



Mackenzie
District Council

Mackenzie District Council

2023/2024

Annual Report



CONTENTS

STATEMENT OF COMPLIANCE..... 1

MAYOR AND CHIEF EXECUTIVE FOREWORD2

SECTION 1
Year in Review / Te Arotake O Te Tau5

SECTION 2
Setting the Scene / Whakaritea Te Wāhi..... 10

SECTION 3
Our Activities in Depth / Ko Te Hohonutanga Ō Ā Tātou Mahi 14

SECTION 4
Finances / Pūtea.....90

SECTION 5
Audit Opinion / Arotake-153

STATEMENT OF COMPLIANCE

Compliance

Pursuant to Section 98 of the Local Government Act 2002, the Council and management of Mackenzie District Council confirm that all the statutory requirements of Schedule 10 of the Local Government Act 2002 have been complied with.

Responsibility

The Council and management of Mackenzie District Council accept responsibility for the preparation of the annual Financial Statements and the judgments used in them.

The Council and management of Mackenzie District Council accept responsibility for establishing and maintaining a system of internal control designed to provide reasonable assurance as to the integrity and reliability of financial reporting.

In the opinion of Council and management of Mackenzie District Council, the annual Financial Statements for the year ended 30 June 2024 fairly reflect the financial position and operations of Mackenzie District Council.



Anne Munro
Mayor
10 December 2024



Angela Oosthuizen
Chief Executive
10 December 2024

MAYOR AND CHIEF EXECUTIVE FOREWORD

Welcome to the Mackenzie District Council 2023/2024 Annual Report. This year has been marked by significant achievements and strategic advancements, despite the challenging economic conditions we faced and central government reforms that affected all local government.

Significant Influences in the past year

Economic Conditions

The economic landscape has been challenging, with high inflation rates and increasing interest rates impacting all New Zealanders. Our Council has faced similar cost pressures, but we have worked diligently to limit rate increases, achieving an average rate increase of 10.2%, slightly lower than projected in our Long Term Plan. Despite these challenges, we have maintained our focus on essential services like safe roads, quality drinking water, and community facilities.

Election and Central Government Reforms

Water Reform

Between 1 July 2022 and 30 June 2024, central government reforms significantly impacted the Mackenzie District Council. The Labour government introduced the Three Waters Reform Program, which aimed to centralize water services by transferring control from local councils to larger, regional entities. This reform was intended to improve the management of drinking water, wastewater, and stormwater services across the country. Labour's approach also included the National Policy Statement on Freshwater Management (2020), which emphasised the intrinsic value of water and aimed to enhance water quality and ecosystem health.

With the National Party's recent election victory, there has been a shift in direction. The National government plans to modify the existing framework rather than centralize control. Their focus is on adjusting water quality and economic regulation frameworks while maintaining local control over water services. This means that Council will need to consider service delivery models and produce a Water Services Delivery Plan for approval by 1 September 2025.

RMA Reform

Other reforms have included the repeal of Labour's Natural and Built Environments Act and the Spatial Planning Act. The National government, upon taking office, decided to replace Labour's reforms with a new framework. Their approach includes an Urban Development and Infrastructure Act which aims to facilitate faster and more efficient urban and infrastructure development, aligning with a 30-year National Infrastructure Plan.

The rapid pace of all of these reforms, particularly in areas such as water infrastructure ownership and the Resource Management Act (RMA), have added substantial workload and costs to the council. Throughout all of these reforms we have continued to be a strong voice of advocacy for the Mackenzie district.

Tourism Recovery

From 1 July 2023 to 30 June 2024, the Mackenzie District experienced a robust recovery in tourism. The district saw a significant increase in international guest nights, which rose by 42% over the year, reflecting the return of international visitors. This resurgence contributed to a 12% rise in tourism expenditure, boosting the local economy. Employment in the tourism sector also grew, with an 8.1% increase in jobs, highlighting the sector's recovery and expansion. Overall, the Mackenzie District's tourism sector showed strong signs of recovery, driven by increased visitor numbers and spending.

Primary Sector

The primary sector in the Mackenzie District showed notable resilience during 23/24. We want to express our deep appreciation for the hard work and dedication of our farmers, who continue to comply with various regulatory requirements. To our younger farmers, we urge you to "hang in there" – tough times pass, and we know our community is resilient. Despite facing high input costs for feed, fertilizer, and fuel, the sector managed to maintain financial stability. Market volatility, particularly in beef, lamb, and mutton returns, fluctuating wool

prices – this all created uncertainty, yet dairy prices rallied, leading to a positive payout season for farmers.

Labour shortages continued to challenge productivity, even as employment in the primary sector saw an uptick. Additionally, unpredictable weather patterns and climate change posed risks to crop yields and livestock health, requiring significant adaptation efforts.

Despite these challenges, the primary sector played a crucial role in the district's economic stability and growth during this period, reflecting the community's strength and adaptability.

Key highlights for the Annual Report

- **SMART Meter Installation:** Successfully installed SMART meters in Twizel, significantly enhancing water conservation efforts and identifying leakages.
- **Fairlie Water Treatment Plant:** Completed the construction and commissioning of the new water treatment plant in Fairlie, ensuring a reliable and safe water supply for residents.
- **Twizel Water Main Replacement:** This ran from October 2023 to May 2024 and replaced aging asbestos concrete water pipes, ensuring a more reliable water supply and supporting the town's growth
- **District Plan Review:** Completed Stages 1 and 2 of the District Plan Review, with Stage 3 currently in the appeal process, aiming to better manage growth and development. The current operative plan was in dire need of an upgrade to comply with legislation and higher order documents.
- **Civic Buildings and Twizel Event Centre Upgrades:** Achieved code compliance for the Twizel Event Centre and completed seismic strengthening and fire safety upgrades for the Fairlie Civic Building.
- **District Swimming Pools Upgrades:** Upgraded swimming pools across the district to enhance community facilities and promote public health.
- **Community Development –** recruited staff and commenced working with various community groups leading various local projects
- **Mayors taskforce for Jobs** which connects work ready young people with local employers creating sustainable opportunities and supporting community growth. This is funded externally through the Ministry of Social development.
- **Commenced Alps to Ocean Trail** work funded from prior carry-forwards and Better off Funding received from central government to complete the Eastern Pukaki section of the Alps to Ocean cycle trail
- **Worked with Rūnanga** to develop a concept document for Pou whenua in the Mackenzie District
- **Numerous successful Emergency Management Responses** to events such as Pukaki fires, snow events, demolition of a building containing asbestos and a multiple tourist bus accident in Twizel.
- **Completed the Ten year Long term Plan** for 2024 to 2034 which was adopted on 31 July 2024
- **Introduced a new Freedom Camping bylaw**, effective from 16 December 2023 aiming to regulate freedom camping to protect local areas, ensure public health and safety and manage environmental impacts.

Financial Performance

Council performance in this report shows an operating deficit of \$4,566,000 compared to the budgeted deficit of \$780,000 with the revaluation of assets resulting in an overall bottom-line Comprehensive Revenue and Expense of \$19,204,000.

The year end results include significant non-cash items and year-end adjustments. The key focus should be on the cash revenue and expenditure variances which total \$3.5m. Lower revenue (totalling \$940,000) was driven by economic conditions and loss of Alpine Energy dividends. This was not controllable by Council.

Higher operational expenditure (totalling \$1.059m) related to unforeseen emergency events, funding additional toilet cleaning and approved overrun for an approved accelerated review of the District Plan. Unfavourable contractor costs were offset by favourable personnel variances.

Non-Cash Items

The year end results include significant non-cash items and year-end adjustments. During the year new capital works replaced old assets, but this required some asset write-offs. Disposals for the remaining book values from key projects included the Twizel water mains and Downlands water mains (\$1,109,000). There was a decrease of assets vested in Council from private developments driven by economic conditions (\$610,000). Higher depreciation charges resulted from increased asset values, including the effect of inflation (\$1,062,000). Whilst there were gains from forestry asset valuations and the annual carbon credit entitlement, an impairment was booked for carbon credits at year end (\$391,000).

Other Operating items

We budgeted for a \$1,550,000 grant for extra work on the A2O trail as part of our funding application. As Council are aware the trail funding was cut back by Government and the grant did not eventuate, creating a \$1,550,000 year-end shortfall. Grants and subsidies had a range of variances which net off overall.

Capital Expenditure

Capital expenditure is \$19.1 million spent for the year equating to 99% of the budgeted full year spend of \$19.3 million.

Financial Position

The Council's draft balance sheet is \$19.204 million more than the net assets and equity as at 30 June 2023 and is mainly a result of revaluations completed out of cycle for three waters and roading infrastructure assets. Cash and cash equivalents are lower by \$4.662 million due to Council's decision to delay borrowing due to higher interest rates and utilising cash on hand for capital expenditure. Current liabilities have moved by \$2.747 million and relate to the addition of \$2.671 million of short-term borrowings. Non-current liabilities have increased by \$6.6 million from the 30 June 2023 total of \$8.493 million and is a result of Council undertaken further long-term borrowing from the LGFA to fund capital expenditure

Residents Satisfaction Levels

We are pleased to report an improvement in our residents' survey with satisfaction improvements noted across a range of operational and service areas of Council. Overall, 95% reported that Mackenzie was a great place to live (92% 2023) and 88% felt there was a good sense of community (79%).

A Team MACK survey also showed that engagement within the team has improved.

A challenging year with high workload but significant highlights to celebrate.

Thank you to our collective staff team and the Elected members who have worked hard and contributed to the successes the Mackenzie District Council has achieved collectively.



Anne Munro
Mayor
10 December 2024



Angela Oosthuizen
Chief Executive
10 December 2024

SECTION 1

Year in Review

Te Arotake O Te Tau



SERVICE PERFORMANCE ACHIEVEMENTS

The 2023/24 financial year is the third year of our 2021/31 Long Term Plan. These are some of our key service performance achievements for the year. Council's complete service performance information is contained in Section 3 Our Activities in Depth / Ko Te Hohonutanga Ō Ā Tātou Mahi.

Governance and Corporate Services

Fairlie Administration Building Upgrade

Seismic strengthening to IL3 standard, installation of a lift, and upgraded security for Customer Services.

Three Waters

Fairlie Water Treatment Plant

The new Fairlie water treatment plant started operating on 20 July with the construction of the plant occurring during this financial year. Residents in Kimbell and Fairlie have been at risk of protozoan contamination, have had to boil their water at times, and have suffered distinctly brown water (turbidity) after prolonged periods of rain. Micro-biological contamination was one of the underlying issues in the Havelock North incident which resulted in New Zealand water quality compliance upgrades being undertaken in earnest.

The new plant contains a sophisticated filter system to remove dirt, bacteria and microbiology through a system that filters down to 1micron. The plant has two new storage tanks that give us water storage for approximately 1.5 days in summer or 2-3 days in winter. This helps us manage water flow when turbidity is high and allows us to enable water to flow even after an event when power is lost.

Smart Water Meter installation

Twizel has the highest water consumption in Mackenzie. By installing meters at consumption points, we can calculate real water loss between the plant and consumers, identifying leaks and targeting repairs. The meters also detect property leaks, allowing us to alert homeowners and prevent large bills from undetected leaks. This data has helped identify excessive users and significantly reduce consumption. We will continue installing smart water meters in urban areas, finishing Twizel and moving to Tekapo in 2024/25.

Twizel Ring Main Replacement

The Twizel Ring Main Replacement project by the Mackenzie District Council upgraded the water infrastructure along Mackenzie Drive. It involved replacing old asbestos concrete pipes with pipes with greater capacity to support future growth and prevent issues. The work started in October 2023, with occasional overnight water supply disruptions. This project highlights the council's commitment to maintaining and improving essential services for the community.

Waste Management and Minimisation

Waste Management and Minimisation Plan 2024-2030

Council adopted the new Waste Management and Minimisation Plan 2024-2030. This plan sets the direction for waste minimisation activities for the next six years and seeks to align our waste activity with the New Zealand Waste Strategy. An ambitious range of targets have been identified to help the district reduce the amount of waste that is generated and sent to landfill and to reduce emissions from landfill waste.

Regulatory Services

District Plan Review

The Mackenzie District Plan is currently under review. The original Mackenzie District Plan largely became operative in 2004, and many elements are well out of date and do not meet our statutory requirements under the Resource Management Act 1991. This means Council is required by law to meet certain obligations. In 2017/18 Council resolved to continue the District Plan Review programme (DPR) in two stages. Stage One encompassed changes around two priority issues being, 1) activities on the surface of water; and 2) biodiversity. Stage Two would then encompass all other outstanding issues.

In February 2022, Council considered a proposal to break the remainder of the District Plan Review into Stages to be

progressed via a series of Plan Changes. The proposal was supported by the outcomes of an Investment Logic Mapping exercise which identified four key outcomes of the District Plan Review, as well as a risk assessment which considered resourcing availability and future legislative reform. Council adopted the proposed approach.

Plan Changes 20 - Strategic Direction, 21 - Spatial Plan Implementation and 22 - Lighting were all notified during the 2022/23 financial year, with hearings held and decisions issued. No appeals were received on these plan changes and provisions now have legal effect. The provision of Lighting became operative in the 2023/24 financial year.

Plan Changes 20 - Strategic Direction, 21 - Spatial Plan Implementation and 22 - Lighting were all notified during the 2022/23 financial year, with hearings held and decisions issued. No appeals were received on these plan changes and provisions now have legal effect.

Stage 3, involving four separate plan changes (Plan Changes 23-27) were formally publicly notified in November 2023, following public engagement and consultation, targeted engagement with landowners and stakeholders, and numerous full Council workshops. Hearings were held in March 2024 and on 5 August 2024 decisions were released by the independent Commissioners. Council is now in an appeal process with various stakeholders. It is intended to publicly notify Plan Changes 28-30 in November 2024 with hearings targeted for June 2025 with decisions to occur following that. No formal changes are scheduled beyond stage 4 currently.

Parks and Community Facilities

Lake Ruataniwha, Fairlie and Pukaki Public Toilets

Funding was largely provided from a grant from the Government Tourism Infrastructure Fund (TIFF) with a 15% contribution from ratepayers. Lake Ruataniwha and Fairlie toilets have been completed and Pukaki toilets will commence construction with a target of being open for Christmas 2024.

Twizel projects

Lake Ruataniwha Reserve - Initial emphasis on improving trails parking and vegetation around the “lagoon area” and new public toilets.

Alp 2 Ocean (A2O) Trail - Construction of this approximately 9km section began in May 2024, and is due for completion in late 2024.

Twizel Event Centre - Upgrade of the kitchen was completed.

Twizel swimming pool upgrade - A more accessibility friendly stair entry installed and upgrades to allow wheelchair access and better ambulance access completed

Fairlie projects

Strathconan Swimming Pool Upgrade - Filtration and heating upgrade was completed before the season start in Spring 2023.

Cemetery Land purchase - Council considered the offer carefully and decided to purchase the land from reserves which will future proof expansion of the cemetery for many decades into the future.

Peace Avenue Tree Works (completed) - In February/March 2024 a large number of the Peace trees were carefully pruned by a contracted specialist arborist, including some specific trees that had been identified by NZTA as restricting traffic access (eg wide or large loads). Feedback was extremely positive after the work.

Lake Tekapo projects

Lake Tekapo Firebreak, Stage 1 & 2 (completed) - Stage Two took place over the early part of the 2023/24 year and included further forestry and wilding pine removals around the Tekapo River and the completion of the final stages of the tidying up throughout the Stage One Firebreak.

FINANCIAL HIGHLIGHTS

- We achieved a before tax deficit of \$4.566 million, with total revenue of \$29.450 million, and total expenditure of \$34.016 million.
- Subsidies and Grants received totalled \$5.617 million. This was received primarily from Central Government and helped co-fund investment in Tourism, Responsible Camping, the Mayoral taskforce for Jobs initiative as well investing in our roading, 3 waters and parks and public facilities infrastructure.
- Cash and financial investments were \$5.504 million at 30 June 2024.
- We invested \$19.132 million in capital expenditure (excluding vested assets).
- At 30 June 2024 external debt was \$20.811 million, against a budget of \$20.838 million.
- The value of the of our property, plant and equipment increased by \$35.756 million, investment property by \$0.35 million, and we received carbon credits worth \$0.949 million from our forestry plantations.

We received Subsidies and Grants of \$5.617 million

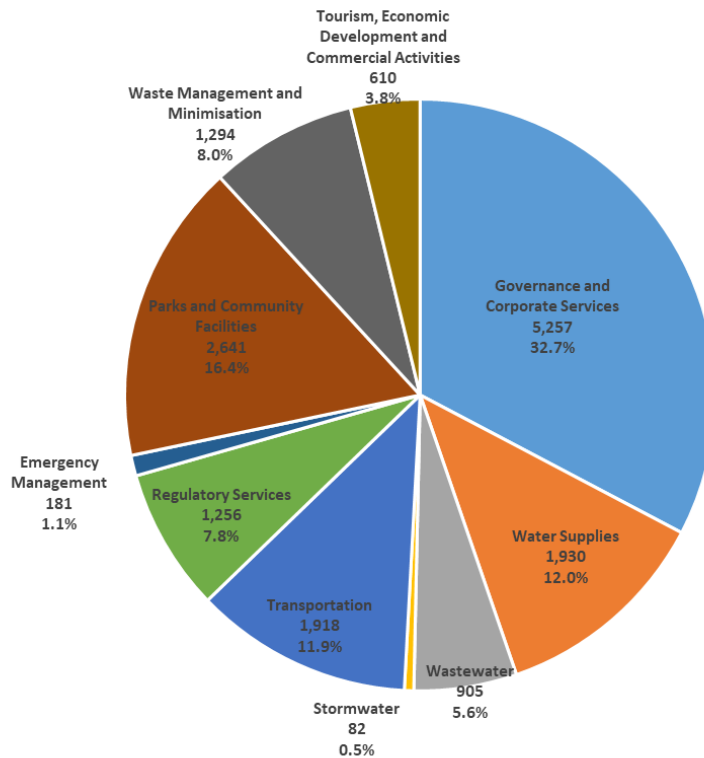
- Roothing received funding assistance from Waka Kotahi of \$3.313 million which we used to maintain our roading network and invest in improvements to keep our community safer on the road.
- We received \$2.304 million of other Government funding to invest locally into tourism, apprenticeships for our youth, ambassadors for our camping grounds, transitional funding for water services reforms and parks and community facilities assets.

Our Services and Rates

Council wide, we continued to provide the same levels of services that you expect and deserve, with results from our Residents' Survey reflecting 'good satisfaction levels for our operations and service activities.

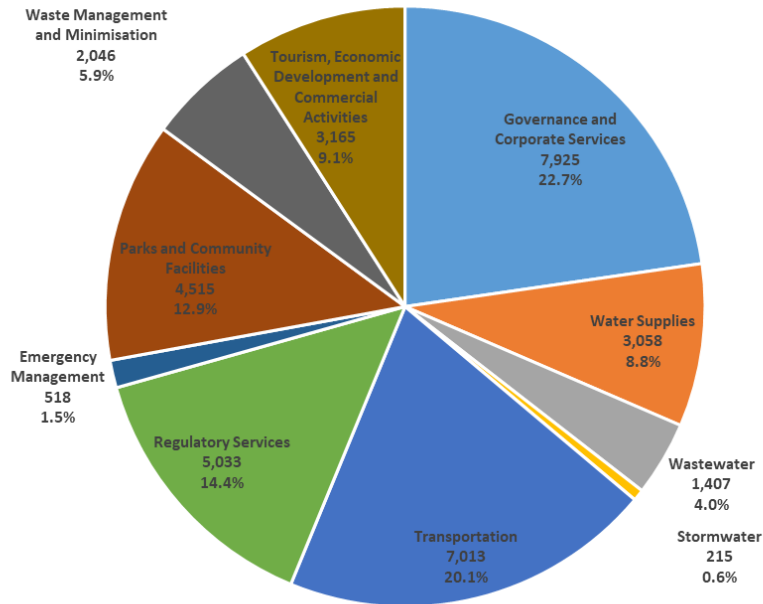
We collected \$16.074 million of rates during the year. Below illustrates how we spread your rates over our activities.

Rates Spread



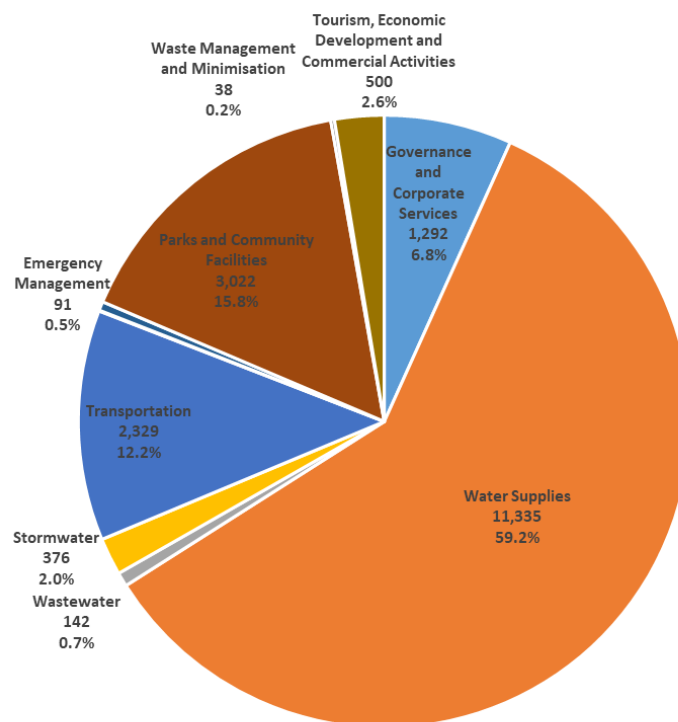
Council incurred operating expenditure, including non-cash expenditure such as depreciation, of \$34.016 million during the year. The graph below illustrates the proportion of expenditure in relation to each activity incurred.

Operating Expenditure



Council incurred capital expenditure to improve the level of service and to replace existing assets of \$19.132 million. The graph below illustrates the proportion of capital expenditure in relation to each activity incurred.

Capital Expenditure



Section 2

Setting the Scene

Whakaritea Te Wāhi



Our Strategic Vision

MDC has developed the following strategic vision and outcomes to chart the course and set our direction for the future.

This vision has been developed alongside the community and will help MDC focus our efforts to ensure everything we do remains focussed on improving our communities, our environment and our way of life.

Vision

To empower our communities and treasure our environment

Mission

Strengthening our communities

Guiding Values

<p>Be fair to everyone</p> <p>Strive for a better future</p> <p>Dare to be different</p>	<p>Act with respect and trust</p> <p>Protect our peace and serenity</p>
--	---

Our Community Outcomes

A TREASURED ENVIRONMENT

We recognise that our outstanding environment plays a vital role in sustaining our district.

We manage our environment and natural resources sustainably to ensure they can be enjoyed now and by future generations.

We have sustainable, efficient and well-planned infrastructure, services and community facilities.

RESILIENT, SUCCESSFUL COMMUNITIES

Our communities have access to facilities and networks which enable people to enjoy positive, healthy lifestyles.

Our communities are engaged, connected and are given the opportunity to influence local outcomes and decisions.

Our communities have a 'sense of place' that makes people proud to live here.

Our communities are resilient and provide for inter-generational wellbeing through networks that care for all ages.

STRONG AND INNOVATIVE ECONOMY

We value the role that our District's environmental, social and cultural assets play in supporting economic development.

We are a welcoming, enabling and business friendly district that encourages creative local economic development.

We recognise and manage the effects of economic growth and actively support our communities and environment while striving for prosperity.

EMBRACE HERITAGE AND DIVERSITY

We embrace our partnership with ngā rūnanga and support mana whenua traditions and relationships with their ancestral lands, waterways, wāhi tapu and other taonga.

We are proud of and celebrate the heritage and diversity of our District and our people.

We respect each other and what we contribute to the District through our traditions and culture.

Our communities are given the opportunity to celebrate and explore their heritage, identity and creativity.

DEVELOPMENT OF MĀORI CAPACITY

Ngā papatipu rūnanga

Three papatipu rūnanga have their rōhe situated within the Mackenzie District - Te Rūnanga o Arowhenua at Arowhenua, Temuka; Te Rūnanga o Waihao north of the Waitaki River, South Canterbury; and Te Rūnanga o Moeraki based at Moeraki, North Otago. The Mackenzie District Council is committed to strengthening and further developing our relationships with mana whenua beyond the legislative requirements. Council considers it important to increase opportunities for meaningful partnerships and more co-governance by encouraging, enabling and supporting Māori involvement in our decision-making processes.

Council will continue to provide copies of all plans, and proactively seek advice and guidance from ngā papatipu rūnanga on matters of particular interest to Māori, including Long Term Plans, Annual Plans, resource consent processes and the development of community strategies, plans and policies.

The Council will be working with ngā papatipu rūnanga to develop an engagement framework that increases the potential for co-design opportunities, enables better quality of advice and decisions and better outcomes, strengthens relationships, builds internal capability, gives effect to our community outcomes and supports the implementation of some of Council's key strategies. This includes exploring and pursuing opportunities for partnership and collaboration on social, cultural, environmental, and economic development related projects such as housing, climate change action, and other projects identified as part of the implementation of Council strategies.

We are committed to ensuring that employees at the Mackenzie District Council develop expertise and knowledge of Te Ao Māori (Māori world views). We have created a role within Council that has responsibility for ensuring the development of the Council employees and Elected Members and their ability to engage with Māori. This will be achieved through the development, implementation and embedding of an internal Māori / Cultural capability framework and methodology for cultural awareness.

To maintain collaborative and strong working relationships the Council will meet with ngā papatipu rūnanga (or their representatives), a minimum of twice a year to discuss matters of common interest, various projects and workstreams. Council's Executive Management Team will meet with rūnanga more regularly and are also available on an as required basis.

Te Rūnanga o Ngāi Tahu

Te Rūnanga o Ngāi Tahu is the governing tribal council of Ngāi Tahu, with their offices based in Christchurch. Currently, Council engages with Te Rūnanga o Ngāi Tahu on a case-by-case basis, on individual matters, recognising that local matters should be addressed through fostering relationships and collaboration with ngā papatipu rūnanga. Council is working to ensure that closer liaison with Te Rūnanga o Ngāi Tahu is sought when appropriate to maintain an ongoing and active relationship.

Te Manahuna Ki Uta / Destination Mackenzie

Mana whenua are key partners in the development and implementation of the Mackenzie Destination Management Plan.

Te Mana o Te Wai and Three Waters

The Water Reform Programme will include statutory recognition for the Treaty of Waitangi and Te Mana o Te Wai. Te Mana o Te Wai has been part of the National Policy Statement for Freshwater Management since 2014, though there have since been changes to how the concept is described and how it must be applied.

Te Mana o te Wai refers to the vital importance of water. When managing freshwater, it ensures the health and well-being of the water is protected and human health needs are provided for before enabling other uses of water. It expresses the special connection all New Zealanders have with freshwater. By protecting the health and well-being of our freshwater we protect the health and well-being of our people and environments.

Te Mana o Te Wai imposes a 3-stage hierarchy with six principles. The first is prioritising the health and well-being of water. The second is the health needs of people (such as drinking water). The third is the ability of people and communities to provide for their social, economic and cultural well-being.

Result for the year

During the 2023/2024 year, Council continued work with and foster the relationships with ngā papatipu rūnanga and Te Rūnanga o Ngāi Tahu through a series of formal quarterly hui and informal hui held throughout the year. Our target of two formal hui was exceeded due to these quarterly meetings and the various Council projects being undertaken including Three Waters, District Plan review, Better off funding Projects (an outcome of Te Manahuna Kit Uta), the direction from Te Mana o Te Wai and the Aoraki Environmental Consultancy Limited contract renewal.

In 2021, Council renewed the Service Level Agreement (SLA) with Aoraki Environmental Consultancy Limited. This continues the capacity for Council employees to directly consult, liaise and engage with ngā papatipu rūnanga on issues that are relevant to Māori and to our district – Manahuna.

Council has formed a partnership with Aoraki Environmental Consultancy (AEC), on behalf of local rūnanga to progress the District Plan Review. This has seen representation by AEC at all project meetings and community engagement, as well as technical drafting support, and AEC taking a lead in drafting Mana Whenua specific chapters.

Council recognises the constraints on the capacity ngā papatipu rūnanga and their representatives. This includes their ability to provide resources for involvement in Council projects and activities. Therefore, Council will endeavour to ensure that the number of hui between rūnanga and Council are appropriate and offer the greatest opportunity for effective and meaningful engagement.

We recognise the importance and value of building strong, effective, enduring and open relationships with ngā papatipu rūnanga and Te Rūnanga o Ngāi Tahu. As such, our goal is to achieve that of a true partnership with mana whenua so that we can continue to work together towards shared outcomes for greater results.

Our SLA with Aoraki Environmental Consultancy Limited will continue to be key in assisting us with our work. We will continue to progress the development of a SLA with both Te Rūnanga o Waihao and Te Runanga o Moeraki.

SECTION 3

Our Activities in Depth Ko Te Hohonutanga Ō Ā Tātou Mahi

Set out on the following pages are the activities we undertook and the associated financial forecasts and actuals for the year ended 30 June 2024.



COUNCIL ACTIVITIES AND SERVICES

The Local Government Act 2002 (LGA) states that the purpose of local government is to enable democratic local decision-making and action by, and on behalf of, communities and to promote the social, economic, environmental, and cultural well-being of communities. Councils are responsible for a wide range and variety of local services and activities and we are required under the LGA to plan for and consult with our communities about the delivery of these, over a ten year horizon, in consecutive Long Term Plans prepared on a three yearly cycle. The services and activities we deliver include water supplies, sewerage schemes, roads and footpaths, local regulations, town planning, emergency management/preparedness, refuse collection, libraries, parks and recreation services, refuse collection, and economic development.

We manage our work in activities which aggregate up to our management structure. Within this document we report on our proposed output targets under eight groups of activities, which we believe summarise the key issues we need to address and the key activities we undertake.

Each activity reporting group contains a statement which shows which of our activities delivers Council programmes, the cost of these, and the combined funding sources involved. The funding arrangements are in accordance with the Revenue and Financing Policy as set out in the 2021-2031 Long Term Plan.

Each activity reporting group also contains the service performance information relating to planned projects and achievements against performance measures; which were established and adopted in Council's 2021/31 Long Term Plan or 2024 Annual Plan. These documents are available in the Strategies, Plans and Reports section of our website: www.mackenzie.govt.nz/council/strategies-plans-and-reports.

The Mackenzie District Council's purpose is to deliver quality services and core infrastructure to the Mackenzie district in partnership with our community and guided by our strategic outcomes. This is undertaken through Council being:

- a service provider
- a funder of activities by others
- an advocate on behalf of our community
- a regulator under legislation.

Statement of Compliance

The service performance information of the Council and group have been prepared in accordance with the requirements of the Local Government Act, which includes the requirement to comply with generally accepted accounting practice in New Zealand (NZ GAAP) and Public Benefit Entity Standards.

This is the first financial year Council has prepared our service performance information in compliance with Tier 1 Public Benefit Entity Financial Reporting Standard 48 Service Performance Reporting (PBE FRS 48). The Statement of Service Performance is formally classified from page 14 to 89 of the 2023/24 Annual Report with the exception of the pages containing financial performance information outlined in the table below.

ACTIVITY REPORTING GROUPS	SERVICE PERFORMANCE INFORMATION	FINANCIAL PERFORMANCE INFORMATION
1. Governance and Corporate Services	Pages 20 - 25	Pages 26 - 27
2. Water Supplies	Pages 28 - 32	Pages 33 - 34
3. Wastewater	Pages 35 - 38	Pages 38 - 39
4. Stormwater	Pages 40 - 42	Pages 43 - 44
5. Transportation	Pages 45 - 50	Pages 51 - 52
6. Regulatory Services	Pages 53 - 59	Pages 60 - 61
7. Emergency Management	Pages 62 - 67	Pages 67 - 68
8. Parks and Community Facilities	Pages 69 - 76	Pages 76 - 78
9. Waste Management and Minimisation	Pages 79 - 81	Pages 81 - 82
10. Tourism, Economic Development and Commercial Activities	Pages 83 - 87	Pages 87 - 89

Effects of activities

No significant negative effects on the social, economic, cultural and environmental wellbeing of the district community have been identified for any of the activities undertaken by Council. Conversely, most of the activities are undertaken to counteract negative effects produced by factors outside the Council's control.

Performance measures

Performance measures are included in the activities which are combined into the organisation's work plan. Management control over each activity is based on project briefs, which record outputs to be delivered and detail of budgeted costs and performance targets to be met. Performance targets and measures were established and adopted in our 2021-31 Long-term Plan with additional measures adopted in our 2024 Annual Plan. Our three waters and transportation activities include mandatory measures set by the Department of Internal Affairs – these are identified as “mandatory performance measure”. Other performance targets are selected using Council judgement to monitor critical service delivery or particular areas of focus and may be based on sector guidance or common practice.

Our performance is measured in terms of:

- **Timeliness** - completion of activities by 30 June 2024, unless otherwise stated.
- **Cost** - completion of activities within the planned costs.
- **Quantity** - completion of outputs to the quantity standards specified.
- **Quality** - completion of all activities to meet quality expectations of elected Councillors and quality control procedures in place.
- **Location** - in all cases where a location is specified, the target is to deliver the service in that location.

SERVICE PERFORMANCE RESULTS

The results against the performance measures and targets for the 2023/24 year are shown as achieved, not achieved, or no data available.

Overall, the year-end result for the 2023/24 performance targets is a 51% achievement level (41 of 80 targets). This compares with 55% (2022/23) and 47% (2021/22). This is the third financial year reporting against the performance targets set in the 2021/31 Long Term Plan and also includes additions and deletions from the 2022/23 and 2023/24 Annual Plans.

These results also reflect the changes to our annual survey as outlined on page 17.

	ACHIEVED	NOT ACHIEVED	NO DATA AVAILABLE
Governance and Corporate Services	9	2	1
Water	2	5	0
Wastewater	3	2	0
Stormwater	5	1	0
Transportation	4	5	0
Regulatory Services	5	5	2
Emergency Management	7	3	1
Parks and Community Facilities	2	4	2
Waste Management & Minimisation	3	2	0
Tourism, Economic Development and Commercial Activities	1	3	1
OVERALL RESULT	41	32	7

There were no changes made to prior period comparative results reported for 2021/22 or 2022/23.

RESIDENTS' OPINION SURVEY CHANGES FROM 2022 AND 2023

Council carries out an annual residents' opinion survey in order to assess residents' opinions about the services and facilities we provide. The results from this survey are summarised in the Group of Activity sections they relate to.

The methodology for our survey results changed in 2021/22 and again in this year, 2023/24. In summary, the effect of these is:

- that comparisons with prior year results are not valid; and
- as the targets were not adjusted despite the change in survey methodology, results were most likely not likely to meet the targets previously set.

1. In 2022 we changed our residents' opinion survey from prior years.

The Residents' Opinion survey results scoring method from 2021/22 differs to those in prior years. However, the performance targets themselves were not altered to compensate for the change to the reporting scale. This means many of the performance results are not likely to meet the previously set targets, and comparisons with the 2020/21 results and years prior to that are not valid. The methodology change to the scoring method was that the mid-point of the Likert scale used to measure many of the survey question responses was re-categorised as neutral. This means it was not included in the scores for positive/satisfied performance ratings. Previously the mid-point was added to the satisfied tally (and the targets were set using this methodology).

To provide context, we have noted the neutral response percentage where relevant for the 2021/22, 2022/23 and 2023/24 financial years.

2. This year, 2023/24, the scoring methodology was changed to remove the neutral response and change the scale style questions from a 5-point Likert scale to a 6-point Likert scale.

Going forward the new and revised measures in the 2024-34 Long-Term Plan will be measured using the 6-point Likert scale.

2023 ADDITIONS TO PERFORMANCE MEASURES

The performance measures reported against in the 2021/22 Annual Report were established, included and adopted by Council in our key strategic document, the 2021/31 Long-term Plan. During the following year, additional performance measures were developed and adopted in the 2022/23 Annual Plan in three Activity categories, these being:

- Governance and Corporate Services, and
- Regulatory Services
- Parks and Community Facilities

The new 2022/23 performance measures and their rationale are outlined below.

Governance and Corporate Services

Measure 10: Ensure collection procedures are followed to maximise prompt payments

Reason: Increasing focus on standardising debt collection processes.

Measure 11: Provide quarterly debtors reports to Council

Reason: Provide greater information to Council.

Regulatory Services

Measure 7: The percentage of Code of Compliance Certificates issued within the 20 working day statutory time frame from the date of acceptance

Reason: Align the reporting on this Building Control statutory target with the comparable measure for Building Consents.

Measure 9: The percentage of earthquake prone building assessments received prior to 28 March 2023

Reason: Provide performance information for this deadline which fell due during the current financial year.

Measure 10: The percentage of outstanding earthquake prone building assessments issued with a follow up notice by 31 May 2023

Reason: Provide performance information for this deadline which fell due during the current financial year.

Parks and Community Facilities

Measure 6: Average customer satisfaction rating for swimming pool facilities

Reason: Provide qualitative information about our customers' satisfaction with these facilities.

Measure 8: Parks and public amenities improve over time as measured by Yardstick Best Practice Score

Reason: Improve delivery over time by benchmarking our performance against the prior year.

SIGNIFICANT JUDGEMENTS AND ESTIMATES

Council Surveys

Council conducted two primary surveys to gather information to report against resident/user satisfaction performance measures. The underlying assumptions that relate to our surveys are sample size and methodology.

1. Residents' Opinion Survey

Our annual Residents' Opinion Survey was primarily conducted through a web portal administered by our survey partner Research First and supplemented with paper versions available for collection in Twizel, and Fairlie or posted out on request. One new question was added to the survey this year. This was related to understanding residents' satisfaction with the performance of the Mayor and Councillors, to distinguish that from the existing question relating to overall satisfaction with the Council.

The survey results scoring method for this year and last year differ to those in prior years as outlined above.

This survey was in the field from 23 August to 22 September 2024. This period was assessed as reasonable to capture responses for the financial year ended 30 June 2023 and was delayed from prior years to avoid overlap with other Council surveys in the market. Publicity included website, Facebook, posters and a direct postcard mailout. A draw to win 1 of 3 \$100 prizes could be entered on completion of the survey.

We received 194 survey responses to our 2024 survey compared to 255 responses in 2023.

The use of an online survey means achieving a representative sample was difficult as targeting hard-to-reach respondents was not possible. Since 2022 the responses have been weighted to achieve the desired gender, age and region quotas to mitigate the impact of the sampling method used.

Data collected is accurate to a maximum margin of error of +/- 6.9% at the 95% confidence level. This means that if 50% of respondents stated they were satisfied with a Council facility, then we can be 95% sure that between 43.1% and 56.9% of the entire Mackenzie District population also feel satisfied with that Council facility.

2. Consents Survey

Our annual Building Consents and Resource Consents survey direct targets people who have had these consents completed during the financial year. This was conducted via a web portal administered by our survey partner Research First with invitations to complete the survey directly emailed from consents data supplied by Mackenzie District Council. This survey ran from 5 September to 22 September 2024.

The response rate from 48 consent applicants of 18% is reasonable for a survey of this kind, but lower than rates in prior years. However, the sample sizes are low, so comparisons between sample types and years should be viewed with caution.

Three Waters Performance Compulsory Measures

3. Real water loss from the networked reticulation system

The water loss from the Council's Water Supplies' reticulation systems is calculated during winter when night time irrigation is not operating. Water leaving each Water Treatment plant is recorded between midnight and 4am from the respective water meters. The volumes recorded are extrapolated to calculate an annual figure. The water loss percentage is calculated against the total annual water use recorded for all Water Treatment plant.

4. Average consumption of drinking water per day per resident within the district

The usual resident population estimate is based on the Mackenzie District Growth Projection – 2020 report prepared by Rationale Limited. The District usual resident population in 2018 was calculated as 5,010 and the projected population in 2025 was projected to be 5,948. The 2023 usual resident population was estimated at 5,400 which is approximately the mid-point between these two figures.

5. The total number of complaints received in respect to District water supplies, waste water schemes and stormwater.

The number of complaints received during the financial year is sourced from the logs recorded into our Service Request software system. Service requests relating to water, waste water and stormwater activities are analysed to determine the number of complaints received relating to these activities.

Waste Management and Minimisation

6. The amount of household kerbside waste to landfill per person

A full waste audit is carried out approximately every three years, this involves analysing the contents of a range of red wheelie bins throughout the district. During an audit year, this data is used to calculate the per capita result.

In between full audit years, the total amount of kerbside refuse collected for the year and the usual resident population of the district is used to calculate this performance measure. A waste audit was not carried out for the 2023/24 year and therefore this method has been used.

The next waste audit is planned for 2025/26.

Aggregation of Service Performance Information

There were no significant judgements around aggregation of service performance information.

Presentation of Service Performance Information

Service performance results are displayed in colour coded tables OR by way of a ✓ or X. N/A denotes the years preceding the introduction of new measures adopted in the 2021/31 LTP, 2023 Annual Plan and 2024 Annual Plan.

	year	year
Achieved	result	✓
Not Achieved	result	X
No Data Available	result	No Data

3.1 GOVERNANCE AND CORPORATE SERVICES

The Governance and Corporate Services activity supports and guides all the activities carried out by the Mackenzie District Council. These services enable the Council to function and provide stable, transparent, effective, efficient and accountable local governance to the district.

Key Facts (as at 30 June 2024)

3 Wards – Mayor elected at large and seven councillors from three Wards Pukaki, Opuha and Tekapo

3 Community Boards – Twizel, Tekapo and Fairlie

2 committees of Council appointed for the full year - Audit & Risk and Chief Executive Performance.

Council-wide 37 full time staff and 18 part time staff.

What We Do

Governance

Under section 41 of the Local Government Act 2002 (LGA), a territorial authority must have a governing body consisting of a Mayor and members. That body is responsible and democratically accountable for the decision making of the local authority.

The Mackenzie District Council includes a Mayor elected at large and seven councillors elected from the three wards of Pukaki (3), Opuha (3) and Tekapo (1). The district also has three elected Community Boards representing Twizel, Tekapo and Fairlie. Before the election in October 2022 councillors represented the two wards of Pukaki (3) and Opuha (3).

The governance activity includes all work associated with the elected Council and the Community Boards. elected members, being the community's representatives, make decisions within the framework of the LGA on behalf of, and in the interests of, our community.

Corporate Services

Corporate Services provides managerial and administrative support for all other activities undertaken by the Council.

Key Projects for 2023/24

As well as business as usual administration and support for Council activities, we had planned several projects for the 2023/24 year within our Governance and Corporate Services activity area.

Project 1 – Hardware replacement (completed)

Computer assets, network infrastructure and hardware resilience/replacement projects were all completed as planned. Fairlie office internet access and network systems were replaced and upgraded to utilise Starlink as a backup to Fibre internet. This adds resilience to the Fairlie office as our primary EOC.

Close circuit TV (CCTV) infrastructure has been upgraded in our Fairlie and Twizel offices, and added to public areas in the Twizel Community Centre and Twizel Marketplace.

Audio Visual (AV) facilities have been upgraded in Council Chambers and the community centres in Fairlie, Tekapo and Twizel. This facilitates the increasing number of meetings which are held remotely, offering an improved experience for all participants including the public. Council meetings and workshops with remote participants can now be held in our community centres in Tekapo, Twizel and Fairlie. This equipment enables live streaming and recording of meetings which will commence in the 2024/2025 financial year, delivering increased transparency and giving the public improved access to the decision-making process.

Project 2 – Updated Aerial Imagery for geospatial platforms (delayed)

This project was deferred 24 months due to budget constraints.

Project 3 – Citizens Portal Development (progressing)

The MyMDC citizen portal was progressed during the year, with multiple vendors involved in the delivery of an updated service request system linking through to a citizen portal. The project is nearing completion of development phase with user testing and final modification to commence in the next quarter.

Project 4 – Fairlie Administration Building Upgrade (Seismic strengthening) (progressing)

After an earlier report from Beca, it was determined that the Fairlie civic building required seismic strengthening to bring it up to IL3 standard. This occurred over the period September 23 to February 24. During this time the opportunity was also taken to instal a lift for access to the second floor, upgrade the security around the Customer Services and Executive Team leaders areas and upgrade the toilets. All work was completed by May 2024 bar the lift which was delayed in arriving from overseas and is due for final sign off in late 2024.

Assessment of performance against measures and targets for 2023/24

The Residents' Opinion survey results scoring method for this year differs to those in prior years. In addition, the method was also changed in 2022. However, the performance targets were not altered to compensate for the changes to the reporting scale. This means many of the performance results are not likely to meet the previously set targets, and comparisons of 2023/24 results with prior years are not valid. Refer to page 17 for a fuller explanation.

Previously the mid-point response was added to the satisfied tally but for 2021/22 and 2022/23 it was considered separately as neutral. This means it is not included in the scores for positive/satisfied performance ratings (and the targets were set using the previous methodology). In 2023/24 no 'neutral' response was offered as an option.

We achieved 75% of our non-financial performance standards in the governance and corporate services activity. The performance indicators adopted in the 2021/31 Long Term Plan and 2022/23 Annual Plan increased the number and range of measures compared to 2020/21.

	2021/22	2022/23	2023/24
Achieved	50%	67%	75%
Not Achieved	40%	33%	17%
No Data Available	10%	0%	8%

The following tables show how our governance and corporate services activity performed as measured against the targets set for the 2023/24 year.

Measure 1: The annual report (AR) is prepared within statutory timeframes and with an unmodified audit opinion

Target: The annual report is prepared within statutory timeframes and with an unmodified audit opinion.

	2021/22	2022/23	2023/24
Target	2020/21 AR	2021/22 AR	2022/23 AR
Result	X	X	✓

What we did: The Council is usually required to adopt its Annual Reports by 31 October each year, however Government extended this date to 31 December for both the 2021 and 2022 Annual Reports.

For the 2022/23 Annual Report, the adoption date was returned to 31 October and Council received an unmodified audit opinion and adopted the 2022/23 Annual Report on 31 October 2023 which did meet this target.

Challenges/issues we experienced We did not experience any significant challenges or issues.

