

# Annual Plan 2022/23



**Mackenzie**  
DISTRICT COUNCIL

## Contents

|   |    |
|---|----|
| Message from the Mayor and Chief Executive                  | 3  |
| Your Council  | 4  |
| Your Community Boards                                       | 5  |
| Our Strategic Vision  | 6  |
| Our Planning Process  | 7  |
| Guide to the Annual Plan 2022/23                            | 8  |
| Our Activities at a Glance                                  | 9  |
| Annual Plan 2022/23: How it differs from the Long Term Plan | 10 |
| Overall Rate Summary 2022/23                                | 12 |
| How your Rates are Spent                                    | 13 |
| Funding of Council Activities                               | 14 |
| Governance and Corporate Services                           | 16 |
| Three Waters  | 20 |
| Transportation  | 28 |
| Regulatory Services   | 32 |
| Emergency Management  | 36 |
| Parks and Community Facilities                              | 40 |
| Waste Management and Minimisation                           | 44 |
| Tourism, Economic Development and Commercial Activity       | 48 |
| Prospective Financial Statements                            | 52 |
| Annual Plan Disclosure Statement                            | 53 |
| Accounting Policies   | 54 |
| Prospective Statement of Comprehensive Revenue and Expense  | 64 |
| Prospective Statement of Movements in Equity                | 65 |
| Prospective Statement of Financial Position                 | 66 |
| Prospective Statement of Cash Flows                         | 67 |
| Prospective Funding Impact Statement (whole of Council)     | 68 |
| Reserve Funds Summary                                       | 69 |
| Rating Definitions  | 72 |
| Rating for 2022/23  | 73 |
| Rating Impact on Sample Properties                          | 83 |

# Message from the Mayor and Chief Executive: Leading the change for future generations

**At Mackenzie our team has focused on serving our community the very best we can. This Annual Plan sets out the projects and our direction for the next year. We have our sights focused on the future and this year we plan to kick off the review of our District Plan and the implementation phase of Te Manahuna Ki Uta. These two projects are focussed on the long term and giving effect to some of the strategy we have developed for our reserves, trails and facilities.**

We continue to balance our small ratepayer base against the ever increasing costs of meeting increasing government regulations and standards and an ongoing push to protect our natural environment for our locals, visitors and treaty partners.

In this plan we continue to strike a balance that ensures we can appropriately invest in and fund resilient infrastructure and deliver fit for purpose services, all while ensuring we make sure the district remains a place we are proud to call home.

In the LTP we said it was a time for change and we needed to fund our services, compliance requirements and meet new standards at higher levels than we have done previously. This year we continue to do this. We need to continue this to ensure our council can continue to function in a sustainable manner and provide the infrastructure and services our community needs.

For many in our community the past two years have been difficult; especially so for our tourist operators and accommodation providers with the borders remaining closed. As we move further into 2022, and hopefully with the first wave of Omicron is behind us, we will continue to be challenged with a slow tourism recovery, high inflation levels and supply chain logistics delays. We signalled a rates increase of 17% in the LTP and this is exactly where the rates increases have landed despite the increased inflation.

Central government is continuing to drive a wide reform agenda that includes changes to both the delivery of water services and the ownership of water infrastructure assets,

significant changes to the Resource Management Act (RMA), and a review of the future for Local Government. Keeping abreast of what this means and providing information and submissions on all of this adds to MDC's workload, which in turn means additional costs.

The significant projects were confirmed in the LTP last year; and this year we will commence or continue leadership of these workstreams and improvements for our communities:

- Delivery the Te Manahuna Ki Uta Destination Management Plan and commencing the next phase of this project
- Commencing a review of the District Plan Review and starting to give effect to the Spatial Plans
- Continuing to improve the condition of our Twizel event Centre and the Fairlie Civic office
- We continue to improve pool filtration/treatment of the Strathconan swimming pool and provide accessibility ramp upgrades and pool inflatables for the Twizel Pool
- Upgrading the Fairlie Water Treatment Plant and storage
- Completing the design work for the Tekapo Treatment Plant
- Installation of inlet screens in Fairlie, Tekapo and Twizel to ensure longevity of the desludging work in our oxidation ponds
- Upgrading the Tekapo Domain and Lakeside Drive Playground
- Installation of Twizel water meters to better understand water consumption for water conservation
- Lake Ruataniwha Reserve Management Plan and undertaking upgrades to achieve the community vision

MDC is committed to investing in our community and making decisions that ensure the Mackenzie District continues to be a unique and special place to live, work and play.

Today's choices will help us create tomorrow's Mackenzie. This investment modernises our infrastructure and helps create thriving vibrant places in a unique natural environment with unparalleled vistas and night skies.



**Graham Smith**  
Mayor



**Angela Oosthuizen**  
Chief Executive

# Your Council

Your Councillors also represent you on a number of joint committees and regional forums to ensure that Mackenzie has a voice in decisions which affect our district. You can find out more about how they represent you at [www.mackenzie.govt.nz](http://www.mackenzie.govt.nz).



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## Committees of Council

### Audit and Risk Committee

Chair: Bruce Micham (appointed member)

### Chief Executive Review Committee

Chair: James Leslie

### Commercial and Economic Development Committee

Chair: Murray Cox

### Engineering and Service Committee

Chair: Stuart Barwood

### Planning and Regulations Committee

Chair: Anne Munro

### Strategy Committee

Chair: James Leslie

Photo credit: Match Sumaya / Unsplash



# Your Community Boards

The Mackenzie District has three community boards:

- Twizel – elected by the electors of the Twizel township
- Takapō/Tekapo – elected by the electors of the former Tekapo ward
- Fairlie – elected by the electors of the Fairlie community board boundary



## TWIZEL

### Jacqui de Buyzer (Chair)

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### Steve Howes (Chair)

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### Matt Murphy

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## FAIRLIE

### Damon Smith (Acting Chair)

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### Angela Habraken

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### Leaine Rush

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### Murray Cox

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## Council Executive Team at 28 June 2022

### Chief Executive Officer

#### Angela Oosthuizen

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### General Manager - Operations

#### David Adamson

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### General Manager - Corporate Services

Vacant

### Manager - People and Culture

#### Alexis Gray

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### Manager - Information and Engagement

#### Chris Clarke

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# Our Strategic Vision

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

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

## Vision

**To empower our communities and treasure our environment**

## Mission

**Strengthening our communities**

## Guiding Values

**Be fair to everyone**

**Strive for a better future**

**Dare to be different**

**Act with respect and trust**

**Protect our peace and serenity**

## Our Community Outcomes

### A TREASURED ENVIRONMENT

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

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

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

### RESILIENT, SUCCESSFUL COMMUNITIES

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

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

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

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

### STRONG AND INNOVATIVE ECONOMY

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

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

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

### EMBRACE HERITAGE AND DIVERSITY

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

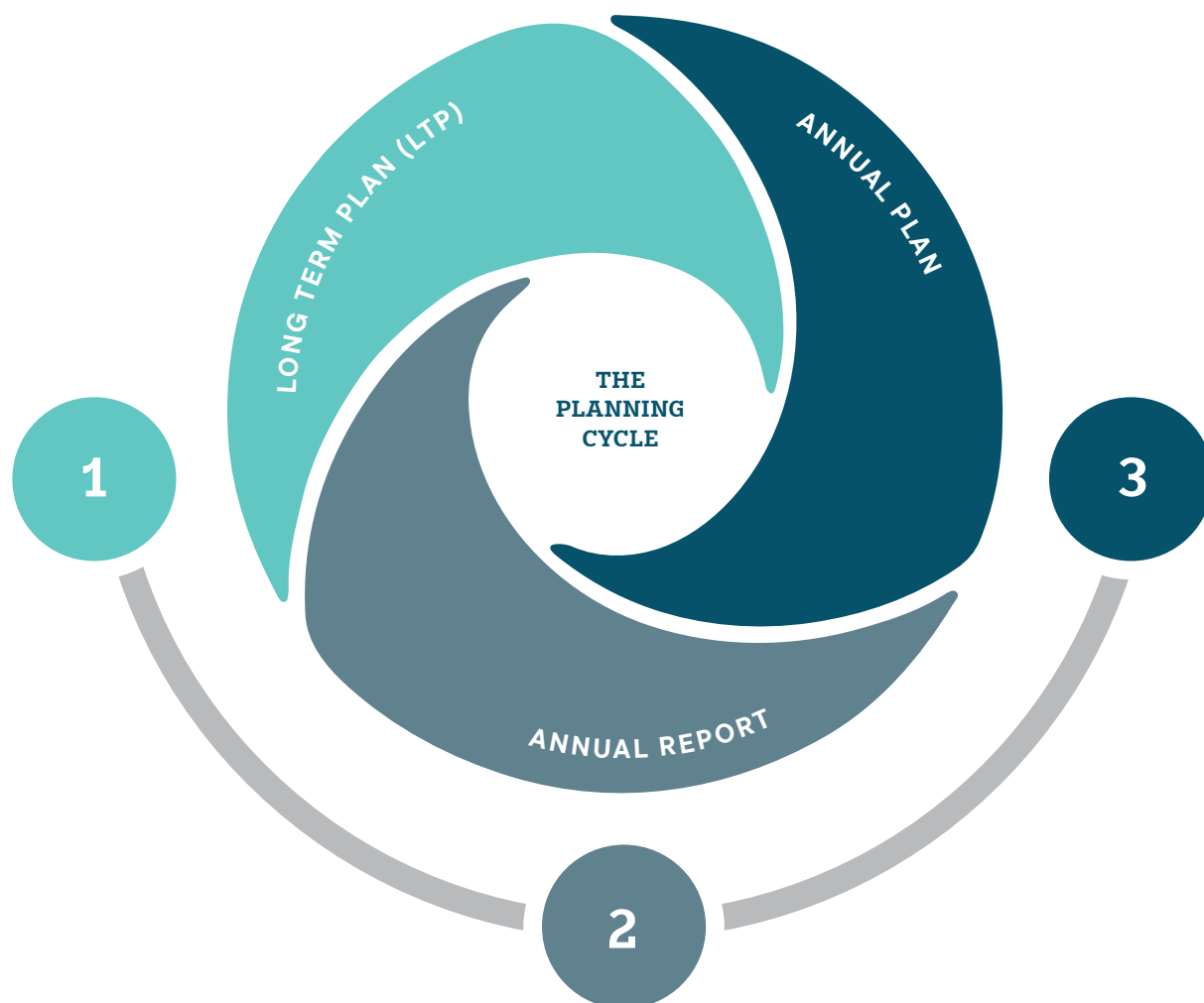
We are proud of and celebrate the heritage and diversity of our District and our people.

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

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

# Our Planning Process

Council's planning process centres on three key documents:



**1**

## **Long Term Plan (LTP)**

The Long Term Plan, prepared every three years, is a strategic planning document which forecasts Council's budgets and project priorities over its ten year life.

**2**

## **Annual Plan**

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**

## **Annual Report**

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.

# Guide to the Annual Plan 2022/23

**In the years when we do not produce a long-term plan, an annual plan is prepared to detail the work programme and expenditure for the coming year. The annual plan provides up to date budgets and information on specific areas of work Council plans to undertake for the next financial year.**

The Annual Plan highlights any variations for the coming year from what was proposed in the Long Term Plan 2021-2031. Where there are significant variations, reasons are provided as well as the financial impact of these changes.

The financial year beginning 1 July 2022 is the second year of Mackenzie District Council's Long Term Plan 2021-2031. The Long Term Plan sets out the Council's ten-year budget and work programme and is updated, in consultation with the community, every three years.

## **Annual work programme and budget**

For each activity you will find information about projects to be delivered in the coming year, any changes to the level of services detailed in the Long Term Plan 2021-2031 and what the service will cost. A financial summary is provided for each group of activities that compares the budget forecast in the Long Term Plan 2021-2031 with the budget for 2022/23.

This Annual Plan does not contain any significant variations from Year 2 of the Long Term Plan 2021-2031. As a result, we are not required to consult on the Annual Plan itself in accordance with section 95(2A) of the Local Government Act 2002. Instead, we have informed the community of the key work that they can expect to see us complete throughout the 2022/23 year.

The format of this Annual Plan follows the same order as the LTP 2021-2031 to make it easy to relate the two documents.

This document is the formal and public statement of the Council's intentions in relation to the matters covered by the Annual Plan 2022/23 in accordance with section 96 of the Local Government Act (2002).

## **The document sets out the following:**



- A summary of how the Annual Plan 2022/23 varies from the Long Term Plan 2021-2031. The summary reflects our rates for 2022/23, noting that the total rates are lower than those forecast for this year in the Long Term Plan 2021-2031;



- The specific impacts of the COVID-19 global pandemic on the Council's income for the year;



- A summary of how the Council plans to prudently manage its revenues, expenses, assets, liabilities and finances; and



- The budget for 2022/23 and rates details for the year.

If you are interested in more information about Mackenzie District Council's community outcomes, groups of activities and levels of service, including the Council's policies for carrying out its work, please refer to the Long Term Plan 2021-2031. Copies of the document are available on the Council's website at [www.mackenzie.govt.nz](http://www.mackenzie.govt.nz) (type Long Term Plan into the search function). Copies of the Long Term Plan are also available in the community libraries at Fairlie and Twizel and from the Council's offices in Fairlie or Twizel.



# Our Activities at a Glance

Council's activities and work programmes come out of the priorities identified during the development of Asset Management Plans (AMPs) and the 30 Year Infrastructure Strategy. These documents are reviewed every three years in line with the Long Term Plan. Council's activities have been grouped into the following:



## Governance and Corporate Services

Governance  
Chief Executive Office  
Customer Services  
Corporate Services (IT, Finance)



## Three Waters

Water supplies  
Wastewater  
Stormwater



## Transportation

Roading  
Footpaths  
Streetlighting  
Cycleways and walkways, including Alps to Ocean



## Regulatory Services

Resource Management and District Planning  
Building Control  
Animal Control  
Environmental Health



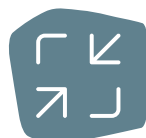
## Emergency Management

Civil Defence and Emergency Management



## Parks and Community Facilities

Parks and swimming pools  
Community Centres and Halls  
Libraries  
Pensioner Housing  
Cemeteries  
Public Toilets



## Waste Management and Minimisation

Kerbside collection, including organics  
Resource Recovery Parks and Hardfill Sites  
Waste minimisation



## Tourism, Economic Development and Commercial Activities

Investments, including Forestry  
Pukaki Airport  
Real estate  
Economic Development  
District promotion



Photo credit: Leopold Maitre / Unsplash

# Annual Plan 2022/23: How it differs from the Long Term Plan

**The Council is not proposing to vary its work programme, significantly, from that proposed in the Long Term Plan 2021-2031. However, there are some variations to the budget for 2022/23.**

At the time this Annual Plan was prepared, the impact of the pandemic on the global and local economy was still playing out. The effects on the Council's budgets reflected in this Annual Plan are, therefore, anticipated, not certain. However, in the face of this uncertainty, the Council has acted prudently to reduce its expenditure in anticipation of lower income in order to maintain its levels of service.



## What's changed

### Rates increase

The second year of the Long Term Plan 2021-2031 forecast a 17.3% rates increase. Initially, with the impact of inflation, the 2022/23 rates increase rose drastically above 17.3%, however the Council resolved to marginally reduce the rates increase to 17%. This lower-than-forecast rate increase was achieved by reviewing Council's proposed work programmes and prioritising work in order to still meet its obligations to the community as a responsible manager; as well as maintaining infrastructure services to a level that the community expects.

This equates to an increase in rates of \$375.29 per annum for a house with a capital value of \$350,000 in Fairlie and an increase of \$816.48 per annum for a sheep and beef farm with a capital value of \$4,325,000. Details of sample rates across the entire region are available on pages 83 and 84 of this document.

