



Mackenzie
DISTRICT COUNCIL

Long-Term Plan 2024 - 2034

**Moving ahead in
challenging times.**



MDC LTP 2024 -2034 index

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1.1 Welcome to the Long-Term Plan (LTP) 2024-2034

Welcome to our Long-term Plan (LTP) which sets out how we will continue to invest in the Mackenzie district to ensure it is a great place to live and visit.

It describes what we plan to do over the next 10 years, how we will pay for it and the outcomes we want to achieve. In essence it is our commitment to our communities. It includes detailed information on the activities, services, and projects we intend to deliver, and when, where and how we deliver them. As well it sets out details of our funding and financial management. It also tells our residents what their rates will be in the year ahead as well as the forecast increases for the next 10 years.

Like all councils in New Zealand, we are required to prepare a Long-Term Plan every three years and in the intervening years we produce an Annual Plan which explains how we intend to finance the activities and services for that year in line with the Long-Term Plan.

As we developed our plan, we wanted to continue to demonstrate our commitment to our residents providing the investment needed for a good quality of life, while at the same time being prudent with ratepayers' money, considering efficiencies, and listening to feedback from the public. It was important that residents, elected members and staff understood what was proposed and the impact of our proposals.

However, before we finalised our draft plan, we received feedback from our residents, particularly about how we manage some key issues that we have identified. Our Consultation Document did not include details of every project, but we tried to provide an overview of projects, infrastructure or services that have a significant cost or have high community interest. We received 211 submissions from business and community leaders, local community boards, residents' groups, and individuals. Twenty four of the 211 submitters presented at the Council Hearings (July 1-2, 2024). Councillors then considered every submission and included some of the feedback raised in this plan and determining if, and what, future council action was required for other issues raised.

The proposals in this document mean an overall rates' increase of 14.7% in 2024/25 and an annual average rates' increase over 10 years of 6.5% . You can find out more information how on your rates at www.mackenzie.govt.nz.

Tāwihatō mana kia mau, kia māia Ka huri taku aro ki te pae Kahurangi, kei reira te orange mōku Mā mahi tahi, ka ora, ka puāwai Ā mātua mahi katoa, ka pono, ka tika Tihei Mauri Ora.

Retain and hold fast to your mana, be bold, be brave We turn our attention to the future, that's where the opportunities lie by working together, we will flourish and achieve greatness Taking responsibility to commit to do things right.

A Word from the Mayor and Chief Executive

Sometimes we need to reflect on where we live and just how lucky we are to call one of the most beautiful parts of New Zealand home. The Mackenzie is an incredibly special place with its stunning natural landscapes, recreational opportunities and strong sense of community recognised as some of our district's many attributes. It's not surprising that 92% of residents responding to our most recent Residents' Opinion Survey (2023), think the Mackenzie is a great place to live, while 79% highly value the strength of our communities.

In preparing our Long-Term Plan (LTP) for the next 10 years, we have spent countless hours considering how we can continue delivering the core services needed to ensure we remain a great place to live while keeping our costs as low as possible. In all our discussions around the council table we have considered what we deliver, why it needs to be done, how much it costs, what are the options and what is the risk if we don't provide services at a suggested level. It has involved a huge effort from the Council team, both elected members and staff. Thank you so much for your time and efforts in recent months.

We have had to make some very tough decisions about our priorities for the next 10 years and what this means for rate increases. We have produced a no-frills budget with an emphasis on funding the "must haves" rather than the "nice to haves".

The plan has resulted an overall rates' increase of 14.7% for the 2024-25 year. We recognise we have had higher rates' increases than previously in the last three years, but inflation has increased faster than anticipated. Our rates' increase is still below the 15.3% average increase for the year ahead in draft LTPs released by councils to date (as published by Local Government New Zealand).

Your individual rates may have increased by more or less than the overall 14.7% average, depending on things such as which services you receive at your property and how much your property value has increased compared with others in the recent property valuations, as we have seen wide fluctuations.

In common with councils throughout the country, inflation is our biggest issue with massive cost increases for essential items, especially infrastructure. We cannot repair roads or bridges without things like bitumen and concrete, some of which have increased in cost at about twice the rate of inflation. Other increases beyond council's control include auditing costs, increases in insurance cover for assets, and increased standards and compliance costs in the Three Waters area. According to Infometric data, the cost of building bridges has risen by 38%, roads and water supply systems by 27% and sewerage systems by 30% compared to three years ago.

In all our deliberations we have been very mindful of the need for prudent financial management. We are very aware that any rates' increase will impact on household incomes, particularly those on fixed incomes including pensioners, who are already feeling the financial pinch from a rise in the cost of living. As a council we recognise that it is not palatable or sustainable to keep increasing rates year on year.

Many of our ratepayers depend on agriculture, which is still the backbone of the economy, for their livelihoods. It has been a tough year for our rural communities due to extremely dry conditions, depressed product prices, and increased costs, some of which are incurred meeting new compliance standards. Our tourism businesses have also been through a very challenging three years owing to Covid-19, with incomes only recently recovering following the return of visitors.

What makes our council's situation different from many of the New Zealand's local authorities is that we have a small population base (the third smallest in New Zealand) dispersed across a wide geographic location extending from the Hopkins and Ohau rivers in the south, to the Two Thumb range and Opihi river

catchment in the north. Our council's challenges have always been balancing our rate take from our relatively small number of ratepayers against providing services over such a large area, the pressure of high visitor numbers on our infrastructure and compliance with standards, such as those for drinking water.

As a district, we are growing and with that growth comes challenges. The fastest growth has occurred in Twizel and Takapō/Lake Tekapo, with our third centre, Fairlie remaining static. International and domestic tourism has rebounded rapidly following the lockdowns during the Covid-19 outbreak, as evidenced in our busy roads along with pressure on water and wastewater infrastructure and facilities such as parks and public toilets. Servicing the visitor numbers is challenging for both logistical and financial reasons. For example, one of the issues we sought residents' feedback on is how we manage the escalating costs of keeping our public toilets clean and available due to high visitor demand. We are making the Government aware of the need for assistance in funding costs linked to tourism and will continue to lobby central government to contribute to the cost that our ratepayers are having to meet currently.

Preparing this plan has been more challenging than usual due to uncertainty over the Government's response to the wide-ranging reforms and legislation affecting local government which were proposed by the previous administration. At the end of last year, the Government decided to bring the planning and delivery of three waters back to local councils. We are awaiting clear direction from the Government on what the impact will be on councils. In the meantime, we have had no choice but to build in significant expenditure to upgrade critical water infrastructure that is integral to the region's productivity.

Our other challenges include adapting and building resilience to climate change. We commissioned a study on climate change which showed that the weather in the Mackenzie district will be warmer and more volatile. Higher temperatures and severe or extreme drought conditions will see the fire risk rise, while more intense and frequent rainfall events will increase the risk of floods and slips.

We are grappling with many issues, and our residents' input was important as we developed our plan for the next decade. It was vital for us to know your priorities for the district.

Mayor and Chief Executive



ANNE MUNRO

Mackenzie District Mayor



ANGELA OOSTHUIZEN

Chief Executive

Your Council

Pukaki Ward Councillors (Twizel area)



KAREN MORGAN

Deputy Mayor



KERRY BELLRINGER



SCOTT ARONSEN

Tekapo Ward Councillor



MATT MURPHY

Opuha Ward Councillors (Fairlie area)



MURRAY COX



RIT FISHER



PHILLIPA GUERIN

Working with Papatipu Rūnanga

For Te Rūnanga o Ngāi Tahu and Papatipu Rūnanga, Te Manahuna and the wider Mackenzie District is a place of cultural significance. The landscape is woven with traditional trails, nohoanga sites, taonga species, mahinga kai sites that have sustained whānau for generations, and home to Te Waka o Aoraki – the Canoe of Aoraki.

Three Papatipu Rūnanga have their rohe within the Mackenzie District: Te Rūnanga o Arowhenua based at Arowhenua, Temuka; Te Rūnanga o Waihao based north of the Waitaki River, South Canterbury; and Te Rūnanga o Moeraki based at Moeraki, North Otago. While historical land purchases and land use changes have displaced tangata whenua from much of the area, Te Manahuna remains of immense significance to Papatipu Rūnanga.

The connection of Te Rūnanga o Ngāi Tahu to Te Manahuna is one of whakapapa from Te Kauwae-runga (the celestial world) through to Te Kauwae-raro (the realm of man), with Aoraki an entity with his own mauri. For Ngāi Tahu whānau, Aoraki and his surrounding peaks are tūpuna, providing an unbreakable connection to the past.

Given the way Papatipu Rūnanga interact with the natural environment, each other, and other communities across Manahuna, the relationship between Papatipu Rūnanga and Mackenzie District Council is key given the impact the delivery of the council's services have on our cultural, social, environmental, and economic wellbeing.

This plan sets out the Council's commitment to its community, including working with Papatipu Rūnanga, over the next 10 years. Council is in challenging times in a rapidly changing world. It is important that Council and Papatipu Rūnanga, continue to work collaboratively and as a team to secure the future of Te Manahuna (the Basin) and Manahuna (Mackenzie District) as a whole.

It is only through this collaborative approach between Papatipu Rūnanga and the Mackenzie District Council that we will we succeed in ensuring our environment and community will thrive. Through practicing Kaitiakitanga, a tradition handed down through generations, we enable sustainability of our natural resources for generations to come.

Auditors Report

To the reader:

Independent Auditor's report on Mackenzie District Council's 2024-34 long-term plan

I am the Auditor-General's appointed auditor for Mackenzie District Council (the Council). The Local Government Act 2002 (the Act) requires the Council's long-term plan (plan) to include the information in Part 1 of Schedule 10 of the Act. Section 94 of the Act requires an audit report on the Council's plan. Section 259C of the Act requires a report on disclosures made under certain regulations. I have carried out this work using the staff and resources of Audit New Zealand. We completed our report on 31 July 2024.

Opinion

In our opinion:

- the plan provides a reasonable basis for:
 - long-term, integrated decision-making and co-ordination of the Council's resources; and
 - accountability of the Council to the community;
- the information and assumptions underlying the forecast information in the plan are reasonable; and
- the disclosures on pages 18 to 20 in Part 3 of the long-term plan represent a complete list of the disclosures required by Part 2 of the Local Government (Financial Reporting and Prudence) Regulations 2014 (the Regulations) and accurately reflect the information drawn from the plan.

This opinion does not provide assurance that the forecasts in the plan will be achieved, because events do not always occur as expected and variations may be material. Nor does it guarantee the accuracy of the information in the plan.

Basis of opinion

We carried out our work in accordance with the International Standard on Assurance Engagements (New Zealand) 3000 (Revised): Assurance Engagements Other Than Audits or Reviews of Historical Financial Information. In meeting the

requirements of this standard, we took into account particular elements of the Auditor-General's Auditing Standards and the International Standard on Assurance Engagements 3400: The Examination of Prospective Financial Information that were consistent with those requirements. We assessed the evidence the Council has to support the information and disclosures in the plan and the application of its policies and strategies to the forecast information in the plan. To select appropriate procedures, we assessed the risk of material misstatement and the Council's systems and processes applying to the preparation of the plan.

Our procedures included assessing whether:

- the Council's financial strategy, and the associated financial policies, support prudent financial management by the Council;
- the Council's infrastructure strategy identifies the significant infrastructure issues that the Council is likely to face during the next 30 years;
- the Council's forecasts to replace existing assets are consistent with its approach to replace its assets, and reasonably take into account the Council's knowledge of the assets' condition and performance;
- the information in the plan is based on materially complete and reliable information;
- the Council's key plans and policies are reflected consistently and appropriately in the development of the forecast information;
- the assumptions set out in the plan are based on the best information currently available to the Council and provide a reasonable and supportable basis for the preparation of the forecast information;
- the forecast financial information has been properly prepared on the basis of the underlying information and the assumptions adopted, and complies with generally accepted accounting practice in New Zealand;
- the rationale for the Council's activities is clearly presented and agreed levels of service are reflected throughout the plan;
- the levels of service and performance measures are reasonable estimates and reflect the main aspects of the Council's intended service delivery and performance; and

- the relationship between the levels of service, performance measures, and forecast financial information has been adequately explained in the plan.

We did not evaluate the security and controls over the electronic publication of the plan.

Responsibilities of the Council and auditor

The Council is responsible for:

- meeting all legal requirements affecting its procedures, decisions, consultation, disclosures, and other actions relating to the preparation of the plan;
- presenting forecast financial information in accordance with generally accepted accounting practice in New Zealand; and
- having systems and processes in place to enable the preparation of a plan that is free from material misstatement.

We are responsible for expressing an independent opinion on the plan and the disclosures required by the Regulations, as required by sections 94 and 259C of the Act. We do not express an opinion on the merits of the plan's policy content.

Independence and quality management

We have complied with the Auditor-General's:

- independence and other ethical requirements, which incorporate the 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. PES 1 is founded on the fundamental principles of integrity, objectivity, professional competence and due care, confidentiality, and professional behaviour; and
- quality management requirements, which incorporate the requirements of Professional and Ethical Standard 3: *Quality Management for Firms that Perform Audits or Reviews of Financial Statements, or Other Assurance or Related Services Engagements* (PES 3) issued by the New Zealand Auditing

and Assurance Standards Board. PES 3 requires our firm to design, implement and operate a system of quality management including policies or procedures regarding compliance with ethical requirements, professional standards, and applicable legal and regulatory requirements.

Other than our work in carrying out all legally required external audits, and a limited assurance engagement in respect of the Council's Debenture Trust Deed, we have no relationship with or interests in the Council.



Chris Genet
Audit New Zealand
On behalf of the Auditor-General
Christchurch, New Zealand

About this LTP and our Planning Cycle

Council's planning process centres on three key documents:

1. The **Long-Term Plan (LTP)**, prepared every three years, is a strategic planning document which forecasts Council's budgets and project priorities over its ten-year life.
2. The **Annual Plan** is produced in the years when we do not produce a Long-Term Plan. The Annual Plan updates the work programme and budget in detail for the year the plan covers.
3. The **Annual Report** is prepared every year to report on how the Council performed against its targeted budget and work programme for the year and to report any variations.



Our Strategic Vision: Moving Mackenzie forward

Our Purpose: To deliver quality services and core infrastructure

Our Values



Integrity



Community Focused



Collaborative



Responsive



Forward Looking

Strategic Focus and Community Outcomes



Infrastructure Resilience

Our infrastructure is affordable and resilient



Community Development
Places and Activities

Our community is strong and resilient



Planning for Growth

We are a prosperous district with sustainable tourism



Valuing our Environment

Our environment is valued and protected



Supporting Housing

Our community has access to suitable housing



Government Reform
Advocacy and collaboration

Mackenzie's voice is heard

Outcome: Mackenzie's community is resilient and thriving

Part One: Mackenzie District 2024

1.2 Mackenzie – Our District

Takata Whenua

Our infrastructure sits below and over ground connecting the settlements across the takiwā of Te Rūnanga o Arowhenua (Arowhenua) who are one of the 18 Papatipu Rūnaka (mana whenua with kaitiaki status) that make up Te Rūnanga o Ngāi Tahu.

Their takiwā (district/area) has changed in size throughout their history. At present, it lies between two awa – the south bank of the Rakaia and the north bank of the Waitaki - ki uta ki tai, from the mountains to the seas.