Looking ahead: Council will continue to ensure it prepares its annual reports in accordance with all requirements. To achieve this, it will pro-actively manage resourcing to meet project milestones and ensure that information is provided to Audit NZ in a complete and timely manner to ensure compliance with statutory timeframes.

Measure 2: The annual plan (AP) is prepared within statutory timeframes**Target:** The annual plan is prepared within statutory timeframes.

	2021/22	2022/23	2023/24
Target	2022/23 AP	2023/24 AP	2024/34 LTP
Result	✓	✓	✓

What we did: The Council is usually required to adopt its Annual Plans by 30 June each year. In December 2023 the government confirmed a change in approach to three waters service delivery. With this direction a concession was given to either defer adoption of a councils 2024-2034 long term plan by up to three months or prepare an enhanced 2024/25 Annual Plan and adopt the Long Term Plan by 30 June 2025.

Council chose to continue preparing its Long Term Plan as deferring the long term plan would have a flow on effect to other Council workloads. Council adopted the Long Term Plan 2024/34 on 31 July 2024 which did meet the statutory deadline.

Challenges/issues we experienced: The change in government direction meant delays in confirming information which had a flow on effect to the availability of auditor resources. The later adoption of the Long Term Plan has now impacted on the auditing and adoption of Council's 2023/24 Annual Report and the preparation of the 2025/26 Annual Plan.

Looking ahead: Council continues to ensure it meets statutory timeframes by pro-actively manage resourcing to meet project milestones.

Measure 3: The percentage of residents across the District who say they are satisfied with the performance of the councillors and Mayor in the annual Residents' Opinion Survey**Target:** ≥ 60%.

	2021/22	2022/23	2022/23
Target	≥ 60%	≥ 60%	≥ 60%
Result	32%*	32%*	48%

The Residents' Opinion survey comparisons with prior years are not valid, and the results are not likely to meet the previously set targets due to changes in methodology.

In 2021/22 a 'neutral' response of 39% was excluded from the 'Achieved' result. In 2022/23 a 'neutral' response of 40% was excluded and in 2023/24 no 'neutral' response was offered as an option.

We also identified that in prior years the survey question asking for satisfaction with Council's performance overall, was used in the Annual Report as measuring satisfaction levels for the Councillors and Mayor, incorrectly. In the 2023/24 survey we added a question to specifically seek satisfaction results for the Councillors and Mayor.

What we did: In 2023/24, 48% of residents surveyed were satisfied with the performance of the Mayor and Councillors, which did not meet our target for the year.

Challenges/issues we experienced: Council has experienced challenges from several external factors during the financial year, including:

- government reforms that have increased workload for the team and generated uncertainty in three waters and resource management planning particularly,
- the current inflationary economy which has increased operational and capital project costs, and
- the challenging community engagement and consultations with both a District Plan Review, and the 2024-34 Long-Term Plan, with inflationary pressures driving increased costs and therefore rates increases.

Looking ahead: Council has made good progress in delivering key strategic projects like the District Plan Review and the 2024-354 Long-Term Plan. Implementing Government reforms to water services in particular will be challenging in 2025 and beyond. Building resilience in infrastructure to mitigate impact of severe weather events, continuing to value our environment and progressing our community development focus will be key aims.

Measure 4: Number of face-to-face meetings held each year between Council representatives and Ngā Papatipu Rūnanga, or Te Rūnanga o Ngāi Tahu**Target:** ≥ 2.

	2021/22	2022/23	2023/24
Target	≥ 2	≥ 2	≥ 2
Result	3	3	10

What we did: During the 2023/2024 year, Council continued to foster the relationships with ngā papatipu rūnanga and Te Rūnanga o Ngāi Tahu through a series of formal and informal meetings held throughout the year. We exceeded our target with ten hui held during the year; engagement on the various Council projects being undertaken including Three Waters, District Plan review, Better off Funding Projects, Pou Whenua Project and a hikoi with papatipu rūnanga representatives relating to the Pou Whenua project, and discussions around speed management within the District and how we wish to work together moving forward. We also met with Environmental Advisors and representatives from Puna Mahara (Te Rūnanga o Ngāi Tahu) to discuss the nohoanga sites within the district and the joint planting project relating to these sites.

Challenges/issues we experienced: Council recognises the constraints on the capacity of ngā papatipu rūnanga and their representatives. This includes their ability to provide resources for involvement in Council projects and activities. Therefore, Council will endeavour to ensure that the number of meetings between rūnanga and Council are appropriate and offer the greatest opportunity for effective and meaningful engagement.

Looking ahead: We recognise the importance and value of building strong, effective, enduring and open relationships with ngā papatipu rūnanga and Te Rūnanga o Ngāi Tahu. As such, our goal is to achieve that of a true partnership with mana whenua so that we can continue to collaborate and work together towards shared outcomes for greater results. As such we have scheduled quarterly hui with the Chairs of Te Rūnanga o Arowhenua, Te Rūnanga o Waihao and Te Rūnanga o Moeraki. Our service level agreement (SLA) with Aoraki Environmental Consultancy Ltd will continue to be key in assisting us with our work.

Measure 5: Number of public forums held each year with communities and groups**Target:** ≥ 40.

Note: this includes both formal and informal meetings, workshops and drop-in sessions.

	2021/22	2022/23	2023/24
Target	≥ 40	≥ 40	≥ 40
Result	83	60	69

What we did: During the 2023/24 year, Council met in public 13 times, Committees of Council were held in public 5 times, and there were 16 Community Board meetings held. A total of 35 other public forums were held, including engagement and consultation sessions for the District Plan review, Council workshops and public meetings on specific issues. A combined total of 69 public forums were held during the year, well exceeding our target of 40.

Challenges/issues we experienced: Having both the Long-Term Plan and District Plan reviews meant there were a large number of workshops and public forums, however, these were managed well.

Looking ahead: Public sessions will continue to be part of our consultation options with our communities. The number will continue to fluctuate depending on the number of community interest projects or statutory requirements.

Measure 6: Council provides a centralised service point (via face to face, phone and e-mail) for all customers

New measure in 2021/22.

Target: Two to three services centres operating Monday to Friday 8.30 am to 5 pm providing first point of contact customer service via face to face, phone and e-mail. Number of service centres, and hours operated to be informed by performance statistics, population growth, demand and customer feedback.

	2021/22	2022/23	2023/24
Result	X	✓	✓

COVID-19 lockdown

What we did: During the 2023/24 year, Council operated service centres in both Fairlie and Twizel, Monday to Friday 8.30am to 5pm. Our customer services teams answer incoming calls made to our main phone line and receive emails sent to our generic address info@mackenzie.govt.nz. In addition, our customers are supported by an afterhours telephone answer service which prioritises calls and either contacts Council staff directly by phone or by email dependent on severity and urgency of the issue.

Challenges/issues we experienced: During 2023/24 the Customer Services team like other departments in Council, lost long term team members and then experienced delays in filling those vacancies. This meant that often there was only one team member available to provide first point of contact for our customers.

Looking ahead: Operating hours at our two existing service centres will continue at the same level until evidence of increased demand indicates the need for extended service across our district is required.

Measure 7: Council meets customer satisfaction levels at the first point of contact

New measure in 2021/22.

Target: At least 85% of customers are satisfied or very satisfied by the quality of the centralised customer service received at the first point of contact. Measured by annual customer satisfaction survey and quality monitoring.

In 2024, the change from a 5-point to 6-point scale for the residents survey was implemented. However, this action was not implemented for this question in the online version of the survey as intended. Therefore, to provide accurate representation of the data, responses between the online and hardcopy surveys have been separated to portray an accurate outcome of resident's perceptions. The overall result has been recorded as no data available. Refer to page 17 for a fuller explanation.

	2021/22	2022/23	2023/24
Target	85%	≥ 85%	≥ 85%
Result	No data	61%	No data

What we did: The results of our annual Residents' Opinion survey show 46% of our customers responding to the on-line survey using a 5-point scale are satisfied or very satisfied with the first point of contact with Council staff, with 16% returning a neutral response. The results show 67% of our customers responding to the hard copy survey using a 6-point scale are satisfied or very satisfied with the first point of contact with Council staff.

Challenges/issues we experienced: (As noted above the survey methodology included an error). Due to the loss of experienced team members and the delay in filling vacancies, often there was only one team member available to provide first point of contact for our customers.

Looking ahead: Council will continue to benchmark survey results for future tracking. We will also continue to invest in technology and appropriate staffing to improve our customer service across all our departments.

Measure 8: Provide financial reports to Council meetings to enable timely decisions to be made

New measure in 2021/22.

Target: Financial reports included in Council meeting agendas for every meeting.

	2021/22	2022/23	2023/24
Result	X	X	X

What we did: As in previous years it was agreed with Council that some months did not require reports to a Council meeting, however, the targets were not altered accordingly. Finance reports were tabled at eight of the eleven ordinary Council meetings held during 2023/24 as agreed, which meant we did not meet this target.

Challenges/issues we experienced: The workload associated with auditing and adoption of the 2022/23 Annual Report and the preparation of the Long Term Plan 2024/34 Annual Report meant it was agreed that a financial report was not placed on the agenda in September 2023 (annual report) and then in December 2023 and January 2024 (preparation of long term plan budgets).

Looking ahead: We will work with Council to continue to balance the workload and priorities of staff especially the finance team. We will also work with our software providers to continue refining reports that can be generated automatically from our financial systems to assist in providing timely and pertinent financial reports.

Measure 9: Collects rates revenue for Council

New measure in 2021/22.

Target: Issue rates invoices by no later than twenty calendar days prior to each invoice due date every quarter.

	2021/22	2022/23	2023/24
Result	✓	✓	✓

What we did: Rates invoices were issued on time for each instalment.**Challenges/issues we experienced:** We did not experience any significant challenges or issues.**Looking Ahead:** Council has invested in staff and systems to improve the knowledge base of system processes.**Measure 10: Manage funds availability for Council requirements**

New measure in 2022/23.

Target: Ensure collection procedures are followed to maximise prompt payments.

	2021/22	2022/23	2023/24
Result	N/A	✓	✓

What we did: Debt collection procedures per Councils Debt Recovery Policy were followed.**Challenges/issues we experienced:** Council's computer system provided challenges in data entry and extracting files with some processes still quite manual and time consuming.**Looking Ahead:** We will continue refining reports that can be generated automatically from our financial systems.**Measure 11: Manage funds to ensure availability for Council requirements**

New measure in 2022/23.

Target: Quarterly debtors reports included in Council meeting agendas on a cyclical basis.

	2021/22	2022/23	2023/24
Result	N/A	✓	✓

What we did: Quarterly debtors reports were tabled at the four Audit and Risk Committee meetings held during 2023/24 which meant we met this target (all Councillors are on the Committee, as well as an independent Chair).**Challenges/issues we experienced:** The quarterly report requires staff to manually assign debtor categories to each type of sundry debtor reported on and if a debtor is in credit manually move these from the current balance field.**Looking ahead:** We will work with our software providers to enhance the automation of the aged trial balance reports.**Measure 12: Ensure that staff and suppliers are paid on a timely basis to ensure continuity of Council operations**

New measure in 2021/22.

Target: Process payroll fortnightly and creditors payments no later than the 20th of the following month – to ensure timely payment.

	2021/22	2022/23	2023/24
Result	✓	✓	✓

What we did: Payroll was processed fortnightly with payments made to staff on the Tuesday of that fortnight. Creditors were processed and paid three times each month (10th, 20th, 30th).**Challenges/issues we experienced:** We did not experience any significant challenges or issues.**Looking Ahead:** Council has invested in staff and systems to improve the knowledge base of system processes and robust control systems and Information Technology solutions remain in place to support both in- house and remote processing of staff and supplier payments.

Capital Expenditure by activity

\$000s	LTP 2022-23	LTP 2023-24	Actual 2023-24
Information and Engagement			
Communication projects	11	3	-
On-line customer portal	-	-	80
IT Support			
Network infrastructure	38	10	55
Plant and equipment	-	-	52
IT Support projects	-	47	79
Fairlie Administration Building			
Seismic and accessibility upgrade	51	-	957
Furniture and fittings	-	-	4
Twizel Administration Building			
Security and access upgrade	-	-	22
Furniture and fittings	2	2	1
Plant Operations			
Vehicle replacements	82	84	42
Total	184	146	1,292

Significant Financial Variances between Actual and the Long Term Plan**Internal charges and overheads recovered \$756,000 above LTP**

Increased expenditure within the overhead activities resulted in a greater recovery of costs. Also, with the change from using contractors to in-house resources, internal charging of staff time was completed via overhead recoveries rather than in prior years directly coding external invoices to projects.

Payments to staff and suppliers \$1,041,000 above LTP

The 2023/24 Annual Plan increased the budget against the LTP by \$1,172,000 to \$8,064,000. This was reflective of increased costs and the addition of additional resources within the corporate overheads area from what was budgeted during the 2021-31 LTP.

Increase / (decrease) in debt \$796,000 above LTP

Funding of the Fairlie administration building seismic and accessibility upgrade. This was originally budgeted for in 2021/22.

Capital expenditure - to replace existing assets \$1,116,000 above LTP

The seismic and accessibility upgrade for the Fairlie administration building was originally budgeted in 2021/22 but due to delays was not completed until this financial year. Actual expenditure incurred was \$957,000.

Increase / (decrease) in reserves \$389,000 above LTP

Transfers from reserves were higher due to the timing of expenditure on capital projects, and increased operating expenditure incurred.

FUNDING IMPACT STATEMENT – GOVERNANCE AND CORPORATE SERVICES

\$000s	LTP 2022-23	LTP 2023-24	Actual 2023-24
OPERATING FUNDING			
Sources of operating funding			
General Rates, Uniform annual general charges, rates penalties	4,777	5,211	5,089
Targeted rates	34	35	168
Subsidies and grants for operating purposes	-	-	194
Fees and charges	172	176	76
Internal charges and overheads recovered	894	937	1,692
Local authorities fuel tax, fines, infringement fees and other receipts	383	392	307
Total sources of operating funding	6,260	6,750	7,526
Applications of operating funding			
Payments to staff and suppliers	6,526	6,892	7,713
Finance costs	18	17	82
Internal charges and overheads	(612)	(493)	(724)
Other operating funding applications	-	-	-
Total applications of operating funding	5,932	6,416	7,071
SURPLUS / (DEFICIT) OF OPERATING FUNDING	328	334	455
CAPITAL FUNDING			
Sources of capital funding			
Subsidies and grants for capital expenditure	-	-	-
Development and financial contributions	-	-	-
Increase/(decrease) in debt	(15)	(51)	796
Gross proceeds from the sale of assets	-	-	9
Lump sum contributions	-	-	-
Other dedicated capital funding	-	-	-
Total sources of capital funding	(15)	(51)	805
Applications of capital funding			
Capital expenditure - to meet additional demand	-	-	-
Capital expenditure - to improve the level of service	11	50	80
Capital expenditure - to replace existing assets	173	96	1,212
Increase/(decrease) in reserves	129	137	(32)
Increase/(decrease) of investments	-	-	-
Total applications of capital funding	313	283	1,260
SURPLUS / (DEFICIT) OF CAPITAL FUNDING	(328)	(334)	(455)
FUNDING BALANCE	0	0	0

Note: Figures in the LTP columns agree in total, but for presentation purposes, some sources and applications of funding have been reallocated to ensure information is comparable.

3.2 WATER SUPPLIES

The provision of safe and sufficient drinking water is essential for the health and well-being of our communities. The water treatment, storage and distribution systems managed by Council contribute to this by providing the treatment and delivery of safe drinking water to communities served by Council owned systems.

Key Facts (as at 30 June 2024)

5 Council operated supplies – 4 urban schemes in Twizel, Tekapo, Fairlie and Burkes Pass; and the Allandale rural scheme.

4 Council assisted supplies - 2 piped schemes in Albury and Kimbell; 1 stock water race in School Road.

3,158 properties connected to Council water systems

387km water mains in addition to 24km of service lines and 115km water races

569 hydrants for firefighting water supply

What We Do

Water supply is a core function of the Council. We maintain and manage the treatment and distribution of water with community water supplies in the townships of Twizel (including Pukaki Airport), Tekapo, Fairlie and Burkes Pass, and the Allandale rural scheme.

Management and operation of the Albury water supply is undertaken by the Albury Rural Water Supply Society Inc. under a formal agreement with the Council.

Council also assists with a stock water race system being School Road. Management of a small, piped stock water scheme, Kimbell Rural, is carried out by consumers.

Key Projects for 2023/24

As well as the routine maintenance and operations required to provide our community water supplies, Council had planned to undertake some significant workstreams in 2023/24.

Project 1 – Water metering (in progress)

Council will continue with the installation of smart water meters to properties connected to urban water supplies, finishing those in Twizel and progressing into Tekapo in 2024/25. Water meters help to monitor consumption and to encourage water conservation. Twizel water metering data is being received and we have contracted excess users and we have seen significant reductions in consumption.

Project 2 – Fairlie water supply upgrade – Fairlie Water Treatment Plant (in progress)

The majority of the Fairlie water treatment plant was built to meet New Zealand Drinking Water Standards within the 2023/24 year. The balance of construction and commissioning of the new membrane filtration plant with two new 1,000 m³ treated water reservoirs will be completed and handed to Council in 2024/25.

The new plant will be capable of managing the current source water quality fluctuations and will improve treatment so we can meet New Zealand Drinking Water Standards for protozoa levels.

Project 3 – Water safety plans

Council continued delivering on the projects identified within our water safety plans. This included backflow prevention, catchment controls, quality control on sampling regimes and equipment upgrades.

Project 4 – Water main upgrades – Twizel Ring Main (completed)

The upgrading of approximately 5,000m of water main with associated fittings and laterals in Twizel is complete. The project maintains Twizel's firefighting demand and allows for future population growth.

Assessment of performance against measures and targets for 2023/24

The Residents' Opinion survey results scoring method for this year differs to those in prior years. In addition, the method was also changed in 2022. However, the performance targets were not altered to compensate for the changes to the reporting scale. This means many of the performance results are not likely to meet the previously set targets, and comparisons of 2023/24 results with prior years are not valid. Refer to page 17 for a fuller explanation.

Previously the mid-point response was added to the satisfied tally but for 2021/22 and 2022/23 it was considered separately as neutral. This means it is not included in the scores for positive/satisfied performance ratings (and the targets were set using the previous methodology). In 2023/24 no 'neutral' response was offered as an option.

We achieved 29% of our non-financial performance standards in the water supply activity.

	2021/22	2022/23	2023/24
Achieved:	14%	29%	29%
Not Achieved:	86%	71%	71%
No Data Available:			

Improvements in water management saw the goal being missed by 1%. Our response times in complaints continues to be good. A very dry year saw an increase in water related complaints. Extremely pleasing is the customer survey responses lifting significantly to almost meet our target despite the changes in survey methodology (and consistent with previous years, when separating satisfaction levels by users and non-users, users were found to have higher satisfaction across all services).

Measure 1: Compliance with Drinking Water Standards (part 4) – Bacterial Compliance and Drinking Water Quality Assurance Rules (DWQAR)*

*Mandatory performance measure

Target: ≥ 95% for all six supplies (per national guidelines). The drinking water measures have been assessed against the same measures used in the second half of the 2022/23 annual report for comparative purposes. The measure applies to the number of compliant plants, not, for example, the percentage of compliant monitoring or treatment.

	2021/22	2022/23	2023/24
Target:	≥ 95%	≥ 95%	≥ 95%
Result:	17%	0%	0%

What we did: Council did not engage an independent expert to review our compliance against the DWQAR, therefore we have reported that Council's water supplies did not comply with the selected rules from 1 July 2023 to 30 June 2024. Using the methodology used in an independent review against this measure in 2022/23 every plant fails on not having water safety plans approved by a drinking water assessor. Some plants also fail for some of the other reasons listed below, which include insufficient monitoring and treatment. In terms of bacteria testing requirement, there was one failed result from the 806 samples taken. The follow up sample to the failed sample passed.

Challenges/issues we experienced: A combination or one or more of the following at each of the plants prevented compliance:

- Drinking Water Assessors no longer approve Water Safety Plans
- No method to reduce turbidity
- Rate of data logging was not sufficient
- UV dose insufficient
- UVT not used to calculated dose
- FAC leaving plant below the limit

Looking ahead: Council finished constructing the new treatment plant for Fairlie in July 2024. The new Fairlie water treatment plant was made operational in July 2024 and will significantly improve future performance. The new plant contains a sophisticated filter system to remove dirt, bacteria and microbiology through a system that filters down to 1 micron. The plant has two new storage tanks that give us water storage for approximately 1.5

days in summer and 1-2 days in winter. This helps manage water flow when turbidity is high and allows us to enable water to flow even after an event when power is lost.

Provision has been made in the long-term plan to connect Allandale onto this new plant. Discussions with the Albury scheme committee have begun with respect to ownership and compliance.

Measure 2: Compliance with Drinking Water Standards (part 5) – Protozoal Compliance and Drinking Water Quality Assurance Rules (DWQAR)*

*Mandatory performance measure

Target: 3 of 5 supplies compliant (60%).

	2021/22	2022/23	2023/24
Target:	≥ 75%	≥ 40%	3 of 5
Result:	0%	0%	0 of 5

What we did: Council did not engage an independent expert to review our compliance against the DWQAR, therefore we have reported that Council's water supplies did not comply with the selected rules from 1 July 2023 to 30 June 2024. Using the methodology used in an independent review against this measure in 2022/23 every plant fails on not having water safety plans approved by a drinking water assessor. Some plants also fail for some of the other reasons listed below, which include insufficient monitoring and treatment.

Challenges/issues we experienced: A combination or one or more of the following at each of the plants prevented compliance:

- Rates of data sampling
- Type of data samples
- High flow rates
- High turbidity
- Missing manufacturer certification

The Allandale treatment assets are limited and do present a greater risk of non-compliant drinking water.

Looking ahead: Residents in Kimbell and Fairlie have been at risk of protozoan contamination and have suffered distinctly brown water (turbidity) after prolonged periods of rain. Council was constructing the new treatment plant for Fairlie in 2023/24. The modern plant became operable in July 2024. The new plant contains a sophisticated filter system to remove dirt, bacteria and microbiology through a system that filters down to 1 micron. The plant has two new storage tanks that gives us water storage for approximately 1.5 days in summer and 1-2 days in winter. This helps manage water flow when turbidity is high and allows us to enable water to flow even after an event when power is lost.

Council has made provision in its long-term plan to connect Allandale onto this new plant.

Measure 3: The percentage of real water loss from the networked reticulation system*

*Mandatory performance measure

Target: ≤ 25%.

	2021/22	2022/23	2023/24
Target:	≤ 25%	≤ 25%	≤ 25%
Result:	35%	31%	26%

What we did: It is estimated 26% of recorded treated water was lost from our networks during 2023/24. The water loss calculated by measuring winter night time flow. Losses are likely due to leaks in both public mains, private property and overnight water use by residents leaving a tap running overnight in the winter to prevent pipes freezing

Challenges/issues we experienced: No significant challenges or issues were experienced during the 2023/24 year. We are in a three year process of installing meters at each connected property (universal metering) so are currently unable to track where water is being used and lost from the reticulation system.

Looking ahead: Pipe renewal works in Twizel in 2024 and Tekapo in 2025 are likely to reduce water losses. Water meters being installed throughout the district is reducing losses in private property and will allow better analysis of public mains from 2026/27.

Measure 4: The median response times to attend a call-out in response to a fault or unplanned interruption to the network reticulation system*

*Mandatory performance measure

(Hours)	2021/22	2022/23	2023/24
Attendance for urgent call outs ≤ 2hrs			
Target:	≤ 2	≤ 2	≤ 2
Result:	0.5	2.1	1.2
Resolution of urgent call outs ≤ 12 hrs			
Target:	≤ 12	≤ 12	≤ 12
Result:	1.9	3.6	2.1
Attendance for non-urgent call outs ≤ 72 hrs			
Target:	≤ 72	≤ 72	≤ 72
Result:	19.3	59.5	2.6
Resolution of non-urgent call outs ≤ 120 hrs			
Target:	≤ 120	≤ 120	≤ 120
Result:	28.8	59.6	6.3

What we did: During 2023/24 there were 42 urgent callouts with the longest response times of 10.4, 8.8, and 5.44hrs respectively. The median response time did not exceed our target. Most of the 347 non urgent call outs were resolved on site at the time they were responded to, however we did not meet all the measures for this target.

Challenges/issues we experienced: We did not experience any significant challenges during the year.

Looking ahead: We will continue to look for efficiencies in our responses to call-outs so that faults and unplanned interruptions to our networked reticulated water systems are addressed in a timely manner.

Measure 5: The total number of complaints received about any of the following:*

1. drinking water clarity
2. drinking water taste
3. drinking water odour
4. drinking water pressure or flow
5. continuity of supply
6. MDC response to any of the above

* Mandatory performance measure

Target: ≤ 5 complaints per 1,000 connected properties.

	2021/22	2022/23	2023/24
Target:	≤ 5	≤ 5	≤ 5
Result:	8.7	0.0	23.4

What we did: 74 complaints were received in 2023/24 related to water supply.

Challenges/issues we experienced: The Twizel ring main was replaced and switching works to the new sections of water main generated most complaints.

Looking ahead: The new Water Treatment Plant in Fairlie is complete improve water quality for this supply. The Twizel ring main works are completed providing better flow. The major project for 2024/25 is the new line to supply Tekapo, but this should only require two shutdowns.

Measure 6: The percentage of ratepayers satisfied with the water supply service**Target:** ≥ 80%.

	2021/22	2022/23	2023/24
Target:	≥ 80%	≥ 80%	≥ 80%
Result:	57%	66%	76%

The Residents' Opinion survey results scoring method for this year differs to those in prior years. In addition the method was also changed in 2022. However, the performance targets were not altered to compensate for the changes to the reporting scale. This means many of the performance results are not likely to meet the previously set targets, and comparisons of 2023/24 results with prior years are not valid. Refer to page 17 for a fuller explanation.

In 2021/22 a 'neutral' response of 22% was excluded from the 'Achieved' result and in 2022/23 a 'neutral' response of 21% was excluded. In 2023/24 no 'neutral' response was offered as an option.

What we did: Of the residents who responded to our survey, 76% stated they thought Council's water supply was good, very good or excellent during 2023/24. Consistent with previous years, when separating satisfaction levels by users and non-users, users were found to have higher satisfaction. This did not meet the annual target of an 80% satisfaction level.

Challenges/issues we experienced: Low rainfall in 2023/24 required a prolonged water restriction season to meet water take consents. There was significant angst in the community about restricted use and excessive irrigation by some users.

Looking ahead: Better water management is still a more economical solution over increasing supply. We will continue to improve our remote site data capture and have completed construction of the Fairlie water treatment plant. Sharing water use data with users is an aspiration for the future.

Measure 7: Average consumption of drinking water per day per resident within the district*

*Mandatory performance measure

Target: ≤ 1.2m³ per resident per day.

	2021/22	2022/23	2023/24
Target:	≤ 1.2m ³	≤ 1.2m ³	≤ 1.2m ³
Result:	1.3m ³	1.2m ³	1.2m ³

What we did: 2,383,314m³ of water was used during the year. It is based on an estimated the usual resident population of 5,400 people. We met our target.

Challenges/issues we experienced: The number of residents is not well understood with many holiday makers, events visitors and tourists also using water. Residents do not have sufficient understanding of the need to reduce consumption of water for irrigation, prevention of frozen pipes and leaks on property. We need to develop educational communication strategies to raise awareness about water consumption and conservation.

Looking ahead: Replacement of the old ring main in Twizel and the associated laterals will drastically reduce water losses there. Also, as electronic water meters provide data, we are educating high water users and seeing habits change to see a reduction in water use. Education of high water users will continue as new meters come online.

Capital Expenditure by activity

\$000s	LTP 2022-23	LTP 2023-24	Actual 2023-24
Allandale / Spur Road water supply			
Treatment	-	-	9
Downlands water supply			
Reticulation	25	25	92
Renewals	30	10	-
Treatment	-	42	341
Urban water supply			
Service connections – new / renewals	104	375	276
Reticulation upgrades and renewals	621	637	127
Twizel ring main	-	-	3,739
Bulk water filling stations	-	-	53
Twizel water meter installation	-	-	1,472
Fairlie treatment and storage	4,919	-	5,311
Total	5,699	1,089	11,419

Significant Financial Variances between Actual and the Long Term Plan**Development and financial contributions \$853,000 below LTP**

Income from financial contributions was below that budgeted in the LTP. Financial contributions are reliant on subdivision consents.

Increase / (decrease) in debt \$6,559,000 above LTP

With the Twizel ring main and the majority of the Fairlie water treatment plant upgrade completed, loans of \$6,000,000 were raised to cover these works.

Capital expenditure – to improve the level of service \$10,183,000 above LTP

Expenditure of \$10,521,000 was incurred on the Twizel ring main, Twizel water meter installation and Fairlie water treatment and storage upgrades. Budgets for these projects were originally included in the 2021-2023 financial years.

Increase / (decrease) in reserves \$5,309,000 above LTP

Transfers from reserves were higher than budgeted due to the timing of expenditure on capital projects.

FUNDING IMPACT STATEMENT – WATER SUPPLIES

\$000s	LTP 2022-23	LTP 2023-24	Actual 2023-24
OPERATING FUNDING			
Sources of operating funding			
General Rates, Uniform annual general charges, rates penalties	-	-	-
Targeted rates	1,870	2,132	1,930
Subsidies and grants for operating purposes	-	-	-
Fees and charges	124	127	120
Internal charges and overheads recovered	5	5	-
Local authorities fuel tax, fines, infringement fees and other receipts	32	33	23
Total sources of operating funding	2,031	2,297	2,074
Applications of operating funding			
Payments to staff and suppliers	866	983	1,185
Finance costs	169	214	387
Internal charges and overheads	54	57	228
Other operating funding applications	-	-	-
Total applications of operating funding	1,089	1,254	1,800
SURPLUS / (DEFICIT) OF OPERATING FUNDING	942	1,042	274
CAPITAL FUNDING			
Sources of capital funding			
Subsidies and grants for capital expenditure	-	-	-
Development and financial contributions	1,028	1,143	289
Increase/(decrease) in debt	3,763	(576)	5,983
Gross proceeds from the sale of assets	-	-	-
Lump sum contributions	-	-	-
Other dedicated capital funding	-	-	-
Total sources of capital funding	4,791	566	6,272
Applications of capital funding			
Capital expenditure - to meet additional demand	25	25	-
Capital expenditure - to improve the level of service	5,540	679	10,862
Capital expenditure - to replace existing assets	134	385	473
Increase/(decrease) in reserves	34	519	(4,790)
Increase/(decrease) of investments	-	-	-
Total applications of capital funding	5,733	1,609	6,546
SURPLUS / (DEFICIT) OF CAPITAL FUNDING	(942)	(1,042)	(274)
FUNDING BALANCE	0	0	0

Note: Figures in the LTP columns agree in total, but for presentation purposes, some sources and applications of funding have been reallocated to ensure information is comparable.

3.3 WASTEWATER

Appropriate collection and treatment of wastewater is essential for the health and well-being of our communities. Wastewater treatment plants, pumping stations and reticulation systems contribute to maintaining public health and environmental quality by controlling the quality of effluent and minimising the risk of undesirable wastes directly entering the environment.

Key Facts (as at 30 June 2024)

4 treatment facilities: each of the four schemes use oxidation ponds to treat the wastewater
 108km sewer lines
 1,411 manholes
 6 pump stations
 3,211 properties connected to Council wastewater systems

What We Do

Council is responsible for the management of wastewater (sewage) collection, treatment and disposal for its urban communities. Wastewater services are provided to protect public health within our communities, to support the development of the district, and to protect the natural and built environment.

We operate community wastewater systems in the townships of Twizel, Tekapo, Fairlie and Burkes Pass. In each case, effluent is collected through our wastewater reticulation and treated by way of an oxidation pond. Treated effluent is discharged to ground.

Key Projects for 2023/24

Council identified key wastewater scheme priorities within the 2023/24 Annual Plan.

Project 1 – Lake Tekapo/Takapō upgrades – Wastewater treatment plant (on going)

We have completed a feasibility study to determine the physical plant requirements, proposed plant location and disposal site. This project is included in the 2024-34 Long-Term Plan in two stages. The Department of Internal Affairs has advised that new minimum treatment standards are due to be announced shortly. Council is waiting to see what those are before considering design or procurement.

Project 2 – Pipe replacement programme (delayed)

Works were delayed due to resourcing and a focus on efficient expenditure in avoiding consultant project management costs. Funding is being carried over for delivery in 2024/25.

Project 3 – New Wastewater screens and inlet works (delayed)

Works were delayed due to resourcing and a focus on efficient expenditure in avoiding consultant project management costs. Funding is being carried over for delivery in 2024/25.

Project 4 – Pressure sewer systems (delayed)

Works were delayed due to resourcing and a focus on efficient expenditure in avoiding consultant project management costs. Funding is being carried over for delivery in 2024/25.

Assessment of performance against measures and targets for 2022/23

The Residents' Opinion survey results scoring method for this year differs to those in prior years. In addition, the method was also changed in 2022. However, the performance targets were not altered to compensate for the changes to the reporting scale. This means many of the performance results are not likely to meet the previously set targets, and comparisons of 2023/24 results with prior years are not valid. Refer to page 17 for a fuller explanation.

Previously the mid-point response was added to the satisfied tally but for 2021/22 and 2022/23 it was considered separately as neutral. This means it is not included in the scores for positive/satisfied performance ratings (and the targets were set using the previous methodology). In 2023/24 no 'neutral' response was offered as an option.

We achieved 60% of our non-financial performance standards in the wastewater activity.

	2021/22	2022/23	2022/23
Achieved	40%	60%	60%
Not Achieved	60%	40%	40%
No Data Available	0%	%	%

Measure 1: The number of dry weather sewerage overflows from Council's sewerage system, expressed per 1,000 connections to that sewerage system*

*Mandatory performance measure

Target: ≤ 2 per 1,000 connected properties.

	2021/22	2022/23	2023/24
Target:	≤ 2	≤ 2	≤ 2
Result:	1.3	0.6	0.9

What we did: During the 2023/24 year we recorded three dry weather overflow events which meant we met our target.

Challenges/issues we experienced: In these instances the overflows resulted from blocked mains. We responded by flushing our mains which resolved the blockages.

Looking ahead: Because many of our blockages are due to the disposal of fats, greases and other items by property owners, Council will work on preparing educational material about what can and cannot be disposed of to our reticulated wastewater systems.

Measure 2: Compliance with the Council's resource consents for discharge from its sewerage system measured by:

- data within the annual compliance reports (New measure in 2021/22)
- the number of abatement notices
- the number of infringement notices
- the number of enforcement orders
- the number of convictions

Target: Compliant and nil.

	Target	2021/22	2022/23	2023/24
Compliance	Compliant	X	X	X
Abatement notices	Nil	Nil	Nil	Nil
Infringement notices	Nil	Nil	Nil	Nil
Enforcement orders	Nil	Nil	Nil	Nil
Convictions	Nil	Nil	Nil	Nil

What we did: ECAN recorded one significant non-compliance with action required and one other non-compliance across our four wastewater treatment ponds. These have since been resolved but meant we do not meet our compliance target for 2023/24. There were no notices, enforcement orders or convictions relating to the above.

Challenges/issues we experienced: No major changes to our operations were required by ECAN, as the quality of our discharge meets our resource consent conditions.

Looking ahead: We will continue to monitor the operation of our wastewater discharge systems and provide all relevant information to ECAN.

Measure 3: Where the Council attends to sewerage overflows resulting from a blockage or other fault in the Council's sewerage system, the following median response times measured*

a) **Attendance time**

b) **Resolution time**

*Mandatory performance measure

Target: ≤ 1 hour – attendance time.

Target: ≤ 4 hours – resolution time.

	2021/22	2022/23	2023/24
Target:	≤ 1 hr	≤ 1 hr	≤ 1 hr
Attendance time met:	1.5	0.8	0.7
Target:	≤ 4 hrs	≤ 4 hrs	≤ 4 hrs
Resolution time met:	3.0	3.2	3.7

What we did: During 2023/24 Council's median attendance time was 44 minutes which met the target time frame and the median resolution time was three hours and 42 minutes which was within the target. Council attended three overflow events during the year.

Challenges/issues we experienced: The geographic size of our district and the volume of work pose challenges in meeting these targets for a number of reported events. When specialist water jetting equipment is required to unblock a drain, this has to be sourced from Timaru. This alone can result in a delay in getting that equipment to site in excess of 1 hour.

Looking ahead: We will continue to work closely with our maintenance contractor to identify opportunities to reduce response times.

Measure 4: The total number of complaints received by the Council about any of the following*

a) **sewage odour**

b) **sewerage system faults**

c) **sewerage system blockages**

d) **the Council's response to issues with its sewerage system**

*Mandatory performance measure

Target: ≤ 50 per 1,000 connected properties.

	2021/22	2022/23	2023/24
Target:*	≤ 50	≤ 50	≤ 50
Result:	5.3	2.9	10.3

What we did: During 2023/24, we received 32 complaints regarding the above matters in relation to our wastewater systems. With 3,098 properties connected to Council's wastewater systems, this equates to 10.3 complaints per one thousand connections which is well within this target.

Challenges/issues we experienced: In new developments and where pressure sewer systems connect to the gravity system, odour is a difficult matter to deal with. Complaints received are attended to and we endeavour to put in procedures to rectify issues.

Looking ahead: We will continue to respond to all complaints received and try to implement procedures to resolve issues.

Measure 5: Satisfaction with wastewater treatment and disposal service

Target: ≥ 85%.

	2021/22	2022/23	2023/24
Target:	≥ 85%	≥ 85%	≥ 85%
Result:	60%	67%	78%

The Residents' Opinion survey comparisons with 2020/21 and years prior to that are not valid, and the results are not likely to meet the previously set targets. The survey results after 2020/21 differ to those scored in prior years. Refer to page 17 for a fuller explanation. Previously the mid-point response was added to the satisfied tally but since 2021/22 it is considered separately as neutral. However, the performance target was not altered to compensate.

In 2021/22 a 'neutral' response of 29% was excluded from the 'Achieved' result and in 2022/23 a 'neutral' response of 28% was excluded. In 2023/24 no 'neutral' response was offered as an option.

What we did: Of those residents surveyed, 78% stated that they were satisfied with Council's sewerage treatment and disposal system during 2023/24. Consistent with previous years, when separating satisfaction levels by users and non-users, users were found to have higher satisfaction. This result did not meet our target for the year.

Challenges/issues we experienced: In addition to difficulties relating to odour, Council's sewer network performance can be affected by blockages when unsuitable substances or items like fats or rags enter the pipelines and water infiltration.

Looking ahead: Council will continue to reline earthenware pipes with PE or fiberglass to reduce water infiltration. Also, we will continue to CCTV older parts of the network.

Capital Expenditure by activity

\$000s	LTP 2022-23	LTP 2023-24	Actual 2023-24
Urban wastewater			
Treatment – new	518	-	120
Sewer reticulation – new	259	11	22
Treatment – Tekapo/Takapō	-	796	-
Total	777	807	142

Significant Financial Variances between Actual and the Long Term Plan

Development and financial contributions \$489,000 below LTP

Income from financial contributions was below that budgeted in the LTP. Financial contributions are reliant on subdivision consents.

Capital expenditure – to meet additional demand \$796,000 below LTP

The LTP included expenditure on the upgrade of the Tekapo Wastewater treatment plant. A feasibility study was completed in regards physical plant requirements, proposed plant location and disposal site and planning and design work and has now been re-budgeted in the 2024-34 LTP.

FUNDING IMPACT STATEMENT – WASTEWATER

\$000s	LTP 2022-23	LTP 2023-24	Actual 2023-24
OPERATING FUNDING			
Sources of operating funding			
General Rates, Uniform annual general charges, rates penalties	-	-	-
Targeted rates	1,052	1,109	905
Subsidies and grants for operating purposes	-	-	-
Fees and charges	-	-	-
Internal charges and overheads recovered	-	-	-
Local authorities fuel tax, fines, infringement fees and other receipts	21	21	63
Total sources of operating funding	1,073	1,131	968
Applications of operating funding			
Payments to staff and suppliers	816	828	554
Finance costs	1	6	1
Internal charges and overheads	30	32	195
Other operating funding applications	-	-	-
Total applications of operating funding	847	866	750
SURPLUS / (DEFICIT) OF OPERATING FUNDING	226	265	218
CAPITAL FUNDING			
Sources of capital funding			
Subsidies and grants for capital expenditure	-	-	-
Development and financial contributions	650	675	187
Increase/(decrease) in debt	290	245	-
Gross proceeds from the sale of assets	-	-	-
Lump sum contributions	-	-	-
Other dedicated capital funding	-	-	-
Total sources of capital funding	940	921	187
Applications of capital funding			
Capital expenditure - to meet additional demand	518	796	-
Capital expenditure - to improve the level of service	259	11	142
Capital expenditure - to replace existing assets	-	-	-
Increase/(decrease) in reserves	389	378	263
Increase/(decrease) of investments	-	-	-
Total applications of capital funding	1,166	1,185	405
SURPLUS / (DEFICIT) OF CAPITAL FUNDING	(226)	(265)	(218)
FUNDING BALANCE	0	0	0

Note: Figures in the LTP columns agree in total, but for presentation purposes, some sources and applications of funding have been reallocated to ensure information is comparable.

3.4 STORMWATER

Appropriate collection and treatment of stormwater is important to protect public health and property. Council provides safe, effective and sustainable stormwater infrastructure to ensure that there is no more than minor detrimental impact on the environment from the disposal of stormwater in our urban areas of Twizel, Tekapo and Fairlie.

Key Facts (as at 30 June 2024)

22,851m² treatment area

3,834 properties connected to council stormwater system 25.0km of pipelines

455 manholes

6.2km of open drains associated with roading

What We Do

Council is responsible for the management of stormwater networks in Twizel, Tekapo and Fairlie. Each of these schemes are subject to consent conditions imposed by Environment Canterbury Regional Council (ECAN).

Our networks discharge to ground or a receiving water body after flowing through some form of treatment. The stormwater reticulation is composed of gravity flow through pipes ranging from 150mm to 1,050mm in diameter.

The stormwater network does not include the Council managed drainage control assets consisting of kerb and channel, surface water channels, catch pits, soak pits, side drains, and culverts that are included in roading assets.

Key Projects for 2023/24

Stormwater management is assuming increasing importance nationally and regionally in terms of appropriate management of discharges and impacts on water quality. As well as our usual operational management of this activity, planning around managing stormwater discharges has also been a feature of our work in the period.

Project 1 – Stormwater Reticulation Upgrade (delayed)

Works were delayed due to resourcing and a focus on efficient expenditure in avoiding consultant project management costs. Funding is being carried over for delivery in 2024/25.

Assessment of performance against measures and targets for 2023/24

The Residents' Opinion survey results scoring method for this year differs to those in prior years. In addition, the method was also changed in 2022. However, the performance targets were not altered to compensate for the changes to the reporting scale. This means many of the performance results are not likely to meet the previously set targets, and comparisons of 2023/24 results with prior years are not valid. Refer to page 17 for a fuller explanation.

Previously the mid-point response was added to the satisfied tally but for 2021/22 and 2022/23 it was considered separately as neutral. This means it is not included in the scores for positive/satisfied performance ratings (and the targets were set using the previous methodology). In 2023/24 no 'neutral' response was offered as an option.

We achieved 83% of our non-financial performance standards in the stormwater supply activity.

	2021/22	2022/23	2023/24
Achieved:	83%	83%	83%
Not Achieved:	17%	17%	17%
No Data Available:	0%	0%	0%

Measure 1: The number of flooding events in the Mackenzie district*

*Mandatory performance measure

Target: ≤ 2.

	2021/22	2022/23	2023/24
Target:	≤ 2	≤ 2	≤ 2
Result:	0	0	0

What we did: There were no significant flooding events of the urban stormwater infrastructure in 2023/24.**Challenges/issues we experienced:** No issues or challenges were experienced during 2023/24.**Looking ahead:** Council staff and contractors will continue to ensure that areas of risk are identified and determine whether any resilience can be built into the systems to minimise adverse effects resulting from overflows or failures.**Measure 2: For each flooding event, the number of habitable floors affected* expressed per 1,000 connected properties**

*Mandatory performance measure

Target: ≤ 2 per 1,000 connected properties.

	2021/22	2022/23	2023/24
Target:	≤ 2	≤ 2	≤ 2
Result:	0	0	0

What we did: There were no significant flood events during 2023/24, nor any habitable floors affected by those floods which exceeded this target.**Challenges/issues we experienced:** No issues or challenges were experienced during 2023/24.**Looking ahead:** Council staff and contractors will continue to ensure that areas of risk are identified and determine whether any resilience can be built into the systems to minimise adverse effects resulting from overflows or failures.**Measure 3: Compliance with the Council's resource consents for discharge from its stormwater system measured by the number of: ***

- abatement notices
- infringement notices
- enforcement notices
- convictions

*Mandatory performance measure

Target: Nil.

	Target	2021/22	2022/23	2023/24
Abatement notices	Nil	Nil	Nil	Nil
Infringement notices	Nil	Nil	Nil	Nil
Enforcement orders	Nil	Nil	Nil	Nil
Convictions	Nil	Nil	Nil	Nil

What we did: Environment Canterbury Regional Council (ECAN) did not issue any compliance notices for any of the resource consents which Council holds for discharge from its stormwater systems during the 2023/24 year. This result meant we met this target for the year.**Challenges/issues we experienced:** No issues or challenges were experienced during 2023/24.**Looking ahead:** Council will continue to monitor the operation of our stormwater systems to ensure that all stormwater assets operate as designed and are within consent conditions.

Measure 4: The median response time to attend a flooding event*

*Mandatory performance measure

Target: ≤ 2 hours.

	2021/22	2022/23	2023/24
Target:	≤ 2	≤ 2	≤ 2
Result:	N/A	N/A	N/A

What we did: We received no service requests to respond to a flooding event during 2023/24.**Challenges/issues we experienced:** No issues or challenges were experienced in 2023/24 except for routing debris blockages.**Looking ahead:** Council staff and contractors continue to review systems and processes to ensure that all incidents are responded to in a timely manner.**Measure 5: The total number of complaints received about the performance of the stormwater system* expressed per 1,000 connected properties**

*Mandatory performance measure

Target: ≤ 5 complaints per 1,000 connected properties.

