashburton District Council ("ADC") could source debt from the Local Government Funding Agency ("LGFA").

Maturity	Margin	FRN (or CP Rate)	FRB
3 month CP	0.15%	5.84%	N/A
6 month CP	0.20%	5.99%	N/A
April 2024	0.26%	5.95%	6.08%
April 2025	0.29%	5.98%	5.78%
April 2026	0.35%	6.04%	5.47%
April 2027	0.50%	6.19%	5.37%
May 2028	0.62%	6.31%	5.32%
April 2029	0.71%	6.40%	5.34%
May 2030	0.76%	6.45%	5.32%
May 2031	0.82%	6.51%	5.36%
April 2033	0.90%	6.59%	5.41%
May 2035	0.98%	6.67%	5.55%
April 2037	1.00%	6.69%	5.61%



Investment Portfolio

As at 30 June

8

As at 30 June, ADC's Fixed Interest Portfolio ("FIP") had a nominal value of \$2,100,000 and a market value of \$2,017,860. The makeup of the FIP as at 30 June, including its valuation, is shown in the following table.

Ashburton District Council				30-Jun-23		
<u>Security</u>	<u>Rating</u>	<u>Maturity Date</u>	<u>Coupon (%)</u>	<u>Nominal</u>	<u>Yield (%)</u>	<u>Value</u>
ANZ sub	A-	17-Sep-26	2.999	\$1,000,000	6.61	\$899,581
Westpac	A-	16-Sep-27	6.19	<u>\$1,100,000</u>	6.22	<u>\$1,118,279</u>
				█ \$2,100,000	█	\$2,017,860



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8. Financial Reports

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Attachments

2022-23 Financial variance report – Preliminary June 2023

***Ashburton District Council
Preliminary
Financial Variance Report
For the period ending
30 June 2023***

This report is a preliminary only.

At the time of producing this report there are year-end procedures yet to be completed.

These may include:

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

Variances greater than \$100,000 are highlighted in **red bold**. If the variance is permanent an explanation is provided.

F (favourable variance) means that either actual revenue is greater than budget or actual expenditure is less than budget.

U (unfavourable variance) is **when** actual revenue is less than budget or actual expenditure is greater than budget.

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Income and Expenditure – Overview

For period ending 30 June 2023

\$93.51 M Actual YTD Operating Income	\$88.00 M Forecast Full Year Operating Income	\$5.51 M Variance Operating Income	106% % of Forecast Operating Income
\$75.24 M Actual YTD Operating Expenditure	\$75.89 M Forecast Full Year Operating Expenditure	(\$0.65) M Variance Operating Expenditure	99% % of Forecast Operating Expenditure
\$10.94 M Actual YTD Capital Income	\$72.38 M Forecast Full Year Capital Income	(\$61.44) M Variance Capital Income	15% % of Forecast Capital Income
\$57.54 M Actual YTD Capital Expenditure	\$94.10 M Forecast Full Year Capital Expenditure	(\$36.56) M Variance Capital Expenditure	61% % of Forecast Capital Expenditure
\$5.00 M Actual YTD Loans Repaid	\$8.50 M Forecast Full Year Loans Repaid	(\$3.50) M Variance Loans Repaid	59% % of Forecast Loans Repaid

Income and Expenditure – Summary

For period ending 30 June 2023

	Actual YTD	Full Year Budget	Variance	Percentage of Budget
Revenue				
Rates	44,238,229	44,264,172	(25,943)	100%
Fees and Charges	11,382,619	9,341,051	2,041,568	122%
Subsidies and Grants	16,618,543	18,512,632	(1,894,089)	90%
Finance Income	879,500	351,450	528,050	250%
Other Revenue	6,864,094	6,773,806	90,287	101%
Other Sales	2,301,687	1,588,199	713,487	145%
Development / Financial Contributions	2,507,440	617,400	1,890,040	406%
Gain on Sale of Assets	2,805,698	3,975,542	(1,169,844)	71%
Vested Assets	5,912,751	2,571,498	3,341,253	230%
Total Revenue	93,510,560	87,995,750	5,514,810	106%
Operating Expenditure				
Payments to Staff and Suppliers	53,998,380	55,870,322	(1,871,943)	97%
Finance Costs	3,431,539	2,482,221	949,317	138%
Other Expenses	206,537	190,717	15,820	108%
Depreciation	17,598,959	17,343,722	255,236	101%
Total Expenditure	75,235,413	75,886,983	(651,570)	99%
Net operating surplus (deficit)	18,275,146	12,108,767	6,166,380	151%
Capital Income				
Loans Raised	0	66,595,213	(66,595,213)	0%
Land Sales	10,629,330	5,680,000	4,949,330	187%
Other Asset Sales & Disposals	311,043	103,000	208,043	302%
Total Capital Income	10,940,374	72,378,213	(61,437,839)	15%
Capital Expenditure				
Infrastructural Assets	15,319,853	26,021,010	(10,701,157)	59%
Cyclic Renewals	16,103,786	22,512,977	(6,409,191)	72%
Plant	185,706	631,515	(445,809)	29%
Additions/Alterations	18,396,792	34,433,335	(16,036,543)	53%
Other Assets	7,529,178	10,496,872	(2,967,694)	72%
Total capital expenditure	57,535,314	94,095,709	(36,560,395)	61%
Loan Repayments	5,000,000	8,503,149	(3,503,149)	59%
Total capital to be funded	51,594,941	30,220,645	21,374,296	171%

Note: \$5m of Loan Repayments relates to last years budgeted loan repayments which were actioned in this financial year due to the timing of loans maturing. This repayment will be in addition to the budgeted repayments for the current year ending June 2023

Transportation – Income & Expenditure Report

For period ending 30 June 2023

	Actual YTD	Budget Full Year	Variance	Percentage of Budget	Permanent Variance
Operating Income					
Footpaths	1,282,974	1,368,219	(85,245)	94%	
Roading	17,406,174	14,837,479	2,568,695	117%	Yes
	18,689,148	16,205,698	2,483,450	115%	
Operating Expenditure					
Footpaths	1,432,535	1,391,426	41,109	103%	
Roading	17,842,102	13,984,340	3,857,762	128%	Yes
	19,274,638	15,375,766	3,898,871	125%	
Capital Income					
Footpaths	0	763,732	(763,732)	0%	Yes
Roading	0	1,319,813	(1,319,813)	0%	No
	0	2,083,545	(2,083,545)	0%	
Capital Expenditure					
Footpaths	1,089,511	1,449,620	(360,109)	75%	Yes
Roading	11,165,470	10,775,211	390,259	104%	Yes
	12,254,981	12,224,831	30,150	100%	
Loan Repayments					
Footpaths	59,922	20,379	39,543	294%	
Roading	105,804	201,385	(95,581)	53%	
	165,726	221,764	(56,038)	75%	
<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	4,006,484	950,690	3,055,794	421%	

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

Note: Loan Repayments include a portion relating to last years budgeted loan repayments due to timing of loans maturing.

Transportation – Operating Income

Roading

\$2,568,695F

Reason for variance

Subsidies are \$2.2m above budget of this \$1.4m relates to funding received for Emergency Works for the July 2022 heavy rain event from Waka Kotahi. Other income includes \$75k unbudgeted contribution towards a replacement bridge after the flood and \$100k received for the upgrade of the street lights on the SH1 bridge.

Transportation – Operating Expenditure

Roading

\$3,857,762U

Reason for variance

Operating expenditure at 128% of full year budget is mainly due to the cost of the Emergency Works repairs from the July rain events.

There was also a spend over budget of sealed pavement maintenance to have failed areas of pavement repaired before winter, environmental maintenance (weed spraying, ice gritting, snow clearing) and network services maintenance (signs and roadmarking) to have worn roadmarking repainted and damaged signs repaired.

The Emergency Works were an unbudgeted cost with Council's share of \$983,602 agreed to be funded from the Dividend Reserve.

Transportation – Capital Income

Footpaths

\$763,732U

Reason for variance

Expenditure on asset additions report below forecast. This due to the reasons outlined below under Capital Expenditure Footpaths. As a result, loans required to be raised in this financial year is likely to be lower than originally budgeted.

Transportation – Capital Expenditure

Footpaths

\$360,109F

Reason for variance

Contracts awarded for footpath renewals and new footpaths with most of the construction completed by 30 June 2023. There will likely be a carry forward component for the new footpath construction.

Roading

\$390,259U

Reason for variance

Local Road Improvements such as Pudding Hill Rd Bridge Guardrail and Mayfield Valetta Rd Seal Widening were over the ADC budget. The ADC budget was less than the Waka Kotahi budget with the full Waka Kotahi share claimed.