### Operating Expenditure

Council is forecasting an increase of \$909,000 above the LTP. The major factors to this are increased personnel costs and maintenance contract costs, as a result of COVID-19 demand and supply issues and inflation costs.

### Capital Expenditure

Council is forecasting an additional \$2,548,000 of projects from the LTP, which are either re-budgeted from the 2021/22 year (Twizel water meters, Strathconan swimming pool filtration and treatment) or have been identified as priority requirements (wastewater inlet screens, district wide projects, Tekapo township projects, public toilets. Strathconan swimming pool accessibility and chemical storage shed)



Photo credit: Liam Hans / Unsplash

## Activities

The following activities have identified differences for the 2022/23 year from those matters set out in the Long Term Plan 2021-2031, as follows:



### Governance and Corporate Services

Increased costs in payments to staff and suppliers of \$245,000. This has been funded from an increased general rate requirement and overhead recoveries.



### Water Supply

Increased capital costs of \$1,000,000 as a result of the re-budgeting of the Twizel water meter installation project from 2021/22, funded from borrowing and reserves.



### Wastewater

Decreased costs of \$222,000 from payments to staff and suppliers in relation to consultancy projects, resulting in decrease rate requirements. Increased capital costs for new inlet screens for the three treatment plants and funded from reserves.



### Transportation

Increased costs in payments to staff and suppliers of \$427,000 as a result of transport activity management plan work and increased roading contract maintenance costs. This has been funded from an increased general rate requirement and subsidies and grants.



### Regulatory Services

Decreased costs in payments to staff and suppliers of \$277,000 in regards the contracting out of building inspection and health licensing functions and the reduction of government funding towards responsible camping. This has been met from reduced general rate requirement and subsidies and grants.

Reduced project costs of \$360,000 for a new animal pound which was being funded from borrowings and reserves.



### Parks and Community Services

Increased capital costs of \$925,000 due to the re-budgeting of the Strathconan swimming pool filtration and treatment renewal and upgrade, additional projects added due to community feedback and asset reviewing for district wide projects, Tekapo township and public toilets. The additional costs have been funded from a mix of borrowings and reserves.



### Tourism, Economic Development and Commercial

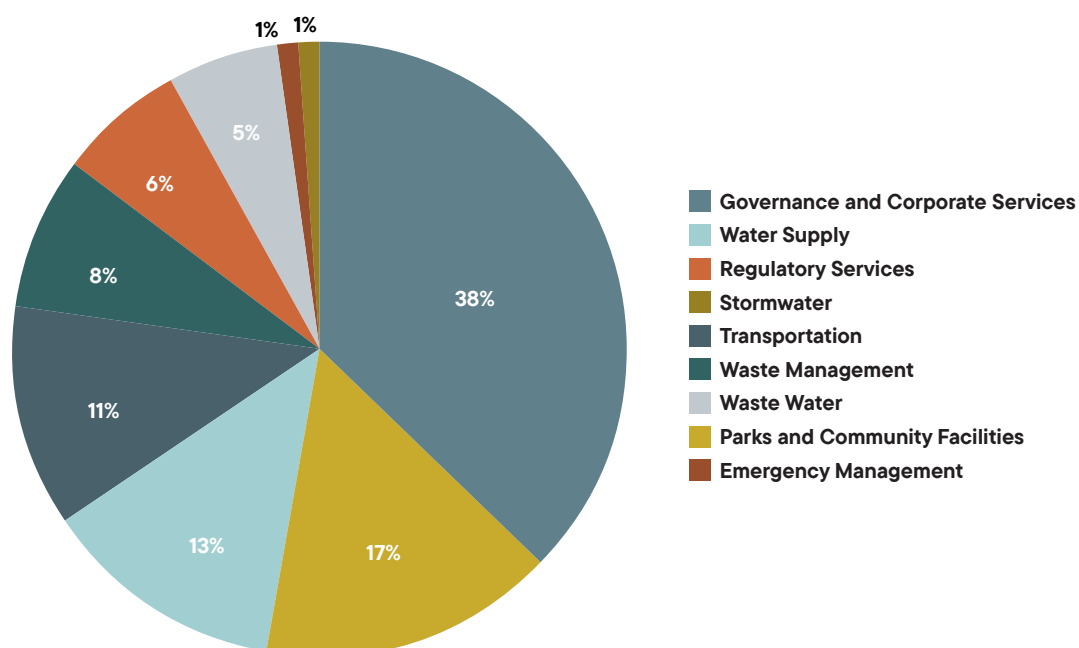
Increased costs of \$333,000 in payment to staff and suppliers due to additional operational costs at Pukaki Airport, forestry plantations, commercial rental properties and finalisation of the Te Manahuna Ki Uta Mackenzie project. The increased costs are funded via reserves and general rate requirement.

# Overall Rate Summary 2022/23

(GST exclusive)

| LTP<br>2021-22<br>\$000 | Activity  | Annual Plan<br>2022/23<br>(\$000) | Change<br>from<br>2021/22 | LTP<br>2022/23<br>(\$000) |
|-------------------------|---|-----------------------------------|---------------------------|---------------------------|
| 5,381                   | Governance and Corporate Services                       | 5,782                             | 7.5%                      | 5,757                     |
| 1,461                   | Water Supply  | 1,841                             | 26.0%                     | 1,870                     |
| 879                     | Wastewater  | 828                               | -5.8%                     | 1,052                     |
| 107                     | Stormwater  | 163                               | 52.3%                     | 172                       |
| 1,105                   | Transportation  | 1,655                             | 49.8%                     | 1,426                     |
| 1,054                   | Regulatory Services                                     | 941                               | -10.7%                    | 1,350                     |
| 74                      | Emergency Management                                    | 173                               | 133.8%                    | 83                        |
| 2,391                   | Parks and Community Facilities                          | 2,522                             | 5.5%                      | 2,529                     |
| 991                     | Waste Management and Minimisation                       | 1,212                             | 22.3%                     | 1,183                     |
| (1,143)                 | Tourism, Economic Development and Commercial Activities | (718)                             | 37.2%                     | (990)                     |
| <b>12,300</b>           | <b>Total Rates</b>                                      | <b>14,399</b>                     | <b>17.0%</b>              | <b>14,432</b>             |

## Share of Rates

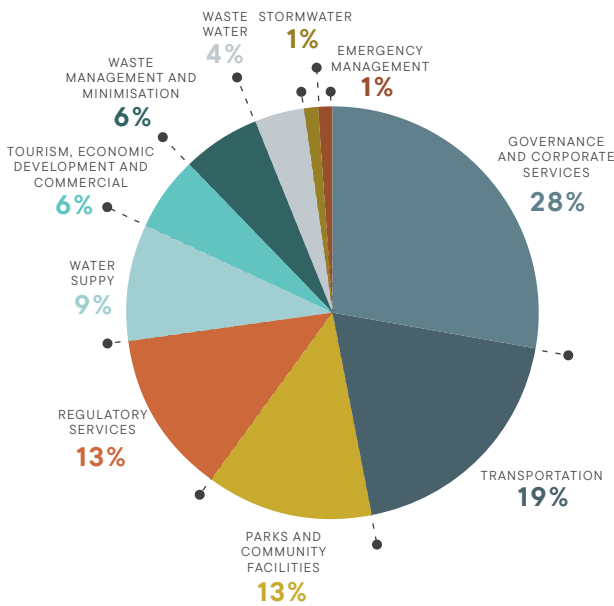


# How your Rates are Spent

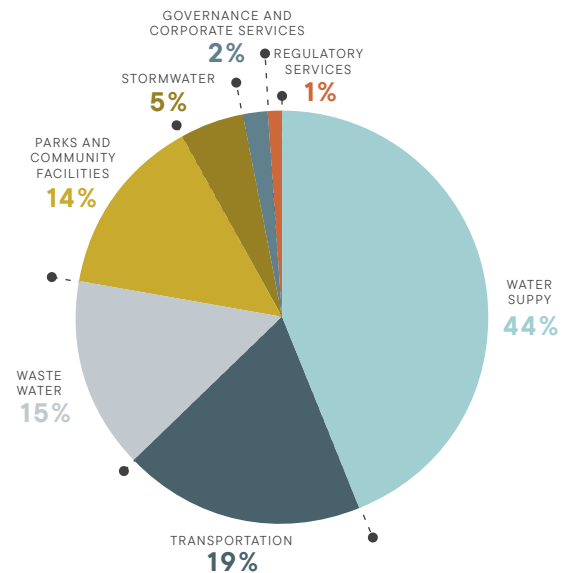
## What does council spend money on?

The following graphs show what the Council will be spending during the year – both operating expenditure for the day to day running of services and facilities as well as capital expenditure to improve services and facilities.

### Operating Expenditure

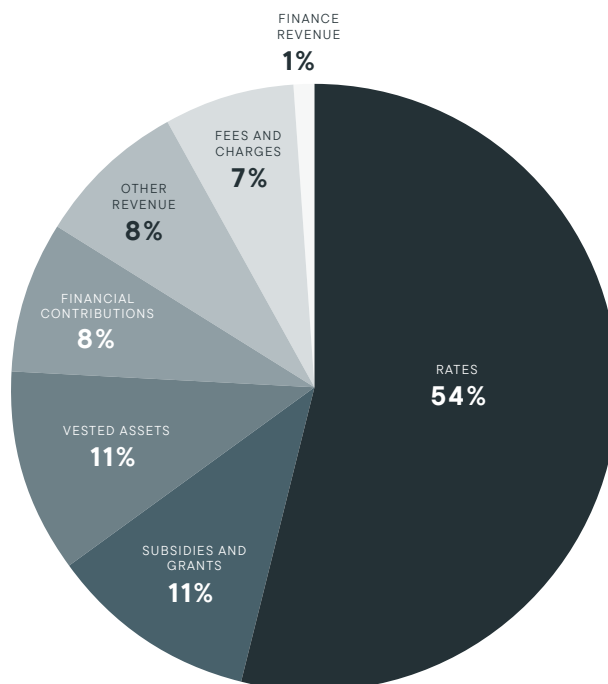


### Capital Expenditure



## Where does Council's money come from?

Expenditure is paid for from a mix of rates, fees, interest and dividends on Council's investments, and external sources such as financial assistance from government agencies. The graph shows where the money will come from in 2022/23.



# Funding of Council Activities

**Council’s Revenue and Financing Policy sets out how we fund activities and can be found in the Long Term Plan 2021-2031. (Volume 2, page 313). The policy is based on the principle that those who benefit from an activity or service of Council should if practicable pay for that service.**

We use a mix of revenue sources to meet operating and capital expenditure, including:

- User charges, grants, sponsorship, subsidies and other income, general rates or targeted rates (based on either capital value or uniform annual charge basis), reserve funds, investment income, proceeds from the sale of assets and lump sum contributions, and internal and external borrowing.

A summary of all Council activities under the Revenue and Financing Policy is shown in the following tables.

| OPERATING                         | User Charges | Grants Subsidies & Others | Investment Income | Financial Contributions / Development Contributions | Reserve Funds | Borrowing | Targeted Rates | General Rates |
|-----------------------------------|--------------|---------------------------|-------------------|---|---------------|-----------|----------------|---------------|
| Governance                        | ●            |                           |                   |   |               |           | ●              | ●             |
| Three waters                      | ●            | ●                         |                   |   |               |           | ●              |               |
| Transportation                    | ●            | ●                         |                   |   |               |           | ●              |               |
| Regulatory Services               | ●            | ●                         |                   |   |               | ●         |                | ●             |
| Parks and Open Spaces             |              | ●                         |                   |   |               |           | ●              | ●             |
| Tourism & Economic Development    |              | ●                         | ●                 |   |               |           | ●              | ●             |
| Commercial Activities             | ●            |                           | ●                 |   |               |           |                |               |
| Emergency Management              |              | ●<br>Event-based          |                   |   |               |           |                | ●             |
| Waste Management and Minimisation | ●            | ●                         |                   |   |               |           | ●              | ●             |



| CAPITAL                           | User Charges | Grants Subsidies & Others | Investment Income | Financial Contributions / Development Contributions | Reserve Funds | Borrowing | Targeted Rates | General Rates |
|-----------------------------------|--------------|---------------------------|-------------------|---|---------------|-----------|----------------|---------------|
| Governance                        |              |                           |                   |   |               |           | ●              |               |
| Three waters                      |              | ●                         |                   | ●   | ●             | ●         | ●              |               |
| Transportation                    |              | ●                         |                   | ●   | ●             | ●         |                |               |
| Regulatory Services               |              | ●                         |                   |   | ●             | ●         |                |               |
| Parks and Open spaces             |              | ●                         |                   |   | ●             | ●         |                |               |
| Tourism & Economic Development    |              |                           |                   |   | ●             | ●         |                |               |
| Commercial Activities             |              |                           |                   |   | ●             | ●         |                |               |
| Emergency Management              |              |                           |                   |   |               | ●         |                |               |
| Waste Management and Minimisation |              |                           |                   |   | ●             | ●         |                |               |



# Governance and Corporate Services

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

## This activity includes:

### Governance

District Council  
Community Boards  
Elections

### Corporate Services

Chief Executive Office, including Human Resources and Health and Safety  
Customer Services  
Governance Support  
Finance  
Corporate Planning  
Information Technology  
Communications

## What we do

### Governance

Our governance portfolio is the foundation of everything that we do as a Council. The governing body of Council is responsible and democratically accountable for decision making of the Mackenzie District Council. The District Council includes a Mayor, elected at large, and six Councillors, elected by way of two wards: Pukaki and Opuha (3 elected from each ward). In addition, local community boards are democratically elected in each of our three main towns: Twizel, Takapō/Tekapo and Fairlie.

In addition to full Council meetings held at a minimum of six weekly, Mackenzie District Council operate six standing committees: Audit and Risk Committee, Chief Executive Performance Committee, Commercial and Economic Development Committee, Engineering and Services Committee, Planning and Regulations Committee, Strategy Committee. Council is also represented on a number of joint committees at a regional level.

The governance function of Council includes the management of triennial local body elections for the Mayor, ward Councillors and Community Board members, and any required by-elections. All election functions carried out by Mackenzie District Council are in accordance with the Local Electoral Act 2001.

### Corporate Services

Our corporate services activities support the functioning of Council through administration and managerial support. These activities incorporate the Chief Executive Office, Customer Services, Finance, Information and Engagement (including IT, Communications and Governance Support), and Corporate Planning. These activities support the governance function of Council as well as all the other services that Council manage on behalf of our community.