	2021/22	2022/23	2023/24
Target:	≤ 5	≤ 5	≤ 5
Result:	1.1	0.0	2.6

What we did: We received 10 complaints for debris blocking our stormwater system during 2023/24.**Challenges/issues we experienced:** No issues or challenges were experienced in 2023/24.**Looking ahead:** Council staff and contractors will ensure that areas of risk are identified and determine whether any resilience can be built into the systems to minimise adverse effects resulting from overflows or failures.**Measure 6: The percentage of ratepayers satisfied with the stormwater service****Target:** ≥ 80%.

	2021/22	2022/23	2023/24
Target:	≥ 80%	≥ 80%	≥ 80%
Result:	41%	47%	59%

The Residents' Opinion survey comparisons with 2020/21 and years prior to that are not valid, and the results are not likely to meet the previously set targets. The survey results after 2020/21 differ to those scored in prior years. Refer to page 17 for a fuller explanation. Previously the mid-point response was added to the satisfied tally but since 2021/22 it is considered separately as neutral. However, the performance target was not altered to compensate.

In 2021/22 a 'neutral' response of 34% was excluded from the 'Achieved' result and in 2022/23 this 'neutral' response was 30%. In 2023/24 no 'neutral' response was offered as an option.

What we did: As an overall measure across all of our urban stormwater services, we received a customer satisfaction rating of 59% from our survey. This did not meet the annual target of an 80% satisfaction level.**Challenges/issues we experienced:** Debris from upstream properties did cause blockages in our system.**Looking ahead:** Council continues to assess risk and determine where greater resilience can be built into the systems to minimise adverse effects.

Capital Expenditure by activity

\$000s	LTP 2022-23	LTP 2023-24	Actual 2023-24
Stormwater			
Reticulation	414	0	376
Total	414	0	376

Significant Financial Variances between Actual and the Long Term Plan**Capital expenditure – to improve the level of service \$376,000 above LTP**

Work was completed on Alloway Street in Fairlie to improve reticulation. This project was originally budgeted to be completed in 2022/23 but due to delays was carried over until this financial year.

Increase / (decrease) in reserves \$695,000 below LTP

Transfers from reserves were higher than budgeted due to the timing of expenditure on capital projects.

FUNDING IMPACT STATEMENT – STORMWATER

\$000s	LTP 2022-23	LTP 2023-24	Actual 2023-24
OPERATING FUNDING			
Sources of operating funding			
General Rates, Uniform annual general charges, rates penalties	-	-	-
Targeted rates	172	136	82
Subsidies and grants for operating purposes	-	-	-
Fees and charges	-	-	-
Internal charges and overheads recovered	-	-	-
Local authorities fuel tax, fines, infringement fees and other receipts	-	-	-
Total sources of operating funding	172	136	82
Applications of operating funding			
Payments to staff and suppliers	92	47	76
Finance costs	-	-	-
Internal charges and overheads	4	5	46
Other operating funding applications	-	-	-
Total applications of operating funding	96	51	122
SURPLUS / (DEFICIT) OF OPERATING FUNDING	76	85	(39)
CAPITAL FUNDING			
Sources of capital funding			
Subsidies and grants for capital expenditure	-	-	-
Development and financial contributions	182	201	7
Increase/(decrease) in debt	-	-	-
Gross proceeds from the sale of assets	-	-	-
Lump sum contributions	-	-	-
Other dedicated capital funding	-	-	-
Total sources of capital funding	182	201	7
Applications of capital funding			
Capital expenditure - to meet additional demand	-	-	-
Capital expenditure - to improve the level of service	414	-	376
Capital expenditure - to replace existing assets	-	-	-
Increase/(decrease) in reserves	(156)	286	(409)
Increase/(decrease) of investments	-	-	-
Total applications of capital funding	258	286	(33)
SURPLUS / (DEFICIT) OF CAPITAL FUNDING	(76)	(85)	39
FUNDING BALANCE	0	0	0

Note: Figures in the LTP columns agree in total, but for presentation purposes, some sources and applications of funding have been reallocated to ensure information is comparable.

3.5 TRANSPORTATION

Our district's roading network is considered vital infrastructure by the Council, underpinning the district's economic wellbeing and supporting significant activities such as farming, tourism and development. Our roading network links areas, connects people with each other and essential services, underpins our district's iconic tourism economy, enables businesses to access resources and markets, and provides people with social, cultural, recreational and employment opportunities.

Key Facts (as at 30 June 2024)

- 224km of sealed local roads
- 516km unsealed local roads
- 70km footpaths
- 99 bridges
- 1,251 street lights

What We Do

We own and maintain 740 kilometres of local roads which feed off the highway network as the backbone; this being all the roads in our district except for state highways, which are managed by Waka Kotahi/ New Zealand Transport Agency (NZTA), and roading within Mt Cook Village, which is administered by the Department of Conservation (DoC). Rural roads make up 92% of our network and are an important part of the export supply chain with the main rural land uses in the District being pastoral farming, environmental tourism, recreational activity and tourism, dairy farming and forestry.

The transport functions performed by Council include more than just roads. We also manage other assets associated with the physical movements of goods and people including footpaths, cycleways, bridges, streetlights and signage; and initiate work programmes and communications to improve the safety of our residents, commercial operators and visitors.

The provision of transportation services is Council's single biggest cost item. The carrying value of asset infrastructure for Council's transportation network is \$169.7 million.

Key Projects for 2023/24

Maintenance, renewals and replacements of our network to appropriate standards for our communities and visitors continued to be a focus for the 2023/24 year. Some of the key projects we undertook to maintain our levels of service are outlined below.

Project 1 – Low cost low risk projects

Each year we undertake several roading improvement projects which are designed to address localised pressures from growth on our network. This includes safety focused projects like site benching, seal widening, traction seals, speed management, travel management demand measures, kerb and channel improvements and intersection improvements.

In 2023/24 we completed several wash over ford projects focusing on building resilience into our transportation network.

Project 2 – Unsealed road metalling

Every year we lose gravel off our unsealed roads from the impact of vehicle movements and our climate. This is amplified compared to other regions by our inconsistent rainfall patterns and the extreme variances in our local climatic conditions. Road metalling (gravel application/ renewal) is programmed each year to restore the running course (gravel), maintain the road surface, and to cover and protect the base; with particular attention to high risk and high trafficked roads like Lilybank and Braemar Road.

Flood damage sustained during 2022/23 greatly affected our unsealed roads, many of these have since had metalling but there will be some ongoing effects from these events. Looking forward there is more focus on

creating and building resilience into our network. Focusing maintenance and renewal work programmes on roadside drainage adjacent to unsealed pavements will assist to minimise level of service loss as a result of ongoing weather events.

Project 3 – Upgrading of footpaths in the urban centres

Footpath renewals were undertaken in Twizel following the completion of the rollout of ultra-fast broadband (UFB).

No additional footpath works were carried out during 2023/24 under the Waka Kotahi Transport Choices programme due to the funding being removed.

Project 4 – Ongoing sealed road resurfacing upgrades

The two year 2021/2022 re seal program was completed in one year (2022) The lower areas of the network were completed in the 21/22 year with upper part of the network (Twizel) completed in 2023/24. The reseal program was developed to respond to the need to improve the condition of sealed roads across the district in response to current and changing traffic movements, and to maintain the waterproofing of our pavements in an environment of extreme climate events including variable rainfall and seasons.

Assessment of performance against measures and targets for 2023/24

The Residents' Opinion survey results scoring method for this year differs to those in prior years. In addition, the method was also changed in 2022. However, the performance targets were not altered to compensate for the changes to the reporting scale. This means many of the performance results are not likely to meet the previously set targets, and comparisons of 2023/24 results with prior years are not valid. Refer to page 17 for a fuller explanation.

Previously the mid-point response was added to the satisfied tally but for 2021/22 and 2022/23 it was considered separately as neutral. This means it is not included in the scores for positive/satisfied performance ratings (and the targets were set using the previous methodology). In 2023/24 no 'neutral' response was offered as an option.

We achieved 44% of our non-financial performance standards in the transportation activity.

	2021/22	2022/23	2023/24
Achieved:	56%	67%	44%
Not Achieved:	44%	33%	56%
No Data Available:	0%	0%	0%

Measure 1: The average quality of ride on a sealed local road network, measured by smooth travel exposure (STE)*

a) rural roads

b) urban roads

*Mandatory performance measure

Target: ≥ 90% on rural roads, ≥ 75% on urban roads.

	2021/22	2022/23	2023/24
Rural Roads			
Target:	≥ 90%	≥ 90%	≥ 90%
Result:	99%	99%	99%
Urban Roads			
Target:	≥ 75%	≥ 75%	≥ 75%
Result:	97%	97%	97%

What we did: We continually aim to maintain our network to a high standard, ensuring preventative maintenance is executed at the right times, driving resilience while reducing the need for costly repairs. We also balance value for money

to ensure we do not overinvest. We have controlled processes in place to ensure that all works completed on our networks and all assets vested to us (e.g. through subdivisions) are constructed to a high standard, and that works within the corridor (e.g. service trenches) are restored to the same high standard. These processes ensure the quality of ride on our rural and urban roads, as measured by smooth travel exposure, is maintained.

Council's most recent results were 99% for rural roads and 97% for urban road when the last smooth travel assessment was completed. This exceeded our target for 2023/24

Challenges/issues we experienced: With the level of development occurring within our district, and the resulting need to install underground services across roads, the roughness and in turn smooth travel exposure on our roads can be affected. To manage this, we work with developers and service providers to minimise the number of trenches and ensure roads are reinstated to our requirement standards. The biggest effects on our STE measures in recent years have been the upgrade of watermains, installation of ultra-fast broadband and power cabling and the capacity of contractors in relation to urban development.

Looking ahead: We will continue to monitor the condition of our roads and identify areas for improvements when required.

Measure 2: The percentage of the sealed local road network that is resurfaced*

*Mandatory performance measure

Target: ≥ 4%.

	2021/22	2022/23	2023/24
Target:	≥ 4%	≥ 4%	≥ 4%
Result:	0%	5%	2%

What we did: Reseals were completed in the Twizel area, following on from completing 2 years worth of sealing in the Fairlie and Tekapo areas in 2022/23.

The reseal programme during 2023/24 was delivered using 100% emulsion product reducing the reliance on bitumen, where supply is now sourced offshore.

Challenges/issues we experienced: Our procurement process was limited last year due to no internal staff in the roading team for 18 months. This led to resealing being delivered as a variation through the road maintenance contract and the rates for this being more than neighbouring councils. This higher rate resulted in sealing less than the targeted 4% of the road network.

Looking ahead: We will continue to maintain our sealed roads to an appropriate standard within our budget allocations and continue to look at innovations and cost efficiency gains. We will aim to combine multiple years of sealing into one year in order to create efficiency and therefore a more economical sealing rate which will allow for sealing a greater length of our network.

Measure 3: The percentage of the unsealed road network renewed using wearing course and stabilisation techniques

Target: ≥ 2%.

	2021/22	2022/23	2023/24
Target:	≥ 2%	≥ 2%	≥ 2%
Result:	30%	18%	18%

What we did: During the 2023/24 year Council applied 15,367 m³ of granular material on our unsealed roads; 94.08 km of maintenance metalling. This exceeded our target for 2023/24.

The total area covered has decreased from previous years due to a new operations contract, with a step change in contract rates driving a higher standard of work and product supplied compared to previous contracts. The 2023/24 programme focused on wearing courses using blended materials applied to sensitive sections across the network.

We also applied additional patch maintenance gravel to specific areas of our lower volume roads to aid in grader maintenance. Due to damage sustained in weather events during 2022 and 2023 a large number of unsealed roads were metalled and repaired outside of our usual schedule of works.

Challenges/issues we experienced: The loss of gravel from our unsealed roads can be caused by a number of factors including changes to the use of the road and environmental conditions (e.g. weather conditions and events). Sourcing maintenance materials is also challenging. On average, we lose approximately 17mm of gravel from our unsealed roads every year with some of our higher volume roads losing up to 42mm per year.

To help minimise gravel loss, we add clay to our maintenance gravel to bind the surface. This extends the longevity and reduces the frequency of maintenance. Whilst this wearing course treatment increases longevity of our unsealed roading assets, the cost is slightly higher than maintenance metal treatments. We prioritise the use of this on our higher volume roads, which in some cases is a considerable distance from the suitable material source. Balancing our maintenance methods and costs is a continual challenge for us as well as local gravel supply, where gaining consent continues to get more challenging for our suppliers.

Looking ahead: We continue to monitor and maintain our unsealed road network. When needed, we will plan renewals and/or improvements. We are continually reviewing our roads and innovating ways to maintain our current levels of service while minimising the cost of maintenance. We have a number of weathered rock sites in raw source which we have successfully blended with our crushed river aggregate source to improve its performance and achieve longer life. We continue to investigate alternative sources of raw materials to create cost savings and efficiencies such as the reduction in material cartage providing a more sustainable outcome.

Measure 4: The percentage of road users satisfied with the roading network

Target: ≥ 85%.

	2021/22	2022/23	2023/24
Target:	≥ 85%	≥ 85%	≥ 85%
Result:	43%	46%	53%

The Residents' Opinion survey comparisons with 2020/21 and years prior to that are not valid, and the results are not likely to meet the previously set targets. The survey results after 2020/21 differ to those scored in prior years. Refer to page 17 for a fuller explanation. Previously the mid-point response was added to the satisfied tally but since 2021/22 it is considered separately as neutral. However, the performance target was not altered to compensate.

In 2021/22 a 'neutral' response of 26% was excluded from the 'Achieved' result and in 2022/23 a 'neutral' response of 24% was excluded. In 2023/24 no 'neutral' response was offered as an option.

What we did: Of those surveyed, 59% stated that they were satisfied with our urban roading network, 50% were satisfied with our rural road network and 51% stated they were satisfied with our footpaths. This is an average satisfaction of 53%. This did not meet our target for 2023/24.

Challenges/issues we experienced: Dry weather conditions and high winds lead to a significant loss of fines material on our gravel roads. This caused issues with grading and maintaining these roads as without fines, the gravel did not bind together and resulted in the surface deteriorating at a faster rate, following grading, than usual.

Looking ahead: We will continue to focus on improving the experience for our road users and building resilience into our network. We remain committed to ensuring we undertake effective maintenance and improvements to our roading network in a timely manner with minimum disruption. We will also continue to look for new innovative ways of undertaking works and maintenance.

Council sees the need to improve the capacity of our infrastructure through future renewal and improvement programmes to build resilience into the roading network, to mitigate the effect of the increased frequency of larger scale weather events, support local growth and development. This is especially important given the reliance on our network by local families and businesses, rural sector seasonal peaks and visitors to our District; and the modern prevalence of a just-in-time supply chain sector.

Measure 5: The change from the previous year in number of fatalities and serious injury crashes on the local road network, expressed as a number*

*Mandatory performance measure

Target: 0 change from 2022/23 equates to < 1 fatality and serious injury crash.

	2021/22	2022/23	2023/24
Change from previous year	-1	1	0

What we did: There were no fatal crashes on our local roading network during 2023/24 but one crash occurred that resulted in a serious injury. In total there were 14 separate crashes on Council controlled roads.

Challenges/issues we experienced: Increased traffic volume growth increases the potential for crashes. Care is especially required on our unsealed roads where the majority of crashes have occurred. Given the makeup of our network and its varied use it is hard to predict any trends, and with likely near misses or accidents that are not recorded it is difficult to obtain sufficient funding to target the root causes of problems. For these reasons, we work to ensure that our entire roading network is maintained to a high standard to improve safety. Council is look for a way to record 'no injury' or accidents that may not require police and therefore are not counted in the Crash Analysis System (CAS) maintained by Waka Kotahi NZTA.

Looking ahead: Council is reviewing speed limits across the district to ensure these are safe and appropriate for all users given the different experience of drivers and our changing travel conditions.

Measure 6: The number of death and serious injuries recorded for the financial year on local roads under control of the Mackenzie District Council (in line with Waka Kotahi (NZTA) Road to Zero vision)

New measure in 2021/22.

Target: < 1.

	2021/22	2022/23	2023/24
Target:	< 1	< 1	< 1
Result:	NIL	1	1

What we did: There were no deaths on our local roading network during 2022/23 but one serious injury. This did not meet our target for 2023/24 year.

Challenges/issues we experienced: The growth of traffic volumes, the diversity of our road users and the number of rural unsealed roads all contribute to the potential for death and serious injury crashes in our District. Predicting trends and obtaining sufficient funding to target causes is also difficult, especially as various near misses or accidents are not recorded. For these reasons, we work to ensure that our entire roading network is maintained to a high standard to improve safety.

Looking ahead: We are committed to the Waka Kotahi (NZTA) Road to Zero vision and aim to reduce all road trauma on our roading network. Current and future programmes to improve the safety of our Districts roads are a priority.

Measure 7: The number of reported crashes on local roads under control of the Mackenzie District Council

New measure in 2021/22.

Target: ≤ 10.

	2021/22	2022/23	2023/24
Target:	≤ 10	≤ 10	≤ 10
Result:	11	10	14

What we did: There were fourteen reported crashes on Council controlled roads (2022/23: ten reported crashes). This did not meet our target for 2023/24.

Challenges/issues we experienced: As traffic volumes grow and diversify it is very easy for road users to make mistakes or have an incident when travelling. Our transport network needs to allow for people to make mistakes and still get home safely. Road design, safety improvements, signage and appropriate speed limits all contribute reducing incidents and crashes but we need to ensure these initiatives are suitable for all users.

Looking ahead: We are committed to the Waka Kotahi (NZTA) Road to Zero vision and aim to reduce all road trauma on our roading network. Current and future programmes to improve the safety of our Districts roads are a priority.

We are working with the South Canterbury Road safety team to promote, educate and work with the community and schools to introduce initiatives to support the Road to Zero vision, to reduce accidents on our network especially our unsealed roads, and encourage reporting of all near misses and crashes so we can make informed improvements to our roading network.

Measure 8: The percentage of customer service requests relating to roads and footpaths to which Council responded to within ten working days*

*Mandatory performance measure

Target: ≥ 75%.

	2021/22	2022/23	2023/24
Target:	≥ 75%	≥ 75%	≥ 75%
Result:	66%	87%	73%

What we did: In 2023/24, 73% of customer service requests relating to roads and footpaths were resolved within 10 working days, this did not meet our target for the year.

Challenges/issues we experienced: A new roading team internally meant we were developing with new processes around managing customer requests.

Looking ahead: We will continue to seek improvement to our customer service. We will also continue to work with all our contractors to ensure that all customer service requests are responded to in an appropriate and timely manner. We aim for continuous improvement when dealing with customer requests.

Measure 9: The percentage of footpaths that are at or above the 'average condition rating' * (condition rating will be undertaken at not less than 5 years frequency)

*Mandatory performance measure

Target: ≥ 75%.

	2021/22	2022/23	2023/24
Target:	≥ 75%	≥ 75%	≥ 75%
Result:	97%	97%	95%

What we did: Following the completion of the rollout of ultra-fast broadband (UFB) for Twizel, we have completed our footpath renewals programme for 2023/2024.

During 2023/24 we performed footpath inspection and condition rating to assess all existing footpaths in the district. From this inspection repairs and renewals have been prioritised and will be programmed based on available budgets.

Challenges/issues we experienced: Footpath renewal work was prioritised by the condition of the footpath assets. Poor reinstatement work following the UFB rollout in Twizel resulted in these footpaths requiring renewal earlier than the asset life would have indicated.

Funding for additional footpath construction through the transport choices programme was no longer available and these projects did not proceed.

Looking ahead: In 2024/2025 NZTA have reduced our funding allocation for footpath maintenance and renewals, condition assessments will be critical to prioritise our maintenance and renewal works.

Capital Expenditure by activity

\$000s	LTP 2022-23	LTP 2023-24	Actual 2023-24
Roading Professional Services Unit			
Plant and equipment	12	13	-
District Rooding			
Unsealed road metalling	722	743	898
Sealed road resurfacing	516	531	594
Drainage renewals	93	96	274
Sealed road pavement rehabilitations	134	138	-
Structures component replacements – cattle-stops	31	32	-
Bridge and structures – renewals	54	55	88
Environmental renewals	25	26	-
Footpath renewals	217	223	186
Streetlight LED upgrades	12	13	-
Low-cost-low-risk improvements	464	462	289
Traffic services renewals	91	93	-
Edward Stream cycle trail	-	-	583
Total	2,368	2,425	2,912

Significant Financial Variances between Actual and the Long Term Plan**Payments to staff and suppliers \$970,000 above LTP**

Unbudgeted expenditure for emergency reinstatement and emergency works because of weather events during the year to repair multiple areas of scouring.

Unsealed pavement and traffic services maintenance costs were both overspent due to the additional costs been budgeted for under capital expenditure.

Subsidies and grants for capital purposes \$756,000 above LTP

Additional subsidies at a higher rate were received from NZTA because of emergency reinstatement and emergency works from weather events that occurred during the year, as well as unbudgeted funding received in regards the Edward Stream cycle trail.

Increase / (decrease) in debt \$711,000 below LTP

No new debt was to be raised to fund capital expenditure.

Increase / (decrease) in reserves \$696,000 above LTP

Transfers from reserves were higher than budgeted due to the timing of expenditure on capital projects and the additional expenditure incurred due to flood events.

FUNDING IMPACT STATEMENT – TRANSPORTATION

\$000s	LTP 2022-23	LTP 2023-24	Actual 2023-24
OPERATING FUNDING			
Sources of operating funding			
General Rates, Uniform annual general charges, rates penalties	-	-	-
Targeted rates	1,426	1,732	1,918
Subsidies and grants for operating purposes	970	998	1,333
Fees and charges	-	-	-
Internal charges and overheads recovered	-	-	2
Local authorities fuel tax, fines, infringement fees and other receipts	98	101	142
Total sources of operating funding	2,494	2,830	3,394
Applications of operating funding			
Payments to staff and suppliers	1,896	1,957	2,927
Finance costs	37	47	350
Internal charges and overheads	36	36	164
Other operating funding applications	-	-	-
Total applications of operating funding	1,969	2,041	3,441
SURPLUS / (DEFICIT) OF OPERATING FUNDING	525	790	(47)
CAPITAL FUNDING			
Sources of capital funding			
Subsidies and grants for capital expenditure	1,188	1,224	1,980
Development and financial contributions	-	-	-
Increase/(decrease) in debt	656	411	(300)
Gross proceeds from the sale of assets	-	-	-
Lump sum contributions	-	-	-
Other dedicated capital funding	-	-	-
Total sources of capital funding	1,844	1,635	1,680
Applications of capital funding			
Capital expenditure - to meet additional demand	-	-	583
Capital expenditure - to improve the level of service	476	475	289
Capital expenditure - to replace existing assets	1,893	1,950	2,040
Increase/(decrease) in reserves	-	-	(1,279)
Increase/(decrease) of investments	-	-	-
Total applications of capital funding	2,369	2,425	1,633
SURPLUS / (DEFICIT) OF CAPITAL FUNDING	(525)	(790)	47
FUNDING BALANCE	0	0	0

Note: Figures in the LTP columns agree in total, but for presentation purposes, some sources and applications of funding have been reallocated to ensure information is comparable.

3.6 REGULATORY SERVICES

The Council undertakes a range of regulatory activities to enhance the safety of our community members and visitors. We also aim to protect and enhance the natural environment by regulating development in a manner that is environmentally sensitive, well planned and positively contributes to the maintenance and enhancement of the district's natural and scenic landscape. Council also ensures that all new buildings and alterations in the district are constructed in a manner that promotes the health, safety and wellbeing of the community, and complies with all the relevant statutes and codes.

Key Facts (as at 30 June 2024)

129 resource consents processed

253 building consents processed

1,679 dogs registered in the District

What We Do

Council's regulatory service group of activities includes resource management (the planning department), building control, animal control, and public health and liquor licensing.

Resource management

Our planning department is responsible for administering the Council's functions under the Resource Management Act 1991 (RMA). The purpose of the RMA is to enable sustainable management of the district's natural and physical resources. Our key planning document under the RMA is the District Plan, which identifies the issues facing the district and seeks to manage the effects of those issues by setting objectives, policies and rules to achieve the purpose of the RMA. The resource management functions of the planning department include: resource consent processing; processing plan changes; monitoring and enforcement of resource consents and activities permitted by the District Plan; review of the District Plan; and regulatory policy and bylaw development and monitoring.

Building control

Council is an accredited Building Consent Authority. Our building control department is responsible for administering the Council's functions under the Building Act 2004. This involves processing building consent applications, monitoring the construction of buildings, and issuing code compliance certificates upon the completion of building work. As a territorial authority, Council is also responsible for enforcement of the rules established under the Building Act 2004, auditing pools and small heated pools, issuing land information memorandums and undertaking building warrant of fitness checks.

Public Health and Liquor Licensing

Council has responsibilities under the Food Act 2014 to ensure that premises which prepare and sell food meet hygiene regulations and are inspected. Council also has other responsibilities under the Sale and Supply of Alcohol Act 2012. Council's functions of licensing and monitoring premises under these acts are managed through a contract with Timaru District Council, who carry out these services on the Council's behalf. In 2014 the Council prepared a joint local alcohol policy (LAP) with Timaru and Waimate District Councils, providing a consistent approach to how the sale of alcohol is managed.

Animal Control

Council aims to promote animal welfare and community safety by ensuring animals are kept in an appropriate manner.

Key Projects for 2023/24

As well as processing significant numbers of building and resource consents and liaising with stakeholders in relation to environmental management, Council has also increased monitoring and compliance capability during the financial year.

Project 1 – District Plan review (ongoing)

The Mackenzie District Plan is currently under review. In 2017/18 Council resolved to continue the District Plan Review programme (DPR) in two stages. Stage One encompassed changes around two priority issues being, 1)

activities on the surface of water; and 2) biodiversity. Stage Two would then encompass all other outstanding issues.

In February 2022, Council considered a proposal to break the remainder of the District Plan Review into Stages to be progressed via a series of Plan Changes. The proposal was supported by the outcomes of an Investment Logic Mapping exercise which identified four key outcomes of the District Plan Review, as well as a risk assessment which considered resourcing availability and future legislative reform. Council adopted the proposed approach.

Plan Changes 20 - Strategic Direction, 21 - Spatial Plan Implementation and 22 - Lighting were all notified during the 2022/23 financial year, with hearings held and decisions issued. No appeals were received on these plan changes and provisions now have legal effect.

Stage 3, involving four separate plan changes (Plan Changes 23-27) were formally publicly notified in November 2023, following public engagement and consultation, targeted engagement with landowners and stakeholders, and numerous full Council workshops. It is intended to publicly notify Plan Changes 28-30 in November 2024 with hearings targeted for June 2025 with decisions to occur following that. No formal changes are scheduled beyond stage 4 currently.

Assessment of performance against measures and targets for 2023/24

The Residents' Opinion survey results scoring method for this year differs to those in prior years. In addition, the method was also changed in 2022. However, the performance targets were not altered to compensate for the changes to the reporting scale. This means many of the performance results are not likely to meet the previously set targets, and comparisons of 2023/24 results with prior years are not valid. Refer to page 17 for a fuller explanation.

Previously the mid-point response was added to the satisfied tally but for 2021/22 and 2022/23 it was considered separately as neutral. This means it is not included in the scores for positive/satisfied performance ratings (and the targets were set using the previous methodology). In 2023/24 no 'neutral' response was offered as an option.

We achieved 42% of our 2023/24 non-financial performance standards in the regulatory services activity. Additional performance indicated adopted in the 2022/23 Annual Plan increased the number and range of measures compared to 2020/21 and 2021/22, and two measures were not applicable for 2023/24.

	2021/22	2022/23	2023/24
Achieved:	63%	67%	42%
Not Achieved:	37%	33%	41%
No Data Available:	0%	0%	17%

RESOURCE MANAGEMENT

Measure 1: The percentage of those surveyed satisfied that the Council are managing resource management issues in the District

Target: ≥ 80%.

	2021/22	2022/23	2023/24
Target:	≥ 80%	≥ 80%	≥ 80%
Result:	32%	29%	37%

The Residents' Opinion survey comparisons with 2020/21 and years prior to that are not valid, and the results are not likely to meet the previously set targets. The survey results after 2020/21 differ to those scored in prior years. Refer to page 17 for a fuller explanation. Previously the mid-point response was added to the satisfied tally but since 2021/22 it is considered separately as neutral. However, the performance target was not altered to compensate.

In 2021/22 a 'neutral' response of 38% was excluded from the 'Achieved' result and in 2022/23 a 'neutral' response of 36% was excluded. In 2023/24 no 'neutral' response was offered as an option.

What we did: This year 37% of those surveyed were satisfied with how we are managing resource management issues within the district. This did not meet our target for 2023/24.

Challenges/issues we experienced: The District Plan review process requires community engagement and consultation across many difficult issues, with widely varying viewpoints, as well as legislative requirements. Due to its nature a review requires the use and management of substantial external experts and resources. Alongside that business-as-usual activities must be maintained. In 2023/24 this challenge was exacerbated by the loss of four planning staff during the year; with recruitment of replacements difficult across provincial regions. Despite this, services were maintained and the district plan review continued. As growth and development continues within our district, we need to ensure we have sufficient resources in our planning and regulatory teams to successfully manage and balance development with the impacts on our iconic environment.

Looking ahead: We will continue our resource management functions including the District Plan review process, alongside recruitment of key planning staff.

Measure 2: The percentage of non-notified resource consents which are processed within the 20 working day statutory time frame

Target: ≥ 98% compliance.

	2021/22	2022/23	2023/24
Target:	≥ 80%	≥ 98%	≥ 98%
Result:	99%	100%	95%

What we did: This year we achieved (5% (2022/23 100%) which meant we did not meet our target of non-notified consents being processed within statutory timeframes.

Challenges/issues we experienced: In 2023/24 we lost four planning staff during the year, including the manager; with recruitment of replacements difficult across New Zealand provincial regions. Despite this, services were maintained and the district plan review continued, although timeframes were challenging.

Looking ahead: The immediate challenge is to recruit new staff and use external planners wisely in the interim. The challenge will be to balance timeframes with quality and cost, whilst supporting a balance for staff.

Measure 3: The percentage of resource consent applicants who are satisfied with the quality of services they receive

Target: ≥ 60%.

	2021/22	2022/23	2023/24
Target:	≥ 40%	≥ 50%	≥ 60%
Result:	79%	50%	54%

What we did: During 2023/24, we achieved 54% satisfaction rating from our annual consents survey which meant we did not meet this target for the year.

The survey results also included a tally of 17% for neutral responses (2022/23 25%, 2021/22 7%).

Challenges/issues we experienced: Currently we only undertake a survey once a year, and only for applicants. It is considered that the time delay between our customers seeking resource consent and being surveyed may affect the validity of our survey. In 2023/24 we lost four planning staff during the year, with recruitment of replacements difficult across provincial regions. Despite this, services were maintained and the district plan review continued, although timeframes were challenging.

Looking ahead: The immediate challenge is to recruit new staff and use external planners wisely in the interim. The challenge will be to balance timeframes with quality and cost, whilst supporting a balance for staff.

BUILDING CONTROL**Measure 4: The percentage of building consents granted within the 20 working day statutory time frame from date of acceptance****Target:** 100% compliance.

	2021/22	2022/23	2023/24
Target:	100%	100%	100%
Result:	100%	100%	100%

What we did: 100% of building consents processed within statutory timeframes, with an average of 9 days processing time, we met our target for 2023/24.

Challenges/issues we experienced: We have managed our workstreams by contracting out processing of building consent applications, inspections. The new technical in-house appointment has improved our internal capability.

Looking ahead: We are committed to complying with our statutory requirements by delivering our Building Control Authority and Territorial Authority functions within prescribed timeframes.

Measure 5: The percentage of applicants for building consents who are satisfied with the quality of the service they receive**Target:** ≥ 80%.

	2021/22	2022/23	2023/24
Target:	≥ 60%	≥ 70%	≥ 80%
Result:	42%	49%	43%

What we did: During 2023/24, we achieved 43% satisfaction rating from our annual survey which meant we did not meet this target for the year.

The survey results also included a tally of 13% for neutral responses (2022/23 11%, 2021/22 20%).

Challenges/issues we experienced: The council relied heavily on outside contractor delivery of services. Council determined that a mix of in-house BCA staff and support from contractors to enable deliver of core functions was a preferred option.

The new Building Control Manager was appointed and asked to look at this preferred delivery of service, and potential recruitment.

Looking ahead: During 2023/24 and moving into 2024/25 Council has focused on recruitment. We have been successful in recruiting two building control cadets; effectively an apprenticeship but a good measure for future proofing the Council's ability to continue delivering its core tasks.

Measure 6: Retain IANZ accreditation to maintain Building Consent Authority status**Target:** IANZ accreditation is maintained.

	2021/22	2022/23	2023/24
Result:	✓	✓	✓

What we did: We continued to process building consent applications and code compliance certificates in accordance with our accreditation requirements and ensured our documentation and processes remained relevant and current.

Challenges/issues we experienced: A full assessment of Council's Building Consents Authority (BCA) policies, processes and procedures was performed by IANZ during July 2023 to ensure the requirements of our BCA accreditation were met. The final assessment report issued by IANZ dated 29th of May 2023 categorised Council's BCA as low risk.

Looking ahead: Council's next accreditation assessment is due in July 2025. We will continue to monitor the requirements in relation to the Building (Accreditation of Building Consent Authorities) Regulations 2006 to ensure accreditation is retained at all times and prepare for our next audit.

Measure 7: The percentage of Code of Compliance Certificates issued within the 20 working day statutory time frame from the date of acceptance

New measure in 2022/23.

Target: 100% compliance.

	2021/22	2022/23	2023/24
Target:	N/A	100%	100%
Result:	N/A	100%	100%

What we did: With 100% of Code of Compliance Certificates issued within statutory timeframes, with an average of 5 days processing time, we met our target for 2022/24.

Challenges/issues we experienced: We have managed our workstreams by contracting out processing of building consent applications, inspections and code compliance services.

Looking ahead: We are committed to complying with our statutory requirements by delivering our Building Control Authority and Territorial Authority functions within prescribed timeframes.

Measure 8: The percentage of Building Warrant of Fitness Certificates audited on an annual basis

New measure in 2022/23.

Target: 20%.

	2021/22	2022/23	2023/24
Target:	N/A	20%	20%
Result:	N/A	30%	30%

What we did: We audited 30% of the District's Building Warrant of Fitness Certificates which meant we met our target for 2022/24.

Challenges/issues we experienced: We have managed our workstreams by contracting out the Territorial Authority functions. The new technical house appointment and administrative role have improved our internal capability to perform this work.

Looking ahead: We are committed to complying with our statutory requirements by delivering our Territorial Authority functions within prescribed timeframes.

Measure 9: The percentage of earthquake prone building assessments received prior to 28 March 2023

New measure in 2022/23. No longer a measure in 2023/24.

Target: 92.5%.

	2021/22	2022/23	2023/24
Target:	N/A	92.5%	N/A
Result:	N/A	12.5%	N/A

What we did: For this period, no further work needed on outstanding earthquake prone buildings.

Challenges/issues we experienced: We are unable to force people to provide their earthquake prone building assessments within the specified timeframe therefore the specified target is and would be unachievable.

Looking ahead: We are committed to complying with our statutory requirements by delivering our Territorial Authority functions within prescribed timeframes and will continue to review assessments as they are received and issue notices where required.

Measure 10: The percentage of outstanding earthquake prone building assessments issued with a follow up notice by 31 May 2023

New measure in 2022/23. No longer a measure in 2023/24.

Target: 100%.

	2021/22	2022/23	2023/24
Target:	N/A	100%	N/A
Result:	N/A	100%	N/A

What we did: For this period, no further work needed on outstanding earthquake prone buildings.

Challenges/issues we experienced: Not applicable.

Looking ahead: We are committed to complying with our statutory requirements by delivering our Territorial Authority functions within prescribed timeframes and will continue to review assessments as they are received and issue notices where required.

LAND INFORMATION MEMORANDUMS (LIMS)**Measure 11: The percentage of LIMs which are processed within the 10 working day statutory time frame**

Target: ≥ 85% compliance.

	2021/22	2022/23	2023/24
Target:	≥ 85%	≥ 85%	≥ 85%
Result:	100%	98%	98%

What we did: During 2023/24, we issued 259 LIMs, with 253 processed within the 10-day statutory timeframe

Challenges/issues we experienced: We were unable to provide all LIMS within statutory timeframes due to difficulties in filling vacancies within Operational Departments to provide the technical expertise required.

Looking ahead: We will continue to work towards providing all LIMs within the statutory requirements.

ANIMAL CONTROL**Measure 12: The percentage of those surveyed who believe the Council is adequately managing dog control issues in the District**

Target: ≥ 80%

	2021/22	2022/23	2023/24
Target:	≥ 80%	≥ 80%	≥ 80%
Result:	36%	37%	58%

The Residents' Opinion survey comparisons with 2020/21 and years prior to that are not valid, and the results are not likely to meet the previously set targets. The survey results after 2020/21 differ to those scored in prior years. Refer to page 17 for a fuller explanation. Previously the mid-point response was added to the satisfied tally but since 2021/22 it is considered separately as neutral. However, the performance target was not altered to compensate.

In 2021/22 a 'neutral' response of 28% was excluded from the 'Achieved' result and in 2022/23 a 'neutral' response of 28% was excluded. In 2023/24 no 'neutral' response was offered as an option.

What we did: During 2023/24 we achieved 58% satisfaction rating from our annual survey for good management of our dog control activities which meant we did not meet our target.

Challenges/issues we experienced: The ongoing established compliance and monitoring function within Council has spent the last financial year maintaining dog control functions in alignment with Operating Procedures. Dog control function has maintained visibility in the community with continuous response to various dog complaints

in barking, rushing and attacks. Restraints on resources prevent ongoing growth for Animal Control to develop a proactive presence in this space of education and non-registration.

Looking ahead: We will continue to provide education and engage directly with owners of non-compliant dogs. We will also provide public education to remind dog owners of their responsibilities. The establishment of an infringement framework will assist staff to actively address dog and public safety; and make our work in dog control more visible within the community.

FREEDOM CAMPING

Challenges/issues we experienced: The Responsible Freedom Camping Bylaw was adopted in December 2023, and despite limited support in respect of operational processes in place, the initial first season has shown positive results in both the compliance and education space. A general lack of signage, infringement tools, operation methodology and other resources provided restraints on this Bylaw being applied to its full capacity.

Looking ahead: The 2023/2024 season provides sufficient areas of focus. Standard Operational Procedures, signage and infringement tools will be implemented into the 2024/2025 period and will provide structure to the compliance and enforcement approach taken by staff in the Freedom Camping space. This will assist with the provision of standards to which freedom campers adhere as well as ensuring the intrinsic values of the region are maintained during tourist season, particularly in the Aoraki and Lake Tekapo areas.

OTHER COMMUNITY FEEDBACK

Resource Management

50% of resource consent applicants surveyed were satisfied with the helpfulness of our planning staff. 25% were neutral responses.

38% of resource consent applicants surveyed considered that the cost and time commitments associated with obtaining a resource consent are reasonable. 25% were neutral responses.

	2021/22	2022/23	2023/24
Helpfulness of staff	79%	69%	50%
Cost and time reasonable	50%	25%	38%

Building Consents

57% of building consent applicants surveyed were satisfied with the helpfulness of our building staff. 40% were neutral responses.

33% of building consent applicants surveyed considered that the cost and time commitments associated with obtaining a building consent are reasonable. 40% were neutral responses.

	2021/22	2022/23	2023/24
Helpfulness of staff	47%	54%	57%
Cost and time reasonable	34%	24%	33%

Capital Expenditure by activity

\$000s	LTP 2022-23	LTP 2023-24	Actual 2023-24
Animal Control			
Plant and equipment	410	3	-
Responsible Camping			
Plant and equipment	-	-	7
Total	410	3	7

Significant Financial Variances between Actual and the Long Term Plan**Payments to staff and suppliers \$1,390,000 above LTP**

Costs in regards the District Plan Review were higher than anticipated for the year due to the heavy use of consultants during the formal process of Stage 3 and Stage 4, Section 42a reports and hearings.

Increase / (decrease) in debt \$1,378,000 above LTP

Due to increased costs incurred with the District Plan Review, increased borrowing to fund those costs occurred.

Increase / (decrease) in reserves \$749,000 above LTP

Transfers from reserves were higher than budgeted due to the timing of expenditure and increased costs incurred in operating regulatory activities.

FUNDING IMPACT STATEMENT - REGULATORY SERVICES

\$000s	LTP 2022-23	LTP 2023-24	Actual 2023-24
OPERATING FUNDING			
Sources of operating funding			
General Rates, Uniform annual general charges, rates penalties	1,114	1,348	1,256
Targeted rates	-	-	-
Subsidies and grants for operating purposes	308	315	110
Fees and charges	1,405	1,485	1,282
Internal charges and overheads recovered	-	-	75
Local authorities fuel tax, fines, infringement fees and other receipts	(21)	(21)	148
Total sources of operating funding	2,806	3,127	2,871
Applications of operating funding			
Payments to staff and suppliers	3,419	3,139	4,529
Finance costs	28	42	242
Internal charges and overheads	(17)	(10)	79
Other operating funding applications	-	-	-
Total applications of operating funding	3,430	3,170	4,849
SURPLUS / (DEFICIT) OF OPERATING FUNDING	(624)	(44)	(1,978)
CAPITAL FUNDING			
Sources of capital funding			
Subsidies and grants for capital expenditure	-	-	-
Development and financial contributions	256	262	73
Increase/(decrease) in debt	1,034	46	1,424
Gross proceeds from the sale of assets	-	-	-
Lump sum contributions	-	-	-
Other dedicated capital funding	-	-	-
Total sources of capital funding	1,290	308	1,497
Applications of capital funding			
Capital expenditure - to meet additional demand	-	-	-
Capital expenditure - to improve the level of service	410	3	-
Capital expenditure - to replace existing assets	-	-	7
Increase/(decrease) in reserves	256	262	(488)
Increase/(decrease) of investments	-	-	-
Total applications of capital funding	666	265	(481)
SURPLUS / (DEFICIT) OF CAPITAL FUNDING	624	44	1,978
FUNDING BALANCE	0	0	0

Note: Figures in the LTP columns agree in total, but for presentation purposes, some sources and applications of funding have been reallocated to ensure information is comparable.

3.7 EMERGENCY MANAGEMENT

Key Facts (as at 30 June 2024)

The Mackenzie District Council has 14 Civil Defence VHF base radios strategically placed throughout the District.

There are 4 Civil Defence Community Response volunteer teams based in Fairlie, Tekapo, Twizel and Aoraki Mt Cook.

The Albury Community Hall, Mackenzie Community Centre (Fairlie), Tekapo Community Centre, Twizel Event Centre and Pukaki Airport Terminal have new external generator plugs installed.

What we do

This activity is delivered by the recognised process of comprehensive emergency management which utilises the 4 R's: Reduction, Readiness, Response and Recovery. While all these activities are equally important, our communities and governance often measure success by our response activities. Our vision for Civil Defence and Emergency Management (CDEM) is "that individuals, whanau and businesses understand our hazards and can identify opportunities to respond to and recover from the impacts of that hazard".

Our strategic direction is primarily set by the Civil Defence and Emergency Management Act 2002, Civil Defence and Emergency Management Regulations 2003, and National Civil Defence and Emergency Management Plan 2015. The recently released National Disaster Resilience Strategy from the National Emergency Management Agency (NEMA) has given us clear direction setting a vision of "New Zealand as a disaster resilient nation that acts proactively to manage risks and build resilience in a way that contributes to the wellbeing and prosperity of all New Zealanders".

Council's civil defence activity relies heavily on volunteers in responding to any emergency, and the Council seeks to ensure that all staff and volunteers are adequately trained for their roles during civil defence events.

Key Projects for 2023/24

Project 1 - Upgrade of key emergency equipment

During 2023/24 a major review of the current Emergency Operations Centre (EOC) set up and procedures was completed to ensure it is professional, appropriately resourced and user friendly. This review has resulted in several recommendations.

In response we have retired unsuitable and/or outdated equipment (including old laptops and cell phones), put in place new in-house processes to allow staff to use their own MDC issued electronic equipment during an emergency response and allocated a small cache of spare laptops for use if required. All the laptops will be managed by MDC's Information Technology team. **(Completed June 2024)**

Additional electronic/telecommunications equipment has been identified for purchase during 2023/24 such as computer screens, power distribution boards, power/phone cords and standby cell phones capable of having the IPEX app downloaded for emergency response use. **(Completed June 2024)**

We will also invest in mobile equipment that will provide power, internet and phone services so an EOC can be activated in any location throughout the district if the current site at the Fairlie Council Chambers is compromised or unsuitable. **(Completed 2024)**

We completed the upgrade of software and IT equipment last year. During 2022/23 new EOC function whiteboards, signage and additional IT systems have been installed to improve efficiency and capabilities during response. **(Completed 2024)**

Upgrading and replacing Civil Defence equipment **(On going)**

Project 2 – Portable generators (Completed)

Budget was provided to purchase a further two 88KVA mobile generators for Twizel and Fairlie townships during 2023/24 to provide additional resilience and resources to the wider district.

As of June 2024, the Mackenzie District Council has purchased an 88 KVA mobile generator for Twizel and a 33 KVA mobile generator for Fairlie. A 6 KW generator was also purchased to power the Pukaki Airport Terminal.

Assessment of Performance against Measures and Targets for 2023/24

The Residents' Opinion survey results scoring method for this year differs to those in prior years. In addition, the method was also changed in 2022. However, the performance targets were not altered to compensate for the changes to the reporting scale. This means many of the performance results are not likely to meet the previously set targets, and comparisons of 2023/24 results with prior years are not valid. Refer to page 17 for a fuller explanation.

Previously the mid-point response was added to the satisfied tally but for 2021/22 and 2022/23 it was considered separately as neutral. This means it is not included in the scores for positive/satisfied performance ratings (and the targets were set using the previous methodology). In 2023/24 no 'neutral' response was offered as an option.

We achieved 64% of our non-financial performance standards in the emergency management activity. The performance indicators adopted in the 2021/31 Long Term Plan significantly increased the number and range of measures compared to 2020/21 when this function was incorporated into the regulatory activity.