Although no marae is located within the district there are several nōhanga sites on reserve or LINZ land managed by Mackenzie Council. Mackenzie Council recognises the history of the area and is developing a stronger relationship with local Rūnaka who hold mana whenua status over the Mackenzie District. Discussions are proceeding with LINZ concerning the management of freedom camping sites. Discussions are ongoing with Rūnaka about partnerships such as plantings to be undertaken across the district. Three Rūnanga oversee the environment of the district:

Te Rūnanga o Arowhenua: Takiwā runs between Taumutu to the north and Moeraki to the south. The marae lies between the junction of the Temuka and Opihi Rivers two kilometres south of Temuka.

Te Rūnanga o Waihao: Named after the river, which has its footprint in the inland foothills. The takiwā or district borders Arowhenua to the Waitaki, and inland to Omarama and the Main Divide.

Te Rūnanga o Moeraki: The southernmost Rūnaka in the area with its marae situated on the Moeraki peninsula in North Otago.

The council has an active close relationship with Arowhenua marae and has consulted with them in the development of the components of the Long-Term Plan.

European settlement

Infrastructure builds, primarily roads, have been a dominant feature of the past 160 years, from the mid-1860s, when European adventurers travelled to the Mackenzie District and the Southern Alps. Descriptions of early tracks being built were recorded in journals from Julius Von Haast and the capture of James Mackenzie in 1855. By the 1870's other Europeans were settling pastoral leases with sheep and cattle, accessing the vast tussock grassland plains through the Mackenzie, Burke and Hakataramea passes.

Transportation was critical whether by foot or horse, while ferries which crossed the major rivers were replaced by bridges across the Tekapo river by 1880 and across the Pūkākī River by 1895. Rail transport from Washdyke to Fairlie was established in 1884 and was shut down in the 1960s. Highway building and connecting the key freight routes north and south has always been a Council core service and investment. However, after over a century of infrastructure development, only 30% of roads are sealed, leaving 70% unsealed. Therefore, ongoing investment in sealing main roads and maintaining unsealed roads is vital to economic growth and safety of residents and visitors alike.

As settlements grew so demand for sanitation and drinking water increased. From the early 1900s water reservoirs, stormwater and wastewater pipes were built and laid separately in each of the main residential areas. The vastness in distance between towns and different patterns of settlement contributed to differences in systems and treatment processes across the district which adds further complexity for renewals.

Parks and open spaces were developed alongside the creation of domain areas such as Albury and community halls in Sherwood and Albury. When the National Park was created at Aoraki / Mt Cook in the 1940s, Council began to grow in partnership with government conservation boards. Community hall assets have been highly valued and have formed significant aspects of infrastructural focus. When the Ruataniwha hydro works were created in the 1960's there was provision made for public facilities and recreational facilities as the town of Twizel was seen as a temporary village. However, by the 1980s demand for public facilities had grown and continues to increase with each decade since. Public cemeteries were created in Fairlie, Burkes Pass and Albury in the late 1800's with

Twizel in the 1970's and Takapō /Tekapo in the 1990s. All have been developed in each township in accordance with Burial and Cremations Act 1964.

The district covers nearly 734,000ha and extends from the Hopkins and Ohau rivers in the south, up to the Two Thumb Range and Opihi River Catchment in the North. It has boundaries with Westland District to the north-west, Waitaki District to the south-west, Waimate District to the south, and Timaru District to the north-east and east. It sits in the middle of the South Island, within the Canterbury region.

The Council area sits within the takiwa (territory) of Te Rūnanga o Arowhenua, Te Rūnanga o Waihao and Te Rūnanga o Moeraki. Most of the land is rural (60.5%), and a large portion is also conservation land (34.9%), with more than 95% made up of these two land types. Most of the farmland is grazed on extensive leasehold runs while forestry also forms a significant part of the local economy. Meanwhile changes to irrigation and tenure reviews are bringing changes to this traditional agricultural way of life.

Three main townships are Fairlie, Takapō /Lake Tekapo and Twizel, with smaller settlements at Albury, Burkes Pass/Te Kopi-o-Opihi, Kimbell and Aoraki/Mt Cook Village. There are many natural resources of significance, including mahika kai resources, night sky darkness, outstanding natural features and landscapes, significant indigenous biodiversity, renewable energy resources and a range of water bodies.

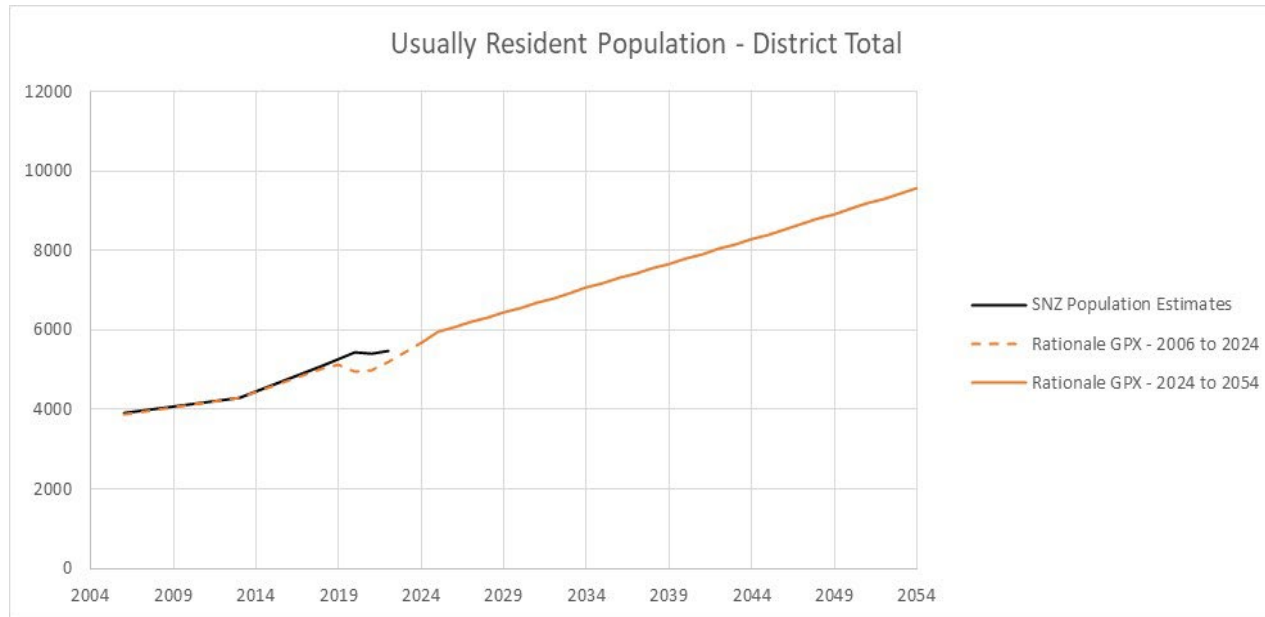
Population

Mackenzie District has a small resident population, with three main settlements of Fairlie, Takapō/Tekapo and Twizel. As of July 2022 (the date of the latest available population estimates) 60% of the population lived in these settlements, with the rest of the population living in the smaller settlements of Burkes Pass, Albury and Kimbell and rurally.

The district has experienced strong growth, with population increasing by 40% between 2006 and 2020. Growth has been focused on Twizel and Takapō/Lake Tekapo, while the population in Fairlie has remained steady.

Growth steadied over the Covid-19 pandemic but is expected to return strongly with the return of the international tourism market. It is forecast that the resident population will increase by a further 68% from 2024 to 2054, from 5,690 residents to 9,565 residents.

Figure 1: Usually Resident Population 2006 to 2054



The forecast population from 2024 to 2054 for each area in the district is shown in the table below. Note that under the old district plan rules, Takapō/Lake Tekapo is expected to reach capacity between 2034 and 2044, and Twizel will also reach capacity around 2050. A small portion of excess demand has been modelled to spill into Fairlie, with the remaining excess demand assigned to “District Overflow”.

Table 1: Usually Resident Population Projections - 2024 to 2054

Year	2024	2034	2044	2054	% Growth 2024 - 2054
District Total	5,690	7,056	8,283	9,565	68%
Fairlie	906	905	919	946	4%
Mackenzie Lakes (incl. Takapō/Tekapo)	1,543	2,158	2,443	2,621	70%
<i>Takapō/Tekapo</i>	752	1,134	1,240	1,240	65%
Opuā	1,462	1,617	1,747	1,854	27%
Twizel	1,779	2,376	2,990	3,413	92%
District Overflow			184	730	

Following historical trends, high levels of growth are forecast for Twizel and Takapō/Lake Tekapo, with modest growth forecast in the remainder of the district.

Dwellings

Driven by increasing population, the number of dwellings in the Mackenzie District is forecast to increase by 44% over the 30 years from 2024 to 2054, from 4,368 dwellings in 2024 to 6,390 dwellings in 2054. Due to housing capacity constraints in Twizel and Takapō/Lake Tekapo, more growth is forecast in occupied dwellings (53% from 2024 to 2054, from 2,601 dwellings to 4,098 dwellings) than unoccupied dwellings (30% from 2024 to 2054, from 1,767 dwellings to 2,291 dwellings).

The forecast total dwellings from 2024 to 2054 for each area in the district is shown in the table below.

Table 2: Total Dwelling Projections - 2024 to 2054

Year	2024	2034	2044	2054	% Growth 2024 - 2054
District Total	4,368	5,431	5,887	6,390	44%
Fairlie	503	525	557	601	19%
Mackenzie Lakes (incl. Takapō/Tekapo)	1,389	1,758	1,923	2,087	50%
<i>Takapō/Tekapo</i>	666	820	820	820	23%
Opuā	690	763	824	875	27%
Twizel	1,786	2,385	2,500	2,500	40%
District Overflow			83	327	

Household Formation – Occupied and Unoccupied Dwellings

Mackenzie District has a large stock of unoccupied dwellings, particularly in Twizel and Takapō/Lake Tekapo, where there is a prevalence of holiday homes and Airbnb/short term rental properties. Fairlie and rural areas of the district have lower levels of unoccupied dwellings.

In Twizel and Takapō/Lake Tekapo, it is expected that a portion of unoccupied dwellings will become occupied once dwelling capacity restraints are met, which is likely to occur around 2040 in Twizel and 2030 in Takapō/Tekapo. The ratio of occupied/unoccupied dwellings is modelled to remain constant in the remainder of the district.

The table below shows the ratio of occupied dwellings to total dwellings from 2024 to 2054 for each area in the district.

Table 3: Projected Ratio of Occupied Dwellings vs Unoccupied Dwellings - 2024 to 2054

Year	2024	2034	2044	2054
District Average	2.19	2.19	2.26	2.40
Fairlie	2.22	2.13	2.03	1.94
Mackenzie Lakes (includes Takapō/Tekapo)	2.02	2.12	2.17	2.13
Takapō/Tekapo	2.33	2.59	2.83	2.83
Opuā	2.57	2.57	2.57	2.57
Twizel	2.07	2.07	2.25	2.57
District Overflow			2.23	2.23

Household Formation – Household Size

In Fairlie, the average household size is forecast to decrease from 2.22 residents per occupied dwelling in 2024 to 1.94 residents per occupied dwelling in 2054, following observed historical trends. In Twizel and Takapō/Lake Tekapo, household size has been modelled to increase by up to 0.5 residents per occupied dwelling, as housing capacity is reached in these areas. The household size is modelled to remain constant in the remainder of the district. The table below shows the average household size from 2024 to 2054 for each area in the district.

Table 4: Projected Household Size - 2024 to 2054

Year	2024	2034	2044	2054
District Average	60%	59%	62%	64%
Fairlie	81%	81%	81%	81%
Mackenzie Lakes (incl. Takapō/Tekapo)	55%	58%	59%	59%
Takapō/Tekapo	48%	53%	53%	53%
Opuā	82%	82%	82%	82%
Twizel	48%	48%	53%	53%
District Overflow			100%	100%

Snapshot of the Mackenzie

The Mackenzie District, while having the third smallest usually resident population in New Zealand, has the tenth largest land mass. We also have the third lowest rates in the country. This all means that we must do a lot, with a little. Understanding how we are changing and growing as a district is key to ensuring that we are positioned to respond and retain what is important for our district.

Our district is diverse with several industries contributing to our Gross Domestic Product (GDP). At a high level, these are agriculture (including aquaculture) and tourism related industries (accommodation and services). For the year to March 2024, GDP at \$444 million in the Mackenzie District was provisionally up 2.8% compared to the previous year. This compared with the 0.2% increase in the same period for both the Canterbury Region and New Zealand. (Infometrics. Quarterly Economic Monitor – Mackenzie District report)

Total tourism expenditure in Mackenzie district increased by 24% in the year to December 2023 compared to a year earlier (expenditure is not yet available for year to March 2024). This compares with an increase of 9.2% in New Zealand. For the year to December 2023, total tourism spending in Mackenzie District was \$284million which was up from \$229 million the previous year.

Employment for residents also increased with a 8.8% lift for the year to March 2024 compared to a year earlier as the tourism sector recovery continued. Growth was higher than for the rest of New Zealand (2.9%). Over the past year more than 80 jobs have been added in accommodation and food services in the Mackenzie. Guest nights at commercial accommodation continued to rise strongly, up 28% in the year to March 2024, with a 73% rise in international guest nights and a minor 3.8% rise in domestic guest nights.

The annual average unemployment rate in Mackenzie District was 1.7% in the year to March 2024, up from 1.4% in the previous year. While this has increased, the district remains below the national average of 4% for the same period

It was a difficult year for agriculture with returns for beef, lamb and mutton remaining depressed. After a weak start to the season, dairy prices improved in the 2024 season bringing the season's payout to just above break-even costs.

House sales in the district increased by 10% in the year to March 2024, compared to the previous year. Nationally there was an 11.8% increase in house sales.

The average current house value increased by 1.2% to \$745,994 in March 2024. New dwelling consents in the Mackenzie fell 42% over the year to March 2024, faster than the national decline of 25% adding further pressure to housing supply.

Mackenzie's population increased by 1.8% in the year to March 2024 (indicated by health enrolments) with the growth also putting pressure on housing supply.

We've made progress since our LTP 2021 – 31

It has been a busy three years since we wrote our last LTP as we have continued to deliver our services and invest in key infrastructure despite challenges including the Covid-19 pandemic, severe weather events and fires, and responding to proposed Central Government reforms.

1.3 Key Achievements

Three Waters – water supply, wastewater and stormwater

Fairlie water treatment plant

We are building the new \$7.4 million Fairlie water treatment plant and expect it to be operational in August this year (2024). Our Fairlie residents will then have water fully complying with the New Zealand Drinking Water Standards. The two large supply reservoirs will ensure the reliability of the water supply.

Compliance with drinking water standards

We have updated the Water Safety Plans for all five Council-owned urban water supplies to comply with the new regulations introduced during 2022/2023. Water Safety Plans identify areas of risk within a water system and how to mitigate these risks. As a result, we are implementing several key improvements to our water supplies including backflow prevention and catchment security.

Water main replacement – Fairlie and Twizel

We have replaced asbestos cement, cast iron and galvanised steel water pipes in Fairlie as part of our accelerated renewal programme to upgrade our water mains. We are currently replacing the old pipes in Twizel and have installed pipes which are double the previous size to cope with future growth and improve reliability at the extremities of the supply.

Installing water meters to monitor use, improve conservation and identify issues.

