

Ashburton District Council

AGENDA

Notice of Meeting:

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

Date: Wednesday 4 September 2024

Time: 1.00pm

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

Membership

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

Meeting Timetable

Time	Item
1.00pm	Council meeting commences Public Forum: Allan Andrews (Unitary Authority)
1.15pm	Festival for the Future – Maddie Page
2pm	James Meager MP Rangitata
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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Business Transacted with the Public Excluded

12	Council – 20/08/24		PE 1
	<ul style="list-style-type: none"> • Council shareholding Section 7(2)(h) Commercial activities • Tradewaste discharge Section 7(2)(h) Commercial activities • EA Shareholder Committee Section 7(2)(a) Protection of privacy of natural persons 		
	[Now in open meeting]		
	<ul style="list-style-type: none"> • Insurance 		
13	Airport Authority Subcommittee 21/08/24		PE 4
	<ul style="list-style-type: none"> • Airport rent review Section 7(2)(h) Commercial activities 		

4. Council Minutes –20 August 2024

Minutes of the Council meeting held on Tuesday 20 August 2024, commencing at 1pm in the Hine Paaka Council Chamber, Te Whare Whakaterere, 2 Baring Square East, Ashburton.

Present

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

In attendance

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

Staff present for the duration of their reports: Mark Low (Strategy & Policy Manager), Richard Mabon (Senior Policy Advisor), Hernando Marilla (Operations Manager), Femke van der Valk (Corporate Planner), Andrew Guthrie (Assets Manager), Mark Chamberlain (Roading Manager), Erin Register (Finance Manager) and Katie Perry (People & Capability Manager).

One member of the public.

1 Apologies

Nil.

2 Extraordinary Business

Nil.

3 Declarations of Interest

Cr Wilson gave notice that he will withdraw from the meeting for item 17.

Presentation

- **HEB Construction Ltd** – 3pm – 3.33pm

4 Confirmation of Minutes

- **Council – 7/08/24**

That the minutes of the Council meeting held on 7 August 2024, be taken as read and confirmed.

Hooper/McMillan

Carried

5 Audit & Risk Committee – 31/07/24

That Council receives the minutes of the Audit & Risk Committee meeting held on Wednesday 31 July 2024.

Ellis/Lovett

Carried

- **Biennial Building Consent Authority Audit**

That Council receives the Building Consent Authority Audit report 2024.

Cameron/Ellis

Carried

6 **Upper Hakatere Reserve**

Cr Ellis reported on the site meeting he had with several Hakatere residents on 17 August. From that meeting, the residents have asked that Council be advised that some members of the community are still not happy with the decisions that are to be made – they want camping to be permitted at the upper reserve and they want all of the bollards removed.

Council was reminded that the consensus of the Working Group is to prohibit camping on the upper reserve and to remove a number of bollards for a trial period

That Council revokes cl2 of the Hakatere Reserve Working Group resolution, 26 June 2024, in respect to the repositioning of the bollards.

Cameron/McMillan

Carried

That Council approves the removal of 31 bollards from the Upper Hakatere Reserve, as identified on the attached plan, for a trial period over the 2024/25 summer period.

Ellis/Braam

Carried

That Council reconfirms that camping is not permitted at the Upper Hakatere reserve and continues to monitor the area for illegal camping.

Braam/Todd

Carried

That Council receives the minutes of the Hakatere Working Group meeting held on 6 August 2024

Ellis/Lovett

Carried

7 **Solid Waste Bylaw Review – draft for consultation**

Cl. 8.4.1 (Appendix 1) will be deleted from the draft bylaw (event organisers to consult with Council to determine if an event management plan is required). This is consistent with the workshop discussion.

It was further noted that an amended but still non-mandatory approach to dealing with construction waste has been included as cl. 8.5.1. The preference is to see good practice continue to grow, rather than Council following regulatory process.

Council asked that Schedule 2 has an additional clause to make it clear that flax and cabbage tree leaves can't be added to the FOGO bins.

1. **That** Council, having considered the tests for review set out in section 155 of the Local Government Act 2002, determines that the preferred course of action is to amend the Solid Waste Management and Minimisation Bylaw 2018.

2. **That** Council confirms that the draft amendments to the Solid Waste Management and Minimisation Bylaw 2018 set out in Appendix 1 is the preferred form of Bylaw for public consultation.

Braam/Ellis

Carried

8 End of Year Performance Report

Council asked for additional information to be provided in future reports –

- Pipes, roading and footpaths to be renewed (show per metre replacement detail)
- Details on which playgrounds have had upgrades
- Public conveniences – add Digby Park toilets
- Parks & Open Spaces – add detail on ‘other park projects’

It was noted that the Annual Report will have further detail on each of the key projects.

That Council receives the end-of-year non-financial performance report.

McMillan/Hooper

Carried

9 End of Year Strategy and Plan Progress Report 2023-24

- Provide the detail referred to in 2.2.5 / 2.2.6 (shown as completed in 2022)
- Lakes Camp (Ōtautari) & Clearwater (Te Puna a Taka) 30 Year Plan – Council asked whether the Ōtauharekai Group has a role. Information was also requested on what actions have been completed to discourage inappropriate 4WD and motorbike activity at the Lakes.
- Town Centre Parking – Officers were asked to report back on parking data collected since the cameras were removed after the CBD upgrade, when the decision was made to go to ‘digital chalk’.

That Council receives the end-of-year strategy and plan progress report 2023-24.

Cameron/Lovett

Carried

10 Preliminary June 2024 Financial Variance Report

That Council receives the Preliminary June 2024 Financial Variance Report.

Todd/Hooper

Carried

11 Mayor’s Report

• LGNZ Annual General Meeting remits

The Mayor sought an indication (by a show of hands) of Council’s support or otherwise for the proposed remits:

- 1) Representation Reviews – *supported*
- 2) Community Services Card – *generally supported*
- 3) Local government constituencies & wards should not be subject to referendum – *not supported*
- 4) Entrenchment of Māori wards seats for local government – *not supported*
- 5) Graduated driver licensing system – *supported*
- 6) Proactive lever to mitigate the deterioration of unoccupied buildings – *supported*
- 7) Appropriate funding models for central government initiatives – *supported*
- 8) Goods and services tax (GST) revenue sharing with local government – *supported*

• Lake Camp Ōtautari Workshop

That Council requests an Officer’s report to understand the costs and implications of applying for a resource consent to divert Balmacaan Stream into Lake Camp.

McMillan/Braam

Carried

- **Vehicle-kilometre allowance**

That Council adopts the amended vehicle-kilometre allowance as set out in Clause 11 of the Local Government Members (2024/25) Amendment Determination 2024.

Wilson/Todd Carried

That Council receives the Mayor’s report.

Mayor/Lovett Carried

HEB presentation

The Mayor welcomed Harry Alderson (General Manager, Roading), Lee Hautler (SI Regional Manager – Road Maintenance) and James Faber (Contracts Manager). Powerpoint presentation.

Key points:

- Maintenance contract for Ashburton. Quality has improved through accurate capture of fault data – contract team is performing well
- Completed the 2022 Action Plan – have focused on quality assurance and now have a sealing resource based in Ashburton
- Operations Partnering Charter aligns with Council’s values
- Potholes are trending down (noting less rain this year) – focus continues to be needed on drainage and waterproofing
- Feedback shows potholes being addressed are smaller and more manageable
- Unsealed roads – now have good data insights with 3 years measuring
- Looking forward, will have more road closures for efficiency and improved safety
- Aim to have all pre-seal repairs completed by December (a first for Ashburton)

Council adjourned from 3.33pm until 3.55pm.

Business transacted with the public excluded – 3.55pm

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:	
12	Council – 7/08/24 <ul style="list-style-type: none"> • Glasgow lease freeholding • ABE sale of land 	Section 7(2)(h) Section 7(2)(h)	Commercial activities Commercial activities
13	Audit & Risk Committee – 5/08/24 <ul style="list-style-type: none"> • Insurance • Health & Safety 	Section 7(2)(h) Section 7(2)(a)	Commercial activities Protection of privacy of natural persons
14	<ul style="list-style-type: none"> • ADC Shareholding 	Section 7(2)(h)	Commercial activities
15	<ul style="list-style-type: none"> • Tradewaste Discharge 	Section 7(2)(h)	Commercial activities
16	<ul style="list-style-type: none"> • People & Capability Report 	Section 7(2)(a)	Protection of privacy of natural persons
17	<ul style="list-style-type: none"> • EA Shareholder Committee 	Section 7(2)(a)	Protection of privacy of natural persons
18	<ul style="list-style-type: none"> • ABE Land Sale (tbc) 	Section 7(2)(h)	Commercial activities
19	<ul style="list-style-type: none"> • ACL report to 30/06/24 	Section 7(2)(h)	Commercial activities

Ellis/Lovett Carried

Business transacted with the public excluded now in open meeting

- **Council Insurance**

1. **That** Council accepts insurance cover as acquired, and that Officers be requested to carry out a full review of Council's insurance requirements ahead of the June 2025 renewals.
2. **That** the sum insured for Te Whare Whakarete be reduced from \$90m to \$62m, with the shortfall between the budget and proposed insurance costs to be met be through loan funding for one year with repayments and interest through the Annual Plan.

Braam/Wilson

Carried

The meeting concluded at 5.21pm.

Confirmed 4 September 2024

MAYOR

5. Airport Authority Subcommittee –21/08/24

Minutes of the Ashburton Airport Authority Subcommittee meeting held on Wednesday 21 August 2024, commencing at 9.30am, in the Banded Dotterel Room, Te Whare Whakatere, Ashburton.

Present

Councillors Leen Braam (Chair), Lynette Lovett and Rob Mackle.

In attendance

Leanne Macdonald (GM Business Support), Renee Julius (Commercial Manager), Katelyn Roddy-Dixon (Property Officer), Linda Clarke (Communications Advisor) and Carol McAtamney (Governance Support).

1 Apologies

Mayor Neil Brown

2 Conflict of Interest

Nil.

3 Notification of Extraordinary Business

Nil.

4 Confirmation of Minutes

That the minutes of the Airport Authority Subcommittee meeting held on 24 August 2023, be taken as read and confirmed.

Lovett/Mackle

Carried

5 Review of Airport Safety Group Meeting

The Subcommittee received an update from Commercial Property Officers of the Ashburton Airport Safety meeting which took place on the 29 February 2024.

That the Ashburton Airport Authority Subcommittee receives the report.

Braam/Mackle

Carried

Business transacted with the public excluded – 10.03am

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:	
6	Minutes 24/08/23	Section 7(2)(h)	Commercial activities
7	Ashburton Airport Rent Review	Section 7(2)(h)	Commercial activities

Mackle/Lovett

Carried

The meeting concluded at 10.41am.

6. Biodiversity Advisory Group – 5/08/24

Minutes of a meeting of the Biodiversity Advisory Group held on Monday 5 August 2024, in the Wakanui Room, 2 Baring Square East, Ashburton, commencing at 1.00pm.

Present

Mayor Neil Brown; Councillors Leen Braam (Chair), Lynette Lovett (via Teams) and Richard Wilson. Alice Shanks, Adi Avnit, Edith Smith, Angela Cushnie, Kim Wall, Mike Salvesen, Val Clemens, Ian Fraser, Andy Hirschberg, Nikki Delaway, Robb Stevens, Shaun Spencer, Sally Stevens and Gen de Spa.

In attendance

Ian Soper (Open Spaces Manager), Dr Christian Chukwuka (Ecologist/Biodiversity Advisor) and Phillipa Clark (Governance Support).

1 Apologies

Donna Field, Barry Austin, Barry Maister, Mary Ralston, Willie Leferink, and Janine Holland.
For lateness: Nick Vernon (1.37pm)

2 Extraordinary Business

The Chair advised that Donna Field is unavailable today and her report will be deferred until the next meeting.

3 Declarations of Interest

Nil

4 Confirmation of Minutes

That the minutes of the Biodiversity Advisory Group meeting held on 13 May 2024 be taken as read and confirmed.

Richard/Leen

Carried

5 Pudding Hill Weed Control – project update

The first phase of the project has been completed using a grant from the Ashburton Water Zone Committee (\$8,000 + GST). The delivery was only within the approved grant. There are more weeds to be removed upstream, and the project will be revisited in Spring 2024 if funds are available.

Christian reported that the Ashburton Water Zone Committee's funding programme is open and this project fits the criteria of the Action Plan (weed control encroaching on riverbeds), but an application may have to compete against projects with greater priority.

Officers will estimate time and cost (likely around \$6.5k) but at this stage, just looking for approval to ask for funding.

1. **That** the Biodiversity Advisory Group receives the report on Pudding Hill Stream weed control; and

2. **That** the Biodiversity Advisory Group advises the Project Team to seek more funding and continue to eradicate weeds on the Pudding Hill Stream channel.

Edith/Gen

Carried

6 Ashburton River Hakatere Shorebird Habitat Management Strategy 2023-30

This report will be presented to the next meeting on 4 November. The Group agreed it would be useful for all Councillors to be part of the discussion and an invitation will be extended.

7 Ashburton District Biodiversity Strategy Implementation – deliberation on BAG led actions

Christian presented a progress report and advised that meetings have been held with a few stakeholders to discuss some aspects of the Strategy implementation where they have input. Going forward, updates on the Strategy actions will be presented at the Biodiversity Group meetings.

- ***Covenants and land protection***

Insufficient funding for QEII covenants and most potential new covenants don't fit the QEII criteria. The Ecologist/Biodiversity Advisor is proposing to develop a Council covenant process within section 77 of the Reserve Management Act.

Alice advised that QEII prioritise natural vegetation. Working on three covenants in the Ashburton district currently.

- ***Planting guidelines***

Christian referred to the amount of information that can be found online for people wanting advice on what to plant and where. He'll look at this and refine into a single list.

Christian confirmed that roadside planting is currently not permitted. Council is the road controlling authority.

- ***Advocate and distribute information to landowners***

It was suggested that Christian contact Mary Ralston to ask if she's interested and available to be the stakeholder lead. It was further suggested that the position be remunerated.

Representatives from Fonterra and Synlait commented that they could help with information going out to farmers using their communications.

Other suggested names / organisations were noted by Christian who will progress this.

- ***Citizen Science***

Kanuka Trust (Kim) and Ashburton Community Conservation Trust (Val) to lead the delivery of Citizen science project. Christian will oversee the program development.

- ***Regular media publication of biodiversity***

Looking for 'success' stories that can be shared. Members were asked to get in touch with Christian if they have a story or items that needs to be shared with the Community.

- ***Support school programmes***

Some funding is available for the school programme. Aim to speak to Principals Association as a group.

Kim advised that Kānuka Trust are working alongside 7 schools currently and looking how they can extend that. Forest & Bird are working with Wakanui, Staveley Camp with one school on a regular basis, and others from time to time, and Synlait are working with Lauriston.

- **Water races**

Edith asked whether a particular goal has been identified for water races and if various aspects of the Strategy have been used.

Richard reported that Council is now looking at protocols for the new Stockwater Working Group and they will include race biodiversity values. Once Council's position is clear, it will be shared with the Biodiversity Group.

8 **Ecologist / Biodiversity Advisor's Report**

- **Plantation Road investigation**

Christian presented the outcome of the investigation to the group for deliberation. This is one of the few sites on the Plains where original remnants of plants remain and currently a significant site in the District Plan but not an area of significant conservation value (ASCV).

Post meeting, Christian further comments:

In summary, the road is used by both landowners to move stock to another paddock, which will be difficult if the road is closed. Due to that, we agreed with the landowners that the road would remain open as an unformed legal road. Suggestion was made by the landowners and agreed by us to extend the fence line up to 6 metres from the shelterbelt to merge all the native vegetation into one single-fenced area. The fenced area will also be elevated and included in the district plan ASCV layer. However, recognising the site as an ASCV does not affect an existing activity, sheep grazing, cattle movement, irrigation, farming and adjoining shelterbelt. Adverse effects from these activities will be managed voluntarily with the landowners.

Alice suggested that the existing fence shouldn't be removed but be reinforced with a new fence. Between that area and the new fence, people may plant but there needs to be a barrier to prevent people spraying and damaging the native vegetation.

Open Spaces Management agreed on this cause of action.

That the Ecologist/Biodiversity Advisor's report be received, and the investigation outcome is accepted by the group.

Val/Richard

Carried

8 **Group activity updates**

- **Forest & Bird**

The annual Winter bird count was recently undertaken – the 40th year of doing this so a good milestone. Edith noted that 3,160 birds were counted in total in 1984 – and this year the count was 5,675.

Another wilding day was held at Lake Heron. Last year around 11,000 wildings were removed, and a large number were removed again this year. They noted that a number are coming from land belonging to DOC.