	2021/22	2022/23	2023/24
Achieved:	27%	55%	64%
Not Achieved:	46%	36%	27%
No Data Available:	27%	9%	9%

Measure 1: That the community understands the risks within the district*

*New measure in 2021/22.

Target: ≥ 80%.

	2021/22	2022/23	2023/24
Target:	≥ 80%	≥ 80%	≥ 80%
Result:	Not measured	67%	67%

What we did: Council developed a Mackenzie District community emergency and preparedness plan for distribution to all households and publication on our website. A printed booklet was distributed to all postal addresses in the Mackenzie District. The preparedness booklet included the following information:

- key hazards and risks
- Warnings and messaging
- How to prepare
- Emergency response and evacuation information

Council worked in conjunction with key partner agencies to deliver Alpine Fault Earthquake and Wildfire Risk presentations. These were held in Lake Tekapo and Twizel.

In 2022/23 we added a new question to our Residents' Opinion Survey to gauge our residents' awareness of the primary hazards that the Mackenzie is most at risk of. The percentage of respondents that correctly identified the five primary hazards was fires 91%, earthquakes 82%, flood 58%, storms 84% and pandemic 22%. Droughts were identified as a primary hazard by 75%. The average of the correct responses is 67% which did not meet our target.

Challenges/issues we experienced: Ongoing weather events have identified new areas of risk for our district so additional evaluation, planning and communication is required to keep abreast of the changing environment. Council attempts to keep the community well informed but it is more difficult to assess how well this translates to understanding, especially in respect to properties that have domestic or international holiday makers as the occupiers.

Looking ahead: We will continue to engage with our community using direct communication, and interaction with community groups, partner agencies and key stakeholders.

Measure 2: Community resilience plans / or response plans are created and reviewed in collaboration with the target community

New measure in 2021/22.

Target: 1 new plan and 1 existing plan reviewed.

	2021/22	2022/23	2023/24
Target:	2*	2*	2*
Result:	6	6	6

What we did: During the year we have exceeded our target. We developed in collaboration with FENZ and Community a Manuka Terrace, Flanagan Lane and Ben Ohau Road, Twizel Wildfire Evacuation Plan. We have reviewed the Mackenzie District- wide response plan, a specific Aoraki/Mt Cook Village and Glentanner Area Emergency Response Plan, EOC activation plan, Civil Defence plan and procedure document and a Civil Defence Welfare Plan.

Challenges/issues we experienced: No specific challenges.

Looking ahead: Maintain and review plans annually in consultation with key community stakeholders and partner agencies.

Measure 3: Presentations to community groups or interested parties on CDEM (topics include resilience, response, lessons learnt, community preparedness)

New measure in 2021/22.

Target: 5 presentations.

	2021/22	2022/23	2023/24
Target: (presentations)	5	5	5
Result:	2	18	9

What we did: Council was involved in one AF8 roadshow presentation within the district (Lake Tekapo) covering the science and risks associated with the Alpine Fault rupturing and the subsequent effects expected for our communities. An Additional two local AF8 presentations (Fulton Hogan and MDC Staff) and 6 Civil Defence presentations and hazard workshop were also delivered during the year. This met our target for the year.

Challenges/issues we experienced: These events were well supported by the community and no issues were experienced.

Looking ahead: Council will continue with community engagement across the district, including an updated AF8 roadshow and presentations to community groups about community risks and resilience.

Measure 4: That individuals or whanau feel they are prepared for an emergency

Target: ≥80% as determined by our annual Resident's Opinion Survey.

	2021/22	2022/23	2023/24
Target:	≥ 80%	≥ 80%	≥ 80%
Result:	32%	34%	34%

In 2021/22 a 'somewhat' response of 52% was excluded from the 'Achieved' result and in 2022/23 a 'somewhat' response of 43% was excluded. The "somewhat" response excluded in 2023/24 was 52%.

What we did: The results of our annual Community Opinion Survey show that 34% of the respondents believe they are well prepared for a civil defence emergency with the "somewhat" response excluded in 2023/24 of 52%. This result did not meet the target for the year.

Challenges/issues we experienced: Council attempts to keep the community well informed but it is more difficult to assess how well this translates to action, especially in respect to properties that have domestic or international holiday makers as the occupiers.

Looking ahead: Council will continue to engage with our community and provide guidance about how to prepare for an emergency event.

Measure 5: Continue to recruit and train volunteer CDEM Community Response Team members through training sessions

New measure in 2021/22.

Target: 15 training sessions held.

	2021/22	2022/23	2023/24
Target:	15	15	15
Result:	16	6	5

What we did: The Emergency Management Officer has facilitated 5 Civil Defence Centre training sessions with the Fairlie, Tekapo Twizel and Aoraki Mt Cook Community Response Teams during the year so we have not met this target for the year. However, the Twizel and Fairlie Teams have also organised their own additional training in 2023/24.

A Civil Defence volunteer recruitment evening was held in Twizel and several new volunteers have subsequently joined.

Community Response Team equipment has been purchased and rolled out to all teams. This has included a 3.3KW generator, CD sign, table, water container and a 3-box trolley that includes all required documentation, stationary, mobile lighting, power equipment.

Developed and published a volunteer quick reference guide for all CDEM welfare members.

Challenges/issues we experienced: Maintaining engagement across the volunteers.

Looking ahead: We will maintain our community teams' capabilities across the district.

Measure 6: That council has a 24/7 CDEM duty officer to monitor warning systems and be available to partner agencies

New measure in 2021/22.

Target: 100% duty officer availability.

	2021/22	2022/23	2023/24
Target:	100%	100%	100%
Result:	No 24/7 capability	71%	100%

What we did: We introduced a regional solution in November 2022 to cover 24/7 duty officer and controller availability for South Canterbury in collaboration with Timaru and Waimate District Councils. This arrangement has allowed all three Districts to have 24/7 duty officer coverage.

Challenges/issues we experienced: Previously there has not been enough suitable qualified personnel in the Mackenzie District to provide required availability. This has been remedied by using a roster system to meet this target with the support of our neighbouring districts.

Looking ahead: We will continue to support this regional collaboration, so all districts have adequate resources.

Measure 7: That council staff are trained to a minimum of "EOC 2"

New measure in 2021/22.

Target: 80% of staff trained to EOC 2.

	2021/22	2022/23	2023/24
Target:	70%	75%	80%
Result:	52%	77%	86%

What we did: At the end of the year 86% of Council staff were trained to a minimum of EOC 2 which met this target.

Challenges/issues we experienced: Staff engagement has been very successful throughout, however BAU pressures limit availability for additional training.

Looking ahead: Additional staff training has been scheduled for August and September 2024. This will increase the capabilities and professionalism of staff performing their functional roles in the EOC.

Measure 8: An EOC exercise is conducted annually

New measure in 2021/22. Results for prior years sourced from the 2019/20 and 2020/21 Annual Reports.

Target: 1 exercise per year.

	2021/22	2022/23	2023/24
Target:	1	1	1
Result:	0	1	2

What we did: An EOC exercise was conducted in October 2023 and April 2024, in addition the EOC has been activated several times during the year which has provided real event experience and learnings.

Challenges/issues we experienced: There has been difficulty obtaining full staff availability for participation in an EOC exercise.

Looking ahead: We will continue holding hazard workshops with local emergency responders and key community stakeholders across the district. This information will assist in planning real life training scenarios.

Measure 9: That an alternative communication system is maintained and tested

New measure in 2021/22.

Target: 48 tests carried out during the year.

	2021/22	2022/23	2023/24
Target:	48	48	48
Result:	No data	No data	No data

What we did: All our CD base radios, handheld radios and aerials have been reprogrammed and serviced to include the additional Rollesby radio repeater. All hardware has been recorded and a two-yearly maintenance plan has been adopted. A weekly radio check call is conducted (and logged) by Timaru District Council each Thursday. A process to record these calls at the Mackenzie end is yet to be established.

Challenges/issues we experienced: There were several base radios that were not working due the age. These have been decommissioned. There is limited radio coverage for the Aoraki Mt Cook Area due to the topography. As Timaru test multiple radio systems across the wider South Canterbury region, records of our system tests were not easily extracted at the time of preparing the Annual Report.

Looking ahead: Council will continue to maintain and upgrade the Civil Defence radio network and hardware. We will also establish an internal register to log the weekly radio system checks.

Measure 10: The organisation participates in risk reduction planning, modelling, or engaging scientific research

New measure in 2021/22.

Target: 3 activities undertaken.

	2021/22	2022/23	2023/24
Target:	2	3	3
Result:	Not measured	3	3

What we did: We are a member of the Canterbury CDEM Group who have been actively working on a regional basis on hazard identification and risk reduction. The emergency management officer has attended three Emergency Managers Forums facilitated by the Canterbury Group Controller. These meetings cover localised risks and impacts including presentations from the national scientific community.

Challenges/issues we experienced: Sharing resources with the wider Canterbury Group means we can overcome limitations we would face on our own.

Looking ahead: We will continue working in collaboration with our partner agencies, local and external stakeholders across the region to achieve this target.

Measure 11: Specific risk/ hazard presentations or Public education campaign, new learnings or studies undertaken

New measure in 2021/22.

Target: 1 presentation.

	2021/22	2022/23	2023/24
Target:	1	1	1
Result:	2	1	1

What we did: Council was involved in one AF8 roadshow presentation within the district covering the science and risks associated with the Alpine Fault rupturing and the subsequent effects expected for our communities, which meant we have met our target for the year.

Challenges/issues we experienced: No significant challenges experienced.

Looking ahead: Council will continue with providing information and delivering presentations to community groups about local risks, current trends, and ways we can adapt and improve our resilience.

Capital Expenditure by activity

\$000s	LTP 2022-23	LTP 2023-24	Actual 2023-24
Emergency Management			
Plant and equipment	24	5	6
Portable generator and trailer – Twizel	-	-	50
Portable generator and trailer – Fairlie	-	-	35
Total	24	3	91

Significant Financial Variances between Actual and the Long Term Plan**Local authorities fuel tax, fines, infringement fees and other receipts \$303,000 above LTP**

Income has been accounted for under Section 129 of the Building Act that allows for cost recovery from the owner of an affected property. The recovery relates to site clearance due to asbestos risk as a result of a building fire.

Payments to staff and suppliers \$399,000 above LTP

Costs in regards site clearance of a property due to asbestos risk as a result of a building fire that occurred at 64 Main Street, Fairlie. Section 129 of the Building Act allows for cost recovery from the owner of the affected property and this process is underway.

FUNDING IMPACT STATEMENT - EMERGENCY MANAGEMENT

\$000s	LTP 2022-23	LTP 2023-24	Actual 2023-24
OPERATING FUNDING			
Sources of operating funding			
General Rates, Uniform annual general charges, rates penalties	69	72	181
Targeted rates	-	-	-
Subsidies and grants for operating purposes	-	-	-
Fees and charges	-	-	-
Internal charges and overheads recovered	-	-	-
Local authorities fuel tax, fines, infringement fees and other receipts	-	-	303
Total sources of operating funding	69	72	484
Applications of operating funding			
Payments to staff and suppliers	53	54	453
Finance costs	-	1	3
Internal charges and overheads	8	9	8
Other operating funding applications	-	-	-
Total applications of operating funding	61	64	464
SURPLUS / (DEFICIT) OF OPERATING FUNDING	8	8	19
CAPITAL FUNDING			
Sources of capital funding			
Subsidies and grants for capital expenditure	-	-	-
Development and financial contributions	-	-	-
Increase/(decrease) in debt	16	(2)	68
Gross proceeds from the sale of assets	-	-	-
Lump sum contributions	-	-	-
Other dedicated capital funding	-	-	-
Total sources of capital funding	16	(2)	68
Applications of capital funding			
Capital expenditure - to meet additional demand	-	-	-
Capital expenditure - to improve the level of service	-	-	85
Capital expenditure - to replace existing assets	24	5	6
Increase/(decrease) in reserves	-	1	(4)
Increase/(decrease) of investments	-	-	-
Total applications of capital funding	24	6	87
SURPLUS / (DEFICIT) OF CAPITAL FUNDING	(8)	(8)	(19)
FUNDING BALANCE	0	0	0

Note: Figures in the LTP columns agree in total, but for presentation purposes, some sources and applications of funding have been reallocated to ensure information is comparable.

3.8 PARKS AND COMMUNITY FACILITIES

Council aims to meet the current and future needs of the community through the provision of a range of recreational facilities and open spaces which are safe, well maintained, offer a range of quality recreational experiences, and are affordable to the community.

Key Facts (as at 30 June 2024)

10 pensioner housing units – 3 in Twizel and 7 in Fairlie
 5 cemeteries – Twizel, Lake Tekapo, Burkes Pass, Fairlie and Albury
 2 swimming pools – Twizel and Fairlie (Strathconan)
 397 ha of recreational land - including domains, parks and walkways

What We Do

The Parks and Community Facilities Activity covers the following assets and services:

ASSETS MANAGED BY MACKENZIE DISTRICT COUNCIL INCLUDE	
Recreational Park Land	
Urban (actively maintained parks)	179.4 ha
Natural Parks	18.4 ha
Total Park Land	197.8 ha
Other Assets	
Playgrounds	10
Skate Parks	2
Community Centres and Halls	5
Community Housing Units (Fairlie 7, Twizel 3)	10
Council Administration Offices	2
Peace Trees – Fairlie (approx.)	490
Swimming Pools	2
Public Toilets (parks and other public places)	21
Alps to Ocean Trail (off-road sections)	40km
Twizel Town Trail	14km
Cemeteries (5)	4.9ha

Parks and Community Facilities provides the township amenity areas and recreational facilities, including the district's pools, parks, reserves, community centres and halls. The benefits of these facilities are specifically or generally believed to enhance the community's health and wellbeing.

We provide a range of community facilities including pensioner housing, cemeteries, and public toilets. We also provide grants to the Resource Centres in Fairlie and Twizel and support for the medical centre in Fairlie.

Key Projects for 2023/2024

Project 1 – Lake Tekapo, Lake Front Reserve

Work has continued on the Tekapo waterfront reserves area including vegetation enhancement, park furniture, and site planning for the main reserve area to ensure that upcoming projects and existing amenities work together. The Lakeside Drive playground was removed due to safety concerns and a replacement playground has been tendered with work to begin in October 2024.

Planning work for the Domain area including an extension to the existing playground has been deferred until the overall town master plan is completed.

Project 2 – Man Made Hill (progressing)

In 2022 the Twizel Community Board initiated the Man Made Hill planting project and approved plans for a mountain bike pump track on the northern face. Stage one of this planting began in early 2023 and the mountain bike trail was completed and opened in October 2023. Ongoing work has continued in 2023/24 with irrigation of the existing planting, preparation for Stage 2 planting which was delayed from March 2024 to October 2024 due to weather and planting conditions. The access tracks to the top of Man Made Hill have been widened and improved to allow for dual access of cyclists and pedestrians, picnic tables and benches installed and landscaping to enhance the area completed.

Project 3 – Lake Ruataniwha Reserve (ongoing)

The Reserve Management plan for Lake Ruataniwha was adopted in August 2023. Detailed planning and implementation of enhancements will continue on a staged basis with initial emphasis on improving trails parking and vegetation around the “lagoon area” and new public toilets. The two new sets of public toilets at the boat ramp and lagoon area were completed in December 2023 and car parking work and trails joining these two areas began in May 2024 and continues in 24/25.

Project 4 – Alp 2 Ocean (A2O) Trail (ongoing)

From the 2023/24 Annual Plan - Subject to receiving funding from MBIE Great Rides Fund, undertake the development of the East Pukaki off-roading Stage 1. Unfortunately, no funding was received from MBIE due to resources being reallocated to cope with the demands for repair to infrastructure after Cyclone Gabrielle earlier in the year. The Council decided to press ahead with building what they could of Stage 1 with the budget allowed for in the Annual Plan. Consequently, a reduced plan was put forward (Stage 1a) and put out to tender. Construction of this approximately 9km section began in May 2024, and is due for completion in late 2024.

Project 5 – Fairlie and Pukaki Public Toilets (commenced)

This project includes the replacement of the Fairlie Public Toilets, the expansion of the Lake Pukaki Public Toilets, and installation of 2 new toilet blocks at Lake Ruataniwha Reserve.

The majority of this funding is provided by a grant from the Government Tourism Infrastructure Fund (TIF). A contract was awarded for the design and construction of these facilities. The new toilets at Lake Ruataniwha were completed and operational for the 2024/25 summer season. The Fairlie public toilets began construction in May 2024 with expected completion date in August. After they are completed Pukaki toilets will commence construction with a target of being open for Christmas 2024.

The TIF funding also included funding for improvement to parking and landscaping associated with the new toilets at Lake Ruataniwha as mentioned above. This work commenced in May 2024 with an expected completion date of November that year.

Project 6 – Twizel Events Centre upgrade (progressing)

The kitchen upgrade occurred in January 2024. Work has now begun on plans to upgrade the ventilation system to make it fully compliant with current standards and this will take place in October-December 2024.

Project 7 – Twizel Market Place landscaping and upgrade (completed)

Council planned to improve accessibility from the Market Place carpark, near the Council office, through to the centre of Market Place and the post boxes. This work was intended to be completed in 2020/21 however this was delayed due to COVID-19. The project commenced in March 2023 and was substantially complete by July 2023. Some final concrete etching work was completed in October 2023 along with the installation of handrails and other non-slip surfaces.

Project 8 – Twizel Swimming Pool Upgrades (completed)

Prior to the 2023/24 season new inflatables were bought, a more accessibility friendly stair entry installed and upgrades to allow wheelchair access and better ambulance access completed.

Project 9 – Strathconan Swimming Pool Upgrade (progressing)

Stage One of the Strathconan Pools heating and filtration upgrade was completed in Spring 2022.

Stage Two of the filtration and heating upgrade was completed before the season start in Spring 2023. This work involved a new transformer and cabling, new sand filters and pipework which will increase water quality to meet New Zealand standards. New pipework was also installed under the pool. Unfortunately, the re-painting of where the new concrete was laid and the silicon in the expansion joints did not take and peeled very early in the season. The decision was made to carry on with an unpainted section for the rest of the season rather than close the pool down for a long period. The contractors are due to return and remedy these faults in September/October 2024 in time for the 24/25 season.

Project 10 – Fairlie Dump Station (deferred)

A grant was provided from the Government Tourism Infrastructure Fund for the development of a public camper effluent dump station in Fairlie. The commencement of this project was delayed while a suitable location was confirmed and now work is expected to get underway late 2024.

Project 11 – Signage Installations (ongoing)

In 2022 a signage supplier was procured for the Councils Parks, Facilities and Public Places. The first installations took place in early 2023, with many more in the District over the 2023/24 year and further plans over the next two years. Some health and safety problems did occur with the installation of signs by the supplier and consequently they are now being used for supply of signs only with local contractors with greater experience being used for the installations.

Project 12 – Lake Tekapo Firebreak, Stage 1 & 2 (completed)

In 2022 Fire and Emergency New Zealand (FENZ) completed a report identifying high risk areas within the Tekapo Township which required significant works to make safe. As a result of this report, contractors completed Stage One, the cutting of a new Firebreak and selective tree removals stretching from Hamilton Drive through to Hall Lane.

Stage Two took place over the early part of the 2023/24 year and included further forestry and wilding pine removals around the Tekapo River and the completion of the final stages of the tidying up throughout the Stage One Firebreak.

Project 13 – Fairlie Cemetery Memorial Wall and Ashes Circle Upgrade and Cemetery extension (completed)

In 2022 Council responded to a request from members of the Community to build a memorial wall at the cemetery. In addition to the installation of the memorial wall, a partnership involving Veterans Affairs, the RSA, the Memorial Wall Group, and Council contractors has seen new plantings, seating, and a new flagpole erected in the central area. The final parts of this project were the painting of the Memorial Wall (August 2023) and installation of schist paving in September 2023.

Additionally, an opportunity occurred during the year to purchase some more cemetery land from an adjoining landowner. Council considered the offer carefully and decided to purchase the land from reserves which will future proof expansion of the cemetery for many decades into the future.

Project 14 – Peace Avenue Tree Works (completed)

Every third year MDC receives additional funding from NZTA towards care and maintenance of the Peace Trees, enabling us to do major pruning and care work when added to our annual budget. 2023/24 was the second time we received this funding and in February/March 2024 a large number of the Peace trees were carefully pruned by a contracted specialist arborist, including some specific trees that had been identified by NZTA as restricting traffic access (eg wide or large loads). Feedback was extremely positive after the work. General maintenance of the trees will continue over the next two years before major work again in 3 years time.

Assessment of performance against measures and targets for 2023/24

The Residents' Opinion survey results scoring method for this year differs to those in prior years. In addition, the method was also changed in 2022. However, the performance targets were not altered to compensate for the changes to the reporting scale. This means many of the performance results are not likely to meet the previously set targets, and comparisons of 2023/24 results with prior years are not valid. Refer to page 17 for a fuller explanation.

Previously the mid-point response was added to the satisfied tally but for 2021/22 and 2022/23 it was considered separately as neutral. This means it is not included in the scores for positive/satisfied performance ratings (and the targets were set using the previous methodology). In 2023/24 no 'neutral' response was offered as an option.

We achieved 25% of our non-financial performance standards in the parks and community facilities activity. The key performance indicators adopted in the 2021/31 Long Term Plan and 2022/23 Annual Plan increased the number and range of measures compared to 2020/21.

	2021/22	2022/23	2023/24
Achieved:	33%	25%	25%
Not Achieved:	67%	63%	50%
No Data Available:	0%	13%	25%

Comparing the satisfaction scores from the Residents' Survey for facility users versus non-users, most users were more satisfied than those who never used it (other than children's playgrounds, 78% versus 85%, and public halls and centres, 64% versus 74%).

The following tables show how our community and township services activity performed as measured against the targets set for the 2023/24 year.

Measure 1: Average customer satisfaction rating for township services and amenities

Target: ≥ 84% as determined by our annual Resident's Opinion Survey.

	2021/22	2022/23	2023/24
Target:	84%	84%	≥ 84%
Result:	65%	67%	70%

The Residents' Opinion survey comparisons with 2020/21 and years prior to that are not valid, and the results are not likely to meet the previously set targets. The survey results after 2020/21 differ to those scored in prior years. Refer to page 17 for a fuller explanation. Previously the mid-point response was added to the satisfied tally but since 2021/22 it is considered separately as neutral. However, the performance target was not altered to compensate.

In 2021/22 a 'neutral' response of 21% was excluded from the 'Achieved' result and in 2022/23 a 'neutral' response of 25% was excluded. In 2023/24 no 'neutral' response was offered as an option.

What we did: As an overall measure across our township services and facilities, we received an average customer satisfaction rating of 70% from those surveyed in the 2023/24 year. Comparing the scores for facility users versus non-users, most users were more satisfied than those who never used it (72% versus 71%). This result did not meet our target for the year.

Challenges/issues we experienced: The delivery of the TIF funded public toilets at Fairlie and Lake Pukaki continued to progress slowly but both look to be completed by the end of 2024. The Fairlie effluent dump station has been handed over to the Engineering group for completion.

Looking ahead: A number of capital development and improvement projects will be finally completed in 2024/25 including the new public toilets at Fairlie and Pukaki; replacement playground at Lakeside Drive, Tekapo; Upgrade of car parking and trails at Lake Ruataniwha; ventilation system at Twizel Event Centre and the toilet/shelter at Hamilton Drive, Tekapo.

Measure 2: Average customer satisfaction rating for parks and community facilities

New measure in 2021/22.

Target: ≥ 90% as determined by our annual Resident’s Opinion Survey.

	2021/22	2022/23	2023/24
Target:	≥ 90%	≥ 90%	≥ 90%
Result:	59%	66%	77%

The Residents’ Opinion survey comparisons with 2020/21 and years prior to that are not valid, and the results are not likely to meet the previously set targets. The survey results after 2020/21 differ to those scored in prior years. Refer to page 17 for a fuller explanation. Previously the mid-point response was added to the satisfied tally but since 2021/22 it is considered separately as neutral. However, the performance target was not altered to compensate.

In 2021/22 a ‘neutral’ response of 22% was excluded from the ‘Achieved’ result and in 2022/23 a ‘neutral’ response of 23% was excluded. In 2023/24 no ‘neutral’ response was offered as an option.

What we did: As an overall measure across all of our parks and community facilities, including playgrounds and swimming pools, we received an average customer satisfaction rating of 77% from those surveyed in the 2023/24 year. Comparing the scores for facility users versus non-users, most users were more satisfied than those who never used it). This result did not meet our target for the year.

Challenges/issues we experienced: Recruitment for permanent staff within Public Facilities, Parks and Places took longer than expected. Difficulties recruiting local people for lifeguard roles at the pools resulted in the contractor bringing in staff from the North Island.

Looking ahead: We plan to complete a number of capital development and improvement projects in 2024/25 including:

- Lake Ruataniwha carparking and landscaping improvements
- Twizel Man Made Hill Stage 2 planting and development
- Completion of A2O East Pukaki Stage 1A off-roading
- Shelter and public toilet at Hamilton Drive, Tekapo
- Renewal of Lakeside Drive Playground, Tekapo
- Fairlie Village Green playground enhancement
- Complete remaining signage upgrade
- Tekapo Domain playground
- Pukaki toilets expansion

We will continue to progress other planning and improvement projects including:

- Lake Alexandrina Reserves governance and management plan
- Reserves Management Plan omnibus
- Cemetery sanitary services assessment (SSA) and standard operating procedures (SOP) review
- Skipton Hall demolition
- Contribution to town master plans in Twizel, Tekapo and Fairlie
- Fire mitigation in key areas identified by FENZ

Measure 3: Benchmarking of parks and open spaces operation and maintenance costs as measured by Yardstick

New measure in 2021/22.

Target: Within 15% of peer group median cost per hectare.

	2021/22	2022/23	2023/24
Result:	✓	✓	No Data

What we did: The peer group results for this benchmark will not be available until November 2024 so we are unable to measure our performance before the date this Annual Report is published.

Challenges/issues we experienced: Due to Mackenzie’s isolated location we do, at times, experience limited contractor availability for the parks and landscape development projects and specialised work we had planned during the year. Due to the timing of the benchmarking not fitting with our timelines this KPI has been removed from future years.

Looking ahead: Council will continue to support and develop a pool of quality contractors to deliver our operations and projects.

Measure 4: Monthly performance assessment of parks and public toilets operations and maintenance standards

New measure in 2021/22.

Target: ≥ 90%.

	2021/22	2022/23	2023/24
Target:	≥ 90%	≥ 90%	≥ 90%
Result:	89%	93%	76%

What we did: During the 2023/24 year we averaged 76% satisfaction which did not meet our target for the year.

Challenges/issues we experienced: The level of service (frequency of cleans and in capacity in some locations) was not meeting the demand generated by a return to high visitor numbers. Council agreed to increase the number of cleans both on annual basis and during peak periods in December 2023 and the number of complaints reduced considerably since then.

Looking ahead: We will continue to maintain and operate our parks and public toilets in line with the established target. A number of new toilet blocks are being completed on the 2024/25 financial year – Fairlie, Pukaki and Hamilton Drive, Tekapo.

Measure 5: Recreation Aotearoa Pool Safe Accreditation

New measure in 2021/22.

Target: Maintain Pool Safe accreditation.

	2021/22	2022/23	2023/24
Result:	✓	✓	✓

What we did: During 2023/24 PoolSafe accreditation was achieved and maintained for both of our facilities in Twizel and Fairlie. Our specialist recreation facility managers (Belgravia) continued to provide management of our facilities and their safety plans and operating systems.

Challenges/issues we experienced: Recruitment of local staff to meet national lifeguard number standards was difficult at times during the season especially in Twizel. This was overcome by the secondment of Belgravia staff from North Island operations but is proving increasingly challenging. School use at Twizel where the pool was closed off to the public also proved problematic.

Looking ahead: We will aim to recruit for more staff locally or provide additional support to Belgravia to recruit more widely to ensure the pools can be operated as scheduled.

Measure 6: Average customer satisfaction rating for swimming pool facilities

New measure in 2022/23.

Target: ≥ 90% as determined by our annual Resident’s Opinion Survey.

	2021/22	2022/23	2023/24
Target:	N/A	≥ 85%	≥ 90%
Result:	N/A	59%	65%

The Residents’ Opinion survey comparisons with 2020/21 and years prior to that are not valid, and the results are not likely to meet the previously set targets. The survey results after 2020/21 differ to those scored in prior years. Refer to page 17 for a fuller explanation. Previously the mid-point response was added to the satisfied tally but since 2021/22 it is considered separately as neutral. However, the performance target was not altered to compensate.

In 2022/23 a ‘neutral’ response of 28% was excluded. In 2023/24 no ‘neutral’ response was offered as an option.

What we did: In 2023/24 the customer survey satisfaction result was 65%, which did not meet our target for the year. Our annual Residents' Opinion Survey also seeks feedback on swimming pool facilities. The feedback received was very valuable and the winter off-season has seen some of the issues be addressed in our works programme e.g. painting and tidying up of showers and changerooms at both pools.

Challenges/issues we experienced: Staffing as mentioned above, and communications from the contractors to pool users. These were addressed in our end of year meeting with our external provider and we expect an improvement this coming summer season.

Measure 7: No serious harm accidents on our playgrounds, parks, or facilities

New measure in 2021/22.

Target: Zero reported serious harm incidents.

	2021/22	2022/23	2023/24
Target:	0	0	0
Result:	2	1	0

What we did: During 2023/24 there were no serious harm incidents.

Challenges/issues we experienced: Plans to improve specific sections of the A20 trail are dependent on securing external funding to supplement Council's budgeted contribution. We have applied for Government funding (MBIE) in cooperation with Waitaki DC to this end.

Looking ahead: Council has nearly completed an 8km off-road section of the A20 Trail alongside Hayman Road (East Pukaki) which should be completed for November 2024. We will continue to use what budget we have to maintain and improve all of our parks, playgrounds, facilities, trails and reserves.

Measure 8: Parks and public amenities management as measured by Yardstick Best Practice Score

New measure in 2022/23.

Target: Annual score increase of 10%.

	2021/22	2022/23	2023/24
Target	N/A	63%	69%
Result:	N/A	59%	No data

What we did: The benchmark rating of 53% was achieved in 2021/22. In 2022/23, our target was increased to 63% or above and we achieved 59%. Due to the timing of the benchmarking not fitting with our timelines this KPI has been removed from future years.

Challenges/issues we experienced: Continuing to improve management towards best practice is an ongoing process limited by available staff resources. With full staffing finally being achieved in June 2024 we expect to improve even further in this area.

Looking ahead: Resources and plans are now in place to continue with progressing improvements in systems, policy and management practices.

OTHER COMMUNITY FEEDBACK

Comparing the satisfaction scores from the Residents' Survey for facility users versus non-users, most users were more satisfied than those who never used it (other than children's playgrounds and public halls and centres).

Cemeteries

	2021/22	2022/23	2023/24
Satisfied	73%	73%	92%

Community Halls & Buildings

	2021/22	2022/23	2023/24
Satisfied	56%	66%	66%

Playgrounds

	2021/22	2022/23	2023/24
Satisfied	68%	75%	81%

Public Libraries

	2021/22	2022/23	2023/24
Satisfied	69%	67%	74%

Public Toilets

	2021/22	2022/23	2023/24
Satisfied	63%	61%	76%

Significant Financial Variances between Actual and the Long Term Plan**Payments to staff and suppliers \$681,000 above LTP**

An additional \$215,000 was incurred providing additional cleans of toilets over the summer period and also as a result of more public toilets coming online since the LTP was prepared.

Unplanned maintenance costs of \$102,000 were incurred in Tekapo township due to watering and mulching of gardens, repairs to the flying fox and footbridge, enhancements to gardens and additional spraying and lawnmowing.

An additional \$266,000 was incurred in Twizel township in regards removal and logging of trees, delimiting of branches, mulching and summer watering of new trees, as well as remediating storm damaged gardens, new plantings in Market Place, irrigation repairs and watering, spraying for gorse and broom, wilding pine removal and maintenance of township trails and tracks.

Subsidies and grants for capital expenditure \$953,000 above LTP

Government grants from the Tourism Infrastructure Funding (TIF) were received for new district toilet facilities. These grants were originally budgeted to be received in 2021-2023. An unbudgeted grant was also received for new waste stations in Fairlie, Tekapo and Twizel townships.

Capital expenditure – to improve the level of service \$1,156,000 above LTP

A number of projects that were not completed in year 1 and 2 of the LTP were carried forward and rebudgeted into this financial year. Projects included new public toilets for Fairlie, Lake Pukaki and Lake Ruataniwha, development of the Lake Ruataniwha and Ohau Road Reserves.

Unbudgeted expenditure was incurred in securing additional land for the Fairlie cemetery.

Capital expenditure – to replace existing assets \$1,260,000 above LTP

A number of projects that were not completed in year 1 and 2 of the LTP were carried forward and rebudgeted into this financial year. Projects included work on the implementation of development plans in Twizel and Tekapo townships, upgrades to the heating and filtration systems at Fairlie and Twizel swimming pools and redevelopment of Man Made Hill, Twizel.

Increase / (decrease) in reserves \$2,691,000 above LTP

Transfers from reserves were higher than budgeted due to the timing of expenditure on capital projects.

Capital Expenditure by activity

\$000s	LTP 2022-23	LTP 2023-24	Actual 2023-24
District General			
Trail developments	1	1	130
Rural Works and Services			
Signage upgrade	-	-	19
Asset renewals	-	-	10
Fairlie Township			
Signage upgrade	-	-	4
Waste stations	-	-	28
Asset renewals	-	-	39
Village green shelter	-	-	10
Dog park improvements	-	-	8
Tekapo Township			
Lake front reserves plan and development	205	157	54
Signage upgrade	-	-	5
Lakeside Drive playground	-	-	99
Domain playground	-	-	5
D'Archiac Drive replacement plantings	-	-	14
Waste stations	-	-	12
Asset renewals	-	-	26
Twizel Township			
Implementation of development plan	77	-	177
Signage upgrade	-	52	68
Lake Ruataniwha Reserve	666	-	230
Man Made Hill stages 2 and 3	-	-	261
Ohau Road Reserves	-	-	129
Waste stations	-	-	15
Asset renewals	-	-	23
Mackenzie Community Centre			
Building upgrade	11	-	7
Furniture and fittings	10	21	46
Tekapo Community Hall			
Building upgrade	-	-	19
Furniture and fittings	5	5	-
Twizel Community Centre			
Building upgrades	257	122	93
Furniture and fittings	10	-	64
Strathconan Swimming Pool - Fairlie			
Emergency compliance upgrades	-	-	28
Plant and equipment	7	8	1
Filtration and treatment upgrade and renewal	-	-	214
Twizel Swimming Pool			
Accessibility and general improvements	-	-	120
Plant and equipment	5	5	1
Public Toilets			
Building renewals	154	-	33
Haymans Road carpark upgrade	-	210	-
Hamilton Drive toilet and shelter	-	-	30
Ruataniwha boat ramp toilet renewal	-	-	39
Fairlie public toilets upgrade	-	-	159
Lake Pukaki public toilets upgrade	-	-	298
Lake Ruataniwha toilet upgrade	-	-	275
Cemeteries			
Land improvements	16	-	168
Burkes Pass rabbit proof fencing	-	17	-
Pensioner Housing - Fairlie			
Healthy homes requirements	8	8	40
Pensioner Housing – Twizel			
Health homes requirements	-	-	23
Total	1,431	606	3,022

FUNDING IMPACT STATEMENT – PARKS & COMMUNITY FACILITIES

\$000s	LTP 2022-23	LTP 2023-24	Actual 2023-24
OPERATING FUNDING			
Sources of operating funding			
General Rates, Uniform annual general charges, rates penalties	636	671	830
Targeted rates	1,759	1,886	1,811
Subsidies and grants for operating purposes	27	28	1
Fees and charges	118	122	380
Internal charges and overheads recovered	-	-	-
Local authorities fuel tax, fines, infringement fees and other receipts	281	272	65
Total sources of operating funding	2,821	2,979	3,086
Applications of operating funding			
Payments to staff and suppliers	2,540	2,672	3,353
Finance costs	35	45	178
Internal charges and overheads	(57)	(36)	51
Other operating funding applications	-	-	-
Total applications of operating funding	2,518	2,681	3,582
SURPLUS / (DEFICIT) OF OPERATING FUNDING	303	298	(496)
CAPITAL FUNDING			
Sources of capital funding			
Subsidies and grants for capital expenditure	586	-	953
Development and financial contributions	12	12	-
Increase/(decrease) in debt	652	408	186
Gross proceeds from the sale of assets	-	-	-
Lump sum contributions	-	-	-
Other dedicated capital funding	-	-	-
Total sources of capital funding	1,250	420	1,139
Applications of capital funding			
Capital expenditure - to meet additional demand	-	-	-
Capital expenditure - to improve the level of service	948	210	1,366
Capital expenditure - to replace existing assets	483	396	1,656
Increase/(decrease) in reserves	122	112	(2,379)
Increase/(decrease) of investments	-	-	-
Total applications of capital funding	1,553	718	643
SURPLUS / (DEFICIT) OF CAPITAL FUNDING	(303)	(298)	496
FUNDING BALANCE	0	0	0

Note: Figures in the LTP columns agree in total, but for presentation purposes, some sources and applications of funding have been reallocated to ensure information is comparable.

3.9 WASTE MANAGEMENT AND MINIMISATION

Council plays an active role in managing and minimising rubbish and enabling recycling in the Mackenzie District. The Waste Minimisation Act 2008 states that all territorial authorities (councils) must promote effective and efficient forms of waste management and minimisation. Waste minimisation includes all the actions we can take to divert waste from landfills. This includes reducing the waste we generate and also reusing, recycling and recovering the value of our waste.

Key Facts (as at 30 June 2024)

3 resource recovery parks and clean fill sites.

Urban household waste, organic waste, recycling and glass collection.

What we do

Council aims to protect public health and the environment through the provision of appropriate services for the disposal of residual waste, and to minimise the volume of waste disposed of to landfill through the promotion and provision of reduction, reuse and recycling services. In doing so, Council provides a four bin kerbside rubbish, organic, recycling and glass collection service and has three Resource Recovery Parks and three clean fill sites, which are operated by our contractors, Enviro NZ.

Key Projects for 2023/24

2023/24 was another busy year for this Council activity as we continue efforts to minimise the waste to landfill.

Project 1 – Resource Consents (ongoing)

There are three clean fill sites in the district, located in Tekapo, Fairlie and Twizel. The resource consents for these sites expired in November 2019, with a new application being lodged with Environment Canterbury in early 2019. The sites are able to continue operating while the application is being processed.

Project 2 – Landscaping Twizel Resource Recovery Park (ongoing)

A landscaping and planting project is underway for the Twizel Resource Recovery Park. This aims to provide increased screening of the park and wind protection. This will be a staged project to be carried out over three years.

Assessment of performance against measures and targets for 2023/24

The Residents' Opinion survey results scoring method for this year differs to those in prior years. In addition, the method was also changed in 2022. However, the performance targets were not altered to compensate for the changes to the reporting scale. This means many of the performance results are not likely to meet the previously set targets, and comparisons of 2023/24 results with prior years are not valid. Refer to page 17 for a fuller explanation.

Previously the mid-point response was added to the satisfied tally but for 2021/22 and 2022/23 it was considered separately as neutral. This means it is not included in the scores for positive/satisfied performance ratings (and the targets were set using the previous methodology). In 2023/24 no 'neutral' response was offered as an option.

We achieved 60% of our non-financial performance standards in the waste management and minimisation activity.

	2021/22	2022/23	2023/24
Achieved:	80%	60%	60%
Not Achieved:	20%	40%	40%
No Data Available:	0%	0%	0%

The following tables show how our waste management and minimisation activities performed as measured against the targets set for the 2023/24 year.

Measure 1: The percentage of solid waste from the district resource recovery diverted from landfills

Target: 55% or above.

	2021/22	2022/23	2023/24
Target:	≥ 45%	≥ 55%	≥ 55%
Result:	51%	49%	43%

What we did: In 2023/24 we diverted 43% of solid waste from a Class 1 landfill. This did not meet our increased target for solid waste.

Challenges/issues we experienced: Our waste volumes have increased from the end of March 2021 due to a new process where rubbish and recycling from Commercial Waste Operators is now accepted through the Twizel Resource Recovery Park and included in the data we collect. The inclusion of this commercial waste has increased our total waste volumes and skewed the percentage of waste diverted over time. The targets for this measure will be reassessed during our 2024/34 Long-term Plan process.

Looking ahead: Ongoing work to reduce waste to landfill is planned in accordance with Council's Waste Management and Minimisation Plan.

Measure 2: The amount of household kerbside waste to landfill

New measure in 2021/22.

Target: ≤ 105kg per person per annum.

	2021/22	2022/23	2023/24
Target:	≤ 152kg	≤ 110kg	≤ 105kg
Result:	135kg	108kg	123kg

What we did: For 2023/24 we recorded 123kg per person per annum of household kerbside waste to landfill which meant we did not achieve this target. This was calculated using the tonnes of refuse collected from red bins in the kerbside collection.

Challenges/issues we experienced: There were no significant issues experienced for kerbside collections during the 2023/24 year.

Looking ahead: Audits of red wheelie bins in 2022 and 2024 have highlighted that a significant volume of food waste is still being placed in red bins, rather than green organic bins and therefore being sent to landfill. Further education of the organics green bin service is required to enable improved diversion of food waste.

Measure 3: Average customer satisfaction rating for kerbside waste collections

New measure in 2021/22.

Target: 80% or above.

	2021/22	2022/23	2023/24
Target:	≥ 80%	≥ 80%	≥ 80%
Result:	88%	92%	95%

The Residents' Opinion survey comparisons with 2020/21 and years prior to that are not valid, and the results are not likely to meet the previously set targets. The survey results after 2020/21 differ to those scored in prior years. Refer to page 17 for a fuller explanation. Previously the mid-point response was added to the satisfied tally but since 2021/22 it is considered separately as neutral. However, the performance target was not altered to compensate.

In 2022/23 a 'neutral' response of 5% was excluded. In 2023/24 no 'neutral' response was offered as an option.

What we did: Our annual community opinion survey results reported 95% of participants were satisfied with our kerbside waste collections. This meant we met our target for 2023/24.

Challenges/issues we experienced: No significant challenges experienced during the year.

Looking ahead: Continue to provide kerbside waste collections at current service levels as well as investigate opportunities to improve waste diversion and reduce the amount of waste generated.

Measure 4: Average customer satisfaction rating for Resource Recovery Parks

New measure in 2021/22.

Target: 80% or above.

	2021/22	2022/23	2023/24
Target:	≥ 80%	≥ 80%	≥ 80%
Result:	66%	70%	85%

The Residents' Opinion survey comparisons with 2020/21 and years prior to that are not valid, and the results are not likely to meet the previously set targets. The survey results after 2020/21 differ to those scored in prior years. Previously the mid-point response was added to the satisfied tally but since 2021/22 it is considered separately as neutral. However, the performance target was not altered to compensate.

In 2022/23 a 'neutral' response of 24% was excluded. In 2023/24 no 'neutral' response was offered as an option.

What we did: Our annual community opinion survey results reported 85% of participants were satisfied with our resource recovery parks. This meant we met our target for 2023/24.

Challenges/issues we experienced: No significant challenges experienced during the year.

Looking ahead: Continue to operate the three Resource Recovery Parks at current service levels.

Measure 5: Compliance with resource consent conditions

Target: 100%.

	2021/22	2022/23	2023/24
Target:	100%	100%	100%
Result:	100%	100%	100%

What we did: Council has a number of resource consents issued by Environment Canterbury (ECAN) associated with our Resource Recovery Parks, closed landfills and hard fill sites. During 2023/24 our target of 100% compliance was met.

Challenges/issues we experienced: No significant challenges or issues were experienced during the year.

Looking ahead: We have systems in place to ensure compliance with resource consent conditions and will continue to work to ensure that we achieve full compliance with all of our resource consents.

Capital Expenditure by activity

\$000s	LTP 2022-23	LTP 2023-24	Actual 2023-24
Waste Management			
Resource consent	-	-	12
Replacement wheelie bins	7	7	17
Landscaping – Twizel Resource Recovery Park	-	-	8
Total	7	7	38

Significant Financial Variances between Actual and the Long Term Plan

Fees and charges \$388,000 above LTP

Expenditure on disposal of waste to landfill was netted off in the LTP against fees and charges received. With the change in contractor, costs and revenue have been grossed up.

Payments to staff and suppliers \$488,000 above LTP

Expenditure on disposal of waste to landfill was netted off in the LTP against fees and charges received. With the change in contractor, costs and revenue have been grossed up.

FUNDING IMPACT STATEMENT – WASTE MANAGEMENT AND MINIMISATION

\$000s	LTP 2022-23	LTP 2023-24	Actual 2023-24
OPERATING FUNDING			
Sources of operating funding			
General Rates, Uniform annual general charges, rates penalties	244	259	280
Targeted rates	887	912	1,014
Subsidies and grants for operating purposes	-	-	-
Fees and charges	195	218	606
Internal charges and overheads recovered	-	-	-
Local authorities fuel tax, fines, infringement fees and other receipts	35	46	110
Total sources of operating funding	1,361	1,435	2,009
Applications of operating funding			
Payments to staff and suppliers	1,351	1,416	1,904
Finance costs	1	1	-
Internal charges and overheads	(14)	(5)	2
Other operating funding applications	-	-	-
Total applications of operating funding	1,338	1,413	1,906
SURPLUS / (DEFICIT) OF OPERATING FUNDING	23	23	103
CAPITAL FUNDING			
Sources of capital funding			
Subsidies and grants for capital expenditure	-	-	-
Development and financial contributions	-	-	-
Increase/(decrease) in debt	(4)	(4)	-
Gross proceeds from the sale of assets	-	-	-
Lump sum contributions	-	-	-
Other dedicated capital funding	-	-	-
Total sources of capital funding	(4)	(4)	-
Applications of capital funding			
Capital expenditure - to meet additional demand	-	-	-
Capital expenditure - to improve the level of service	-	-	-
Capital expenditure - to replace existing assets	7	7	38
Increase/(decrease) in reserves	12	12	66
Increase/(decrease) of investments	-	-	-
Total applications of capital funding	19	19	103
SURPLUS / (DEFICIT) OF CAPITAL FUNDING	(23)	(23)	(103)
FUNDING BALANCE	0	0	0

Note: Figures in the LTP columns agree in total, but for presentation purposes, some sources and applications of funding have been reallocated to ensure information is comparable.