# Our performance measures

| What you can expect from us  | What we will measure   | Targets: 2022/23  |
|--|--|---|
| <b>Council</b><br>Prepare key accountability documents in accordance with good practice.   | The annual report is prepared within statutory timeframes and with an unmodified audit opinion.  | The annual report is prepared within statutory timeframes and with an unmodified audit opinion.   |
|  | The annual plan is prepared within statutory timeframes.   | The annual plan is prepared within statutory timeframes.  |
| <b>Council</b><br>Represent and govern the district on behalf of the community   | The percentage of residents across the district who say they are satisfied with the performance of the councillors and Mayor in the annual ratepayer survey. | ≥ 60%   |
| <b>Council</b><br>Build strong iwi relationships and encourage Maori to contribute to the decision-making process                | Number of face-to-face meetings held each year between council representatives and ngā Papatipu Rūnanga, or Te Rūnanga o Ngāi Tahu.                          | ≥ 2   |
| <b>Council</b><br>Provide opportunities for the community to engage with elected members   | Number of public forums held each year with communities and groups.  | ≥ 40  |
| <b>Customer Services</b><br>Customer expectations for service response meet customer demand and are delivered in a timely manner | Council provides a centralised service point (via face to face, phone and e-mail) for all customers.   | Two to three service centres operating Monday to Friday 8:30am to 5pm providing first point of contact customer service via face to face, phone and e-mail.<br><br>Number of service centres, and hours operated to be informed by performance statistics, population growth, demand and customer feedback. |
| <b>Customer Services</b><br>Customer expectations of the quality of the service received at the first point of contact           | Council meets customer satisfaction levels at the first point of contact.  | At least 85% of customers are satisfied or very satisfied by the quality of the centralised customer service received at the first point of contact. Measured by annual customer satisfaction survey and quality monitoring.  |
| <b>Finance</b><br>Reporting  | Provide financial reports to Council meetings to enable timely decisions to be made.   | Financial reports included in Council meeting agendas for every meeting .   |
| <b>Finance</b><br>Revenue collection and management  | Collect rates revenue for Council and manage funds to ensure availability for Council requirements.  | Issue rates invoices by no later than twenty calendar days prior to invoice due date every quarter .  |
|  |  | Ensure collection procedures followed to maximise prompt payments.  |
|  |  | Quarterly debtors reports provided to Council.  |
| <b>Finance</b><br>Payments management  | Ensure that staff and suppliers are paid on a timely basis to ensure continuity of Council operations  | Process payroll fortnightly and creditors payments no later than the 20th of the following month - to ensure timely payment.  |

## Major projects 2022/23

**Hardware replacement:** This includes the installation of new wireless access points in community facilities, replacement of digital equipment for staff, installation of team headsets, installation of safety cameras.

**Projects:** Update aerial imagery for geospatial platforms, GoGet services migration and SIMPLi integrations, automating processes to improve efficiency of online services and reduce wasted time.

**Software and software development:** website development, App development linked to all platforms and Council ERP system upgrade to Cloud solution. The upgrade to the Cloud is important as it will provide the foundation for future software projects and improvements in reporting.

Photo credit: Tonia Kraakman / Unsplash

## Capital projects 2022/23

| \$000  | 2022/23<br>Year 2 LTP | 2022/23<br>Annual Plan |
|--|-----------------------|------------------------|
| <b>Total capital works</b>                       | <b>131</b>            | <b>295</b>             |
| Communications projects                          | 11                    | 18                     |
| Network infrastructure                           | 38                    | 77                     |
| Computer software                                | 0                     | 8                      |
| Laserfiche upgrade to cloud                      | 0                     | 25                     |
| Public wifi – Fairlie and Tekapo village centres | 0                     | 25                     |
| Trailer - mobile unit / office                   | 0                     | 60                     |
| Vehicle replacement                              | 82                    | 82                     |

# Governance and Corporate Services - Funding Impact Statement for 2022/23

| \$000  | Long Term<br>Plan Budget<br>2021/2022 | Long Term<br>Plan Forecast<br>2022/23 | Annual Plan<br>Budget<br>2022/23 |
|--|---------------------------------------|---------------------------------------|----------------------------------|
| <b>Sources of Operating Funding</b>                                      |                                       |                                       |                                  |
| General rates, uniform annual general charges, rates penalties           | 4,282                                 | 4,777                                 | 4,875                            |
| Targeted rates   | 34                                    | 34                                    | 35                               |
| Subsidies and grants for operating purposes                              | -                                     | -                                     | -                                |
| Fees and charges   | 167                                   | 172                                   | 61                               |
| Internal charges and overheads recovered                                 | 836                                   | 894                                   | 937                              |
| Local authorities fuel tax, fines, infringement fees, and other receipts | 374                                   | 383                                   | 735                              |
| <b>Total Operating Funding</b>   | <b>5,693</b>                          | <b>6,260</b>                          | <b>6,643</b>                     |
| <b>Applications of Operating Funding</b>                                 |                                       |                                       |                                  |
| Payments to staff and suppliers  | 6,160                                 | 6,526                                 | 6,754                            |
| Finance costs  | 4                                     | 18                                    | 2                                |
| Internal charges and overheads applied                                   | (758)                                 | (612)                                 | (390)                            |
| Other operating funding applications                                     | -                                     | -                                     | -                                |
| <b>Total Applications of Operating Funding</b>                           | <b>5,406</b>                          | <b>5,932</b>                          | <b>6,366</b>                     |
| <b>Surplus (Deficit) if Operating Funding</b>                            | <b>287</b>                            | <b>328</b>                            | <b>277</b>                       |
| <b>Sources of Capital Funding</b>  |                                       |                                       |                                  |
| Subsidies and grants for capital expenditure                             | -                                     | -                                     | -                                |
| Development and financial contributions                                  | -                                     | -                                     | -                                |
| Increase (decrease) in debt  | 1,037                                 | (15)                                  | (6)                              |
| Gross proceeds from sale of assets                                       | -                                     | -                                     | -                                |
| Lump sum contributions   | -                                     | -                                     | -                                |
| Other dedicated capital funding  | -                                     | -                                     | -                                |
| <b>Total Sources of Capital Funding</b>                                  | <b>1,037</b>                          | <b>(15)</b>                           | <b>(6)</b>                       |
| <b>Applications of Capital Funding</b>                                   |                                       |                                       |                                  |
| Capital expenditure  |                                       |                                       |                                  |
| - to meet additional demand  |                                       | -                                     | -                                |
| - to improve the level of service  | 116                                   | 11                                    | 134                              |
| - to replace existing assets   | 1,170                                 | 173                                   | 242                              |
| Increase (decrease) in reserves  | 39                                    | 129                                   | (105)                            |
| Increase (decrease) in investment  | -                                     | -                                     | -                                |
| <b>Total Applications of Capital Funding</b>                             | <b>1,325</b>                          | <b>313</b>                            | <b>271</b>                       |
| <b>Surplus (Deficit) of Capital Funding</b>                              | <b>(287)</b>                          | <b>(328)</b>                          | <b>(277)</b>                     |
| <b>FUNDING BALANCE</b>   | <b>-</b>                              | <b>-</b>                              | <b>-</b>                         |



# Three Waters

Safe and sufficient drinking water, and the appropriate collection and treatment of wastewater and stormwater are essential for the health and well-being of our communities.

## This activity includes:

### Water Supply

Urban drinking water supply

Rural stock water supply

### Wastewater

Wastewater collection, treatment and disposal

### Stormwater

Collection, treatment and disposal of urban stormwater

## What we do

Our three waters activities are core functions of Council under the Local Government Act 2002.

### Water supply

Council maintains and manages the treatment and distribution of water with community water supplies in the townships of Twizel (including Pukaki Airport), Tekapo, Fairlie and Burkes Pass and runs rural scheme at Allandale. Council also manages two public stock water race systems within the district being Ashwick Opuha and School Road.

Management of the Albury water supply is undertaken by the Albury Rural Water Supply Society Inc. under a formal agreement with the Council. Management of a small, piped stock water scheme, Kimbell Rural, is carried out by consumers.

### Wastewater

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

There are community wastewater systems in the townships of Twizel, Tekapo, Fairlie and Burkes Pass. In each case, effluent is collected and treated by way of an oxidation pond system and then discharged to ground.

### Stormwater

The stormwater network provides drainage away from the road corridor and homes to minimise the incidence of flooding.

Council manages stormwater networks in Twizel, Tekapo and Fairlie. Each of these schemes are subject to consent conditions imposed by Environment Canterbury Regional Council (ECAN). Our networks discharge to ground or to water after flowing through some form of treatment such as a swale or larger vegetated treatment area.

The stormwater network does not include the drainage control assets consisting of kerb and channel, surface water channels, catch pits, soak pits, side drains, and culverts less than 3.4m<sup>2</sup> cross sectional area. These are included in roading assets.



## Our performance measures

| What you can expect from us   | What we will measure   | Targets: 2022/23          |
|---|--|---------------------------|
| <b>Water supply</b>   |  |                           |
| Provide safe drinking water.  | Compliance with Drinking Water Standards (part 4) – Bacterial Compliance*  | ≥ 95%                     |
|   | Compliance with Drinking Water Standards (part 5) – Protozoal Compliance <sup>1*</sup>   | 2 of 5 supplies compliant |
| Maintain excellent water supply network services.   | The percentage of real water loss from the networked reticulation system*  | ≤ 25%                     |
| Maintain excellent customer services  | The median response times to attend a call-out in response to a fault or unplanned interruption to the network reticulation system:* |                           |
|   | a) attendance for urgent call- outs  | ≤ 2h                      |
|   | b) resolution of urgent call-outs  | ≤ 12h                     |
|   | c) attendance for non-urgent call-outs   | ≤ 72h                     |
|   | d) resolution of non-urgent call- outs   | ≤ 120h                    |
|   | The total number of complaints received about any of the following:*   |                           |
| a) drinking water clarity<br>b) drinking water taste<br>c) drinking water odour<br>d) drinking water pressure or flow<br>e) continuity of supply<br>f) MDC response to any of the above | ≤ 5 per 1,000 connected properties   |                           |
|   | The percentage of ratepayers satisfied with the water supply service   | ≥ 80%                     |
| Provide demand management of water supply services  | Average consumption of drinking water per day per resident with the district*  | ≤ 1.2m3                   |

<sup>1</sup>This measures the water quality of Tekapo, Twizel, Fairlie, Allendale and Albury water supplies. It is expected that Twizel and Tekapo will be compliant by 2022/23 and Fairlie will be compliant by 2024/25. There is the potential for Allendale to be compliant within this LTP period if it is found that it is feasible to connect it to Fairlie. Albury will not be compliant. Council is currently working on understanding the status of the Albury Rural water supply.

\* Mandatory Performance Measure

Attendance time: from the time that the Council receives notification to the time that the service personnel reach the site.

Resolution time: from the time that the Council receives notification to the time that service personnel confirm resolution of the fault or interruption

| What you can expect from us   | What we will measure  | Targets: 2022/23                    |
|---|---|-------------------------------------|
| <b>Wastewater</b>   |   |                                     |
| Maintain excellent sewer network services                                 | The number of dry weather sewerage overflows from Council's sewerage system, expressed per 1,000 sewerage connections to that sewerage system*                            | ≤ 2 per 1,000 connected properties  |
| Wastewater is discharged in a safe manner                                 | Compliance with the Council's resource consents for discharge from its sewerage system measured by the number of:   |                                     |
|   | a) Data within the annual compliance reports  | Compliant                           |
|   | b) The number of abatement notices  | Nil                                 |
|   | c) The number of infringement notices   | Nil                                 |
|   | d) The number of enforcement orders   | Nil                                 |
|   | e) The number of convictions  | Nil                                 |
| Maintain excellent customer services                                      | Where the Council attends to sewerage overflows resulting from a blockage or other fault in the Council's sewerage system, the following median response times measured:* |                                     |
|   | a) attendance time  | ≤ 1h                                |
|   | b) resolution time  | ≤ 4h                                |
|   | The total number of complaints received about any of the following:*  |                                     |
|   | a) sewage odour<br>b) sewerage system faults<br>c) sewerage system blockages, and<br>d) MDC response to issues with its wastewater system.                                | ≤ 50 per 1,000 connected properties |
|   | Satisfaction with wastewater treatment and disposal service.  | ≥ 85%                               |
|   |   |                                     |
| <b>What you can expect from us</b>  |   |                                     |
| <b>What we will measure</b>   |   |                                     |
| <b>Targets: 2022/23</b>   |   |                                     |
| <b>Stormwater</b>   |   |                                     |
| Maintain excellent network services                                       | The number of flooding events in the Mackenzie district*  | ≤ 2                                 |
|   | For each flooding event, the number of habitable floors affected*   | ≤ 2 per 1,000 connected properties  |
| Stormwater services managed according to required environmental standards | Compliance with the Council's resource consents for discharge from its stormwater system, measured by the number of:*   |                                     |
|   | a) abatement notices  | Nil                                 |
|   | b) infringement notices   | Nil                                 |
|   | c) enforcement orders   | Nil                                 |
|   | d) convictions  | Nil                                 |
| Maintain excellent customer services                                      | The median response time to attend a flooding event*  | ≤ 2h                                |
|   | The total number of complaints received about the performance of the stormwater system*   | ≤ 5 per 1,000 connected properties  |
|   | The percentage of ratepayers satisfied with the stormwater service  | ≥ 80%                               |

# Major projects 2022/23

## Water supply

- **Water Metering:** Commence the installation of electronic water metering of properties connected to urban water supplies, beginning in Twizel to monitor consumption and improve water conservation.
- **Fairlie water supply upgrade:** Complete the design and tender stage of the upgrade of Fairlie’s water supply to meet New Zealand Drinking Water Standards within the 2022/23 year. The full project outlined in the 2021-2031 LTP involves the construction of a new plant capable of managing the current source water quality fluctuations. The upgrade also involves the construction of two new supply reservoirs. This project is scheduled for completion by June 2024.
- **Water Safety Plans:** During 2022/23 Council will begin delivering on the projects identified within the recently completed water safety plans. This will involve a range of initiatives including backflow prevention, catchment controls, quality control on sampling regimes, and equipment upgrades.

## Wastewater

- **Lake Tekapo/Takapō upgrades – Wastewater treatment plant:** An upgrade of the wastewater treatment plant is required to cater for growth in tourism and include the Station Bay subdivision. This is likely to include the establishment of a new treatment plant, a new discharge site, additional storage and pump replacements. Community Consultation on options will be followed by final site selection and design.
- **Pipe replacement programme:** Recent CCTV investigations to detect leaks have confirmed priorities for our ongoing pipe replacement programme.
- **Compliance with Discharge Consents:** Work at all Wastewater Treatment Plants is ongoing with new inlet works programmed for Twizel, Fairlie and Tekapo. This will help to ensure compliance with Resource Consents as well as slow down the build-up of inert materials in the bottom of the recently desludged sewage treatment ponds.