Invites will be sent for the planting day on 8 September at Harris Reserve.

- **Methven Birdsong Initiative**

Gen spoke on behalf of the Group, noting that the project is going well and they hope to start trapping soon.

- **Upper Rangitata Gorge Landcare Group**

Sally provided an overview of the Group's project and their involvement with planting and fencing of water ways. They're in the fourth and final year of that programme. All the plants have been sourced from the Gorge (initially via Orari Nursery and then Te Arowhenua's nursery).

- **Kānuka Trust**

Kim commented on the good traction the Trust is getting with schools. They are also connecting with the Methven Birdsong project.

- **Department of Conservation**

Thanked the Upper Rangitata Landcare Group for the work they're undertaking.

Funding ended in June and DOC are reducing the scale of trapping.

DOC's role includes preparing response plans in the event that bird flu should break out. While it's not in the country yet, they are remaining vigilant.

- **Synlait**

Synlait is emphasising "right place, right plant". The company despatched 60,000 plants in Autumn and are on track for more in the Spring. Working closely with catchment groups.

- **Mid Canterbury Catchment Collective**

Angela commented that geese are becoming an increasing pest (urban and rural). A landowner in the Rakaia Gorge is doing work with ECan on this.

Would like an update from Rakaia on work being done in the corridor, and also an update on planting that's being undertaken on the banks of the Ashburton River.

Lynette will follow up the Rakaia request at the community meeting this week and ask if a report can be provided to the Biodiversity Group.

- **Staveley Camp**

Gen reported that volunteers undertook significant weeding in the forest over a period of 18 days (366 volunteers including school children).

Looking to publish a book on the social / ecological aspect of Staveley forest. Have an event coming up which will be publicised.

- **Fonterra**

Robb spoke briefly about a Trust that Fonterra is involved with in Southland that could be of interest to the Biodiversity Group. He will report further on this.

9 **Next Meeting**

The next meeting is scheduled for Monday 4 November 2024.

The meeting concluded at 3.50pm.

7. Representation Review – Final Proposal

Author	<i>Mel Neumann; Policy Advisor</i>
Activity Manager	<i>Mark Low; Strategy & Policy Manager</i>
Executive Team Member	<i>Toni Durham; Group Manager Democracy & Engagement</i>

Summary

- Council is required to undertake a representation review every six years, with the last review completed in 2018.
- An initial proposal was resolved on 5 June, and largely followed the status quo, with two boundary changes proposed – one the Methven Community Board boundary, and one to the Ashburton/Eastern Ward boundary. It was also proposed to reduce the number of elected members to the Methven Community Board to four from five.
- Consultation on the initial proposal was undertaken from 13 June – 21 July, and a total of 14 submissions were received.
- Submissions were considered at the hearing and deliberations on 7 August, and Council determined that one change was required to be made to the initial proposal in response to the submissions received (retaining the five elected and two appointed [total of seven members] on the Methven Community Board).
- The purpose of this report is for Council to resolve a final proposal, following consideration of submissions received on the initial proposal.
- Resolution of a final proposal will be followed by a public notice, and an appeals and objections period of one month.

Recommendation from Council Deliberations

1. **That** Council resolves the following as the final proposal for the representation arrangements for the next triennial election of the Ashburton District Council and Methven Community Board, to be held on 11 October 2025:
 - a. The Council is made up of 9 members elected from three wards, plus the Mayor
 - b. The three wards will reflect the following identified communities of interest:

Ashburton Ward – the areas around and including Ashburton town and the area of Lake Hood which are serviced or have the potential to be serviced in the medium future.

Western Ward – the inland portion of the rural area of Ashburton District.

Eastern Ward – the seaward portion of the rural area of Ashburton District.

Please refer to the maps attached indicating boundaries of the Ashburton District Council wards.

- c. The population that each member will represent is as follows:

Ward	Population	Members	Ratio
Ashburton Ward	21,220	5	4,244
Eastern Ward	7,640	2	3,820
Western Ward	7,860	2	3,930
Total	36,720	9	4,080

- d. There will be one Community Board. The Community Board will be the Methven Community Board and will be representative of the services delivered to residential and commercial areas of Methven.

The Methven community will elect five members and have two appointed members. The Council's appointed members will be the two Western Ward councillors.

As part of the initial proposal, Council had proposed to reduce the elected number of members from five to four. However, in response to submissions received Council has amended its proposal to maintain the five elected members to the Methven Community Board. The reasons for retaining five elected members are:

- The current structure is working well
- Allows for a more diverse range of views, skills and experience
- The Methven Community Board boundary is extending
- The Methven population is expected to grow.

Refer map attached indicating the boundary of the Methven Community Board area.

Attachments

Appendix 1 Draft Public Notice

Appendix 2 Final Proposal Boundary Maps

Background

The current situation

1. Council is required to conduct a representation review at least once every 6 years. The last representation review was done in 2018, for the following local body elections. The next local body triennial elections are to be held on 11 October 2025.

About representation reviews

2. Representation reviews give the community an opportunity to consider if the existing representation arrangements are efficient and effective. This means looking at the number of councillors and how they are elected, the existence of wards (and their boundaries), community boards, and Māori wards.
3. More information regarding the representation review process is provided under the 'legal/policy implications' section.

Review timeline

4. The following table shows the steps and dates for this representation review. Completed steps are highlighted in green. The timeline for this representation review has been developed to comply with legislation.

Date	Stage
October-November-December 2023	Early engagement (Community & Rūnaka) - <i>complete</i>
15 November 2023	Council meeting – early engagement document approved - <i>complete</i>
22 November – 17 December 2023	Early engagement - <i>complete</i>
January – May 2024	Process early engagement and develop Initial Proposal - <i>complete</i>
5 June 2024	Resolution of Initial Proposal - <i>complete</i>
13 June 2024	Public notice on Initial Proposal - <i>complete</i>
13 June – 21 July 2024	Consultation on Initial Proposal - <i>complete</i>
7 August 2024	Council hearing on submissions and Final Proposal developed - <i>complete</i>
4 September 2024	Council resolution on Final Proposal (<i>today</i>)

Date	Stage
By 12 September 2024	Public notice on Final Proposal
12 September – 12 October 2024	Appeals/objections period
12 October 2024	Public appeals/objections to Final Proposal due
20 December 2024	Latest date that appeals/objections can be forwarded to the Local Government Commission (if any)
No later than Thursday 10 April 2025	Determinations by Local Government Commission on representation arrangements review (if required)

Feedback on the initial proposal

5. The initial proposal was resolved by Council on 5 June, and consultation with the community took place from 13 June to 21 July 2024.
6. A total of 14 submissions were received, with two submitters speaking at the hearing. Six submissions were in favour of the proposal, and eight submissions contained objections to various elements of the proposal, as follows.
 - six submitters objected to the reduction of Methven Community Board members (proposed total from seven to six).
 - one submitter suggested different extension options of the Methven Community Board boundary (extended either along both sides of Mt Hutt Station Rd past Holmes Road, or neither side and only extend to include the golf course and up to Holmes Road).
 - one submitter mentioned that while they supported the proposal, their second preference was to reduce the Ashburton Ward councillors to three, while retaining the two councillors for each of the Western and Eastern Wards.

Council direction at deliberations

7. Direction given by Council at the deliberations on 7 August indicated the preference to adopt its initial proposal as the Council’s final proposal, subject to the following amendment:
 - the Methven Community Board membership will remain at five elected members plus two appointed members (seven total).
8. The Council considered this change to be appropriate for the following reasons:
 - the total of seven members is currently working well
 - more members allows for a more diverse range of views, skills and experience

- the Methven Community Board boundary is extending and more people will be represented
 - the Methven population is growing.
9. The Council rejected the other matters raised in objections for the following reasons:
- the suggestion of amendments to the Methven Community Board boundary was rejected because there was no clear reasoning provided for these suggestions, and Council considers the proposal to appropriately cover the community of interest and those properties that receive a benefit from the Methven Community Board. Any changes made to the boundaries needed to coincide with Statistics NZ meshblock boundaries under the Local Electoral Act.
 - the suggestion to retain two councillors for each Western and Eastern Ward and to reduce the Ashburton Ward councillors to three was rejected because this does not meet the population to member ratio requirement (+/- 10% rule) and Council considered that this would not provide fair representation.

Options analysis

Option one – Resolve the final proposal (as recommended at deliberations)

10. Council could resolve the final proposal as set out in the recommendation. This is what was indicated during deliberations and is the recommended option.
11. As this option includes an amendment to the initial proposal, the final proposal will be open to *both* appeals and objections between 12 September – 12 October. If any appeals or objections are received, they will be forwarded to the Local Government Commission to make the final determination.

<p>Advantages:</p> <ul style="list-style-type: none"> • This option is in line with the direction given by Council during deliberations • This is the next required step in the Representation Review process 	<p>Disadvantages:</p> <ul style="list-style-type: none"> • Not in line with what was proposed to the community
<p>Risks:</p> <ul style="list-style-type: none"> • A final proposal that differs from an initial proposal is open to being appealed or objected to the Local Government Commission for a final decision, however this is the process allowed for under the Local Electoral Act. 	

Option two – Resolve the Initial proposal as the Final proposal (without amendment)

12. Council can choose to resolve the Initial proposal as the Final proposal. This would mean no changes are made to the Initial proposal.

<p>Advantages:</p> <ul style="list-style-type: none"> The Initial proposal would only be open to appeals and not objections under the Local Electoral Act. 	<p>Disadvantages:</p> <ul style="list-style-type: none"> This option is not in line with direction given by Council during deliberations and would not address the issues that had been raised by submitters.
<p>Risks:</p> <ul style="list-style-type: none"> Potentially a higher risk of being open to appeal by submitters, due to the perception that the issues raised have not been considered. 	

Option three – Resolve a different final proposal (from that recommended from deliberations)

13. Council may choose to make other amendments to the final proposal before resolving it.
14. Any changes made under this option should be related to an objection/submission received on the initial proposal, which Council already considered at the hearings and deliberations on 7 August.
15. If Council does decide to make last minute amendments, it is important that the rationale for these changes are recorded as this is required in the final proposal public notice.

<p>Advantages:</p> <ul style="list-style-type: none"> None identified 	<p>Disadvantages:</p> <ul style="list-style-type: none"> This option is not in line with direction given by Council during deliberations
<p>Risks:</p> <ul style="list-style-type: none"> There is a risk that last minute updates may impact on meeting our compliance with legislation (e.g. +/-10% rule), as officers may not have had sufficient time to consider implications of proposed changes. A final proposal that differs from an initial proposal is open to being appealed or objected to the Local Government Commission for a final decision. However this is the process allowed for under the Local Electoral Act. Reputational risk involved as it may look like Council’s decision making processes are not working well. 	

Legal/policy implications

Representation review process

16. The review process in brief, as provided by the Local Government Commission:

- A council's initial representation review proposal must be publicly notified no later than 8 August in the year before an election.
- Any person or organisation can make a submission on a council's proposal. If a council receives no submissions, the proposal becomes the basis for election at the next triennial election and the council gives public notice accordingly.
- If the council receives submissions, it considers these and may change its proposal as a result. If a person or organisation who made a submission is not satisfied with the council's amended final proposal, they can appeal against it. Alternatively, if a council changes its proposal, any person or organisation (whether or not they made a submission) may object to the amended proposal.
- If there are no appeals or objections, the proposal becomes the basis of election at the next triennial election and the council must give public notice accordingly.
- If a council receives any appeal or objection, it must refer its proposal to the Local Government Commission for determination along with the appeals and objections received. The Local Government Commission's determination is final and becomes the basis for election at the next triennial election.

Local Electoral Act 2001 (LEA)

17. The Representation Review process is governed by the [Local Electoral Act 2001](#) (the Act) with the Local Government Commission acting as the authority charged with making the final decision on arrangements. Statutory requirements are extensive and are provided for in the Act, with the review process set out in section 19H to 19Z of the Act. The Act prescribes the dates by which the various steps in the review process must occur, Therefore, it is critical that Council and officers adhere to the dates provided in the 'Review timeline' section of this report.
18. In terms of the final proposal, Council is required ([under section 19O & 19P](#)) to provide a minimum of one month appeals and objections period.

Appeals vs objections

19. Appeals – [under section 19O](#), a person or organisation who made a submission on an initial proposal may lodge an appeal against the decision on the final proposal. An appeal must identify which matters it relates to, and can only be related to the matters covered in the appellants' submissions on the initial proposal.
20. Objections – [under section 19P](#), if Council decides to amend its initial proposal, it then also opens up to objections on the amended proposal from any interested persons or organisations (not just those who submitted). An objection lodged must identify the matters to which the objection relates. All aspects of the proposal are open for appeals/objections, whether they are the same as included in the initial proposal or changed in some way.

21. If any appeals or objections are received, the representation review will be considered by the Local Government Commission, and the Commission will make the final determination.

Climate change

22. Council’s representation arrangements should not have a direct impact on climate change.

Review of legal / policy implications

Reviewed by In-house Counsel

Tania Paddock; Legal Counsel

Strategic alignment

23. The recommendation relates to Council’s community outcome of ‘Residents are well represented, included and have a voice’, because the Final Proposal aims to ensure fair and effective representation.

Wellbeing		Reasons why the recommended outcome has an effect on this wellbeing
Economic	✓	Having suitable representation arrangements will contribute to all four well-beings for the community, including enabling democratic representation and decision-making.
Environmental	✓	
Cultural	✓	
Social	✓	

Financial implications

Requirement	Explanation
What is the cost?	Costs involved with consultation (completed)
Is there budget available in LTP / AP?	Yes, covered by existing budgets
Where is the funding coming from?	Funding to come from existing budgets - Strategy & Policy, Communications & Governance Teams
Are there any future budget implications?	Representation changes to the status quo will not significantly impact budgets. Elected Member Remuneration is set by the Remuneration Authority.
Reviewed by Finance	Erin Register; Finance Manager

Significance and engagement assessment

Requirement	Explanation
Is the matter considered significant?	No
Level of significance	Medium
Rationale for selecting level of significance	The community are likely to be interested in this decision as representation reviews only occur once every six years and impacts on whether people are fairly and effectively represented. However, the impacts are low as only minor changes are being proposed from the current representation arrangements.
Level of engagement selected	3. Consult
Rationale for selecting level of engagement	Council has (as legally required) consulted on its initial proposal from 13 June – 21 July. Following resolution of the final proposal (assuming changes are made from the initial proposal), Council must publicly advertise it as open for appeals and objections for a month, proposed from 12 September to 12 October.
Reviewed by Strategy & Policy	Mark Low, Strategy and Policy Manager

Next steps

Date	Action / milestone	Comments
27 November 2024	Local Government Commission hearing scheduled	Only required if appeals or objections are received by 12 October 2024
By 10 April 2025	Last day by which the Local Government Commission can make a determination	If required

Appendix 1

Ashburton District Council

12 September 2024

Final proposal for representation arrangements for the 2025 local elections

Submissions

On 7 August 2024 the Ashburton District Council considered the submissions received on its initial proposal regarding the representation arrangements for the Council and its constituent community boards to apply for the local elections to be held on 11 October 2025.

The Council received 14 submissions on its proposal. Six submissions were in favour of the Council's proposal. Eight submissions contained objections to various elements of the proposal, as follows:

- six submitters objected to the reduction of Methven Community Board members (proposed total from 7 to 6).
- one submitter suggested a different extension of the Methven Community Board boundary (extended either along both sides of Mt Hutt Station Rd past Holmes Road, or neither side and only extend to include the golf course and up to Holmes Road).
- one submitter mentioned that while they supported the proposal, their second preference was to reduce the Ashburton Ward councillors to three, while retaining the two Councillors for each of the Western and Eastern Wards.

Final proposal

Having considered all of the objections, the Council resolved to adopt its initial proposal as the Council's final proposal on 4 September 2024, subject to the following amendments:

- the Methven Community Board membership will remain at five elected members plus two appointed members (seven total).

The Council considers this change to be appropriate for the following reasons:

- the total of seven members is currently working well
- more members allows for a more diverse range of views, skills and experience
- the Methven Community Board boundary is extending and more people will be represented
- the Methven population is growing.

The Council rejected the other matters raised in objections for the following reasons:

- the suggestion of amendments to the Methven Community Board boundary was rejected because there was no clear reasoning provided for these suggestions and Council considers the proposal to appropriately cover the community of interest and those properties that receive a benefit from the Methven Community Board. Any changes made to the boundaries needed to coincide with Statistics NZ meshblock boundaries under the Local Electoral Act.
- the suggestion to retain two councillors for each Western and Eastern Ward and to reduce the Ashburton Ward councillors to three was rejected because this does not meet the

population to member ratio requirement (+/- 10% rule) and Council considered that this would not provide fair representation.