DRAFT

Drinking Water – Income & Expenditure Report

For period ending 30 June 2023

	Actual YTD	Budget Full Year	Variance	Percentage of Budget	Permanent Variance
Operating Income					
Group Water Supplies	5,962,444	5,748,179	214,265	104%	Yes
Methven/Springfield Water Supply	298,656	293,032	5,624	102%	
Montalto Water Supply	322,051	319,018	3,033	101%	
Lyndhurst Water Supply	16,863	16,619	244	101%	
Barhill Water Supply	4,548	4,488	60	101%	
	6,604,563	6,381,336	223,226	103%	
Operating Expenditure					
Group Water Supplies	5,660,609	5,653,888	6,720	100%	
Methven/Springfield Water Supply	253,835	296,606	(42,771)	86%	
Montalto Water Supply	294,371	321,864	(27,494)	91%	
Lyndhurst Water Supply	5,743	3,571	2,172	161%	
Barhill Water Supply	1,660	1,063	597	156%	
	6,216,217	6,276,993	(60,775)	99%	
Capital Income					
Group Water Supplies	0	17,251,156	(17,251,156)	0%	Yes
Methven/Springfield Water Supply	0	1,189,786	(1,189,786)	0%	Yes
Montalto Water Supply	0	321,472	(321,472)	0%	Yes
	0	18,762,414	(18,762,414)	0%	
Capital Expenditure					
Group Water Supplies	10,160,065	18,606,532	(8,446,467)	55%	Yes
Methven/Springfield Water Supply	311,732	1,298,498	(986,766)	24%	Yes
Montalto Water Supply	50,243	431,032	(380,789)	12%	Yes
	10,522,040	20,336,062	(9,814,022)	52%	
Loan Repayments					
Group Water Supplies	470,896	593,375	(122,479)	79%	No
Methven/Springfield Water Supply	6,937	16,315	(9,378)	43%	
Lyndhurst Water Supply	13,048	13,048	0	100%	
Barhill Water Supply	3,425	3,425	0	100%	
	494,306	626,163	(131,857)	79%	
<i>The above financials include the following:</i>					
Development Contributions	270,669	129,168	141,501	210%	
<i>The above financials do not include the following:</i>					
Vested Assets	527,152	381,100	146,052	138%	

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

Note: Loan Repayments include a portion relating to last years budgeted loan repayments due to timing of loans maturing.

Drinking Water – Operating Income

Group Water Supplies

\$214,265F

Reason for variance

This favourable variance is a result of income from development contributions being higher than projected at budget time – primarily Ashburton (\$93,084F) and Methven (\$45,537F). The other contributor is Ashburton connection fees (\$40,710F). In both cases development activity clearly exceeded projections made at the time of budget preparation.

Drinking Water – Capital Income

Group Water Supplies

\$17,251,156U

Reason for variance

Expenditure on asset additions report below forecast. This due to the reasons outlined below under Capital Expenditure Group Water Supplies. As a result, loans required to be raised in this financial year is likely to be lower than originally budgeted.

Methven/Springfield Water Supply

\$1,189,786U

Reason for variance

Expenditure on asset additions report below forecast. This due to the reasons outlined below under Capital Expenditure Methven/Springfield Water Supply. As a result, loans required to be raised in this financial year is likely to be lower than originally budgeted.

Montalto Water Supply

\$321,472U

Reason for variance

Expenditure on asset additions report below forecast. This due to the reasons outlined below under Capital Expenditure Montalto Water Supply. As a result, loans required to be raised in this financial year is likely to be lower than originally budgeted.

Drinking Water – Capital Expenditure

Group Water Supplies

\$8,446,467F

Reason for variance

The favourable variance relates to a range of projects, the largest being the UV and filtration upgrades across a number of supplies with detailed design being progressed at present. There was a capital budget of \$2.53M allocated in the subject year budget (with a similar figure in the current year). It was envisaged that critical equipment purchases would be made, and capital construction commenced prior to 30 June 23. However, pre-purchase of equipment is no longer preferred due to the contractual complexity this approach imposes later. The design for each site is proving to be significantly more complex than originally envisaged by officers which has delayed progress on this project.

Another key project is the new bore project at Rakaia. The total budget for this item is ~\$450,000. The bore drilling tender has been let in the amount of \$214,119 with drilling commencing 10 July. Prices for the headworks and connecting pipeline phase of work will be sought in August.

Lastly, the 2Yr Instrumentation Bollards project covers the construction of 46 monitoring stations around the various networks. This had a project budget of \$430,000 in the subject year (+\$400,000 current year). This work has only recently been awarded under delegated authority at \$765,375.

The favourable variance also includes programmed cyclic renewals now committed but not yet complete. This was recently awarded at the 3 May 23 meeting of Council at ~\$1.83M.

A carry forward will be requested for any unspent amounts as at June 2023.

Methven Springfield

\$986,766F

Reason for variance

The majority of this budget relates to the Methven water treatment plant upgrade project of which this scheme is part. The physical works relating to this project are continuing but nearing completion. Commissioning is now indicated for August.

This project will be the subject of a request for carry over funding.

Montalto

\$380,789F

Reason for variance

This is the design phase budget for a treatment solution for the Montalto scheme. Officers are currently reviewing an interim issues and options report on upgrades options for the scheme. Less progress has been made on this project as the focus of resources is currently on the larger scheme projects. Unspent funds will be subject to a carry forward request.

Wastewater – Income & Expenditure Report

For period ending 30 June 2023

	Actual YTD	Budget Full Year	Variance	Percentage of Budget	Permanent Variance
Operating Income					
Ashburton Wastewater	5,558,263	4,807,546	750,717	116%	Yes
Methven Wastewater	536,130	412,983	123,147	130%	Yes
Rakaia Wastewater	341,266	359,289	(18,023)	95%	
	6,435,659	5,579,818	855,841	115%	
Operating Expenditure					
Ashburton Wastewater	4,668,414	4,464,082	204,332	105%	Yes
Methven Wastewater	428,697	412,904	15,793	104%	
Rakaia Wastewater	405,724	360,751	44,972	112%	
	5,502,835	5,237,738	265,097	105%	
Capital Income					
Ashburton Wastewater	0	12,640,324	(12,640,324)	0%	Yes
Rakaia Wastewater	0	178,356	(178,356)	0%	No
	0	12,818,680	(12,818,680)	0%	
Capital Expenditure					
Ashburton Wastewater	6,996,065	13,944,000	(6,947,935)	50%	Yes
Methven Wastewater	448,125	110,267	337,858	406%	Yes
Rakaia Wastewater	249,559	274,228	(24,669)	91%	
	7,693,749	14,328,495	(6,634,746)	54%	
Loan Repayments					
Ashburton Wastewater	911,137	1,126,249	(215,112)	81%	No
Methven Wastewater	12,443	16,277	(3,834)	76%	
Rakaia Wastewater	45,818	47,192	(1,374)	97%	
	969,398	1,189,718	(220,320)	81%	
<i>The above financials include the following:</i>					
Capital Services Contribution	585,078	383,791	201,286	152%	
<i>The above financials do not include the following:</i>					
Vested Assets	429,625	612,850	(183,225)	70%	

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

Note: Loan Repayments include a portion relating to last years budgeted loan repayments due to timing of loans maturing.

Wastewater – Operating Income

Ashburton

\$750,717F

Reason for variance

This is a result of income from development contributions being higher than projected at budget time. This item is sitting at ~\$198,000 above the full year budget. There is also \$80,000 of unbudgeted grant income. This is the final payment of government funding for the Ashburton Relief Sewer main project. Ocean farm sales is also contributing to the favourable variance with income from the farm (grazing and standing grass contracts) being \$430,497 higher than budget.

Methven

\$123,147F

Reason for variance

Targeted Rates are reporting above budgeted levels due to movements in Capital Value from when the budget for rates is set and when the rates are actually struck.

Wastewater – Operating Expenditure

Ashburton

\$204,332U

Reason for variance

The majority of this unfavourable variance is caused by Interest cost (\$145,378) which is due to increasing interest rates and Investigations (\$53,030), which has arisen due to ongoing compliance issues at the WWTPs, and consequently the need for additional investigative work by consultants. Note:- This unfavourable variance is expected to increase further once the final contractual claims have been processed from the job ledgers.

Wastewater – Capital Income

Ashburton Wastewater

\$12,640,324U

Reason for variance

Expenditure on asset additions report below forecast. This due to the reasons outlined below under Capital Expenditure Ashburton Wastewater. As a result, loans required to be raised in this financial year is likely to be lower than originally budgeted.

Wastewater – Capital Expenditure

Ashburton

\$6,947,935F

Reason for variance

The majority of this favourable variance relates to the North-west Ashburton wastewater servicing project. The new pipelines are complete, and the pump station is expected to be completed by end of July.

A key renewal, the wastewater pipeline below the Trevors Rd grit chamber (\$3.14M) is being progressed. There has been some delays associated with engineering resources. It is now envisaged that this work will be tendered in August. Other renewals (\$1.74M) have only recently been let at the 28 June meeting of Council.