## Stormwater

- **Stormwater reticulation upgrade:** The design and construction of upgraded reticulation for Alloway Street in Fairlie

# Capital projects 2022/23

## Water supply

| \$000   | 2022/23<br>Year 2 LTP | 2022/23<br>Annual Plan |
|---|-----------------------|------------------------|
| <b>Total capital works</b>                    | <b>5,699</b>          | <b>6,875</b>           |
| Urban water - service connections - new       | 104                   | 104                    |
| Urban water - reticulations                   | 621                   | 621                    |
| Urban water - Twizel water meter installation | 0                     | 1,000                  |
| Urban water - treatment - new                 | 4,919                 | 4,919                  |
| Urban water - backflow                        | 0                     | 50                     |
| Urban water - source water protection         | 0                     | 25                     |
| Urban water - water safety plans upgrades     | 0                     | 10                     |
| Downlands water - reticulation                | 25                    | 118                    |
| Downlands water - renewals                    | 30                    | 28                     |

## Wastewater

| \$000                                       | 2022/23<br>Year 2 LTP | 2022/23<br>Annual Plan |
|---|-----------------------|------------------------|
| <b>Total capital works</b>                  | <b>777</b>            | <b>1,427</b>           |
| Treatment - new                             | 518                   | 518                    |
| Sewer reticulation – new                    | 259                   | 259                    |
| Inlet screens – Fairlie, Tekapo, Twizel     | 0                     | 600                    |
| Aerator – Tekapo wastewater treatment plant | 0                     | 50                     |

## Stormwater

| \$000                      | 2022/23<br>Year 2 LTP | 2022/23<br>Annual Plan |
|----------------------------|-----------------------|------------------------|
| <b>Total capital works</b> | <b>414</b>            | <b>414</b>             |
| Reticulation               | 414                   | 414                    |

Photo credit: Sebastien Goldberg / Unsplash



# Water Supply - Funding Impact Statement for 2022/23

| \$000  | Long Term<br>Plan Budget<br>2021/2022 | Long Term<br>Plan Forecast<br>2022/23 | Annual Plan<br>Budget<br>2022/23 |
|--|---------------------------------------|---------------------------------------|----------------------------------|
| <b>Sources of Operating Funding</b>                                      |                                       |                                       |                                  |
| General rates, uniform annual general charges, rates penalties           | -                                     | -                                     | -                                |
| Targeted rates   | 1,461                                 | 1,870                                 | 1,841                            |
| Subsidies and grants for operating purposes                              | 535                                   | -                                     | -                                |
| Fees and charges   | 120                                   | 124                                   | 124                              |
| Internal charges and overheads recovered                                 | 5                                     | 5                                     | 5                                |
| Local authorities fuel tax, fines, infringement fees, and other receipts | 26                                    | 32                                    | 1                                |
| <b>Total Operating Funding</b>   | <b>2,147</b>                          | <b>2,031</b>                          | <b>1,965</b>                     |
| <b>Applications of Operating Funding</b>                                 |                                       |                                       |                                  |
| Payments to staff and suppliers  | 1,344                                 | 866                                   | 923                              |
| Finance costs  | 39                                    | 169                                   | 104                              |
| Internal charges and overheads applied                                   | 49                                    | 54                                    | 54                               |
| Other operating funding applications                                     | -                                     | -                                     | -                                |
| <b>Total Applications of Operating Funding</b>                           | <b>1,432</b>                          | <b>1,089</b>                          | <b>1,081</b>                     |
| <b>Surplus (Deficit) if Operating Funding</b>                            | <b>715</b>                            | <b>942</b>                            | <b>884</b>                       |
| <b>Sources of Capital Funding</b>  |                                       |                                       |                                  |
| Subsidies and grants for capital expenditure                             | 498                                   | -                                     | -                                |
| Development and financial contributions                                  | 707                                   | 1,028                                 | 1,028                            |
| Increase (decrease) in debt  | 8,424                                 | 3,763                                 | 4,705                            |
| Gross proceeds from sale of assets                                       | -                                     | -                                     | -                                |
| Lump sum contributions   | -                                     | -                                     | -                                |
| Other dedicated capital funding  | -                                     | -                                     | -                                |
| <b>Total Sources of Capital Funding</b>                                  | <b>9,629</b>                          | <b>4,791</b>                          | <b>5,733</b>                     |
| <b>Applications of Capital Funding</b>                                   |                                       |                                       |                                  |
| Capital expenditure  |                                       |                                       |                                  |
| - to meet additional demand  | 174                                   | 25                                    | 1,000                            |
| - to improve the level of service  | 11,418                                | 5,540                                 | 5,751                            |
| - to replace existing assets   | 292                                   | 134                                   | 128                              |
| Increase (decrease) in reserves  | (1,539)                               | 34                                    | (262)                            |
| Increase (decrease) in investment  | -                                     | -                                     | -                                |
| <b>Total Applications of Capital Funding</b>                             | <b>10,345</b>                         | <b>5,733</b>                          | <b>6,617</b>                     |
| <b>Surplus (Deficit) of Capital Funding</b>                              | <b>(715)</b>                          | <b>(942)</b>                          | <b>(884)</b>                     |
| <b>FUNDING BALANCE</b>   | <b>-</b>                              | <b>-</b>                              | <b>-</b>                         |

# Wastewater - Funding Impact Statement for 2022/23

| \$000  | Long Term<br>Plan Budget<br>2021/2022 | Long Term<br>Plan Forecast<br>2022/23 | Annual Plan<br>Budget<br>2022/23 |
|--|---------------------------------------|---------------------------------------|----------------------------------|
| <b>Sources of Operating Funding</b>                                      |                                       |                                       |                                  |
| General rates, uniform annual general charges, rates penalties           | -                                     | -                                     | -                                |
| Targeted rates   | 879                                   | 1,052                                 | 828                              |
| Subsidies and grants for operating purposes                              | 1,661                                 | -                                     | -                                |
| Fees and charges   | -                                     | -                                     | -                                |
| Internal charges and overheads recovered                                 | -                                     | -                                     | -                                |
| Local authorities fuel tax, fines, infringement fees, and other receipts | 20                                    | 21                                    | 21                               |
| <b>Total Operating Funding</b>   | <b>2,560</b>                          | <b>1,073</b>                          | <b>849</b>                       |
| <b>Applications of Operating Funding</b>                                 |                                       |                                       |                                  |
| Payments to staff and suppliers  | 2,060                                 | 816                                   | 594                              |
| Finance costs  | -                                     | 1                                     | -                                |
| Internal charges and overheads applied                                   | 28                                    | 30                                    | 30                               |
| Other operating funding applications                                     | -                                     | -                                     | -                                |
| <b>Total Applications of Operating Funding</b>                           | <b>2,088</b>                          | <b>847</b>                            | <b>624</b>                       |
| <b>Surplus (Deficit) if Operating Funding</b>                            | <b>472</b>                            | <b>226</b>                            | <b>225</b>                       |
| <b>Sources of Capital Funding</b>  |                                       |                                       |                                  |
| Subsidies and grants for capital expenditure                             | 1,519                                 | -                                     | -                                |
| Development and financial contributions                                  | 559                                   | 650                                   | 650                              |
| Increase (decrease) in debt  | (10)                                  | 290                                   | (10)                             |
| Gross proceeds from sale of assets                                       | -                                     | -                                     | -                                |
| Lump sum contributions   | -                                     | -                                     | -                                |
| Other dedicated capital funding  | -                                     | -                                     | -                                |
| <b>Total Sources of Capital Funding</b>                                  | <b>2,068</b>                          | <b>940</b>                            | <b>640</b>                       |
| <b>Applications of Capital Funding</b>                                   |                                       |                                       |                                  |
| Capital expenditure  |                                       |                                       |                                  |
| - to meet additional demand  | 1,303                                 | 518                                   | -                                |
| - to improve the level of service  | 1,116                                 | 259                                   | 1,426                            |
| - to replace existing assets   | -                                     | -                                     | -                                |
| Increase (decrease) in reserves  | 122                                   | 389                                   | (561)                            |
| Increase (decrease) in investment  | -                                     | -                                     | -                                |
| <b>Total Applications of Capital Funding</b>                             | <b>2,541</b>                          | <b>1,166</b>                          | <b>865</b>                       |
| <b>Surplus (Deficit) of Capital Funding</b>                              | <b>(472)</b>                          | <b>(226)</b>                          | <b>(225)</b>                     |
| <b>FUNDING BALANCE</b>   | <b>-</b>                              | <b>-</b>                              | <b>-</b>                         |



# Stormwater - Funding Impact Statement for 2022/23

| \$000  | Long Term<br>Plan Budget<br>2021/2022 | Long Term<br>Plan Forecast<br>2022/23 | Annual Plan<br>Budget<br>2022/23 |
|--|---------------------------------------|---------------------------------------|----------------------------------|
| <b>Sources of Operating Funding</b>                                      |                                       |                                       |                                  |
| General rates, uniform annual general charges, rates penalties           | -                                     | -                                     | -                                |
| Targeted rates   | 107                                   | 172                                   | 163                              |
| Subsidies and grants for operating purposes                              | 15                                    | -                                     | -                                |
| Fees and charges   | -                                     | -                                     | -                                |
| Internal charges and overheads recovered                                 | -                                     | -                                     | -                                |
| Local authorities fuel tax, fines, infringement fees, and other receipts | -                                     | -                                     | -                                |
| <b>Total Operating Funding</b>   | <b>122</b>                            | <b>172</b>                            | <b>163</b>                       |
| <b>Applications of Operating Funding</b>                                 |                                       |                                       |                                  |
| Payments to staff and suppliers  | 55                                    | 92                                    | 95                               |
| Finance costs  | -                                     | -                                     | -                                |
| Internal charges and overheads applied                                   | 4                                     | 4                                     | 4                                |
| Other operating funding applications                                     | -                                     | -                                     | -                                |
| <b>Total Applications of Operating Funding</b>                           | <b>59</b>                             | <b>96</b>                             | <b>99</b>                        |
| <b>Surplus (Deficit) if Operating Funding</b>                            | <b>63</b>                             | <b>76</b>                             | <b>64</b>                        |
| <b>Sources of Capital Funding</b>  |                                       |                                       |                                  |
| Subsidies and grants for capital expenditure                             | 60                                    | -                                     | -                                |
| Development and financial contributions                                  | 157                                   | 182                                   | 182                              |
| Increase (decrease) in debt  | -                                     | -                                     | -                                |
| Gross proceeds from sale of assets                                       | -                                     | -                                     | -                                |
| Lump sum contributions   | -                                     | -                                     | -                                |
| Other dedicated capital funding  | -                                     | -                                     | -                                |
| <b>Total Sources of Capital Funding</b>                                  | <b>217</b>                            | <b>182</b>                            | <b>182</b>                       |
| <b>Applications of Capital Funding</b>                                   |                                       |                                       |                                  |
| Capital expenditure  |                                       |                                       |                                  |
| - to meet additional demand  | -                                     | -                                     | -                                |
| - to improve the level of service  | 410                                   | 414                                   | 414                              |
| - to replace existing assets   | -                                     | -                                     | -                                |
| Increase (decrease) in reserves  | (129)                                 | (156)                                 | (169)                            |
| Increase (decrease) in investment  | -                                     | -                                     | -                                |
| <b>Total Applications of Capital Funding</b>                             | <b>281</b>                            | <b>258</b>                            | <b>245</b>                       |
| <b>Surplus (Deficit) of Capital Funding</b>                              | <b>(63)</b>                           | <b>(76)</b>                           | <b>(64)</b>                      |
| <b>FUNDING BALANCE</b>   | <b>-</b>                              | <b>-</b>                              | <b>-</b>                         |



# Transportation

**This activity includes:**

**Local road network (excluding State Highways and Aoraki Mt Cook)**  
**Bridges**

**Streetlighting**  
**Signage**  
**Road safety**  
**Parking**

**Footpaths**  
**Cycleways, including Alps 2 Ocean Cycleway**

## What we do

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

The transportation activity is concerned with provision of the land transport network and associated assets and services throughout the district. It delivers both asset (such as roads, signs, and infrastructure) and non-asset functions (such as temporary traffic management and road safety initiatives).

Council currently manages over 730km of roads (71% unsealed), 97 bridges, 69km of footpath, drainage facilities (e.g. soak pits, culverts), signs, carparks, kerb and channel, 1,251 street lights, cycleways (including the Alps 2 Ocean Trail), and road marking. Overall management of the assets is provided by the Council, with operational work carried out by contractors.

Passive transport (walking and cycling) is a key part of our transportation activity. We provide many cycleways and walkways throughout the district. These range from footpaths and cycleways in the road corridor, to cycleways that are off-road, such as the Alps 2 Ocean Trail.

The Alps to Ocean cycle trail is 312km long beginning in the Southern Alps at Aoraki Mt Cook National Park, descending 780m through the Mackenzie basin down the Waitaki Valley to Oamaru with multiple access points and options to begin or end the ride or to ride only local sections. The route has been carefully selected to avoid major river crossings and utilises existing dam and bridge structures. The route utilises a combination of on road low volume roads and off-road shared use paths.

Photo credit: Aston Yao / Unsplash



## Our performance measures

| What you can expect from us   | What we will measure  | Targets: 2022/23  |
|---|---|---|
| Provide safe, smooth, quality sealed roads to reduce travel times and vehicle wear. | The average quality of ride on a sealed local road network, measured by smooth travel exposure:*  |   |
|   | a) rural roads  | ≥ 90%   |
|   | b) urban roads  | ≥ 75%   |
|   | The percentage of the sealed local road network that is resurfaced*   | ≥ 4%  |
|   | The percentage of the unsealed road network renewed using wearing course and stabilisation techniques   | ≥ 2%  |
|   | The percentage of road users are satisfied with the roading network   | ≥ 85%   |
| Provide a safe and efficient roading network.                                       | The change from the previous year in number of fatalities and serious crashes on the local road network, expressed as a number*                           | 0<br>(0 change equates to ≤2 fatality and serious injury crashes) |
|   | The number of death and serious injuries recorded for the financial year on local roads under control of the Mackenzie District Council.                  | < 1<br>(In line with the Road to Zero vision)                     |
|   | The number of reported crashes on local roads under control of the Mackenzie District Council.  | ≤ 10  |
|   | The percentage of customer service requests relating to roads and footpaths to which Council responds within ten working days.*                           | ≥ 75%   |
| Maintain footpaths in good condition, fit for purpose.                              | The percentage of footpaths that are at or above the 'average condition rating'.* Condition rating will be undertaken at not less than 5 years frequency. | ≥ 75%   |

\*Mandatory Performance Measure

## Major projects 2022/23

- **Low Cost, Low Risk Projects:** This includes safety focused projects like site benching, seal widening, traction seals, speed management, travel management demand measures, kerb and channel improvements and intersection improvements.
- **Unseal road metalling:** Road metalling will continue particularly on high risk and high trafficked road like Lilybank and Braemar Road. An investigation will be undertaken in 2022/23 to assess the viability of seal extensions along these roads.
- **Upgrading of footpaths in the major urban centres:** Footpaths will be upgraded in all major towns in response to the increasing focus on active modes of travel and reducing carbon emissions
- **Ongoing sealed road resurfacing upgrades:** Resurfacing of sealed roads is programmed to respond to the need to improve the condition of sealed roads across the district.
- **Alps to Ocean upgrades.** Council has made provision to upgrade the Alps to Ocean cycle trail. It will use this provision to make more of the trail off road, improve safety and increase the attractiveness of the ride. Council provision, a carry forward from 2021/22, will be used when it can leverage at least the equivalent funding from other identities such as Waka Kotahi.