3.10 TOURISM, ECONOMIC DEVELOPMENT AND COMMERCIAL ACTIVITIES

Council works to foster the economic development of the district as a whole, to provide a strong marketing strategy and a focus on district promotion and branding. Council also manages a number of commercial activities and investments, seeking to secure the best economic returns for our community.

Key Facts (as at 30 June 2024)

Mackenzie District Council owns, manages and operates ;

- 1,000 hectares of forestry estate in the District
- Pukaki Airport, an uncontrolled public airport
- The Mackenzie Regional Tourism Organisation (RTO), branded as MackenzieNZ, which focuses on the promotion and positioning of the Mackenzie District both to the domestic and international tourism market
- Commercial and community good property (land and buildings) and administers leases for these

What We Do

The Council's tourism and economic development activity consists of:

- Promotion of the Mackenzie District as a tourist destination.
- Alps to Ocean (A2O) cycle trail tourism business and operations (in conjunction with the Waitaki District Council).
- Economic development services including business support, training and events; promotion of education opportunities; website and visitor/attraction promotion.
- Commercial activities, including:
 - cash and equity investments.
 - forestry investments,
 - property management including rental properties
 - Pukaki Airport.

Tourism promotion and destination management

Tourism is a significant contributor to the district's economy. The council believes that it is important to continue to promote the Mackenzie to visitors. At the same time, the Council recognises that it is important to also plan for proactive management of the environmental effects of future visitor numbers in the district.

There are 31 Regional Tourism Organisations (RTOs) throughout New Zealand (in a variety of legal structures and forms). The Council is the RTO for the Mackenzie District. Previously the RTO visitor promotion and marketing services had been sub-contracted. The promotion and marketing activities, and associated staff, were brought into the council. Feedback has been that this has been a positive step, with Council staff working closely with tourism businesses and organisations in the district.

We work closely with other districts and national organisations to capture the benefit of projects and initiatives for the local economy. In addition, we provide advocacy and co-ordination in relation to issues affecting the district.

Council also supports tourism within the Mackenzie District through the maintenance and promotion of the Alps 2 Ocean Cycle Trail (A2O). The A2O extends from Mount Cook to Lake Ohau locally, and then continues to Oamaru within the Waitaki District. Responsibility for maintenance of the cycleway is shared between the Mackenzie and Waitaki District Councils. Marketing and promotion of the Trail now sits within Mackenzie District Council Parks and Recreation Team.

Economic development

Having a range of diverse and sustainable businesses is also essential to the district's economic wellbeing and community outcomes. The council's most significant financial contributors to economic development are its investments in district wide infrastructure and the District Plan. In addition, both staff and external resources deliver economic development activities, in addition to tourism.

Council wants existing and developing businesses to have access to the information, advice and support they need to thrive and grow.

The South Canterbury Chamber of Commerce is also contracted by Council to deliver a range of services, including business support. The Chamber connects directly with our business community and collaborates with our tourism team.

Commercial activities

The Council is also involved in a range of commercial activities to contribute to a thriving district economy. Our commercial activities are financial investments, commercial forestry ownership, real estate holdings and rentals, and ownership and operation of Pukaki Airport.

The council is involved in commercial activities to generate financial returns for the benefit of Mackenzie's ratepayers and residents. By generating returns on our investments and using these returns to offset rates, we can help to keep rates at an affordable level for households and businesses while still providing the types of services, infrastructure and facilities that make the Mackenzie District a desirable place to live, work and visit.

In addition, Council operates Pukaki Airport as a public airport, acting as an important gateway to the district and serving and promoting a range of aviation and tourism operations.

Key Projects for 2023/24

As well as the planned and ongoing programmes of work we have made good progress on some key projects during the year.

Project 1 – Te Manahuna Ki Uta/ Destination Mackenzie Project (ongoing)

Te Manahuna Ki Uta (TMKU)/Destination Mackenzie has been a multiagency strategic planning process for the Mackenzie District led by Mackenzie District Council.

TMKU provides a pathway to adapt to changing consumer and community expectations and build a new tourism future. It proposes a range of short, medium and longer-term projects that are required to support the sector's recovery and to achieved sustainable growth for tourism going forward.

On 23 August 2022 Council adopted Te Manahuna Ki Uta as our long-term destination management plan

Following completion of TMKU, Phase 2 was to explore the affordable priority projects identified, investigate funding opportunities and undertake feasibility studies where required. Council was successful in securing external funding for the following TMKU initiatives, with initial work undertaken in 2023/24, with that to continue in 2025:

- Lake Takapō Master Plan
- Destination Branding
- Rural Spatial Plan
- Pou Whenua (concept and storytelling)

as well as budgeting for further Alps to Ocean (A2O) project development.

Project 2 – Alps 2 Ocean (A2O) (ongoing)

During the year we continued to co-fund the maintenance and management of the A2O cycleway with Waitaki District Council. Council has also worked on consents and then tendering and delivery of off-road sections of the cycleway on East Pukaki Stage 1 to address significant safety concerns and improve the experience for riders. Unfortunately, we were unsuccessful with our application for funding from MBIE Great Rides funding, which is the major source of funding for the A2O development. However, at 30 June 2024 delivery of the first stage of East Pukaki off-roading was in progress. with currently available funding.

During the year we also agreed to host the new A2O manager in our Twizel office.

Project 3 – Economic Development Support (ongoing)

Council agreed to review its Economic Development Strategy. The Economic Development Officer and that role's manager (the Manager Property and Commercial) both ceased to work for Council in 2023/24. This review is being scoped and will be progressed with new resources in place.

Project 4 – Promotion of the Mackenzie District as a tourist destination (ongoing)

In 2023/24 we continued our visitor promotion activities with a key focus on driving high quality visitation over the peak periods and stimulating demand for the shoulder and winter periods.

Visitor spend for the year exceeded 2019 levels (not adjusting for inflation) however we estimate visitor numbers is at roughly 80-90% of pre Covid based on NZ Arrival data, with Asian markets being slower to recover. Unfortunately, a national pause in visitor number data means we can only estimate this.

Our limited budgets have meant we have focused our activities into driving winter visitation from Australia and domestic markets, leveraging the Regional Events Fund to drive visitation over shoulder periods, and maximising all opportunities with Tourism NZ to showcase the region. This included pitching and then assisting with their FIFA 2023 global activation which saw a football field created in the National Park and over \$20 million dollars of PR value across high quality markets including US, UK/Europe and Australia.

Project 5 – Pukaki Airport - land administration and operations (ongoing)

The return of visitors to the Mackenzie was also reflected in an upswing in landings at Pukaki Airport from early calendar year 2023, focussed on the tourism activities based there.

A new airport operations manager role is making good progress with maintenance activities, and stakeholder relations. A Pukaki Airport Master Plan was proposed to be developed. This is being scoped. Council intends to work with key stakeholders to develop a masterplan to guide future airport developments.

Project 6 – Refreshing our forestry management and strategy

Following a tender process in 2022/23 a new forestry management and consultancy contract was awarded to PFOlsen. The 2023/24 year has seen the development of both a forestry strategy and an Emissions Trading Scheme assessment and approach. Significant work was also undertaken to better understand our forestry estate.

Assessment of performance against measures and targets for 2023/24

The Residents' Opinion survey results scoring method for this year differs to those in prior years. In addition, the method was also changed in 2022. However, the performance targets were not altered to compensate for the changes to the reporting scale. This means many of the performance results are not likely to meet the previously set targets, and comparisons of 2023/24 results with prior years are not valid. Refer to page 17 for a fuller explanation.

Previously the mid-point response was added to the satisfied tally but for 2021/22 and 2022/23 it was considered separately as neutral. This means it is not included in the scores for positive/satisfied performance ratings (and the targets were set using the previous methodology). In 2023/24 no 'neutral' response was offered as an option.

We achieved 20% of our non-financial performance standards in the Tourism, Economic Development and Commercial activity.

	2021/22	2022/23	2023/24
Achieved:	40%	20%	20%
Not Achieved:	40%	80%	60%
No Data Available:	20%	0%	20%

The following tables show how our tourism, economic development and commercial activities performed as measured against the targets set for the 2023/24 year.

Measure 1: Percentage of ratepayers satisfied with the Council's tourism promotion and economic development Target: ≥ 80%.

	2021/22	2022/23	2023/24
Target:	≥ 80%	≥ 80%	≥ 80%
Result:	59%	53%	64%

The Residents' Opinion survey comparisons with 2020/21 and years prior to that are not valid, and the results are not likely to meet the previously set targets. The survey results after 2020/21 differ to those scored in prior years. Refer to page 17 for a fuller explanation. Previously the mid-point response was added to the satisfied tally but since 2021/22 it is considered separately as neutral. However, the performance target was not altered to compensate.

In 2021/22 a 'neutral' response of 26% was excluded from the 'Achieved' result and in 2022/23 a 'neutral' response of 30% was excluded. In 2023/24 no 'neutral' response was offered as an option.

What we did: We received a customer satisfaction rating of 64% from the respondents to our 2023/24 Residents' Opinion survey. This result met/did not meet our target for the year.

Challenges/issues we experienced: Previously the RTO visitor promotion and marketing services had been sub-contracted to ChristchurchNZ. During the 2022-23 year, the promotion and marketing activities, and associated staff, were brought into the Council in February 2023, with the focus being to ensure the transfer was as seamless as possible. We believe this was successful.

During 2022 and 2023 our district's tourism sector has seen a significant rebound. Labour shortages constrained operators functioning at full capacity in this and many other sectors of our local economy. This pressure eased somewhat through the relaxing of immigration policies, but still continues. Diversified, affordable housing options in the district continues to be a concern for our operators, exacerbating the skills shortage. We focussed much of our promotions activities on driving high quality visitation over the peak periods and stimulating demand for the shoulder and winter periods

Looking ahead: We will continue with our tourism promotion activities building on the efforts so far – working with our local operators and collaborating with outside organisations wherever we see benefit to the district. We will work with the local industry and other Council areas to incorporate destination management in our activities.

We will continue to support our local businesses and encourage new ventures through advocacy, connections to resources and funding, destination marketing and business advice. Business support services, advice and advocacy will continue to be delivered through a service delivery contract with the South Canterbury Chamber of Commerce.

Measure 2: At least one project per financial year, as identified in the Economic Strategy 2021/25, initiated by Council

New measure in 2021/22.

Target: 1 or more projects per year.

	2021/22	2022/23	2023/24
Result:	✓	X	X

What we did: there were no projects specifically identified for implementation in the Economic Development Strategy. Council has asked that it review its Economic Development Strategy. We did not therefore meet this target.

Challenges/issues we experienced: The Strategy was seen as needing review in its entirety. The Economic Development Officer left the Council.

Looking ahead: The Strategy will be reviewed with key input from District stakeholders, including especially businesses. A new Economic Development Officer is being recruited.

Measure 3: Pukaki Airport - user satisfaction with airport facility

New measure in 2021/22.

Target: ≥ 80% user satisfaction.

	2021/22	2022/23	2023/24
Target:	≥ 75%	≥ 80%	≥ 80%
Result:	No data	71%	No data

What we did: A part-time operations manager was engaged to assist with maintenance and other airport issues, as well as liaison with users. This has been a very positive move. A user satisfaction survey was not undertaken for 2023/24.

Challenges/issues we experienced: The usage of the airport had been significantly reduced during the Covid affected period – with tourism related numbers returning gradually from early 2023.

Looking ahead: Council will develop a Pukaki Airport Masterplan with a view to future plans, as well as seeking financial sustainability.

Measure 4: Forestry - financial gross surplus per predicted cashflows from Long Term Plan or Annual Report

New measure in 2021/22

This measure was described as the net surplus in the 2021/2031 Long Term Plan. However, this was an error as the financial target value is the gross surplus amount.

Target: \$541,785.

	2021/22	2022/23	2023/24
Target: (LTP)	\$1,058,000	\$604,000	\$541,785
Result: (Annual Report)	\$754,000	\$201,000	\$430,311

What we did: Our Forestry plantation operations are delivered through a management contract with external providers. Our primary cash income is generated from timber sales and key operating costs incorporate replanting, weed species and pest control, thinning, earthworks and general forest maintenance.

During 2022/23 log prices declined internationally and have continued to be challenging, so we chose to hold back on timber sales and as a result revenue was lower than forecast meaning we did not meet the gross cashflow target for the year.

Challenges/issues we experienced: Revenue was reduced due to the decline of international log prices and the choice to defer timber sales.

Looking ahead: With PF Olsen to assist with a Forestry strategy and estate modelling, we have revised our harvesting and forestry management plans, and will continue their implementation.

Measure 5: Council's cash investment portfolio independently reviewed each quarter, and performance of investments against the Bancorp Ltd benchmark portfolio

Target: Council's cash investment portfolio independently reviewed each quarter and investments out-perform the Bancorp Ltd benchmark portfolio.

	2021/22	2022/23	2023/24
Result:	✓	✓	✓

What we did: We undertook the quarterly reviews of our investment portfolio throughout the year. As at 30 June 2024 Council had liquidity of \$6.12 million made up of cash in bank, term deposits and bond.

Challenges/issues we experienced: Our investment portfolio has been reducing as capital expenditure on projects utilises reserves. To enable us to take advantage of upward movements in interest rates Council during the year purchased a bond of \$910,000 with a yield of 5.83%.

Looking ahead: Council will continue to work with our advisor, Bancorp Ltd, to maximise our investment returns within the parameters of our Investment Management Policy.

Capital Expenditure by activity

\$000s	LTP 2022-23	LTP 2023-24	Actual 2023-24
Pukaki Airport			
Signage upgrade	-	-	12
Land – administration and operating	25	-	3
Tourism and Economic Development			
Computer equipment	21	52	-
A20 Cycleway – to off-road Hayman Road section	-	-	485
Total	46	52	500

Significant Financial Variances between Actual and the Long Term Plan

Subsidies and grants for operating purposes \$646,000 above LTP

Unbudgeted grant income of \$136,000 in relation to Mayors Taskforce for Jobs and \$191,000 in relation to regional tourism event fund was received, both of these grants were offset by expenditure incurred in relation to the funding.

A further unbudgeted government grant of \$319,000 was received for Better Off Funding projects.

Local authorities fuel tax, fines, infringement fees and other receipts \$996,000 above LTP

Unbudgeted income of \$949,000 was received for the annual allocation of carbon credits. Timber sales were budgeted at \$523,000 but actual income received was \$430,000.

Payments to staff and suppliers \$1,587,000 above LTP

Unbudgeted expenditure was incurred in relation to the Mayors Taskforce for Jobs scheme. The expenditure was fully offset by government funding.

Unbudgeted expenditure of \$391,000 was incurred in regards impairment on forestry carbon credits.

Unbudgeted expenditure from the LTP of \$106,000 was incurred in relation to controlling wilding pine.

Unbudgeted expenditure of \$170,000 was incurred in relation to regional tourism event funding. The expenditure was offset from grants.

Expenditure of \$324,000 was incurred in relation to Better off Funding projects. The projects were not budgeted in the LTP. All expenditure is fully offset by government funding.

Increased expenditure from the LTP was incurred in regards forestry operations as a result of additional work required outside the scope of the management contract, maintenance and harvesting costs.

Subsidies and grants for capital purposes \$400,000 above LTP

An unbudgeted grant of \$400,000 was received from Better Off Funding in relation to the Alps 2 Ocean cycleway – Haymans Road upgrade.

Increase / (decrease) in debt \$1,065,000 below LTP

The LTP included repayment of borrowings relating to prior years capital projects, no actual borrowings are currently held for this activity.

Capital expenditure – to improve the level of service \$485,000 above LTP

Expenditure of \$485,000 was incurred as part of a Better Off Funding project in relation to the Alps 2 Ocean Cycleway – Haymans Road upgrade.

Increase / (decrease) in reserves \$915,000 above LTP

Transfers to reserves were higher than budget due to the timing of receipt of revenue and expenditure incurred from commercial activities as well as proceeds from sale of assets and increased investments.

FUNDING IMPACT STATEMENT – TOURISM, ECONOMIC DEVELOPMENT and COMMERCIAL ACTIVITIES

\$000s	LTP 2022-23	LTP 2023-24	Actual 2023-24
OPERATING FUNDING			
Sources of operating funding			
General Rates, Uniform annual general charges, rates penalties	46	46	51
Targeted rates	413	423	559
Subsidies and grants for operating purposes	-	-	646
Fees and charges	-	-	40
Internal charges and overheads recovered	-	-	-
Local authorities fuel tax, fines, infringement fees and other receipts	1,102	1,058	2,054
Total sources of operating funding	1,561	1,527	3,350
Applications of operating funding			
Payments to staff and suppliers	713	770	2,357
Finance costs	37	31	3
Internal charges and overheads	1,468	1,347	1,706
Other operating funding applications	-	-	-
Total applications of operating funding	2,218	2,147	4,066
SURPLUS / (DEFICIT) OF OPERATING FUNDING	(657)	(620)	(716)
CAPITAL FUNDING			
Sources of capital funding			
Subsidies and grants for capital expenditure	-	-	400
Development and financial contributions	-	-	-
Increase/(decrease) in debt	(92)	(1,065)	-
Gross proceeds from the sale of assets	-	-	-
Lump sum contributions	-	-	-
Other dedicated capital funding	-	-	-
Total sources of capital funding	(92)	(1,065)	400
Applications of capital funding			
Capital expenditure - to meet additional demand	-	-	-
Capital expenditure - to improve the level of service	-	-	485
Capital expenditure - to replace existing assets	46	52	15
Increase/(decrease) in reserves	(787)	(1,730)	(815)
Increase/(decrease) of investments	(8)	(8)	-
Total applications of capital funding	(749)	(1,685)	(315)
SURPLUS / (DEFICIT) OF CAPITAL FUNDING	657	620	716
FUNDING BALANCE	0	0	0

Note: Figures in the LTP columns agree in total, but for presentation purposes, some sources and applications of funding have been reallocated to ensure information is comparable.

SECTION 4

Finances

Pūtea



A GUIDE TO THE FINANCIALS

The Local Government Act 2002 requires the Council to report its actual performance compared to targets published in the Long Term Plan and Annual Plan, reporting against both financial and non-financial measures.

The financial information includes:

Statement of comprehensive revenue and expenditure

This can also be referred to as the profit and loss statement, income statement or the operating statement.

The statement of comprehensive revenue and expense shows all of the Council's revenue earned and expenses incurred for the 12 months up to 30 June 2024. The statement does not include asset purchases or disposals (capital expenditure).

Statement of changes in equity

The statement of changes in equity provides information about the nature of changes in the Council's ratepayers' equity during the year. Equity is the residual interest in the assets of the Council after the deduction of its liabilities.

Statement of financial position

The statement of financial position shows all the assets and liabilities of the Council as at 30 June 2024. It can also be referred to as the balance sheet.

Statement of cash flows

The statement of cash flows covers all inflows and outflows of cash during the year covered by the statement of comprehensive revenue and expense.

The statement of cash flows identifies the sources and applications of cash in respect to the Council's operating, investing and financing activities.

Funding impact statement

The funding impact statement sets out the sources of operating and capital funding the Council has used to fund its activities.

Notes to the financial statements

The notes contain additional information to give greater understanding of the financial statements outlined above and includes the accounting policies Council has used to prepare the financial statements for 2023/2024.

Disclosure statement

The disclosure statement discloses the Council's planned financial performance in relation to various benchmarks to enable the assessment of whether the Council is prudently managing its revenues, expenses, assets, liabilities, and general financial dealings.

The Council is required to include the disclosure statement in the annual report in accordance with the Local Government (Financial Reporting and Prudence) Regulations 2014 (the regulations).

STATEMENT OF COMPREHENSIVE REVENUE AND EXPENSE

For the Year Ended 30 June 2024

§000s	Notes	Actual 2024	Budget 2024	Actual 2023
REVENUE				
Rates	3	16,074	15,944	14,631
Subsidies and grants	4	5,617	5,957	5,535
Fees and charges and metered rates for water supply	5	2,248	1,959	2,498
Interest revenue	6	452	400	543
Other revenue	7	3,018	2,836	3,150
Development and financial contributions		556	1,162	1,196
Vested assets		1,090	1,700	1,469
Other gains	8	394	31	265
Total revenue		29,450	29,988	29,287
EXPENSES				
Personnel costs	10	6,032	6,491	5,119
Finance costs	11	846	650	451
Other expenses	12	19,004	17,656	21,146
Depreciation and amortisation expense	20	7,032	5,970	6,319
Other losses	8	1,102	-	1,110
Total expenses		34,016	30,768	34,145
SURPLUS / (DEFICIT) BEFORE TAX		(4,566)	(780)	(4,858)
Income tax expense	13		-	-
Surplus / (deficit) after tax		(4,566)	(780)	(4,858)
OTHER COMPREHENSIVE REVENUE AND EXPENSE				
<i>Items that could be reclassified to surplus / (deficit)</i>				
Fair value movement of listed bonds	30	-	434	2
<i>Financial assets at fair value</i>				
<i>Items that will not be classified to surplus / (deficit)</i>				
Fair value movement of listed and unlisted shares	30	600	-	2,800
Property, plant, and equipment revaluations	30	23,170	-	5,893
Total other comprehensive revenue and expense		23,770	434	8,695
TOTAL COMPREHENSIVE REVENUE AND EXPENSE		19,204	(346)	3,837

The accompanying notes form an integral part of these financial statements.

STATEMENT OF FINANCIAL POSITION

As at 30 June 2024

§000s	Notes	Actual 2024	Budget 2024	Actual 2023
ASSETS				
Current assets				
Cash and cash equivalents	14	5,504	5,368	10,166
Receivables	15	4,243	4,003	6,155
Inventories	16	25	74	21
Prepayments	17	345	117	456
Other financial assets	18	47	8,400	3,009
Total current assets		10,164	17,962	19,807
Non-current assets				
Property, plant, and equipment	19	384,911	351,657	349,155
Inventories	16	342	342	342
Intangible assets	21	3,707	1,719	3,217
Forestry assets	22	4,772	5,212	4,841
Investment property	23	5,684	5,386	5,334
Other financial assets	18	15,876	11,969	14,210
Total non-current assets		415,292	376,285	377,099
TOTAL ASSETS		425,456	394,247	396,906
LIABILITIES				
Current liabilities				
Payables and deferred revenue	25	6,524	6,045	6,595
Employee entitlements	26	505	308	360
Provisions	27	5	2	3
Borrowing	28	5,791	3,006	3,120
Total current liabilities		12,825	9,361	10,078
Non-current liabilities				
Employee entitlements	26	39	26	35
Provisions	27	34	32	38
Borrowings	28	15,020	17,832	8,420
Total non-current liabilities		15,093	17,890	8,493
TOTAL LIABILITIES		27,918	27,251	18,571
NET ASSETS		397,539	366,996	378,335
EQUITY				
Accumulated funds	30	128,621	106,398	115,961
Reserves	30	7,365	27,672	23,477
Revaluation reserves	30	261,553	232,926	238,897
TOTAL EQUITY		397,539	366,996	378,335

The accompanying notes form an integral part of these financial statements.

STATEMENT OF CHANGES IN EQUITY**For The Year Ended 30 June 2024**

\$000s	Notes	Actual 2024	Budget 2024	Actual 2023
Equity at the beginning of the year		378,335	367,341	374,501
Total comprehensive revenue and expense		19,204	(346)	3,837
Equity at the end of year	30	397,539	366,996	378,335

The accompanying notes form an integral part of these financial statements.

STATEMENT OF CASHFLOWS

For The Year Ended 30 June 2024

§000s	Notes	Actual 2024	Budget 2024	Actual 2023
CASH FLOWS FROM OPERATING ACTIVITIES				
Receipts from rates revenue		16,066	15,944	14,308
Subsidies and grants received		5,617	5,957	6,305
Receipts from other revenue		6,066	4,825	2,194
Interest and dividends from investments		592	400	695
Development and financial contributions received		556	1,162	1,038
Payments to suppliers and employees		(23,788)	(24,147)	(25,973)
Finance costs		(846)	(650)	(451)
GST (net)		(398)	-	850
Net cash flow from operating activities		3,865	3,489	(1,034)
CASH FLOWS FROM INVESTING ACTIVITIES				
Proceeds from sale of property, plant, and equipment		7	-	170
Proceeds from sale of investments		6,000	10,000	24,351
Purchase of fixed assets and intangibles		(19,840)	(12,571)	(10,308)
Purchase of investments		(4,136)	(10,000)	(13,133)
Net cash flow from investing activities		(17,969)	(12,571)	1,080
CASH FLOWS FROM FINANCING ACTIVITIES				
Payments of borrowings		(3,000)	-	(10,000)
Proceeds from borrowings		12,442	9,412	11,114
Net cash flow from financing activities		9,442	9,412	1,114
NET INCREASE / (DECREASE) IN CASH HELD		(4,662)	331	1,160
Opening cash balance 1 July		10,166	5,037	9,006
Cash and cash equivalents at the end of the year		5,504	5,368	10,166
REPRESENTED BY				
Cash and cash equivalents	14	5,504	5,368	10,166

The accompanying notes form an integral part of these financial statements.

STATEMENT OF CASH FLOWS (CONTINUED)**For The Year Ended 30 June 2024****Reconciliation of surplus/(deficit) after tax to net cash flows from operating activities**

\$000s	Actual 2024	Actual 2023
SURPLUS/(DEFICIT) AFTER TAX	(4,566)	(4,858)
Add/(less) non-cash items		
Depreciation and amortisation expense	7,032	6,319
Property, plant, and equipment impairment	391	194
Vested assets revenue	(1,090)	(1,469)
(Gains)/losses in fair value of forestry assets	(29)	272
(Gains)/losses in fair value of investment property	(365)	(265)
(Gains)/losses on derivative financial instruments	-	-
(Gains)/losses - other	(6)	(570)
Movement in provision	27	4
Other	(949)	(1,066)
Total non-cash items	5,011	3,419
Add/(less) items classified as investing or financing activities		
Gains/(losses) on disposal of property, plant, and equipment	1,108	617
Gains/(losses) on disposal of investments classified as fair value through other comprehensive revenue and expense	-	-
Interest capitalised	-	-
Total items classified as investing or financing activities	1,108	617
Add/(less) movements in working capital items		
(Increase)/decrease in receivables	2,126	(1,752)
(Increase)/decrease in prepayments	112	339
(Increase)/decrease in inventories	(4)	53
Increase/(decrease) in payables	(72)	1,050
Increase/(decrease) in income tax payables	-	-
Increase/(decrease) in provisions	2	13
Increase/(decrease) in employee entitlements	148	85
Net movements in working capital items	2,312	(212)
Net cash inflow/(outflow) from operating activities	3,865	(1,034)

The accompanying notes form an integral part of these financial statements.

FUNDING IMPACT STATEMENT – WHOLE OF COUNCIL**For The Year Ended 30 June 2024**

\$000s	Annual Plan 2022-23	Actual 2022-23	Annual Plan 2023-24	Actual 2023-24
OPERATING FUNDING				
<i>Sources of operating funding</i>				
General rates, uniform annual general charges, rates penalties	6,860	6,959	7,585	7,687
Targeted rates (other than metered water supply rates)	7,605	7,673	8,359	8,387
Subsidies and grants for operating purposes	1,221	4,125	3,220	2,284
Fees and charges	1,827	2,570	1,986	2,663
Interest and dividends from investments	321	617	524	503
Local authorities fuel tax, fines, infringement fees and other receipts	1,576	3,004	2,685	2,551
Total sources of operating funding	19,410	24,948	24,358	24,076
<i>Applications of operating funding</i>				
Payments to staff and suppliers	19,347	26,292	24,148	25,036
Finance costs	215	451	650	846
Other operating funding applications	-	-	-	-
Total applications of operating funding	19,562	26,743	24,798	25,883
SURPLUS / (DEFICIT) OF OPERATING FUNDING	(152)	(1,795)	(440)	(1,807)
CAPITAL FUNDING				
<i>Sources of capital funding</i>				
Subsidies and grants for capital expenditure	1,815	1,409	2,736	3,332
Development and financial contributions	2,122	1,196	1,162	556
Increase / (decrease) in debt	6,318	1,114	9,412	9,442
Gross proceeds from sale of assets	523	100	-	9
Lump sum contributions	-	-	-	-
Other dedicated capital funding	-	-	-	-
Total sources of capital funding	10,778	3,819	13,310	13,340
<i>Applications of capital funding</i>				
Capital expenditure – to meet additional demand	1,282	246	1,200	-
Capital expenditure – to improve the level of service	9,233	5,124	13,613	13,679
Capital expenditure – to replace existing assets	3,437	4,803	4,527	5,453
Increase / (decrease) in reserves	(3,325)	5,264	(6,470)	(3,303)
Increase / (decrease) of investments	-	(13,413)	-	(4,296)
Total applications of capital funding	10,627	2,024	12,870	11,533
SURPLUS / (DEFICIT) OF CAPITAL FUNDING	152	1,795	440	1,807
FUNDING BALANCE	0	0	0	0

Note: The Funding Impact Statement is required under the Local Government Act 2002 Schedule 10 and conforms to the Local Government (Financial Reporting) Regulations 2014. Generally accepted accounting practice does not apply to the preparation of the Funding Impact Statement as stated in S111 (2) of the Local Government Act.

Figures in the LTP columns agree in total, but for presentation purposes some sources and applications of funding have been reallocated to be comparable with the actual columns.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2024

1. STATEMENT OF ACCOUNTING POLICIES

Reporting entity

Mackenzie District Council (Council) and group is a territorial local authority established under the Local Government Act 2002 (LGA) and is domiciled and operates in New Zealand. The relevant legislation governing the Council's operations includes the LGA and the Local Government (Rating) Act 2002.

The group consists of Mackenzie District Council and its wholly owned subsidiaries (100% owned), Mackenzie Holdings Limited and Mackenzie Tourism and Development Trust.

Council's interest in Downlands Water Scheme has been assessed as a Joint Arrangement and accounts for its share of assets, liabilities, revenue and expenses relating to Council's 4% interest in the scheme. Figures presented in the financial statements are the same for the parent reporting entity and the group.

The Council has designated itself and the group as a public benefit entity (PBE) for the purposes of complying with generally accepted accounting practice (GAAP).

The financial statements of the Council and the group are for the year ended 30 June 2024. The financial statements were authorised for issue by Council on 10 December 2024.

Basis of preparation

The financial statements have been prepared on the going concern basis, and the accounting policies have been applied consistently throughout the year.

Statement of Compliance

The financial statements of the Council and group have been prepared in accordance with the requirements of the LGA and the Local Government (Financial Reporting and Prudence) Regulations 2014 (LG(FRP)R), which include the requirement to comply with generally accepted accounting practice in New Zealand (NZ GAAP).

The financial statements have been prepared in accordance with and comply with PBE Standards. The Council is reporting in accordance with Tier 1 PBE Standards.

Presentation currency and rounding

The financial statements are presented in New Zealand dollars and all values are rounded to the nearest thousand dollars (\$000) unless otherwise stated.

Measurement base

The financial statements have been prepared on a historical cost basis, except for land and buildings classified as property, plant and equipment, certain infrastructure assets, investment property, some investments and forestry.

Changes in accounting policies

There were no changes in accounting policies in 2023/24.

Standards issued and not yet effective that have been early adopted Changes in accounting policies

Amendments to PBE IPSAS 1 (Disclosure of Fees for Audit Firm's Services)

The amendments to PBE IPSAS 1 aim to address concerns about the quality and consistency of disclosures an entity provides about fees paid to its audit or review firm for different types of services. The enhanced disclosures are expected to improve the transparency and consistency of disclosures about fees paid to an entity's audit or review firm. Council will be required to disclose the fees incurred for services received from its audit or review firm, and a description of each service, using the following specified categories:

- Audit or review of the financial report
- Other non-audit and non-review services:
 - Audit or Review Related Services
 - Other Assurance Services and other Agreed-Upon Procedures Engagements
 - Taxation Services
 - Other Services.

Application of these amendments is required for accounting periods beginning on or after 1 January 2024. Application is permitted for accounting periods that begin before 1 January 2024. The Council will not early adopt this amendment.

There have been no other changes in accounting policies.

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of consolidation

The consolidated financial statements are prepared by adding together like items of assets, liabilities, equity, revenue, and expenses and cash flows of entities in the group on a line-by-line basis. All significant intragroup balances, transactions, revenue, and expenses are eliminated on consolidation.

The consolidated financial statements are prepared using uniform accounting policies for like transactions.

Joint operation

A joint operation is a contractual agreement whereby two or more parties undertake an economic activity that is subject to joint control. Joint control exists when there is a binding agreement between the parties involved in the arrangement and this agreement requires the relevant activities of the arrangement to be decided by unanimous consent from all parties involved in the arrangement.

For joint arrangements, the Council recognises in its financial statements its share of assets, liabilities, revenue and expenses relating to the arrangement.

The Council has a joint arrangement with the Timaru District Council and Waimate District Council for the Downlands Rural Water Scheme. The Downlands Rural Water Scheme is a joint operation rather than a joint venture because the three Councils jointly own their specified share of the whole scheme and have rights to the assets and obligations for the liabilities relating to the arrangement, due to the structure of the arrangement not being through a separate vehicle. Council's share in this joint arrangement equates to 4%, with Timaru District Council's share being 82% and Waimate District Council's 14%.

Third party transfer payment agencies

Where the Council collects monies for other organisations, any monies held are shown as liabilities in the accounts trade and payables.

STATEMENT OF FINANCIAL PERFORMANCE ITEMS

Revenue recognition

Revenue is measured at the fair value. The specific accounting policies for significant revenue items are explained below:

Rates revenue

The following policies for rates have been applied:

- General rates, targeted rates and uniform annual general charges are recognised at the start of the financial year to which the rates resolution relates. They are recognised at the amounts due. The Council considers the effect of payment of rates by instalments is not sufficient to require discounting of rates receivables and subsequent recognition of interest revenue.
- Revenue arising from late payment penalties is recognised as revenue when rates become overdue.
- Rates remissions are recognised as a reduction of rates revenue when the Council has received an application that satisfies its rates remission policy.
- Rates collected on behalf of Environment Canterbury Regional Council (ECan) are not recognised in the financial statements, as the Council is acting as an agent for ECan.

Rates Remissions

The objective of rates remissions is to facilitate the continuing provision of non-commercial community services and recreational opportunities in the Mackenzie District. The different type of rates remissions and the specific objectives of each type of rates remission are set in accordance with the policy outlined in the Long-Term plan.

Non-Rateable land

Under the Local Government (Rating) Act 2002, certain properties cannot be rated for general rates. These properties include schools, places of religious worship, public gardens, and reserves. These non-rateable properties may be subject to targeted rates in respect of sewerage, water, refuse and sanitation. The non-rateable land does not constitute a remission under the Council's rates remissions policy.

Waka Kotahi (New Zealand Transport Agency) roading subsidies

Council receives government grants from the New Zealand Transport Agency, which subsidises part of the costs of maintaining the local roading infrastructure. The subsidies are recognised as revenue upon entitlement, as conditions pertaining to eligible expenditure have been fulfilled.

Other grants received

Other grants are recognised as revenue when they become receivable unless there is an obligation in substance to return the funds if conditions of the grant are not met. If there is such an obligation, the grants are initially recorded as grants received in advance and recognised as revenue when conditions are satisfied.

Building and resource consent revenue

Revenue from building consents is recognised when payment of the consent is received. Revenue from fees charged for resource consent processing is recognised in proportion to the stage of completion. Work performed is invoiced monthly until completion.

Entrance Fees

Entrance fees are fees charged to users of the Council's local facilities, such as the pools. Revenue from entrance fees is recognised upon entry to such facilities.

Provision of goods and services

Services provided to third parties on commercial terms are exchange transactions. Revenue from these services is recognised by reference to the stage of completion of the transaction at balance date, based on the actual service provided as a percentage of the total services to be provided.

Infringement fees and fines

Infringement fees and fines mostly relate to parking infringements and are recognised when the infringement notice is issued. The Council recognises the revenue at an amount based on the probability of collection.

Development and financial contributions

Development and financial contributions are recognised as revenue when the Council provides, or is able to provide, the service for which the contribution was charged. Otherwise, development and financial contributions are recognised as liabilities until such time as the Council provides or is able to provide the service.

Vested or donated physical assets

The fair value of vested or donated assets is usually determined by reference to the cost of constructing the asset. For assets received from property developments, the fair value is based on construction price information provided by the property developer.

For long lived assets that must be used for a specific use (for example, land must be used as a recreational reserve), the Council immediately recognises the fair value of the asset as revenue. A liability is recognised only if the Council expects that it will need to return or pass the asset to another party.

Landfill fees

Fees for disposing of waste are recognised as waste is disposed of by users.

Sale of Goods and Services

Revenue from the sale of goods and services is recognised when a product is sold, or service provided to the customer.

Interest and dividends

Interest revenue is accrued on a time basis using the effective interest method, by reference to the principal outstanding and at the interest rate applicable. Interest revenue on an impaired financial asset is recognised using the original effective interest rate.

Dividends are recognised when the right to receive payment has been established. When dividends are declared from pre-acquisition surpluses, the dividend is deducted from the cost of the investment.

Donated and bequeathed financial assets

Donated and bequeathed financial assets are recognised as revenue unless there are substantive use or return conditions. A liability is recorded if there are substantive use or return conditions and the liability released to revenue as the conditions are met. (e.g., as the funds are spent for the nominated purpose).

Revenue from commission and booking fees

Revenue from commission and booking fees for the sale of tours and accommodation is recognised when the booking is made by the customer, payment has been received and the voucher has been issued.

Rental revenue

Rental revenue is recognised on a straight-line basis over the lease term.

Insurance proceeds

Insurance proceeds are recognised as revenue when the compensation becomes receivable.

Expenditure Recognition

The specific accounting policies for significant expenditure items are explained below.

Salary and wages

Salary and wages are recognised as an expense as employees provide services.

Superannuation Schemes

Obligations for contributions to KiwiSaver are accounted for as defined contribution superannuation schemes and are recognised as an expense in the surplus or deficit when incurred.

Borrowing costs

All borrowing costs are recognised as an expense in the period in which they are incurred.

Grant expenditure

Non-discretionary grants are those grants that are awarded if the grant application meets the specified criteria and are recognised as expenditure when an application that meets the specified criteria for the grant has been received.

Discretionary grants are those grants where the Council has no obligation to award on receipt of the grant application and are recognised as expenditure when approved by the Council and the approval has been communicated to the applicant. The Council's grants awarded have no substantive conditions attached.

Contractual commitments

These are commitments for which a formal contract has been entered into at balance date. These commitments are based on the legal commitment outstanding under contracts. They do not take in account any additional work required due to emergency events or any adjustments to costs based on inflation.

Operating Leases

An operating lease is a lease that does not transfer substantially all the risks and rewards incidental to ownership of an asset. Lease payments under an operating lease are recognised as an expense on a straight-line basis over the lease term. Lease incentive received are recognised in the surplus/(deficit) as a reduction of rental expense over the lease term.

Council leases property, plant and equipment in the normal course of its business. The majority of these leases have non- cancellable terms of 36 months.

Leases can be renewed at the Council's option, with rents set by reference to current market rates for items of equivalent age and condition. The Council does not have the option to purchase the asset at the end of the lease term.

There are no restrictions placed on the Council by any of the leasing arrangements.

Income tax

Income tax expense includes components relating to both current tax and deferred tax.

Current tax is the amount of income tax payable based on the taxable profit for the current year, plus any adjustments to income tax payable in respect of prior years. Current tax is calculated using tax rates (and tax laws) that have been enacted or substantively enacted at balance date.

Deferred tax is the amount of income tax payable or recoverable in future periods in respect of temporary differences and unused tax losses. Temporary differences are differences between the carrying amount of assets and liabilities in the statement of financial position and the corresponding tax bases used in the computation of taxable profit.

Deferred tax liabilities are generally recognised for all taxable temporary differences. Deferred tax assets are recognised to the extent that it is probable that taxable profits will be available against which the deductible temporary differences or tax losses can be utilised.

Deferred tax is not recognised if the temporary difference arises from the initial recognition of goodwill or from the initial recognition of an asset or liability in a transaction that is not a business combination and at the time of the transaction, affects neither accounting profit nor taxable profit.

Current tax and deferred tax are measured using tax rates (and tax laws) that have been enacted or substantively enacted at balance date.

Current and deferred tax is recognised against the surplus/(deficit) for the period, except to the extent that it relates to a business combination, or to transactions recognised in other comprehensive revenue and expense or directly in equity.

STATEMENT OF FINANCIAL POSITION ITEMS

The specific accounting policies for significant balance sheet items are explained as follows.

Cash and cash equivalents

Cash and cash equivalents include cash on hand, deposits held at call with banks, other short-term highly liquid investments with original maturities of three months or less, and bank overdrafts. Bank overdrafts are shown within borrowings in current liabilities in the statement of financial position.

Trade and Other Receivables

Trade and other receivables are recorded at the amount due, less an allowance for expected credit losses (ECL). The Council and group apply the simplified ECL model of recognising lifetime ECL for receivables. In measuring ECLs, receivables have been grouped into rates receivables, and other receivables, and assessed on a collective basis as they possess shared credit risk characteristics. They have then been grouped based on the days past due. A provision matrix is then established based on historical credit loss experience, adjusted for forward looking factors specific to the debtors and the economic environment.

Rates are “written-off”:

- when remitted in accordance with the Council’s rates remission policy; and
- in accordance with the write-off criteria of sections 90A (where rates cannot be reasonably recovered) and 90B (in relation to Māori freehold land) of the Local Government (Rating) Act 2002.

No rates were written off during the year, (2023: \$Nil)

Other receivables are written-off when there is no reasonable expectation of recovery.

Fair Value

Debtors and other receivables are non-interest bearing and receipt is normally on 30-day terms, therefore the carrying value of trade other receivables approximates their fair value.

There is no concentration of credit risk with respect to receivables outside the Council, as the Council has a large number of customers.

Impairment

Council does not provide for any impairment on rates receivable as it has various powers under the Local Government (Rating) Act 2002 to recover any outstanding debts. These powers allow Council to commence legal proceedings to recover any rates that remain unpaid 4 months after the due date for payment. If payment has not been made within 3 months of the Court’s judgement, then Council can apply to the Registrar of the High Court to have the judgement enforced by sale or lease of the rating unit.

Ratepayers can apply for payment plan options in special circumstances. Where such payment plans are in place, debts are discounted to their present value of future payments if the effect of discounting is material.

Financial assets/financial liabilities

The Council shall recognise a financial asset or a financial liability in its statement of financial position when, and only when, the Council becomes party to the contractual provisions of the instrument.

At initial recognition, the Council shall measure a financial asset or financial liability at its fair value plus or minus, in the case of a financial asset or financial liability not at fair value through surplus/(deficit), transaction costs that are directly attributable to the acquisition or issue of the financial asset or financial liability.

Financial Assets are classified as either:

1. Amortised Cost
2. Fair value through surplus or deficit FVTSD, or
3. Fair value through other comprehensive revenue and expenses, FVTOCRE.

A financial asset shall be measured at amortised cost if both of the following conditions are met:

- a) The financial asset is held within a business model whose objective is to hold financial assets in order to collect contractual cash flows; and
- b) The contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

A financial asset shall be measured at FVTSD unless it is measured at amortised cost or at FVTOCRE. However, an entity may make an irrevocable election at initial recognition for particular investments in equity instruments that would otherwise be measured FVTSD to present subsequent changes in FVTOCRE.

Subsequent measurement of financial assets at amortised cost

Term Deposits, Eversley Sewage Loan and Bonds

Financial assets classified at amortised cost are subsequently measured at amortised cost using the effective interest method, less any expected credit losses. Where applicable, interest accrued is added to the investment balance. Instruments in this category include term deposits, community loans, and loans to subsidiaries and associates.

Subsequent measurement of financial assets at FVTOCRE

Listed and Unlisted Shares

Financial assets in this category that are debt instruments are subsequently measured at fair value with fair value gains and losses recognised in other comprehensive revenue and expense, there is no assessment for impairment when fair value falls below the cost of the investment. When sold, the cumulative gain or loss previously recognised in other comprehensive revenue and expense is transferred to accumulated funds with equity. The

Council and group designate into this category all equity investments that are not included in its investment fund portfolio, and if they are intended to be held for the medium to long-term.

Expected credit loss allowance (ECL)

The Council and group recognise an allowance for ECLs for all debt instruments not classified as FVTSD. ECLs are the probability-weighted estimate of credit losses, measure at the present value of cash shortfalls, which is the difference between the cash flows due to Council and group in accordance with the contract and the cash flows it expect to receive.

ECLs are discounted at the effective interest rate of the financial asset.

ECL's are recognised in two stages. ECLs are provided for credit losses that result from default events that are possible within the next 12 months (a 12-month ECL). However, if there has been a significant increase in credit risk since initial recognition, the loss allowance is based on losses possible for the remaining life of the financial asset (Lifetime ECL).

When determining whether the credit risk of a financial asset has increased significantly since initial recognition, the Council and group considers reasonable and supportable information that is relevant without undue cost or effort. This includes both quantitative and qualitative information and analysis based on the Council and group's historical experience and informed credit assessment and included forward-looking information.

The Council and group consider a financial asset to be in default when the financial asset is more than 90 days past due. The Council and group may determine a default occurs prior to this if internal or external information indicates the entity is unlikely to pay its credit obligations in full.

Financial Liabilities are classified as either:

1. Amortised Cost, or
2. Fair value through profit or loss.

Financial liabilities are generally classified and measured at amortised cost, unless they meet the criteria for classification at fair value through profit or loss.

A financial liability is classified as a financial liability at fair value through profit or loss if it meets one of the following conditions:

- It is held for trading, or
- It is designated by the entity as at fair value through profit or loss (note that such a designation is only permitted if specified conditions are met).

A financial liability is held for trading if it meets one of the following conditions:

- It is incurred principally for the purpose of repurchasing it in the near term.
- On initial recognition it is part of a portfolio of identified financial instruments that are managed together and for which there is evidence of a recent actual pattern of short-term profit-taking, or
- It is a derivative (except for a derivative that is a financial guarantee contract or a designated and effective hedging instrument).