We have started to install water meters at properties connected to urban water supplies, starting in Twizel. Our proposed LTP includes funding of installing meters in Takapō/Lake Tekapo, Burkes Pass and Fairlie.

Bulk water filling stations

Three bulk water filling stations have been installed across the district for commercial operators. The new stations draw from our water systems without reducing the service to connected properties. It also enables the Council to bill for the water and track the quantity taken.

Waste water programme

We have removed the sludge from our Fairlie, Takapō/Lake Tekapo and Twizel treatment plants to improve effluent quality and increase capacity.



We have replaced and/or relined old asbestos cement pipes for wastewater reticulation in Fairlie and Twizel.

Stormwater

Council upgraded the stormwater mains in Fairlie to relieve flooding issues in Alloway Street.

Roading

Streetlighting replacement programme

All Council streetlights and bollards have now been upgraded to new LED fittings which are compliant with lighting restrictions within the Mackenzie district and support our gold tier international dark sky reserve status.

Road maintenance and upgrades

We have delivered a programme of resurfacing sealed roads, maintenance, unsealed road metalling and footpath upgrades despite funds also being

required to restore roads after several unprecedented storm events. We have resealed the long-vehicle car park in Twizel.

We have completed the legalisation of Siegerts Road and Perambulator Lane in Kimbell. This has been an issue for the community for decades.

Waste Management and Minimisation

Green bins were introduced in 2022, so residents now have four bins – red (rubbish), green (organics), yellow (mixed recycling), and glass.

In February we changed what is recycled in each bin to align with the new national direction.

District Plan Review

We are updating the Mackenzie District Plan to ensure the district can grow, while protecting things that make it special.

We are carrying out the review in stages – stages 1 and 2 are complete and the following plan changes PC 20 – Strategic Direction, PC 21- Spatial Plan Implementation, and PC22- Lighting, are all now operative.

We notified Stage 3 of the District Plan Review in November 2023. We are currently working through the submissions on the five Plan Changes: PC23 – general rural zone, natural features and landscapes, natural character; PC24 – sites and areas of significance to Māori; PC25 – rural lifestyle zones; PC26- renewable electricity generation and infrastructure; and PC27- earthworks, subdivisions, public access, and transport. Hearings were held in May 2024.

Work is underway on Stage 4 of the review. Funding for this is included in our LTP for years 2024/25 and 2025/26.

Parks and Community Facilities

Lake Ruataniwha development

Council has prepared a Reserve Management Plan and a Concept Development Plan for Lake Ruataniwha recreation reserve. Two new toilet blocks have been constructed at the reserve.

Wilding pine removal

We have continued to remove wilding pines from our reserves and forestry blocks within constrained budgets.

Walkway at Takapō/Lake Tekapo

Further work has continued improving the connectivity of the lake front to Takapō/Lake Tekapo. The walkway along the lake front from the hot pools to the township is complete.

Peace trees

There are over 493 Peace trees along State Highway 8 in Fairlie and we have undertaken substantial maintenance of a significant proportion of these trees.

Fairlie dog park

The Fairlie Community Board planned a dog park in Fairlie. This is a multi-year project. Stage one has now been completed, which included levelling, grassing, fencing, adding a water supply, a drinking fountain, a dog waste bin, and seating.

Building upgrades -Twizel events centre, council offices Fairlie and Twizel

We have upgraded the Twizel events centre, including the kitchen, compliance systems and fire escape routes, upgraded access to the Twizel administration building and upgraded the Fairlie administration building to meet earthquake and fire building standards.

Community swimming pools

We have upgraded our district swimming pools in Twizel and Fairlie, including improved heating in the pools allowing us to extend the season.

Man-made hill, Twizel

The hill is a popular recreational area in Twizel. Stage 1 of a development has been completed including the building of a bike track, planting and upgrading of the walkways.

Other Community Development

This is a new area for the Council, and it is focused on community-led activities and development. We have recruited two community development officers, based in Twizel and Fairlie. The team is supporting several community driven projects. The Mayor's Task Force for Jobs programme continues to provide vital support for rangatahi and NEETS (not in employment, education, or training). It has helped more than 30 young people in work placements. We are developing a driver licensing support programme, recognising that a driving license significantly increases a person's employment opportunities. It can be challenging to access driving lessons and tests which are unavailable in the district.

Building control

We have retained accreditation for our building control functions with a positive report received from IANZ.

We have issued earthquake prone notices for buildings throughout the district, including Twizel and Fairlie. These notices required owners to investigate how their building will perform during an earthquake. We have also delivered other compulsory functions under the Building Act including swimming pool fencing inspections, code of compliance schedule updates and ensuring building warrants of fitness across the district were current. We have also introduced remote inspections for efficiency.

Tourism and Economic Development

Te Manahuna Ki Uta/ Mackenzie destination management plan

In 2022 Council adopted Te Manahuna Ki Uta as our long-term destination management plan.

We were then successful in securing funding from the Government for five initiatives from the plan: Takapō/Lake Tekapo Master Plan, destination branding, development of a rural Spatial Plan, development of a Pou Whenua (concept and storytelling) and Alps to Ocean (a2o) project development.

Tourism promotion and marketing

Mackenzie's tourism promotion and marketing was previously delivered by Christchurch NZ. We have successfully transferred this function to the Council. Working with local tourism, we have delivered targeted programmes during Covid-19 restrictions, focused on domestic visitors, as well as targeting quality international markets since the borders reopened.

Alps to Ocean cycle trail (A2O)

Despite cutbacks in Government funding for cycle trails we are underway with further improvements to off-road sections of the trail on the eastern side of Lake Pukaki.

Climate Change

We have produced a review of climate change effects specific to the Mackenzie based on existing evidence. We are currently working with the community to gather their views on how we address climate change and its effects on our district. We will develop a mitigation and adaptation strategy. both for the Council and for the wider community.

Emergency Management

We have increased the number of staff trained and improved our staff's skill levels through training and exercises. We have equipment to set up and run an Emergency Operations Centre (EOC) in any location should the council chambers in Fairlie be compromised. Our volunteer groups in Fairlie, Takapō/Lake Tekapo and Twizel are equipped to set up community assistance centres at short notice, including portable power and communications, that will work if regular networks are unavailable.

We maintain 14 emergency radios in rural communities and locations and have delivered training and maintenance to ensure these are fit for purpose if needed. We continue to work with our communities to ensure they are aware of risks and empowered to self-manage if needed. This includes development of evacuation plans in some areas with fire risk, and the publication and distribution of a Civil Defence educational booklet to all households in the district. Relationships with key stakeholders and partner agencies are critical and we held several desktop exercises in our main communities to build knowledge and capability.

1.4 Our Challenges

Inflation and increased costs

Our last Long-Term Plan (LTP) set out three years of higher rates' increases to meet extra cost demands and infrastructure investment. Like everyone in the community, however, the significant inflation post -Covid lockdowns has impacted on that plan. Instead of 10% inflation over the three years as was forecast in our last Long-Term Plan, in common with all councils, we are being hit by cost increases well above the rate of inflation which has greatly reduced the 'catch-up' of rates intended. For example, bridges are 38% more expensive to build than three years ago, sewerage systems 30%, and roads and water supply systems 27%. So, the "catch-up" of rates intended has been greatly reduced by the higher inflation.

Examples of other substantial cost increases over recent years are insurance premium increases (which are also being felt by all sectors of the community), from \$232,000 in 2021/22 to \$358,000 in 2023/24 (a 54% increase), and auditing costs. The fee for our annual report audit for 2021/22 was \$139,000 and the proposed fees for the 2023/24 report is \$200,000 (to be \$242,000 for 2024/25).

Rates' affordability and funding

Our ratepayers' ability to afford rate increases has been top of mind as we have developed our LTP for 2024/34. We understand that everyone is experiencing cost-of-living pressures. While we recognise a large investment is required in infrastructure and services across the Mackenzie, our ratepayers' ability to pay is an issue we take seriously.

One of the main challenges facing Mackenzie is that we have a small population base (the third smallest in New Zealand) dispersed across a wide geographical area (the tenth largest). Regardless of our size, we must comply with the same central government standards. In the current system for local government, rates are our main source of funding, with contributions also from our forestry investments, and some funding through user fees and charges. We have also received some limited ('one-off') Government funding for special projects, but there is uncertainty over this funding going forward as the new Government has signaled cuts to its spending.

In addition, the agricultural sector is currently facing serious income challenges, and tourism has only just come out of the three-year drop-off resulting from border restrictions. These are the Mackenzie's two main industries.

Responding to the needs and high expectations of our communities when resources are limited is challenging, particularly given the demand for infrastructure and services.

To address this challenge, we have had to make some tough choices which means some projects are not included in the 10-year plan.

Investing in our core business and infrastructure

Like many councils we are facing deferred investment in our infrastructure, which we would like to address, but simply cannot afford to as quickly as we would like to. There is uncertainty about the level of funding from the Government, including the New Zealand Transport Agency, in the future.

You have given us a very clear message that we must prioritise delivering essential services and core infrastructure. We are ensuring that investment in maintenance and renewals is fit for the future as much as we can within the plan.

We have been extremely prudent in preparing this plan but have had to make some difficult choices based on prioritising the 'must haves' against the 'nice to haves.' It is a balance between communities' needs and aspirations with their willingness to afford and pay for the services provided.

Our 30-Year Infrastructure Strategy recognises that beyond this LTP period we have significant infrastructure consents expiring and renewals required from 2028 onwards across all our urban areas. Please see Infrastructure Strategy in Section 4.1 of this document for further details.

Government policy – funding and uncertainty

We have developed our 10-year plan at a time of uncertainty following last year's change in the Government. Major changes affecting the local government sector have happened or been signalled. The Government has announced that it will introduce legislation to restore continued council ownership and control of three waters services. The new legislation to support the changes, including potential higher standards – dubbed Local Water Done Well - is expected to be enacted by mid-2025. In preparing this LTP, we have had to build in significant expenditure to operate and upgrade critical three waters infrastructure.

The increased level of compliance with drinking water standards, managed by the water regulator Taumata Arowai, is a higher than anticipated cost to the council and the community. We have made good progress with this.

Significantly the national funding programme for roading in the first three years of our LTP has been delayed. This means our proposed budgets in the LTP, which mostly assume a 51% subsidy from central government (NZTA), are preliminary. We understand that we will have confirmation of the funding in August. To try to mitigate this uncertainty, in our LTP we have weighted the programme to the second and third years. We will then be able to reassess rates and funding knowing the level of national approved funding, in our Annual Plans for 2025/26 and 2026/27.

Another major change is the Government's decision to repeal the previous Government's reforms to the Resource Management Act (RMA). The Government has signalled potential changes, but these are unclear currently.

Investing in our community facilities

There are community facilities in the Mackenzie's three towns, Takapō/Lake Tekapo, Twizel and Fairlie, and this brings challenges of maintenance and replacement of aging buildings. There have been community discussions and demands for additional and/or upgraded facilities, particularly in Twizel and Takapō/Lake Tekapo. No firm costings for new facilities have been developed to date as the discussions with, and in, the community are yet to reach a consensus. In this LTP we have not included full costs, but we have included some initial seed funding in relation to these matters. We reference this in the sections 'What's in the plan' and in 'What's not in the plan'.

Providing for growth in population and visitor numbers

The district has experienced growth with its population increasing by 40% between 2006 and 2020. It is forecast to increase by a further 68% from 2024 to 2054, from 5690 to 9565 residents. Growth has been focused on Twizel and Takapō/Lake Tekapo, with new subdivisions developed around both towns. Services and infrastructure investment need to align with the growth.

Mackenzie district attracts many visitors, both domestic and international, particularly compared with its small population. Its towns are also stopping points for travellers from Christchurch to Central Otago.

This impacts directly on our infrastructure, as well as the services we provide. For example, given the current and projected visitor numbers in Takapō/Lake Tekapo, we need to increase the capacity of our wastewater treatment plant. Across the district, our visitor numbers put pressure on our infrastructure and have increased demand for litter collection and cleaning of our public toilets, which we are having to clean more often at our cost. Visitors also enjoy our parks, walkways and cycleways including the Alps to Ocean cycleway which passes through our district.

While tourism brings economic and community benefits, the cost of providing services is falling on our small ratepayer base. Government has assisted with some tourist related funding in the past, but currently we are not receiving any funding for the operational and capital costs of tourism. We have petitioned the Government for assistance, and we will continue to do so.

As well as looking to national solutions, we intend to have community conversations regarding ways we might alter our rates funding to target costs for tourism, and/or identify opportunities for more user pays charges.

Climate change

Climate change is expected to lead to more frequent and extreme weather events, from heavy rain and resulting flooding and slips to higher temperatures, drought, and an increased fire risk in our district. We need to factor the effects of climate change into our investment decisions and will continue to do so. We want to ensure that our infrastructure is more resilient and less likely to fail in an extreme weather event. Examples include culverts, water-tables and other stormwater systems and bridges.

We have also commenced a project, with community involvement, to better understand the climate change predictions for the Mackenzie specifically, and to see what actions can be taken to adapt to or mitigate the effects.

Weed and pest control

As a responsible landowner we need to remove and control weeds and pests on council-owned land. Wilding pines are a noxious weed and are spreading rapidly throughout parts of the Mackenzie basin. They are the biggest current environmental and visual landscape threat to the area.

The pines have also been identified as a fire risk in Fire and Emergency New Zealand reports for Twizel and Takapō/ Lake Tekapo. We have invested some money in wilding pine removal on council land and in this LTP propose to continue to do so but not at sufficient levels to rapidly address the problem due to ratepayer affordability.

Rabbits and wallabies continue to spread in our district, and we need to work alongside landowners and other local authorities to control pests.

1.5 What's the plan for the next 10 years?

Executive summary

The Mackenzie District Council has developed its Long-Term Plan 2024-34 at a time of considerable challenges for the council.

We have been prudent in preparing this plan and have had to make some tough choices, whilst delivering core infrastructure and without reducing levels of service to the community. It is a no-frills budget.

We have deferred some investment in our infrastructure which we would like to address, but simply cannot afford to as quickly as we would like. Our residents have given us a very clear message that we must prioritise delivering essential services and core infrastructure.

We are building on the progress made in our last LTP have set out a plan of ongoing investment across the district to improve, replace and construct the necessary infrastructure and facilities for the community. We are ensuring that investment in maintenance and renewals is fit for the future as much as we can.

The highest annual overall rate increase proposed is 14.7% in the first year (2024-25) of the LTP, and we are looking at an average annual rates' increases of 6.5% over the 10 years of the plan.

Individual rates may have increased by more or less than the overall average depending on which services are received at a property, and how much a property's value has increased compared to others in the recent property valuations.

We acknowledge that any rates increase will impact on household incomes, particularly those on fixed incomes, including pensioners, who are already feeling the financial pinch from a rise in the cost of living. It is also a tough year for the many ratepayers in the Mackenzie district who depend on agriculture for their livelihoods due to extremely dry conditions, depressed product prices and increased costs, some of which are incurred meeting new compliance standards.

Tourism businesses have also been through a challenging three years owing to Covid-19, with their incomes only recently recovering following the return of visitors.

As a council we recognise the financial pressures on our ratepayers. For this plan we have made some adjustments to mitigate the impact of cost increases and the varying property value increases, intended to benefit those who may be less able to afford increases (aimed at lower value properties). We have lowered the Uniform Annual General Charge. We have also changed how we rate for certain water activities and activities that are of general district benefit. These have been included in the general rate based on capital value, to reduce the fixed charges that impact on lower value properties.