## Capital projects 2022/23

| \$000  | 2022/23<br>Year 2 LTP | 2022/23<br>Annual Plan |
|--|-----------------------|------------------------|
| <b>Total capital works</b>                       | <b>2,368</b>          | <b>2,371</b>           |
| Plant and equipment                              | 12                    | 12                     |
| Unsealed road metalling                          | 722                   | 722                    |
| Sealed road resurfacing                          | 516                   | 516                    |
| Drainage renewals                                | 93                    | 93                     |
| Sealed road pavement rehabilitations             | 134                   | 134                    |
| Structures component replacements – cattle stops | 31                    | 31                     |
| Bridge and structures – renewals                 | 54                    | 54                     |
| Environmental renewals                           | 25                    | 25                     |
| Footpath renewals                                | 217                   | 217                    |
| Streetlight LED upgrades                         | 12                    | 12                     |
| Low-cost-low-risk improvements                   | 464                   | 464                    |
| Traffic services renewals                        | 88                    | 91                     |

# Transportation - Funding Impact Statement for 2022/23

| \$000  | Long Term<br>Plan Budget<br>2021/2022 | Long Term<br>Plan Forecast<br>2022/23 | Annual Plan<br>Budget<br>2022/23 |
|--|---------------------------------------|---------------------------------------|----------------------------------|
| <b>Sources of Operating Funding</b>                                      |                                       |                                       |                                  |
| General rates, uniform annual general charges, rates penalties           | -                                     | -                                     | -                                |
| Targeted rates   | 1,105                                 | 1,426                                 | 1,655                            |
| Subsidies and grants for operating purposes                              | 943                                   | 970                                   | 1,120                            |
| Fees and charges   | -                                     | -                                     | -                                |
| Internal charges and overheads recovered                                 | -                                     | -                                     | 36                               |
| Local authorities fuel tax, fines, infringement fees, and other receipts | 95                                    | 98                                    | 97                               |
| <b>Total Operating Funding</b>   | <b>2,143</b>                          | <b>2,494</b>                          | <b>2,908</b>                     |
| <b>Applications of Operating Funding</b>                                 |                                       |                                       |                                  |
| Payments to staff and suppliers  | 1,854                                 | 1,896                                 | 2,323                            |
| Finance costs  | 9                                     | 37                                    | 24                               |
| Internal charges and overheads applied                                   | 35                                    | 36                                    | 30                               |
| Other operating funding applications                                     | -                                     | -                                     | -                                |
| <b>Total Applications of Operating Funding</b>                           | <b>1,898</b>                          | <b>1,969</b>                          | <b>2,377</b>                     |
| <b>Surplus (Deficit) if Operating Funding</b>                            | <b>245</b>                            | <b>525</b>                            | <b>531</b>                       |
| <b>Sources of Capital Funding</b>  |                                       |                                       |                                  |
| Subsidies and grants for capital expenditure                             | 1,826                                 | 1,188                                 | 1,229                            |
| Development and financial contributions                                  | -                                     | -                                     | -                                |
| Increase (decrease) in debt  | 2,030                                 | 656                                   | (70)                             |
| Gross proceeds from sale of assets                                       | -                                     | -                                     | -                                |
| Lump sum contributions   | -                                     | -                                     | -                                |
| Other dedicated capital funding  | -                                     | -                                     | -                                |
| <b>Total Sources of Capital Funding</b>                                  | <b>3,856</b>                          | <b>1,844</b>                          | <b>1,159</b>                     |
| <b>Applications of Capital Funding</b>                                   |                                       |                                       |                                  |
| Capital expenditure  |                                       |                                       |                                  |
| - to meet additional demand  | -                                     | -                                     | -                                |
| - to improve the level of service  | 1,792                                 | 476                                   | 476                              |
| - to replace existing assets   | 2,310                                 | 1,893                                 | 1,894                            |
| Increase (decrease) in reserves  | -                                     | -                                     | (680)                            |
| Increase (decrease) in investment  | -                                     | -                                     | -                                |
| <b>Total Applications of Capital Funding</b>                             | <b>4,102</b>                          | <b>2,369</b>                          | <b>1,690</b>                     |
| <b>Surplus (Deficit) of Capital Funding</b>                              | <b>(245)</b>                          | <b>(525)</b>                          | <b>(531)</b>                     |
| <b>FUNDING BALANCE</b>   | <b>-</b>                              | <b>-</b>                              | <b>-</b>                         |



# Regulatory Services

This activity includes:

**Resource management (the planning department)**

**Building control services**

**Animal control services**

**Public health and liquor licensing services**

It is important for the Council to undertake these activities in order to maintain a safe and healthy environment for the community.

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## What we do

The planning department is responsible for administering the Council's functions under the Resource Management Act 1991. The key planning document is the District Plan, which sets out the issues facing the district and then manages the effects of those issues by setting objectives, policies and rules to achieve the purpose of the Resource Management Act. The purpose of the Resource Management Act is to enable sustainable management of the district's natural and physical resources.

Other resource management functions of the planning department include:

- Resource consents processing
- Processing plan changes
- Monitoring and enforcement of resource consents and activities permitted by the District Plan
- Review of the District Plan

The planning department is also responsible for regulatory policy and bylaw development and monitoring, including bylaw and policy development in relation to the Health Act 1956, Dog Control Act 1996, Sale and Supply of Alcohol 2012 and Freedom Camping Act 2011.

The Council is also an accredited Building Consent Authority. Council's building control department is responsible for administering the Council's functions under the Building Act 2004. This involves processing building consent applications, monitoring the construction of buildings, and issuing code compliance certificates upon the completion of building work. The building control team also undertake TA building services which includes:

- Building Warrant of Fitness
- Certificates of acceptance
- Pool fencing compliance
- Earthquake prone buildings compliance
- Dangerous and insanitary buildings
- Notices to fix
- Land information memorandum

The Council has responsibilities under the Food Act 2014 to ensure that premises which prepare and sell food meet hygiene regulations and are inspected. The Council also has other responsibilities under the Sale and Supply of Alcohol Act 2012.



## Our performance measures

| What you can expect from us  | What we will measure  | Targets: 2022/23                                 |
|--|---|--|
| To efficiently manage environmental issues within the District.  | The percentage of those surveyed satisfied that the Council are adequately managing resource management issues in the District.     | ≥80%   |
| To provide a customer focused service for processing resource consents while achieving our obligations under the Resource Management Act 1991. | The percentage of non-notified consents which are processed within the 20 working day statutory timeframe.                          | ≥98% compliance.                                 |
|  | The percentage of resource consent applicants who are satisfied with the quality of the service they receive.                       | ≥50%   |
| To provide a customer focused building control service that achieves our obligations under the Building Act 2004.                              | The percentage of building consents granted within the 20 working day statutory timeframe from the date of acceptance.              | 100% compliance.                                 |
|  | The percentage of applicants for building consents who are satisfied with the quality of the service they receive.                  | ≥70%   |
|  | Building Consent Authority status is maintained.  | Building Consent Authority status is maintained. |
|  | The percentage of Code of Compliance Certificates issued within the 20 working day statutory timeframe from the date of acceptance. | 100% compliance                                  |
| LIMS   | The percentage of LIMS which are processed within the 10 working day statutory timeframe.   | ≥85% compliance.                                 |
| To provide a safe environment for dogs and the public to co-exist.   | The percentage of those surveyed who believe the Council is adequately managing dog control issues in the District.                 | ≥80%   |
| To issue annual Building Warrant of Fitness Certificates that ensure public safety and confidence.   | The percentage of Building Warrant of Fitness Certificates audited on an annual basis.  | 20%  |
| To maintain an up-to-date register of earthquake prone buildings in Mackenzie District.  | The % of earthquake prone building assessments received prior to 28 March 2023  | 92.5%  |
|  | The % of outstanding assessments issued with a follow up notice by 31 May 2023  | 100%   |

## Major projects 2022/23

District Plan Review: Council will continue its rolling review of the District plan with 4 stages scheduled for public consultation during the year as follows.

- **Initial chapters including Takata Whenua and Strategic Direction**
- **Enabling the Spatial Plans – all relevant urban zones (capture visitor accommodation)**
- **Rural zone provisions and subdivision (including rural lifestyle/rural residential, and some precincts)**
- **East Mackenzie landscape (including landscape overlays/precincts)**

It is proposed to work through the plan which, once complete, will achieve a fully replaced district plan in the National Planning Standard format.

## Capital projects 2022/23

| <b>\$000</b>               | <b>2022/23<br/>Year 2 LTP</b> | <b>2022/23<br/>Annual Plan</b> |
|----------------------------|-------------------------------|--------------------------------|
| <b>Total capital works</b> | <b>410</b>                    | <b>50</b>                      |
| Animal control             | 410                           | 50                             |



Photo credit: Naseem Buras / Unsplash

# Regulatory Services - Funding Impact Statement for 2022/23

| \$000  | Long Term<br>Plan Budget<br>2021/2022 | Long Term<br>Plan Forecast<br>2022/23 | Annual Plan<br>Budget<br>2022/23 |
|--|---------------------------------------|---------------------------------------|----------------------------------|
| <b>Sources of Operating Funding</b>                                      |                                       |                                       |                                  |
| General rates, uniform annual general charges, rates penalties           | 834                                   | 1,114                                 | 788                              |
| Targeted rates   | -                                     | -                                     | -                                |
| Subsidies and grants for operating purposes                              | 300                                   | 308                                   | 100                              |
| Fees and charges   | 1,328                                 | 1,405                                 | 1,460                            |
| Internal charges and overheads recovered                                 | -                                     | -                                     | -                                |
| Local authorities fuel tax, fines, infringement fees, and other receipts | (20)                                  | (21)                                  | (3)                              |
| <b>Total Operating Funding</b>   | <b>2,442</b>                          | <b>2,806</b>                          | <b>2,345</b>                     |
| <b>Applications of Operating Funding</b>                                 |                                       |                                       |                                  |
| Payments to staff and suppliers  | 3,827                                 | 3,419                                 | 3,142                            |
| Finance costs  | 6                                     | 28                                    | 59                               |
| Internal charges and overheads applied                                   | (10)                                  | (17)                                  | (29)                             |
| Other operating funding applications                                     | -                                     | -                                     | -                                |
| <b>Total Applications of Operating Funding</b>                           | <b>3,823</b>                          | <b>3,430</b>                          | <b>3,172</b>                     |
| <b>Surplus (Deficit) if Operating Funding</b>                            | <b>(1,381)</b>                        | <b>(624)</b>                          | <b>(827)</b>                     |
| <b>Sources of Capital Funding</b>  |                                       |                                       |                                  |
| Subsidies and grants for capital expenditure                             | -                                     | -                                     | -                                |
| Development and financial contributions                                  | 250                                   | 256                                   | 250                              |
| Increase (decrease) in debt  | 1,406                                 | 1,034                                 | 620                              |
| Gross proceeds from sale of assets                                       | -                                     | -                                     | -                                |
| Lump sum contributions   | -                                     | -                                     | -                                |
| Other dedicated capital funding  | -                                     | -                                     | -                                |
| <b>Total Sources of Capital Funding</b>                                  | <b>1,656</b>                          | <b>1,290</b>                          | <b>870</b>                       |
| <b>Applications of Capital Funding</b>                                   |                                       |                                       |                                  |
| Capital expenditure  |                                       |                                       |                                  |
| - to meet additional demand  | -                                     | -                                     | -                                |
| - to improve the level of service  | 50                                    | 410                                   | 50                               |
| - to replace existing assets   | -                                     | -                                     | -                                |
| Increase (decrease) in reserves  | 226                                   | 256                                   | (7)                              |
| Increase (decrease) in investment  | -                                     | -                                     | -                                |
| <b>Total Applications of Capital Funding</b>                             | <b>276</b>                            | <b>666</b>                            | <b>43</b>                        |
| <b>Surplus (Deficit) of Capital Funding</b>                              | <b>1,381</b>                          | <b>624</b>                            | <b>827</b>                       |
| <b>FUNDING BALANCE</b>   | <b>-</b>                              | <b>-</b>                              | <b>-</b>                         |



# Emergency Management

**This activity is delivered by the recognised process of comprehensive emergency management which utilises the 4 R's: Reduction, Readiness, Response and Recovery. While all these activities are equally important, our communities and governance often measure success by our response activities.**

Our vision for CDEM is “that individuals, whanau and businesses understand our hazards and can identify opportunities to respond and recover from the impacts of that hazard”.

## What we do

The Mackenzie District Council is a member of the Canterbury Civil Defence Emergency Management (CDEM) Group established under the Civil Defence Emergency Management Act 2002 (CDEM Act). CDEM Group member Councils work together to identify Canterbury's hazards so that communities can understand them and informed decisions can be made about acceptable levels of risk. Arrangements for managing emergencies in a coordinated, multi-agency manner are specified in the Canterbury CDEM group plan. The Mackenzie District Council works with our communities and partner agencies to ensure that we plan for all potential events that could impact on this district. The way we do this is by comprehensive emergency management aligned with the 4 R's: Reduction, Readiness, Response, and Recovery. There are a number of key components of our CDEM activity:

- **Duty Officer:** Council needs to maintain a CDEM Duty Officer to monitor alerting systems and to be available to respond at short notice.
- **Emergency Operations Centre:** Council is required to identify a location for the Emergency Operations Centre (EOC) which will be suitably equipped to allow council to monitor or coordinate the response to an emergency event.
- **Operational activities:** Emergency management is required to maintain operational readiness, to respond to events within the district, or to deploy to other CDEM or partner agency responses within New Zealand.
- **CDEM Equipment:** We maintain CDEM equipment to enable a timely response and ensure that staff are trained to operate this equipment.
- **Response Planning:** A number of planning activities are completed to ensure operational readiness.
- **Public Education:** Communities are educated and informed via numerous methods to help them understand the hazard scape of our district and how they can be more prepared for an emergency.
- **Community Response Teams:** Volunteer teams need ongoing support in the form of training, PPE and other opportunities that develop over time.
- **An 88 KVA portable generator** was purchased to ensure our Civil Defence Centres (CDC), or any other essential buildings or assets can be powered.
- **Working with our Partner Agencies:** we work on creating, fostering, maintaining and building on relationships locally, regionally and nationally.

## Our performance measures

| What you can expect from us  | What we will measure  | Targets: 2022/23              |
|--|---|-------------------------------|
| Increase community awareness and understanding of CDEM   | That the community understand the risks within the district.  | ≥80%                          |
| Increase community readiness   | Community resilience plans/ or response plans are created and reviewed in collaboration with the target community.                            | 1 new plan<br>1 reviewed plan |
|  | Presentations to community groups or interested parties on CDEM (topics include resilience, response, lessons learnt, community preparedness) | 5                             |
|  | That individuals or whanau feel they are prepared for an emergency.   | ≥80%                          |
|  | Continue to recruit and train volunteer CDEM Community Response Team members – training sessions  | 15                            |
| The organisation is prepared to respond to an emergency  | That council has 24/7 CDEM duty officer to monitor warning systems and be available to partner agencies                                       | 100%                          |
|  | That council staff are trained to a minimum of “EOC 2”  | 75%                           |
|  | An EOC exercise is conducted annually   | 1                             |
|  | That an alternative communication system is maintained and tested   | 48 tests conducted per annum  |
| The organisation will engage with community in risk reduction activities<br>Increase community awareness and understanding of CDEM | The organisation participates in risk reduction planning, modelling, or engaging scientific research  | 3                             |
|  | Specific risk/ hazard presentations or Public education campaign, new learnings or studies undertaken   | 1                             |

Photo credit: Sebastien Goldberg / Unsplash



## Major projects 2022/23

**Upgrade of key emergency equipment:** Canterbury CDEM Group has funded the roll-out and use of an EOC software package (D4H) across all Canterbury councils. D4H enables shared situational awareness across the entire region, and familiarity with EOC systems enabling sharing of staff resource across Canterbury. CDEM own 11 laptops for the exclusive use during emergencies within the EOC or for deployment to another EOC. Our replacement programme will see the replacement of two laptops each year, with each laptop having a five-year working life. Council will also purchase another three R/Ts, one per year (starting from 2023/24)

**Dedicated CDEM vehicle:** A dedicated vehicle allows CDEM to maintain a profile in the community and to carry equipment to aid a response. This includes the fit-out of a VHF radio with all the appropriate emergency channels.

**Equipping of an alternative EOC:** Recommended best practise is that an alternate EOC is identified in case the preferred location is unavailable due to damage or suitability. Once an alternative has been identified work to operationalise the building will include the fitting of a generator plug to the building and investigating any other pre-emptive work that is complimentary to the building owner.

**Upgrading and maintenance checks of district base radio sets:** There are 14 base radio sets and aerials strategically placed throughout the Mackenzie Basin. Two yearly maintenance checks are required by a Telecommunications technician to check for any faults or channel upgrades. There will be two monthly radio calls completed at each site.