Inventories

Inventories are held for distribution or for use in the provision of goods and services. The measurement of inventories depends on whether the inventories are held for commercial or non-commercial (distribution at no charge or for a nominal charge) distribution or use. Inventories are measured as follows:

- Commercial: measured at the lower of cost and net realisable value.
- Non-commercial: measured at cost, adjusted for any loss of service potential.

Cost is allocated using the first-in-first-out (FIFO) method, which assumes the inventories that were purchased first are distributed or used first.

Inventories acquired through non-exchange transactions are measured at fair value at the date of acquisition.

Any write-down from cost to net realisable value or for the loss of service potential is recognised in the surplus/(deficit) in the year of the write-down.

When land held for development and future resale is transferred from investment property/property, plant, and equipment to inventory, the fair value of the land at the date of the transfer is its deemed cost.

Costs directly attributable to the developed land are capitalised to inventory, with the exception of infrastructural asset costs which are capitalised to property, plant, and equipment.

Property, plant and equipment

Property, plant and equipment consist of:

- *Operational assets*

Operational assets are tangible assets that are able to be dealt with as part of the operating strategy. These include land, buildings and improvements, furniture and fittings, plant and equipment, computer hardware, motor vehicles, office equipment, resource recovery parks and heritage assets.

- *Restricted assets*

Restricted assets include parks and reserves owned by Council which provide a benefit or service to the community, and endowments and other property held in trust for specific purposes.

Land in the “Restricted Asset” category are subject to restrictions on either use or disposal, or both. This includes restrictions from legislation (such as land declared as a reserve under the Reserves Act 1977), or other restrictions (such as land or buildings acquired under a bequest or donation that restricts the purpose for which the assets can be used).

- *Infrastructure assets*

Infrastructure assets are the fixed utility systems owned by the Council and group. Each asset class includes all items that are required for the network to function. For example, sewer reticulation includes reticulation piping and sewer pump stations.

- *Unformed or paper roads*

An unformed or paper road is a term for a road that is legally established and recorded in survey plans, but has not been formed, and that ownership of the land associated with the paper road resides with Council.

Council does not recognise land under unformed paper roads in the financial statements because there is little or no service potential from the majority of these paper roads.

Valuing these assets is also difficult. It is difficult to measure the service benefit to the public from having access to these routes. There is also limited market data detailing recent sales of such small individual areas arguably due to the high cost of disposal.

Revaluation

The carrying values of revalued items are assessed annually to ensure that their carrying amount does not differ materially from fair value and at least every three years. If there is a material difference, then the off-cycle asset classes are revalued. Revaluations of property, plant, and equipment are accounted for on a class of asset basis.

Asset classes that are revalued, are revalued with sufficient regularity to ensure that their carrying amount does not differ materially from fair value. The valuation cycle for revalued asset classes is normally three years.

The measurement basis for each class of asset is described below:

Operational Assets	Is the Class Revalued?	Valuation Basis
Buildings	Yes	Fair Value
Computer Hardware	No	Depreciated Historical Cost
Furniture and Fittings	No	Depreciated Historical Cost
Heritage Assets	No	Deemed Cost
Land	Yes	Fair Value
Motor Vehicles	No	Depreciated Historical Cost
Office Equipment	No	Depreciated Historical Cost
Plant and Machinery	No	Depreciated Historical Cost
Restricted Assets		
Land	Yes	Fair Value
Flood Protection and Control Works	No	Not Applicable
Village Projects	No	Depreciated Historical Cost
Alps2Ocean Cycleway	No	Deemed Cost

Infrastructure Assets		
Land Under Roads	No	Not Applicable
Litter Bins and Landfills	No	Depreciated Historical Cost
Roads and Footpaths	Yes	Optimised Depreciated Replacement Cost
Resource Consents	No	Depreciated Historical Cost
Resource Recovery Parks	Yes	Optimised Depreciated Replacement Cost
Stormwater	Yes	Optimised Depreciated Replacement Cost
Wastewater	Yes	Optimised Depreciated Replacement Cost
Water Supplies	Yes	Optimised Depreciated Replacement Cost

The net revaluation results are credited or debited to other comprehensive revenue and expense and are accumulated to an asset revaluation reserve in equity for that class of asset. Where this would result in a debit balance in the asset revaluation reserve, this balance is not recognised in other comprehensive revenue and expense but in the surplus/(deficit).

Any subsequent increase on revaluation that reverses a previous decrease in value recognised in the surplus/(deficit) will be recognised first in the surplus/(deficit) up to the amount previously expensed, and then recognised in other comprehensive revenue and expense.

Additions

The cost of an item of property, plant, or equipment is recognised as an asset if, and only if, it is probable that future economic benefits or service potential associated with the item will flow to the Council and group and the cost of the item can be measured reliably.

Work in progress is recognised at cost less impairment and is not depreciated.

In most instances, an item of property, plant and equipment is initially recognised at its cost. Where an asset is acquired through a non-exchange transaction, it is recognised at its fair value as at the date of acquisition.

Costs incurred after initial acquisition are capitalised only when it is probable that future economic benefits or service potential associated with the item will flow to the Council and the cost of the item can be measured reliably.

The costs of day-to-day servicing of property, plant and equipment are recognised in the surplus/(deficit) as they are incurred.

Certain infrastructure assets and land have been vested in Council as part of the subdivisional consent process. The vested reserve land has been recognised at the most recent appropriately certified government valuation. Vested infrastructure assets have been valued based on the actual quantities of infrastructure.

Disposals

Gains and losses on disposals are determined by comparing the disposal proceeds with the carrying amount of the asset. Gains and losses on disposals are reported net in the surplus/(deficit). When revalued assets are sold, the amounts included in asset revaluation reserves in respect of those assets are transferred to accumulated funds.

Depreciation

Depreciation is provided on a straight-line basis on all property, plant and equipment, other than land, at rates that will write off the cost (or valuation) of the assets to their estimated residual values over their useful lives.

The useful lives and associated depreciation rates of major classes of assets have been estimated as follows:

Operational Assets	Depreciation Method	Life (Years)
Buildings	Straight Line	13 - 80
Computer Hardware	Straight Line	3 - 10
Computer Network Cabling	Straight Line	10
Furniture and Fittings	Straight Line	10
Heritage Assets	Straight Line	60 - 150
Land	Not Depreciated	-
Motor Vehicles	Straight Line	5
Office Equipment	Straight Line	5 - 10
Light Plant and Machinery	Straight Line	10 - 25

SECTION 4: Finances / Pūtea

Plant and Machinery	Straight Line	10 - 25
Infrastructural Assets	Depreciation Method	Life (Years)
Solid Waste		
• Resource Recovery Parks	Straight Line	80
• Landfills	Straight Line	30 - 50
• Litter Bins	Straight Line	10
Village Projects	Straight Line	5 - 80
Alps2Ocean Cycleway	Straight Line	50
• Formation	Not Depreciated	-
Land Under Roads	Not Depreciated	-
Roads		
• Formation	Not Depreciated	-
• Sub-base – sealed rural	Not Depreciated	-
• Sub-base – sealed	Straight Line	100
• Base Course	Straight Line	75 - 125
• Surfacing	Straight Line	3 - 40
• Kerb and Channelling	Straight Line	40 - 80
• Street Signs	Straight Line	20
• Streetlighting	Straight Line	20 - 40
• Bridges	Straight Line	80 - 100
• Shoulders	Straight Line	100
Footpaths		
• Surface	Straight Line	25 - 75
• Base	Straight Line	30 - 75
• Formation	Not Depreciated	-
• Sub base	Not Depreciated	-
Resource Consents	Straight Line	10 - 33
Stormwater		
• Lines	Straight Line	60 - 150
• Manholes	Straight Line	150
• Open Drains	Not Depreciated	-
Wastewater		
• Mains	Straight Line	10 - 100
• Pumps	Straight Line	15 - 20
• Oxidation Ponds	Not Depreciated	-
• Box Culverts	Straight Line	100
• Manholes	Straight Line	100
Water Supplies		
• Piping Mains	Straight Line	10 - 80
• Pumps	Straight Line	15 - 20
• Service Lines	Straight Line	60 - 80
• Hydrants	Straight Line	80
• Valves and Air Valves	Straight Line	25 - 80
• Meters	Straight Line	20 - 25
• Reservoirs	Straight Line	40 - 80

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

Impairment of property, plant and equipment

Property, plant and equipment that have a finite useful life are reviewed for impairment at each balance date and whenever events or changes in circumstances indicate that the carrying amount may not be recoverable.

An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs to sell and its value in use.

If an asset's carrying amount exceeds its recoverable amount, the asset is regarded as impaired and the carrying amount is written down to the recoverable amount. For revalued assets, the impairment loss is recognised against the revaluation reserve for that class of asset. Where that results in a debit balance in the revaluation reserve, the balance is recognised in the surplus/ (deficit).

For assets not carried at a revalued amount, the total impairment loss is recognised in the surplus/(deficit).

The reversal of an impairment loss on a revalued asset is credited to other comprehensive revenue and expense and increases the asset revaluation reserve for that class of asset. However, to the extent that an impairment loss for that class of asset was previously recognised in the surplus/(deficit), a reversal of the impairment loss is also recognised in the surplus/(deficit).

For assets not carried at a revalued amount, the reversal of an impairment loss is recognised in the surplus/(deficit).

Estimating the fair value of land, buildings and infrastructure

The most recent valuation of land and buildings was performed by an independent registered valuer, Valuation Partners. The valuation is effective as at 30 June 2023. Future revaluations will be carried out on a three yearly basis or as required by the standard.

Plant and machinery comprises the Vertical Composting Unit. The Vertical Composting Unit has been revalued as at 1 July 2022 by the registered valuer, AECOM Maunsell, using depreciated replacement cost. Subsequent additions have been valued at cost and depreciated.

Heritage assets have been recorded at cost less accumulated depreciation. Other assets are valued at the lower of cost less accumulated depreciation.

Land operational, restricted and infrastructural)

Land is valued at fair value using market-based evidence based on its highest and best use with reference to comparable land values. Where there is a designation against the land or the use of the land is restricted because of reserve or endowment status, the valuation approach reflects the restriction in use. Such land is value based on rural land value plus a location adjustment to reflect different zoning, which are based on the valuer's judgement.

Restrictions on the Council's ability to sell land would normally not impair the value of the land because the Council has operational use of the land for the foreseeable future and will substantially receive the full benefits of outright ownership.

Buildings (operational)

Buildings have been valued using market values where a market value exists for that asset, or at depreciated replacement cost. Each building has also been componentised into:

- Structure
- Services, and
- Internal fitout

Specialised buildings are valued at fair value using depreciated replacement cost because no reliable market data is available for such buildings.

Depreciated replacement cost is determined using a number of significant assumptions. Significant assumptions used in the 30 June 2023 valuation include:

- The replacement costs of significant assets are adjusted where appropriate for optimization due to over-design or surplus capacity. There have been no optimization adjustments for the most recent valuations.
- The replacement cost is derived from recent construction contracts of modern equivalent assets and QV cost builder information. Construction costs based on a model rate of \$3,250 per square metre (includes architectural and engineers fees component of 12.5%) plus a multiple range between 0.1 to 5.2, depending on the nature of the specific asset being valued, compared to last year construction costs of \$3,110 per square metre.

- The remaining useful life of assets is estimated after considering factors such as the condition of the asset, future maintenance and replacement plans, obsolescence and experience with similar buildings.
- Straight-line depreciation has been applied in determining the depreciated replacement cost value of the asset.

Non-specialised buildings (for example, residential and office buildings) are valued at fair value using market-based evidence. Significant assumptions in the 30 June 2023 valuation do not include market rents and capitalisation rates.

Infrastructural Assets

Infrastructural assets include wastewater, stormwater, water supply, bridges and roading systems, and solid waste. Council's infrastructural assets, except rural water races, village projects, resource consents, litter bins, and Alps2Ocean Cycleway, have been included at their most recent valuation, plus additions at cost, less accumulated depreciation.

The most recent valuation of sewerage, water, drainage and roading was performed by an independent registered valuer. Mark Gordon, Director (MBA, BE (Hons), CPEng, CMEngNZ) of AECOM, performed the roading revaluation with an effective date of 30 June 2024. Miles Wyatt, Associate Director – Strategic Asset Management (Dip(Bus), NZCE, CMEngNZ, IntET(NZ), MIAM, REAcap) of AECOM performed the three waters revaluations with an effective date of 30 June 2024. Subsequent additions have been valued at cost and depreciated.

The most recent valuation of solid waste infrastructural assets was performed by an independent registered valuer. Miles Wyatt (DipBus (InfoSys), CMEngNZ, MIAM, REAcap) of AECOM performed the solid waste revaluation with an effective date of 30 June 2022. Subsequent additions have been valued at cost and depreciated.

Rural water races, landfills, village projects and Alps2Ocean Cycleway are stated at their cost or deemed cost less depreciation.

Costs incurred in obtaining any resource consents are capitalised and depreciated over the life of the resource consent. If a resource consent application is declined, then all capitalised costs are written off.

Sewerage, water, drainage and roading infrastructural assets are valued using the depreciated replacement cost method. There are a number of estimates and assumptions exercised when valuing infrastructural assets using the depreciated replacement cost method. These include:

- Determination of quantities and sizes of assets are optimized to relate to those acquired for current service delivery and foreseeable demand with the constraint that both sizes and quantities may only be reduced to reflect restrictions in need. Expansions are matters to be considered in capital improvement budgets.
- Estimating the replacement cost of the asset. The replacement cost of an asset is based on recent construction contracts in the region for modern engineering equivalent assets, from which unit rates are determined. Unit rates have been applied to components of the network based on size, material, depth and location. If recent contract cost information is considered out of date, it is indexed to Statistics New Zealand and NZTA indices for civil constructions to convert them to current dollar value at the valuation date.
- Estimates of the remaining useful life over which the asset will be depreciated. These estimates can be affected by the local conditions. For example, weather patterns and traffic growth. If useful lives do not reflect the actual consumption of the benefits of the asset, then the Council could be over- or under-estimating the annual depreciation charge recognised as an expense in the statement of comprehensive revenue and expense. To minimise this risk, infrastructural asset useful lives have been determined with reference to the New Zealand Infrastructural Asset Valuation and Depreciation Guidelines published by the National Asset Management Steering Group and have been adjusted for local conditions based on past experience. Asset inspections, deterioration and condition-modelling are also carried out regularly as part of asset management planning activities, which provides further assurance over useful life estimates.

The measurement basis for Downlands Water Scheme was changed from historical cost to the revaluation model for the 2019/20 financial year, in agreement with the joint arrangement parties being Waimate, Timaru and Mackenzie District Council's. Downlands water scheme assets were valued by Timaru District Council officers and peer reviewed by Brian Smith (CA), of Brian Smith Advisory Services Limited using a replacement cost basis and the valuation is effective at 30 June 2022.

Land under roads, includes under formed roads and subsequent additions vested to Council. The value is based on the average value of the land in the associated ward deemed by Quotable Value. These values have been adopted as deemed cost.

Value in use for non-cash generating assets

Non-cash generating assets are those assets that are not held with the primary objective of generating a commercial return.

For non-cash generating assets, value in use is determined using an approach based on either a depreciated replacement cost approach, a restoration cost approach, or a service units approach. The most appropriate approach used to measure value in use depends on the nature of the impairment and availability of information.

Value in use for cash generating assets

Cash generating assets are those assets that held with the primary objective of generating a commercial return.

The value in use for cash generating assets is the present value of expected future cash flows.

Classification of property

The Council owns a number of properties held to provide housing to pensioners. The receipt of market-based rental from these properties is incidental to holding them. The properties are held for service delivery objectives as part of the Council's social housing policy. The properties are therefore accounted for as property, plant and equipment rather than as investment property.

Forestry

Standing forestry assets are independently revalued annually at fair value less estimated costs to sell for one growth cycle.

Gains or losses arising on initial recognition of forestry assets at fair value less costs to sell and from a change in fair value less costs to sell are recognised in the surplus/(deficit).

Forestry maintenance costs are recognised in the surplus/(deficit) when incurred.

Intangibles

Software acquisition and development

Acquired computer software is capitalised on the basis of costs incurred to acquire and bring to use the specific software.

Costs that are directly attributable with the development of software for internal use are recognised as an intangible asset. Direct costs include the software development, employee costs and an appropriate portion of relevant overheads.

Staff training costs are recognised in the surplus/(deficit) when incurred.

Costs associated with maintaining computer software are recognised as an expense when incurred.

Costs associated with development and maintenance of the Council's website are recognised as an expense when incurred.

Easements

Easements are not cash generating in nature, instead they give Council the right to access private property where infrastructural assets are located.

Council has not valued and recognised easements as an intangible asset under PBE IPSAS 31 Intangible Assets. The work required identifying and developing a central register to record easements and paper roads would be considerable and difficult to ensure that it was comprehensive and complete. Council is also concerned that the cost to establish the register would be substantial with minimal benefits being achieved. Registered valuers would have difficulty determining a fair value for the easements due to their unique nature and having no active market for this particular asset type. There is also no recognised valuation methodology.

For these reasons, Council has opted not to recognise easements as an intangible asset because they cannot be quantified, and the value of the easements cannot be measured reliably.

Carbon Credits

Purchased Carbon credits are recognised at cost on acquisition. Free carbon credits received from the Crown are recognised at fair value on receipt. Carbon Credits are not amortised but are instead tested for impairment annually. They are derecognised when they are used to satisfy carbon emission obligations.

Impairment

The carrying value of an intangible asset with a finite life is amortised on a straight-line basis over its useful life.

Amortisation begins when the asset is available for use and ceases at the date that the asset is derecognised. The amortisation charge for each period is recognised in the surplus/(deficit).

The useful lives and associated amortisation values of major classes of intangible assets have been estimated as follows:

Intangible Assets	Depreciation Method	Life (Years)
Computer Software	Straight line	3

There are no restrictions over the title of intangible assets. No intangible assets are pledged as security for liabilities.

Carbon credits have been assessed as having an indefinite useful life because they have no expire date and will continue to have economic benefit as long as the Emissions Trading Scheme is in place.

Investment Property

Properties leased to third parties under operating leases are classified as investment property unless the property is held to meet service delivery objectives, rather than to earn rentals or for capital appreciation. Property held to meet service delivery objectives is classified as property, plant and equipment.

Investment property is measured initially at its cost, including transaction costs.

After initial recognition, investment property is measured at fair value as determined annually by an independent valuer.

The valuation report for 30 June 2024 prepared by Patric Choda (B.Bus (Property), Registered Valuer) of Valuation Partners.

Gains or losses arising from a change in the fair value of investment property is recognised in the surplus/(deficit).

Employee Entitlements

Short Term Employee Entitlements

Employee benefits expected to be settled within 12 months of balance date are measured at nominal values based on accrued entitlements at current rates of pay.

These include salaries and wages accrued up to balance date, annual leave earned to, but not yet taken at balance date, and sick leave.

Long Term employee entitlements

Employee benefits that are due to be settled beyond 12 months after the end of the period in which the employee renders the related service, such as long service leave and retirement gratuities, have been calculated on an actuarial basis.

The calculations are based on:

- Likely future entitlements accruing to staff, based on years of service, years to entitlement, the likelihood that staff will reach the point of entitlement; and contractual entitlement information; and,
- The present value of estimated future cash flows.

Presentation of employee entitlements

Sick leave, annual leave, and vested long service leave are classified as a current liability. Non-vested long service leave and retirement gratuities expected to be settled within 12 months of balance date are classified as a current liability. All other employee entitlements are classified as a non-current liability.

Provisions

A provision is recognised for future expenditure of uncertain amount or timing when:

- There is a present obligation (either legal or constructive) as a result of a past event;
- It is probable that an outflow of future economic benefits will be required to settle the obligation; and
- A reliable estimate can be made of the amount of the obligation.

Provisions are measured at the present value of the expenditures expected to be required to settle the obligation using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the obligation.

The increase in the provision due to the passage of time is recognised as an interest expense and is included in “finance costs”.

Payables and deferred revenue

Short-term payables are recorded at the amortised cost.

Equity and Reserves

Equity is the community’s interest in the Council and is measured as the difference between total assets and total liabilities. Equity is disaggregated and classified into the following components:

- Special funds reserves;
- Separate reserves;
- Asset revaluation reserves; and
- Accumulated general funds.

Special funds reserves

Special reserves have been set up for specific purposes. Their use is restricted to the purpose for which they were set up. They retain their surplus or deficit but are used to meet the costs that comply with their purpose.

Other reserves - Other reserves consist of funds which have been received over time by the Council, usually by way of a donation or bequest, the terms of which restrict the use of funds. Each amount has been set up as a trust fund to maintain a degree of independence from general Council funds.

Restricted reserves - Restricted reserves are those reserves subject to specific conditions accepted as binding by the Council and which may not be revised by the Council without reference to the Courts or a third party. Transfers from these reserves may be made only for certain specified purposes or when certain specified conditions are met.

Council-created reserves - Council-created reserves are reserves established by Council decision. The Council may alter them without reference to any third party or the Courts. Transfers to and from these reserves are at the discretion of the Council.

Separate reserves

These are reserve balances where activities are funded either by targeted rates or a combination of targeted rates and general rates. They hold a surplus or deficit balance from year to year, and the fund is only held for that specific activity. For example, each water supply activity has its own reserve balance.

Asset revaluation reserves

These reserves relate to:

- The revaluation of property, plant and equipment to fair value including operational and infrastructure assets, and
- The revaluation of financial assets including shares and bond stock held. This reserve comprises of the cumulative net change in the fair value of assets classified as fair value through other comprehensive revenue and expense, FVTOCRE.

Accumulated General Funds

Accumulated General Funds consist of all other equity transactions not classified as operating reserves, capital reserves, asset revaluation reserves, other reserves or special reserves.

STATEMENT OF CASH FLOWS

Cash and cash equivalents is considered to be cash on hand and cash at bank, and on-call deposits, net of overdrafts.

Operating activities include cash received from all revenue sources of the Council and record the cash payments made for the supply of goods and services.

Investing activities are those activities relating to the acquisition and disposal of non-current assets.

Financing activities comprise activities that change the equity and debt capital structure of the Council.

GOODS AND SERVICES (GST)

All items in the financial statements are stated exclusive of GST. Where GST is not recoverable as input tax, it is recognised as part of the related asset or expense.

The net amount of GST recoverable from, or payable to, the Inland Revenue Department (IRD) is included as part of receivables or payables in the statement of financial position.

The net GST paid to, or received from the IRD, including the GST relating to investing and financing activities, is classified as an operating cash flow in the prospective statement of cash flows.

Commitments and contingencies are disclosed exclusive of GST.

COST ALLOCATION

The cost of service for Council groups of activities has been derived using the cost allocation system.

Direct costs are those costs directly attributable to a significant activity. Indirect costs are those costs that cannot be identified in an economically feasible manner with a specific significant activity.

All of Council's costs are "direct costs" – costs charged directly to significant activities. Consequently, Council does not require a cost allocation policy for indirect costs.

There have been no changes to the cost allocation methodology during the year.

BUDGET FIGURES

The budget figures are those approved by the Council at the beginning of the year in the Annual Plan or Long Term Plan. The budget figures have been prepared in accordance with NZ GAAP, using accounting policies that are consistent with those adopted by the Council for the preparation of the financial statements.

CRITICAL ACCOUNTING ESTIMATES AND ASSUMPTIONS

In preparing these financial statements, estimates and assumptions have been made concerning the future.

These estimates and assumptions may differ from the subsequent actual results.

Estimates and assumptions are continually evaluated and are based on historical experience and other factors, including expectations or future events that are believed to be reasonable under the circumstances.

The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are:

- Estimating the fair value of land, buildings, and infrastructural assets – see Note 19: Property, plant and equipment.
- Estimating the fair value of forestry assets – see Note 22: Forestry assets.
- Estimating the landfill aftercare provision – see Note 27 Provisions.

CRITICAL JUDGEMENTS IN APPLYING ACCOUNTING POLICIES

Management has exercised the following critical judgements in applying accounting policies:

- Classification of property – see Note 19: Property, plant and equipment.
- Accounting for suspensory loan from Housing New Zealand – see Note 4: Subsidies and Grants.

Council's view is the suspensory loan from HNZ is in substance a grant with conditions attached and is therefore accounted for under PBE IPSAS 23 Revenue from Non-Exchange Transactions.

The Council considers that there are two possible accounting treatments for the grant under PBE IPSAS 23, either recognising the grant as revenue when all conditions are satisfied in 2028 or recognising the grant evenly over the 20-year condition period.

The Council has elected to recognise the grant evenly over the 20-year period as that better reflects the substance of the arrangement. Further information about the suspensory loan is included in Note 29: Contingencies.

- Accounting for donated or vested land and buildings with use or return conditions.

Council has received land and buildings from non-exchange transactions that contain use or return conditions. If revenue is not recognised immediately for such assets when received, there is the possibility that a liability would be recognised in perpetuity and no revenue would ever be recognised for the asset received.

Council considers an acceptable and more appropriate accounting treatment under PBE IPSAS 23 is to recognize revenue immediately for such transfers. A liability is not recognised until such time as it is expected that the condition will be breached.

2. SUMMARY REVENUE AND EXPENDITURE FOR GROUP OF ACTIVITIES

\$000s	Actual 2024	Budget 2024	Actual 2023
REVENUE			
Governance and corporate services	7,897	7,504	6,649
Water supplies	1,501	3,071	2,755
Wastewater	1,424	1,771	1,507
Stormwater	191	390	204
Transportation	6,078	4,883	7,630
Regulatory services	3,129	3,392	2,688
Emergency management	521	218	173
Parks and community facilities	4,269	3,800	3,156
Waste management and minimisation	2,069	1,898	1,729
Tourism, economic development and commercial activities	3,248	4,082	2,992
Total revenue	30,327	31,009	29,483
EXPENDITURE			
Governance and corporate services	7,925	7,787	7,286
Water supplies	3,058	2,208	3,095
Wastewater	1,407	1,382	1,350
Stormwater	215	205	198
Transportation	7,013	5,913	9,595
Regulatory services	5,033	4,267	4,541
Emergency management	518	218	201
Parks and community facilities	4,515	3,605	3,822
Waste management and minimisation	2,046	1,928	1,890
Tourism, economic development and commercial activities	3,165	3,817	2,364
Total expenditure	34,895	31,330	34,342

This shows a breakdown of the total revenue and operating expenditure, as shown in the Statement of Comprehensive Revenue and Expense, between each Group of Activities. The above includes internal interest income and expenditure which has been eliminated from the Statement of Comprehensive Revenue and Expense.

The above includes internal interest and expenditure of \$879,000 (2023: \$198,000), this was eliminated from the Statement of Revenue and Expense.

3. RATES

\$000s	Actual 2024	Actual 2023
General rates	7,580	6,891
Targeted rates attributed to activities:		
• Governance and corporate services	168	36
• Water supplies	1,930	1,846
• Wastewater	905	837
• Stormwater	82	165
• Transportation	1,918	1,672
• Parks and community facilities	1,811	1,739
• Waste management and minimisation	1,014	928
• Tourism, economic development and commercial activities	559	449
Rates penalties	134	94
Rates remissions	(27)	(25)
Total rates	16,074	14,631

Rates charges on Council owned properties (not eliminated from Revenue and Expense)	321	297
---	-----	-----

Rating Base

Revenue from rates for Mackenzie District Council was billed on the number of rating units at the end of the preceding year	5,473	5,414
Total capital value of rating units at the end of the preceding year	\$5,394,340,620	\$5,307,980,122
Total land value of rating units at the end of the preceding year	\$3,059,011,200	\$3,045,416,200

The Council is required by the LGFA Guarantee and Indemnity Deed to disclose in its financial statements (or notes) its annual rates income. The Multi-Issuer Deed defines annual rates income as an amount equal to the total revenue from any funding mechanism authorised by the Local Government (Rating) Act 2002 together with any revenue received by the Council from other local authorities for services provided by the Council for which those other local authorities rate. The annual rates income of the Council for the year ended 30 June 2022 for the purposes of the LGFA Guarantee and Indemnity Deed disclosure is shown below:

\$000s	Actual 2024	Actual 2023
Rates	16,074	14,631
Total rates	16,074	14,631

4. SUBSIDIES AND GRANTS

\$000s	Actual 2024	Actual 2023
Waka Kotahi (New Zealand Transport Agency) roading subsidies	3,313	4,656
Water Services Reform Programme grants	194	9
TIF funding	914	-
Better Off Funding	719	-
Other subsidies and grants	477	870
Total subsidies and grants	5,617	5,535

There are no unfulfilled conditions and other contingencies attached to government grants recognised.

5. FEES AND CHARGES

\$000s	Actual 2024	Actual 2023
Water by meter	120	89
Regulatory	1,282	1,265
Other fees and charges	846	1,144
Total fees and charges	2,248	2,498

6. INTEREST REVENUE

\$000s	Actual 2024	Actual 2023
Finance revenue	452	544
Total interest revenue	452	544

7. OTHER REVENUE

\$000s	Actual 2024	Actual 2023
Petrol tax	114	114
Dividend revenue	50	173
Rental revenue	416	399
Forestry sales	430	201
Carbon credits received	949	1,056
Sales inventory	-	570
Other revenue	1,059	637
Total other revenue	3,018	3,150

Operating Leases as Lessor

\$000s	Actual 2024	Actual 2023
Revenue from exchange transactions		
Not later than one year	212	217
Later than one year and not later than five years	754	645
Later than five years	1,656	1,577
Total non-cancellable operating leases	2,622	2,439

Investment property and property used for social housing are leased under operating leases. The investment property leases have a non-cancellable term of 36 months. Social housing leases are generally for terms of one year, with some leases for shorter durations. The future aggregate minimum lease payment to be collected under non-cancellable leases are presented in the table above.

8. OTHER GAINS / (LOSSES)

\$000s	Actual 2024	Actual 2023
Gain / (loss) changes in fair value Forestry assets	29	(299)
Gain / (loss) changes in fair value Investment Property	365	265
Gain / (loss) in disposal of carbon credits	-	-
Gain / (loss) in disposal of property, plant, and equipment	(1,102)	(811)
Total gains / (losses)	(708)	(845)

Gains on revaluation of assets

\$000s	Actual 2024	Actual 2023
Land	-	5,510
Infrastructural	23,170	383
Total gains on revaluation of assets	23,170	5,893

9. REVENUE EXCHANGE / NON-EXCHANGE

\$000s	Actual 2024	Actual 2023
Revenue from non-exchange transactions		
Rates	16,101	14,631
Subsidies and grants	5,617	5,535
Fees and charges	2,462	2,409
Development and financial contributions	556	1,196
Vested assets	1,090	1,469
Other revenue	2,156	2,071
Total revenue non-exchange	27,982	27,310
Revenue from exchange transactions		
Sales of goods	430	771
Fees and Charges	120	89
Finance Revenue	455	544
Other Revenue	466	572
Total revenue exchange	1,471	1,976

10. PERSONNEL COSTS

\$000s	Actual 2024	Actual 2023
Salaries and wages	5,887	4,991
Defined contribution plan employer contributions	145	128
Total personnel costs	6,032	5,119

Employer contributions to defined contributions plans include contributions to Kiwisaver.

During the year the total remuneration and value of other non-financial benefits received by or payable to the Mayor, other elected members, and Chief Executive of the Council were as follows:

Elected representatives' remuneration

\$000s	Actual 2024	Actual 2023
Mayor Anne Munro (new)	89	63
Mayor Graham Smith (previous)	-	25
Councillor Matt Murphy	28	26
Councillor Murray Cox	28	31
Councillor Karen Morgan (new)	36	26
Councillor Phillipa Guerin (new)	28	20
Councillor Rit Fisher (new)	28	20
Councillor Scott Aronsen (new)	28	22
Councillor Kerry Bellringer (new)	28	22
Councillor Stuart Barwood (previous)	-	10
Councillor James Leslie (previous)	-	11
Councillor Emily Bradbury (previous)	-	6
Councillor Anne Munro (previous)	-	11
Fairlie Community Board Members	11	9
Tekapo Community Board Members	11	10
Twizel Community Board Members	13	13
	328	325

Chief Executive total remuneration paid or payable for the year

(including any non-financial benefits)

\$000s	Actual 2024	Actual 2023
Chief Executive	266	249

Remuneration for employees by band as at 30 June 2024

\$000s	Actual 2024	Actual 2023
\$160,000 - \$279,999	5	5
\$120,000 - \$159,999	7	6
\$100,000 - \$119,999	6	10
\$80,000 - \$99,999	8	6
\$60,000 - \$79,999	15	13
\$59,999 and less	14	11
	55	51

At balance date, the Council employed 48.38 (2023: 45.15) full-time equivalent employees, where 40.0 hours a week is considered full time (in prior years 37.5 hours was considered full time). Of these 37 (2023: 38) were full time equivalents with the remaining 11.38 (2023: 7.15), consisting of employees on part time contracts.

Total remuneration includes any non-financial benefits provided to employees.

Severance payments

For the year ended 30 June 2024, the Council made 0 severance payment (2023: 1) to an employee totalling \$nil (2023: \$17,280).

11. FINANCE COSTS

\$000s	Actual 2024	Actual 2023
Finance costs	846	451
Total finance costs	846	451

12. OTHER EXPENSES

\$000s	Actual 2024	Actual 2023
Fees to auditors		
Fees to Audit NZ for audit of the financial statements and performance information	200	167
Fees to Audit NZ for audit of the Long Term Plan	95	-
Agreed recoveries for 2021 audit	-	20
Agreed recoveries for 2022 audit	-	22
Other assurance services	12	-
Fees for assurance review of the debenture trust deed this year	5	5
Other employee costs	215	229
Cost of goods sold	167	181
Insurance	367	245
Operating leases	30	25
Administration expenses	710	772
Impairment of receivables	28	4
Impairment of carbon credits	391	-
Operating and maintenance	4,064	3,725
Contractors and professional services	7,833	8,379
Maintenance	3,770	6,254
Utilities	627	521
Other operating expenses	490	597
Total other expenses	19,004	21,146

Additional audit fees recorded for 2023: \$20,000 for recoveries for the audit of the financial statements for 2021, and \$20,000 for recoveries for the audit of the financial statements for 2022.

Operating Leases as Lessee

\$000s	Actual 2024	Actual 2023
Not later than one year	30	19
Later than one year and not later than five years	36	40
Later than five years	-	-
Total non-cancellable operating leases	66	59

Council leases property, plant and equipment in the normal course of its business. The majority of these leases have a non- cancellable term of 36 months. The future aggregate minimum contract payments under non-cancellable operating contracts are presented in the table above.

Leases can be renewed at the Council's option, with rents set by reference to current market rates for items of equivalent age and condition. The Council does not have the option to purchase the asset at the end of the lease term.

There are no restrictions placed on the Council by any of the leasing arrangements.

The total minimum future sublease payments expected to be received under non-cancellable subleases at balance date is \$nil (2023: \$nil).

13. TAX

\$000s	Actual 2024	Actual 2023
Surplus / (deficit) before tax	(4,566)	(4,858)
Tax at 28%	(1,279)	(1,360)
Non-taxable income / (expenditure) at 28%	1,279	1,360
Total tax expense / (benefit)	0	0

14. CASH AND CASH EQUIVALENTS

\$000s	Actual 2024	Actual 2023
Cash at bank and in hand	5,504	7,166
Term deposits with maturities under 3 months	-	3,000
Total cash and cash equivalents	5,504	10,166

The carrying value of short-term deposits with maturity dates of 3 months or less approximates their fair value.

The total value of cash and cash equivalents that can only be used for a specified purpose as outlined in the relevant trust deeds is \$61,000 (2023: \$58,000). The fund relates to trusts and bequests received (see Note 30), and other funds received with restrictions where spending of the funds is separately monitored.

15. RECEIVABLES

\$000s	Actual 2024	Actual 2023
Rates receivables	811	803
Other receivables	2,888	5,091
Accrued interest revenue	-	87
GST receivable	685	288
Estimated credit losses	(141)	(114)
Total receivables	4,243	6,155

Total receivables comprise:

Receivables from non-exchange transactions – this includes outstanding amounts for rates, grants, infringements, and fees and charges that are partly subsidised by rates	3,358	5,653
Receivables from exchange transactions – this includes outstanding amounts for commercial sales and fees and charges that have not been subsidised by rates	885	502
	4,243	6,155

Fair value

Debtors and other receivables are non-interest bearing and receipt is normally on 30 days terms, therefore their carrying value approximates their fair value.

Impairment

The Council holds no collateral as security or other credit enhancements over receivables that are either past due or impaired.

The Council does not provide for any impairment on rates receivable as it has various powers under the Local Government (Rating) Act 2002, to recover any outstanding debts. Ratepayers can apply for payment plan options in special circumstances. Where such payment plans are in place, debts are discounted to the present value of future repayments.

Included within the Council's trade and other receivables balance are debtors which are past due at the reporting date for which the Council has provided as there has not been a significant change in credit quality and the Council believes that the amounts are still considered recoverable.

The status of receivables (excluding rates) as at 30 June are detailed below:

\$000s	Gross	ECL Rate	Lifetime ECL
2024			
Current	2,292	-	-
1 to 30 days	26	-	-
31 to 90 days	73	-	-
More than 90 days	497	0.37%	1.84
Total receivables	2,888	0.37%	1.84
2023			
Current	4,046		
1 to 30 days	88		
31 to 90 days	12		
More than 90 days	427	0.71%	3.03
Total receivables	4,572	0.71%	3.03

Movement in the provision for impairment of receivables are as follows:

\$000s	Actual 2024	Actual 2023
Balance at 1 July	114	109
Additional provisions made during year	27	5
Balance at 30 June	141	114

16. INVENTORIES

\$000s	Actual 2024	Actual 2023
Held for distribution or consumption	25	21
Total current inventories	25	21
Non-current assets held for sale		
Commercial inventory – land developed for sale	342	342
Total non-current inventories	342	342

The carrying amount of inventories pledged as security for liabilities is \$nil (2023: \$nil).

The Council has developed land for future sale and associated development costs to date capitalised. These costs will be recovered upon the sale of land. During 2019, Council placed a moratorium on this activity. The commercial land has therefore been reclassified as non-current inventory until the moratorium is lifted.

17. PREPAYMENTS

\$000s	Actual 2024	Actual 2023
Prepayments	345	456
Total prepayments	345	456

18. OTHER FINANCIAL ASSETS

\$000s	Actual 2024	Actual 2023
Current portion		
Short term deposits	-	3,000
Eversley Sewerage	9	9
Investments in debt securities	38	-
Total current portion	47	3,009

Non-current portion		
Investments in CCOs and similar entities	-	-
Eversley Sewerage	-	9
Total investments in CCO's and similar entities	-	9
Bonds	911	1
Unlisted shares	14,600	14,000
LGFA borrower notes	365	200
Total investments in other entities	15,876	14,201
Total non-current portion	15,876	14,210

Fair Value

Short term deposits

The carrying amount of short term deposits approximates their fair value.

Investments in debt securities

The fair value of other bonds is \$nil (2023: \$nil). Fair value has been determined using discounting cash flows from the stocks using a discount rate derived from relevant market inputs. The discount rates range between 0.0% and 0.0% (2023: 0.0% and 0.0%). The fair value of corporate bonds is \$965,746 (2023: \$nil).

Unlisted shares

Council holds 2,049,870 fully paid shares (2023: 2,049,870) of \$6.83 (2023: \$6.83) in Alpine Energy Limited. The shares are recognised at fair value as assessed by Ernst & Young for the year ending 30 June 2024.

The fair value of unlisted shares has been determined using a valuation technique based on discounted cash flows using a risk rate of 4.5% (2023: 4.5%) based on 10 Year Government Bonds and a calculated WACC of 6.4% (2023: 6.4%). The forecast periods for the valuations were financial years 2024-2033 (2023: 2023-2032).

The cash flow projections over the DCF time frame have been inflated using an annual inflationary factor of 2.0% (2023: 2.0%) based on the CPI index.

Fair value of Alpine Energy Limited (AEL) unlisted share investment uncertainty

The fair value of Council's investment in AEL has been determined primarily by using a valuation technique based on discounted cash flows and a capitalisation of maintainable earnings approach, using a mid-point Weighted Average Cost of Capital (WACC) of 6.4%. The value of the investment is sensitive to movements in the WACC rate. Movements in this rate may materially change the value of the investment.

Mackenzie District Council's share of the valuation, ranges in value from \$13.4m to \$15.9m, with a mid-point of \$14.6m, which is reflected as the fair value in these financial statements. The independent valuation was completed by Ernst & Young (EY) at 30 June 2024.

During the year, AEL discovered an administrative error in its previous nine years' Information Disclosure Schedules that were submitted to the Commerce Commission (the Commission). Details of the error and the amended Information Disclosure Schedules are available on AEL's website.

The amended information is under review by the Commission to determine the appropriate course of action. There is a range of possible actions that the Commission may take against AEL, depending on the outcome of its review, which is expected to be finalised during the next financial year.

Until such time, the outcome of the review remains uncertain. The valuation therefore does not take account of this matter because the possible effects cannot be determined with any certainty.

Impairment

There were no impairment provisions for other financial assets. None of the assets are either past due or impaired.

Financial assets at fair value

\$000s	Actual 2024	Actual 2023
Fair value movement of listed bonds	-	2
Fair value movement of listed and unlisted shares	600	2,800
Total financial assets at fair value	600	2,802

19. PROPERTY, PLANT, AND EQUIPMENTS

\$000s	1-Jul-23			Adjustment	30-Jun-24								Net book value	1-Jul-24		
	Cost / revaluation	Accum depn and impairment charges	Carrying amount		Current year revaluation	Accum depn reversed on revaluation	Current year additions	Current year tfrs within PPE	Current year disposals	Current year disposal depreciation	Current year impairment charges	Current year depreciation		Cost	Accum depn and impairment charges	Carrying amount
Operational Assets																
Buildings	21,220	-	21,220	-	-	-	1,004	324	-	-	-	538	22,010	22,548	538	22,010
Computer hardware	673	365	308	-	-	-	269	-	(192)	192	-	172	405	750	345	405
Furniture and fittings	772	584	188	-	-	-	49	-	-	-	-	31	205	820	615	205
Heritage assets	30	16	13	-	-	-	-	-	-	-	-	0	13	30	16	13
Land	36,672	-	36,672	-	-	-	22	31	-	-	-	-	36,724	36,724	-	36,724
Motor vehicles	760	248	512	-	-	-	42	-	(27)	25	-	154	397	775	377	397
Office equipment	125	109	16	-	-	-	-	-	-	-	-	5	11	125	114	11
Plant and machinery	1,073	715	358	-	-	-	133	-	(7)	2	-	65	422	1,200	778	422
Total operational assets	61,325	2,036	59,288	-	-	-	1,519	355	(226)	219	-	967	60,188	62,972	2,784	60,188
Restricted Assets																
Land	10,969	-	10,969	-	-	-	204	-	-	-	-	-	11,172	11,172	-	11,172
Total restricted assets	10,969	-	10,969	-	-	-	204	-	-	-	-	-	11,172	11,172	-	11,172
Infrastructural Assets																
Flood protection and control works	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Landfills	136	93	44	-	-	-	-	-	-	-	-	4	40	136	97	40
Resource recovery parks	784	46	738	-	-	-	-	-	-	-	-	46	692	784	92	692
Resource parks litter bins	169	20	148	-	-	-	69	-	-	-	-	20	197	238	41	197
Village projects	5,324	1,375	3,949	-	-	-	1,362	748	-	-	-	298	5,761	7,434	1,673	5,761
Alps 2 ocean cycleway	744	142	601	-	-	-	485	-	-	-	-	17	1,069	1,229	160	1,069
Land under roads	6,121	-	6,121	-	-	-	14	-	-	-	-	-	6,136	6,136	-	6,136
Roading and footpaths	173,188	3,490	169,698	-	9,445	7,018	3,509	-	-	-	-	3,586	186,084	186,142	58	186,084
Resource consents	472	200	272	-	-	-	-	-	-	-	-	19	253	472	219	253
Stormwater: drainage	11,542	91	11,451	-	(170)	182	451	173	-	-	-	92	11,994	11,994	-	11,994
Wastewater: treatment plants and facilities	3,674	37	3,637	-	(332)	85	67	-	-	-	-	47	3,409	3,409	-	3,409
Wastewater: other assets	30,050	582	29,468	-	152	1,177	92	-	-	-	-	596	30,293	30,293	-	30,293
Water supplies: treatment plants and facilities	239	11	228	-	(28)	24	22	-	-	-	-	13	233	233	-	233
Water supplies: rural	1,201	54	1,147	-	2,313	107	92	-	-	-	-	57	3,596	3,601	5	3,596
Water supplies: other assets	45,345	914	44,431	-	1,301	1,896	5,795	-	(1,148)	127	-	1,109	51,293	51,293	-	51,293
Total infrastructural assets	278,990	7,056	271,935	-	12,681	10,489	11,956	921	(1,148)	127	-	5,904	301,052	303,400	2,343	301,057
Capital work in progress	3,904	-	3,904	(3)	-	-	6,777	(1,276)	-	-	-	-	9,402	9,402	-	9,402
Joint operation capital work in progress	447	-	447	-	-	-	189	(585)	-	-	-	-	50	50	-	50
Joint operation assets	2,676	63	2,613	-	-	-	-	585	(89)	6	-	73	3,042	3,110	67	3,042
Total property, plant and equipment	358,310	9,155	349,155	(3)	12,681	10,489	20,643	-	(1,463)	352	-	6,944	384,906	390,106	5,194	384,911

SECTION 4: Finances / Pūtea

\$000s	1-Jul-22			Adjustment	30-Jun-23								Net book value	1-Jul-23			
	Cost / revaluation	Accum depn and impairment charges	Carrying amount		Current year revaluation	Accum depn reversed on revaluation	Current year additions	Current year tfrs within PPE	Current year disposals	Current year disposal depreciation	Current year impairment charges	Current year depreciation		Cost	Accum depn and impairment charges	Carrying amount	
Operational Assets																	
Buildings	18,988	444	18,544	(1)	1,730	939	517	(15)	-	-	-	468	21,220	21,220	-	21,220	
Computer hardware	459	305	154	-	-	-	255	-	41	40	-	100	308	673	365	308	
Furniture and fittings	726	555	170	-	-	-	47	-	-	-	-	29	188	772	584	188	
Heritage assets	30	16	14	-	-	-	-	-	-	-	-	-	13	30	16	13	
Land	34,505	-	34,505	-	2,027	-	-	140	-	-	-	-	36,672	36,672	-	36,672	
Motor vehicles	616	213	403	-	-	-	292	-	149	88	-	123	512	760	248	512	
Office equipment	122	105	17	-	-	-	4	-	-	-	-	5	16	125	109	16	
Plant and machinery	1,051	642	409	-	-	-	21	-	-	-	-	73	358	1,073	715	358	
Total operational assets	56,496	2,279	54,217	(1)	3,757	939	1,136	125	190	128	-	796	59,288	61,325	2,036	59,288	
Restricted Assets																	
Land	10,088	-	10,088	-	814	-	67	-	-	-	-	-	10,969	10,969	-	10,969	
Total restricted assets	10,088	-	10,088	-	814	-	67	-	-	-	-	-	10,969	10,969	-	10,969	
Infrastructural Assets																	
Flood protection and control works	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
Landfills	136	89	48	-	-	-	-	-	-	-	-	4	44	136	93	44	
Resource recovery parks	770	-	770	-	-	-	-	15	-	-	-	46	738	784	46	738	
Resource parks litter bins	150	4	146	-	-	-	19	-	-	-	-	17	148	169	20	148	
Village projects	3,819	1,250	2,570	-	-	-	1,248	295	38	2	-	127	3,949	5,324	1,375	3,949	
Alps 2 ocean cycleway	739	128	612	-	-	-	4	-	-	-	-	15	601	744	142	601	
Land under roads	6,116	-	6,116	-	-	-	6	-	-	-	-	-	6,121	6,121	-	6,121	
Roading and footpaths	169,541	73	169,468	-	-	-	3,311	336	-	-	-	3,449	169,698	173,188	3,490	169,698	
Resource consents	472	181	291	-	-	-	-	-	-	-	-	19	272	472	200	272	
Stormwater: drainage	11,434	-	11,434	-	-	-	107	-	-	-	-	91	11,451	11,542	91	11,451	
Wastewater: treatment plants and facilities	3,399	-	3,399	-	-	-	275	-	-	-	-	37	3,637	3,674	37	3,637	
Wastewater: other assets	29,022	-	29,022	-	-	-	1,032	-	5	-	-	582	29,468	30,050	582	29,468	
Water supplies: treatment plants and facilities	184	-	184	-	-	-	195	(140)	-	-	-	11	228	239	11	228	
Water supplies: rural	1,201	1	1,200	-	-	-	-	-	-	-	-	53	1,147	1,201	54	1,147	
Water supplies: other assets	44,649	-	44,649	-	-	-	1,316	-	620	12	-	926	44,431	45,345	914	44,431	
Total infrastructural assets	271,633	1,724	269,912	32	-	-	7,514	505	663	13	-	5,376	271,935	278,990	7,056	271,935	
Capital work in progress	1,755	-	1,755	-	-	-	2,780	(631)	-	-	-	-	3,904	3,904	-	3,904	
Joint operation capital work in progress	313	-	313	-	-	-	223	(89)	-	-	-	-	447	447	-	447	
Joint operation assets	2,209	-	2,209	-	382	-	-	89	4	-	-	63	2,613	2,676	63	2,613	
Total property, plant and equipment	342,494	4,004	338,493	31	4,953	939	11,721	-	857	141	-	6,235	349,155	358,310	9,155	349,155	

Core infrastructure asset disclosures

Included in the Council infrastructure assets are the following core assets:

\$000s	Closing book value	Additions: constructed by Council	Additions: transferred to Council	Most recent replacement cost estimate for revalued assets*
2024				
Water				
• Treatment plants and facilities	233	22	-	233
• Other assets (such as reticulation systems)	57,850	6,235	1,456	57,850
Wastewater				
• Treatment plants and facilities	3,409	67	-	3,409
• Other assets (such as reticulation systems)	30,293	20	72	30,293
Stormwater	11,994	376	74	11,994
Roading and footpaths	186,052	2,994	691	186,052
2023				
Water				
• Treatment plants and facilities	228	195	-	8,166
• Other assets (such as reticulation systems)	48,192	5,359	238	59,724
Wastewater				
• Treatment plants and facilities	3,637	275	-	5,332
• Other assets (such as reticulation systems)	29,468	746	286	45,340
Stormwater	11,451	77	30	14,825
Roading and footpaths	169,698	2,469	842	250,393

*The replacement cost is based on the optimised replacement cost estimate amounts in the valuation as at 30 June 2024.