Preparing this plan has been more challenging than usual due to inflation with large cost increases beyond the Council's control and ahead of the rate of inflation; and uncertainty over the Government's response to the wide-ranging reforms and legislation affecting local government which were proposed by the previous administration. Although the Government has confirmed that the planning and delivery of Three Waters remains controlled by local councils, the details are still not known. In the meantime, we have had no choice but to build in significant forecast expenditure to upgrade critical water infrastructure.

We're spending \$83.6 million (allowing for inflation) on improving, replacing, and building new capital expenditure items including infrastructure over the next 10 years, including spending \$24.2 million in the first three years of the plan.

Roading takes up the biggest chunk of this investment at \$36.60 million, followed by wastewater at \$16.82 million and drinking water supplies at \$16.06 million. Most of the spending on water infrastructure is to ensure we supply water to our residents that complies with national drinking water standards.

While much of our roading programme is metalling our gravel roads and re-surfacing our sealed roads, we have significantly stepped up these activities from

previous years. Council has also made a significant commitment in this LTP to make our roading network more resilient through better drainage, water-tables, and structures.

To try to mitigate the uncertainty of national roading funding for the first three years of our plan while we await confirmation of co-funding from NZTA, we have weighted the programme to the second and third years. We will then be able to reassess rates and funding for roading when we know the level of national funding, in our Annual Plans for 2025/26 and 2026/27.

The council's situation is difficult in that it has a small population dispersed across a wide geographic location, including three separate urban areas. The challenge has always been balancing the rate take from a small number of ratepayers against providing services over such a large area, the pressure of high visitor numbers on its infrastructure, and compliance with standards such as those for drinking water.

The plan demonstrates a commitment maintaining services and facilities in our towns, Twizel, Fairlie and Takapō/Lake Tekapo.

Servicing the visitor numbers is challenging for both logistical and financial reasons. We have included additional budgets for more cleaning of our public toilets at peak times. An upgrade of our Takapō/Lake Tekapo Wastewater Treatment Plant is required, as both the current plant and the discharge site have reached their capacity. The growth in the town, including significant growth in visitor numbers over the summer months and visitor accommodation has put extra pressure on the plant. We are making the Government aware of the need for assistance in funding costs linked to tourism which ratepayers are currently bearing.

The council is, and always has been, totally committed to providing library services in Twizel. The Council currently provides funding for the Twizel Area School shared library. Recognising that the school is being redeveloped we allocated funding in the draft plan for an interim library with staff now working alongside the

community to identify possible options. The school will give notice of when the council needs to transition to the interim library and funds will be included in our next LTP in three years for a permanent library facility when the cost is known.

The council is continuing to support community-led initiatives and has allocated seed funding of \$30,000 to kick start a community-led project for a community hub in Twizel which may also include the permanent library. The Council will continue its annual operational grant to the Twizel Community Care Trust for the community care centre, which currently operates from a building on Ministry of Education land.

We are also reaffirming our commitment to a 2019 Memorandum of Understanding (MOU) with the Tekapo Squash and Rackets Club, and we have decided to allocate \$500,000 to progress the relocation of the current squash courts.

We also plan to spend \$2.4 million in year 5 of the plan on a structural upgrade of the Mackenzie community centre to meet building standards.

The housing shortage continues to be a serious issue for residents due to the high proliferation of short-term accommodation, especially in Takapō/Lake Tekapo and Twizel. Additional medium density zoning was included in the reviewed District Plan and the Council will enable and support mechanisms to facilitate solutions. The Council remains willing to facilitate and support aged care, including accommodation and wrap-around services for the community's older residents.

Our focus in weed and pest control is the removal of wilding pines on council-owned land. We have budgeted \$75,000 a year on their control focussed on fire-risks around Tekapo and Twizel.

Our other challenges include adapting and building resilience to climate change. We commissioned a study which will assist in identifying issues and potential priorities. We want to ensure that our infrastructure is more resilient and less likely to fail in an extreme weather event.

Our LTP is based on two key strategies – our Financial Strategy and our Infrastructure Strategy, along with a suite of activity and asset management plans.

Over the next 10 Years

We are budgeting on spending

\$413.54 MILLION
on our District

including capital and operating costs



\$244.84 MILLION
Will be funded by rates

We are looking at an average rates' increase for all types of rates after growth, of

6.5% OVER 10 YEARS

The highest increase is:

14.7% IN THE FIRST YEAR



By 2026/27

OUR DEBT

is set to peak at

\$25.65 million

Note: Even at this peak, we have room to borrow another \$31.65 million if we have to.

Every \$1 million borrowed adds approximately 1% to the rates' increase in the following year.

Key projects in the plan

We are investing in our district to ensure the Mackenzie remains a great place to live and visit.

We are building on the progress made in our last LTP and this plan sets out an ongoing programme of investment across the district to improve, replace and construct the necessary infrastructure and facilities for our community.

We have been extremely prudent in preparing this plan and have had to make some tough choices based on prioritising the “must haves” against the “nice to haves”, without reducing current levels of service.

We’re spending \$83.6 million (allowing for inflation) on improving, replacing, and building new capital expenditure items including infrastructure over the next 10 years, including spending \$24.2 million in the first three years of the plan.

Roading takes up the biggest chunk of this investment at \$36.60 million, followed by wastewater at \$16.82 million and drinking water supplies at \$16.06 million. Much of the spending on water infrastructure is to ensure we supply water to our residents that complies with national drinking water standards.

While much of our roading programme is metalling our gravel roads and re-surfacing our sealed roads, we have significantly stepped up these activities from previous years and our spend is significant. Council has also made a significant commitment in this LTP to make our roading network more resilient through better drainage, water-tables and structures.

As noted earlier, to try to mitigate the uncertainty of national funding for the first three years of our plan while we await confirmation of co-funding at a national level, we have weighted the programme to the second and third years. We will then be able to reassess rates and funding for roading knowing the level of national approved funding, in our Annual Plans for 2025/26 and 2026/27.

Over the next ten years we will continue to improve, replace, and construct the necessary infrastructure to service our community.

Some of the key projects included in this LTP, (with budgeted costs allowing for inflation over the 10 years), include:

Water supplies

Water Metering (2024/25 to 2026/27)

We will finish installing the water meters in Twizel this year. Over the next three years we will install the meters in Takapō/Lake Tekapo, Burkes Pass and then Fairlie. Once installed we will be able to monitor consumption of water, encourage its conservation, and identify leaks and wastage in the system. (\$1.17 million over 10 years).

Water pipes renewal programme (2024/25 to 2033/34)

We will continue to replace asbestos cement, cast iron and galvanised steel water mains and service connections across our water supply network in every year for the next 10 years with projects across all our towns. Investment in the programme starts at \$180,000 in 2024/25 with spending reaching a peak in years six (\$800,241) and seven (\$817,068) of the plans (\$4.04 million over 10 years).

Allandale/Spur Road Water Supply (2025/26 to 2026/27)

We need to upgrade the Allandale/Spur Road water supply to meet drinking water standards for households connected to the supply. We will be discussing this with the users prior to making final decisions and undertaking any work. To capture this in our plan we have included one of the options which is to connect the supply to the new Fairlie water treatment plant. (\$3.44 million over 10 years).

Twizel intensification and growth (2031/32 to 2032/33).

We need to provide more pipes and pumps for water supply to allow the subdivision and residential housing within Twizel to progress. (\$2.42m over 10 years).

Takapō/Lake Tekapo east resilience project with reservoir and telemetry (2028/9 to 2029/30)

We need to upgrade Takapō/Lake Tekapo water supply and make supplying east of the bridge more resilient with a reservoir and a feed line. (\$1.56m over 10 years).

Wastewater**Takapō/Lake Tekapo Wastewater Treatment Plant (2024/25 to 2027/28)**

An upgrade of the wastewater treatment plant is required as the current plant and the discharge site have reached their capacity. Council will review its proposed interim solution to increase capacity of the Takapo/Lake Tekapo Wastewater Treatment plant to ensure it has reusability. We have included budget for this interim solution, \$8.48 million over 10 years, in our plan (the full

replacement could cost up to \$47 million). Ground proofing and investigating a further long-term, cost-effective solution continues. Council will continue to advocate to central government for funding to assist with this project.

Pipe replacement programme (2024/25 to 2033/34)

Many of our pipes and connections are aging and we have an ongoing programme of renewal of this infrastructure in our towns. The new pipes will enable us to cope with growth throughout the district and improve reliability. We are also installing a new pressure main in Takapō/Lake Tekapo in year 2030/31 and upgrading the reticulation along Lakeside drive, Takapō/Lake Tekapo. (\$5.65 million over 10 years).

Twizel intensification and growth (2031/32 to 2032/33)

We plan to increase wastewater storage and pump stations to assist District Plan change 21 to allow more housing development. (\$2.76m over 10 years).

**Pipe replacement programme (2024/25, 2025/26 and 2029/30, 2030/31)**

We will improve our stormwater and drainage networks including an extensive programme of pipe renewals and upgrades planned in Fairlie's Sloane Street, Regent Street and around the fire station (\$2.90m over 10 years).

Modelling of our stormwater networks (2027/28 to 2029/30)

We will be modelling our stormwater networks over three years to get a better understanding of the primary and secondary flow paths so we can coordinate and prioritise future works. (\$165,395).

Flooding alleviation (2028/29)

We need to improve the resilience of our stormwater network across the district's townships to mitigate flood impacts (\$221,000).

**Transportation****Unsealed road metalling (2024/25 to 2033/34).**

71% of the 732 kilometres of roads in our network are unsealed. We have budgeted for a programme of ongoing metalling of our unsealed roads to replace gravel that is lost due to wear and tear in every year of this 10-year plan (\$9.16 million over 10 years).

Ongoing sealed road resurfacing upgrades. (2024/25 to 2033/34)

We have a 10-year programme to reseal the existing sealed roads at appropriate intervals across our network (\$8.55 million over 10 years).

Renewing our bridges. (2024/25 to 2033/34)

We are well behind with renewing our bridges. Our aim going forward is to renew one of our 97 bridges every year and we have allocated \$8.29 million funding in the plan for this.

The Council has deferred the replacement of our largest bridge, the Cass River Bridge, from year 3 to year 6 of the LTP and has called for a detailed business case. Instead, \$282,000 remains in year 3 for bridge renewals district wide.

The council's commitment to replacing the Cass River is conditional on consultation with and funding from stakeholders.

Road drainage renewals (2024/25 to 2033/34)

We have a planned programme to improve drainage on our roading network. This includes upgrading our culverts and water-tabling along our roadsides. This is a resilience project as we prepare for the possibility of more weather events like what has occurred in recent years (\$2.02 million over 10 years).

Upgrading of footpaths (2024/25 to 2033/34)

We have 69km of footpaths in our towns and have allocated funding every year for footpath upgrades and renewals (\$3.01 million over 10 years).

Minor improvements (2024/25 to 2033/34)

We have an ongoing programme of minor improvements including signs, rails, and barriers to improve road safety in our district (\$5.48 million over 10 years).

**Parks and reserves****Man-made hill, Twizel (2024/25 and 2025/26)**

The hill is a popular recreational area in Twizel. As a result of a development project, it has a bike track and walkways. We will finish the final stage of track development and planting in the next two years (\$291,500).

Upgrades in Fairlie (2027/28 and 2028/29)

We plan to upgrade the Fairlie Domain Playground to bring it up to specifications in year 4 of our plan. We have also budgeted for enhancements to lighting and signage in year 5. (Fairlie town upgrades \$596,715)

Lake Alexandrina (2024/25 to 2026/27)

We will continue with our programme of native restoration and developing the carpark (\$239,135).

Peace Trees

There are over 493 Peace trees along the state highway 8 around Fairlie and following work to date, we are undertaking maintenance and replacement, as required, over the ten years from 2024 to 2034 (\$869,058 over 10 years).

Cemeteries

We will spend \$300,834 on works at our cemeteries including developing the extension at Fairlie (2026/27 and 2029/30), clearing wilding pines, and replanting at Twizel (2030/31) and installing a rabbit -proof fence and removing conifers at Burkes Pass (2024/25 and 2025/26).

Wilding pine removal from council land (2024/25 to 2033/34)

Removing wilding pines from council land is a priority to reduce the fire risk and for environmental protection (reducing seed source and ongoing spread).

Wilding pines are a challenge across the district. We sought feedback on the level of our investment (\$833,500 cost currently budgeted over 10 years). We acknowledge the feedback received in the consultation process and our budget includes spending \$75,000 a year on wilding removal over several years.

Alps to Ocean (A2O) (2024/25)

The Alps to Ocean (A2O) cycle trail, a 312km trail beginning at Aoraki Mt Cook National Park and through the Mackenzie basin and down the Waitaki Valley to Oamaru, is one of our major tourist attractions. It requires significant additional

investment to complete off-roading of the sections along the east of Lake Pūkākī. The route has been carefully selected and uses existing dam and bridge structures. Further sections of off-roading have not been included in this LTP,

Facilities in the Community

The Mackenzie has three towns with community facilities in each. This brings with it the challenges of funding the maintenance and replacement of aging facilities across our small ratepayer base. There have been community discussions and demands for additional and/or upgraded facilities, whether owned by Council or not. We have included costs for the strengthening of the Mackenzie Community Centre in Fairlie to meet earthquake resistance requirements. This building has the lowest assessment of our main community facilities.

However, no firm plans or costings have been developed to date for new or redeveloped facilities, as the discussions continue. In this LTP we have included some initial seed funding in relation to some projects and noted other potential projects (but we have not included potential full facility costs). See the following for specific details.

Twizel Library Facilities

We are, and have always been, totally committed to providing library services in Twizel. We currently provide funding for the Twizel Area School shared library. Recognising that the school is being redeveloped we have allocated funding in our plan for an interim library with staff now working alongside the community to identify possible sites. The school will give notice when we need to transition to the interim library and funds will be included in our next LTP in three years for a permanent library when the cost is known.

Twizel sports fields and potential community hub (2024/25).

The Council is continuing to support community-led initiatives and has allocated \$30,000 in the LTP to kick start a community led project for a community hub in Twizel which may also include the permanent library. The Council will continue its annual operational grant to the Twizel Community Care Trust for the community care centre.

Twizel's only sports fields are in the school grounds and the Council is working with the school to draft an MOU to ensure ongoing use of the fields through an operational subsidy subject to certain conditions. The Council hopes the MOU will clarify the school's access to facilities such as the Events Centre. The council has included seed funding for a sports field study in this LTP (year one), directly funded from rates.

Moving Squash Courts in Takapō/Lake Tekapo (2025/26).

The current squash courts in Takapō/Lake Tekapo are in Simpson Lane near the lake. There have been discussions for many years regarding the potential to build new courts adjacent to the community hall. The council is reaffirming its commitment to a 2019 Memorandum of Understanding (MOU) with the Tekapo Squash and Rackets Club and has agreed to allocate \$500,000 to progress the relocation of the current squash courts. It has been included in year two of the plan (2025/26).

(A separate trust is currently investigating the potential for the creation of sports facilities, including the squash courts, at the community hall site. Council has already granted the trust \$30,000 towards this investigation, in 2023/24. No further funding is included in this LTP, but it is anticipated that the results of this investigation will be provided to Council, and Council may make future decisions as matters develop.)