These projects will be subject of a request for carry over funding.

Methven Wastewater

\$337,858U

Reason for variance

This expenditure is associated with the pipeline renewals being undertaken in Methven, and unscheduled renovations to the disposal basins at the Methven WWTP (reactive works due to non-compliances identified at the site).

The renewals are a “catch up” from previous years programmes. An associated carryover covering this work was approved and loaded into the Ashburton cost centre (253). With wastewater being a grouped activity, overall, there is no unfavourable variance.

Rakaia

\$24,669F

Reason for variance

This favourable variance relates to a capital project to construct a sludge drying solution for the site, however as the design was developed it became clear that the budget was insufficient to progress the project. Some of this budget has now been used for some minor capital upgrades in order to improve compliance in the short-term. The optimal sludge drying solution will be the subject of a standalone report for additional funding.

Stormwater – Income & Expenditure Report

For period ending 30 June 2023

	Actual YTD	Budget Full Year	Variance	Percentage of Budget	Permanent Variance
Operating Income					
Ashburton Stormwater	1,220,500	1,199,732	20,769	102%	
Methven Stormwater	105,064	103,739	1,325	101%	
Rakaia Stormwater	53,885	53,394	491	101%	
Hinds Stormwater	11,116	11,161	(45)	100%	
Rural Stormwater	53,114	52,151	964	102%	
	<u>1,443,679</u>	<u>1,420,176</u>	<u>23,503</u>	<u>102%</u>	
Operating Expenditure					
Ashburton Stormwater	1,124,535	1,318,452	(193,917)	85%	Yes
Methven Stormwater	114,580	119,906	(5,326)	96%	
Rakaia Stormwater	47,415	68,905	(21,491)	69%	
Hinds Stormwater	6,282	11,182	(4,900)	56%	
Rural Stormwater	6,222	52,735	(46,513)	12%	
	<u>1,299,033</u>	<u>1,571,180</u>	<u>(272,147)</u>	<u>83%</u>	
Capital Expenditure					
Ashburton Stormwater	8,644	284,840	(276,196)	3%	Yes
	<u>8,644</u>	<u>284,840</u>	<u>(276,196)</u>	<u>3%</u>	
Loan Repayments					
Ashburton Stormwater	263,647	273,939	(10,292)	96%	
Methven Stormwater	7,539	7,539	0	100%	
	<u>271,186</u>	<u>281,478</u>	<u>(10,292)</u>	<u>96%</u>	
<i>The above financials include the following:</i>					
Development Contributions	0	0	0	0%	
<i>The above financials do not include the following:</i>					
Vested Assets	524,834	626,858	(102,024)	84%	

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

Note: Loan Repayments include a portion relating to last years budgeted loan repayments due to timing of loans maturing.

Stormwater – Operational Expenditure

Ashburton

\$193,917F

Reason for variance

A favourable variance is likely at 30 June due to implementation works associated with the network-wide consents being delayed. This includes the industrial site assessment work which is with Beca for pricing and therefore is yet to be commenced. Progress on this work has been impacted by the compliance vacancy in the Assets Team.

Stormwater – Capital Expenditure

Ashburton

\$276,196F

Reason for variance

The favourable variance relates to the detailed design phase of the West Street Attenuation and Treatment facility project. Due to competing demands on design services, this work will be rescheduled for the 2023/24 year. With the decision to delay the associated physical works project further, this delay in design has limited impact on the wider programme.

Stockwater – Income & Expenditure Report

For period ending 30 June 2023

	Actual YTD	Budget Full Year	Variance	Percentage of Budget	Permanent Variance
Operating Income					
Stockwater	921,129	1,032,155	(111,026)	89%	Yes
	921,129	1,032,155	(111,026)	89%	
Operating Expenditure					
Stockwater	1,325,268	1,100,482	224,785	120%	Yes
	1,325,268	1,100,482	224,785	120%	
Capital Income					
Stockwater	0	148,473	(148,473)	0%	Yes
	0	148,473	(148,473)	0%	
Capital Expenditure					
Stockwater	5,185	148,473	(143,288)	3%	Yes
	5,185	148,473	(143,288)	3%	
Loan Repayments					
Stockwater	9,174	17,674	(8,500)	52%	
	9,174	17,674	(8,500)	52%	
<i>The above financials include the following:</i>					
	0	0	0	0%	
<i>The above financials do not include the following:</i>					
	0	0	0	0%	

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

Note: Loan Repayments include a portion relating to last years budgeted loan repayments due to timing of loans maturing.

Stockwater – Operating Income

Stockwater

\$111,026U

Reason for variance

Targeted Rates are reporting below budgeted levels. This is likely to be due to a reduction in the number of properties in the Stockwater network from when the budget for rates is set and when the rates are struck.

Stockwater – Operating Expenditure

Stockwater

\$224,785U

Reason for variance

This unfavourable variance is mainly due to the cost of reinstating river intakes as a result of the July and ongoing rain events. The Methven Axillary intake required major repairs to prevent the river washing away the intake gate and associated infrastructure. The intake continues to require greater than usual maintenance.

Mains race cleaning was expected to ease with the lead into autumn but due to growth some mains have required to be cleaned for a third time. As stated previously, traffic management requirements are adding to the cost of some main race cleaning.

Stockwater – Capital Income

Stockwater

\$148,473U

Reason for variance

Expenditure on asset additions report below forecast. This due to the reasons outlined below under Capital Expenditure Stockwater. As a result, loans required to be raised in this financial year is likely to be lower than originally budgeted.

Stockwater – Capital Expenditure

Stockwater

\$143,288F

Reason for variance

The favourable variance relates to the detailed design phase for the fish screens project (at the Brothers, and Methven Auxiliary intakes). Beca consultants have commenced work on this project. Site visits and survey have been completed. This project will be the subject of a request for carryover funding.

Waste Reduction & Recycling – Income & Expenditure Report

For period ending 30 June 2023

	Actual YTD	Budget Full Year	Variance	Percentage of Budget	Permanent Variance
Operating Income					
Refuse Collection	2,594,586	2,518,797	75,789	103%	
Refuse Management	4,826,478	4,717,076	109,402	102%	Yes
	<u>7,421,064</u>	<u>7,235,873</u>	<u>185,191</u>	<u>103%</u>	
Operating Expenditure					
Refuse Collection	2,649,369	2,518,797	130,572	105%	Yes
Refuse Management	5,462,360	4,777,545	684,815	114%	Yes
	<u>8,111,730</u>	<u>7,296,343</u>	<u>815,387</u>	<u>111%</u>	
Capital Income					
Refuse Management	0	94,465	(94,465)	0%	
	<u>0</u>	<u>94,465</u>	<u>(94,465)</u>	<u>0%</u>	
Capital Expenditure					
Refuse Collection	8,217	0	8,217	0%	
Refuse Management	153,482	204,512	(51,031)	75%	
	<u>161,699</u>	<u>204,512</u>	<u>(42,814)</u>	<u>79%</u>	
Loan Repayments					
Refuse Collection	1,511	4,462	(2,951)	34%	
Refuse Management	36,103	27,171	8,932	133%	
	<u>37,614</u>	<u>31,633</u>	<u>5,981</u>	<u>119%</u>	
<i>The above financials include the following:</i>					
Development Contributions	0	0	0	0%	
<i>The above financials do not include the following:</i>					
Vested Assets	0	0	0	0%	

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

Note: Loan Repayments include a portion relating to last years budgeted loan repayments due to timing of loans maturing.

Waste Reduction & Recycling – Operating Income

Refuse Management

\$109,402F

Reason for variance

Fee income is up \$438k on budget for the Ashburton Resource Recovery Park.

We are still expecting to receive the last quarter levy income which will increase the favourable variance.

The Transwaste Equalization Revenue amounting of \$202K is also yet to be received and will relatively increase the favourable variance.

Waste Reduction & Recycling – Operating Expenditure

Refuse Collection

\$130,572U

Reason for variance

The variance is attributed to Cost Fluctuations amounting to \$61k. Additional kerb side collection bins amounted to \$41k. The solid waste education campaigns generated a variance of \$19k above budget.

Refuse Management

\$684,815U

Reason for variance

Job costs are \$516k above budget which is offset partially by the increase in fees. Repairs and Maintenance are above budget mainly due to compactor repairs \$40k. Waste Minimisation costs are also approximately \$100k above budget.