## Capital projects 2022/23

| \$000  | 2022/23<br>Year 2 LTP | 2022/23<br>Annual Plan |
|--|-----------------------|------------------------|
| <b>Total capital works</b>                     | <b>24</b>             | <b>23</b>              |
| VHF R/T replacement                            | 6                     | 5                      |
| Alternate EOC kit out including generator plug | 18                    | 18                     |



Photo credit: Jade Grey / Unsplash



# Emergency Management - Funding Impact Statement for 2022/23

| \$000  | Long Term<br>Plan Budget<br>2021/2022 | Long Term<br>Plan Forecast<br>2022/23 | Annual Plan<br>Budget<br>2022/23 |
|--|---------------------------------------|---------------------------------------|----------------------------------|
| <b>Sources of Operating Funding</b>                                      |                                       |                                       |                                  |
| General rates, uniform annual general charges, rates penalties           | 59                                    | 69                                    | 145                              |
| Targeted rates   | -                                     | -                                     | -                                |
| Subsidies and grants for operating purposes                              | -                                     | -                                     | -                                |
| Fees and charges   | -                                     | -                                     | -                                |
| Internal charges and overheads recovered                                 | -                                     | -                                     | -                                |
| Local authorities fuel tax, fines, infringement fees, and other receipts | -                                     | -                                     | -                                |
| <b>Total Operating Funding</b>   | <b>59</b>                             | <b>69</b>                             | <b>145</b>                       |
| <b>Applications of Operating Funding</b>                                 |                                       |                                       |                                  |
| Payments to staff and suppliers  | 46                                    | 53                                    | 149                              |
| Finance costs  | -                                     | -                                     | -                                |
| Internal charges and overheads applied                                   | 6                                     | 8                                     | (12)                             |
| Other operating funding applications                                     | -                                     | -                                     | -                                |
| <b>Total Applications of Operating Funding</b>                           | <b>52</b>                             | <b>61</b>                             | <b>137</b>                       |
| <b>Surplus (Deficit) if Operating Funding</b>                            | <b>7</b>                              | <b>8</b>                              | <b>8</b>                         |
| <b>Sources of Capital Funding</b>  |                                       |                                       |                                  |
| Subsidies and grants for capital expenditure                             | -                                     | -                                     | -                                |
| Development and financial contributions                                  | -                                     | -                                     | -                                |
| Increase (decrease) in debt  | 22                                    | 16                                    | (1)                              |
| Gross proceeds from sale of assets                                       | -                                     | -                                     | -                                |
| Lump sum contributions   | -                                     | -                                     | -                                |
| Other dedicated capital funding  | -                                     | -                                     | -                                |
| <b>Total Sources of Capital Funding</b>                                  | <b>22</b>                             | <b>16</b>                             | <b>(1)</b>                       |
| <b>Applications of Capital Funding</b>                                   |                                       |                                       |                                  |
| Capital expenditure  |                                       |                                       |                                  |
| - to meet additional demand  | -                                     | -                                     | -                                |
| - to improve the level of service  | -                                     | -                                     | -                                |
| - to replace existing assets   | 30                                    | 24                                    | 23                               |
| Increase (decrease) in reserves  | -                                     | -                                     | (16)                             |
| Increase (decrease) in investment  | -                                     | -                                     | -                                |
| <b>Total Applications of Capital Funding</b>                             | <b>30</b>                             | <b>24</b>                             | <b>7</b>                         |
| <b>Surplus (Deficit) of Capital Funding</b>                              | <b>(7)</b>                            | <b>(8)</b>                            | <b>(8)</b>                       |
| <b>FUNDING BALANCE</b>   | <b>-</b>                              | <b>-</b>                              | <b>-</b>                         |



# Parks and Community Facilities

Mackenzie District Council provides public facilities, parks and reserves to meet the current and future needs of the community in a way that is sustainable in the long-term and complies with regulatory requirements.

## What we do

Specifically, the Parks and Community Facilities activities include the provision, management and future planning of the following assets and services:

- Parks and Open Spaces
- Swimming Pools
- Public Toilets
- Trees
- Community and Recreation Centres
- Civic and other “not for profit” buildings
- Cemeteries
- Streetscapes
- Trails
- Community Housing
- Playgrounds
- Responsible camping assets
- Funding applications for co-funded tourist assets

Council also provides a range of services including pensioner housing, grants to the Resource Centres in Fairlie and Twizel, administers and distributes grants from Sport New Zealand and Creative New Zealand and supports the medical centres in Fairlie and Twizel.



Photo credit: Eyrie Photography/ Unsplash

## Our performance measures

| What you can expect from us   | What we will measure  | Targets: 2022/23                                 |
|---|---|--|
| Township services and amenities are provided and maintained to an acceptable level                            | Average customer satisfaction rating for township services and amenities.*                      | ≥84%   |
| Parks and Community Facilities are operated effectively, efficiently, safely and meet the needs of the users. | Average customer satisfaction rating for Parks and Community Facilities.*                       | ≥90%   |
|   | Benchmarking of parks and open spaces operation and maintenance costs as measured by Yardstick  | Within 15% of peer group median cost per hectare |
|   | Monthly performance assessment of parks and public toilets operations and maintenance standards | ≥90%   |
|   | Recreation Aotearoa Pool Safe Accreditation   | Maintain Pool Safe accreditation                 |
|   | Average customer satisfaction rating for Swimming Pool Facilities.*                             | ≥85%   |
|   | No serious harm accidents on our playgrounds, parks, or facilities                              | Zero reported serious harm incidents             |
| A commitment to improve Parks and Public Amenities over time.   | Parks and public amenities management as measured by Yardstick** Best Practice score            | Annual satisfaction increase of 10%              |

\*Note that customer satisfaction is measure once a year by a Ratepayers Opinion Survey. This survey includes questions on customer satisfaction with cemeteries, libraries, community halls and buildings, town centres, parks, swimming pools and public toilets. The measure in the above table refers to the total combined average level of satisfaction across all towns and facilities.

\*\* Yardstick is a national benchmarking tool used to measure current park management performance and drive future improvements.

## Major projects 2022/23

**Twizel community centre:** Council plans to make improvements to the Twizel Community Centre, including the upgrading to current Building warrant of Fitness Standard including fire ratings, ventilation and water tightness. As funding allows, we will address issues such as the kitchen upgrades, cladding and structural upgrading. These works will be progressed over years 2 and 3 of the LTP.

**Mackenzie Community Centre:** The Fairlie Community Board has an improvement programme identified for upgrades to the Mackenzie Community Centre which includes modernisation of the kitchen and toilet facilities, and hall improvements to make the facility usable for a wider range of events. A budget of \$144,000 has been provided for this work which was planned to be spread over years 1 -3 of the LTP.

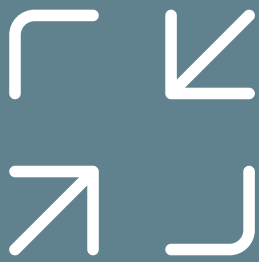
**Lake Tekapo Domain:** Work is underway to develop a master plan for the Tekapo waterfront that incorporates the upgrading and extension of walkways, facilities and proposed development to ensure that upcoming projects and existing amenities work together. This planning work together with the completion of the lakefront park will continue during 2022/23.

# Capital projects 2022/23

| \$000  | 2022/23<br>Year 2 LTP | 2022/23<br>Annual Plan |
|--|-----------------------|------------------------|
| <b>Total capital works</b>   | <b>1,485</b>          | <b>2,438</b>           |
| Tekapo township – implementation of development plan                   | 205                   | 205                    |
| Tekapo township – signage upgrade                                      | 0                     | 40                     |
| Tekapo township – Lakeside Drive playground                            | 0                     | 300                    |
| Tekapo township – Domain playground design phase                       | 0                     | 30                     |
| Twizel township – implementation of development plan                   | 77                    | 77                     |
| Twizel township – community assets, signage upgrade                    | 0                     | 50                     |
| Twizel township – Lake Ruataniwha project                              | 666                   | 666                    |
| Cemeteries – land improvements   | 16                    | 16                     |
| District general – district wide projects                              | 1                     | 200                    |
| Fairlie township – signage upgrade                                     | 0                     | 30                     |
| Mackenzie community centre – building upgrade                          | 10                    | 0                      |
| Mackenzie community centre – furniture and fittings                    | 10                    | 0                      |
| Pensioner housing – Fairlie - renewals                                 | 8                     | 8                      |
| Public toilets – building renewals                                     | 154                   | 154                    |
| Public toilets – A2O trail Jollies carpark                             | 0                     | 100                    |
| Public toilets – A2O trail Tekapo-Pukaki relocation                    | 0                     | 20                     |
| Strathconan swimming pool –plant and equipment                         | 7                     | 2                      |
| Strathconan swimming pool – filtration and treatment renewal / upgrade | 0                     | 130                    |
| Strathconan swimming pool – accessibility and fire exit door           | 0                     | 15                     |
| Strathconan swimming pool – chemical storage shed                      | 0                     | 30                     |
| Tekapo community centre – furniture and fittings                       | 5                     | 5                      |
| Twizel community centre – building upgrade                             | 257                   | 257                    |
| Twizel community centre – furniture and fittings                       | 10                    | 10                     |
| Twizel swimming pool - inflatables                                     | 0                     | 5                      |
| Twizel swimming pool – plant and equipment                             | 5                     | 5                      |
| Fairlie administration building – building renovations                 | 51                    | 51                     |
| Fairlie administration building – furniture and fittings               | 0                     | 30                     |
| Twizel administration building – furniture and fittings                | 2                     | 2                      |

# Parks and Community Facilities - Funding Impact Statement for 2022/23

| \$000  | Long Term<br>Plan Budget<br>2021/2022 | Long Term<br>Plan Forecast<br>2022/23 | Annual Plan<br>Budget<br>2022/23 |
|--|---------------------------------------|---------------------------------------|----------------------------------|
| <b>Sources of Operating Funding</b>                                      |                                       |                                       |                                  |
| General rates, uniform annual general charges, rates penalties           | 662                                   | 636                                   | 685                              |
| Targeted rates   | 1,554                                 | 1,759                                 | 1,704                            |
| Subsidies and grants for operating purposes                              | 104                                   | 27                                    | 1                                |
| Fees and charges   | 110                                   | 118                                   | 101                              |
| Internal charges and overheads recovered                                 | -                                     | -                                     | -                                |
| Local authorities fuel tax, fines, infringement fees, and other receipts | 274                                   | 281                                   | 311                              |
| <b>Total Operating Funding</b>   | <b>2,704</b>                          | <b>2,821</b>                          | <b>2,802</b>                     |
| <b>Applications of Operating Funding</b>                                 |                                       |                                       |                                  |
| Payments to staff and suppliers  | 2,501                                 | 2,540                                 | 2,681                            |
| Finance costs  | 8                                     | 35                                    | 8                                |
| Internal charges and overheads applied                                   | (104)                                 | (57)                                  | (56)                             |
| Other operating funding applications                                     | -                                     | -                                     | -                                |
| <b>Total Applications of Operating Funding</b>                           | <b>2,405</b>                          | <b>2,518</b>                          | <b>2,633</b>                     |
| <b>Surplus (Deficit) if Operating Funding</b>                            | <b>299</b>                            | <b>303</b>                            | <b>169</b>                       |
| <b>Sources of Capital Funding</b>  |                                       |                                       |                                  |
| Subsidies and grants for capital expenditure                             | 1,595                                 | 586                                   | 586                              |
| Development and financial contributions                                  | 12                                    | 12                                    | 12                               |
| Increase (decrease) in debt  | 1,892                                 | 652                                   | 536                              |
| Gross proceeds from sale of assets                                       | -                                     | -                                     | -                                |
| Lump sum contributions   | -                                     | -                                     | -                                |
| Other dedicated capital funding  | -                                     | -                                     | -                                |
| <b>Total Sources of Capital Funding</b>                                  | <b>3,499</b>                          | <b>1,250</b>                          | <b>1,134</b>                     |
| <b>Applications of Capital Funding</b>                                   |                                       |                                       |                                  |
| Capital expenditure  |                                       |                                       |                                  |
| - to meet additional demand  | -                                     | -                                     | 282                              |
| - to improve the level of service  | 1,247                                 | 948                                   | 1,583                            |
| - to replace existing assets   | 2,925                                 | 483                                   | 491                              |
| Increase (decrease) in reserves  | (373)                                 | 122                                   | (1,053)                          |
| Increase (decrease) in investment  | -                                     | -                                     | -                                |
| <b>Total Applications of Capital Funding</b>                             | <b>3,799</b>                          | <b>1,553</b>                          | <b>1,303</b>                     |
| <b>Surplus (Deficit) of Capital Funding</b>                              | <b>(299)</b>                          | <b>(303)</b>                          | <b>(169)</b>                     |
| <b>FUNDING BALANCE</b>   | <b>-</b>                              | <b>-</b>                              | <b>-</b>                         |



# Waste Management and Minimisation

**This activity includes all the work Council does in managing and minimizing rubbish and recycling in the Mackenzie District. The Waste Minimisation Act 2008 state that all authorities (councils) must promote effective and efficient forms of waste management and minimization. Waste minimization includes all the actions we can take to divert waste from landfills. This includes reducing the waste we generate and also reusing, recycling and recovering the value of our waste.**

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## What we do

Mackenzie has made solid steps towards minimising waste and setting in place strong services which enable our communities to manage their waste in an appropriate manner. Waste management and minimisation activities include:

- Kerbside collection: Council provides a four bin service to our main urban areas including Albury, Fairlie, Kimbell, Burkes Pass, Tekapo and Twizel. Other rural properties located along the collection route between the townships can voluntarily opt into the service, provided the collection truck has a safe place to stop. A kerbside organics service was introduced in March 2022, with food and garden waste transported to the Redruth composting facility in Timaru.
- Resource recovery parks: Resource Recovery Parks (RRPs) and Hardfill sites are located in Twizel, Tekapo and Fairlie, with the operation of these contracted to EnviroWaste. Waste can be dropped off at our RRP's by the public and commercial collectors. All three parks accept residual waste, green / garden waste, recyclables including mixed recycling, electronic items, glass and metal, domestic quantities of waste oil, paint and hazardous substances, batteries, LPG cylinders and tyres. Glass is currently processed at a site in Twizel where it is crushed and used in roading materials. There are no other recycling or reprocessing plants within the district, with all other recycling being transported out of the district for processing.
- Landfill Disposal: There are no Class 1 landfills within the district. Under our current contract, waste is sent to Redruth Landfill in Timaru.



## Our performance measures

| What you can expect from us                     | What we will measure   | Targets: 2022/23           |
|---|--|----------------------------|
| Engage the community to achieve waste reduction | The percentage of solid waste from the district resource recovery diverted from landfills. | 55% or above               |
|   | The amount of household kerbside waste to landfill.  | 110kg per person per annum |
|   | Average customer satisfaction rating for kerbside waste collections.                       | 80% or above               |
|   | Average customer satisfaction rating for Resource Recovery Parks.                          | 80% or above               |
| Waste is handled hygienically                   | Compliance with resource consent conditions.   | 100%                       |

## Major projects 2022/23

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

Photo credit: Timo Volz / Unsplash



## Capital projects 2022/23

| \$000                      | 2022/23<br>Year 2 LTP | 2022/23<br>Annual Plan |
|----------------------------|-----------------------|------------------------|
| <b>Total capital works</b> | <b>7</b>              | <b>27</b>              |
| Resource consent           | 0                     | 20                     |
| Plant and equipment        | 7                     | 7                      |

# Waste Management and Minimisation - Funding Impact Statement for 2022/23

| \$000  | Long Term<br>Plan Budget<br>2021/2022 | Long Term<br>Plan Forecast<br>2022/23 | Annual Plan<br>Budget<br>2022/23 |
|--|---------------------------------------|---------------------------------------|----------------------------------|
| <b>Sources of Operating Funding</b>                                      |                                       |                                       |                                  |
| General rates, uniform annual general charges, rates penalties           | 196                                   | 244                                   | 249                              |
| Targeted rates   | 744                                   | 887                                   | 915                              |
| Subsidies and grants for operating purposes                              | -                                     | -                                     | -                                |
| Fees and charges   | 182                                   | 195                                   | 194                              |
| Internal charges and overheads recovered                                 | -                                     | -                                     | -                                |
| Local authorities fuel tax, fines, infringement fees, and other receipts | 29                                    | 35                                    | 35                               |
| <b>Total Operating Funding</b>   | <b>1,151</b>                          | <b>1,361</b>                          | <b>1,393</b>                     |
| <b>Applications of Operating Funding</b>                                 |                                       |                                       |                                  |
| Payments to staff and suppliers  | 1,147                                 | 1,351                                 | 1,381                            |
| Finance costs  | -                                     | 1                                     | 1                                |
| Internal charges and overheads applied                                   | (18)                                  | (14)                                  | (10)                             |
| Other operating funding applications                                     | -                                     | -                                     | -                                |
| <b>Total Applications of Operating Funding</b>                           | <b>1,129</b>                          | <b>1,338</b>                          | <b>1,372</b>                     |
| <b>Surplus (Deficit) if Operating Funding</b>                            | <b>22</b>                             | <b>23</b>                             | <b>21</b>                        |
| <b>Sources of Capital Funding</b>  |                                       |                                       |                                  |
| Subsidies and grants for capital expenditure                             | -                                     | -                                     | -                                |
| -Development and financial contributions                                 | -                                     | -                                     | -                                |
| Increase (decrease) in debt  | 78                                    | (4)                                   | (3)                              |
| Gross proceeds from sale of assets                                       | -                                     | -                                     | -                                |
| Lump sum contributions   | -                                     | -                                     | -                                |
| Other dedicated capital funding  | -                                     | -                                     | -                                |
| <b>Total Sources of Capital Funding</b>                                  | <b>78</b>                             | <b>(4)</b>                            | <b>(3)</b>                       |
| <b>Applications of Capital Funding</b>                                   |                                       |                                       |                                  |
| Capital expenditure  |                                       |                                       |                                  |
| - to meet additional demand  | -                                     | -                                     | -                                |
| - to improve the level of service  | -                                     | -                                     | -                                |
| - to replace existing assets   | 129                                   | 7                                     | 27                               |
| Increase (decrease) in reserves  | (28)                                  | 12                                    | (9)                              |
| Increase (decrease) in investment  | -                                     | -                                     | -                                |
| <b>Total Applications of Capital Funding</b>                             | <b>101</b>                            | <b>19</b>                             | <b>18</b>                        |
| <b>Surplus (Deficit) of Capital Funding</b>                              | <b>(22)</b>                           | <b>(23)</b>                           | <b>(21)</b>                      |
| <b>FUNDING BALANCE</b>   | <b>-</b>                              | <b>-</b>                              | <b>-</b>                         |



Photo credit: Timo Volz / Unsplash





# Tourism, Economic Development and Commercial Activity

This activity includes the promotion of tourism within the district, enhancing economic development and managing the Council's commercial investments.