Mackenzie Community Centre (2028/29)

The Mackenzie Community Centre also requires a structural upgrade to meet building standards. Mould also should be removed from the building. We plan to spend \$2.4 million on this work in year 5 of the plan. Staff will engage with the community on how we can improve how the centre and its spaces are used.

Twizel Events Centre (2024/25)

The centre, built in 2001, is a key facility for the Twizel community. We have completed a lot of work in recent years upgrading the building to ensure its compliance with various standards. We plan to spend \$200,000 upgrading the centre's ventilation system. This centre, along with those at Fairlie and Takapō/Lake Tekapo, requires a structural upgrade but the cost of this work is not included in this LTP.

Two other potential projects the subject of recent discussion and consideration, should be noted alongside the above, for completeness.

Fairlie elderly housing/potential aged care facilities.

A separate trust has been investigating the potential for elderly housing and/or aged care facilities in Fairlie (in addition to the Council's existing pensioner flats). In 2023/24 Council granted \$30,000 to the trust for further site investigations. No further funding is included in this LTP, but it is anticipated that the results of this investigation will be provided to Council, and Council may make future decisions as matters develop.

Council remains willing to facilitate and support aged care, including accommodation and wrap around services for the older members of the community, subject to further analysis being undertaken and brought back to Council. This may require further engagement and consultation with the community.

Housing

Council recognises that housing is a serious issue across the Mackenzie, including issues such as housing affordability, housing typology/variety (including the lack of suitable worker housing, elderly housing, young/small family housing), the standard of housing, and the high levels of housing stock used for short term rentals – such as through Airbnb/ Booking.com etc. Council has recently commissioned a stocktake which highlights these and other issues, and long-standing investigations of potential joint venture housing in Takapō/Lake Tekapo continue. Staff will develop an Airbnb policy. Additional medium density zoning has been added to the district as part of the District Plan Review. Staff will enable and support mechanisms to facilitate development

Master Plan Funding – Fairlie, Takapō/Lake Tekapo and Twizel

Costs of the Takapō/Lake Tekapo plan are covered by Government Better Off funding. The council will allocate \$100,000 from the property operating reserve for the Twizel Market Place Urban Design and Fairlie Master Plans.

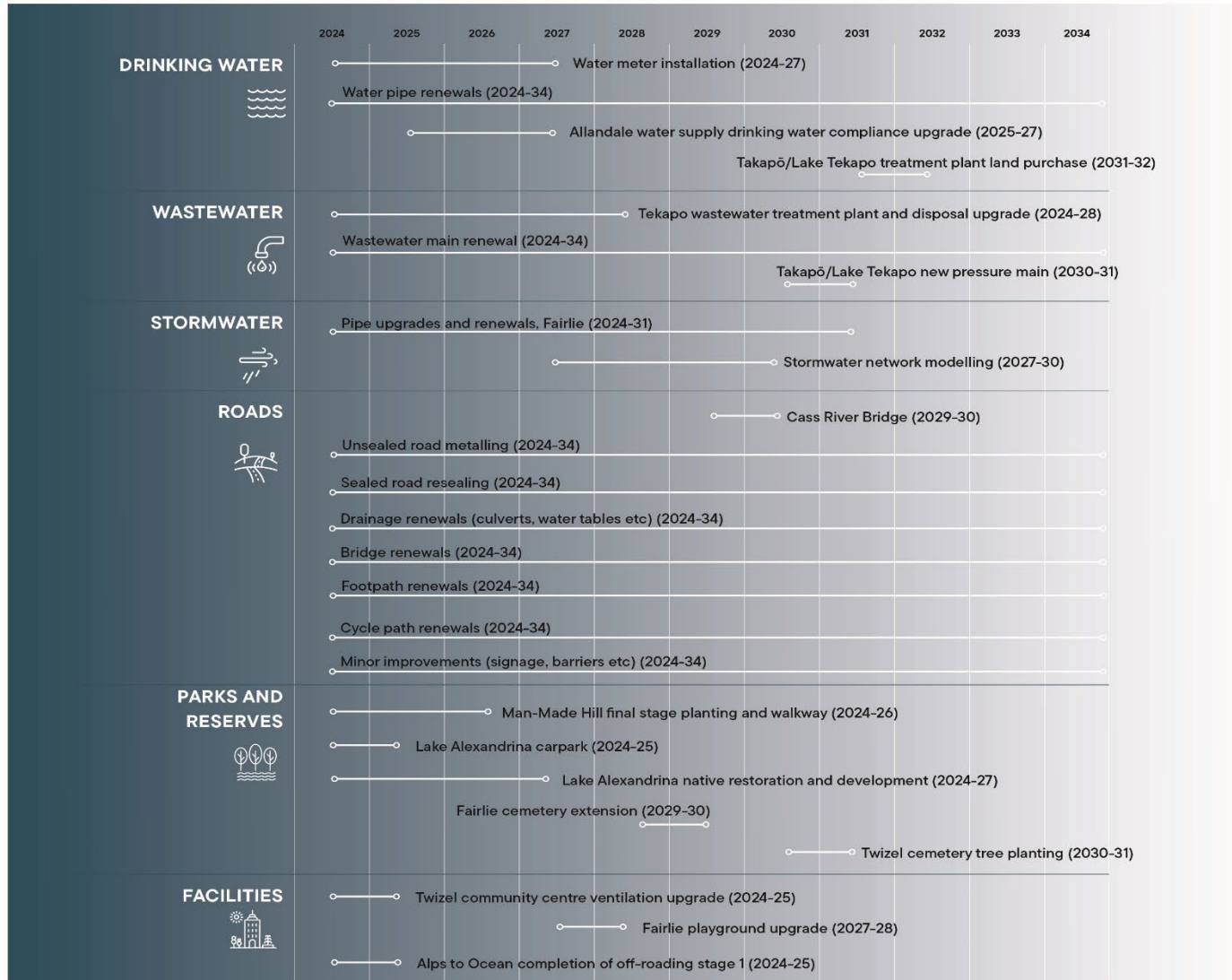
Regulatory services

District Plan review (2024/25 and 2025/26)

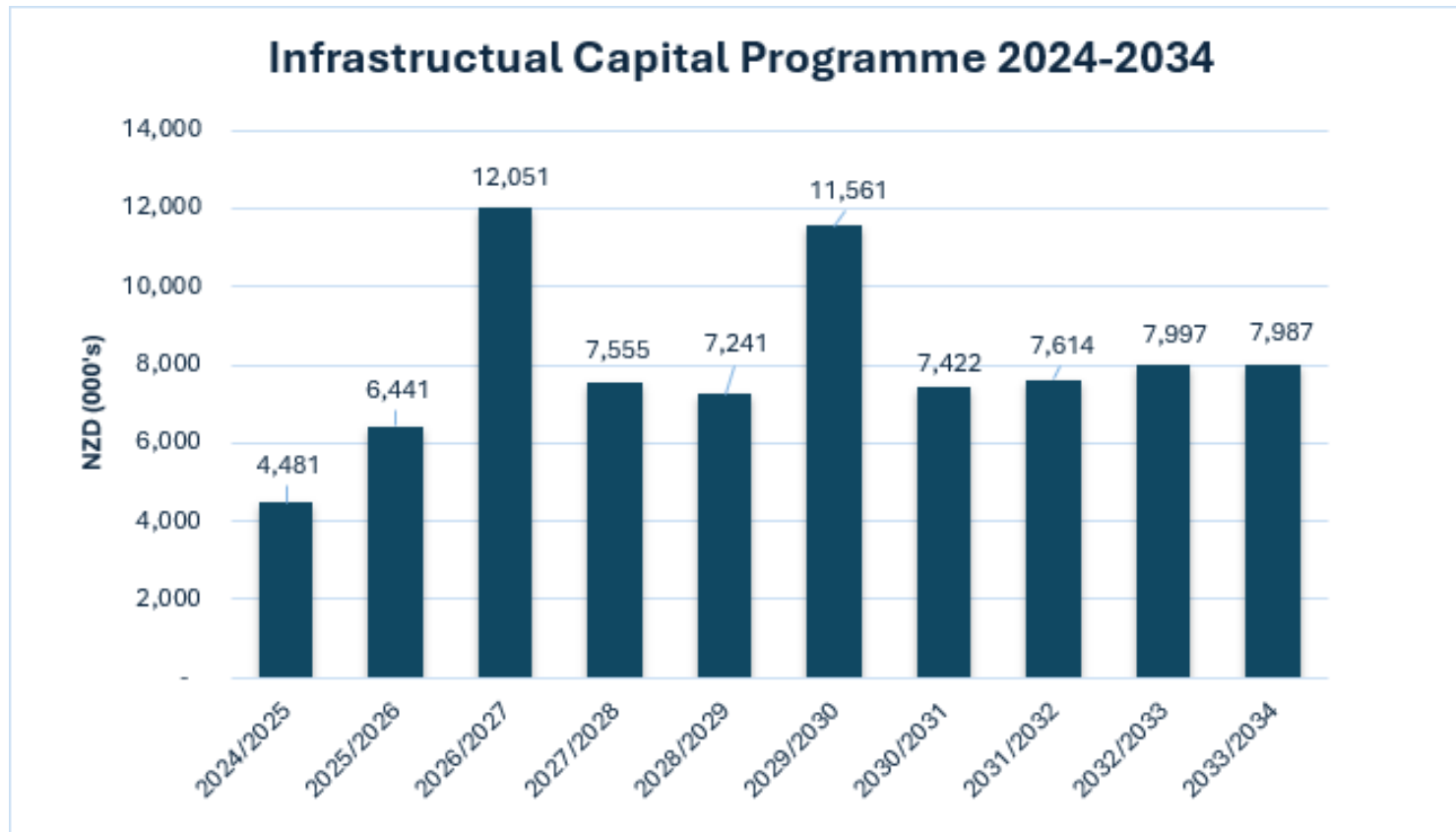
A budget of \$1.1 million over the first two years is proposed to complete the final stages of the District Plan Review. We have also included \$100,000 each year for years 2026/27 to 2033/34. We have not budgeted for legal appeals to plan changes. The last few years show that these are very expensive (in the hundreds of thousands of dollars) but the actual costs are not known until they are incurred. Rather than charge additional rates in advance to cover possible future costs, we will fund these if, and when, they occur, and then recover those known costs through rates.

What are we planning, when?

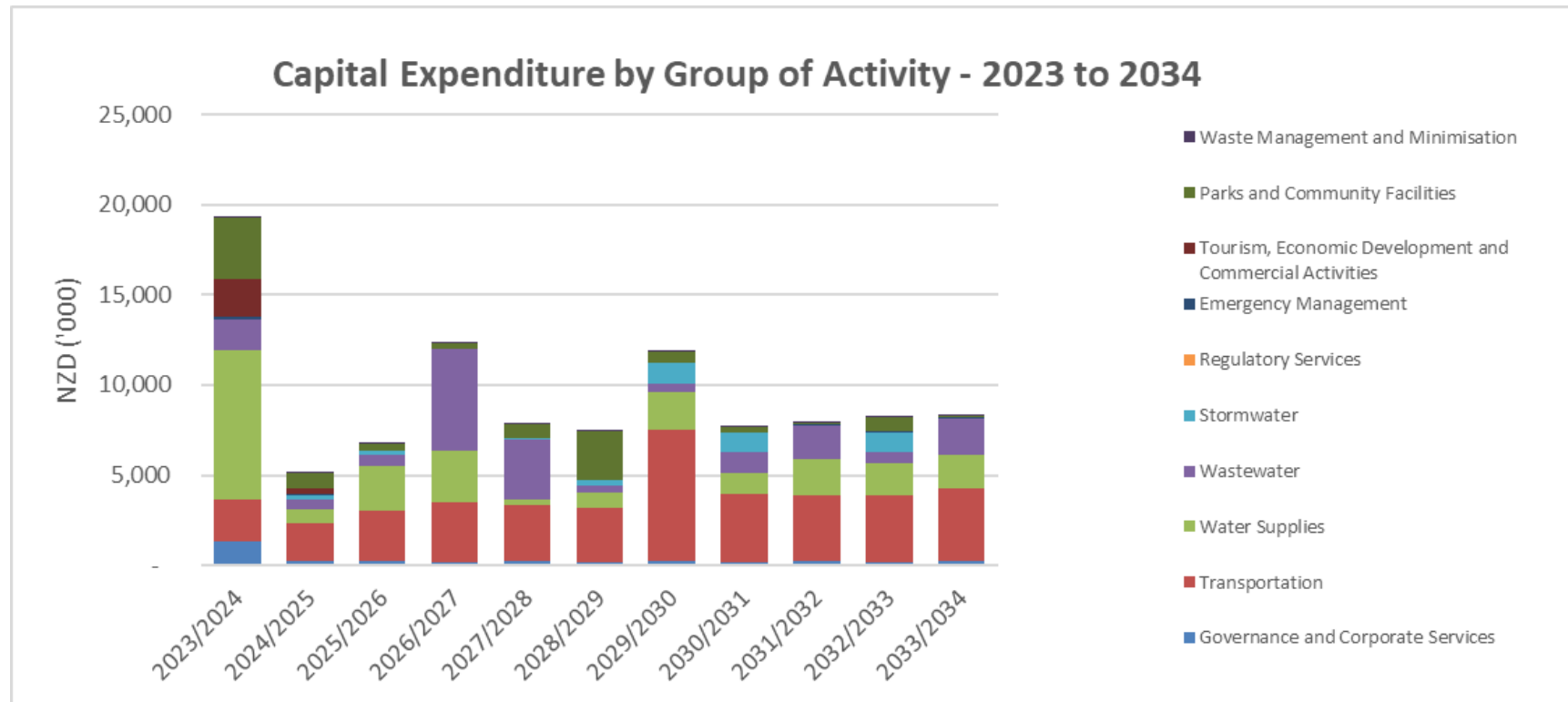
Over the next 10 years we will continue to improve, replace, and construct the necessary infrastructure to service our community. Some of the key projects included in this LTP are listed below.



How is the \$80.4 million (allowing for inflation) for the Infrastructure Programme spent?



The following chart shows our proposed capital expenditure over the 10 years Council Activity (including our current year’s budget for comparison):



What is not in our 10- year Long-Term Plan?

Our ratepayers' ability to afford rate increases has been top of mind as we have developed our LTP for 2024-34. While we recognise a large investment is required in infrastructure and services across the Mackenzie, our ratepayers' ability to pay is an issue we take seriously.

We have had to make some difficult decisions about our priorities for the next 10 years and what this means for rate increases.

To address this challenge, we have had to make some tough choices which means some projects are not included in the 10-year plan. We have produced a no-frills budget with an emphasis on funding the "must haves" rather than the "nice to haves". We have been conscious of not reducing levels of service, but the reality is that improvements or enhancements to infrastructure are not planned to occur as quickly as we would like. As a result, we want to be transparent with our community, not only with what is in the plan for the next 10 years, but what is not.

Infrastructure

We are aware of the need for the following projects but have not included them in our 10-year plan due to budget constraints. If funds were available, they would be in the plan and if funding becomes available from other sources, then we will consider reintroducing these projects through Annual Plans or otherwise. These projects have been deferred from our 10-year plan but included in our Infrastructure Strategy, which is a 30-year plan.