Therefore the final proposal is as follows.

Council Representation

It is proposed that the Council comprise nine members elected from three wards, and the Mayor. The three wards reflect the following identified communities of interest:

Ward	Communities of Interest
Ashburton Ward	The Ashburton Ward includes the commercial and urban residential area of Ashburton, as well as the residential Lake Hood area. Lake Hood residents share commonalities with Ashburton urban residents, such as a shared rate for urban amenities.
Eastern Ward	The Eastern Ward includes the townships of Hinds and Rakaia as well as several other rural settlements such as Chertsey and Hakatere. The Eastern Ward borders the coast and as such coastal areas are likely to face common issues related to services and water supply.
Western Ward	The Western Ward includes the communities of Methven, Mount Somers and Mayfield as well as smaller rural settlements such as Staveley. These communities share commonalities given their proximity to the Southern Alps, and therefore have a similar climate and suitability for different land use. These communities are likely to face common issues related to services and water supply.

The population that each member will represent is as follows:

Ward	Population	Members	Ratio
Ashburton Ward	21,220	5	4,244
Eastern Ward	7,640	2	3,820
Western Ward	7,860	2	3,930
Total	36,720	9	4,080

In accordance with section 19V(2), Local Electoral Act 2001 the population that each member represents must be within the range of 4,080 +/- 10% (3,672 to 4,488), unless particular community of interest considerations justify otherwise.

None of the proposed wards fall outside the stipulated range.

Community Board Representation

It is proposed that the following community board be elected:

Community Board	Area of Community
Methven Community Board	Covering Methven Township

Methven Community Board

The Methven Community Board will elect five members. It will not be subdivided for electoral purposes. The Board will have two appointed members as follows:

Community Board	Number of members from which ward
Methven Community Board	Two members appointed from the Western Ward

Appeals and objections

Any person who made a submission on the Council's initial proposal may lodge an appeal against the Council's decision in accordance with section 19O Local Electoral Act 2001. An appeal must relate to the matters raised in that person's submission.

Any person who objects to the final proposal may lodge an objection to the Council's final proposal in accordance with section 19P Local Electoral Act 2001. Any objection must identify the matters to which the objection relates.

Appeals and objections must be made in writing and must be received by Council no later than 12 October 2024.

Appeals and objections are to be forwarded to:

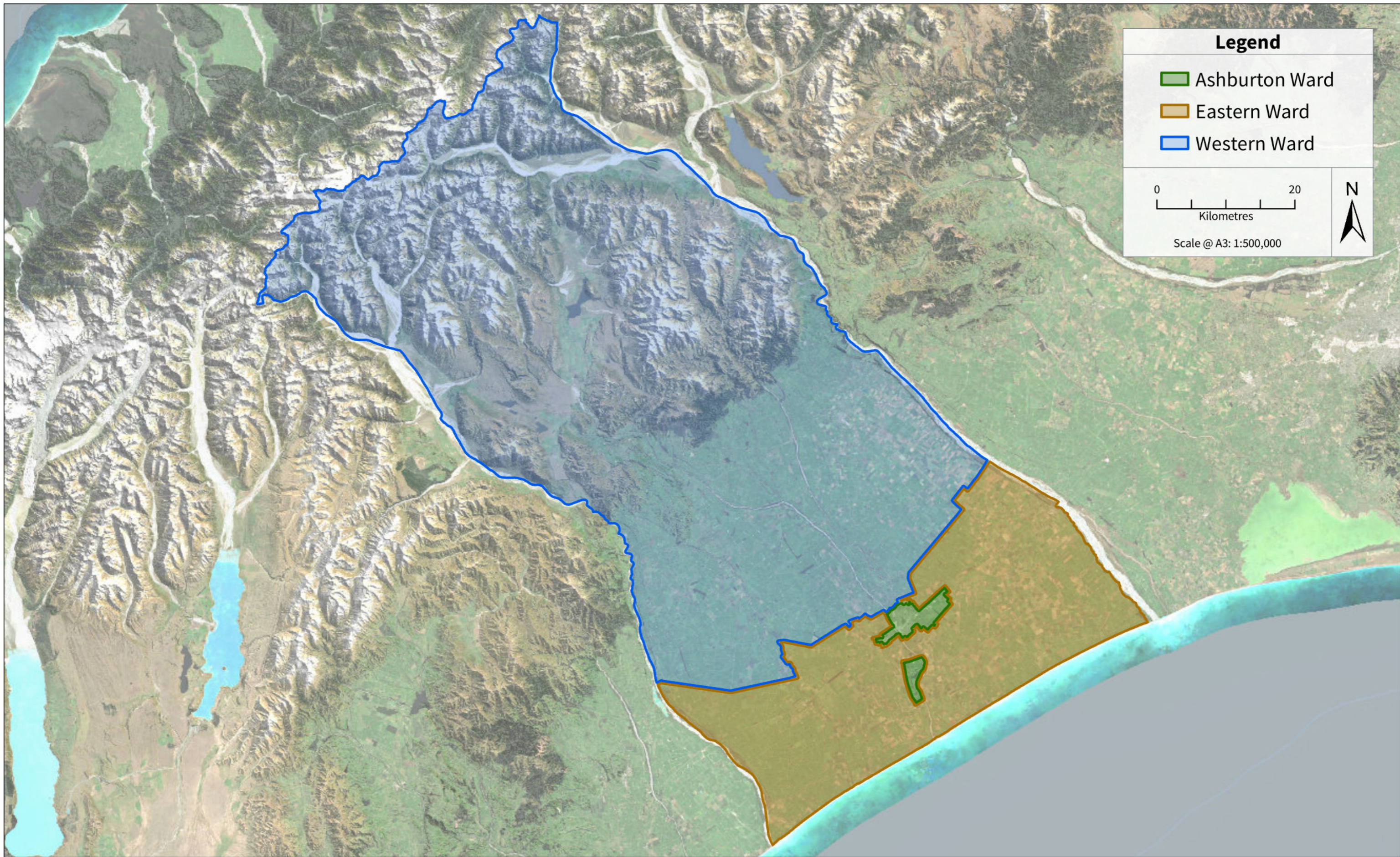
- Ashburton District Council
PO Box 94
Ashburton 7740
- Email – submissions@adc.govt.nz

Further Information

Any queries regarding the Council's decision should be directed to:

- **Toni Durham**
Group Manager Democracy & Engagement
03 307 7879
Toni.Durham@adc.govt.nz

Hamish Riach
Chief Executive
12 September 2024



Legend


- Ashburton Ward
- Eastern Ward
- Western Ward

0 20
 Kilometres

Scale @ A3: 1:500,000

N

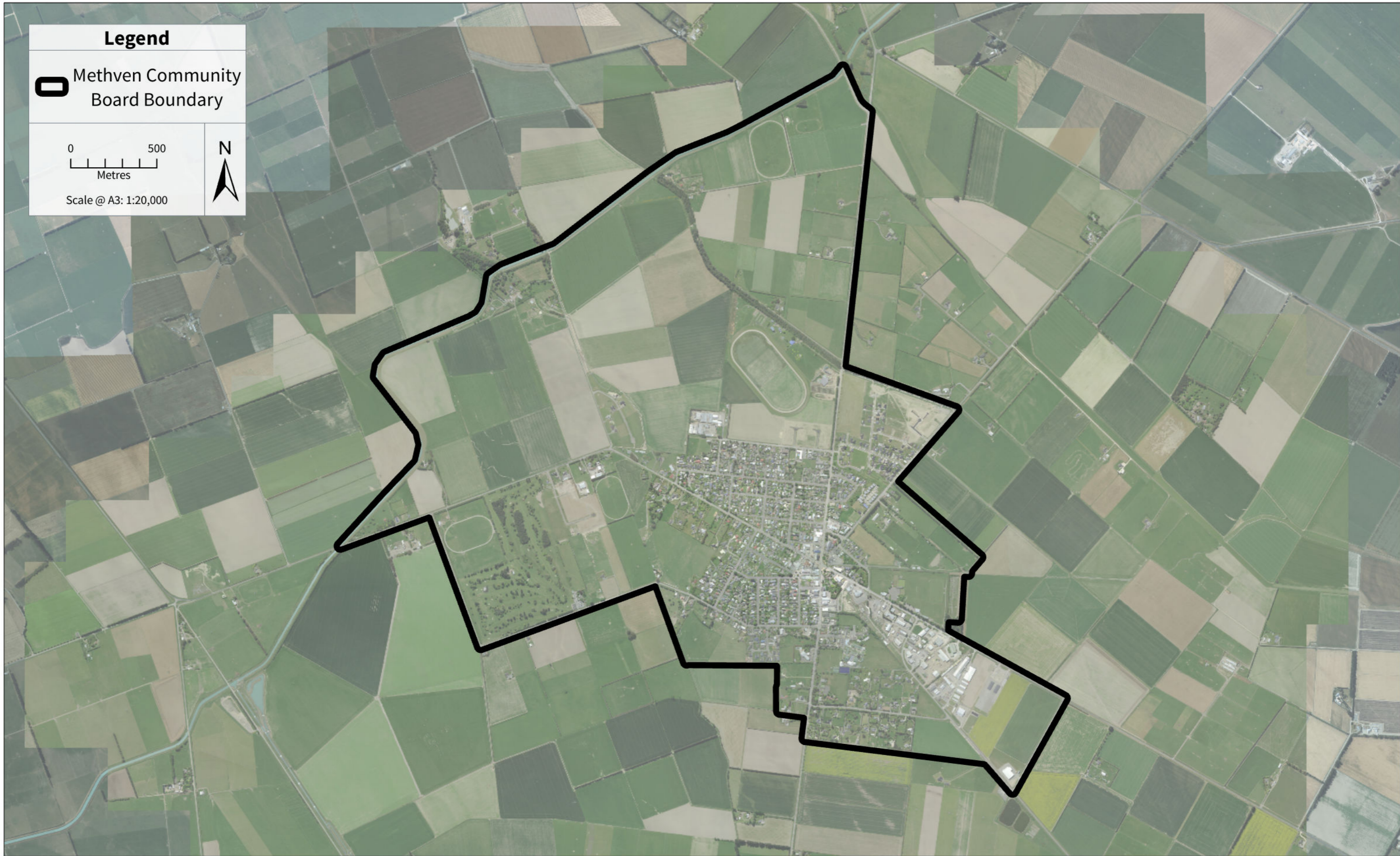
Legend

 Methven Community Board Boundary

0 500
Metres



Scale @ A3: 1:20,000



8. *Sensitive Expenditure Policy Review*

Author	<i>Lou Dunstan, Policy Advisor</i>
Activity Manager	<i>Mark Low, Strategy and Policy Manger</i> <i>Erin Register, Finance Manager</i>
Executive Team Member	<i>Toni Durham, Group Manager - Democracy and Engagement</i> <i>Leanne Macdonald, Group Manager - Business Support</i>

Summary

- The purpose of this report is to seek Council approval of the revised Sensitive Expenditure Policy as attached in Appendix 2.
- Review of the Sensitive Expenditure Policy was scheduled for 2025. However, the Audit NZ Management Report for the year ended 30 June 2023 made recommendations to enhance the current policy.
- Subsequently, a review of the policy has been completed to better align the policy with good practice guidance prescribed by the Office of the Controller and Auditor-General, and to meet the recommendations detailed in the report.

Recommendation

1. **That** Council adopts the revised Sensitive Expenditure Policy as attached in Appendix 2, with the next review scheduled for 2027.

Attachment

Appendix 1	Summary of changes to Sensitive Expenditure Policy
Appendix 2	Revised Sensitive Expenditure Policy

Background

The current situation

1. Sensitive expenditure is spending by Council seen to give some benefit to an employee or elected member, or spending considered discretionary (e.g. travel and accommodation expenditure).
2. The policy applies to both employees and elected members. For employees, the policy should be read alongside the external Procurement, Fraud and Corruption and Asset Disposal Policies and the Delegations Manual. For elected members, the policy should be read alongside the Elected Members' Allowances and Reimbursement Policy, and the Code of Conduct.
3. The existing Sensitive Expenditure Policy ('the policy') covers a range of matters where: a personal benefit may occur, a conflict of interest may arise, spending is considered discretionary (or not core business), or where spending may be considered extravagant. The policy was last reviewed in 2020, with an amendment made in 2021.
4. Under the review schedule, the policy was not due to be reviewed until 2025. However, this has been brought forward to address the recommendations made as part of the report received from Audit New Zealand for the year ended 30 June 2023. The proposed changes have been made to address the recommendations identified as part of the Audit NZ management report, and to better align the policy with good practice as prescribed by Office of the Controller and Auditor-General (OAG).
5. The review has included discussion with relevant officers, analysis of other territorial authorities' policies, and an in-depth discussion with the Group Manager - Business Support and the Finance Manager.
6. It is proposed the next review will take place in August 2027, or earlier if required.

Previous Council Decision or Direction

7. When the policy was reviewed in 2020, many of the changes were minor changes to policy wording to ensure clarity. Notable changes included:
 - New section added which detailed the one-up approvals process for all sensitive expenditure.
 - Accommodation allowance was increased from \$190 per night to \$200 per night (including GST).
8. In 2021, Council requested officers review the accommodation allowances set out under the 2020 policy. As a result, the policy was amended to include the following change:

- Accommodation allowance was increased from \$200 per night to \$300 per night (including GST).

Interested and affected parties

9. These include:

- Elected members and Council employees,
- The community in general as ratepayers, and
- The Business Support, People and Capability, and Executive teams of Council.

Recommendations from Audit NZ Management Report

10. The below table details the recommendations made as part of the Audit NZ Management Report for the year ended 30th June 2023.

<i>Audit New Zealand reviewed the current policies around sensitive expenditure against good practice guidance issued by the Office of the Controller and Auditor-General and noted the below deviations from good practice.</i>		
Policy Area	Audit NZ Recommendations	Officer Proposed Resolutions
Claim process	It is not stated in the policy that claims relating to sensitive expenditure need to be in English or Te Reo Māori (or independently translated before payment).	Resolved with the addition of clause 4.1.4 in revised policy.
Rideshare apps and payment process	The policies and procedures to cover rideshare options charged through an app linked to a credit card are not stated within the policy. If the app is set up to use a personal credit card, the policy should cover processes to distinguish legitimate work expenses from personal expenses.	Resolved with the addition of clause 5.2.8 and 5.2.9 in revised policy.
Expenditure relating to special occasions	Clear guidance is not given about what is an acceptable level of expenditure, if any, on seasonal occasions such as a Christmas event.	Resolved with the addition of section 7.3 in revised policy.
<i>As part of the report, Audit New Zealand stated they did not identify a policy related to the below types of sensitive expenditure.</i>		
Policy Area	Recommended inclusions	

Expenditure relating to farewells or retirements	Requiring expenditure on farewells and retirements to be pre-approved at an appropriate level of management, and in-line with the number of years of service.	Resolved with the addition of section 7.1 in revised policy.
Contributions to social club	Stating that contributions to social clubs should be prudent and reasonable in terms of the benefit obtained by the organisation.	Resolved with the addition of section 7.2 in revised policy.
Staff sponsorship	Limiting the sponsorship of a staff member to those that provide publicity for the organisation and its objectives.	Resolved with the addition of section 7.4 in revised policy.
Asset Disposal	Assets identified for disposal to staff should be valued and subject to a tender or other process.	Resolved with the addition of section 6.8 in revised policy.
Personal use of ICT resources	Usage must not be unlawful, offensive, or excessive.	Resolved with the addition of clause 6.5.1 in revised policy.
Koha and gift giving	Ensuring Koha reflects the occasion and is not confused with any other payments that an entity makes to an organisation. Specifying the purposes of giving gifts and the occasions on which it is acceptable. Stating that the nature and value of gifts should be appropriate to particular occasions.	Resolved with the addition of additional wording under koha definition and in clause 5.8.1.

Other proposed changes

11. Under the current policy, the review period is set to every 5 years, or when required. Given that the policy has been reviewed / amended prior to the review date twice, officers believe updating the review date to every 3 years, or when required is more appropriate to ensure the policy remains up to date and relevant.
12. The current policy states that one up approval for reimbursement of meals where the limits are exceeded is required. Officers believe that further context is required to clarify how/when one-up approval should be obtained, and when it is practicable to do so. Additional wording has been added to clause 5.1.15 to address this.
13. Under the current policy, use of private vehicles was under clause 6.1, implying it was only applicable to employees. As this clause is applicable to both employees and elected members, officers recommend moving this section of the policy to sit under section 5.2 which is applicable to both parties.
14. Since the last policy review, Council has introduced purchase / debit cards to support those who make regular but minor purchases. The proposed policy now also takes into

account the issuing and use of purchase cards alongside credit cards. Section 6.3 has been added to provide policy and guidance.