Recreation Facilities – Income & Expenditure Report

For period ending 30 June 2023

	Actual YTD	Budget Full Year	Variance	Percentage of Budget	Permanent Variance
Operating Income					
Ashburton Museum and Art Gallery	1,686,248	1,669,455	16,793	101%	
Library	1,414,861	1,326,781	88,080	107%	
Recreation Facilities and Services	5,896,702	5,760,613	136,088	102%	Yes
	8,997,810	8,756,849	240,960	103%	
Operating Expenditure					
Ashburton Museum and Art Gallery	1,997,614	2,161,032	(163,418)	92%	Yes
Library	1,523,197	1,630,441	(107,244)	93%	Yes
Recreation Facilities and Services	6,449,894	6,940,797	(490,903)	93%	Yes
	9,970,705	10,732,270	(761,565)	93%	
Capital Income					
Library	0	177,598	(177,598)	0%	No
Recreation Facilities and Services	2,895	33,000	(30,105)	9%	
	2,895	210,598	(207,703)	1%	
Capital Expenditure					
Ashburton Museum and Art Gallery	89,609	114,546	(24,937)	78%	
Library	196,661	265,917	(69,256)	74%	
Recreation Facilities and Services	285,777	281,947	3,831	101%	
	572,048	662,410	(90,362)	86%	
Loan Repayments					
Recreation Facilities and Services	6,846	10,822	(3,976)	63%	
	6,846	10,822	(3,976)	63%	
<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

Note: Loan Repayments include a portion relating to last years budgeted loan repayments due to timing of loans maturing.

Recreation Facilities – Operating Income

Recreation Facilities & Services

\$136,088F

Reason for variance

Higher than budgeted grant income that will become a carry-forward and higher than budgeted retail income have contributed to a favourable outcome.

Recreation Facilities – Operating Expenditure

Ashburton Art Gallery and Museum

\$163,418F

Reason for variance

A favourable variance has resulted due to lower wages and staff related costs while not at full staff capacity. Remaining variance predominantly due to minor underspend in stationary, archives and exhibition related costs.

Library

\$107,244F

Reason for variance

Lower than expected costs, especially staffing, and consultancy (for Sound Studio) which had been budgeted to include operation in the new building.

Recreation Facilities & Services

\$490,903F

Reason for variance

Expenditure is showing a favourable variance due to lower-than-expected wages due to recruitment challenges as well as lower than budgeted electricity use. This will be a permanent variance.

Recreation & Community Services – Income & Expenditure Report

For period ending 30 June 2023

	Actual YTD	Budget Full Year	Variance	Percentage of Budget	Permanent Variance
Operating Income					
Public Conveniences	760,098	494,633	265,465	154%	Yes
Elderly Persons Housing	618,253	743,756	(125,503)	83%	Yes
Memorial Halls	422,460	312,755	109,705	135%	Yes
Reserves and Camping Grounds	788,652	860,563	(71,911)	92%	
Reserve Boards	805,685	676,777	128,908	119%	Yes
Community Safety	51,669	47,296	4,373	109%	
	3,446,818	3,135,781	311,038	110%	
Operating Expenditure					
Public Conveniences	595,206	578,289	16,918	103%	
Elderly Persons Housing	602,164	662,429	(60,265)	91%	
Memorial Halls	593,088	636,788	(43,700)	93%	
Reserves and Camping Grounds	895,711	1,024,143	(128,432)	87%	Yes
Reserve Boards	612,914	699,263	(86,349)	88%	
Community Safety	58,417	57,803	614	101%	
	3,357,501	3,658,715	(301,214)	92%	
Capital Income					
Public Conveniences	0	1,281,771	(1,281,771)	0%	Yes
Elderly Persons Housing	0	157,234	(157,234)	0%	No
Reserves and Camping Grounds	0	45,000	(45,000)	0%	
Reserve Boards	0	97,084	(97,084)	0%	
	0	1,581,089	(1,581,089)	0%	
Capital Expenditure					
Public Conveniences	653,453	1,196,979	(543,526)	55%	Yes
Elderly Persons Housing	154,277	216,531	(62,254)	71%	
Memorial Halls	0	20,169	(20,169)	0%	
Reserves and Camping Grounds	8,702	145,000	(136,298)	6%	Yes
Reserve Boards	46,330	167,623	(121,293)	28%	Yes
	862,762	1,746,302	(883,540)	49%	
Loan Repayments					
Public Conveniences	6,942	210,171	(203,229)	3%	No
Elderly Persons Housing	0	3,640	(3,640)	0%	
Reserves and Camping Grounds	1,200	37,508	(36,308)	3%	
Reserve Boards	40,000	18,250	21,750	219%	
	48,142	269,569	(221,427)	18%	
<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	424,657	0	424,657	0%	

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

Note: Loan Repayments include a portion relating to last years budgeted loan repayments due to timing of loans maturing.

Recreation & Community Services – Operating Income

Public Conveniences

\$265,465F

Reason for variance

Replacement Public Conveniences at Rakaia Gorge are still pending. Therefore the funding from the Tourism Infrastructure Fund is yet to be expended funding will require carryover.

Elderly Persons Housing

\$125,503U

Reason for variance

EPH rental income will be permanently down on budget due to multiple units being empty over the last 10 months. Some were empty as a result of not re-tenanting due to planned demolitions in Friendship Lane and others empty due to refurbishments after tenants move. There has also been an increase in tenancy movement which has also resulted in lost rental between tenancies. Reduced operating costs helps offset the reduced income.

Memorial Halls

\$109,705F

Reason for variance

Mount Hutt Memorial Hall received an unbudgeted grant of \$31,000 in addition to Sales and Rental being \$65,000 above budget.

Reserve Boards

\$128,908F

Reason for variance

Tinwald Reserve was down \$139,000 on budget for fee income however this is offset by Ashburton Holiday Park being up \$164,000 and Mount Somers Recreation Reserve up \$10,000 on fee income. Hinds Recreation reserve was also up on budgeted income by the Plunket Building donation \$10,000 and unbudgeted grant income of \$8,500.

Recreation & Community Services – Operating Expenditure

Reserves and Camping Grounds

\$128,432F

Reason for variance

Work on Lake Clearwater occupation has not progressed and will need to be carried forward to the 2023/24 financial year.

Costs relating to the road stopping process will be recovered from the applicant on completion of the project. Future revenue will offset this unfavourable variance in expenditure.

Recreation & Community Services – Capital Income

Public Conveniences

\$1,281,771U

Reason for variance

Expenditure on asset additions report below forecast. This due to the reasons outlined below under Capital Expenditure Public Conveniences. As a result, loans required to be raised in this financial year is likely to be lower than originally budgeted.

Recreation & Community Services – Capital Expenditure

Public Conveniences

\$543,526F

Reason for variance

Replacement facilities at Rakaia Gorge with Matariki viewing platform are yet to commence with contracts let. Therefore will require carry forward.

Rakaia Domain facility renewal will be partially expended but the majority of this funding will require carry forward due to project timing now scheduled to conclude April/May 2024. Procurement has occurred and the new facility is on the production line.

Reserves and Camping Grounds

\$136,298F

Reason for variance

\$100k budgeted for earthquake strengthening of Rakaia Memorial Hall will not be completed by the end of June and will subject to a carryover request.

Reserve Boards

\$121,293F

Reason for variance

The Tinwald Reserve playground upgrade of \$79k and bridges and walkway upgrade of \$40k have not started in this financial year and will be subject to a carryover request.

Economic Development – Income & Expenditure Report

For period ending 30 June 2023

	Actual YTD	Budget Full Year	Variance	Percentage of Budget	Permanent Variance
Operating Income					
Commercial Property	13,184,218	19,945,300	(6,761,082)	66%	Yes
Business & Economic Development	745,606	626,637	118,969	119%	Yes
District Promotion	274,714	270,465	4,249	102%	
Forestry	1,274,159	966,643	307,517	132%	Yes
	15,478,698	21,809,045	(6,330,347)	71%	
Operating Expenditure					
Commercial Property	5,588,575	5,211,749	376,826	107%	Yes
Business & Economic Development	969,213	801,554	167,659	121%	Yes
District Promotion	198,520	252,177	(53,657)	79%	
Forestry	509,627	540,373	(30,746)	94%	
	7,265,935	6,805,853	460,082	107%	
Capital Income					
Commercial Property	10,629,330	28,530,280	(17,900,950)	37%	Yes
Business & Economic Development	0	3,000,000	(3,000,000)	0%	No
	10,629,330	31,530,280	(20,900,950)	34%	
Capital Expenditure					
Commercial Property	17,685,313	34,582,010	(16,896,697)	51%	Yes
	17,685,313	34,582,010	(16,896,697)	51%	
Loan Repayments					
Commercial Property	2,660,897	2,519,965	140,932	106%	No
Business & Economic Development	0	3,000,000	(3,000,000)	0%	No
	2,660,897	5,519,965	(2,859,068)	48%	
<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

Note: Loan Repayments include a portion relating to last years budgeted loan repayments due to timing of loans maturing.

Economic Development – Operating Income

Commercial Property

\$6,761,082U

Reason for variance

As at the end of June, a permanent favourable difference compared to budget is expected due to the gain on sale of North East Business Estate properties. Recent gain on sales for properties settled in June are not yet reflected in this variance amount.