Three Waters

- Approximately another \$5 million is required to extend water and wastewater reticulation to areas around Twizel which are zoned for residential development. We are not fully budgeting for the extending this reticulation in Twizel despite forecast growth.
- No funds have been allocated to provide a new sewerage system and roading upgrade to the Allandale industrial area on the north-eastern entry

to Fairlie. Wastewater in the area is currently collected in holding tanks and all roading in the area is gravel except the state highway. Without making the improvements, it can create restrictions for businesses seeking to relocate or expand.

- An upgrade of the Albury water scheme is needed for it to meet drinking water standards. We have not allocated funding in this LTP for the upgrade.
- The sludge removed from our wastewater ponds in 2022 is sitting in bags alongside our wastewater ponds. Ideally it needs to be taken to a secure landfill because it may contain hazardous heavy metals. Disposing of the sludge would cost more than \$1 million and we have not included budget for this.

Waste Management

The Twizel Resource Recovery Park is close to an urban area, as residential subdivisions have been created around it. We have not prioritised any funding for potential relocation of the park in the next 10 years.

Township Redevelopment

Further 'master planning' of varying detail are at the early stages for Twizel, Takapō/Lake Tekapo and Fairlie. Most of the projects arising from these are likely to involve transport or reserve/community development. It is too early to budget with any certainty and as a result, we have not included any funding for projects which will be identified. Depending on their priority they can be added in future Annual Plans if required.

Community Development

We acknowledge that the availability of affordable housing is an issue in our district, particularly in the tourist towns of Twizel and Takapō/Lake Tekapo

where rental housing is in demand for visitor accommodation. We require housing for workers and for our pensioners.

Parks

- Alps to Ocean (A2O) – We have provided an off-road cycling track Mt Cook Station Road to Hayman Road from rates and Government funding. However, cyclists travel on the road for three other stages of that track in our district. Following recent Government funding cutbacks, no central funding is available in the short and medium term. There is no funding in our plan for further development of the trail, including for off-roading the remainder of Hayman Road or Twizel to Lake Ohau (nor for a bridge across the Ohau river as at times the trail is closed due to flooding across the weir).
- No funding for rabbit control on Council land in Takapō/Lake Tekapo and Twizel, although we acknowledge there is a problem with the pests in these towns.
- Lake Ruataniwha reserve development. While we have a reserve development plan, there is no funding to implement recommended projects.
- We have no funding for reserve management plans, although in theory every reserve should have a management plan.
- We have had a request from the community for a cycle trail from Takapō/Lake Tekapo to Lake Alexandrina. It would be an asset to Takapō/Lake Tekapo, but we do not have funding for this project.

Facilities

- No building of new toilets or extending existing toilets is included despite pressure on our existing toilets due to high visitor demand. In the past we have funded the development of toilets with assistance

from the Government’s tourism infrastructure funding (TIF funding), but this has ceased.

- Fairlie swimming pool – structural upgrade and changing room upgrade required given the pool currently sits at 43% of the national earthquake prone standards. The changing rooms are not accessible for those with disabilities.
- Twizel Events Centre- structural upgrade required.
- Takapō/Lake Tekapo Hall – structural upgrade required.
- Parking upgrades – Fairlie, Twizel and Takapō/Lake Tekapo.

Roading

- Any seal extensions apart from minor traction seals.
- No budget for new footpaths.
- Any walking and cycling capital projects despite demand for these across the district.

District Plan Review Appeals

We are not budgeting for costs associated with District Plan appeals. Any actual costs incurred will be funded by loans and rated for when the costs are known.

Facilities in the Community

In our section ‘What’s in the Plan’ above we updated the status of funding in our plan for specific community facility projects. For completeness, the funding proposed, and the funding not included is noted below.

- **Twizel sports fields and potential community hub**
Although as set out earlier we have included \$30,000 for each of these as seed funding, the plan does not include any budgeted costs for the

planning of, or ownership, construction or management and operation of these potential facilities.

- **Moving Squash Courts in Takapō/Lake Tekapo Sports facilities**

Other than the \$500,000 Council has decided is the amount for seed funding, the plan does not include any budgeted costs for the planning of, or ownership, construction or management and operation of these potential facilities.

- **Housing**

Housing is a significant problem across the Mackenzie, including issues such as housing affordability, housing typology/variety (including the lack of suitable worker housing, elderly housing, young/small family housing), the standard of housing, and the high levels of housing stock used for short term rentals – such as through Airbnb Booking.com. No specific funding is included in the plan to address the issues of housing in the Mackenzie.

- **Fairlie elderly housing/potential aged care facilities**

A separate trust has been investigating the potential for elderly housing and/or aged care facilities in Fairlie (in addition to the Council's existing pensioner flats). No further funding is included in this LTP. Council remains willing to facilitate and support aged care, including accommodation and wrap around services for the older members of the community, subject to further analysis being undertaken and brought back to Council. This may require further engagement and consultation with the community.

Financial and Development Contributions Policy

We currently apply financial contributions. We have commenced a review, but this is anticipated to be completed during 2024/25 and therefore no changes are included in our plan.

Te Manahuna Ki Uta/Mackenzie Destination Management Plan

While some projects are already underway, there is no funding in our plan for new projects identified in Te Manahuna Ki Uta/Mackenzie Destination Management Plan.

Key issues for consultation

We sought feedback on four key issues in our consultation document with proposals and options around each.

We included another general question in the document, related to introducing user-pays for the use of our toilet facilities. The issues and the council's decision following public feedback are:

The four issues are:

1. **Increasing visitor numbers** – options for the cleaning of public toilets.
 - General Question: Do you support the introduction of user-pays for our toilet facilities?
2. **Takapō/Lake Tekapo Wastewater Treatment Plant** – replacement options.
3. **Bridge Renewals** – with our largest bridge, the Cass River Bridge, overdue for renewal.
4. **Wilding pine removal** to control their spread and mitigate fire risk on council-controlled land.

Issue 1: Increasing visitor numbers – the options for cleaning of public toilets

Visitor numbers to the Mackenzie are increasing as international and domestic travel has resumed with numbers almost back to pre-Covid levels. While tourism plays a major role benefitting Mackenzie and its economy and communities, there is significant cost to the council for the infrastructure and services required, including our public toilets. We are approaching Central Government to make funding available for high tourism areas with small ratepayer bases, such as the Mackenzie District.

There has been significant investment, with the aid of Government funding, in new public toilets in recent years including building new toilet blocks at Lake Ruataniwha, Fairlie and the main lookout at Lake Pukaki (the latter two in progress). This LTP does not include budget for the building or extending of any other new toilets in the district over the next 10 years.

We have 25 separate public toilets/toilet blocks throughout the district with our main toilets in Fairlie, Takapō/Lake Tekapo, Lake Pukaki and Twizel. It costs \$660,000 a year to maintain our toilets which includes cleaning, electricity, repairs and maintenance and insurance.

Traditionally we have cleaned our main toilets once a day in winter and twice daily though the peak summer months. Following Council approval, we trialled cleaning our main toilet blocks three times a day from December 1, 2023, to cope with their high use - at an unbudgeted cost of \$143,000. The success of the trial has shown that the extra clean each day maintains the toilets in better condition, based on the number of complaints we receive about their condition, the callouts to fix issues, and our observations.

Cleaning our toilets is funded from general rates (although there is a user charge system for one of the Takapō/Lake Tekapo toilet blocks which has generated about \$20,000 in income a year). We also received another \$10,000 from donation boxes at toilets. Council is not pursuing a user pays policy for toilets at this stage but will ask for donations using QR codes. This is in line with our public toilet strategy adopted in late 2021 after consultation. User pays will require additional installation and ongoing maintenance costs. We sought the public's thoughts on whether we should consider user-pays for our toilet facilities in a separate question.

We allocated \$415,000 a year in our draft budgets going forward just for the cleaning of our toilets which includes \$143,000 per year for continuing the extra clean to continue over peak periods. This amount, \$143,000, represents 0.90% rates' increase as part of the proposed 14.7% rates' increase in 2024/25. However, as we are very conscious of the need to save money due to increases in the cost of living generally, we sought feedback on whether residents agreed. We explained that if we did not implement the extra cleaning, then we could reduce the proposed rates' increase, although we would likely - incur "reactive" maintenance costs responding to complaints and issues.

Council decision for Issue 1

In its deliberations after receiving public feedback the Council decided to continue to deliver its current level of service around toilet cleaning from the recent trial.

Our total annual cost of cleaning toilets is \$415,000 which includes the additional \$143,000 on our operational spending—\$143,000 equates to 0.90% of our rates. This is included in the overall rates' increase from 2024/25.

No debt is required

Additional question?

Introducing a user-pays system for public toilets

Te Manahuna Ki Uta/ Mackenzie Destination Management Plan, our tourism strategy, recognised the cost to ratepayers of increased tourism and suggested that user-pays systems for recovering these costs should be explored.

One of the obvious areas is charging for the use of our public toilets. Currently we charge for one of the toilet blocks at Takapō/Lake Tekapo and this has generated around \$20,000 in income a year. We have also received around \$8000 in voluntary donations through donation boxes at other toilet facilities in the district.

Our toilets cost \$660,000 a year to run, with costs including cleaning (\$415,000), electricity, insurance and repairs and maintenance.

We sought public feedback on us introducing user-pays in all our public toilets across our large geographical area.

We did ask this question in 2021 as part of the development of our Public Toilet Strategy consultation with the community and the outcome from that process was for Council not to move to a user pays approach for public toilets but to look at ways to maximise donations. However, we wanted to ask again.

Introducing user-pays will involve an upfront capital cost and it may not be feasible to install the system in toilets in more isolated locations. An electronic pay system only, requiring reliable Wi-fi/cell coverage, would need to be installed because of the decline in people carrying cash and the vandalism we experience from cash boxes due to theft or trying to insert other objects. The system would also incur callout/repair costs when faults occur, including when toilet doors are then unable to open.

The advantage of user-pays is revenue to help cover the cost of the toilets recovered from users, whether visitors or residents.

The disadvantages include people not using the toilets and instead polluting the environment, increased vandalism due to break-ins, the costs and effects when faults or damage occurs, and the costs of retrofitting our existing toilets. Residents would also very likely have to pay.

At this stage we have not investigated the detailed costs and requirements for moving our current toilets to user pays.

Council decision for additional question

In its deliberations after receiving public feedback the Council acknowledged the feedback and supports a mixed model of user pays and free toilets. It has asked staff to prepare a business case looking at the options on a case-by-case basis throughout the district before a decision is made.

Issue 2: Takapō/Lake Tekapo Wastewater Treatment Plant Replacement

An upgrade of the wastewater treatment plant at Takapō/ Lake Tekapo is required as the current plant and the discharge site have reached their capacity. Unless the capacity is increased, it could pose a barrier to future development in the town and place the local environment at risk. The significant growth in visitor numbers over the summer months and growth in visitor accommodation put extra pressure on the plant. As the treatment relies on natural processes to treat the waste, the winter load is also challenging the current plant, as it is not as effective at low temperatures. The land where the effluent is disposed of is also reaching capacity.

One of the oxidation ponds is also very close to the top of the embankment where fault lines have been identified. There is a risk of collapse in an earthquake and wastewater from the plant would flow into the Takapō/Lake Tekapo riverbed.

The plant has consent until 2040.

Building a new plant is estimated to cost up to \$47 million but this cost depends on consenting and the location of suitable land. We would need to borrow the money for such a major asset rather than imposing a massive rates' increase upfront. Based on current debt levels, borrowing this amount of money will cause the Council to get close to its allowable debt ceiling, so we would need to cut back many of the other essential infrastructure projects planned for the next ten years and beyond. In our view, this cost should be shared with central government or visitor related funding due to the impact increased tourism is having on our infrastructure – we will continue to advocate for this.

However, due to the cost of the full replacement we have investigated an interim solution to extend the capacity and to mitigate seismic risk and have included funding for this option in the current LTP. The solution proposed to increase capacity by adding aerators in the ponds to improve biological treatment effectiveness. We would also increase the distance between the ponds and the embankment by realigning one of the treatment pond walls. The upgrade is estimated to cost \$8.48 million and would allow us to operate the plant until 2040, when our existing consent expires. This option is an interim fix and is based

on Council needing to invest in a new plant in 2040. If practicable and able to be consented, components of the existing system and plant could be incorporated into the future plant beyond 2040.

Council decision for Issue 2

In its deliberations after receiving public feedback the Council will review the interim solution to increase the capacity of the Takapō/Lake Tekapo Wastewater Treatment Plant to ensure it has reusability. It will also continue to investigate the options to ensure a cost-effective solution and to advocate for funding assistance from central Government

What it was proposed to cost - The temporary improvements costing \$8.48 million will have a life of 15 years. We would borrow for this to spread the cost to ratepayers over the 15 years. The cost of servicing the debt, which would be funded through rates, over the 15 years will be \$947,000 a year (based on a 4.5% interest rate and including principal repayments). This represents a 4.1% district-wide rates' increase from 2028/29. We would still then need to build and pay for a full replacement after the 15 years. Taking our forecast inflation into account, in 2040 the cost of the full replacement would then be \$60.6 million. That cost has been allowed for in our Infrastructure Strategy. Council will continue to put a case to central government to change tourism funding mechanisms to help pay this cost given that the current pressure on the plant is due to the ratio of high visitor numbers disproportionate to our ratepayers.

Issue 3: Bridge Renewals

Our largest bridge, the Cass River bridge, is overdue for renewal.

The Council owns 97 bridges across its district and due to past budget constraints is falling behind with its asset maintenance and renewals' programme. The Council has allocated some new annual budget to try to make progress. The Cass River Bridge, the largest Council-funded bridge in our district, is at the end of our roading network on the western side of Lake Tekapo. It is in a poor state, is not rated for heavy vehicles or a school bus and can only be used by light vehicles. It was due for renewal in 2018. It provides access to a farm property and public land which is administered by the Department of Conservation or Land and Information New Zealand. The amount of land in public ownership accessed from the bridge will increase after the current tenure review process is completed. Part of the tenure review is the establishment of public access to this additional land owned by the Crown in perpetuity. The bridge also provides access to a lodge used by secondary school students. It is a popular area for outdoor pursuits including fishing, tramping and sight-seeing. Currently, people travelling to the area by bus, including students visiting the lodge, must get off the bus to reduce its load and walk across the bridge. Emergency vehicles and heavy vehicles must cross the river through a ford downstream of the bridge. Vehicles often get stuck due to the shifting riverbed and when the river is high, the ford is impassible. It costs the Council \$70,000 a year to maintain the bridge and the ford. The current station owner contributes to the maintenance of the ford. Use of the ford presents a potential environmental risk and regularly strands light vehicles. There has also been a problem with four-wheel drive vehicles being driven across the ford and down the Cass River delta which is a nesting area of endangered bird species.

The draft LTP released for consultation proposed replacing the bridge in 2026/27 at an estimated cost of \$4.211 million. The replacement was included on our proposed roading programme to the New Zealand Transport Agency (NZTA). If approved later this year the Council would receive a NZTA subsidy of 51% of the cost (\$2.15 million). Council would also ask those who rely on the bridge for access if they would be prepared to share the remainder of the cost for the bridge (\$2.06 million) with the Council. The Council would have funded its share

of the bridge with a loan and the impact of servicing this loan is \$175,000 per year effective from 2027/28.

Council decision for Issue 3

In its deliberations after receiving public feedback the Council has deferred the proposed replacement of the Cass River bridge to year 6 of the LTP subject to a detailed business case. It has removed the cost of the Cass River bridge in year 3 and instead left \$282,000 in the budget for bridge renewals district wide. The Council's commitment to the Cass River bridge is conditional on stakeholder consultation and funding.