Carrying value of buildings

A comparison of the carrying value of buildings using depreciated replacement costs and buildings valued using market-based evidence is as follows:

\$000s	Actual 2024	Actual 2023
Operational buildings		
Depreciated replacement cost	482	85
Market-based evidence	21,528	21,135
Total carrying value of operational buildings	22,010	21,220

Insurance on assets

The following information relates to the insurance of Council assets as at 30 June:

\$000s	Actual 2024	Actual 2023
The maximum amount to which insured assets are insured	75,399	65,134
The total value of all Council assets covered by insurance contracts	389,594	353,997
The total value of assets that are self-insured	286,821	260,057
Value of funds maintained for self-insurance	3,200	3,200

In addition to Council's insurance, in the event of a natural disaster it is expected that Central Government will contribute up to 60% towards the restoration of water, wastewater and stormwater assets and provide a subsidy of 55 – 75% towards the restoration of roading.

An insurance reserve of \$3,200,000 (2023: \$3,200,000) exists to meet the costs of claims that fall below deductible levels under Council insurance policies. Refer to note 30. Council resolved to hold cash funds of \$3 million (2023: \$3 million) to cover costs of self-insurance in the event of a natural disaster and this amount has now been included in the insurance reserve.

Capital work in progress

Property, plant, and equipment in the course of construction by class of asset is detailed below:

\$000s	Actual 2024	Actual 2023
Governance and Corporate Services	1,480	298
Water Supplies	6,771	1,510
Wastewater	41	37
Stormwater	-	187
Transportation	95	-
Parks and Community Services	912	1,812
Waste Management and Minimisation	103	59
Total capital work in progress	9,402	3,903

Capital commitments

The amount of contractual commitments for acquisitions of property, plant, and equipment is:

\$000s	Actual 2024	Actual 2023
Utilities maintenance	188	357
Road maintenance	9,401	9,133
Refuse operations	720	1,095
TIF funded public toilets	572	1,424
Twizel town centre access	-	21
Support to deliver 3 waters capital projects	417	5,066
Alloway stormwater upgrade	-	356
Twizel and Fairlie pools heating upgrade	-	143
Total capital commitments	11,298	17,595

Operational commitments

The amount of contractual commitments for maintaining property, plant, and equipment is:

\$000s	Actual 2024	Actual 2023
Utilities maintenance	857	1,626
Road maintenance	14,704	16,848
Refuse operations	11,277	12,591
Township maintenance	1,241	1,241
Total operational commitments	28,079	32,306

20. DEPRECIATION AND AMORTISATION EXPENSE

\$000s	Actual 2024	Actual 2023
Governance and corporate services	492	378
Water	1,258	1,057
Wastewater	657	634
Stormwater	93	92
Transportation	3,574	3,438
Regulatory services	2	2
Emergency management	16	21
Parks and community facilities	764	545
Waste management and minimisation	83	74
Tourism, economic development and commercial activities	92	78
Total depreciation and amortisation expense	7,032	6,319

21. INTANGIBLE ASSETS

\$000s	Computer software	Carbon credits	Total
Balance as at 1 July 2023			
Cost	519	3,275	3,794
Accumulated amortisation and impairment	(383)	(194)	(577)
Opening carrying amount	136	3,081	3,217
Year ended 30 June 2024			
Additions	-	949	949
Disposals	-	-	-
Amortisation charge	(69)	-	(69)
Amortisation reversed on disposals	-	-	-
Impairment	-	(391)	(391)
Balance as at 30 June 2024			
Cost	519	4,224	4,743
Accumulated amortisation and impairment	(452)	(585)	(1,037)
Closing carrying amount	67	3,639	3,706
Balance as at 1 July 2022			
Cost	479	2,220	2,699
Accumulated amortisation and impairment	(334)	-	(334)
Opening carrying amount	145	2,220	2,365
Year ended 30 June 2023			
Additions	56	1,055	1,111
Disposals	(16)	-	(16)
Amortisation charge	(66)	-	(66)
Amortisation reversed on disposals	17	-	17
Impairment	-	(194)	(194)
Balance as at 30 June 2023			
Cost	519	3,275	3,794
Accumulated amortisation and impairment	(383)	(194)	(577)
Closing carrying amount	136	3,081	3,217

Carbon credits have been assessed as having an indefinite useful life because they have no expiry date and will continue to have economic benefit as long as the Emissions Trading Scheme is in place.

22. FORESTRY ASSETS

Carbon credits have been assessed as having an indefinite useful life because they have no expiry date and will continue to have economic benefit as long as the Emissions Trading Scheme is in place.

\$000s	Actual 2024	Actual 2023
Balance as at 1 July	4,841	5,212
Gains / (losses) arising from change in fair value	29	(298)
Decreases due to harvest	(98)	(73)
Balance as at 30 June	4,772	4,841

During the financial period 40.3 hectares were harvested and 15.1 hectares were replanted (2023: 6.2 hectares harvested, 11.4 hectares replanted).

PF Olsen has valued the forestry assets as at 30 June 2024. A pre-tax discount rate of 7.8% (2023: 7.0%) has been used in discounting the present value of expected cash flows.

Financial risk management strategies

Council is exposed to financial risks arising from changes in timber prices. Council is a long-term forestry investor and does not expect timber prices to decline significantly in the foreseeable future, therefore, has not taken any measures to manage the risks of a decline in timber prices.

Council reviews its outlook for timber prices regularly in considering the need for active financial management.

There are no restrictions over the title of forestry assets. No forestry assets are pledged as security for liabilities.

Fair Value of Forestry Assets

Independent registered valuer, PF Olsen, has valued the forestry assets as at 30 June 2024. The valuation is based on information from the previous valuation adopted, including:

- Crop areas, tending status and harvesting ages.
- Yields, log grade sale destinations, and pricing methodology.
- Annual costs (adjusted by CPI) and discount rate.

Information updated by PF Olsen includes:

- Harvesting, distribution, and tending costs (PF Olsen's professional knowledge within the region).
- Log prices (Based on PF Olsen's Export log price database and the AgriHQ Log Price Report).

The following significant assumptions have been adopted in determining the fair value of the forestry assets:

- A discount rate of 7.8% (2023: 7.0%) has been used in discounting the present value of expected future cash flows.
- Stands that have a negative return or a negative future value have been given a zero value in this valuation.
- The land rental is included to stimulate an annual financial cash return for the use of the land. This notional rental is equivalent to the opportunity cost of using this land for forestry. The notional land use cost is equivalent to the current market land rental. The tree crop land has been given an average value of \$1,630 / ha (2023: \$1,500 / ha), the annual cost of this land has been set as a rental of 4.0% (2023: 4.0%) on this value that is \$65 / ha / year (2023: \$60 / ha / year). Costs include silviculture, harvesting and transport, and overheads. These are applied on either a per hectare to tonnage basis.

23. INVESTMENT PROPERTY

\$000s	Actual 2024	Actual 2023
Balance as at 1 July	5,334	5,086
Additions	-	-
Fair value gains / (losses) on valuation	350	248
Balance as at 30 June	5,684	5,334

Council's investment properties are valued annually at fair value effective 30 June 2024 for the financial year, by Valuation Partners limited. All investment properties are valued based on open market evidence.

The fair value of investment property has been determined using depreciated replacement cost. The replacement cost is derived from recent construction contracts of modern equivalent assets and QV Cost Builder information. Where just the land value has been assessed a market-based evidence approach has been used. This method involves reference to sales of properties with comparable land values.

There are no contractual obligations in relation to investment properties at balance date not recognised in the financial statements (2023: \$nil).

24. SUBSIDIARIES AND COUNCIL CONTROLLED ORGANISATIONS

The Mackenzie District Council has two Council Controlled Organisations (CCO's), Mackenzie Holdings Limited and Mackenzie Tourism and Development Trust.

Mackenzie Holdings Limited

The Mackenzie District Council holds 100% control of Mackenzie Holdings Limited.

Mackenzie Holdings Limited is a non-active company from the perspective of the Inland Revenue Department and the Companies Office.

Council resolved, on 20 July 2017, to exempt the company under section 7 of the Local Government Act 2002 from the requirements of that Act in relation Mackenzie Holdings Limited status as a Council Controlled Organisation. Mackenzie Holdings Limited will be wound up at some time in the future. This decision was reconfirmed by Council on 27 June 2023.

Mackenzie Tourism and Development Trust

The Mackenzie District Council holds 100% control of Mackenzie Tourism and Development Trust.

Mackenzie Tourism and Development Trust is a non-active company from the perspective of the Inland Revenue Department.

Council resolved, on 13 June 2013, to exempt the company under section 7 of the Local Government Act 2002 from the requirements of that Act in relation to Mackenzie Tourism and Development Trust status as a Council Controlled Organisation. Mackenzie Tourism and Development Trust will be wound up at some time in the future. This decision was reconfirmed by Council on 27 June 2023.

Joint arrangement

Council has a 4% interest in the Downlands Water Supply joint operation, which is accounted for as jointly controlled entity.

\$000s	Actual 2024	Actual 2023
Current assets	62	23
Non-current assets	3,092	3,084
Current liabilities	341	163
Non-current liabilities	420	420
Revenue	130	104
Expenses	237	134

25. PAYABLES AND DEFERRED REVENUE

\$000s	Actual 2024	Actual 2023
Trade and other payables	5,772	5,274
Revenue in advance	752	1,321
Deposit on land sales	-	-
GST payable	-	-
Total payables and deferred revenue	6,524	6,595

Trade and other payables are non-interest bearing and are normally settled on 30-day terms, therefore the carrying value of trade and other payables approximates their fair value.

26. EMPLOYEE ENTITLEMENTS

\$000s	Actual 2024	Actual 2023
Current		
Accrued salaries and wages	188	101
Annual leave	316	259
Total current portion	505	360
Non-current		
Retiring gratuities	39	35
Total non-current portion	39	35
Total employee entitlements	544	395

27. PROVISIONS

\$000s	Actual 2024	Actual 2023
Landfill aftercare provision		
Opening balance	41	28
Additional provisions made during the year	-	19
Increase/(decrease) due to discount rate changes and assessment of liability	-	-
Discount unwinding	(2)	(6)
Closing balance	39	41

As the former owner of various closed landfills around the District, the Council has a legal obligation to ensure these sites are rehabilitated to a standard that minimizes any negative impact on the environment.

The Council has obtained resource consents expiring 27 July 2031; for the closure of Burkes Pass, Fairlie, Tekapo, Twizel, Haldon, and Albury landfills.

The cash outflows for landfill post-closure are expected to occur for up to 10 years. The long-term nature of the liability means that there are inherent uncertainties in estimating costs that will be incurred. The provision has been estimated taking into account existing technology and using a discount rate of 4.65% (2023: 4.65%).

28. BORROWINGS

\$000s	Actual 2024	Actual 2023
Current portion		
Secured loans	5,791	3,120
Total current portion	5,791	3,120
Non-current portion		
Secured loans	15,020	8,420
Total non-current portion	15,020	8,420
Total borrowings	20,811	11,540

29. CONTINGENCIES

Contingent liabilities

\$000s	Actual 2024	Actual 2023
Housing New Zealand contributions to Fairlie pensioner housing units	516	516
Total contingent liabilities	516	516

Housing New Zealand contributions to Fairlie pensioner housing units

Council has recognised as a contingent liability for the amount Housing New Zealand contributed to the construction of the pensioner housing units in Fairlie. Council will be required to pay the loan back to Housing New Zealand if Council ceases to supply pensioner housing. This liability of \$516,000 (2023: \$516,000) will cease on 12 June 2028.

Local Government Funding Agency

Mackenzie District Council became a guarantor in July 2022 of the New Zealand Local Government Funding Agency (LGFA). The LGFA was incorporated in December 2011 with the purpose of providing debt funding to local authorities in New Zealand. Mackenzie District Council is a joint guarantor with 71 other member councils for all LGFA borrowings in the event of default.

At balance date Council's joint guarantee together with other councils totalled \$23,030 million (2023: \$17,684 million). In such an event, each guarantor would be liable to pay a proportion of the amount owing. The proportion to be paid by each guarantor is set in relation to each guarantor's rates revenue.

The likelihood of a local authority borrower defaulting is extremely low and all of the borrowings by a local authority from the LGFA are secured by a rates charge. The Council has been unable to determine a sufficiently reliable fair value for the guarantee. Council believes the risk of the guarantee being called on and any financial loss arising from the guarantee is remote.

Ongoing obligation relating to New Zealand Mutual Liability Riskpool scheme

Mackenzie District Council was previously a member of the New Zealand Mutual Liability Riskpool scheme ('Riskpool'). The Scheme is in wind down; however, the Council has an ongoing obligation to contribute to the scheme should a call be made in respect of any historical claims (to the extent those claims are not covered by reinsurance), and to fund the ongoing operation of the scheme. The likelihood of any call, in respect of historical claims diminishes with each year as limitation periods expire. However, as a result of the Supreme Court decision on 1 August 2023 in Napier City Council v Local Government Mutual Funds Trustee Limited, it has been clarified that Riskpool has a liability for that member's claim in relation to non-weather-tight defects (in a mixed claim involving both weather-tight and non-weather-tight defects). Riskpool has advised that it is working through the implications of the Supreme Court decision. At this point any potential liability is unable to be quantified.

Contingent assets

As at balance date the Council had no contingent assets (2023-: \$nil).

30. EQUITY

\$000s	Actual 2024	Actual 2023
Accumulated funds		
As at 1 July	115,961	124,858
Surplus / (deficit) for the year	(4,566)	(4,858)
Prior period reserve adjustments	-	(5)
Reserve transfers		
• Special funds	518	(162)
• Separate funds	15,595	(4,228)
• Revaluation reserves	1,114	354
As at 30 June	128,621	115,959
Special funds		
As at 1 July	13,668	13,506
Transfers from retained earnings	520	982
Transfers to retained earnings	(1,037)	(820)
As at 30 June	13,151	13,668
Separate funds		
As at 1 July	9,809	5,581
Transfers from retained earnings	15,747	23,640
Transfers to retained earnings	(31,342)	(19,412)
As at 30 June	(5,786)	9,809
Revaluation reserves		
As at 1 July	238,897	230,556
Revaluation gains/(losses)	23,170	5,893
Revaluation gains/(losses) Unlisted Shares	600	2,802
Revaluation reserve written off	(1,114)	(354)
As at 30 June	261,553	238,897

Asset revaluations consist of:

Share revaluation	11,187	10,587
Land	44,783	44,783
Water supplies	31,490	26,992
Downland water supply	1,586	1,586
Wastewater schemes	22,870	21,788
Stormwater schemes	6,305	6,293
Roading	128,704	112,241
Plant	0	0
Buildings	14,630	14,630
	261,553	238,897
Total reserves	268,918	262,374

Capital Management

The Council's capital is its equity (or ratepayers' funds), which comprise retained earnings and reserves. Equity is represented by net assets.

The Local Government Act 2002 (the Act) requires Council to manage its revenue, expenses, assets, liabilities, investments and general financial dealings prudently and in a manner that promotes the current and future interests of the community. Ratepayer's funds are largely managed as a by-product of managing revenues, expenses, assets, liabilities, investments and general financial dealings.

The objective of managing these items is to achieve intergenerational equity, which is a principle promoted in the Act and applied by the Council. Intergenerational equity requires today's ratepayers to meet the costs of utilising the Council's assets and not expecting them to meet the full cost of long term assets that will benefit ratepayers in future generations. Additionally, the Council has in place asset management plans for major classes of assets detailing renewal and maintenance programmes, to ensure ratepayers in future generations are not required to meet the costs of deferred renewals and maintenance.

The Act requires the Council to make adequate and effective provision in its Long Term Plan (LTP) and in its annual plan (where applicable) to meet the expenditure needs identified in those plans. And the Act sets out the factors the Council is required to consider when determining the most appropriate sources of funding for each of its activities. The sources and levels of funding are set out in the funding and financial policies in the Council's LTP.

Council has the following Council created reserves:

- Reserves for different areas of benefit
- Self-insurance reserves; and
- Trust and bequest reserves.

Reserves for different areas of benefit are used where there is a discrete set of rate payers as distinct from the general rate. Any surplus or deficit relating to these separate areas of benefit is applied to the specific reserves.

Self-insurance reserves are built up annually from general rates and are made available for specific unforeseen events.

Trust and bequest reserves are set up where Council has been donated funds that are restricted for particular purposes. Interest is added to trust and bequest reserves where applicable and deductions are made where funds have been used for the purpose they were donated.

Information in regards reserve funds held for a specific purpose is provided below:

Reserve	Activity reserve relates to	Purpose of reserve	Opening balance	2023-2024		Closing balance
				Transfers Into	Transfers Out	
\$000s						
Special reserves						
Albury War Memorial	Communities and Township Services	To fund maintenance of war memorial	4	0	-	5
Albury Water Supply	Water Supplies	Accumulate surpluses/(deficits) from Albury water supply rate funded activities	40	2	-	42
Ashwick/Allandale War Memorial	Communities and Township Services	To fund maintenance of war memorial	7	0	-	7
Carpark Development	Roading	To future development of carparking in the district	256	11	-	267
Davidson Bequest - Cemetery	Communities and Township Services	To fund cemetery maintenance	2	0	-	2
Emergency Management	Emergency Management	To fund Council's share of Emergency Operation Centre costs during an emergency event	40	22	-	61
Enid Hutt Fairlie Beautifying Fund	Communities and Township Services	To fund expenditure in the Fairlie township	33	0	-	35
Gillingham Bequest - Library	Communities and Township Services	To fund the purchase of library books	-	0	-	0
Gould Bequest - Cemetery	Communities and Township Services	To fund cemetery maintenance	2	0	-	2
Heritage Fund	Regulatory Services	To fund heritage projects within the district	9	0	-	9
Housing Replacement	Communities and Township Services	To fund district housing	7	0	-	7
Insurance	Governance and Corporate Services	To fund disaster cover	3,200	-	-	3,200
Land Subdivision	Communities and Township Services	To fund district wide projects	380	0	(379)	1
Land Subdivision - Opuha	Communities and Township Services	To fund projects within the Opuha ward of the district	187	38	-	225
Land Subdivision - Pukaki	Communities and Township Services	To fund projects within the Pukaki ward of the district	2,744	139	(559)	2,325
Land Subdivision - Tekapo	Communities and Township Services	To fund projects within the Tekapo ward of the district	1,934	98	(101)	1,931
Mackenzie County Scholarship Trust	Governance and Corporate Services	Held on behalf of the Mackenzie County Scholarship Trust	87	3	-	90
Masonic Lodge Scholarship	Governance and Corporate Services	Held on behalf of the Masonic Scholarship Fund	42	2	-	44
Paterson's Ponds	Communities and Township Services	To fund maintenance at Paterson Ponds	10	0	-	10
Pensioner Housing Amenities	Communities and Township Services	To fund pensioner housing amenities	2	0	-	2
Real Estate Investment	Tourism, Economic Development and Commercial Activities	Holds accumulated proceeds of property disposals	4,638	198	-	4,836
Sherwood Downs Sports Trust	Communities and Township Services	Held on behalf of the Sherwood Downs Sports Trust	-	0	-	0
Strathconan Pool Capital	Communities and Township Services	To fund Strathconan pool capital	1	0	-	2
Watertight Building	Governance and Corporate Services	Held to cover increased insurance costs of Riskpool	44	2	-	46
Total special reserves			13,668	520	(1,037)	13,151
Separate reserves						
Administration – Capital Reserve	Governance and Corporate Services	Fund capital replacement of administration assets	(5)	0	-	(5)
Administration - Internal Loan	Governance and Corporate Services	Internal loan for the funding of administration assets	(33)	2	-	(31)

SECTION 4: Finances / Pūtea

Albury Hall	Communities and Township Services	To fund operations of the Albury hall	5	1	-	6
Albury Water Supply	Water Supplies	Accumulate surpluses/(deficits) from Albury water supply rate funded activities	(7)	-	(1)	(8)
Allandale / Spur Road Water	Water Supplies	Accumulate surpluses / (deficits) from Allandale / Spur Road water supply rate funded activities	(100)	27	(52)	(125)
Allandale/Spur Road Water - Internal Loan	Water Supplies	Internal loan for the funding of Allandale / Spur Road assets	(250)	13	-	(237)
Animal Control	Regulatory Services	To fund capital requirements of animal control	66	11	(0)	76
Animal Control - Internal Loan	Regulatory Services	Internal loan for the funding of animal control assets	(3)	0	-	(3)
Ashwick/Opuha Water	Water Supplies	To fund capital requirements of the Ashwick/Opuha water scheme	29	-	(13)	16
Cemeteries - Capital Reserve	Communities and Township Services	To fund capital requirements of the district cemeteries	(72)	154	(176)	(94)
Cemeteries – Internal Loan	Communities and Township Services	Internal loan for the funding of cemeteries assets	-	-	(150)	(150)
Civil Defence – Capital Reserve	Emergency Management	To fund capital requirements of civil defence	7	86	(93)	1
Civil Defence - Internal Loan	Emergency Management	Internal loan for the funding of civil defence assets	(40)	2	(70)	(108)
Council Building - Fairlie - Capital Reserve	Governance and Corporate Services	To fund replacement of Council's administration building in Fairlie	(85)	924	(987)	(148)
Council Building - Fairlie - Internal Loan	Governance and Corporate Services	Internal loan for the funding of administration building in Fairlie assets	(475)	25	(850)	(1,300)
Council Building - Twizel - Capital Reserve	Governance and Corporate Services	To fund replacement of Council's administration building in Twizel	34	28	(38)	24
Council Building - Twizel - Internal Loan	Governance and Corporate Services	Internal loan for the funding of administration building in Twizel assets	(285)	15	-	(270)
Depot – Tekapo	Tourism, Economic Development and Commercial Activities	Accumulate surpluses/(deficits) from the Tekapo Depot activity	(1)	1	(0)	(0)
Depot – Twizel	Tourism, Economic Development and Commercial Activities	Accumulate surpluses/(deficits) from the Twizel Depot activity	(0)	5	(1)	4
District Council – Capital Reserve	Governance and Corporate Services	To fund capital requirements of the governance activity	(1)	-	-	(1)
District General – Capital Reserve	Communities and Township Services	To fund capital requirements of the district	(229)	-	-	(229)
District Wide Roding	Transportation	To fund roding capital works district wide	(818)	1,420	(2,544)	(1,941)
District Wide Roding - Internal Loan	Transportation	Internal loan for the funding of roding assets	(5,775)	300	-	(5,475)
Downlands Water Supply	Water Supplies	Council's share of a joint operation to fund the capital requirements of the Downlands Water Scheme	44	107	-	151
Downlands Water Supply	Water Supplies	Accumulate surpluses/(deficits) from Downlands Water Supply rate funded activities	887	-	(110)	771
Eversley Sewer	Wastewater	To fund capital requirements of the Eversley wastewater scheme	(1)	0	-	(0)
Fairlie Camping Ground	Tourism, Economic Development and Commercial Activities	Accumulate surpluses/(deficits) from the Fairlie Camping Ground activity	(5)	24	(6)	13
Fairlie Community Board	Governance and Corporate Services	Accumulate surpluses/(deficits) from the Fairlie Community Board activity	3	17	-	20
Fairlie Medical Centre - Capital Reserve	Communities and Township Services	To fund replacement of medical facilities in Fairlie	69	15	-	85
Fairlie Pensioner Housing	Communities and Township Services	To fund the eventual replacement of the pensioner housing stock in Fairlie	198	36	(53)	181
Fairlie Township	Communities and Township Services	Accumulate surpluses/(deficits) from Fairlie Works and Services rate funded operations	(74)	39	(135)	(170)

SECTION 4: Finances / Pūtea

Forestry	Tourism, Economic Development and Commercial Activities	To fund the operations of Council's forestry assets	8,303	143	-	8,446
Information and Engagement - Capital Reserve	Governance and Corporate Services	To fund capital replacement of Information and Engagement assets	(103)	1	(84)	(186)
Information and Engagement - Internal Loan	Governance and Corporate Services	Internal loan for the funding of Information and Engagement assets	(76)	4	-	(72)
Investment Management	Tourism, Economic Development and Commercial Activities	To fund the Council's treasury management function	11,706	-	(1,260)	10,446
IT Support - Capital Reserve	Governance and Corporate Services	To fund capital replacement of Council's IT assets	(67)	233	(194)	(29)
IT Support - Internal Loan	Governance and Corporate Services	Internal loan for the funding of Council's IT assets	(152)	8	-	(144)
Kimbell Water	Water Supplies	To fund capital requirements of the Kimbell water scheme	26	2	-	28
Lake Tekapo Community Board	Governance and Corporate Services	Accumulate surpluses/(deficits) from Lake Tekapo Community Board activity	2	48	-	50
Lake Tekapo Community Hall	Communities and Township Services	To fund replacement of the Tekapo community hall	(15)	21	(19)	(13)
Lake Tekapo Township	Communities and Township Services	Accumulate surpluses/(deficits) from the Lake Tekapo Township activity	(417)	112	(360)	(666)
Lake Tekapo Township - Internal Loan	Communities and Township Services	Internal loan for the funding of Lake Tekapo Township assets	(123)	6	-	(116)
Mackenzie Community Centre	Communities and Township Services	To fund the capital works at the Fairlie community centre	81	28	(53)	56
Old Library Café	Tourism, Economic Development and Commercial Activities	Accumulate surpluses / (deficits) from the Old Library Café activity	121	36	-	157
Other Reserves - Lake Alexandrina	Communities and Township Services	Accumulate surpluses from Lake Alexandrina rental receipts	770	116	-	886
Plant Account	Governance and Corporate Services	To fund capital replacement of Council's motor vehicle assets	(133)	188	(42)	13
Public Toilets – Capital Reserve	Communities and Township Services	To fund replacement of public toilets within the district	(98)	1,018	(849)	71
Public Toilets - Internal Loan	Communities and Township Services	Internal Loan for funding of the district's public toilets	(285)	15	-	(270)
Pukaki Airport Board	Tourism, Economic Development and Commercial Activities	To fund the operations of Council's airport assets	1,789	21	(15)	1,795
Pukaki Visitor Centre	Tourism, Economic Development and Commercial Activities	Accumulate surpluses from the Pukaki Visitor Centre activity	46	12	-	58
Real Estate	Tourism, Economic Development and Commercial Activities	Accumulate surpluses/(deficits) from the Real Estate activity	1,175	13	(22)	1,166
Resource Planning - Internal Loan	Regulatory Services	Internal loan to fund the District Plan Review	(5,166)	241	(1,665)	(6,591)
Responsible Camping – Capital Reserve	Regulatory Services	To fund capital replacement of Responsible Camping assets	(13)	23	(7)	4
Roading Professional Services Business Unit	Roading	Accumulate operating results of Council's Rooding business unit	(704)	3	(152)	(853)
Rural Works and Services	Communities and Township Services	Accumulate surpluses/(deficits) from Rural Works and Services activity	212	33	(29)	215
School Road Water	Water Supplies	Accumulate surpluses/(deficits) from the School Road water supply rate funded activities	38	4	-	42
Sherwood Downs Hall and Recreation Reserve	Communities and Township Services	Accumulate surpluses/(deficits) of the Sherwood Downs Community Hall and Reserve	59	5	-	64
Skipton Hall	Communities and Township Services	Accumulate surpluses/(deficits) of the Skipton Hall	(1)	-	(0)	(1)
Swimming Pool - Strathconan	Communities and Township Services	Accumulate surpluses/(deficits) of the Fairlie Swimming Pool	1	114	(277)	(162)
Swimming Pool - Strathconan - Internal Loan	Communities and Township Services	Internal loan to fund Fairlie Swimming Pool assets	(200)	10	(100)	(290)
Swimming Pool - Twizel	Communities and Township Services	Accumulate surpluses/(deficits) of the Twizel Swimming Pool	(240)	62	(170)	(348)
Swimming Pool - Twizel - Internal Loan	Communities and Township Services	Internal loan to fund Twizel Swimming Pool Assets	(723)	38	(50)	(735)

SECTION 4: Finances / Pūtea

Tourism and Development	Tourism, Economic Development and Commercial Activities	Accumulate surpluses/(deficits) of the Tourism and Economic Development activity	(114)	462	(485)	(138)
Twizel Community Board	Governance and Corporate Services	Accumulate surpluses/(deficits) from Twizel Community Board activity	(11)	26	-	14
Twizel Community Centre	Communities and Township Services	Accumulate surpluses/(deficits) of the Twizel Events Centre	(64)	19	(173)	(218)
Twizel Community Centre - Internal Loan	Communities and Township Services	Internal Loan to fund Twizel Events Centre assets	(321)	17	-	(305)
Twizel Pensioner Housing	Communities and Township Services	Accumulate surpluses/(deficits) of pensioner housing in Twizel	52	1	(23)	29
Twizel Township	Communities and Township Services	Accumulate surpluses/(deficits) from Twizel Township activity	(157)	567	(1,240)	(831)
Twizel Township - Internal Loan	Communities and Township Services	Internal Loan to fund capital works in the Twizel township	(92)	28	-	(64)
Urban Stormwater	Stormwater	Accumulate surpluses/(deficits) from the District's urban stormwater rate funded activities	897	108	(451)	554
Urban Wastewater	Wastewater	Accumulate surpluses/(deficits) from the District's urban sewer rate funded activities	4,450	674	(214)	4,910
Urban Water	Water Supplies	Accumulate surpluses/(deficits) from the District's urban water rate funded activities	(439)	7,777	(12,114)	(4,776)
Urban Water - Internal Loan	Water Supplies	Internal loan to fund capital works on urban water supplies	(3,325)	175	(6,000)	(9,150)
Waste Management	Communities and Township Services	Accumulate surpluses/(deficits) from Council's solid waste operations	48	106	(38)	116
Total separate reserves			9,809	15,771	(31,364)	(5,786)
Asset revaluation reserves						
Share Revaluation	Tourism, Economic Development and Commercial Activities	Accumulate changes in value of Council's share investments	10,587	600	-	11,187
Investment Revaluation	Tourism, Economic Development and Commercial Activities	Accumulate movements in Council's long-term investments	0	-	-	0
Infrastructural assets revaluation reserves						
Land	Governance and Corporate Services	Accumulate changes in value of Council's land holdings	44,783	-	-	44,783
Water Supplies	Water Supplies	Accumulate changes in value of Council's water infrastructure	26,992	5,613	(1,114)	31,490
Downlands Water Supply	Water Supplies	Accumulate changes in value of Downlands water infrastructure	1,586	-	-	1,586
Wastewater Schemes	Wastewater	Accumulate changes in value of Council's wastewater infrastructure	21,788	1,082	-	22,870
Stormwater Schemes	Stormwater	Accumulate changes in value of Council's stormwater infrastructure	6,293	12	-	6,305
Roading	Roading	Accumulate changes in value of Council's roading infrastructure	112,241	16,463	-	128,704
Plant	Community and Township Services	Accumulate changes in value of Council's plant assets	(0)	-	-	(0)
Buildings	Governance and Corporate Services	Accumulate changes in value of Council's buildings	14,630	-	-	14,630
Total revaluation reserves			238,897	23,770	(1,114)	261,554
Total reserves			262,374	40,060	(33,517)	268,917

SECTION 4: Finances / Pūtea

Reserve	Activity reserve relates to	Purpose of reserve	Opening balance	2022-2023		Closing balance
				Transfers Into	Transfers Out	
\$000s						
Special reserves						
Albury War Memorial	Communities and Township Services	To fund maintenance of war memorial	4	-	-	4
Albury Water Supply	Water Supplies	Accumulate surpluses/(deficits) from Albury water supply rate funded activities	40	-	-	40
Ashwick/Allandale War Memorial	Communities and Township Services	To fund maintenance of war memorial	6	-	-	7
Carpark Development	Roading	To future development of carparking in the district	256	-	-	256
Davidson Bequest - Cemetery	Communities and Township Services	To fund cemetery maintenance	2	-	-	2
Emergency Management	Emergency Management	To fund Council's share of Emergency Operation Centre costs during an emergency event	20	20	-	40
Enid Hutt Fairlie Beautifying Fund	Communities and Township Services	To fund expenditure in the Fairlie township	31	2	-	33
Gillingham Bequest - Library	Communities and Township Services	To fund the purchase of library books	-	-	-	-
Gould Bequest - Cemetery	Communities and Township Services	To fund cemetery maintenance	2	-	-	2
Heritage Fund	Regulatory Services	To fund heritage projects within the district	9	-	-	9
Housing Replacement	Communities and Township Services	To fund district housing	7	-	-	7
Insurance	Governance and Corporate Services	To fund disaster cover	3,200	-	-	3,200
Land Subdivision	Communities and Township Services	To fund district wide projects	430	(51)	-	380
Land Subdivision - Opuha	Communities and Township Services	To fund projects within the Opuha ward of the district	183	25	(20)	187
Land Subdivision - Pukaki	Communities and Township Services	To fund projects within the Pukaki ward of the district	2,716	428	(400)	2,744
Land Subdivision - Tekapo	Communities and Township Services	To fund projects within the Tekapo ward of the district	2,301	33	(400)	1,934
Mackenzie County Scholarship Trust	Governance and Corporate Services	Held on behalf of the Mackenzie County Scholarship Trust	87	-	-	87
Masonic Lodge Scholarship	Governance and Corporate Services	Held on behalf of the Masonic Scholarship Fund	40	2	-	42
Paterson's Ponds	Communities and Township Services	To fund maintenance at Paterson Ponds	10	-	-	10
Pensioner Housing Amenities	Communities and Township Services	To fund pensioner housing amenities	2	-	-	2
Real Estate Investment	Tourism, Economic Development and Commercial Activities	Holds accumulated proceeds of property disposals	4,115	523	-	4,638
Sherwood Downs Sports Trust	Communities and Township Services	Held on behalf of the Sherwood Downs Sports Trust	-	-	-	-
Strathconan Pool Capital	Communities and Township Services	To fund Strathconan pool capital	1	-	-	1
Watertight Building	Governance and Corporate Services	Held to cover increased insurance costs of Riskpool	44	-	-	44
Total special reserves			13,506	982	(820)	13,668
Separate reserves						
Administration – Capital Reserve	Governance and Corporate Services	Fund capital replacement of administration assets	(6)	1	-	(5)
Administration - Internal Loan	Governance and Corporate Services	Internal loan for the funding of administration assets	(35)	2	-	(33)

SECTION 4: Finances / Pūtea

Albury Hall	Communities and Township Services	To fund operations of the Albury hall	1	6	(2)	5
Albury Water Supply	Water Supplies	Accumulate surpluses/(deficits) from Albury water supply rate funded activities	-	(4)	(4)	(7)
Allandale / Spur Road Water	Water Supplies	Accumulate surpluses / (deficits) from Allandale / Spur Road water supply rate funded activities	(68)	44	(76)	(100)
Allandale/Spur Road Water - Internal Loan	Water Supplies	Internal loan for the funding of Allandale / Spur Road assets	(263)	13	-	(250)
Animal Control	Regulatory Services	To fund capital requirements of animal control	68	1	(3)	66
Animal Control - Internal Loan	Regulatory Services	Internal loan for the funding of animal control assets	(4)	0	-	(3)
Ashwick/Opuha Water	Water Supplies	To fund capital requirements of the Ashwick/Opuha water scheme	23	6	-	29
Cemeteries - Capital Reserve	Communities and Township Services	To fund capital requirements of the district cemeteries	(9)	-	(63)	(72)
Civil Defence – Capital Reserve	Emergency Management	To fund capital requirements of civil defence	(18)	40	(15)	7
Civil Defence - Internal Loan	Emergency Management	Internal loan for the funding of civil defence assets	(42)	2	-	(40)
Council Building - Fairlie - Capital Reserve	Governance and Corporate Services	To fund replacement of Council's administration building in Fairlie	(2)	67	(151)	(85)
Council Building - Fairlie - Internal Loan	Governance and Corporate Services	Internal loan for the funding of administration building in Fairlie assets	(500)	25	-	(475)
Council Building - Twizel - Capital Reserve	Governance and Corporate Services	To fund replacement of Council's administration building in Twizel	31	26	(24)	34
Council Building - Twizel - Internal Loan	Governance and Corporate Services	Internal loan for the funding of administration building in Twizel assets	(300)	15	-	(285)
Depot – Tekapo	Tourism, Economic Development and Commercial Activities	Accumulate surpluses/(deficits) from the Tekapo Depot activity	(1)	0	-	(1)
Depot – Twizel	Tourism, Economic Development and Commercial Activities	Accumulate surpluses/(deficits) from the Twizel Depot activity	(0)	4	-	(0)
District Council – Capital Reserve	Governance and Corporate Services	To fund capital requirements of the governance activity	(1)	-	-	(1)
District General – Capital Reserve	Communities and Township Services	To fund capital requirements of the district	(184)	-	(44)	(229)
District Wide Roding	Transportation	To fund roading capital works district wide	(371)	2,187	(2,634)	(818)
District Wide Roding - Internal Loan	Transportation	Internal loan for the funding of roading assets	(4,500)	225	(1,500)	(5,775)
Downlands Water Supply	Water Supplies	Council's share of a joint operation to fund the capital requirements of the Downlands Water Scheme	10	34	-	44
Downlands Water Supply	Water Supplies	Accumulate surpluses/(deficits) from Downlands Water Supply rate funded activities	890	-	(4)	887
Eversley Sewer	Wastewater	To fund capital requirements of the Eversley wastewater scheme	(1)	0	-	(1)
Fairlie Camping Ground	Tourism, Economic Development and Commercial Activities	Accumulate surpluses/(deficits) from the Fairlie Camping Ground activity	(29)	24	-	(5)
Fairlie Community Board	Governance and Corporate Services	Accumulate surpluses/(deficits) from the Fairlie Community Board activity	2	1	-	3
Fairlie Medical Centre - Capital Reserve	Communities and Township Services	To fund replacement of medical facilities in Fairlie	58	12	(1)	69
Fairlie Pensioner Housing	Communities and Township Services	To fund the eventual replacement of the pensioner housing stock in Fairlie	179	37	(13)	198
Fairlie Township	Communities and Township Services	Accumulate surpluses/(deficits) from Fairlie Works and Services rate funded operations	38	22	(133)	(74)
Forestry	Tourism, Economic Development and Commercial Activities	To fund the operations of Council's forestry assets	8,047	255	-	8,303

SECTION 4: Finances / Pūtea

Information and Engagement - Capital Reserve	Governance and Corporate Services	To fund capital replacement of Information and Engagement assets	(0)	-	(103)	(103)
Information and Engagement - Internal Loan	Governance and Corporate Services	Internal loan for the funding of Information and Engagement assets	(80)	4	-	(76)
Investment Management	Tourism, Economic Development and Commercial Activities	To fund the Council's treasury management function	-	15,174	(3,468)	11,706
IT Support - Capital Reserve	Governance and Corporate Services	To fund capital replacement of Council's IT assets	(2)	159	(224)	(67)
IT Support - Internal Loan	Governance and Corporate Services	Internal loan for the funding of Council's IT assets	(160)	8	-	(152)
Kimbell Water	Water Supplies	To fund capital requirements of the Kimbell water scheme	24	1	-	26
Lake Tekapo Community Board	Governance and Corporate Services	Accumulate surpluses/(deficits) from Lake Tekapo Community Board activity	1	1	-	2
Lake Tekapo Community Hall	Communities and Township Services	To fund replacement of the Tekapo community hall	(34)	24	(5)	(15)
Lake Tekapo Township	Communities and Township Services	Accumulate surpluses/(deficits) from the Lake Tekapo Township activity	33	400	(850)	(417)
Lake Tekapo Township - Internal Loan	Communities and Township Services	Internal loan for the funding of Lake Tekapo Township assets	(129)	6	-	(123)
Mackenzie Community Centre	Communities and Township Services	To fund the capital works at the Fairlie community centre	144	21	(85)	81
Old Library Café	Tourism, Economic Development and Commercial Activities	Accumulate surpluses / (deficits) from the Old Library Café activity	70	51	-	121
Other Reserves - Lake Alexandrina	Communities and Township Services	Accumulate surpluses from Lake Alexandrina rental receipts	683	100	(13)	770
Plant Account	Governance and Corporate Services	To fund capital replacement of Council's motor vehicle assets	(27)	222	(330)	(133)
Public Toilets – Capital Reserve	Communities and Township Services	To fund replacement of public toilets within the district	(13)	317	(402)	(98)
Public Toilets - Internal Loan	Communities and Township Services	Internal Loan for funding of the district's public toilets	(300)	15	-	(285)
Pukaki Airport Board	Tourism, Economic Development and Commercial Activities	To fund the operations of Council's airport assets	1,743	51	(5)	1,789
Pukaki Visitor Centre	Tourism, Economic Development and Commercial Activities	Accumulate surpluses from the Pukaki Visitor Centre activity	37	9	-	46
Real Estate	Tourism, Economic Development and Commercial Activities	Accumulate surpluses/(deficits) from the Real Estate activity	843	374	(41)	1,175
Resource Planning - Internal Loan	Regulatory Services	Internal loan to fund the District Plan Review	(3,765)	163	(1,564)	(5,166)
Responsible Camping – Capital Reserve	Regulatory Services	To fund capital replacement of Responsible Camping assets	-	2	(15)	(13)
Roading Professional Services Business Unit	Roading	Accumulate operating results of Council's Roading business unit	(513)	4	(194)	(704)
Rural Works and Services	Communities and Township Services	Accumulate surpluses/(deficits) from Rural Works and Services activity	234	-	(23)	212
School Road Water	Water Supplies	Accumulate surpluses/(deficits) from the School Road water supply rate funded activities	33	5	-	38
Sherwood Downs Hall and Recreation Reserve	Communities and Township Services	Accumulate surpluses/(deficits) of the Sherwood Downs Community Hall and Reserve	62	-	(3)	59
Skipton Hall	Communities and Township Services	Accumulate surpluses/(deficits) of the Skipton Hall	(1)	-	(0)	(1)
Swimming Pool - Strathconan	Communities and Township Services	Accumulate surpluses/(deficits) of the Fairlie Swimming Pool	(21)	239	(217)	1
Swimming Pool - Strathconan - Internal Loan	Communities and Township Services	Internal loan to fund Fairlie Swimming Pool assets	-	-	(200)	(200)
Swimming Pool - Twizel	Communities and Township Services	Accumulate surpluses/(deficits) of the Twizel Swimming Pool	(244)	225	(222)	(240)
Swimming Pool - Twizel - Internal Loan	Communities and Township Services	Internal loan to fund Twizel Swimming Pool Assets	(550)	28	(200)	(723)
Tourism and Development	Tourism, Economic Development and Commercial Activities	Accumulate surpluses/(deficits) of the Tourism and Economic Development activity	(27)	22	(109)	(114)

SECTION 4: Finances / Pūtea

Twizel Community Board	Governance and Corporate Services	Accumulate surpluses/(deficits) from Twizel Community Board activity	(12)	0	-	(11)
Twizel Community Centre	Communities and Township Services	Accumulate surpluses/(deficits) of the Twizel Events Centre	85	139	(288)	(64)
Twizel Community Centre - Internal Loan	Communities and Township Services	Internal Loan to fund Twizel Events Centre assets	(180)	9	(150)	(321)
Twizel Pensioner Housing	Communities and Township Services	Accumulate surpluses/(deficits) of pensioner housing in Twizel	65	-	(14)	52
Twizel Township	Communities and Township Services	Accumulate surpluses/(deficits) from Twizel Township activity	339	190	(686)	(157)
Twizel Township - Internal Loan	Communities and Township Services	Internal Loan to fund capital works in the Twizel township	(121)	28	-	(92)
Urban Stormwater	Stormwater	Accumulate surpluses/(deficits) from the District's urban stormwater rate funded activities	1,024	98	(225)	897
Urban Wastewater	Wastewater	Accumulate surpluses/(deficits) from the District's urban sewer rate funded activities	4,966	914	(1,431)	4,450
Urban Water	Water Supplies	Accumulate surpluses/(deficits) from the District's urban water rate funded activities	1,710	1,343	(3,491)	(439)
Urban Water - Internal Loan	Water Supplies	Internal loan to fund capital works on urban water supplies	(3,500)	175	-	(3,325)
Waste Management	Communities and Township Services	Accumulate surpluses/(deficits) from Council's solid waste operations	156	74	(182)	48
Total separate reserves			5,581	23,640	(19,412)	9,809
Asset revaluation reserves						
Share Revaluation	Tourism, Economic Development and Commercial Activities	Accumulate changes in value of Council's share investments	7,787	2,800	-	10,587
Investment Revaluation	Tourism, Economic Development and Commercial Activities	Accumulate movements in Council's long-term investments	(2)	2	-	0
Infrastructural assets revaluation reserves						
Land	Governance and Corporate Services	Accumulate changes in value of Council's land holdings	41,942	2,841	-	44,783
Water Supplies	Water Supplies	Accumulate changes in value of Council's water infrastructure	27,342	-	(350)	26,992
Downlands Water Supply	Water Supplies	Accumulate changes in value of Downlands water infrastructure	1,203	383	-	1,586
Wastewater Schemes	Wastewater	Accumulate changes in value of Council's wastewater infrastructure	21,791	-	(3)	21,788
Stormwater Schemes	Stormwater	Accumulate changes in value of Council's stormwater infrastructure	6,293	-	-	6,293
Roading	Roading	Accumulate changes in value of Council's roading infrastructure	112,241	-	-	112,241
Plant	Community and Township Services	Accumulate changes in value of Council's plant assets	(18)	18	-	(0)
Buildings	Governance and Corporate Services	Accumulate changes in value of Council's buildings	11,979	2,651	-	14,630
Total revaluation reserves			230,556	8,695	(354)	238,897
Total reserves			249,643	33,317	(20,586)	262,374

31. INTERNAL BORROWINGS

\$000	Opening	New Debt	Repayment	Closing	Interest paid
Year ended 30 June 2024					
Governance and Corporate Services					
Administration	33	-	(2)	31	1
Information and engagement	76	-	(4)	72	3
IT support	152	-	(8)	144	6
Administration building Fairlie	475	850	(25)	1,300	26
Administration building Twizel	285	-	(15)	270	12
Water Supplies					
Allandale water	250	-	(13)	237	11
Urban water	3,325	6,000	(175)	9,150	184
Transportation					
District roading	5,775	-	(300)	5,475	254
Regulatory Services					
Planning	5,166	1,665	(241)	6,591	241
Animal control	3	-	(0)	3	0
Emergency Management					
Civil defence	40	70	(2)	108	2
Parks and Community Facilities					
Tekapo township	123	-	(6)	116	5
Twizel township	93	-	(28)	65	4
Twizel community centre	321	-	(17)	305	15
Strathconan swimming pool	200	100	(10)	290	10
Twizel swimming pool	723	50	(38)	735	32
Public toilets	285	-	(15)	270	12
Cemeteries	-	150	-	150	1
Total internal borrowings	17,324	8,885	(899)	25,310	821
Year ended 30 June 2023					
Governance and Corporate Services					
Administration	35	-	(2)	33	1
Information and engagement	80	-	(4)	76	2
IT support	160	-	(8)	152	5
Administration building Fairlie	500	-	(25)	475	15
Administration building Twizel	300	-	(15)	285	9
Water Supplies					
Allandale water	263	-	(13)	250	8
Urban water	3,500	-	(175)	3,325	105
Transportation					
District roading	4,500	1,500	(225)	5,775	135
Regulatory Services					
Planning	3,765	1,564	(163)	5,166	113
Animal control	4	-	(1)	3	0
Emergency Management					
Civil defence	42	-	(2)	40	1
Parks and Community Facilities					
Tekapo township	129	-	(6)	123	4
Twizel township	121	-	(28)	93	4
Strathconan swimming pool	-	200	-	200	-
Twizel swimming pool	550	200	(28)	723	16
Twizel community centre	180	150	(9)	321	5
Public toilets	300	-	(15)	285	9
Total internal borrowings	14,429	3,614	(718)	17,324	432

32. RELATED PARTY TRANSACTIONS

During the year Councillors and key management were involved in minor transactions (for example payment of rates) with the Council as part of a normal customer relationship.