The Te Pataka o ka Tuhituhi and Te Waharoa a Hine Paaka met the 80% complete milestone for the Otakaro Crown infrastructure funding. As the completion date for the building is later in the 2023 calendar year, some of this budgeted funding will be received in the 23/24 financial year.

There is an unfavourable variance for the gain on sale for the sale of the Civic building due to the delay in the completion date of the new building.

There is an unfavourable variance for Glasgow lease rental income compared to budget due to the sale of the Glasgow lease properties. This is offset by a favourable variance on gain on sale as a result of the sale of these properties.

Business & Economic Development

\$118,969F

Reason for variance

Additional funding for the Mayor's Taskforce for Jobs was received that was unbudgeted and income from sponsorship for Glow in the Park was also received.

Forestry

\$307,517F

Reason for variance

The Forestry harvest timetable at Wightmans Road was intentionally slowed down due to the decrease in the log prices. As some unbudgeted harvesting was undertaken at the start of this year (due to wind blow) Forestry revenue will exceed this year's budget, and the balance of Wightmans Road harvest to be received in the next financial year.

Economic Development – Operating Expenditure

Commercial Property

\$376,826U

Reason for variance

There is a significant variance in interest costs due to the increase in interest rates.

Commissions on the sale of property is higher than budgeted as sales were higher than budgeted.

Ashburton Museum and Art Gallery had higher than budgeted repairs and maintenance due to unforeseen air-conditioning breakdowns.

The Former South Street depot was demolished as committed in 2021/22. The un-spent operational budget was credited to the reserves end of year 2022, to fund this project in 2022/23.

Business & Economic Development

\$167,659U

Reason for variance

Staff salaries were increased as a result of additional income for ½ of the Event Advisor position, 6 months for the Youth Coach (MTFJ) and five months for the Agricultural advisor.

Economic Development – Capital Income

Commercial Property

\$17,900,950U

Reason for variance

Capital income will not be fully realised due to capital expenditure not being fully expensed. This will result in a lower borrowing, however this income will be realised in the 2023/24 financial year.

Economic Development – Capital Expenditure

Commercial Property

\$16,896,697F

Reason for variance

\$1,923,800 budgeted for the Art Gallery and Heritage Centre for the progressive upgrade of air-conditioning and building work to stabilise the interior environment will remain unspent at year end. The expected completion date for this project is June 2026 and will continue to be a carry-over request as agreed in the 2022/2023 carryover request.

It is likely the Rakaia Medical Centre project will no longer be expected to use the majority of the capital funds as they plan to manage and fund much of the renovations themselves. However, Methven Medical Centre is still finalising their requirements. It is expected that a decision on both capital projects will be made in the second quarter of 2023/24 financial year. There will likely be a request for some of this funding to be carried forward into 2023/24 financial year.

There will be a permanent difference on the Te Pataka o Ka Tuhihi and Te Waharoa a Hine Paaka new build due to timing. Any unspent funds will be subject to a carryover request.

The Oval Pavilion has not yet transferred to Council ownership, and the planned remedial work is likely to be carried out in the 2023/24 financial year and will be subject to a carry over request.

Parks & Open Spaces – Income & Expenditure Report

For period ending 30 June 2023

	Actual YTD	Budget Full Year	Variance	Percentage of Budget	Permanent Variance
Operating Income					
Cemeteries	685,472	560,624	124,848	122%	Yes
Parks and Recreation	6,210,687	4,262,102	1,948,585	146%	Yes
	6,896,159	4,822,726	2,073,433	143%	
Operating Expenditure					
Cemeteries	488,263	589,110	(100,847)	83%	Yes
Parks and Recreation	4,542,295	3,855,385	686,910	118%	Yes
	5,030,557	4,444,494	586,063	113%	
Capital Income					
Cemeteries	0	244,379	(244,379)	0%	No
Parks and Recreation	0	4,666,397	(4,666,397)	0%	Yes
	0	4,910,776	(4,910,776)	0%	
Capital Expenditure					
Cemeteries	254,982	285,906	(30,924)	89%	Yes
Parks and Recreation	1,126,147	5,469,751	(4,343,604)	21%	
	1,381,129	5,755,656	(4,374,527)	24%	
Loan Repayments					
Cemeteries	2,121	5,023	(2,902)	42%	
Parks and Recreation	80,681	58,168	22,513	139%	
	82,802	63,191	19,611	131%	
<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	0	0	0	0%	

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

Note: Loan Repayments include a portion relating to last years budgeted loan repayments due to timing of loans maturing.

Parks and Open Spaces – Operating Income

Cemeteries **\$124,848F**

Reason for variance

Cemeteries have seen increased patronage therefore an increase in sale of plots, and Interment fees.

Parks and Recreation **\$1,948,585F**

Reason for variance

Reserve Contributions have driven this increase. It will be a permanent variance.

Parks and Open Spaces – Operating Expenditure

Cemeteries **\$100,847F**

Reason for variance

For a number of months early in the financial year recruitment was a challenge. This resulted in several months of wages not being expended and tasks not complete. The focus was on the Interment aspects, solely. This will be a permanent variance.

Parks and Recreation **\$686,910U**

Reason for variance

There is an overspend in the Domain cost centre of \$450,000, Neighbourhood Grounds Beautification \$108,000 and Urban Reserves Beautification \$78,000 in relation to maintenance contracts which contributes to this variance.

Parks and Open Spaces – Capital Income

Parks and Recreation **\$4,666,397U**

Reason for variance

Expenditure on asset additions report below forecast. This due to the reasons outlined below under Capital Expenditure Parks and Recreation. As a result, loans required to be raised in this financial year is likely to be lower than originally budgeted.

Parks and Open Spaces – Capital Expenditure

Parks and Recreation

\$4,343,604F

Reason for variance

There will be a permanent variance of \$420,000 in expenditure of capital compared to budget in relation to the Domain Promenade Project. It has been put on hold due to insufficient funding being available to complete the project once the project scope was finalised and costs assessed by a quantity surveyor.

A contract has been awarded for the Ashburton Baring Square East Re-development totalling \$2,449,903. It is expected that approximately 50% of the contract amount will be spent by 30 June 2023 the balance being subject to a carry forward request. Contract works is expected to be completed in September 2023.

Ashburton Domain asset renewals, work committed:

Pond Edging \$305,000 - Contractors are now forecasting a delivery timeline of mid-year. While some work has already commenced, it will not be complete by year end. Therefore, it will require a component of carry forward.

Lighting upgrade \$225,000 - Work has been let with completion in the New year which will require fund carry forward.

New Pathway \$100,000 - Contractors are three quarters complete but will flow over into the new financial year requiring fund carryover.

Park bench moulds \$18,000 are being recast in a Timaru foundry with delivery in the new financial year requiring fund carryover.

Playground upgrade, flying fox now has spring completion, in the new financial year, so funds will be requiring carryover.

Irrigation upgrade, awaiting road-opening and new supply to be fitted. Delivery will be in the new financial year requiring fund carryover.

Community Governance & Decision Making – Income & Expenditure Report

For period ending 30 June 2023

	Actual YTD	Budget Full Year	Variance	Percentage of Budget	Permanent Variance
Operating Income					
Council	2,609,198	2,613,197	(3,999)	100%	
Methven Community Board	152,433	145,179	7,254	105%	
Youth Council	11,416	10,485	930	109%	
Community Grants Funding	2,168,622	1,471,781	696,841	147%	Yes
Water Zone Committee	240,614	244,427	(3,813)	98%	
	5,182,282	4,485,070	697,213	116%	
Operating Expenditure					
Council	2,981,377	3,456,427	(475,050)	86%	Yes
Methven Community Board	142,508	150,495	(7,987)	95%	
Youth Council	7,775	14,664	(6,889)	53%	
Community Grants Funding	1,102,007	1,150,462	(48,454)	96%	
Water Zone Committee	125,126	472,580	(347,454)	26%	Yes
	4,358,794	5,244,628	(885,834)	83%	
Loan Repayments					
Community Grants Funding	99,000	99,000	0	100%	
Water Zone Committee	18,000	18,000	0	100%	
	117,000	117,000	0	100%	
<i>The above financials include the following:</i>					
Development Contributions	1,179,820	512,560	667,260	230%	
<i>The above financials do not include the following:</i>					
Vested Assets	0	0	0	0%	
<i>The above financials do not include appropriations - to and from activities</i>					

Note: Loan Repayments include a portion relating to last years budgeted loan repayments due to timing of loans maturing.

Community Governance & Decision Making – Operating Income

Community Grants Funding

\$696,841F

Reason for variance

As at June Capital Service Contributions are \$667,000 above full year budget. This is due to the larger number of subdivisions happening around the district than originally budget for. This will be a permanent difference.