Issue 4: Wilding Pine Removal

To control their spread and mitigate fire risk on council-controlled land

Wilding pines, 10 introduced species of pine, fir and larch, are a noxious weed and are spreading rapidly throughout parts of the Mackenzie basin. They are the biggest current environmental and visual landscape threat to the area.

Livestock will control very young seedlings, but much of the affected area has been sparsely grazed, allowing the seedlings to establish, and become too tall and unpalatable for stock. Once the canopy closes, other biodiversity is killed, and we are left with a monoculture of pines. We lose precious water resources and land for food production, tourism, and recreation.

The council is responsible for wilding pine removal on its forestry blocks, reserves, and roadsides.

Previous Government funding for the removal of the pines has significantly reduced. We have petitioned the Government requesting ongoing funding to control the pines in the district and beyond.

Wilding pines are identified as a significant contributor to fire hazards in recent Fire and Emergency New Zealand (FENZ) reports for Takapō/Lake Tekapo and Twizel.

We have started spending a budget of \$60,000 a year on wilding pine removal on our land around Twizel and Takapō/ Lake Tekapo (in addition to over \$100,000 spent on a 338-hectare block north of Pukaki airport).

We have allocated \$75,000 a year in our budgets going forward, mainly for key areas identified by FENZ in Twizel and Takapō/Lake Tekapo, but this is not enough to curtail the current rapid spread of the pines, nor rapidly address the fire risk levels identified by FENZ. In consultation on our draft LTP we asked if you would like us to step up our programme given the seriousness of the situation. To make early progress with the fire mitigation programme. We believe we needed an early investment of \$400,000 (\$200,000 in each of year 1 and 2 of this plan) then \$75,000 per year to maintain these areas. If we had funds available, we would opt for investing the additional \$140,000 in years 1 and 2 of our LTP. We acknowledge that the investment is needed given spread of the pines and the environmental, visual landscape and fire risk they pose to Twizel and Takapō/Lake Tekapo. However, we are operating under budget constraints and conscious of rates' increases with current cost of living challenges. Therefore, council would spend \$75,000 a year from general rates on wilding pine removal and control on council land.

Note: We are currently awaiting the outcome of a funding application to the national resilience fund for \$400,000. We recognise that this fund was heavily subscribed. If we are successful, the amounts received will fund all or part of this early investment, although with the fund being oversubscribed, we anticipate only part, at best.

Council decision for Issue 4

In its deliberations after receiving public feedback the Council acknowledged the feedback and approved the spend of \$75,000 a year for wilding pine removal which targets the identified fire risk.

Consultation Feedback

We listened and included residents' feedback in the LTP

The Council has included community feedback in its Long-Term Plan (LTP) after considering 211 submissions from business and community leaders, local community boards, residents' groups, and individuals.

Twenty four of the 211 submitters presented at the Council Hearings (July 1-2, 2024) on the draft 2024-34 plan which included a proposed average rate increase of 14.7% in 2024/25 and an annual average rates' increase over 10 years of 6.5%. Councillors then considered every submission and included some of the feedback raised in its LTP plan and determining if, and what, future council action was required for other issues raised.

The high level of public engagement on the draft plan, which was out for public consultation from May 24 to June 24, 2024, demonstrates the passion our residents have for the district and their recognition of the role the Council plays in delivering the services they depend on. The Council received 26 submissions on its previous LTP in 2021.

As the Council tries to balance investing in the district with the affordability to the community of rates' increases, the Council has made some tough choices on many issues. It identified four key issues in its draft plan with options on how the Council manages and finances them. For each issue and option, the Council detailed the impact on its budget and the associated rates' increases.

Issue 1: Increasing visitor numbers – options for the cleaning of public toilets

76% of those responding favoured the council continuing with an additional daily clean of the council's public toilets. Council has included an additional spend of \$143,000 a year in its current spend on cleaning toilets of \$415,000 a year. Staff will advise on toilet cleaning options before the contract is renewed in June 2025.

General question: Do you support the introduction of user-pays for our toilet facilities? 39% of those responding to this question supported user pays for public toilets, while 61% supported free use. The Council acknowledges the feedback and supports a mixed model of user pays and free toilets. It has asked

staff to prepare a business case looking at the options on a case-by-case basis throughout the district before a decision is made.

Issue 2: Takapō/Lake Tekapo Wastewater Treatment Plant – replacement options

59% supported an interim solution to increase the plant's capacity with temporary improvements, while 41% favoured the long-term solution of building a new plant. Council will review the interim solution to increase the capacity of the Takapō/Lake Tekapo Wastewater Treatment Plant to ensure it has reusability. It will also continue to investigate the options to ensure a cost-effective solution and to advocate for funding assistance from central Government.

Issue 3: Bridge renewals – with our largest bridge, the Cass River bridge, overdue for renewal

54% favoured continuing to operate the existing bridge and ford at a cost of at least \$70,000 a year for maintenance. 46% supported full replacement of the bridge estimated to cost \$4.21million. Council has deferred the proposed replacement of the Cass River bridge to year 6 of the LTP subject to a detailed business case. It has removed the cost of the Cass River bridge in year 3 and instead left \$282,000 in the budget for bridge renewals district wide. The Council's commitment to the Cass River bridge is conditional on stakeholder consultation and funding.

Issue 4: Wilding pine removal to control their spread and mitigate fire risk on council-controlled land

62% approved the Council spreading funding for wilding pine control across several years, spending \$75,000 a year for their removal which targets the identified fire risk issues. Council acknowledged the feedback and approved the spend.

In response to the large number of submitters concerned about aged care services given the district's ageing population, the Council has highlighted the issue in its 10-year plan. The Council remains willing to facilitate and support aged care, including accommodation and wrap-around services for the community's older residents.

The housing shortage continues to be a serious issue for residents due to the high proliferation of Airbnbs, especially in Tekapo and Twizel. Additional medium density zoning is included in the current District Plan Review and the Council will enable and support mechanisms to facilitate development.

In other funding, the Council is reaffirming its commitment to a 2019 Memorandum of Understanding (MOU) with the Tekapo Squash and Rackets Club and has agreed to allocate \$500,000 to progress the relocation of the current squash courts.

Many submitters sought Council reassurance about maintaining services and facilities in their towns.

The Council is, and always has been, totally committed to providing library services in Twizel. The Council currently provides funding for the Twizel Area School shared library. Recognising that the school is being redeveloped it allocated funding in the plan for an interim library with staff now working alongside the community to identify possible sites. The school will give notice of when the council needs to transition to the interim library and funds will be included in our next LTP in three years for a permanent library when the cost is known.

The council is continuing to support community-led initiatives and has allocated seed funding of \$30,000 in the LTP to kick start a community-led project for a community hub in Twizel which may also include the permanent library. The Council will continue its annual operational grant to the Twizel Community Care Trust for the community care centre which currently operates from a building on Ministry of Education land.

Twizel's only sports fields are in the school grounds and Council is working with the school to draft an MOU to ensure ongoing use of the fields through an operational subsidy subject to certain conditions. The Council hopes the MOU will also clarify the school's access to facilities such as the Events Centre.

There was a call from some submitters for the development of Master Plans for Fairlie, Takapō/Lake Tekapo and Twizel. Takapō/Lake Tekapo is covered by the Government's better off funding and the Council has allocated \$100,000 from the property operating reserve to progress the Twizel Market Place Urban Design plan and the Fairlie Master Plan.

Property owners in Twizel's Lyford Lane asked the council to coordinate wastewater, water services and roading into one project and transfer road ownership to the council. Work will continue providing wastewater services to the lane which is a carry forward project and not included in this LTP.

Submitters also raised questions about fees and charges, including those for hiring council facilities and registration fees for working dogs. These will be considered in a review of fees and charges next year. For the community hall in Fairlie Council retained the proposed fee, noting that any reduction in fees would result in higher rates to meet the cost of running and maintaining the facility.

Following a request for further funding for library services in Fairlie, the council has increased its contribution to the Mackenzie College library from \$112,500 to \$146,780 a year which will be funded in 2024/25 from discretionary grants funds on the understanding current levels of service will be maintained.

1.6 Rates

Talking rates can be confusing. rates are calculated to recovery costs, not for example creating "extra" revenue over and above Council's budgeted costs. We have a range of different ways that we collect rates. the most common rates are:

- **A general rate** – this is paid by everyone based on the capital value of ratepayers' properties. Overall, the general rate accounts for 46% of the total rates revenue (excluding penalties).
- **Targeted rates** – these are funded by specific sub-sets of ratepayers who directly benefit from the activity and comprise a mix of fixed charges and charges based on capital value. Currently targeted rates account for 54% of the total rates revenue. Most of the three waters targeted rates are uniform fixed charges.
- **Uniform Annual General Charge** – this is paid by each property at the same rate (\$100), regardless of the capital value.

Property Revaluations

Every three years, Quotable Value NZ independently reviews capital values for properties throughout New Zealand. These were undertaken for the Mackenzie district in September 2023. This is a process that runs independently from council and ratepayers can object to the Valuer General.

Because of the latest revaluations, the values for different sectors and properties within our district have increased by very different percentages.

Increases to the value of your property do not necessarily translate to increases in the rates you pay. Simply put, if the value of your property has increased significantly compared with someone else's, you will likely pay a larger share of the total rates.

The proposed overall rates' increases will affect every rate payer differently depending on several things.

And the opposite applies too. Think of it as a "share of the pie".

In summary, the differing revaluation increases have had varying effects on the rates' increases of individual property owners.

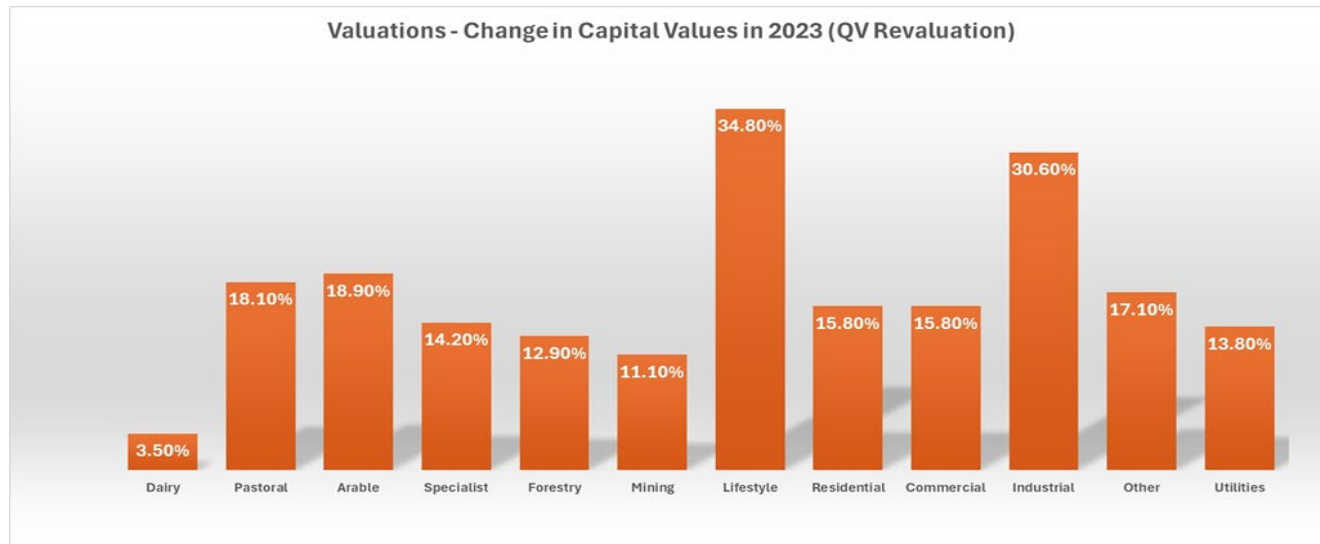
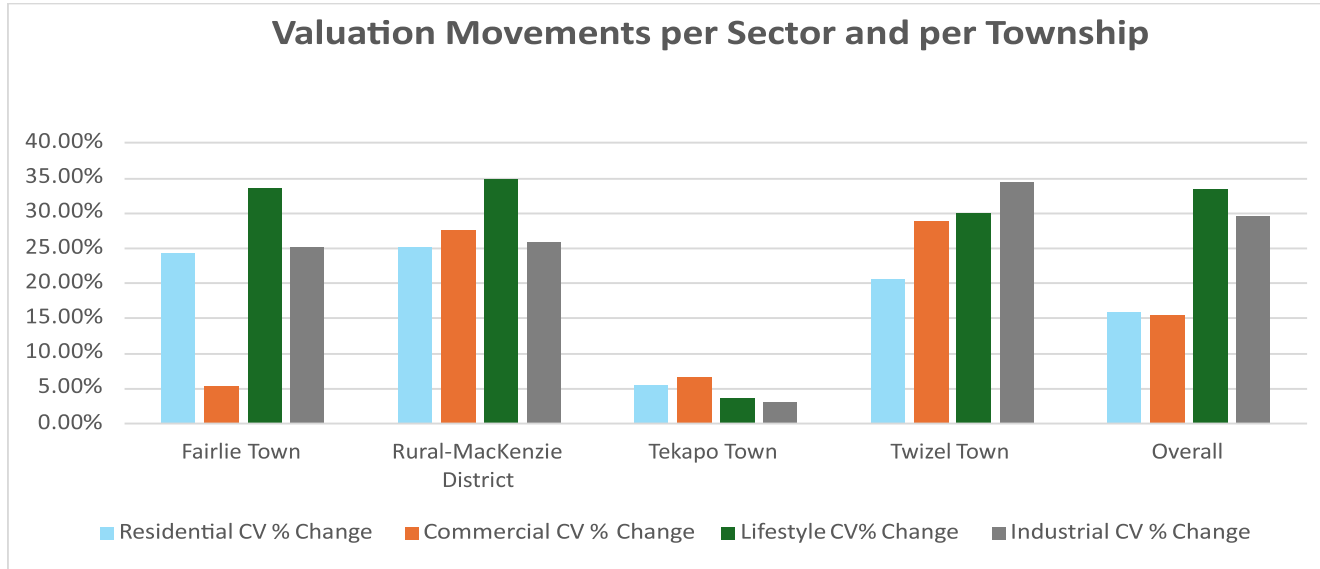
The charts below show the large variations in capital value changes in the 2023 revaluations.

Certain sectors have increased in different proportions relative to each other, this means those sectors will attract a different share of the rates. However, valuation changes were also different between the townships, and this too has impacted the distribution of rates.