Related party disclosures have not been made for transactions with related partners that are:

- “Within a normal supplier or client / recipient relationship; and
- On terms and conditions no more or less favourable than those that it is reasonable to expect the Council would have adopted in dealing with the party at arm’s length in the same circumstances.”

No provision has been required, nor any expense recognised for impairment of receivables for any loans or other receivables to related parties (2023: Nil).

Key management personnel compensation:

\$000s	Actual 2024	Actual 2023
Councillors		
Full-time equivalent members	8	8
Remuneration	296	293
Senior management team, including the Chief Executive		
Full-time equivalent members	4.8	4.6
Remuneration	1,129	1,013
Total key management personnel full-time equivalent members	12.8	12.6
Total key management personnel remuneration	1,425	1,306

Due to the difficulty in determining the full-time equivalent for Councillors, the full-time equivalent figures are taken as the number of Councillors.

Grants to related parties

Council has provided a number of grants to related parties. These grants are outlined below:

\$000s	Actual 2024	Actual 2023
Mackenzie Theatre Group Incorporated	4	8
Aoraki Mackenzie Dark Sky International Reserve Board	4	0
Mackenzie District Community Care Charitable Trust Board	30	-
South Island Rowing Incorporated	1	-
Lake Tekapo Community Sports and Recreation Trust	30	8

33. EVENTS AFTER BALANCE DATE

Weather events

A snow event occurred in July 2024. To date a total of \$151,306 has been spent due to snow clearance and gritting for ice. A request has been made to Council for additional funds.

Between 2 to 4 October 2024, the district experienced a significant heavy rain event that caused widespread flooding and damage, particularly on the Albury area. The rain led to surface flooding, scouring of unsealed roads, and several isolated slips. These slips, along with surface water channels, require immediate restoration work to prevent further damage from additional rainfall. Estimated repair costs are \$192,000 and an emergency even claim has been submitted to NZTA for the damage.

A second snowfall event occurred over Labour Weekend, from 25 to 27 October, which caused significant disruption across the district. Following a period of heavy rainfall, the temperature dropped, turning the rain into heavy snow, which led to widespread road blockages and transport disruptions. One of the most critical impacts was an avalanche on Glen Lyon Road, which occurred on the morning of 26 October. The avalanche blocked the road completely, cutting off access to several properties including Glen Lyon Station where several families and hunting groups were isolated. In response, contractors worked throughout the long weekend and through the following week to clear the snow and debris. Despite the challenging conditions and the need for extensive clearing, they were able to restore limited access to Glen Lyon Road. The decision was made by Council staff to keep the road closed until the snow had melted due to the risk of a further slip. The financial impact of this event is

still to be determined as Council staff are still continuing to assess the damage and co-ordinate the necessary repair work. Costs will include the cost of clearing the avalanche, repairing any infrastructure damage, and restoring affected services.

Water services reform programme

The New Zealand government is implementing a water services reform programme to address New Zealand's water infrastructure challenges – the Local Water Done Well programme.

The first part of the programme was to repeal previous water services legislation (the Water Services Entities Act 2022, Water Services Legislation Act 2023, and the Water Services Economic Efficiency and Consumer Protection Act 2023) that would have transferred responsibility to ten newly established publicly owned water services entities.

The New Zealand government is introducing new legislation that recognises the importance of local decision making and flexibility for communities and councils to determine how their water services will be delivered in the future. The Local Government (Water Services Preliminary Arrangements) Act 2024 was enacted on 2 September 2024 and establishes the Local Water Done Well framework and the preliminary arrangements for the new water services system. The Act includes a requirement for councils to develop Water Services Delivery Plans by 3 September 2025. The Plans will outline future water services delivery arrangements, and for councils to commit to an implementation plan. The Mackenzie District Council has commenced work on its Water Services Delivery Plan in accordance with the Act and will undertake consultation before the Plan is adopted.

The New Zealand government had indicated that it will introduce a Bill in December 2024 that will establish the enduring settings for the new water services system.

The reforms to date have had no effect on the 2024 financial statement or performance information and there is nothing to indicate the need to review the carrying value of assets and liabilities in the 2024 annual report as any future change is uncertain.

34. FINANCIAL INSTRUMENTS

\$000s	Actual 2024	Actual 2023
Financial assets		
Amortised cost		
Cash and cash equivalents	5,504	10,166
Trade and other receivables	4,243	6,155
Other financial assets		
• Term deposits	-	3,000
• Community loans	9	18
• Investment in other entities	403	200
• Corporate bonds	949	1
Total financial assets at amortised cost	11,108	19,540
Fair value through other comprehensive revenue and expense		
Other financial assets		
• Unlisted shares	14,600	14,000
Total fair value through other comprehensive revenue and expense	14,600	14,000
Financial liabilities		
Amortised cost		
Trade and other payables	5,772	5,274
Borrowings		
• Bank overdraft	-	-
• Lease liabilities	-	-
• Secured loans	20,811	11,540
Total financial liabilities at amortised cost	26,583	16,814

Fair value

Council carries certain financial assets and financial liabilities at fair value. In accordance with PBE IPSAS 30 – Fair Value Measurement, Council uses various methods in estimating the fair value of financial instruments.

The methods comprise of:

- Level 1 – Quoted (unadjusted) market prices in active markets for identical assets or liabilities.
- Level 2 – Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable.
- Level 3 – Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable.

The following table analyses the basis of the valuation of classes of financial instruments measured at fair value in the statement of financial position:

\$000s	Level	Total	Valuation technique		
			Quoted market price	Observable inputs	Significant non-observable inputs
30 June 2024					
Financial assets					
Derivatives		-	-	-	-
Investments in debt securities		-	-	-	-
Shares	3	14,600	-	-	14,600
Financial liabilities					
Derivatives		-	-	-	-
30 June 2023					
Financial assets					
Derivatives		-	-	-	-
Investments in debt securities		-	-	-	-
Shares	3	14,000	-	-	14,000
Financial liabilities					
Derivatives		-	-	-	-

There were no transfers between the different levels of the financial hierarchy.

Valuation techniques with significant non-observable inputs (level 3)

The table below provides a reconciliation from the opening balance to the closing balance for the level 3 fair value measurements:

\$000s	Actual 2024	Actual 2023
Balance at 1 July	14,000	11,200
Gains and losses recognised in the surplus or deficit	-	-
Gains and losses recognised in other comprehensive revenue	600	2,800
Purchases	-	-
Sales	-	-
Transfers into level 3	-	-
Transfers out of level 3	-	-
Balance as at 30 June	14,600	14,000

Changing a valuation assumption to a reasonable possible alternative assumption would not significantly change fair value.

Financial instruments risks

Council has a series of policies to manage the risks associated with financial instruments. Council is risk averse and seeks to minimise exposure from its treasury activities. Council has established approved Liability Management and Investment policies. These policies do not allow any transactions that are speculative in nature to be entered into.

Currency risk

Currency risk is the risk that the value of a financial instrument will fluctuate due to changes in foreign exchange rates. Council is not exposed to currency risk as it does not enter into foreign currency transactions.

Interest rate risk*Fair value interest rate risk*

Fair value interest rate risk is the risk that the value of a financial instrument will fluctuate due to changes in market interest rates. Borrowings and investments issued at fixed rates expose the Council to fair value interest rate risk. Council's Liability Management Policy outlines the level of borrowing that is to be sources using fixed rate instruments.

Cash flow interest rate risk

Cash flow interest rate risk is the risk that the cash flows from a financial instrument will fluctuate because of changes in market interest rates. Borrowings and investments issued at variable interest rate expose Council to cash flow interest rate risk.

Council manages its cash flow interest rate risk on borrowings by using floating to fixed interest rate swaps. Such interest rate swaps have the economic effect of converting borrowings at floating rates and swaps them into fixed rates that are generally lower than those available if Council borrowed at fixed rates directly. Under the interest rate swaps, Council agrees with other parties to exchange, at specified intervals, the difference between fixed contract rates and floating-rate interest amounts calculated by reference to the agreed national principal amounts.

Credit risk

Credit risk is the risk that a third party will default on its obligation to Council, causing Council to incur a loss. Council has no significant concentrations of risk, as it has a large number of customers, mainly ratepayers, and the Council has powers under the Local Government (Rating) Act 2002, to recover outstanding debts from ratepayers.

Council invests funds in accordance with its Investment Policy which limits the amount of credit exposure to any one institution and ensures dispersion and minimisation of risk.

Council has no other collateral or other credit enhancements for financial instruments that give rise to credit risk.

Council's maximum credit exposure for each class of financial instrument is as follows:

\$000s	Actual 2024	Actual 2023
Cash at bank and term deposits	5,504	13,166
Trade and other receivables	4,243	6,155
Community loans	9	18
Investments in other entities	403	200
Investment in debt securities	-	-
Derivative financial instrument assets	-	-
Total credit risk	10,159	19,539

All cash at bank and term deposits are neither past due nor impaired and are made with registered banks with Standard and Poor's credit ratings of A1 or better short term.

All investments in debt securities are neither past due nor impaired and are made with counterparties with Standard and Poor's credit ratings of BBB or better long term or with other local authorities.

Community loans are with counterparties with no defaults in the past.

The gross carrying amount of financial assets, excluding receivables, by reference to Standard and Poor's credit ratings are provided below:

\$000s	Actual 2024	Actual 2023
Counterparties with Credit Ratings		
Cash at bank and term deposits		
AA-	5,504	13,166
Total cash at bank and term deposits	5,504	13,166
Listed bonds		
AA-	910	-
Total listed bonds	910	-
Investment in other entities		
AAA	403	200
Total investment in other entities	403	200
Counterparties without Credit Ratings		
Community and related party loans		
Existing counterparty with no defaults in the past	9	18
Total community and related party loans	9	18

Liquidity risk

Liquidity risk is the risk that Council will encounter difficulty raising liquid funds to meet commitments as they fall due. Prudent liquidity risk management implies maintaining sufficient cash, the availability of funding through an adequate amount of committed credit facilities and the ability to close out market positions. Council aims to maintain flexibility in funding by keeping committed credit lines available.

In meeting its liquidity requirements, the Council maintains a target level of investments that must mature within the next 12 months and ensure all investments are readily tradeable.

Council manages its borrowing in accordance with its funding and financial policies, which include a Liability Management policy. These policies have been adopted as part of the Council's Long Term Plan.

Contractual maturity analysis of derivative financial instruments

The table below analyses Council's maturity dates for interest rate derivative financial instruments.

\$000s	Carrying amount	Less than 1 year	1-2 years	2-5 years	More than 5 years
2024					
Council	-	-	-	-	-
2023					
Council	-	-	-	-	-

Contractual maturity analysis of financial liabilities, excluding derivatives

The table below analyses Council's financial liabilities into relevant maturity groupings based on the remaining period at the balance date to the contractual maturity date.

\$000s	Carrying amount	Less than 1 year	1-2 years	2-5 years	More than 5 years
2024					
Trade and other payables	6,530	6,530	-	-	-
Bank overdraft	-	-	-	-	-
Secured loans	20,811	5,791	5,000	10,020	-
Bonds	-	-	-	-	-
Finance leases	-	-	-	-	-
Total	27,341	12,321	5,000	10,020	-
2023					
Trade and other payables	6,595	6,595	-	-	-
Bank overdraft	-	-	-	-	-
Secured loans	11,540	3,120	1,500	5,420	1,500
Bonds	-	-	-	-	-
Finance leases	-	-	-	-	-
Total	18,135	9,715	1,500	5,420	1,500

Contractual maturity analysis of financial assets

The table below analyses Council's financial assets into relevant maturity groupings based on the remaining period at the balance date to the contractual maturity date.

\$000s	Carrying amount	Less than 1 year	1-2 years	More than 5 years
2024				
Cash and cash equivalents	5,504	5,504	-	-
Trade and other receivables	4,243	4,243	-	-
Loans to related parties	9	9	-	-
Unlisted shares	14,600	-	-	14,600
Other financial assets				
- Term deposits	-	-	-	-
- Community loans	-	-	-	-
- Bonds	911	-	-	911
- Investment in debt securities	403	38	365	-
Total	25,670	9,794	365	15,511
2023				
Cash and cash equivalents	10,166	10,166	-	-
Trade and other receivables	6,155	6,155	-	-
Loans to related parties	18	9	9	-
Unlisted shares	14,000	-	-	14,000
Other financial assets				
- Term deposits	3,000	3,000	-	-
- Community loans	-	-	-	-
- Bonds	1	-	-	1
- Investment in debt securities	200	-	163	38
Total	33,540	19,330	172	14,039

Sensitivity analysis

The Council is exposed to interest rate risk arising from borrowing funds at floating interest rates and investment cash in short-term deposits at fixed interest rates.

The Council believes there is no material sensitivity to interest rate movements in relation to, at the year end due to the following:

- The majority of interest rate related exposures relate to borrowings.

The sensitivity analysis below has been determined based on the exposure to interest rates for both derivative and non-derivative instruments at the reporting date.

At reporting date, if interest rates had been 1% higher or lower and all other variables were held constant, Council's:

- Surplus would decrease / increase by \$112,089 (2023: \$39,863). This is mainly attributable to the Council's exposure to interest rates on its borrowings.
- Other equity reserves would remain unaffected.

The Council's sensitivity to interest rates has not changed significantly from the prior year.

The sensitivity analysis below has been determined based on the exposure to equity price risks at the reporting date.

At reporting date, if equity prices had been 1% higher or lower and all other variables were held constant, the Council's:

- Surplus would have been unaffected.
- Other equity reserves would have increased / decreased by \$nil (2023: \$nil) as the equity investments are classified as for sale investments.

The Council's sensitivity to equity prices has not changed significantly from the prior year.

35. EXPLANATIONS OF MAJOR VARIANCES AGAINST BUDGET

Explanations of major variations from Council's estimated figures in the 2023/24 budget, as reflected in the 2023/24 Annual Plan, are as follows:

Statement of comprehensive revenue and expense

Council made a net loss of \$4,566 million (budgeted deficit of \$780 million).

Subsidies and grants lower by \$340,000 - \$982,000 more from Waka Kotahi due to emergency works undertaken at the higher subsidy rate of 71 cents and unbudgeted trail development for Edward Street cycleway, and TIFF funding for public toilets of \$914,000 which had been budgeted for in previous years. Council budgeted for a grant of \$1.55 million for extra work on the A2O trail which did not eventuate.

Fees and charges higher by \$289,000 – Increased solid waste fees collected and unbudgeted income received from freedom camping infringements.

Other revenue higher by \$182,000 - \$949,000 of unbudgeted carbon credits received, offset by lower timber sales. Unbudgeted income received of \$303,000 accounted for under Section 129 of the Building Act in regards recovery of costs for a fire damaged building with asbestos. Recoverable services were decreased as a result of work being undertaken in-house and recovered by internal charges. Lower dividend income received from Alpine Energy as a result of a decision to not pay out the third and fourth quarter payments to shareholders.

Development and financial contributions lower by \$606,000, and vested assets lower by \$610,000 million - due to lower development activity.

Other gains up by \$363,000 as a result of revaluations on investment property and forestry assets.

Personnel costs were lower by \$459,000 due to a number of staff vacancies - specifically in Corporate Services, Transportation and Planning and Regulatory Services. Part of this underspend is offset by increased costs in consultancy.

Other expenses higher by \$1.348 million - Roothing emergency works and emergency re-instatement \$776,000 million; contracting out to cover staff vacancies - community facilities \$289,000, operations management \$170,000; district plan review \$626,000. An impairment of \$391,000 was booked for carbon credits and an additional \$240,000 for impairment to receivables. Unbudgeted expenditure of \$303,000 in regards site clearance of a fire damaged building with asbestos. Lower expenditure of \$1.226 million for Better off Funding projects.

Depreciation cost higher by \$1.062 million attributable to the increase in asset values and the capitalisation of a number of large infrastructure projects.

Other Losses higher by \$1.102 million - from the decommissioning of water assets.

Statement of financial position

Current financial assets lower with \$8.353 million - Term deposits that matured have been used to fund the capital expenditure rather than making use of external borrowings.

Property, Plant and Equipment higher by \$33.254 million as a result of the revaluation of three waters and roading infrastructure and also the capitalisation of a number of completed projects.

Intangible assets higher by \$1.988 million as a result of council not selling received Carbon Credits.

Forestry assets lower by \$440,000 due to a decrease in log prices and an increase in harvesting costs and an increase in cost of sales.

Investment property is \$298,000 higher due to an increase in the value of properties.

Non-current financial assets higher by \$3.907 million due to an increase in the valuation of Alpine shares, the purchase of a corporate bond and LGFA borrowers notes during the year.

Payables and deferred revenue higher by \$479,000 - mainly due to an increase in accruals relating to the Twizel water meter contract, Twizel ringmain upgrade and the new toilets in Fairlie and Lake Pukaki. There is lower revenue in advance from the previous financial year due to Council completing a number of the projects that received government funding in prior years – tourism funding for toilets and A2O trail upgrade.

Current Borrowings \$2.785 million higher due to Council borrowing more at short term maturities, due to higher interest rates. This is offset by non-currently borrowings being \$2.812 million under budget.

DISCLOSURE STATEMENT

Regulations were introduced in May 2014 requiring the Council to disclose its performance in relation to specific benchmarks.

Rates Affordability Benchmark

The Council meets the rates affordability benchmark if its actual rates increases equal or are less than each quantified limit on rates increases.

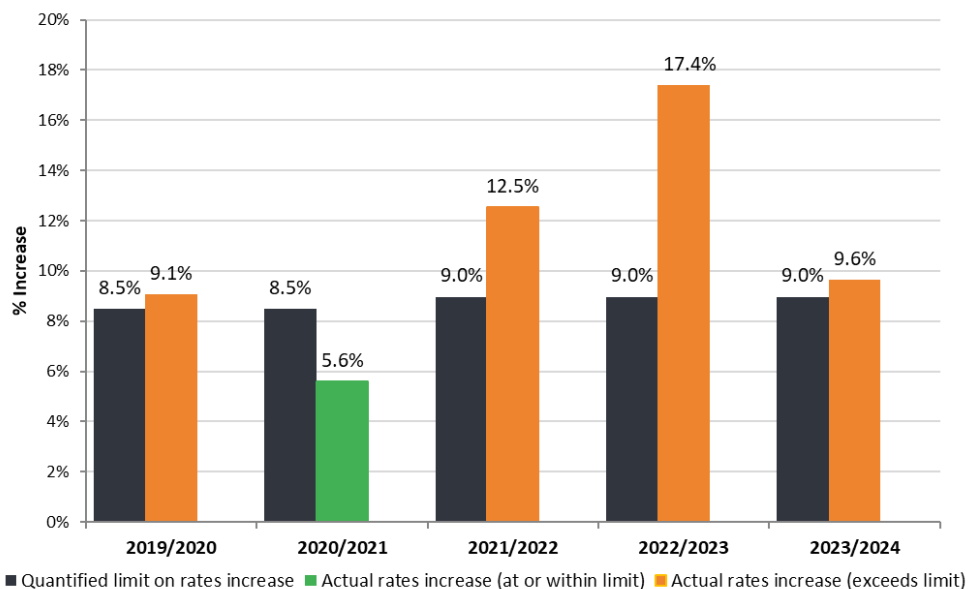
Rates (increases) affordability

This graph compares Council’s actual rates increases with the quantified limit on rates increases specified in the financial strategy included in Council’s Long Term Plan 2021 - 31.

The quantified limit is that rates increases will not exceed 6.0% + LGCI (Local Government Cost Index).

In the 2021-31 Long Term Plan, Council advised that for the first four years of the plan the planned rates increase would not meet this target and would be higher (2021-22 13.58%, 2022-23 17.34%, 2023-24 10.20%, 2024-25 10.02%). This graph shows the actual rate increase against this limit (9.6% for 2023/24).

As per the adopted 2021-31 Long Term Plan, Council did not achieve this benchmark for 2023/24.



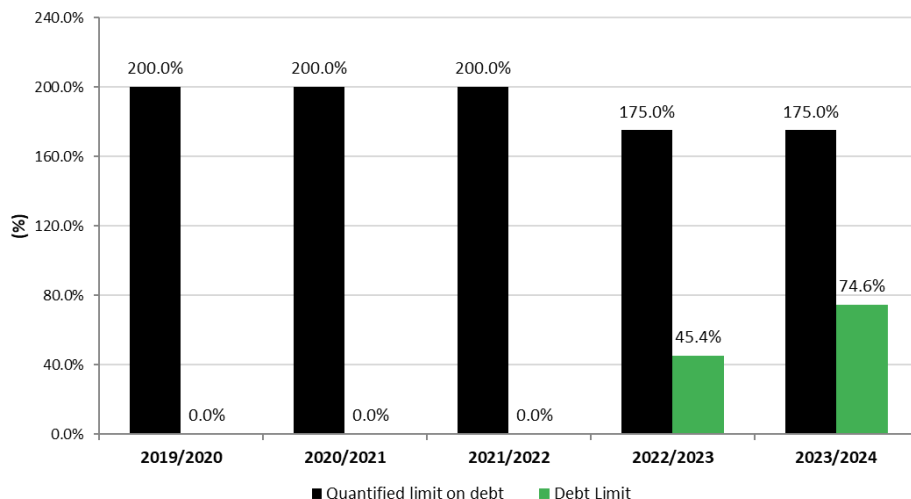
Debt Affordability Benchmark

The Council meets the debt rates affordability benchmark if its actual borrowing is within the quantified limits on borrowings, as stated in the financial strategy included in the Council’s Long Term Plan 2021-31.

Debt affordability

This graph compares Council’s actual borrowing with the quantified limit that the ratio of Net Debt / Total Revenue is no more than 1.75.

Council achieved the benchmark for 2023/24.



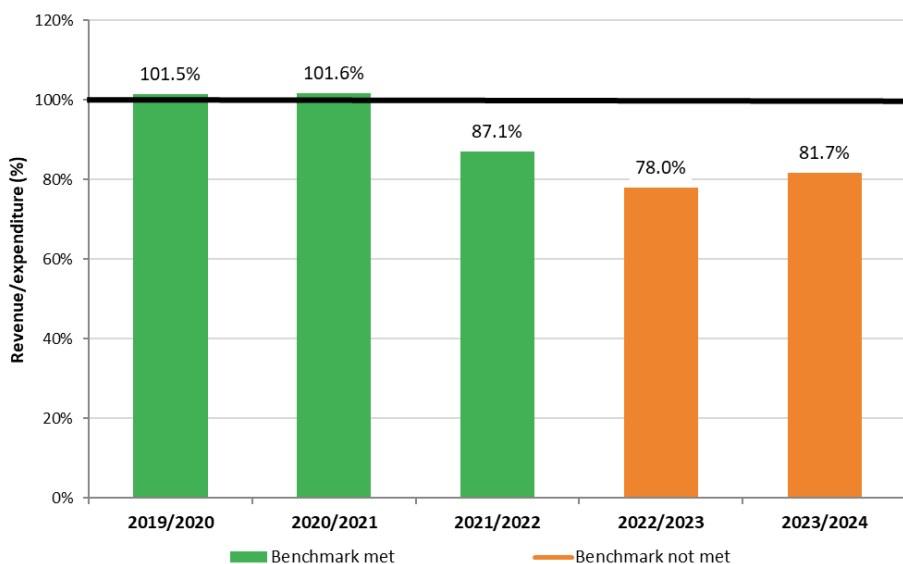
Balanced Budget Benchmark

The following graph displays the Council’s revenue (excluding development contributions, financial contributions, vested assets, gains on derivative financial instruments and revaluations of property, plant or equipment) as a proportion of operating expenses (excluding losses on derivative financial instruments and revaluations of property, plant or equipment).

Council is permitted to not fully fund all expenditure (including depreciation) provided it can be demonstrated that this is financially prudent.

Council meets this benchmark if its revenue equals or is greater than its operating expenses.

Council did not achieve this benchmark for 2023/24.

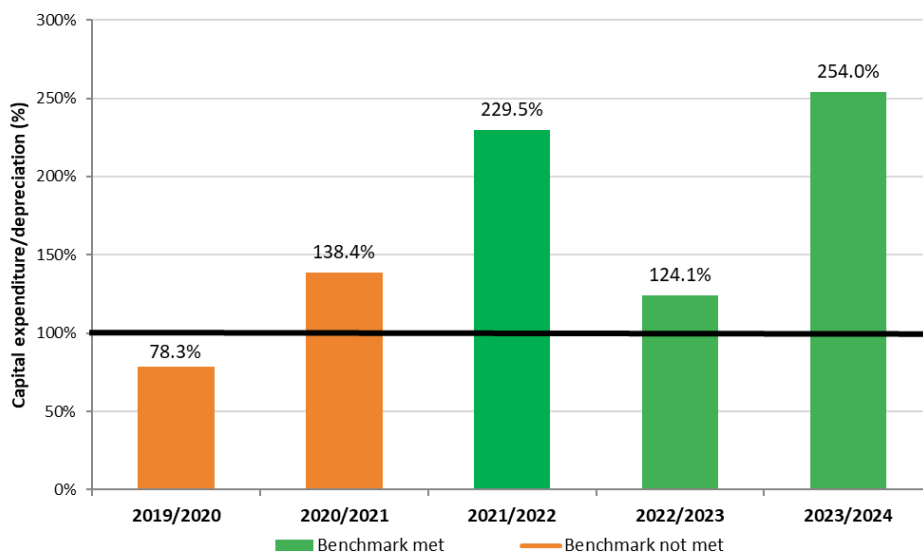


Essential Services Benchmark

The following graph displays the Council’s capital expenditure on network services as a proportion of depreciation on network services.

Council meets this benchmark if its capital expenditure on network services (water supply, wastewater including treatment and disposal, stormwater drainage and the provision of roads and footpaths) equals or is greater than depreciation on these services.

Council achieved this benchmark for 2023/24.

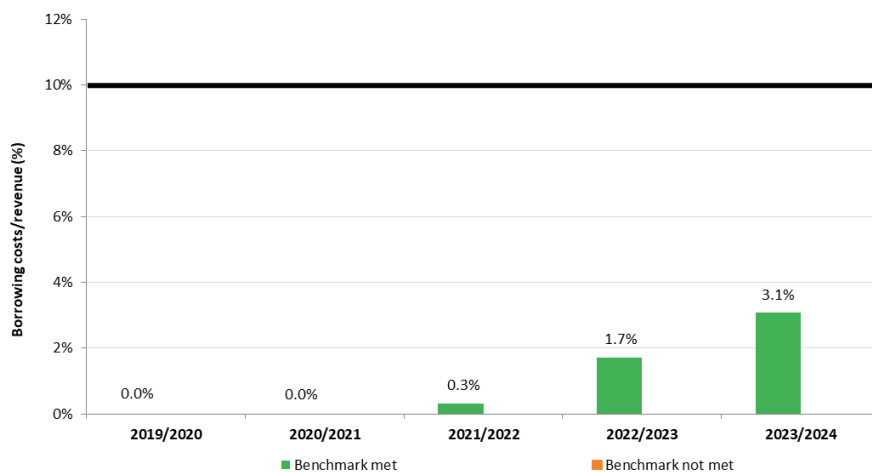


Debt Servicing Benchmark

The following graph displays the Council’s borrowing costs as a proportion of revenue (excluding development contributions, financial contributions, vested assets, gains on derivative financial instruments and revaluations of property, plant or equipment).

Because Statistics New Zealand projects the Council’s population will grow as fast as or faster than the national population growth rate, Council meets this benchmark if its borrowing costs equal or are less than 10% of its revenue.

Council achieved this benchmark for 2023/24. Council raised external debt for the first time in late June 2022.

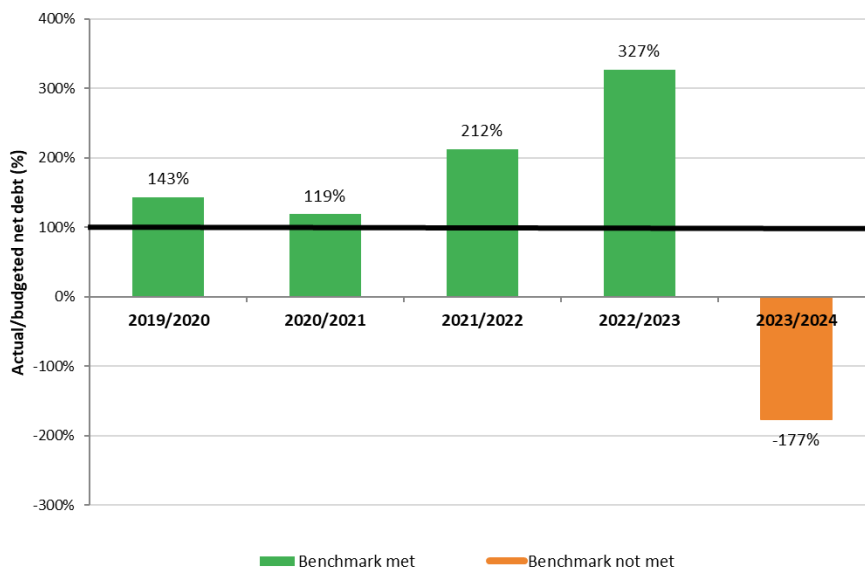


Debt Control Benchmark

The following graph displays the Council’s actual net debt as a proportion of planned net debt. In this statement, net debt means financial liabilities less financial assets (excluding trade and other receivables). The Council meets this benchmark if its actual net debt equals or is less than its planned net debt.

Mathematically, the results shown in the graph are correct. The graph shows “benchmark met” whenever the Council is better off (either less indebted or greater net assets).

Council did not achieve this benchmark for 2023/24.



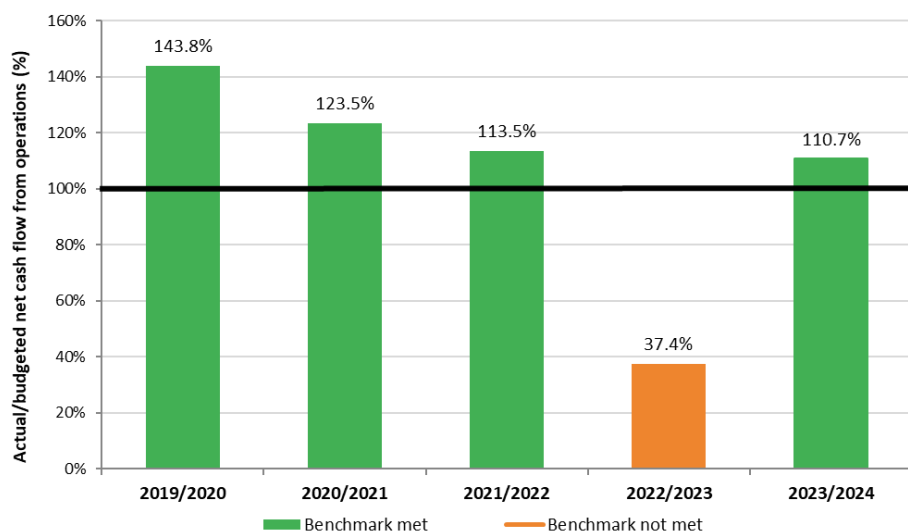
Operations Control Benchmark

The following graph displays the Council’s actual net cash flow from operations as a proportion of its planned net cash flow from operations.

The Council meets this benchmark of its actual net cash flow from operations equals or is greater than its planned net cash flow from operations.

During 2023/24 cash flow from operations was \$3.865 million, which was higher than the budgeted cash flow from operations of \$3.491million.

Council achieved this benchmark for 2023/24.



SECTION 5

Audit Opinion
Arotake



Independent Auditor's Report

To the readers of Mackenzie District Council's annual report for the year ended 30 June 2024

The Auditor-General is the auditor of Mackenzie District Council (the District Council) and its subsidiaries and controlled entities (the Group). The Auditor-General has appointed me, Chris Genet, using the staff and resources of Audit New Zealand, to report on the information in the District Council's annual report that we are required to audit under the Local Government Act 2002 (the Act). We refer to this information as "the audited information" in our report.

We are also required to report on:

- whether the District Council has complied with the requirements of schedule 10 of the Act that apply to the annual report; and
- the completeness and accuracy of the District Council's disclosures about its performance against benchmarks that are required by the Local Government (Financial Reporting and Prudence) Regulations 2014.

We refer to this information as "the disclosure requirements" in our report.

We completed our work on 10 December 2024. This is the date on which we give our report.

Opinion on the audited information

Unmodified opinion on audited information, excluding the statement of service performance

In our opinion:

- the financial statements on pages 92 to 96 and pages 98 to 148:
 - present fairly, in all material respects:
 - the District Council and Group's financial position as at 30 June 2024; and
 - the results of the operations and cash flows for the year ended on that date; and
 - comply with generally accepted accounting practice in New Zealand in accordance with Public Benefit Entity Reporting Standards;

- the funding impact statement on page 97, presents fairly, in all material respects, the amount of funds produced from each source of funding and how the funds were applied as compared to the information included in the District Council’s annual plan;
- the statement about capital expenditure for each group of activities on pages 26 to 89, presents fairly, in all material respects, actual capital expenditure as compared to the budgeted capital expenditure included in the District Council’s long-term plan; and
- the funding impact statement for each group of activities on pages 27 to 89, presents fairly, in all material respects, the amount of funds produced from each source of funding and how the funds were applied as compared to the information included in the District Council’s long-term plan.

Qualified opinion on the statement of service performance

In our opinion, except for the possible effects of the matter described in the *Basis for our opinion on the audited information* section of our report, the statement of service performance (included in section three “Our Activities in Depth”) on pages 15 to 87:

- presents fairly, in all material respects, the levels of service for each group of activities for the year ended 30 June 2024, including:
 - the levels of service achieved compared with the intended levels of service and whether any intended changes to levels of service were achieved; and
 - the reasons for any significant variation between the levels of service achieved and the intended levels of service; and
- complies with generally accepted accounting practice in New Zealand.

Report on the disclosure requirements

We report that the District Council has:

- complied with the requirements of schedule 10 of the Act that apply to the annual report; and
- made the disclosures about performance against benchmarks as required by the Local Government (Financial Reporting and Prudence) Regulations 2014 on pages 149 to 152, which represent a complete list of required disclosures and accurately reflects the information drawn from the District Council’s and Group’s audited information and, where applicable, the District Council’s long-term plan and annual plans.

The basis for our opinion is explained below, and we draw attention to uncertainty over the valuation of an unlisted share investment. In addition, we outline the responsibilities of the Council and our responsibilities relating to the audited information, we comment on other information, and we explain our independence.

Basis for our opinion on the audited information

Statement of service performance: Our work was limited in relation to the performance measures on providing safe drinking water, as measured by bacterial and protozoal compliance with the Drinking Water Standards and the Drinking Water Quality Assurance Rules

The District Council is required to report against the performance measures set out in the Non-Financial Performance Measure Rules 2013 made by the Secretary for Local Government. These mandatory performance measures include measures on the extent to which the District Council's water supplies comply with the bacterial and protozoal compliance criteria in the Drinking Water Standards, as described on pages 29 to 30 of the annual report. Reporting against these measures also includes the District Council's compliance with the relevant sections of the Drinking Water Quality Assurance Rules 2022.

The District Council did not assess its compliance against all of the required rules set out in the Drinking Water Quality Assurance Rules in relation to bacteria and protozoal compliance, and therefore the District Council was unable to reliably report its performance in respect to these measures.

As a result, our work was limited and there were no practicable audit procedures we could apply to determine whether reported performance reflects actual performance for these performance measures for the year ended 30 June 2024.

We carried out our audit in accordance with the Auditor-General's Auditing Standards, which incorporate the Professional and Ethical Standards and the International Standards on Auditing (New Zealand) issued by the New Zealand Auditing and Assurance Standards Board. We describe our responsibilities under those standards further in the "Responsibilities of the auditor for the audited information" section of this report.

We have fulfilled our responsibilities in accordance with the Auditor-General's Auditing Standards.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion on the audited information.

Emphasis of matter – uncertainty over the valuation of an unlisted share investment

Without further modifying our opinion, we draw attention to note 18 on pages 121 to 122, which outlines an uncertainty over the value of the District Council's investment in Alpine Energy Limited (Alpine). Alpine identified an error in the information provided to the Commerce Commission for regulating prices. This matter has not been taken into account in the valuation because the Commerce Commission is considering the appropriate course of action. The outcome of the Commerce Commission's consideration and its possible effect on the value of investment is therefore uncertain.

Responsibilities of the Council for the audited information

The Council is responsible for meeting all legal requirements that apply to its annual report.

The Council's responsibilities arise under the Local Government Act 2002 and the Local Government (Financial Reporting and Prudence) Regulations 2014.

The Council is responsible for such internal control as it determines is necessary to enable it to prepare the information we audit that is free from material misstatement, whether due to fraud or error.

In preparing the information we audit the Council is responsible for assessing its ability to continue as a going concern. The Council is also responsible for disclosing, as applicable, matters related to going concern and using the going concern basis of accounting, unless there is an intention to amalgamate or cease all of the functions of the District Council and the Group or there is no realistic alternative but to do so.

Responsibilities of the auditor for the audited information

Our objectives are to obtain reasonable assurance about whether the audited information, as a whole, is free from material misstatement, whether due to fraud or error, and to issue an audit report that includes our opinion.

Reasonable assurance is a high level of assurance but is not a guarantee that an audit carried out in accordance with the Auditor-General's Auditing Standards will always detect a material misstatement when it exists. Misstatements are differences or omissions of amounts or disclosures and can arise from fraud or error. Misstatements are considered material if, individually or in the aggregate, they could reasonably be expected to influence the decisions of readers taken on the basis of this audited information.

For the budget information reported in the audited information, our procedures were limited to checking that the budget information agreed to the District Council's annual plan or long-term plan.

We did not evaluate the security and controls over the electronic publication of the audited information.

As part of an audit in accordance with the Auditor-General's Auditing Standards, we exercise professional judgement and maintain professional scepticism throughout the audit. Also:

- We identify and assess the risks of material misstatement of the audited information, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- We obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the District Council and Group's internal control.
- We evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Council.
- We determine the appropriateness of the reported intended levels of service in the statement of service performance as a reasonable basis for assessing the levels of service achieved and reported by the District Council.
- We conclude on the appropriateness of the use of the going concern basis of accounting by the Council and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast a significant doubt on the District Council and Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our audit report to the related disclosures in the audited information or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the District Council and the Group to cease to continue as a going concern.
- We evaluate the overall presentation, structure, and content of the audited information, including the disclosures, and whether the audited information represents, where applicable, the underlying transactions and events in a manner that achieves fair presentation.
- We obtain sufficient appropriate audit evidence regarding the audited information of the entities or business activities within the Group to express an opinion on the consolidated audited information. We are responsible for the direction, supervision, and performance of the Group audit. We remain solely responsible for our audit opinion.

We communicate with the Council regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Our responsibilities arise from the Public Audit Act 2001.

Other Information

The Council is responsible for the other information included in the annual report. The other information comprises the information included on pages 1 to 13 and page 91 but does not include the audited information and the disclosure requirements, and our auditor's report thereon.

Our opinion on the audited information and our report on the disclosure requirements do not cover the other information and we do not express any form of audit opinion or assurance conclusion thereon.

Our responsibility is to read the other information. In doing so, we consider whether the other information is materially inconsistent with the audited information and the disclosure requirements, or our knowledge obtained during our work, or otherwise appears to be materially misstated. If, based on our work, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Independence

We are independent of the District Council and Group in accordance with the independence requirements of the Auditor-General's Auditing Standards, which incorporate the independence requirements of Professional and Ethical Standard 1: *International Code of Ethics for Assurance Practitioners (including International Independence Standards) (New Zealand) (PES 1)* issued by the New Zealand Auditing and Assurance Standards Board.

In addition to our audit and our report on the disclosure requirements, we have carried out audit and assurance engagements for the District Council. These audit and assurance engagements, as described in note 12 on page 119, are compatible with those independence requirements.

Other than the audit and these engagements we have no relationship with or interests in the District Council or its subsidiaries and controlled entities.



Chris Genet
Audit New Zealand
On behalf of the Auditor-General
Christchurch, New Zealand