## What we do

The Council's tourism and economic development activity consists of:

- Promotion of the Mackenzie District as a tourist destination;
- Alps 2 Ocean cycle trail tourism business and operations (in conjunction with the Waitaki District Council);
- Economic development services including business support, training and events; promotion of education opportunities; website and visitor/attraction promotion.

The Council's commercial activities are:

- Cash & equity investments;
- Forestry investments;
- Real estate;
- Rental properties;
- Pukaki Airport.

Photo credit: Sebastien Goldberg / Unsplash



## Our performance measures

| What you can expect from us   | What we will measure  | Targets: 2022/23  |
|---|---|---|
| Economic development is fostered for the district as a whole                                    | Percentage of ratepayers satisfied with the Council's tourism promotion and economic development  | ≥80%  |
| Number of Council initiated projects as identified in the Economic Strategy 2021/25             | At least one project per FY initiated by Council  | 1 or more   |
| Pukaki Airport is well maintained   | User satisfaction with facility   | ≥ 80%   |
| Forestry returns maximised  | Financial net surplus per predicted cashflows from LTP or annual report   | \$604,000   |
| Investments –Council's investments are managed wisely in accordance with community expectations | Council's cash investment portfolio independently reviewed each quarter, and performance of investments against the Bancorp Ltd benchmark portfolio | Council's cash investment portfolio independently reviewed each quarter, and performance of investments against the Bancorp Ltd benchmark portfolio |

## Major projects 2022/23

**Te Manahuna Ki Uta:** Destination Mackenzie Project: Te Manahuna Ki Uta/Destination Mackenzie is a multi-agency strategic planning process for the Mackenzie District led by Mackenzie District Council. Co-design with our Treaty Partner is a crucial element of the project, and all work will be informed by Mana Whenua values and aspirations. After the release of the final Destination Management Plan in July 2022, Council intends to tick off phase 2 of this project. The DMP will set a vision for Te Manahuna and a direction for tourism going forward. Phase 2 will explore the priority projects identified in the DMP, seek to identify funding opportunities and undertake feasibility studies where required.

**Alps 2 Ocean Cycle Trail:** Council will continue to allocate \$50,000 per annum to the maintenance of the trail, as well as an additional \$50,000 in marketing and promotional costs which is presently provided through a contract with Tourism Waitaki. Council plans to contribute a further \$50,000 per annum to a capital reserve to fund the Hayman Road improvement works.

**Economic Development support:** Support for businesses and enterprises will need to be ongoing during the post Covid19 economic reset conditions.

**Promotion of the Mackenzie District as a tourist destination:** Council plans to continue its promotion of the Mackenzie District as a tourism destination at its present level over the period of the LTP

**Pukaki Airport (Land admin and operations):** Council will continue to own and maintain Pukaki Airport as a district airport. The growth of Pukaki Airport will depend on economic factors such as a rebound in visitor growth, but also the ability to attract aviation technology or a limited number of commercial flights. A Pukaki Airport Master Plan is being developed to provide the methods to achieve this.

## Capital projects 2022/23

| \$000   | 2022/23<br>Year 2 LTP | 2022/23<br>Annual Plan |
|---|-----------------------|------------------------|
| <b>Total capital works</b>                            | <b>46</b>             | <b>30</b>              |
| Pukaki airport - land – administration and operating  | 25                    | 0                      |
| Pukaki airport – carparking upgrade                   | 0                     | 30                     |
| Tourism and economic development - computer equipment | 21                    | 0                      |

# Tourism, Economic Development and Commercial - Funding Impact Statement for 2022/23

| \$000  | Long Term<br>Plan Budget<br>2021/2022 | Long Term<br>Plan Forecast<br>2022/23 | Annual Plan<br>Budget<br>2022/23 |
|--|---------------------------------------|---------------------------------------|----------------------------------|
| <b>Sources of Operating Funding</b>                                      |                                       |                                       |                                  |
| General rates, uniform annual general charges, rates penalties           | 46                                    | 46                                    | 118                              |
| Targeted rates   | 401                                   | 413                                   | 464                              |
| Subsidies and grants for operating purposes                              | 461                                   | -                                     | -                                |
| Fees and charges   | -                                     | -                                     | -                                |
| Internal charges and overheads recovered                                 | -                                     | -                                     | -                                |
| Local authorities fuel tax, fines, infringement fees, and other receipts | 2,132                                 | 1,102                                 | 1,073                            |
| <b>Total Operating Funding</b>   | <b>3,040</b>                          | <b>1,561</b>                          | <b>1,655</b>                     |
| <b>Applications of Operating Funding</b>                                 |                                       |                                       |                                  |
| Payments to staff and suppliers  | 1,329                                 | 713                                   | 1,305                            |
| Finance costs  | 9                                     | 37                                    | 17                               |
| Internal charges and overheads applied                                   | 1,608                                 | 1,468                                 | 1,321                            |
| Other operating funding applications                                     | -                                     | -                                     | -                                |
| <b>Total Applications of Operating Funding</b>                           | <b>2,946</b>                          | <b>2,218</b>                          | <b>2,643</b>                     |
| <b>Surplus (Deficit) if Operating Funding</b>                            | <b>94</b>                             | <b>(657)</b>                          | <b>(988)</b>                     |
| <b>Sources of Capital Funding</b>  |                                       |                                       |                                  |
| Subsidies and grants for capital expenditure                             | -                                     | -                                     | -                                |
| Development and financial contributions                                  | -                                     | -                                     | -                                |
| Increase (decrease) in debt  | 2,200                                 | (92)                                  | 536                              |
| Gross proceeds from sale of assets                                       | -                                     | -                                     | -                                |
| Lump sum contributions   | -                                     | -                                     | -                                |
| Other dedicated capital funding  | -                                     | -                                     | -                                |
| <b>Total Sources of Capital Funding</b>                                  | <b>2,200</b>                          | <b>(92)</b>                           | <b>536</b>                       |
| <b>Applications of Capital Funding</b>                                   |                                       |                                       |                                  |
| Capital expenditure  |                                       |                                       |                                  |
| - to meet additional demand  | -                                     | -                                     | -                                |
| - to improve the level of service  | -                                     | -                                     | -                                |
| - to replace existing assets   | 137                                   | 46                                    | 30                               |
| Increase (decrease) in reserves  | 1,512                                 | (787)                                 | (482)                            |
| Increase (decrease) in investment  | 646                                   | (8)                                   | -                                |
| <b>Total Applications of Capital Funding</b>                             | <b>2,295</b>                          | <b>(749)</b>                          | <b>(452)</b>                     |
| <b>Surplus (Deficit) of Capital Funding</b>                              | <b>(94)</b>                           | <b>657</b>                            | <b>988</b>                       |
| <b>FUNDING BALANCE</b>   | <b>-</b>                              | <b>-</b>                              | <b>-</b>                         |







# Prospective Financial Statements

**The prospective financial statements in this section outline Council's planned expenditure for the 2022/23 financial year.**

**To see the significant forecast assumptions that underlie the financial information in this Annual Plan please refer to the Long Term Plan 2021-2031.**

## **Funding Impact Statement**

The purpose of the Funding Impact Statement is to show the revenue and financing mechanisms that Council uses to cover its estimated expenses.

The Funding Impact Statement is required under the Local Government Act 2002 and conforms to the Local Government (Financial Reporting and Prudence) Regulations 2014. The Funding Impact Statement has been prepared in accordance with Schedule 10, Part 2, Clause 20 of Schedule 10 of the Local Government Act 2002.

## **Balanced Budget Statement**

The Council is required under the Local Government Act 2002 to ensure that each year's projected operating revenues are set at a level sufficient to meet that year's projected operating expenses. Council may set projected operating revenues at a different level from that required, if Council resolves that it is financially prudent to do so.

## **Receipt of Capital Income**

From time to time Council budgets to receive different types of capital income in the form of financial contributions, reserve contributions and vested assets. These are not used to reduce the amount of rates required for a particular activity but instead are transferred to a capital reserve in order to fund future expenditure.

## **Funding of depreciation**

The balanced budget provisions of the Local Government Act 2002 (s100) allow a council to not fully fund all expenditure (including depreciation) provided it can demonstrate that it is financially prudent to do so. We have previously decided not to fully cash fund the depreciation cost of various assets.

The Council has resolved that it will not cash-fund depreciation on certain assets for a variety of reasons. The most significant of these is where we believe we will receive money from third parties to help fund any asset replacement. The most important of these third parties is the New Zealand Transport Agency (NZTA) which co-invests in the roading network. It has also been assumed with some community assets that third party funding was received to help build or develop the facility.

The other major reason depreciation is not funded is when we do not expect to renew or replace an asset at the end of its useful life. The Council owns and operates a number of small rural water supplies which are largely self-managed by committees of users. They have been content to meet capital expenditure as it is required and not fund depreciation year by year. Council has raised no objection to this and notes the amounts of depreciation are relatively small. There were low numbers of users on each supply and they understood the consequences and rationale for not funding depreciation.

These rural schemes include: Albury, Ashwick/Opuha, School Road and Kimbell.

Council also does not fully fund depreciation on its Halls and swimming pools as Council assume that we will either receive external grants or loan for the balance.

# Annual Plan Disclosure Statement

## What is the purpose of this statement?

The purpose of this statement is to disclose the Council's planned financial performance in relation to various benchmarks to enable the assessment of whether the Council is prudently managing its revenues, expenses, assets, liabilities, and general financial dealings.

The Council is required to include this statement in its annual plan in accordance with the Local Government (Financial Reporting and Prudence) Regulations 2014 (the Regulations) Section 101.

Refer to the regulations for more information, including definitions of some of the terms used in this statement.

| Benchmark                     | Benchmark Quantified Limit   | Planned | Met |
|-------------------------------|--|---------|-----|
| Rates affordability benchmark | Total rates increase will be less than 9.00% plus inflation (LGCI) | 17%     | No  |
| Debt affordability benchmark  | Total debt to total revenue will not exceed 1.75                   | 1.30    | Yes |
| Balanced budget benchmark     | 100%   | 89%     | No  |
| Essential services benchmark  | 100%   | 286%    | Yes |
| Debt servicing benchmark      | 10%  | 1%      | Yes |

### 1. Rates affordability benchmark

The Council meets the rates affordability benchmark if its planned rates increases equal or are less than its quantified limit on rates increases.

### 2. Debt affordability benchmark

The Council meets the debt affordability benchmark if its planned borrowing is within its quantified limit on borrowing.

### 3. Balanced budget benchmark

The Council meets the balanced budget benchmark if its planned revenue (excluding development contributions, vested assets, financial contributions, gains on derivative financial instruments, and revaluations of property, plant or equipment) equals or is greater than its operating expenses (excluding losses on derivative financial instruments and revaluations of property, plant or equipment).

### 4. Essential services benchmark

The Council meets the essential services benchmark if its planned capital expenditure on network services equals or is greater than expected depreciation on network services.

### 5. Debt servicing benchmark

The council meets the debt servicing benchmark if its planned borrowing costs equals or is less than 10% of its planned revenue (excluding development contributions, vested assets, financial contributions, gains on derivative financial instruments, and revaluations of property, plant or equipment).

Photo credit: Tonia Kraakman / Unsplash



# Accounting Policies

## Reporting entity

Mackenzie District Council (Council) is a territorial local authority established under the Local Government Act 2002 (LGA) and is domiciled and operates in New Zealand. The relevant legislation governing the Council's operations includes the LGA and the Local Government (Rating) Act 2002.

The principal activity of Mackenzie District Council is the provision of local authority services, including resource management, water, storm water, wastewater and roading services, hazard management, recreation and cultural services and building control to the community. The Council does not operate to make a financial return.

The Council has designated itself as a public benefit entity (PBE) for the purposes of complying with generally accepted accounting practice. The financial statements of the Council are for the periods ending 30 June 2022. The prospective financial statements were authorised for issue by Council on 28 June 2022.

## Basis of preparation

The financial statements have been prepared on the going concern basis, and the accounting policies have been applied consistently throughout the Long-Term Plan.

The Council and management of Mackenzie District Council are responsible for the preparation of the financial statements, including the appropriateness of the assumptions underlying the financial statements and other required disclosures.

Council, who are authorised to do so, believe the assumptions underlying the financial statements are appropriate.

## Statement of Compliance

The financial statements of the Council have been prepared in accordance with the requirements of the LGA and the Local Government (Financial Reporting and Prudence) Regulations 2014 (LG(FRP)R), which include the requirement to comply with generally accepted accounting practice in New Zealand (NZ GAAP).

The financial statements have been prepared in accordance with and comply with PBE Standards RDR. The criteria under which Council is eligible to report in accordance with Tier 2 PBE Standards as total expenditure is below the \$30 million threshold.

## Presentation currency and rounding

The financial statements are presented in New Zealand dollars and all values are rounded to the nearest thousand dollars (\$000) unless otherwise stated.

The financial statements have been prepared on a historical cost basis, except for land and buildings classified as property, plant and equipment, certain infrastructure assets, investment property, some investments and forestry.

## Three waters reform

The forecast information does not reflect the three waters reforms.

## Joint Operation

A joint operation is a contractual agreement whereby two or more parties undertake an economic activity that is subject to joint control. Joint control exists when there is a binding agreement between the parties involved in the arrangement and this agreement requires the relevant activities of the arrangement to be decided by unanimous consent from all parties involved in the arrangement.

For joint arrangements, the Council recognises in its financial statements its assets, liabilities, revenue and expenses relating to its share in the arrangement.