15. While the policy is comprehensive, there will potentially still be situations where the parameters of the policy do not fit the circumstances. Officers have addressed this by adding in clause 8.3 to provide further guidance on how these exceptions should be addressed.

Options analysis

Option One – Roll over the Sensitive Expenditure Policy (status Quo)

16. Under this option, the policy would be rolled over as it currently is. This option has no advantages as Council would be missing the opportunity to align the policy with good practice and address the shortfalls identified as part of the Audit NZ Management report.

<p>Advantages:</p> <ul style="list-style-type: none"> • None identified 	<p>Disadvantages:</p> <ul style="list-style-type: none"> • Council would miss the opportunity to align the policy with good practice as prescribed by the OAG. • The policy would not meet the recommendations made as part of the Audit NZ Management Report.
<p>Risks:</p> <p>Shortfalls identified will continue to be raised in future Audit NZ Management reports until they are addressed.</p>	

Option Two – Adopted the revised Sensitive Expenditure Policy (recommended)

17. This option proposes a number of changes to ensure that the policy is aligned with the OAG good practice guide and would resolve the recommendations made in the Audit NZ Management report.

<p>Advantages:</p> <ul style="list-style-type: none"> • The policy would reflect good practice. • The shortfalls of the current policy detailed in the Audit NZ Management report would be resolved. 	<p>Disadvantages:</p> <ul style="list-style-type: none"> • None identified
<p>Risks:</p> <p>No risks identified with this option.</p>	

Option Three – Remove the Sensitive Expenditure Policy

18. This is not the recommended option; officers see few advantages in this option.

<p>Advantages:</p> <ul style="list-style-type: none"> The only advantage of having no policy would be that no resource would be required for review. 	<p>Disadvantages:</p> <ul style="list-style-type: none"> Council would not address any of the shortfalls raised in the Audit NZ Management Report. Removing the policy means there would be no standards for probity to ensure financial prudence.
<p>Risks:</p> <p>Council would face reputational risk if staff or elected members incurred extravagant expenditure.</p>	

Legal/policy implications

Local Government Act 2002

19. While there is no specific legislative mandate to adopt a sensitive expenditure policy, Council has a responsibility to adhere to principles of financial management. Under the Local Government Act 2002, Council must act prudently and in a manner that promotes the current and future interests of its community.

Climate change

20. This report does not have clear climate change relevance.

Strategic alignment

Wellbeing		Reasons why the recommended outcome has an effect on this wellbeing
Economic	✓	This policy ensures financial prudence relating to sensitive expenditure.
Social	✓	This policy provides transparency for our community when it comes to sensitive expenditure from Council staff and Elected Members.

Financial implications

Requirement	Explanation
What is the cost?	This varies depending on the type of expenditure incurred. Costs are met from within managers existing budgets.
Is there budget available in LTP / AP?	Yes
Where is the funding coming from?	Various sources depending on the type of expenditure. For instance, individual managers are responsible for setting budgets related to team expenditure for conferences and training etc.
Are there any future budget implications?	No
Reviewed by Finance	Leanne Macdonald, Group Manager Business Support

Significance and engagement assessment

Requirement	Explanation
Is the matter considered significant?	No
Level of significance	Low – not significant
Rationale for selecting level of significance	Policy changes provide greater clarity and transparency, but these are unlikely to trigger community interest.
Level of engagement selected	1. Inform – one way communication
Rationale for selecting level of engagement	The low level of significance means the community only need to be informed about this policy. Community interest is unlikely. Internal consultation has been carried out with Council officers who generally support the policy.
Reviewed by Strategy & Policy	Mark Low; Strategy and Policy Manager

Next steps

Date	Action / milestone	Comments
4 September 2024	Council Adopt Policy	
2027	Review Policy	May be reviewed earlier if required.

Appendix 1 – Summary of changes to Sensitive Expenditure Policy

Clause	Action/rationale
Review	Action: Changed from every 5 years to every 3 years Rationale: to ensure policy remains relevant and up to date
Related documents	Action: Added the following: <ul style="list-style-type: none"> • Asset Disposal Policy Rationale: Sensitive Expenditure Policy now refers to these policies for further guidance.
Policy Objective	No change
Definitions	Action: Added Council Asset Rationale: For clarity and continuity Action: Added Koha Rationale: For clarity and continuity Action: changed credit card to council issued card Rationale: For clarity and continuity and to include the introduction of purchase cards. Action: Removed council business Rationale: Covered under sensitive expenditure definition
1. Introduction	Action: Minor wording change to clause 1.2 Rationale: updating sentence structure
2. Application	Action: Updated the list of policies to be read in conjunction with the Sensitive Expenditure Policy (clause 2.2) Rationale: Sensitive Expenditure Policy now refers to these policies for further guidance.
3. Principles	No change
4. Approval and reimbursement of sensitive expenditure	
	Action: Added new clause 4.1.4 Rationale: To cover the following recommendation made by Audit: It is not stated in the policy that claims relating to sensitive expenditure need to be in English or Te Reo Māori (or independently translated before payment).
5. Sensitive expenditure applicable to both employees and elected members	
5.1 Travel and accommodation expenditure	Action: Added context to clause 5.1.15 Rationale: To provide greater clarity around claiming for costs which exceed the expected limits.
5.2 Vehicles and taxis	Action: Removed 5.2.8 Rationale: rideshare is now included in the heading and defined in the definitions section. Action: Added content from clause 6.1 to this section – now clauses 5.2.10 – 5.2.14. Rationale: To make it clear that this policy is applicable for both employees and elected members.

	<p>Action: Added additional wording to clause 5.2.14</p> <p>Rationale: To clarify the different reimbursement rates for employees and elected members.</p>
5.3 Fines incurred in relation to vehicles	No change
5.4 Parking	No change
5.5 Tipping	No change
5.6 Private arrangements and stopovers	No change
5.7 Entertainment and hospitality expenditure	<p>Action: Updated wording under clause 5.7.2</p> <p>Rationale: To provide greater clarity around what clear documentation is related to entertainment and hospitality spending.</p>
5.8 Koha, donations, and gifts	<p>Action: added in gifts to heading</p> <p>Rationale: To cover the following recommendation made by audit: Policy not identified relating to giving gifts, including specifying the purposes for which and occasions on which it is acceptable, and the nature and value of gifts that are appropriate to particular occasions.</p> <p>Action: Updated wording regarding Koha</p> <p>Rationale: To cover the following recommendation made by audit: Policy not identified relating to ensuring koha reflects the occasion and ensuring that Koha are not confused with any other payments that an entity makes to an organisation.</p>
6. Sensitive expenditure applicable to employees only	
6.1 Use of private vehicles (removed)	<p>Action: Removed this clause from section 6 and moved it to section 5.2</p> <p>Rationale: To make it clear that this policy is applicable for both employees and elected members</p>
6.2 Catering for meetings held internally (now 6.1 in proposed policy)	<p>Action: Becomes 6.1</p> <p>Rationale: Previous 6.1 clause removed</p>
6.3 Credit card and purchase card usage (now 6.2 in proposed policy)	<p>Action: Title updated to include purchase cards</p> <p>Rationale: policy required to cover the use of purchase cards which have introduced since the last review of this policy</p> <p>Action: Becomes 6.2</p> <p>Rationale: Previous 6.2 clause changed to 6.1</p> <p>Action: Added wording to clause 6.2.1</p> <p>Rationale: to align with internal guidelines.</p> <p>Action: Added new clauses 6.2.2 + 6.2.3</p> <p>Rationale: to align with internal practise.</p> <p>Action: removed wording in 6.2.6 regarding cash advances</p> <ul style="list-style-type: none"> • cash is required in an emergency (usually related to travel on Council business), or

	<ul style="list-style-type: none"> cash is required for official purposes (in rare circumstances) and has prior approval. <p>Rationale: withdrawal of cash is not possible on council issued cards</p> <p>Action: wording from 6.2.6 moved to a new clause 6.2.7 Credit card payments made online need to reflect good security practice as per below:</p> <ul style="list-style-type: none"> purchases are made only from established and reputable companies, and the card holder must retain a copy of the online order form and invoice to support the payment. <p>Rationale: information relates to a separate issue – separate clause provides clarity.</p>
6.3 Goods and service expenditure (loyalty rewards)	No change
6.4 Private use of Council assets	<p>Action: Additional context added to 6.4.1 Rationale: To cover the following recommendation made by audit: Policy not identified relating to the accepted level of personal use of ICT resources and that this usage must not be unlawful, offensive, or excessive.</p> <p>Action: Removed clause 6.4.4 Rationale: Content now included as part of 6.4.1</p> <p>Action: Added new clause 6.4.3 Rationale: To ensure use of council assets in aligned across all relevant policies.</p>
6.5 Council use of private assets	No change
6.6 Private use of Council suppliers	<p>Action: Added new clause 6.6.4 Rationale: To cover the following recommendation made by audit: Policy not identified explicitly stating that staff cannot use purchasing privileges on behalf of any third party</p>
6.7 Disposal of surplus Council assets	<p>Action: Added new clause 6.7 Rationale: Policy not identified relating to assets identified for disposal to staff being valued and subject to a tender or other process</p>
7. Expenditure relating to staff wellbeing (this is a new section added to the policy to cover several recommendations made in audit report)	
7.1 Farewells, retirements, and long service	<p>Action: Added new clause 7.1 Rationale: Policy not identified relating to expenditure on farewells or retirements, requiring it to be pre-approved at an appropriate level of management, and to be moderate, conservative and in line with the number of years' service.</p>
	Action: Added new clause 7.2

7.2 Staff welfare and organisational development	Rationale: Policy not identified relating to contributions to social clubs being prudent and reasonable in terms of the benefit obtained by the organisation
	Action: Added new clause 7.2.3 Rationale: Policy not identified relating to clear guidance about what is an acceptable level of expenditure, if any, on seasonal occasions such as Christmas Events.
7.3 Staff sponsorship	Action: Added new clause 7.3 Rationale: Policy not identified relating to limiting the sponsorship of a staff member to those that provide publicity for the organisation and its objective.
8.Failure to Comply (previously section 7)	
clause 8.3	Action: Added new clause 8.3 Rationale: Policy did not provide guidance for situations outside the parameters of the policy – added to provide clarity and guidance for such circumstances.

Policy

SENSITIVE EXPENDITURE POLICY

TEAM:	Finance
RESPONSIBILITY:	Business Support Group Manager
ADOPTED:	August 2024
REVIEW:	Every three years, or as required
CONSULTATION:	Internal consultation with employees, Audit NZ
RELATED DOCUMENTS:	Council policies and strategies include: Asset Disposal Policy Code of Conduct (Council and Methven Community Board) Delegations Manual Elected Members' Allowances and Reimbursement Policy Fraud and Corruption Policy Procurement Policy
	Relevant legislation includes but is not limited to: Commerce Act 1986 Sale of Goods Act 1908 Fair Trading Act 1986 Consumer Guarantees Act 1993 Public Finance Act 1989 Financial Reporting Act 1993 Privacy Act 2020 Official Information Act 1982 Local Government Act 2002 Local Government Official Information and Meetings Act 1987 Public Audit Act 2001

Policy objective

This policy provides a framework for managing sensitive expenditure and any related conflicts. The purpose is to ensure that all Council expenditure is undertaken in ways that are transparent, appropriate, conservative and has a justifiable business purpose.

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8. Failure to comply	11

Definitions

Actual means as evidenced by the original tax receipt attached to the claim form.

Council means Ashburton District Council.

Council Asset (in the context of sensitive expenditure) means any physical item owned, leased, or borrowed by Council. This includes photocopiers, telephones, cell phones, cameras, means of accessing the Internet, and stationery.

Council Issued Card includes credit cards, vehicle fleet cards, purchase cards and equivalent cards used to obtain goods and services before a payment is made.

Employee means a person employed by the Ashburton District Council on a temporary, permanent or contractual basis.

Elected member means the mayor, any councillor or Methven Community Board member.

Koha is a gift, token, or contribution given on appropriate occasions including;

- Tangihanga;
- Attendance at an event / meeting;
- Speeches or presentations
- For use on or for a marae; and
- Kaumātua support for pōwhiri, mihi, whakatau meetings, or other events.

One-up approval is approval granted by a person senior to the person who will benefit, or who might be perceived to benefit, from a purchase. In most instances, this will be the manager, group manager or Chief Executive.

Reasonable means that it is appropriate, fair, moderate, sensible, and within the amount specified by this policy or as deemed reasonable by the appropriate one-up approval.

Sensitive expenditure means any expenditure which could, or could be seen to, give an unjustifiable private benefit to an individual additional to the Council benefit for which the expenditure is incurred. Examples of sensitive expenditure include (but are not limited to) travel to desirable locations, business class travel, expensive hotel stays, entertainment, employee recognition and gifts.

Supplier means a current or potential provider of goods or services to Council.

Taxi: Taxis, in relation to this policy, include any other alternative form of 'taxi' or rideshare available, such as Uber.

Policy statement

1. Introduction

1.1. From time to time, employees and elected members incur expenses which are considered 'sensitive expenditure'. Reimbursement of these expenses is only available when acting in the capacity of their position on Council business.

1.2. Council spends public money, consequently, all expenditure is subject to the standard of probity and financial prudence expected of a local authority. Expenditure must be capable of withstanding public scrutiny.

- 1.3.** Sensitive expenditure will normally have one or more of the following attributes:
- potentially results in a perceived or real private benefit to an individual,
 - considered an ‘unusual’ expenditure item for Council,
 - does not directly align with the core business of Council or has an unclear link to the normal business purposes of Council,
 - may involve a conflict of interest (legal or ethical), and/or
 - may be considered an extravagant or immoderate expenditure.

2. Application

- 2.1.** This policy applies to both employees and elected members. All clauses apply to employees, and some to both employees *and* elected members.
- 2.2.** For employees, the policy should be read alongside the following policies:
- **Asset Disposal Policy**
 - Fraud and Corruption Policy
 - Procurement Policy
 - Council Vehicle Use & Eligibility Policy.

For elected members, the policy should be read alongside the Elected Members’ Allowances and Reimbursement Policy, Fraud and Corruption Policy and the Code of Conduct.

3. Principles

- 3.1.** Employees and elected members must exercise proper and prudent behaviour in relation to all expenditure. This includes being honest, accountable and complying with expenditure controls. The lowest overall cost to the Council should be preferred.
- 3.2.** Relevant principles are:
- there must be a justifiable business purpose,
 - expenditure decisions must preserve impartiality,
 - expenditure must be moderate and conservative, having regard to the circumstances, and
 - the process must be transparent with the appropriate approvals obtained.
- 3.3.** Expenditure must not be motivated by the potential for individual benefit.
- 3.4.** In the absence of a specific rule, good judgement must be exercised by taking into account the principles of this policy and the context of a given situation.

4. Approval and reimbursement of sensitive expenditure

- 4.1.1** Authorisation must be given:
- before the expenditure is incurred, wherever practical;
 - by applying the one-up principle; and
 - where a justified business purpose is evident, in the opinion of the person giving approval.
- 4.1.2** Approval for sensitive expenditure must be granted by the appropriate one-up approval

Position seeking approval	Approval granted by
All employees	Manager
Manager	Group Manager
Group Manager	Chief Executive
Chief Executive	Mayor
Mayor	Group Manager – Business Support
Elected members	Governance Team (on behalf of the Chief Executive) in line with this policy

4.1.3 All claims must be submitted promptly after the expenditure is incurred. Except in exceptional circumstances this means within one month of the transaction.

4.1.4 Invoices and receipts relating to sensitive expenditure received in other languages must be independently translated to English prior to the claim being submitted.

4.1.5 Sensitive expenditure will only be reimbursed if it is deemed to be reasonable, actual and has been incurred directly in relation to Council business.

5 Sensitive expenditure applicable to both employees and elected members

5.1 Travel and accommodation expenditure

5.1.1 Travel and accommodation costs may be incurred while conducting Council business elsewhere in New Zealand or overseas. The principles of a justified business purpose, and moderate and conservative expenditure, are particularly relevant for travel and accommodation expenditure.

5.1.2 All travel and accommodation arrangements must be made well ahead of the travel date so the expenditure is cost effective.

5.1.3 Bookings can be made to leave the day prior to an event, if it is considered reasonable.

5.1.4 Wherever possible, Council's preferred suppliers should be used.

5.1.5 Reasonable expenses will be met for unexpected events, e.g. overnight expenses due to a cancelled plane flight.

Air travel

5.1.6 Discounted economy or economy class and/or a discount airline must be the first choice.

5.1.7 Air points - provided the use of carriers supplying air points does not result in Council incurring additional costs, air points rewards accruing may be kept by the employee.