Community Governance & Decision Making – Operating Expenditure

Council

\$475,050F

Reason for variance

This activity contains the Council, governance and support functions for democracy services. The favourable variances is due to a lower allocation of overhead charges from budget and reflects some recruitment delays in filling vacant positions.

Water Zone Committee

\$347,454F

Reason for variance

This activity contains the district water management investigations budget, ~\$270,000. This was to cover various actions within the Ashburton Surface Water Strategy. This includes strategic closures (e.g. Pudding Hill Intake), and District-wide flood modelling – the first stage of which is complete and being peer reviewed by ECan prior to being finalised. Many of these projects are ongoing but may not be fully completed (or cost incurred) by year end. Any unspent funds will be subject to a carry forward request.

Environmental Services – Income & Expenditure Report

For period ending 30 June 2023

	Actual YTD	Budget Full Year	Variance	Percentage of Budget	Permanent Variance
Operating Income					
Environmental Health	118,708	110,471	8,237	107%	
Building Regulation	2,791,853	2,334,311	457,542	120%	Yes
Emergency Management	185,815	185,148	667	100%	
Liquor Licensing	263,092	191,294	71,798	138%	
Land Information Memorandum	91,824	104,593	(12,769)	88%	
Parking	365,715	249,083	116,632	147%	Yes
Animal Control	434,656	509,177	(74,521)	85%	
Resource Consents	730,663	699,119	31,543	105%	
Monitoring and Enforcement	322,291	333,114	(10,823)	97%	
Planning	518,357	509,871	8,486	102%	
	5,822,974	5,226,182	596,792	111%	
Operating Expenditure					
Environmental Health	249,409	214,123	35,286	116%	
Building Regulation	2,591,866	2,409,734	182,132	108%	Yes
Emergency Management	103,019	118,656	(15,636)	87%	
Liquor Licensing	186,500	219,393	(32,894)	85%	
Land Information Memorandum	101,330	104,593	(3,263)	97%	
Parking	240,036	260,544	(20,508)	92%	
Animal Control	493,043	545,594	(52,551)	90%	
Resource Consents	702,032	763,266	(61,234)	92%	
Monitoring and Enforcement	322,390	429,533	(107,143)	75%	Yes
Planning	428,928	517,523	(88,595)	83%	
	5,418,554	5,582,960	(164,406)	97%	
Loan Repayments					
Animal Control	8,800	4,400	4,400	200%	
Planning	128,109	144,302	(16,193)	89%	
	136,909	148,702	(11,793)	92%	
<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

Note: Loan Repayments include a portion relating to last years budgeted loan repayments due to timing of loans maturing.

Environment Services – Operating Income

Building Regulation

\$457,542F

Reason for variance

Another year of high consent numbers and value of work. In terms of new residential house consents we were only three less than our previous (record) year and the commercial builds were buoyant as well. This has increased income through our consent fees, MBIE and Branz levies.

Parking

\$116,632F

Reason for variance

The increase is due to infringement fees and fines exceeding what was budgeted, however 50% of infringement fees is payable to MoJ and we have not yet been fully invoiced for this.

Environment Services – Operating Expenditure

Building Regulation

\$182,132U

Reason for variance

Due to the high numbers of consents, we had to outsource more consents to contractors than we forecast. Also MBIE and Branz levies payments were higher than forecast due to the high value of construction work issued for the year.

Monitoring & Enforcement

\$107,143F

Reason for variance

The salary for this role was previously split between cost centres for monitoring, planning and building enforcement but is now also split with the cost centre for animal control. Further refinement is required to ensure these splits are allocated accurately.

Miscellaneous, Dividends & Internal Overheads – Income & Expenditure Report

For period ending 30 June 2023

	Actual YTD	Budget Full Year	Variance	Percentage of Budget	Permanent Variance
Operating Income					
Dividends and Interest	2,771,978	2,151,450	620,528	129%	Yes
Library and Civic Centre	302,009	485,873	(183,864)	62%	No
Leadership Team	1,618,358	1,698,806	(80,448)	95%	
People & Capability	1,000,435	1,199,319	(198,884)	83%	No
Information Systems	3,407,290	3,745,331	(338,041)	91%	No
Customer Services	665,936	736,471	(70,535)	90%	
Treasury	1,202,492	1,508,289	(305,797)	80%	No
Rates	672,253	812,446	(140,193)	83%	No
Community Relations	806,672	969,454	(162,782)	83%	No
Communications	803,766	952,570	(148,804)	84%	No
Property Administration	1,465,149	1,611,079	(145,930)	91%	No
Service Delivery	4,357,961	4,035,272	322,689	108%	No
Parks Administration	3,484,032	3,736,098	(252,065)	93%	No
Plant Operations	1,313,029	869,489	443,540	151%	Yes
	23,871,361	24,511,947	(640,586)	97%	
Operating Expenditure					
Dividends and Interest	47,647	52,556	(4,909)	91%	
Library and Civic Centre	309,719	485,873	(176,155)	64%	Yes
Leadership Team	1,618,358	1,698,806	(80,448)	95%	
People & Capability	1,000,435	1,421,819	(421,383)	70%	Yes
Information Systems	3,448,006	3,745,329	(297,323)	92%	Yes
Customer Services	665,957	736,471	(70,514)	90%	
Treasury	1,203,036	1,548,289	(345,253)	78%	Yes
Rates	735,653	812,446	(76,793)	91%	
Community Relations	806,700	969,449	(162,750)	83%	Yes
Communications	803,766	889,205	(85,439)	90%	
Property Administration	1,465,154	1,701,019	(235,865)	86%	Yes
Service Delivery	4,357,961	4,035,272	322,689	108%	Yes
Parks Administration	3,484,032	3,681,110	(197,078)	95%	Yes
Plant Operations	1,013,437	869,489	143,948	117%	Yes
	20,959,861	22,647,132	(1,687,272)	93%	
Capital Income					
Information Systems	0	134,893	(134,893)	0%	No
Plant Operations	308,148	103,000	205,148	299%	Yes
	308,148	237,893	70,255	130%	
Capital Expenditure					
Information Systems	285,180	619,104	(333,924)	46%	Yes
Parks Administration	4,127	0	4,127	0%	
Plant Operations	185,706	631,515	(445,809)	29%	Yes
	475,013	1,250,619	(775,606)	38%	

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

Note: Loan Repayments include a portion relating to last years budgeted loan repayments due to timing of loans maturing.

Miscellaneous, Dividends & Internal Overheads – Operating Income

Dividends and Interest

\$620,528F

Reason for variance

Dividends for the year have been received from Transwaste of \$549,000 and ACL of \$1,343,478. Interest income for the period ending June is \$528,000 above the full year budget contributing to a favourable permanent difference. This is due to general interest rate increases which have been actively taken advantage of.

Plant Operations

\$443,540F

Reason for variance

There will be a permanent variance to budget relating to unbudgeted gain on sale of vehicles of \$240,000 due to the large volume of vehicles that went to Turners this year. There are also end of year adjustments that are yet to be entered.

Miscellaneous, Dividends & Internal Overheads – Operating Expenditure

Library and Civic Centre

\$176,155F

Reason for variance

It was anticipated that Council would be occupying the new building in 2022/23. Delays in construction means that is not the case which has resulted in a favourable variance.

People & Capability

\$421,383F

Reason for variance

Unfilled positions and subsequent project delays due to staff resourcing has resulted in lower than forecast expenditure for Salary & Wages, Licensing, Legal, & Consultancy.

Information Systems

\$297,323F

Reason for variance

Due to unfilled positions, lower than forecast expenditure for Salary & Wages, and related personnel costs exist and has contributed to the current underspend.

Treasury**\$345,253F****Reason for variance**

Personnel costs report below budgeted due to the team having various vacancies during the year. End of year audit fees are still to be accrued which will reduce this variance.

Community Relations**\$162,750F****Reason for variance**

Variance is a combination of lower than budgeted salary and wages, consultancy, promotions and other general overheads.

Property Administration**\$235,865F****Reason for variance**

Salaries and wages are down to some roles being vacant during the year due to recruitment challenges. The remaining variance relates to general overhead costs.

Service Delivery**\$322,689U****Reason for variance**

Job costing is well above budget however this is offset partially by lower than budgeted salary and wages. Laboratory and Consultancy were also above budget for the year.

Parks Administration**\$197,078F****Reason for variance**

Salary and wages being down on budget is the main contributing factor to this variance.

Plant Operations**\$143,948U****Reason for variance**

Fuel for the year was higher than budgeted and the remaining variance relates to depreciation. Depreciation is still to be finalised for year-end so this variance may change.

Miscellaneous, Dividends & Internal Overheads – Capital Income**Information Systems****\$134,893U****Reason for variance**

Expenditure on asset additions report below forecast. This due to the reasons outlined below under Capital Expenditure Information Systems. As a result, loans required to be raised in this financial year is likely to be lower than originally budgeted.