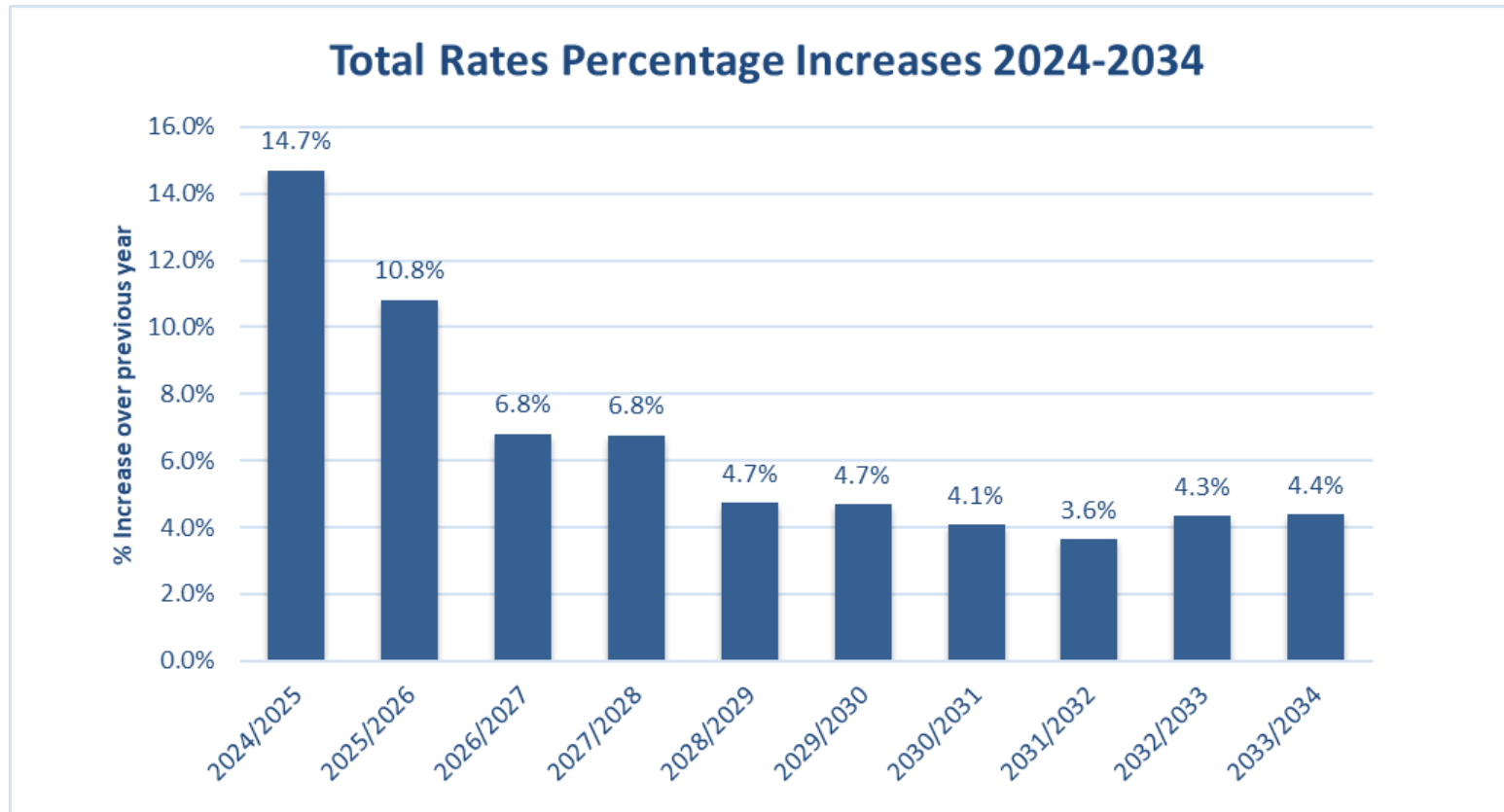
For example, see the different changes for residential properties between Fairlie, Takapō/Lake Tekapo and Twizel and even within the same town, we have seen there has been variation between lower and higher value properties.

Lifestyle properties across the district have had a significant increase in their capital value and as a category of ratepayers will attract a larger share of rates. Dairy has only had a marginal increase and so as a group they will attract a smaller share of rates.

The rates you pay will differ from the projected overall rates' increases shown in this document. Further below, we have used a sample of district properties to demonstrate the impact of our proposed plans and the changes in property valuations on rates for 2024/2025.



Projected rate increases for the next 10 years



The plan results in an average rates' increase of 14.7% for 2024/25 in the Mackenzie District

The plan indicates an average rates' increase over 10 years of 6.5%.

Rates Affordability

We recognise that many within our community are continuing to feel the financial impacts of high inflation and increased costs. Our ratepayers' ability to afford rate increases has been top of mind. Responding to the needs and high expectations of our communities when resources are limited is challenging, particularly given the demand for infrastructure and services.

To address this challenge, we have had to make some tough choices.

We have also made some adjustments to mitigate the impact of cost increases and the varying property values, especially for those who may be less able to afford increases (aimed at lower value properties). We have lowered the Uniform Annual General Charge. We have also changed how we rate for certain water activities and activities that are of general district benefit. These have been included in the general rate, based on capital value, to reduce the fixed charges that tend to have a disproportionate impact on lower value properties. While we have had to recognise that we cannot continue to artificially lower rates or defer work, we want to continue to support our community.

Check out our sample properties to see how the proposed rates rise might impact you in 2024/2025. this also shows the movement in property values, which have impacted on the rates' increase.

Note: The below sample properties have been selected as properties with a single dwelling.

RURAL RESIDENTIAL

	Section	Low Township House	Lifestyle	Lifestyle
Original Capital Value	\$50,000	\$175,000	\$700,000	\$930,000
Revised Capital Value	\$50,000	\$301,000	\$950,000	\$1,200,000
Annual Increase	(\$62.92)	\$96.38	\$240.42	\$254.45

RURAL

	Farm	Farm	Rural Accommodation	Rural Secondary Accommodation
Original Capital Value	\$940,000	\$4,325,000	\$750,000	\$1,300,000
Revised Capital Value	\$940,000	\$5,020,000	\$750,000	\$1,300,000
Annual Increase	(\$114.14)	\$638.33	(\$138.24)	(\$195.58)

FAIRLIE

	Residential	Residential	Residential	Residential
Original Capital Value	\$145,000	\$260,000	\$345,000	\$630,000
Revised Capital Value	\$185,000	\$325,000	\$430,000	\$750,000
Annual Increase	\$237.10	\$295.31	\$314.33	\$274.13

	Business	Industrial	Accommodation	Secondary Accommodation
Original Capital Value	\$530,000	\$1,130,000	\$530,000	\$290,000
Revised Capital Value	\$550,000	\$1,200,000	\$570,000	\$360,000
Annual Increase	\$29.12	(\$77.97)	\$51.52	\$310.18

TAKAPO/LAKE TEKAPO

	Residential	Residential	Residential
Original Capital Value	\$500,000	\$800,000	\$1,200,000
Revised Capital Value	\$500,000	\$850,000	\$1,260,000
Annual Increase	\$222.06	\$290.74	\$288.03

	Business	Industrial	Accommodation	Secondary Accommodation
Original Capital Value	\$1,150,000	\$7,580,000	\$5,800,000	\$1,230,000
Revised Capital Value	\$1,200,000	\$7,580,000	\$6,640,000	\$1,290,000
Annual Increase	\$335.06	(\$25.29)	\$1,502.41	\$253.45

TWIZEL

	Residential	Residential	Residential	Residential
Original Capital Value	\$265,000	\$365,000	\$500,000	\$1,300,000
Revised Capital Value	\$300,000	\$490,000	\$600,000	\$1,580,000
Annual Increase	\$201.17	\$408.02	\$356.45	\$673.48

	Business	Industrial	Accommodation	Secondary Accommodation
Original Capital Value	\$1,010,000	\$3,480,000	\$8,810,000	\$750,000
Revised Capital Value	\$1,190,000	\$4,600,000	\$8,810,000	\$750,000
Annual Increase	\$673.88	\$3,293.15	(\$910.89)	\$124.03

You can find out more about support available to ratepayers through our Rates Remission and Postponement procedures and other financial support available on our website or by contacting one of our team. Find out more at www.mackenzie.govt.nz/rates

1.7 Infrastructure and Financial Strategy

Summaries

Summary of Infrastructure Strategy

Our Infrastructure Strategy identifies our significant infrastructure challenges for the next 30 years.

It also sets out the cost associated with maintaining, operating, replacing, and developing our water supply, wastewater disposal and stormwater, our roads and footpaths, and our public facilities, parks, and places.

Infrastructure, both built and underground, impacts on every part of our life. As a council we manage our infrastructure so our residents have safe water to drink, their sewerage is collected, treated, and disposed of, and they can get around the district. Other infrastructure assets include our parks, playgrounds, community centres, sports fields, and our community swimming pools.

Our strategy identifies four main issues that determine our investment in our infrastructure.

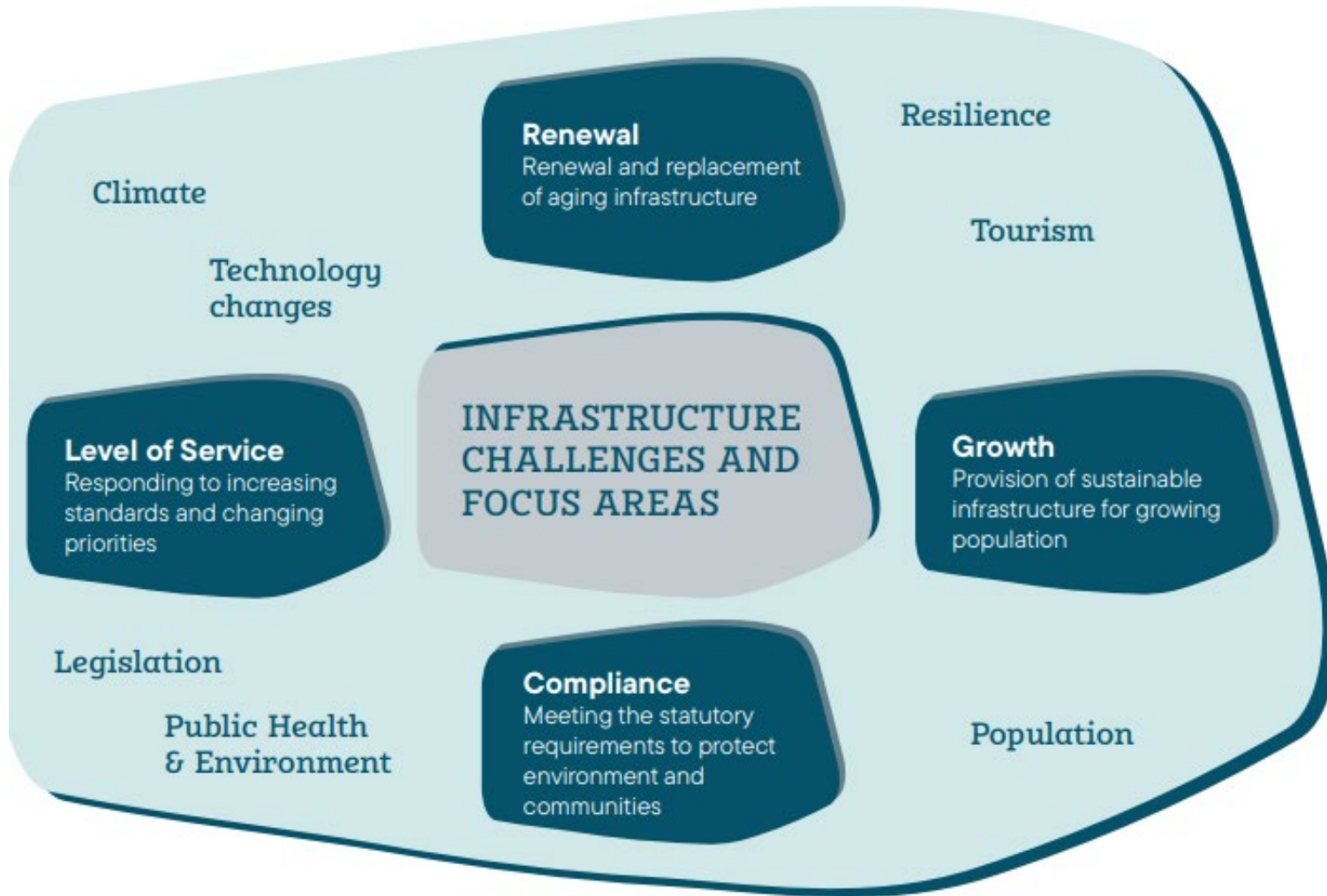
- **Renewal** -replacement of aging infrastructure.
- **Growth** - delivering sustainable infrastructure to more residents and high visitor numbers.
- **Compliance** – meeting the statutory requirements to protect the environment and communities.
- **Levels of Service** - responding to increasing standards and changing priorities

Other important issues driving investment are public health and environment, resilience, and climate change.

The Council has a medium level of confidence overall in its asset information and condition rating data. The exceptions include the data for roading, property, swimming pools and community facilities, which is not in good condition. Only three waters asset data has an reasonable level of confidence.

The Infrastructure Strategy can be found in Section 4 of this document.

Infrastructure Challenges and Focus Areas

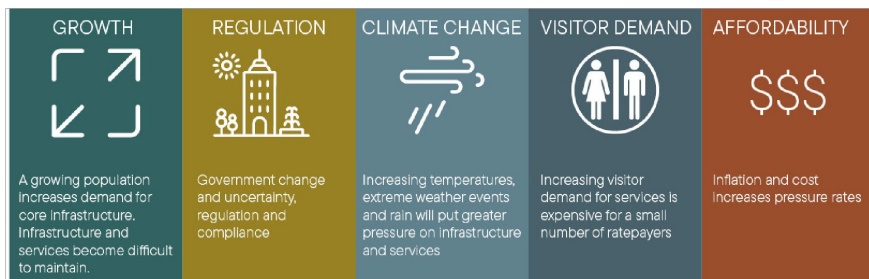


Strategic drivers of infrastructure investment.

Summary of Financial Strategy

The Financial Strategy outlines our overall approach to managing Council's finances. It sets out how we plan to fund our activities over the next ten years, and how we will address challenges and opportunities, to get the best outcomes for our community. It includes a statement of our financial position, and the financial limits we will work within, including our proposed limits on rates' increases and borrowing.

What are the key factors impacting on us?



Like all other local authorities in New Zealand, we face multiple financial challenges because of high inflation experienced over the past three years. Local Government costs reflect the type of work we undertake and are significantly affected by the price of items such as energy, bitumen and civil contracting services. Local Government cost inflation is higher than CPI and as a result the cost to maintain levels of service have risen by more than 20%. Some examples of other challenges include significantly increased electricity, insurance and debt servicing costs. In addition, there are stricter Three Waters compliance criteria, additional costs of servicing visitor growth, challenging asset renewal requirements and the costs of climate change adaptation and mitigation.

Our district continues to grow, particularly tourism, and this growth coupled with the need to maintain and renew our network infrastructure (some of which is old), and community expectations, are key factors behind our capital expenditure

programme over the next 10 years. We are now in the position where major assets such as our bridges, options for the Takapō/Lake Tekapo wastewater treatment plant, and water, stormwater and sewer reticulation need urgent attention. This coupled with the costs to meet increased compliance standards has placed the Council's finances and rates under pressure. This requires difficult choices. Our financial strategy sets out our goal to:

- Manage our finances in a prudent and strategic manner which ensures that adequate funds are available to deliver on our levels of service, cater for growth, and support the maintenance, renewal, and upgrade of our assets to meet community expectations and legislative requirements.
- Manage borrowing levels to ensure that investment in and funding of core infrastructure is within our capacity.
- Manage our income from investments, including forestry. We have decided to use income from forestry in the first three years of the plan to offset higher rates in these years of the plan (\$700,000 in 2024/2025, \$500,000 in 2025/2026, and \$300,000 in 2026/2027)

Our financial strategy can be found in Section 4 of this document.