Accommodation

5.1.8 The maximum amount to be spent on accommodation is \$300.00 (including GST) per night, however those booking accommodation must look for the most cost-effective option. One-

up approval may be granted to exceed this limit if there is a clear reason, such as a desire to stay at the location or within close proximity of the event.

5.1.9 Discretionary entertainment expenses such as movies will not be reimbursed. However, WIFI costs will be reimbursed if required for work purposes.

5.1.10 Accommodation check-out times are to be observed. Any additional costs of failing to check out in time are the responsibility of the individual, unless unexpected events have occurred.

5.1.11 Where travel arrangements are extended to accommodate personal arrangements, all costs in addition to the business component of the trip are the responsibility of the individual.

Beverages

5.1.12 Council will pay for a maximum of two beverages (alcoholic or non-alcoholic) with an evening meal. These must be identifiable on receipts supporting the expenditure.

5.1.13 Minibar costs will not be reimbursed.

Meals

5.1.14 Reasonable meal costs will be met. In general, the total cost (including beverages) is not expected to exceed:

- Breakfast - \$30.00
- Lunch - \$30.00
- Dinner - \$60.00

5.1.15 One-up approval is required for reimbursement of meals where the limits are exceeded. **If it is known in advance that costs will exceed the expected limits, one-up approval should be obtained prior to the event (e.g. a dinner booked in advance). In any other circumstances, costs which exceed expected limits will be approved through the claim reimbursement process if the costs are deemed to be reasonable. Otherwise, costs will be partially reimbursed up to the expected limits.**

5.1.16 Separate meal expenses will not be met where a meal has been provided as part of the meeting, conference, training, event package, or included in the room price.

5.2 Vehicles and taxis

Council pool cars

5.2.1 Where possible, Council pool cars are to be used for reasonable distances of travel within the South Island.

5.2.2 Council vehicles (except those provided under a remuneration arrangement) are not available for private use.

5.2.3 Employees and elected members should endeavour to return Council vehicles as soon as possible following the completion of use.

5.2.4 The finance team must be advised if a vehicle is taken home for the night, as Fringe Benefit Tax may apply.

Rental cars

- 5.2.5 The most economical type and size of rental, consistent with the requirements of the trip, must be used.
- 5.2.6 Rental cars are only available for business conducted outside the district.
- 5.2.7 Private use of a rental car is only permitted in exceptional circumstances and requires one-up approval. All additional costs of private use are the responsibility of the individual.

Taxis and Rideshare

- 5.2.8 Council will pay for appropriate travel by taxi or rideshare on Council business. The use of taxis or rideshare must be cost effective relative to other transport options.
- 5.2.9 Where possible, shuttles should be utilised for transport to and from airports for reasonable distances where time permits (i.e. for shuttling from a hotel or event to the airport).

Use of Private Vehicles

- 5.2.10 Council will not normally pay for travel by private vehicle when travel by other means is more practical and cost effective. Individuals must use a Council vehicle for Council business, if there is one available.
- 5.2.11 Prior one-up approval is required for reimbursement for the use of a private vehicle.
- 5.2.12 Circumstances where the use of private vehicles may be considered appropriate include where:
- an absence for a period of longer than two days, or
 - no pool cars are available (it is the responsibility of the employee to ensure pool cars are booked as soon as possible to avoid this circumstance).
- 5.2.13 Reimbursement will be based on the distance travelled in the most direct route. For employees, reimbursement will be made in accordance with the mileage rate set by the Executive team or as specified in the employee's Employment Agreement. For elected members, reimbursement will be made in accordance with the current remuneration authority determination.
- 5.2.14 The vehicle owner must ensure that they have appropriate insurance cover for the vehicle while it is being used on Council business.

5.3 Fines incurred in relation to vehicles

- 5.3.1 Any fines (parking or traffic offences) incurred while using a Council vehicle or a rental are the responsibility of the driver (unless the fine relates to an aspect of the condition of the vehicle outside the driver's control).

5.4 Parking

- 5.4.1 The most cost-effective parking option must be utilised. The cost of parking will be reimbursed provided the purpose of the trip is for Council business.

5.5 Tipping

5.5.1 Tipping within New Zealand will not be reimbursed.

5.5.2 Appropriate tipping during international travel will be reimbursed only in places where tipping is local practice, such as the United States.

5.6 Private arrangements and stopovers

5.6.1 Employees and elected members with the approval of the Group Manager, Chief Executive or Mayor (as applicable) may undertake private travel before, during or at the end of Council travel, provided there is no additional cost, and the private travel is only incidental to the business purpose of the travel. If there are additional costs (such as a difference in the cost of flights) these costs must be covered by the individual.

5.6.2 Travel costs for accompanying spouses, partners or other family members are a personal expense and will not be reimbursed.

5.6.3 The cost of stopovers will only be reimbursed when they are pre-approved and have a clear business purpose.

5.7 Entertainment and hospitality expenditure

5.7.1 Entertainment and hospitality can cover a range of items from tea, coffee and biscuits to catering, such as meals and alcohol. It also includes non-catering related items, such as entry to sporting or cultural events.

5.7.2 All entertainment and hospitality expenditure must be pre-approved where possible and supported by clear documentation, including the purpose of entertainment or hospitality expenditure along with a GST receipt which shows the date and cost of expenditure.

5.7.3 The business purposes of entertainment and hospitality are for:

- building relationships,
- representing the organisation,
- reciprocity of hospitality where this has a clear business purpose and is within normal bounds – acceptance of hospitality is expected to be consistent with the principles and guidance for provision of hospitality, and
- building revenue.

5.8 Koha, donations, and gifts

5.8.1 Koha payments, donations, and gifts must;

- Be approved by the Chief Executive;
- Reflect the occasion;
- Be clearly documented with the date, amount, description and purpose.

6 Sensitive expenditure applicable to employees only

6.1 Catering for meetings held internally

6.1.1 Where meetings are hosted internally by employees, external catering should only be provided where either:

- external parties will be in attendance,
- the meeting extends over the lunch time period,
- one-up approval has been obtained, or
- elected members are present, such as for a workshop, working group, or Council meeting.

6.2 Credit card and purchase card usage

6.2.1 Credit and purchase card use is monitored. The card holder is responsible for all purchasers made using their card. The cardholder will not give the PIN for the card to anyone else.

6.2.2 The Chief Executive may approve the issue of purchase cards and credit cards to staff where appropriate. Before authorising the issue of cards, the Chief Executive must be satisfied that they are strictly necessary for administrative efficiencies.

6.2.3 In approving the issue of a card, the Chief Executive will confirm the approved limit. Card limits will be set to ensure they are within the limits set in the Delegation Manual.

6.2.4 The use of Council issued cards for private expenditure or credit is prohibited except in exceptional circumstances, when prior approval is required by the Group Manager or Chief Executive. In these rare cases the expenditure is to be fully reimbursed to Council prior to the card payment being due.

6.2.5 On the card holder's termination of employment, the Finance Manager will arrange with the bank to cancel the card. The card must be returned to the Finance Manager, who will ensure it is physically destroyed.

6.2.6 Council issued cards may not be used for cash under any circumstances.

6.2.7 Card payments made online need to reflect good security practice as per below:

- purchases are made only from established and reputable companies, and
- the card holder must retain a copy of the online order form and invoice to support the payment.

6.3 Goods and services expenditure (loyalty rewards)

6.3.1 Loyalty rewards associated with transactions required to carry out Council duties are the property of Council. However, individual employees can accrue loyalty rewards to their personal accounts where the accrual is for small and/or infrequent purchases. It is up to the employee to ensure this privilege is not abused. The best price and value should always be considered. The potential accrual of awards should not dictate a purchasing decision.

6.4 Private use of Council assets

6.4.1 Private use of Council assets (for example mobile phone, computer, or trailer) is permitted but must not:

- Include unlawful, offensive or improper activities;
- Affect the business use of the ICT; and
- Involve unreasonable use of resources.

6.4.2 The costs to Council of private use will be recovered, unless it is impractical or uneconomic to separately identify those costs.

6.4.3 Any use of Council assets must be carried out in accordance with relevant Council policies.

6.5 Council use of private assets

6.5.1 The main issue associated with Council's use of private assets is the risk of Council paying or reimbursing amounts that inappropriately benefit employees. Therefore, prior one-up approval is required.

6.5.2 Council may decide that reimbursing employees for use of private assets is appropriate for reasons such as cost, convenience or availability. Council may also decide to do this in circumstances where it would not fully use an asset of the same type if it acquired it directly. Examples include private vehicles, private cell phones and private computers.

6.5.3 Employees must not approve or administer payments to themselves for the Councils use of their private assets.

6.6 Private use of Council suppliers

6.6.1 Employees may have access to some Council suppliers on the same basis as Council, and they may receive preferential access to goods or services, potentially at a preferential price.

6.6.2 The selection of suppliers must be in the interest of Council. The availability or possibility of employees purchasing privileges must not factor into this selection.

6.6.3 Employees may make use of any preferential access to goods or services through Council's suppliers provided the discount offered must be the same discount offered to all Council employees. Payment for any purchases must be made by the employee at the time of purchase.

6.6.4 Employees may not use Council purchasing privileges on behalf of any third party. This includes family members and friends.

6.6.5 In rare circumstances a Council order may include expenditure with a personal component, such as a travel or accommodation booking. In this case, payment to Council for the personal component must be made on confirmation of the cost or the receipt of the invoice from the supplier, whichever occurs first.

6.7 Disposal of surplus Council assets

6.7.1 Disposal and sale of surplus Council assets must be conducted in accordance with the Asset

Disposal Policy.

7 Expenditure related to staff wellbeing

7.1 Farewells, retirements, and long service

7.1.1 Expenditure on farewells and long service includes spending on functions, gifts and other items and should not be extravagant or inappropriate to the occasion and be pre-approved by the Chief Executive.

7.2 Staff welfare and organisational development

7.2.1 Council may make a prudent and reasonable monetary contribution to a social club(s). The contribution may be an annual grant or subsidy for a specific event.

7.2.2 Before approving a contribution, the Chief Executive must be satisfied that there is a justified business purpose. This purpose would typically relate to organisational development and/or staff welfare.

7.2.3 In relation to an end of year function, the amount of monetary contribution will be confirmed by the Executive Team on an annual basis. The budget allocation per staff member must not be exceeded.

7.3 Staff sponsorship

7.3.1 Council will not usually provide sponsorship to employees taking part in an activity that is not part of their job, such as a sporting event. The Chief Executive may decide to allow a modest contribution.

8. Failure to comply

8.1 Compliance with this policy is expected, failure to do may result in disciplinary action.

8.2 Examples of non-compliance include, but are not limited to:

- Unauthorised use or misuse of a Council issued card
- Failure to obtain appropriate one-up approval
- Private use of a Council pool car
- Failure to declare a gift.

8.3 Where situations arise that do not fit the parameters of this policy, the principles of this policy should be applied, and discussion held with relevant parties to determine an appropriate approach.

9. *Stockwater Transition Working Group Terms of Reference*

Author	<i>Toni Durham: GM Democracy & Engagement</i> <i>Mark Low: Strategy & Policy Manager</i>
Executive Team Member	<i>Neil McCann: GM Infrastructure and Open Space</i>

Summary

- The purpose of this report is for Council to consider the draft Terms of Reference for the Stockwater Transition Working Group (STWG).
- The Stockwater Transition Working Group is being established to give effect to Council's decision to exit the delivery of stockwater by 30 June 2027.
- Officers have recommended that the Chair of the STWG is appointed by Council at this meeting also.

Recommendation

1. **That** Council adopts the Stockwater Transition Working Group Terms of Reference.
2. **That** Council appoints _____ as the Chair of the Stockwater Transition Working Group.

Attachment

Appendix 1 Draft Stockwater Transition Working Group Terms of Reference

Background

Previous Council Decisions

1. Through the Long-Term Plan 2024-34, Council decided to exit delivering stockwater by 30 June 2027. Funding has been included for a managed and inclusive exit from the Council delivery of the stockwater service.
2. The key reasons for Council exiting are:
 - The stockwater network is an ageing and inefficient method of delivering water for livestock to farms.
 - Maintaining the system is getting costlier because the infrastructure is ageing and needs replacement. Many components, related to the channels (e.g. gates, pipes, pumps) will need replacing over the next few decades.
 - The service relies on having sufficient water in the system to keep the water flowing. During summer, water sources often dry up, meaning we can't always guarantee the service.
 - There are other, more modern ways for properties to get water. A lot of people who pay for this service don't use it because they've found more efficient ways to get water, such as through irrigation schemes.
 - Stockwater is currently funded by all properties that have a race, aqueducts or water channels that pass through, along, or adjacent to, or abuts the property. This means that it is being paid for by many that don't use, need and/or want the service.
 - Meeting new environmental requirements will add extra cost to ensure the system is viable in the future. For example, this includes the installation of fish screens on some intakes to meet these new standards.
3. Council has a stockwater race closure process in place for property owners that no longer need their race and want to close it. This process will remain in place alongside the stockwater transition work.

The current situation

4. Since the adoption of the LTP, officers have commenced discussions with to give effect to the Council decisions and scoped the Terms of Reference for Council to consider.
5. The purpose of the Stockwater Transition Working Group (STWG) is to give effect to Council's policy position to exit the delivery of stockwater by 30 June 2027.

6. The key principles for the Stockwater Transition Working group are as follows:
 - The Transition Plan will establish the order of the exit programme which will be followed unless there are exceptional circumstances leading to a Council decision to alter the exit programme
 - The exit programme will follow an intake-by-intake approach¹
 - Council is committed to clearly communicating with stakeholders the progress of the exit programme
 - Proposal for stockwater delivery alternatives will be only to the property boundary
 - Council will not fund any stockwater solutions, either to the property boundary or on-farm
 - Council is the final decision-maker.
7. The STWG will be responsible for delivering a Stockwater Transition Plan to Council for adoption by December 2024.
8. Once the Transition Plan is in place, the STWG will be responsible for monitoring progress towards achieving the exit programme.
9. To keep momentum with Stockwater transition, officers have recommended that Council appoints a Chair at the time of adopting the Terms of Reference.

Interested and Affected Parties

10. To manage the significant number of interested and affected parties and organisations in being involved in the STWG, officers propose a two-tiered membership structure.
11. The Core Working Group Membership will make recommendations to Council based on the specialist and technical expertise they receive from the consultant advice and through the wider working group input.
12. The Core Working Group is expected to take a 'consensus approach' where possible when developing the recommendations to Council. If consensus isn't reached, then the range of views should be presented to Council for their final decision.
13. Key stakeholders, as listed in the TOR, will be invited to contribute to and/or attend the working group meetings to provide their knowledge and expertise on each respective intake based on the exit programme.
14. Key stakeholders do not have the authority to make recommendations to Council.

¹ Some intakes may be progressed in conjunction with others where expedient to do so.

Options analysis

Option one – Adopt the draft STWG Terms of Reference and appoint a chair (recommended)

15. Officers have prepared the draft STWG based on numerous conversations with technical experts and elected members. It is considered that the TOR as currently drafted will enable the STWG to give effect to Council’s direction to monitor the stockwater exit process.

<p>Advantages:</p> <ul style="list-style-type: none">• Aligns with the direction set by Council• Clearly establishes membership and roles and responsibilities for both the core and wider memberships• Membership has been balanced to ensure that the range of views and perspectives are considered.	<p>Disadvantages:</p> <ul style="list-style-type: none">• Stakeholders may consider that they should have a greater role in the Working Group than is currently shown
<p>Risks:</p> <p>Reputational risk to Council of creating a working group that is poorly understood, Council communications will seek to mitigate this risk.</p>	

Option two – Adopt an amended version of the terms of reference

16. This option provides the opportunity to amend the terms of reference further before adoption. It is recognised that Council may wish to remove some proposed changes or make further changes to the terms of reference.
17. Depending on the extent of changes Council wishes to make, officers may need to bring the updated terms of reference to Council at a later date.

<p>Advantages:</p> <p>Opportunity to identify further improvements</p>	<p>Disadvantages:</p> <ul style="list-style-type: none">• May not take community feedback into account
<p>Risks:</p> <p>Key stakeholders may not be aware or understand why the changes have been made, leading to reputational concerns.</p>	

Option three – Do not adopt the Terms of Reference

18. Council may choose not to approve the terms of reference and instead establish the STWG without a framework in place.

<p>Advantages:</p> <ul style="list-style-type: none"> • None identified 	<p>Disadvantages:</p> <ul style="list-style-type: none"> • Group purpose would be unclear • Membership could become under/over representative without balanced representation
<p>Risks:</p> <ul style="list-style-type: none"> • The members expectations of the groups role and function would be out of step with reality. 	