Plant Operations**\$205,148F*****Reason for variance***

Sale of vehicles to replace prior year procurement requirements. Sales revenue is in 2022/23 but procurement of new vehicles was in 2021/22.

Miscellaneous, Dividends & Internal Overheads – Capital Expenditure**Information Systems****\$333,924F*****Reason for variance***

Planned expenditure of \$70,000 for aerial imagery will not occur this financial year due to incomplete capture of the identified rural areas. This work is planned to commence late 2023. Design works related to the renewal of core server infrastructure, have commenced but there has been no expenditure to date. Project costs of \$200,000 are identified for this work. Both works will be subject to a carry forward request.

Current works are underway on renewal of desktop services for a number of teams. Commitments exist for recent purchases but are yet to be settled.

Plant Operations**\$445,809F*****Reason for variance***

We are currently in the process of procuring replacement fleet vehicles and Open Spaces fleet requirements. As a result of delays due to limited availability and industry supply chain issues, the balance of the unspent funds will be subject to a carryover request.

A Fleet Review was also carried out, and we needed to delay procurement until we had taken the findings of the report into consideration.

Loan Repayments

For period ending 30 June 2023

	Actual YTD	Budget Full Year	Variance	Percentage of Budget	Permanent Variance
Loan Repayments	5,000,000	8,503,149	(3,503,149)	59%	No

\$5m of Loan Repayments relates to last years budgeted loan repayments which were actioned in this financial year due to the timing of loans maturing. This repayment will be in addition to the budgeted repayments for the current year ending June 2023.

Balance Sheet

As at 30 June 2023

	YTD Actual	2022 Actual
Public Equity		
Ratepayers Equity	518,403,539	496,053,000
Revaluation Reserves	359,381,082	359,381,082
Funds and Reserves	66,002,918	66,002,918
	943,787,539	921,437,000
Non-Current Liabilities		
External Loans	85,600,000	90,600,000
Other Term Liabilities	339,151	696,000
	85,939,151	91,296,000
Current Liabilities		
Trade Creditors	4,928,986	3,529,670
Deposits & Bonds	1,318,565	809,081
Other Current Liabilities	911,857	1,194,190
Accrued Liabilities	3,202,482	9,592,078
	10,361,891	15,125,019
Total Equity & Liabilities	1,040,088,581	1,027,858,019
Fixed Assets	146,365,534	149,578,997
Infrastructural Assets	775,408,458	789,688,225
Work in Progress	84,937,377	34,493,430
Advances	576,402	608,482
Shares	10,391,686	10,471,686
Current Assets		
Cash & Bank	7,675,796	11,432,424
Cash Investments	3,100,859	20,000,000
GST	1,513,399	1,358,019
Receivables	7,173,500	(1,476,327)
Provision for Doubtful Debts	(58,939)	(58,939)
Stock	76,705	75,824
Accruals	2,244,565	10,998,784
Other Current Assets	683,239	687,414
	22,409,124	43,017,199
Total Assets	1,040,088,581	1,027,858,019

Net Debt and Borrowings

As at 30 June 2023

Net Debt

85.60 M External Loans	-	10.78 M Liquid Assets	=	74.82 M Net Debt
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External Borrowing

Local Government Funding	Amount	Rate		Maturity
LGFA 2023	7,000,000	5.75%	Floating	15-Aug-23
LGFA 2018	2,000,000	5.04%	Floating	15-Apr-24
LGFA 2020 Coupon	5,000,000	5.37%	Floating	15-Apr-24
LGFA 2022	5,000,000	5.10%	Floating	15-Apr-24
LGFA 2021	7,000,000	5.19%	Floating	15-Apr-25
LGFA 2022	3,000,000	5.11%	Floating	15-Apr-25
LGFA 2022	5,000,000	5.17%	Floating	15-Apr-25
LGFA 2023	5,000,000	5.70%	Floating	15-Aug-25
LGFA 2020	10,000,000	5.45%	Floating	15-Apr-26
LGFA 2020 Coupon	5,000,000	1.23%	Fixed	15-Apr-27
LGFA 2020 Coupon	5,000,000	0.97%	Fixed	15-Apr-27
LGFA 2021 Coupon	16,600,000	2.61%	Fixed	15-May-28
LGFA 2022	10,000,000	5.25%	Floating	20-Apr-29
Total External Funding	85,600,000			

Borrowing by Activity

As at 30 June 2023

Activity	External Borrowing	Internal Borrowing
Commercial Property	42,369,238	4,962,685
Wastewater	18,310,980	708,879
Drinking Water	10,404,987	1,938,505
Environmental Services	833,006	-
Stormwater	2,916,797	-
Cemeteries	1,650,960	85,490
Water Resources	343,360	-
Arts & Culture	2,146,004	-
Refuse and Recycling	676,735	138,412
Stockwater	219,567	113,727
Roading	3,013,289	4,168,126
Footpaths	684,328	-
Recreation Facilities	49,106	-
Civic Building	43,794	-
Parks	1,046,865	709,194
Camping	16,873	-
Public Conveniences	184,112	-
Reserve Boards	690,000	-
Total	85,600,000	12,825,019

Council Investments

As at 30 June 2023

Listed below are the current significant investments held by Council.

Term deposits	Principal	Interest	Term	Maturity
Kiwibank	1,000,859	5.72%	5 Years	19-Oct-27
	1,000,859			

Local Authority Stock and Bonds	Principal	Coupon	Yield	Maturity
Bonds				
ANZ	1,000,000	3.00%	6.07%	17-Sep-26
Westpac	1,100,000	6.19%	6.05%	16-Sep-27
	2,100,000			
	3,100,859			

Advances

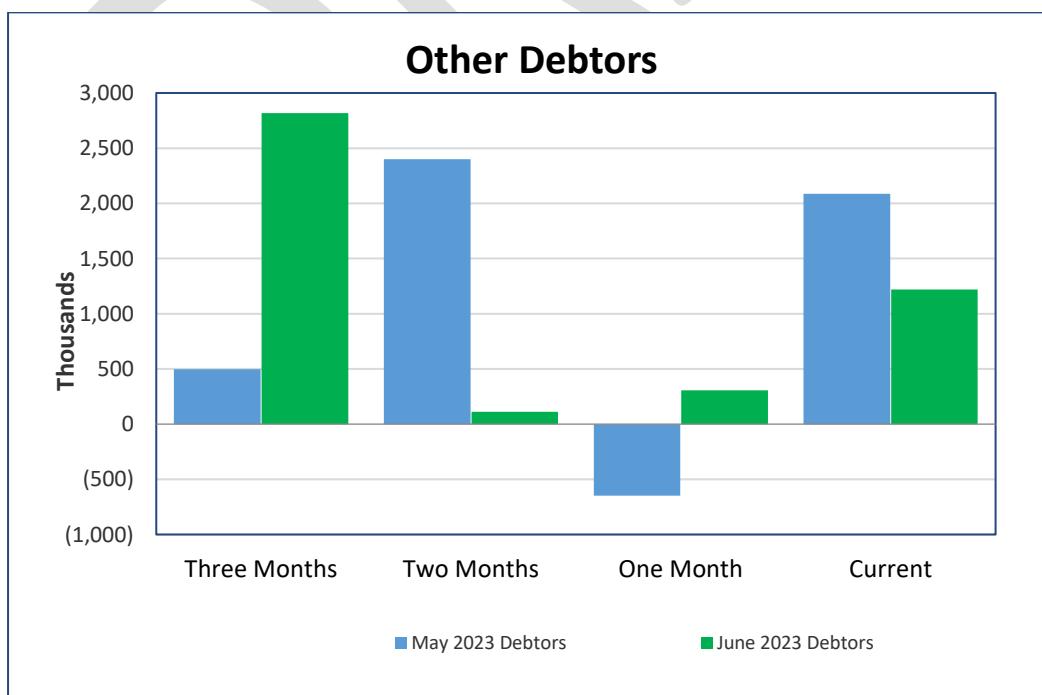
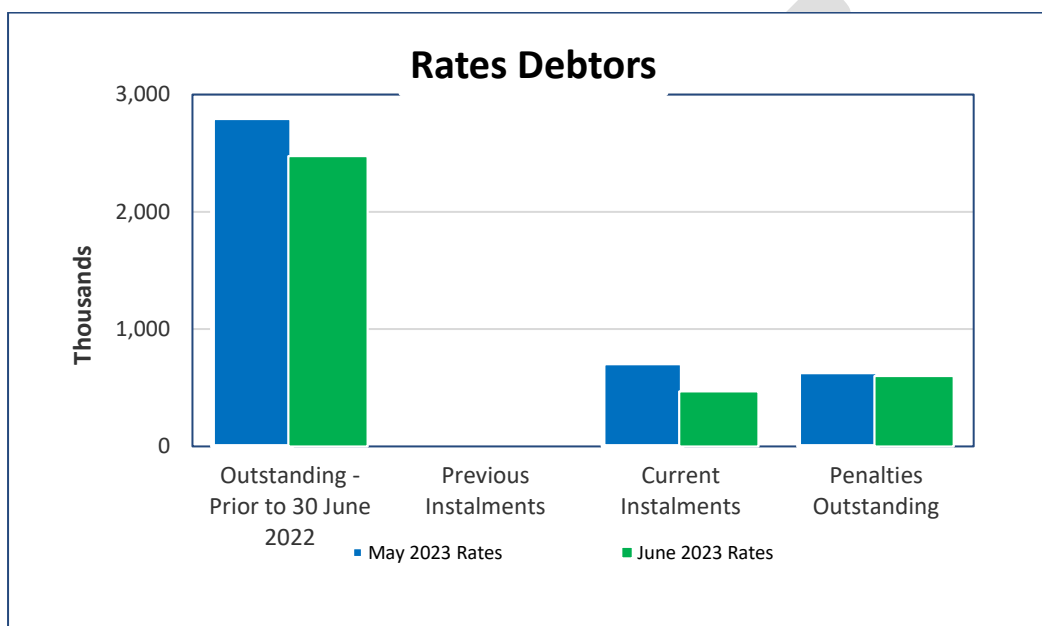
Eastfield Investments	576,402
	576,402