Legal/policy implications

Local Government Act 2002

19. The purpose of the STWG is to enable collaboration between Council and relevant stakeholders as Council transitions out of stockwater delivery. This collaboration will ensure optimal outcomes for stakeholders, the environment and Council in order to promote the social, economic, environmental and cultural wellbeing of communities, as per section 10 of the LGA.

Long Term Plan 2024-34

20. The Long Term Plan 2024-34 has now determined the future of stockwater delivery for Council, with Council agreeing to exit the delivery of stockwater by 30 June 2027.
21. The adoption of the terms of reference for the STWG is the first significant step in giving effect to Council’s decision in the LTP.

Climate change

22. The adoption of the Terms of Reference will not have a direct impact on climate change, however changing climatic conditions are affecting the performance of the stockwater network. Particularly during periods of drought and heavy rainfall.

Review of legal / policy implications	
Reviewed by In-house Counsel	<i>Tania Paddock; Legal Counsel</i>

Strategic alignment

23. The adoption of a Terms of Reference is required to give effect to Council’s decision to exist the stockwater service.

Financial implications

Requirement	Explanation
What is the cost?	Minimal
Is there budget available in LTP / AP?	Yes
Where is the funding coming from?	Stockwater Activity
Are there any future budget implications?	No
Reviewed by Finance	Leanne Macdonald, Group Manager Business Support

Significance and engagement assessment

Requirement	Explanation
Is the matter considered significant?	No
Level of significance	Medium
Rationale for selecting level of significance	N/A
Level of engagement selected	1. Inform
Rationale for selecting level of engagement	The community will be informed of the adoption of the Terms of Reference through the usual media channels. Stakeholders will be contacted directly.
Reviewed by Strategy & Policy	Mark Low; Strategy and Policy Manager

Appendix 1

Stockwater Transition Working Group

Terms of Reference

Drafted: 20 August 2024

1.1. Background

Council have decided to cease delivering the stockwater service by 30 June 2027. Funding has been included for a managed and inclusive exit from the Council delivery of the stockwater service.

The key reasons for Council ceasing to deliver stockwater by 30 June 2027 are:

- The stockwater network is an ageing and inefficient method of delivering water for livestock to farms.
- Maintaining the system is getting costlier because the infrastructure is aging and needs replacement. Many components, related to the channels (e.g. gates, pipes, pumps) will need replacing over the next few decades.
- The service relies on having sufficient water in the system to keep the water flowing. During summer, water sources often dry up, meaning we can't always guarantee the service.
- There are other, more modern ways for properties to get water. A lot of people who pay for this service don't use it because they've found more efficient ways to get water, such as through irrigation schemes.
- Stockwater is currently funded by all properties that have a race, aqueducts or water channels that pass through, along, or adjacent to, or abuts the property. This means that it is being paid for by many that don't use, need and/or want the service.
- Meeting new environmental requirements will add extra cost to ensure the system is viable in the future. For example, this includes the installation of fish screens on some intakes to meet these new standards.

Council has a stockwater race closure process in place for property owners that no longer need their race and want to close it. This process will remain in place alongside the stockwater transition work.

1.2. Purpose of the Stockwater Transition Working Group

The purpose of the Stockwater Transition Working Group (STWG) is to give effect to Council's policy position to exit the delivery of stockwater by 30 June 2027.

1.3. Definitions of Key Terms

Intake: A structure or location where water is formally "taken" into the water race network.

Exit: Council will no longer be the provider of stockwater.

Stockwater delivery alternative: An alternative proposal or proposals to deliver water to the property boundary that can be used for stockwater, or other purposes (where consented).

Stockwater solution: A solution funded by the stockwater user/s to replace the stockwater service. This may represent one of the stockwater delivery alternative proposals or a separate solution determined by the stockwater user.

Stockwater Transition Plan (SWTG): Plan adopted by Council that outlines the approach and programme for Council's exit from the stockwater service

1.4. Underlying Principles

The underlying principles for the STWG are as follows:

- The Transition Plan will establish the order of the exit programme which will be followed unless there are exceptional circumstances leading to a Council decision to alter the exit programme
- The exit programme will follow an intake-by-intake approach¹
- Council is committed to clearly communicating with stakeholders the progress of the exit programme
- A proposal(s) for stockwater delivery alternatives will be only to the property boundary.
- Council will not fund any stockwater solutions, either to the property boundary or on-farm.
- Council is the final decision-maker

1.5. Key Deliverables

The STWG will be responsible for delivering a Stockwater Transition Plan to Council for adoption by December 2024.

Once the Transition Plan is in place, the STWG will be responsible for monitoring progress towards achieving the exit programme.

1.6. Stockwater Transition Working Group Membership

The STWG membership will consist of two-tiers of members, with differing functions.

Core Group Membership

- Council appointees (Cr Wilson, Cr Cameron and Mayor ex-officio)
- 1 x Federated Farmers representative
- 1 x Environment Canterbury representative
- 1 x Te Runaka o Arowhenua representative
- 1 x Consultant resource

Each Core Group member will be welcome to bring organisation advisors to meetings as required to provide advice.

Council officers will attend the Core Group meetings as required to provide advice.

¹ Some intakes may be progressed in conjunction with others where expedient to do so.

Key Stakeholders

The Transition Plan adopted by Council, will assign stakeholders from the list below to the respective intake by intake exit approach. This means that key stakeholders will be invited to contribute and/or attend working group meetings on an ‘as required’ basis, when the exit programme will be focused on the intake they have expertise or involvement with.

- 1 Acton Scheme representative
- 1 Ashburton Lyndhurst Irrigation Limited (ALIL) representative
- 1 Barrhill Chertsey Irrigation Limited (BCIL) representative
- 1 Eiffelton Scheme representative
- 1 Hekeao Hinds Water Enhancement Trust (HHWET) representative
- 1 Mayfield Hinds Valetta Irrigation (MHV) representative
- 1 Mid Canterbury Catchment Collective (MCCC) representative
- 1 Rangitata Diversion Race (RDR) representative
- 1 Spaxton Scheme representative
- 1 Ashburton Zone Committee representative

1.7. Functions of the Core Group

As well as the deliverables identified in 1.5, the Core Working Group will make recommendations to Council based on the specialist and technical expertise they receive from the consultant advice and through the key stakeholders input.

The Core Working Group is expected to take a ‘consensus approach’ where possible when developing the recommendations to Council. If consensus isn’t reached then the range of views should be presented to Council for their final decision.

The Chair will be appointed by Council following the adoption of these Terms of Reference.

The Core Group will consist of 7 members (excluding organisational advisors and Council officers). Should a member withdraw from the Core Group, Council or the respective organisation may appoint a new member to replace them.

The Core Group has no delegated authority to spend budget or allocate resources.

1.8. Functions of the Key Stakeholders

Key stakeholders will be invited to contribute to and/or attend the working group meetings to provide their knowledge and expertise on each respective intake based on the exit programme.

Key stakeholders do not have the authority to make recommendations to Council.

1.9. Reporting

The Stockwater Transition Working Group minutes will be reported to the next available Council meeting following each meeting. Member organisations may also report back to their respective organisation outcomes of the working group.

1.10. Meetings & Quorum

The Core Working Group will meet monthly until the Stockwater Transition Plan is adopted by Council in December 2024.

From January 2025, the Core Working Group will meet on a quarterly until 30 June 2027 (or sooner if work is complete).

The Core Working Group will be required to have a quorum of 5 members (including 2 Council elected representatives) to make recommendations to Council.

1.11. Term of appointment

The term of the Working Group will commence on appointment, and end on 30 June 2027.

1.12. Remuneration

The members of the Stockwater Transition Working Group will not receive remuneration.

1.13. Final Determinations

The recommendations of the Core Group, and the decisions of Council to give effect to Council's exit from the delivery of stockwater, including Council's adoption and implementation of the Stockwater Transition Plan, shall be treated as final decisions, unless revoked or amended by Council in accordance with its Standing Orders.

Individual members of the STWG, stakeholders, or the general public shall have no right to appeal or right to challenge these decisions.

1.14. Standards of Conduct

The STWG members may be privy to confidential and market sensitive information. Discussions and analysis from STWG meetings should also be treated as sensitive and confidential.

In order for the group to operate effectively, members must maintain the confidence of the group, including maintaining confidentiality of matters discussed at meetings, and any information or documents provided to the group. Only with the agreement of Council officials can members share information about the business of the group.

Where information is already in the public domain the confidentiality requirements do not apply to that information.

Members must not represent the group, or comment on the business of the group, to the media. Council's Communication Policy will apply when media statements are made or enquiries are answered.

A conflict of interest will occur when a member's private interest interferes, or could appear to interfere, with an issue that faces the group. A conflict of interest will also occur when there is a possibility that a benefit may apply to a sector, industry, or organisation that they represent. A conflict of interest may be real or perceived.

Members must at all times comply with the requirements of the Privacy Act 2020 and keep information about identifiable individuals confidential.

All information provided to the group will be treated as official information under the Local Government Official Information and Meetings Act 1987 and, subject to the requirements of that Act, may be released to the public if there are no grounds for withholding it.

Members will treat each other, and the opinions of others, with respect at all times. Members will not take unfair advantage of anyone through manipulation, concealment, abuse of privileged information, misrepresentation of material facts or any other unfair dealing practices.

Members will generously share practice and learnings and actively participate in constructive discussion and debate. Members will show respect for other participants and alternative ideas.

Council

4 September 2024



10. Financial Reports

Author *Erin Register, Finance Manager*
GM responsible *Leanne Macdonald, GM Business Support*

Attachments

Financial variance report – 31 July 2024

***Ashburton District Council
Financial Variance Report
For the period ending
31 July 2024***

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 31 July 2024

<p>\$7.42 M Actual YTD Operating Income</p>	<p>\$97.17 M Budget Full Year Operating Income</p>	<p>(\$89.75) M Variance Operating Income</p>	<p>8% % of Budget Operating Income</p>
<p>\$5.78 M Actual YTD Operating Expenditure</p>	<p>\$88.21 M Budget Full Year Operating Expenditure</p>	<p>(\$82.43) M Variance Operating Expenditure</p>	<p>7% % of Budget Operating Expenditure</p>
<p>\$0.01 M Actual YTD Capital Income</p>	<p>\$28.72 M Budget Full Year Capital Income</p>	<p>(\$28.70) M Variance Capital Income</p>	<p>0% % of Budget Capital Income</p>
<p>\$0.78 M Actual YTD Capital Expenditure</p>	<p>\$61.22 M Budget Full Year Capital Expenditure</p>	<p>(\$60.44) M Variance Capital Expenditure</p>	<p>1% % of Budget Capital Expenditure</p>
<p>\$0.00 M Actual YTD Loans Repaid</p>	<p>\$10.42 M Budget Full Year Loans Repaid</p>	<p>(\$10.42) M Variance Loans Repaid</p>	<p>0% % of Budget Loans Repaid</p>

Income and Expenditure – Summary

For period ending 31 July 2024

	Actual YTD	Full Year Forecast	Variance	Percentage of Forecast
Revenue				
Rates	4,502,318	52,448,857	(47,946,539)	9%
Fees and Charges	1,299,481	12,033,675	(10,734,194)	11%
Subsidies and Grants	833,421	12,841,317	(12,007,896)	6%
Finance Income	98,773	450,000	(351,227)	22%
Other Revenue	448,148	6,805,006	(6,356,858)	7%
Other Sales	31,763	1,502,276	(1,470,512)	2%
Development / Financial Contributions	205,458	900,000	(694,542)	23%
Gain on Sale of Assets	0	3,884,000	(3,884,000)	0%
Vested Assets	0	6,305,000	(6,305,000)	0%
Total Revenue	7,419,362	97,170,131	(89,750,769)	8%
Operating Expenditure				
Payments to Staff and Suppliers	3,511,612	62,167,341	(58,655,729)	6%
Finance Costs	617,874	6,610,187	(5,992,313)	9%
Other Expenses	43,582	145,700	(102,118)	30%
Depreciation	1,607,162	19,285,939	(17,678,777)	8%
Total Expenditure	5,780,229	88,209,166	(82,428,938)	7%
Net operating surplus (deficit)	1,639,133	8,960,964	(7,321,831)	18%
Capital Income				
Loans Raised	0	26,615,809	(26,615,809)	0%
Other Asset Sales & Disposals	11,957	2,100,000	(2,088,043)	1%
Total Capital Income	11,957	28,715,809	(28,703,852)	0%
Capital Expenditure				
Infrastructural Assets	219,036	19,247,400	(19,028,363)	1%
Cyclic Renewals	459,030	19,287,797	(18,828,768)	2%
Plant	35,704	421,161	(385,457)	8%
Additions/Alterations	9,507	3,038,999	(3,029,492)	0%
Other Assets	56,732	19,226,618	(19,169,886)	0%
Total capital expenditure	780,009	61,221,975	(60,441,966)	1%
Loan Repayments	0	10,421,283	(10,421,283)	0%
Total capital to be funded	768,052	42,927,449	(42,159,397)	2%

Transportation – Income & Expenditure Report

For period ending 31 July 2024

	Actual YTD	Forecast Full Year	Variance	Percentage of Forecast	Permanent Variance
Operating Income					
Footpaths	85,489	1,570,605	(1,485,116)	5%	No
Roading	1,696,491	21,591,662	(19,895,171)	8%	No
	1,781,980	23,162,267	(21,380,287)	8%	
Operating Expenditure					
Footpaths	89,275	1,465,525	(1,376,250)	6%	No
Roading	819,667	18,971,267	(18,151,600)	4%	No
	908,942	20,436,792	(19,527,850)	4%	
Capital Income					
Roading	0	2,600,000	(2,600,000)	0%	No
	0	2,600,000	(2,600,000)	0%	
Capital Expenditure					
Footpaths	72,716	709,281	(636,565)	10%	No
Roading	330,241	12,500,710	(12,170,469)	3%	No
	402,957	13,209,991	(12,807,034)	3%	
Loan Repayments					
Footpaths	0	26,281	(26,281)	0%	
Roading	0	544,971	(544,971)	0%	No
	0	571,252	(571,252)	0%	
<i>The above financials include the following:</i>					
Development Contributions	0	0	0	0%	
<i>The above financials do not include the following:</i>					
Vested Assets	0	2,150,000	(2,150,000)	0%	

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

Drinking Water – Income & Expenditure Report

For period ending 31 July 2024

	Actual YTD	Forecast Full Year	Variance	Percentage of Forecast	Permanent Variance
Operating Income					
Group Water Supplies	677,997	8,157,292	(7,479,295)	8%	No
Montalto Water Supply	33,524	399,800	(366,276)	8%	No
Lyndhurst Water Supply	1,539	18,457	(16,918)	8%	
Barhill Water Supply	329	3,945	(3,616)	8%	
	713,388	8,579,494	(7,866,106)	8%	
Operating Expenditure					
Group Water Supplies	542,214	7,683,147	(7,140,933)	7%	No
Montalto Water Supply	17,658	403,728	(386,070)	4%	No
Lyndhurst Water Supply	605	5,409	(4,804)	11%	
Barhill Water Supply	176	1,566	(1,389)	11%	
	560,654	8,093,850	(7,533,196)	7%	
Capital Income					
Group Water Supplies	0	10,753,871	(10,753,871)	0%	No
	0	10,753,871	(10,753,871)	0%	
Capital Expenditure					
Group Water Supplies	262,242	13,977,481	(13,715,239)	2%	No
Montalto Water Supply	0	33,192	(33,192)	0%	
	262,242	14,026,100	(13,733,004)	2%	
Loan Repayments					
Group Water Supplies	0	1,876,785	(1,876,785)	0%	No
Montalto Water Supply	0	18,192	(18,192)	0%	
Lyndhurst Water Supply	0	13,048	(13,048)	0%	
Barhill Water Supply	0	2,379	(2,379)	0%	
	0	1,910,404	(1,910,404)	0%	
<i>The above financials include the following:</i>					
Development Contributions	22,630	177,015	(154,385)	13%	
<i>The above financials do not include the following:</i>					
Vested Assets	0	660,000	(660,000)	0%	