Shares

Ashburton Contracting Ltd	4,500,000
NZ Local Govt Co-op Shares	55,456
RDR Management	1,146,430
Transwaste Canterbury Ltd	1,128,000
ATS	500
Electricity Ashburton Rebates	1,300
LGFA Equity	1,795,000
Eastfield Investments	1,765,000
	10,391,686

Receivables Summary (Including Prior Month Comparative)

As at 30 June 2023



Receivables Summary continued

Outstanding Debtors over 90 days	
>\$100,000	0
\$50,000 - \$100,000	1
\$30,000 - \$50,000	5
\$10,000 - \$30,000	13

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

9. Councillors' Report

9.1 Local Government NZ Conference – “Superlocal 23”

The LGNZ Conference took place in Christchurch on 26-28 July. Councillors Lynette Lovett, Liz McMillan and Richard Wilson attended along with Mayor Neil Brown and CE Hamish Riach.

Councillors' comments and observations from the meeting are summarised in this report.

Councillor Richard Wilson

- Attendees included 78 councils, Government agencies such as DIA, Waka Kotahi and service providers. Upwards of 700 people. Te Pae is a magnificent venue for these types of events.
- A visit to Kea Aerospace which is a company who specialise in solar-powered, remotely piloted stratospheric aircraft that will fly continuously for months to collect aerial imagery. They are part of the Christchurch based burgeoning aerospace industry. This industry is operating under the radar and is something we as a council should connect with to see how we can be involved.
- AI and data control. A futurist (a person who thinks about the future) explained at how AI will infiltrate every part of our lives, our work, our play and our security. Everything you do online is being stored and can be accessed by AI like ChatGPT. Everyone should think about how they are connected to the digital universe and who has access.
- Funding. Every discussion at local government ends up at the broken funding model we operate under. Central government need to adequately resource the requirements they regulate us to undertake. Examples include Rooding, water infrastructure and social services.
- Networking. It is good to meet other councillors and understand how they tackle the same challenges we at ADC face. Local government representatives are a reflection of New Zealand/Aotearoa society and how it is changing. As the birthrate in New Zealand reduces, remember 2.1 children per woman is the replacement rate, we as a community must make sure all young people have a chance to succeed. The Mayor's Task Force For Jobs is a good example of this. Then if a country doesn't have enough people it needs to make up the difference from immigration. We need to ensure Ashburton remains a welcoming place for all new Mid Canterbury residents.

Overall an informative conference.

Councillor Lynette Lovett

- A Glimpse into the Future with Frances Valentine. A real eye opener on AI Artificial Intelligence. A changing world, a tech age that is moving too fast. What comes next human or not? real or not? It can be useful, e.g. learning from home, writing reports and a centre for information, especially in the medical world and education. Or it could be dangerous e.g. cyber crime, cryptic currency could give you unlimited income.
- Future Funding for Local Government. Our current rating system is not fit for purpose or the future. One size does not fit all, our differences are our strengths. We know our communities wants and needs, and we have the vision. Some solutions were talked about: can we retain the GST on the rates, foreign investment and why does Crown land not pay rates, integrated funding pools and partnerships. One that is working well is the Mayors Task Force for Jobs, but still needs to be better funded going forward.
- Re imagined Civic Centres. A few councils around the country are looking at new builds or revamping existing buildings. Looking at Christchurch they have embraced their river with plantings, terraces to the waters edge along the riverbank and embraced the heritage and culture through paving stones, creating welcoming spaces and linking streets, lane ways for walking and cycling. We are on this journey with our new building in Baring Square, linking it to our CBD.
- Drowning prevention Aotearoa Surf Lifesaving NZ Trade site. Are working together to offer hazard assessments and recommendations around beaches and rivers .There is new standard signage available. There is a concern that the travelling public and tourists are pulling up at a beach or river and don't know if it is safe to swim in.
- NZ Tiny House Association trade site. They are actively looking for Councils to come on board and be part of a review process for a permit system being developed for regulation of tiny homes. The current planning and building regulations landscape is highly unclear. People today are wanting choices in how they live their lives. This could be a good solution to freeing up homes as many people want to down size and cannot afford to go into retirement villages.
- I encourage all Councillors to go to a conference and meet other Councillors from around the country. We have a lot in common and it is nice to share what we are doing or how they solve common problems.

Recommendation

That Council receives the Councillors' LGNZ Conference report.

10. Mayor's Report

10.1 LGNZ AGM and Annual Conference, 26/29 July 2023

I, along with Deputy Mayor Liz McMillan, Councillors Lynette Lovett and CE Hamish Riach attending the LGNZ AGM and Annual Conference in Christchurch, 26/29 July 2023.

The conference was a great opportunity to connect with Mayors, Councillors and Chief Executive's from all over New Zealand to discuss issues that we all face. Most of issues Council face are of a similar nature e.g. roading and funding.

10.2 Flood Event – 23 July 2023

On the weekend of 23 July the Ashburton district had rain across the plains from 150mm to 300 mm of rain. This caused a few issues with roading and centralised flooding from overland flows. In addition, new parameters on the Ashburton urban bridge imposed by Waka Kotahi caused the bridge to close on Sunday 24 July from 7pm until 6am on Monday 25 July.

This is likely to continue to happen with large rainfall events. This also strengthens the case for the second urban bridge in Ashburton to be built sooner rather than later.

10.3 Resource Management Reform Structures

On Friday 4 August, I joined an on-line teams meeting of the Canterbury Mayoral Forum to discuss whether Canterbury should be an early adopter (referred to by MfE as a tranche 1 region) of the new Resource Management reform structures and processes. The Government is proposing that different regions in New Zealand get underway in the new system in a staggered roll-out.

My view is consistent with the Mayoral Forum – and that is that we should wait for later tranches before we commit to implementing the reforms due to uncertainties around the process and the potential for the national election in October to change the resource management legal framework

10.4 Meetings

- **Mayoral calendar**

July 2023

- 23 July: Radio NZ Interview
- 24 July: Hokonui Radio interview
- 24 July: TV1 interview
- 24 July: Radio NZ Interview
- 24 July: Jono Leask, Ashburton Guardian reporter
- 24 July: Phill Hooper, Ashburton Guardian online reporter
- 24 July: Berni Marra and Lisa Blackler, Waitaha Canterbury
- 25 July: Hokonui Radio interview

- 25 July: Council meeting
- 25 July: Critical Infrastructure Resilience engagement with Canterbury Civil Defence Emergency Management group
- 26 – 28 July: LGNZ Conference, Christchurch along with Deputy Mayor Liz McMillan, Councillors Lynette Lovett and Richard Wilson and CE Hamish Riach

August 2023

- 1 August: Road Safety meeting
- 1 August: Library and Civic Centre PCG meeting
- 2 August: Activity Briefings
- 2 August: Audit & Risk Committee
- 3 August: Local Alcohol policy hearings and deliberations
- 3 August: ACL Director interviews
- 3 August: Business of the Year Awards 2024 launch
- 4 August: Dog Control hearing
- 7 August: James Caygill, Waka Kotahi with CE Hamish Riach
- 7 August: Biodiversity Advisory Group meeting
- 8 August: RDRML meeting
- 9 August: LTP 2024/34 Early Engagement – Cultural Wellbeing workshop
- 9 August: Council meeting

Recommendation

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

Neil Brown
Mayor