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

Wastewater – Income & Expenditure Report

For period ending 31 July 2024

	Actual YTD	Forecast Full Year	Variance	Percentage of Forecast	Permanent Variance
Operating Income					
Ashburton Wastewater	495,031	6,001,392	(5,506,360)	8%	No
Methven Wastewater	64,343	540,205	(475,862)	12%	No
Rakaia Wastewater	28,810	561,416	(532,606)	5%	No
	588,184	7,103,013	(6,514,828)	8%	
Operating Expenditure					
Ashburton Wastewater	436,644	5,502,186	(5,065,542)	8%	No
Methven Wastewater	28,532	538,517	(509,985)	5%	No
Rakaia Wastewater	23,849	564,074	(540,225)	4%	No
	489,025	6,604,776	(6,115,751)	7%	
Capital Income					
Ashburton Wastewater	0	5,618,171	(5,618,171)	0%	No
	0	5,618,171	(5,618,171)	0%	
Capital Expenditure					
Ashburton Wastewater	1,018	8,451,062	(8,450,044)	0%	No
Methven Wastewater	0	150,314	(150,314)	0%	No
Rakaia Wastewater	0	13,711	(13,711)	0%	
	1,018	8,615,087	(8,614,069)	0%	
Loan Repayments					
Ashburton Wastewater	0	1,087,337	(1,087,337)	0%	No
Methven Wastewater	0	16,277	(16,277)	0%	
Rakaia Wastewater	0	13,711	(13,711)	0%	
	0	1,117,325	(1,117,325)	0%	
<i>The above financials include the following:</i>					
Capital Services Contribution	12,130	462,856	(450,725)	3%	
<i>The above financials do not include the following:</i>					
Vested Assets	0	2,630,000	(2,630,000)	0%	

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

Stormwater – Income & Expenditure Report

For period ending 31 July 2024

Operating Income

Ashburton Stormwater	112,146	1,314,555	(1,202,409)	9%	No
Methven Stormwater	8,787	102,934	(94,147)	9%	
Rakaia Stormwater	2,258	26,451	(24,193)	9%	
Hinds Stormwater	621	6,926	(6,305)	9%	
Rural Stormwater	4,383	51,345	(46,962)	9%	
	128,195	1,502,211	(1,374,016)	9%	

Operating Expenditure

Ashburton Stormwater	98,158	1,334,123	(1,235,965)	7%	No
Methven Stormwater	6,267	104,268	(98,001)	6%	
Rakaia Stormwater	1,745	27,325	(25,579)	6%	
Hinds Stormwater	70	6,929	(6,860)	1%	
Rural Stormwater	92	51,345	(51,254)	0%	
	106,332	1,523,990	(1,417,658)	7%	

Capital Expenditure

Ashburton Stormwater	0	173,989	(173,989)	0%	No
Methven Stormwater	0	7,539	(7,539)	0%	
	0	181,528	(181,528)	0%	

Loan Repayments

Ashburton Stormwater	0	173,989	(173,989)	0%	No
Methven Stormwater	0	7,539	(7,539)	0%	
	0	181,528	(181,528)	0%	

The above financials include the following:

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

Vested Assets	0	865,000	(865,000)	0%
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The above financials do not include appropriations - to and from activities

Stockwater – Income & Expenditure Report

For period ending 31 July 2024

	Actual YTD	Forecast Full Year	Variance	Percentage of Forecast	Permanent Variance
Operating Income					
Stockwater	139,350	1,462,895	(1,323,545)	10%	No
	139,350	1,462,895	(1,323,545)	10%	
Operating Expenditure					
Stockwater	55,371	1,462,895	(1,407,524)	4%	No
	55,371	1,462,895	(1,407,524)	4%	
Capital Expenditure					
Stockwater	0	23,360	(23,360)	0%	
	0	23,360	(23,360)	0%	
Loan Repayments					
Stockwater	0	23,360	(23,360)	0%	
	0	23,360	(23,360)	0%	

The above financials include the following:

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

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

Waste Reduction & Recycling – Income & Expenditure Report

For period ending 31 July 2024

	Actual YTD	Forecast Full Year	Variance	Percentage of Forecast	Permanent Variance
Operating Income					
Refuse Collection	248,827	2,778,247	(2,529,420)	9%	No
Refuse Management	276,976	5,466,138	(5,189,162)	5%	No
	<u>525,802</u>	<u>8,244,385</u>	<u>(7,718,582)</u>	<u>6%</u>	
Operating Expenditure					
Refuse Collection	20,323	2,773,785	(2,753,461)	1%	No
Refuse Management	84,016	5,442,803	(5,358,787)	2%	No
	<u>104,339</u>	<u>8,216,587</u>	<u>(8,112,248)</u>	<u>1%</u>	
Capital Income					
Refuse Management	0	366,183	(366,183)	0%	No
	<u>0</u>	<u>366,183</u>	<u>(366,183)</u>	<u>0%</u>	
Capital Expenditure					
Refuse Collection	0	4,462	(4,462)	0%	
Refuse Management	63,940	793,564	(729,624)	8%	No
	<u>63,940</u>	<u>798,026</u>	<u>(734,086)</u>	<u>8%</u>	
Loan Repayments					
Refuse Collection	0	4,462	(4,462)	0%	
Refuse Management	0	44,564	(44,564)	0%	
	<u>0</u>	<u>49,026</u>	<u>(49,026)</u>	<u>0%</u>	
<i>The above financials include the following:</i>					
Development Contributions	0	0	0	0%	
<i>The above financials do not include the following:</i>					
Vested Assets	0	0	0	0%	

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

Recreation Facilities – Income & Expenditure Report

For period ending 31 July 2024

	Actual YTD	Forecast Full Year	Variance	Percentage of Forecast	Permanent Variance
Operating Income					
Ashburton Museum and Art Gallery	199,898	2,729,736	(2,529,838)	7%	No
Library	172,124	2,361,687	(2,189,563)	7%	No
Recreation Facilities and Services	480,998	6,536,913	(6,055,915)	7%	No
	853,021	11,628,337	(10,775,316)	7%	
Operating Expenditure					
Ashburton Museum and Art Gallery	162,182	2,705,309	(2,543,127)	6%	No
Library	161,778	2,292,693	(2,130,915)	7%	No
Recreation Facilities and Services	430,478	6,526,091	(6,095,613)	7%	No
	754,437	11,524,093	(10,769,656)	7%	
Capital Income					
Library			0	0%	
	0	427,020	(427,020)	0%	
Capital Expenditure					
Ashburton Museum and Art Gallery	0	102,000	(102,000)	0%	
Library	11,954	186,269	(174,315)	6%	No
Recreation Facilities and Services	0	1,016,322	(1,016,322)	0%	No
	11,954	1,304,591	(1,292,637)	1%	
Loan Repayments					
Library	0	14,969	(14,969)	0%	
Recreation Facilities and Services	0	10,822	(10,822)	0%	
	0	25,791	(25,791)	0%	
<i>The above financials include the following:</i>					
Development Contributions	0	0	0	0%	
<i>The above financials do not include the following:</i>					
Vested Assets	0	0	0	0%	

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

Recreation & Community Services – Income & Expenditure Report

For period ending 31 July 2024

	Actual YTD	Forecast Full Year	Variance	Percentage of Forecast	Permanent Variance
Operating Income					
Public Conveniences	70,514	736,597	(666,083)	10%	No
Elderly Persons Housing	48,370	2,394,410	(2,346,040)	2%	No
Memorial Halls	39,799	359,371	(319,571)	11%	No
Reserves and Camping Grounds	36,027	1,027,321	(991,294)	4%	No
Reserve Boards	35,341	794,030	(758,689)	4%	No
Community Safety	5,432	76,599	(71,167)	7%	
	235,484	5,388,328	(5,152,844)	4%	
Operating Expenditure					
Public Conveniences	37,464	522,287	(484,823)	7%	No
Elderly Persons Housing	86,290	766,772	(680,482)	11%	No
Memorial Halls	44,367	666,058	(621,690)	7%	No
Reserves and Camping Grounds	108,516	1,026,121	(917,605)	11%	No
Reserve Boards	31,748	774,795	(743,047)	4%	No
Community Safety	470	76,599	(76,128)	1%	
	308,856	3,832,631	(3,523,775)	8%	
Capital Income					
Elderly Persons Housing	0	149,007	(149,007)	0%	No
	0	149,007	(149,007)	0%	
Capital Expenditure					
Public Conveniences	0	494,796	(494,796)	0%	No
Elderly Persons Housing	25,921	2,161,981	(2,136,060)	1%	No
Reserves and Camping Grounds	0	1,200	(1,200)	0%	
Reserve Boards	0	37,211	(37,211)	0%	
	25,921	2,695,188	(2,669,267)	1%	
Loan Repayments					
Public Conveniences	0	24,796	(24,796)	0%	
Elderly Persons Housing	0	48,432	(48,432)	0%	
Reserves and Camping Grounds	0	1,200	(1,200)	0%	
Reserve Boards	0	37,211	(37,211)	0%	
	0	111,639	(111,639)	0%	
<i>The above financials include the following:</i>					
Development Contributions	0	0	0	0%	
<i>The above financials do not include the following:</i>					
Vested Assets	0	0	0	0%	

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

Economic Development – Income & Expenditure Report

For period ending 31 July 2024

	Actual YTD	Forecast Full Year	Variance	Percentage of Forecast	Permanent Variance
Operating Income					
Commercial Property	303,620	7,656,558	(7,352,939)	4%	No
Business & Economic Development	28,184	1,020,304	(992,120)	3%	No
District Promotion	30,907	364,241	(333,334)	8%	No
Forestry	5	454,220	(454,215)	0%	No
	<u>362,716</u>	<u>9,495,323</u>	<u>(9,132,608)</u>	<u>4%</u>	
Operating Expenditure					
Commercial Property	641,708	7,993,971	(7,352,264)	8%	No
Business & Economic Development	66,890	1,149,304	(1,082,414)	6%	No
District Promotion	8,233	364,241	(356,008)	2%	No
Forestry	24,897	415,406	(390,510)	6%	No
	<u>741,728</u>	<u>9,922,923</u>	<u>(9,181,195)</u>	<u>7%</u>	
Capital Income					
Commercial Property	0	7,937,250	(7,937,250)	0%	No
	<u>0</u>	<u>7,937,250</u>	<u>(7,937,250)</u>	<u>0%</u>	
Capital Expenditure					
Commercial Property	885	11,989,999	(11,989,114)	0%	No
	<u>885</u>	<u>11,989,999</u>	<u>(11,989,114)</u>	<u>0%</u>	
Loan Repayments					
Commercial Property	0	5,967,749	(5,967,749)	0%	No
	<u>0</u>	<u>5,967,749</u>	<u>(5,967,749)</u>	<u>0%</u>	
<i>The above financials include the following:</i>					
Development Contributions	0	0	0	0%	
<i>The above financials do not include the following:</i>					
Vested Assets	0	0	0	0%	

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

Parks & Open Spaces – Income & Expenditure Report

For period ending 31 July 2024

	Actual YTD	Forecast Full Year	Variance	Percentage of Forecast	Permanent Variance
Operating Income					
Cemeteries	37,979	789,611	(751,632)	5%	No
Parks and Recreation	723,542	6,985,429	(6,261,887)	10%	No
	<u>761,522</u>	<u>7,775,041</u>	<u>(7,013,519)</u>	<u>10%</u>	
Operating Expenditure					
Cemeteries	48,575	665,057	(616,482)	7%	No
Parks and Recreation	336,398	5,808,089	(5,471,691)	6%	No
	<u>384,973</u>	<u>6,473,147</u>	<u>(6,088,174)</u>	<u>6%</u>	
Capital Income					
Parks and Recreation	0	264,307	(264,307)	0%	No
	<u>0</u>	<u>264,307</u>	<u>(264,307)</u>	<u>0%</u>	
Capital Expenditure					
Cemeteries	0	189,900	(189,900)	0%	No
Parks and Recreation	(24,613)	913,307	(937,920)	-3%	No
	<u>(24,613)</u>	<u>1,103,207</u>	<u>(1,127,820)</u>	<u>-2%</u>	
Loan Repayments					
Cemeteries	0	72,400	(72,400)	0%	
Parks and Recreation	0	125,107	(125,107)	0%	No
	<u>0</u>	<u>197,507</u>	<u>(197,507)</u>	<u>0%</u>	
<i>The above financials include the following:</i>					
Development Contributions	0	0	0	0%	
<i>The above financials do not include the following:</i>					
Vested Assets	0	0	0	0%	

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

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Community Governance & Decision Making – Income & Expenditure Report

For period ending 31 July 2024

	Actual YTD	Forecast Full Year	Variance	Percentage of Forecast	Permanent Variance
Operating Income					
Council	275,990	3,912,116	(3,636,126)	7%	No
Methven Community Board	10,722	119,737	(109,015)	9%	No
Community Grants Funding	156,208	2,033,799	(1,877,592)	8%	No
Water Zone Committee	5,044	186,514	(181,470)	3%	No
	<u>447,964</u>	<u>6,252,166</u>	<u>(5,804,202)</u>	<u>7%</u>	
Operating Expenditure					
Council	253,098	3,927,339	(3,674,241)	6%	No
Methven Community Board	7,500	119,737	(112,238)	6%	No
Youth Council	3,522	0	3,522	0%	
Community Grants Funding	578,563	1,796,712	(1,218,149)	32%	No
Water Zone Committee	12,228	168,514	(156,286)	7%	No
	<u>854,910</u>	<u>6,012,302</u>	<u>(5,157,392)</u>	<u>14%</u>	

The above financials include the following:

Development Contributions	64,476	754,984	(690,508)	9%
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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

Environmental Services – Income & Expenditure Report

For period ending 31 July 2024

	Actual YTD	Forecast Full Year	Variance	Percentage of Forecast	Permanent Variance
Operating Income					
Environmental Health	21,094	273,322	(252,228)	8%	No
Building Regulation	177,211	2,843,686	(2,666,476)	6%	No
Emergency Management	17,576	248,633	(231,057)	7%	No
Liquor Licensing	15,711	221,308	(205,597)	7%	No
Land Information Memorandum	21,247	217,752	(196,505)	10%	No
Parking	20,818	320,384	(299,566)	6%	No
Animal Control	417,239	591,852	(174,613)	70%	No
Resource Consents	53,348	727,117	(673,770)	7%	No
Monitoring and Enforcement	10,589	284,712	(274,123)	4%	No
Planning	19,109	592,215	(573,106)	3%	No
	773,941	6,320,982	(5,547,041)	12%	
Operating Expenditure					
Environmental Health	18,845	273,322	(254,477)	7%	No
Building Regulation	189,469	2,843,687	(2,654,218)	7%	No
Emergency Management	12,176	98,985	(86,808)	12%	No
Liquor Licensing	17,162	221,308	(204,146)	8%	No
Land Information Memorandum	314	105,716	(105,403)	0%	No
Parking	15,209	236,596	(221,387)	6%	No
Animal Control	35,017	591,852	(556,834)	6%	No
Resource Consents	74,746	727,118	(652,372)	10%	No
Monitoring and Enforcement	32,719	401,473	(368,754)	8%	No
Planning	21,726	447,913	(426,187)	5%	No
	417,383	5,947,969	(5,530,586)	7%	
Loan Repayments					
Animal Control	0	4,400	(4,400)	0%	
Planning	0	144,302	(144,302)	0%	No
	0	148,702	(148,702)	0%	

The above financials include the following:

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

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

Miscellaneous, Dividends & Internal Overheads – Income & Expenditure Report

For period ending 31 July 2024

	Actual YTD	Forecast Full Year	Variance	Percentage of Forecast	Permanent Variance
Operating Income					
Dividends and Interest	98,773	2,250,000	(2,151,227)	4%	No
Te Whare Whakatere	74,250	780,361	(706,111)	10%	No
Executive Team	152,213	1,924,459	(1,772,246)	8%	No
People & Capability	98,550	1,085,558	(987,008)	9%	No
Information Systems	311,113	4,271,422	(3,960,309)	7%	No
Customer Services	55,918	797,062	(741,143)	7%	No
Treasury	143,348	2,032,538	(1,889,190)	7%	No
Rates	92,628	851,788	(759,160)	11%	No
Community Relations	64,633	1,067,913	(1,003,280)	6%	No
Communications	63,113	1,081,044	(1,017,931)	6%	No
Property Administration	179,928	1,503,595	(1,323,666)	12%	No
Service Delivery	331,181	4,376,789	(4,045,608)	8%	No
Parks Administration	240,654	4,181,814	(3,941,160)	6%	No
Plant Operations	9,105	988,746	(979,641)	1%	No
	1,915,408	27,193,090	(25,277,682)	7%	
Operating Expenditure					
Dividends and Interest	66	51,988	(51,922)	0%	
Te Whare Whakatere	74,250	769,109	(694,859)	10%	No
Executive Team	152,214	1,924,459	(1,772,246)	8%	No
People & Capability	98,550	1,085,559	(987,008)	9%	No
Information Systems	311,113	4,271,422	(3,960,309)	7%	No
Customer Services	58,350	797,061	(738,711)	7%	No
Treasury	143,348	2,035,587	(1,892,239)	7%	No
Rates	83,209	851,788	(768,579)	10%	No
Community Relations	64,633	1,067,913	(1,003,280)	6%	No
Communications	63,113	1,081,044	(1,017,931)	6%	No
Property Administration	179,928	1,503,593	(1,323,665)	12%	No
Service Delivery	331,181	4,376,789	(4,045,608)	8%	No
Parks Administration	240,654	4,181,814	(3,941,160)	6%	No
Plant Operations	62,104	1,076,399	(1,014,295)	6%	No
	1,862,711	25,074,525	(23,211,814)	7%	
Capital Income					
Plant Operations	11,957	100,000	(88,043)	12%	
	11,957	100,000	(88,043)	12%	
Capital Expenditure					
Te Whare Whakatere			0	0%	
Information Systems	0	243,500	(243,500)	0%	No
Parks Administration			0	0%	
Plant Operations	35,704	421,161	(385,457)	8%	No
	35,704	664,661	(628,957)	5%	
<i>The above financials include the following:</i>					
Development Contributions	0	0	0	0%	
<i>The above financials do not include the following:</i>					
Vested Assets	0	0	0	0%	
<i>The above financials do not include appropriations - to and from activities</i>					

Loan Repayments

For period ending 31 July 2024

	Actual YTD	Forecast Full Year	Variance	Percentage of Forecast	Permanent Variance
Loan Repayments	0	10,421,283	(10,421,283)	0%	No

Balance Sheet - DRAFT

As at 31 July 2024

	YTD Actual	2024 Actual
Public Equity		
Ratepayers Equity	552,544,639	534,953,613
Revaluation Reserves	360,123,000	360,123,000
Funds and Reserves	68,460,000	68,460,000
	981,127,639	963,536,613
Non-Current Liabilities		
External Loans	130,600,000	130,600,000
Other Term Liabilities	768,042	768,042
	131,368,042	131,368,042
Current Liabilities		
Trade Creditors	1,710,327	3,930,867
Deposits & Bonds	1,795,006	1,835,395
Other Current Liabilities	1,810,812	537,462
Accrued Liabilities	3,590,291	7,909,057
	8,906,435	14,212,781
Total Equity & Liabilities	1,121,402,116	1,109,117,436
Fixed Assets	144,919,511	145,274,624
Infrastructural Assets	844,285,444	845,537,493
Work in Progress	75,486,337	75,486,337
Advances	358,878	358,878
Shares	10,357,959	10,357,959
Current Assets		
Cash & Bank	11,840,948	10,751,596
Cash Investments	4,000,000	8,000,000
GST	(1,460,643)	2,166,925
Receivables	24,801,132	3,623,998
Provision for Doubtful Debts	(35,424)	(35,424)
Stock	87,452	87,452
Accruals	5,418,596	6,105,417
Other Current Assets	1,341,927	1,402,183
	45,993,988	32,102,146
Total Assets	1,121,402,116	1,109,117,436

Net Debt and Borrowings

As at 31 July 2024

Net Debt



External Borrowing

Local Government Funding	Amount	Rate		Maturity
LGFA 2024	7,000,000	5.78%	Floating	15-Aug-24
LGFA 2024	5,000,000	5.75%	Floating	15-Aug-24
LGFA 2023	5,000,000	6.06%	Floating	15-Apr-25
LGFA 2022	5,000,000	6.00%	Floating	15-Apr-25
LGFA 2022	3,000,000	5.94%	Floating	15-Apr-25
LGFA 2021	7,000,000	6.02%	Floating	15-Apr-25
LGFA 2024	5,000,000	6.10%	Floating	15-Apr-26
LGFA 2023	5,000,000	6.25%	Floating	15-Apr-26
LGFA 2023	5,000,000	6.03%	Floating	15-Apr-26
LGFA 2020	10,000,000	6.28%	Floating	15-Apr-26
LGFA 2024	5,000,000	6.02%	Floating	15-Apr-27
LGFA 2024	3,000,000	5.19%	Fixed	15-Apr-27
LGFA 2023	5,000,000	6.39%	Floating	15-Apr-27
LGFA 2023	5,000,000	6.20%	Floating	15-Apr-27
LGFA 2020	5,000,000	0.97%	Fixed	15-Apr-27
LGFA 2020	5,000,000	1.23%	Fixed	15-Apr-27
LGFA 2024	7,000,000	6.40%	Floating	15-May-28
LGFA 2021	16,600,000	2.01%	Fixed	15-May-28
LGFA 2024	7,000,000	6.39%	Floating	20-Apr-29
LGFA 2023	5,000,000	5.08%	Fixed	20-Apr-29
LGFA 2022	10,000,000	6.25%	Floating	20-Apr-29
Total External Funding	130,600,000			

Borrowing by Activity

As at 31 July 2024

	External Borrowing	Internal Borrowing
Commercial Property	61,214,122	-
Elderly Person Housing	55,090	-
Wastewater	24,898,411	-
Drinking Water	24,706,055	-
Compliance & Development	684,304	-
Stormwater	2,635,319	-
Cemeteries	1,802,202	-
Water Resources	325,360	-
Arts & Culture	2,047,004	-
Refuse and Recycling	639,430	-
Stockwater	315,620	-
Roading	6,980,030	-
Footpaths	663,949	-
Recreation Facilities	182,368	-
Civic Building	42,699	-
Parks	2,450,012	-
Camping	16,421	-
Public Conveniences	269,856	-
Reserve Boards	671,750	-
Total	130,600,000	-

Council Investments

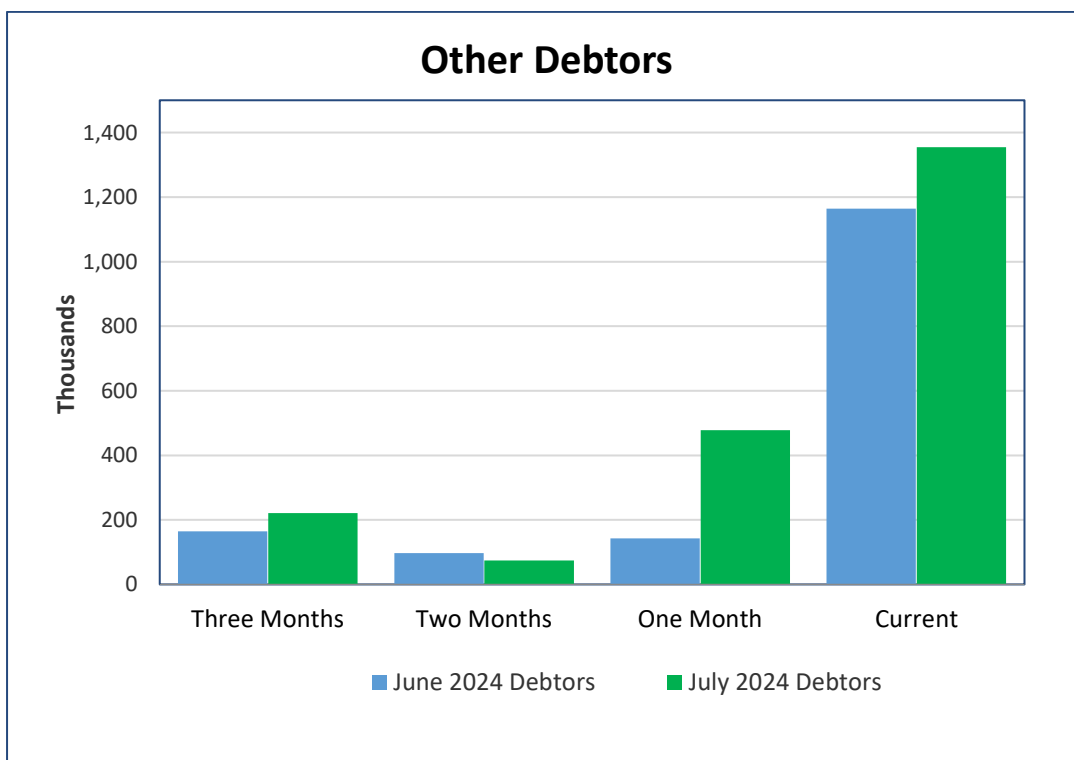
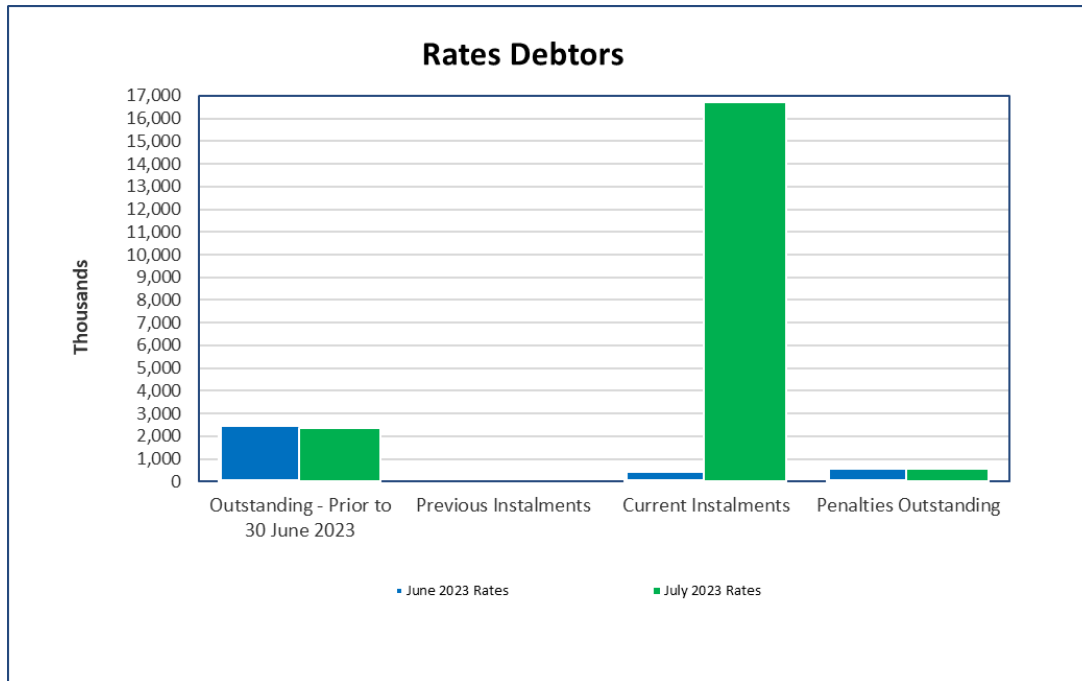
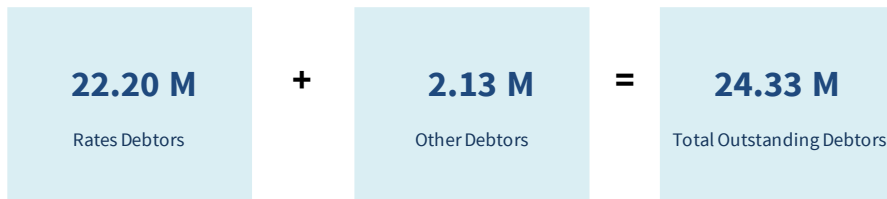
As at 31 July 2024

Listed below are the current significant investments held by Council.

Local Authority Stock and Bonds	Principal	Interest	Yield	Maturity
Bonds				
ANZ	1,000,000	2.99%	6.04%	17-Sep-26
Westpac	1,100,000	6.19%	5.79%	16-Sep-27
Kiwibank	1,000,000	5.73%	4.95%	19-Oct-27
Westpac	900,000	6.73%	5.95%	14-Feb-28
	4,000,000			
Advances				
Eastfield Investments	358,878			
	358,878			
Shares				
Ashburton Contracting Ltd	4,500,000			
Civic Financial Services Ltd	52,159			
RDR Management	30,000			
Transwaste Canterbury Ltd	1,044,000			
ATS	500			
Electricity Ashburton Rebates	1,300			
LGFA Equity	2,965,000			
Eastfield Investments	1,765,000			
	10,357,959			

Receivables Summary (Including Prior Month Comparative)

As at 31 July 2024



Receivables Summary continued

Outstanding Debtors over 90 days	
>\$100,000	0
\$50,000 - \$100,000	1
\$30,000 - \$50,000	2
\$10,000 - \$30,000	12

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

11. Councillors' Report

11.1 Local Government NZ Conference – “Superlocal 24”

The LGNZ Conference took place in Wellington on 21-23 August. Councillors Carolyn Cameron 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 Carolyn Cameron

The first address after the conference opened was Mr Luxon where he chastised LG for concentrating on nice to haves instead of must haves and advised the country has big infrastructure challenges

- 1) Water, 2) transport and 3) resilience

Talked about debt ceilings and the Government is looking at the rules and regulations loaded onto councils, e.g. traffic management. He constantly expressed his desire for councils to “deliver basics brilliantly”.

He plans to abolish the need for councils to consider the four well-beings which is currently in legislation

- 1) Local infrastructure and local services
- 2) Performance benchmark for local councils may be introduced
- 3) Limit council expenditure on “nice to haves” - not specified what these are
- 4) Review transparency and accountability rules

Wants to see productive and constructive and relationship with ratepayers.

Louise Upston presented on the Government's goal of reducing those on job seekers by 50,000 people over six years; currently 200,000 people on jobseekers benefit and of these 42,000 are under 25 years.

Given \$10 million for job coaching and MTFJ funded until the end of year 2026.

Thursday morning started with Minister Simeon Brown who also talked of the significant challenges facing NZ. He has had enough of non-delivery. There is a full plan on the Beehive website to get LG on side.

For example, he raised the question as to whether mayors should have their own staff. He wants a focus on front line delivery, tolerance for waste is very low.

He plans to introduce benchmarking across all roading authorities to ensure consistency “no room for wasteful spending, there is no money tree.”

Reiterated councils will have ability to borrow up to 500% against water revenue in “local water done well” legislation.

He also introduced regional deals which is a partnership between local and central government. Focus will be on 1) economic growth, 2) delivery of infrastructure and 3) supply quality housing. He wants to cut red tape to support regional government.

We heard from Susan Freeman-Greene about bringing localism to life.

Communities believe that “if councils do more local then councils are better”.

We heard from the young elected members and also from Shane Jones on the 1.2 billion dollar regional infrastructure fund – we have to grow the economy, fast track legislation (a current handbrake is slow resource consents).

Richard De Cani also spoke on the role of infrastructure to help fast-drive change and deliver positive outcomes, with general comments on design of cities and that they need to be more inclusive. A well-planned city can improve our health. Growth underpins economic prosperity.

Nicole Coughlin spoke about the role technology can play in local government and in supporting good economic outcomes.

Learnt a lot about internet of things (IoT) e.g. water meters, and other technology advances to help improve efficiencies.

Chris Bishop spoke about taking resource management back to basics and introduced the Fast Track Bill – passed into law by end 2024. There is a lot of change coming in legislation.

Sarah Baddeley gave a very interesting talk on the question of local body structure.

Average rates increase across the country of about 15%, councils are facing decreased engagement, Tauranga election voter turnout was 31%.

We need to build bridges not just with communities but also with other TAs. Be strategic and plan long term.

Chris Hipkins was the last MP to speak and he seemed unhappy with current Government's performance.

We also attended a workshop “ Water: the things you want to know”. This was a question and answer session and gave interesting insights into decision making and water management. The economic regulator will help us make key decisions especially in light of staff and funding shortages. Councils are worried about not being compliant within the timeframe.

The meeting was very interesting. I would have liked an opportunity to be in smaller groups more often to ask questions. A highlight for me was the opportunity to meet people from other councils and appreciate their perspectives as well, and talking to agencies and suppliers. Thank you for allowing me to attend.

Councillor Richard Wilson

The conference started off with a strong message from the Prime Minister Chris Luxon. Councils have to live within their budgets, not to treat ratepayers as a money tree and that central government cannot be relied on for handouts.

He wants performance benchmarks and accountability to be the norm and may limit our ability to spend on non-core spending.

Throughout the conference all ministers were very clear on what they are proposing and how they want councils to lift their game.

Minister Brown as the Minister of Local Government outlined regional deals and how they could apply. These are based on partnership between local government and central government, economic growth and affordable housing being central to these deals.

Minister Bishop explained resource management reform.

Other government initiatives including the Regional Infrastructure Fund, Fast Track legislation and how the high prices of energy can be reduced.

It is apparent the Government is pushing ahead with its reform plans.

New technology applicable to councils is on display. With the change to Local Water Done Well, metering of all water takes was discussed. Benefits are around leak detection and allowing customers to understand their usage. The use of new smart technology is making this much more affordable. The saying “if you can’t measure it, you can’t manage it”.

Conferences are an opportunity to understand other councils’ issues and learn how they are solving them.

However, LGNZ appears to have political views which are at odds with the coalition Government, especially with regards to Iwi rights and Māori representation. Local solutions could be a way forward, but time will tell. As a councillor I believe our relationship with Iwi is important but so is our democracy.

Recommendation

That Council receives the Councillors’ LGNZ Conference reports.