The Council has a joint arrangement with the Timaru District Council and Waimate District Council for the Downlands Rural Water Scheme. The Downlands Rural Water Scheme is a joint operation rather than a joint venture because the three Council's jointly own their specified share of the whole scheme and have rights to the assets and obligations for the liabilities relating to the arrangement, due to the structure of the arrangement not being through a separate vehicle. Council's share in this joint arrangement equates to 4%, with Timaru District Council's share being 82% and Waimate District Council's 14%.

## Revenue Recognition

Revenue is measured at the fair value of consideration received or receivable.

## Rates Revenue

The following policies for rates have been applied:

- General rates, targeted rates (excluding water-by meter) and uniform annual general charges are recognised at the start of the financial year to which the rates resolution relates. They are recognised at the amounts due. The Council considers the effect of payment of rates by instalments is not sufficient to require discounting of rates receivables and subsequent recognition of interest revenue
- Revenue arising from late payment penalties is recognised as revenue when rates become overdue
- Rates collected on behalf of the Environmental Canterbury Regional Council (ECan) are not recognised in the financial statements, as the Council is acting as an agent for ECan.

### **New Zealand Transport Agency roading subsidies**

Council receives government grants from the New Zealand Transport Agency, which subsidises part of the costs of maintaining the local roading infrastructure. The subsidies are recognised as revenue upon entitlement, as conditions pertaining to eligible expenditure have been fulfilled.

### **Other grants received**

Other grants are recognised as revenue when they become receivable unless there is an obligation in substance to return the funds if conditions of the grant are not met. If there is such an obligation, the grants are initially recorded as grants received in advance and recognised as revenue when conditions are satisfied.

### **Building and resource consent revenue**

Revenue from building consents is recognised when payment of the consent is received. Revenue from fees charged for resource consent processing is recognised in proportion to the stage of completion. Work performed is invoiced monthly until completion.

### **Entrance Fees**

Entrance fees are fees charged to users of the Council's local facilities, such as the pools. Revenue from entrance fees is recognised upon entry to such facilities.

### **Provision of goods and services**

Services provided to third parties on commercial terms are exchange transactions. Revenue from these services is recognised by reference to the stage of completion of the transaction at balance date, based on the actual service provided as a percentage of the total services to be provided.

### **Contributions**

Development and financial contributions are recognised as revenue when the Council provides, or is able to provide, the service for which the contribution was charged. Otherwise, development and financial contributions are recognised as liabilities until such time as the Council provides, or is able to provide, the service.

### **Vested or donated physical assets**

For assets received for no or nominal consideration, the asset is recognised at its fair value when the Council obtains control of the asset. The fair value of the asset is recognised as revenue, unless there is a use or return condition attached to the asset.

The fair value of vested or donated assets is usually determined by reference to the cost of constructing the asset. For assets received from property developments, the fair value is based on construction price information provided by the property developer.

For long-lived assets that must be used for a specific use (e.g. land must be used as a recreation reserve), the Council immediately recognises the fair value of the asset as revenue. A liability is recognised only if the Council expects that it will need to return or pass the asset to another party.

### **Infringement fees and fines**

Infringement fees and fines mostly relate to traffic and parking infringements and are recognised when the infringement notice is issued. The fair value of this revenue is determined based on the probability of collecting fines, which is estimated by considering the collection history of fines over the preceding 2-year period.

### **Landfill fees**

Fees for disposing of waste are recognised as waste is disposed of by users.

### **Sale of Goods and Services**

Revenue from the sale of goods and services is recognised when a product is sold or service provided to the customer.

### **Interest and dividends**

Interest revenue is accrued on a time basis using the effective interest method, by reference to the principal outstanding and at the interest rate applicable. Interest revenue on an impaired financial asset is recognised using the original effective interest rate. Dividends are recognised when the right to receive payment has been established. When dividends are declared from pre-acquisition surpluses, the dividend is deducted from the cost of the investment.

### **Donated and bequeathed financial assets**

Donated and bequeathed financial assets are recognised as revenue unless there are substantive use or return conditions. A liability is recorded if these are substantive use or return conditions and the liability released to revenue as the conditions are met. (e.g. as the funds are spent for the nominated purpose).

### **Expenditure**

The specific accounting policies for significant expenditure items are explained below.

#### **Borrowing costs**

All borrowing costs are recognised as an expense in the period in which they are incurred.

#### **Grant expenditure**

Non-discretionary grants are those grants that are awarded if the grant application meets the specified criteria and are recognised as expenditure when an application that meets the specified criteria for the grant has been received. Discretionary grants are those grants where the Council has

no obligation to award on receipt of the grant application and are recognised as expenditure when approved by the Council and the approval has been communicated to the applicant. The Council's grants awarded have no substantive conditions attached.

### **Operating Leases**

An operating lease is a lease that does not transfer substantially all the risks and rewards incidental to ownership of an asset. Lease payments under an operating lease are recognised as an expense on a straight line basis over the lease term. Lease incentive received are recognised in the surplus or deficit as a reduction of rental expense over the lease term.

### **Operating Leases as lessee**

Council leases property, plant and equipment in the normal course of its business. The majority of these leases have non-cancellable term of 36 months.

Leases can be renewed at the Council's option, with rents set by reference to current market rates for items of equivalent age and condition. The Council does not have the option to purchase the asset at the end of the lease term.

There are no restrictions placed on the Council by any of the leasing arrangements.

### **Contractual commitments**

These are commitments for which a formal contract has been entered into at balance date. These commitments are based on the legal commitment outstanding under contracts. They do not take in account any additional work required due to emergency events or any adjustments to costs based on inflation.

### **Income tax**

Income tax expense includes components relating to both current tax and deferred tax. Current tax is the amount of income tax payable based on the taxable profit for the current year, plus any adjustments to income tax payable in respect of prior years. Current tax is calculated using tax rates (and tax laws) that have been enacted or substantively enacted at balance date. Deferred tax is the amount of income tax payable or recoverable in future periods in respect of temporary differences and unused tax losses. Temporary differences are differences between the carrying amount of assets and liabilities in the statement of financial position and the corresponding tax bases used in the computation of taxable profit. Deferred tax is measured at the tax rates that are expected to apply when the asset is realised or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at balance date. The measurement of deferred tax reflects

the tax consequences that would follow from the manner in which the entity expects to recover or settle the carrying amount of its assets and liabilities. Deferred tax liabilities are generally recognised for all taxable temporary differences. Deferred tax assets are recognised to the extent that it is probable that taxable profits will be available against which the deductible temporary differences or tax losses can be utilised. Deferred tax is not recognised if the temporary difference arises from the initial recognition of goodwill or from the initial recognition of an asset or liability in a transaction that is not a business combination and at the time of the transaction, affects neither accounting profit nor taxable profit. Current and deferred tax is recognised against the surplus or deficit for the period, except to the extent that it relates to a business combination, or to transactions recognised in other comprehensive revenue and expense or directly in equity.

### **Balance Sheet Items**

#### **Equity and Reserves**

Equity is the community's interest in the Council and is measured as the difference between total assets and total liabilities. Equity is disaggregated and classified into the following components:

- Operating reserves;
- Capital reserves;
- Asset revaluation reserves;
- Other reserves and special funds reserves; and
- Accumulated general funds.

#### **OPERATING RESERVES**

Operating reserves consist of surpluses earned over time, and funds set aside for special purposes. These reserves represent funds available for the use in trading and operation of Council for special purposes. All special purpose funds and assets are separately accounted for and balanced with the cash resources retained by Council for special purposes.

#### **CAPITAL RESERVES**

Pursuant to the policy for funding of capital expenditure adopted by the Council as part of the Long-Term Plan, a Capital Reserve has been created for all activities of Council that involve assets. The movements within the capital reserves involve all capital revenue received for the activity and any capital expenditure incurred within that activity. The capital revenue includes depreciation funded from rates, financial contributions, upgrade contributions and grants. Depending on the movements in the capital reserve, the balance can be in funds or in deficit. An interest component is applied to the capital reserve depending on whether the reserve is in funds or deficit.



## **ASSET REVALUATION RESERVES**

This reserve comprises the cumulative net change in the fair value through other comprehensive revenue and expenditure of certain classes of Property, Plant and Equipment and Equity instruments such as shares and bonds held.

## **OTHER RESERVES**

Other reserves consist of funds which have been received over time by the Council, usually by way of a donation or bequest, the terms of which restrict the use of funds. Each amount has been set up as a trust fund to maintain a degree of independence from general Council funds. All such funds are separately accounted for and are not available for any other purpose.

## **RESTRICTED RESERVES**

Restricted reserves are those reserves subject to specific conditions accepted as binding by the Council and which may not be revised by the Council without reference to the Courts or a third party. Transfers from these reserves may be made only for certain specified purposes or when certain specified conditions are met.

## **COUNCIL-CREATED RESERVES**

Council-created reserves are reserves established by Council decision. The Council may alter them without reference to any third party or the Courts. Transfers to and from these reserves are at the discretion of the Council.

## **ACCUMULATED GENERAL FUNDS**

Accumulated General Funds consist of all other equity transactions not classified as operating reserves, capital reserves, asset revaluation reserves, other reserves or special reserves.

## **Cash and cash equivalents**

Cash and cash equivalents include cash on hand, deposits held at call with banks, other short-term highly liquid investments with original maturities of three months or less, and bank overdrafts. Bank overdrafts are shown within borrowings in current liabilities in the statement of financial position.

## **Trade and Other Receivables**

Trade and other receivables are recorded at the amount due, less an allowance for expected credit losses (ECL). The Council and group apply the simplified ECL model of recognising lifetime ECL for receivables. In measuring ECLs, receivables have been grouped into rates receivables, and other receivables, and assessed on a collective basis as they possess shared credit risk characteristics. They have then been grouped based on the days past due. A provision matrix is then established based on historical credit loss experience, adjusted for forward looking factors specific to the debtors and the economic environment.

Rates are "written-off":

- when remitted in accordance with the Council's rates remission policy; and
- in accordance with the write-off criteria of sections 90A (where rates cannot be reasonably recovered) and 90B (in relation to Māori freehold land) of the Local Government (Rating) Act 2002.

Other receivables are written-off when there is no reasonable expectation of recovery.

## **Goods and Services Tax (GST)**

All items in the financial statements are stated exclusive of GST. Where GST is not recoverable as input tax, it is recognised as part of the related asset or expense.

The net amount of GST recoverable from, or payable to, the Inland Revenue Department (IRD) is included as part of receivables or payables in the statement of financial position.

The net GST paid to, or received from the IRD, including the GST relating to investing and financing activities, is classified as an operating cash flow in the prospective statement of cash flows.

Commitments and contingencies are disclosed exclusive of GST.

## **Financial assets/financial liabilities**

The Council shall recognise a financial asset or a financial liability in its statement of financial position when, and only when, the Council becomes party to the contractual provisions of the instrument.

At initial recognition, the Council shall measure a financial asset or financial liability at its fair value plus or minus, in the case of a financial asset or financial liability not at fair value through surplus or deficit, transaction costs that are directly attributable to the acquisition or issue of the financial asset or financial liability.

Financial Assets are classified as either: (1) Amortised Cost, (2) Fair value through profit or loss, or (3) Fair Value through other comprehensive income.

A financial asset shall be measured at amortised cost if both of the following conditions are met:

- (a) the financial asset is held within a business model whose objective is to hold financial assets in order to collect contractual cash flows and
- (b) the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

A financial asset shall be measured at fair value through other comprehensive revenue or expense if both of the following conditions are met:

- (a) the financial asset is held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets; and
- (b) the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

A financial asset shall be measured at fair value through surplus or deficit unless it is measured at amortised cost or at fair value through other comprehensive revenue and expense. However an entity may make an irrevocable election at initial recognition for particular investments in equity instruments that would otherwise be measured at fair value through surplus or deficit to present subsequent changes in fair value in other comprehensive revenue and expense.

#### **Subsequent measurement of financial assets at amortised cost**

Financial assets classified at amortised cost are subsequently measured at amortised cost using the effective interest method, less any expected credit losses. Where applicable, interest accrued is added to the investment balance. Instruments in this category include term deposits, community loans, and loans to subsidiaries and associates.

#### **Subsequent measurement of financial assets at FVTOCRE**

Financial assets in this category that are debt instruments are subsequently measured at fair value with fair value gains and losses recognised in other comprehensive revenue and expense. There is no assessment for impairment when fair value falls below the cost of the investment. When sold, the cumulative gain or loss previously recognised in other comprehensive revenue and expense is transferred to accumulated funds with equity. The Council and group designate into their category all equity investments that are not included in its investment fund portfolio, and if they are intended to be held for the medium to long-term.

#### **Expected credit loss allowance (ECL)**

The Council and group recognise an allowance for ECLs for all debt instruments not classified as FVTSD. ECLs are the probability-weighted estimate of credit losses, measure at the present value of cash shortfalls, which is the difference between the cash flows due to Council and group in accordance with the contract and the cash flows it expect to receive. ECLs are discounted at the effective interest rate of the financial asset.

ECL's are recognised in two stages. ECLs are provided for credit losses that result from default events that are possible within the next 12 months (a 12-month ECL). However, if

there has been a significant increase in credit risk since initial recognition, the loss allowance is based on losses possible for the remaining life of the financial asset (Lifetime ECL).

When determining whether the credit risk of a financial asset has increased significantly since initial recognition, the Council and group considers reasonable and supportable information that is relevant without undue cost or effort. This includes both quantitative and qualitative information and analysis based on the Council and group's historical experience and informed credit assessment and included forward-looking information.

The Council and group consider a financial asset to be in default when the financial asset is more than 90 days past due. The Council and group may determine a default occurs prior to this if internal or external information indicates the entity is unlikely to pay its credit obligations in full.

Financial Liabilities are classified as either: (1) Amortised Cost, (2) Fair value through profit or loss.

Financial liabilities are generally classified and measured at amortised cost unless they meet the criteria for classification at fair value through profit or loss.

A financial liability is classified as a financial liability at fair value through profit or loss if it meets one of the following conditions:

- It is held for trading, or
- It is designated by the entity as at fair value through profit or loss (note that such a designation is only permitted if specified conditions are met).

A financial liability is held for trading if it meets one of the following conditions:

- It is incurred principally for the purpose of repurchasing it in the near term
- On initial recognition it is part of a portfolio of identified financial instruments that are managed together and for which there is evidence of a recent actual pattern of short-term profit-taking, or
- It is a derivative (except for a derivative that is a financial guarantee contract or a designated and effective hedging instrument).

#### **Inventories**

Inventories are held for distribution or for use in the provision of goods and services. The measurement of inventories depends on whether the inventories are held for commercial or non-commercial (distribution at no charge or for a nominal charge) distribution or use. Inventories are measured as follows:

- Commercial: measured at the lower of cost and net realisable value.

- Non-commercial: measured at cost, adjusted for any loss of service potential.

Cost is allocated using the first-in-first-out (FIFO) method, which assumes the inventories that were purchased first are distributed or used first.

Inventories acquired through non-exchange transactions are measured at fair value at the date of acquisition.

Any write-down from cost to net realisable value or for the loss of service potential is recognised in the surplus or deficit in the year of the write-down.

When land held for development and future resale is transferred from investment property/property, plant, and equipment to inventory, the fair value of the land at the date of the transfer is its deemed cost.

Costs directly attributable to the developed land are capitalised to inventory, with the exception of infrastructural asset costs which are capitalised to property, plant, and equipment.

### **Plantation Forestry**

Standing forestry assets are independently revalued annually at fair value less estimated costs to sell for one growth cycle. Gains or losses arising on initial recognition of forestry assets at fair value less costs to sell and from a change in fair value less costs to sell are recognised in the surplus or deficit. Forestry maintenance costs are recognised in the surplus or deficit when incurred.

### **Property, plant and equipment**

#### **OPERATIONAL ASSETS**

Operational assets are tangible assets that are able to be dealt with as part of the operating strategy. These include operational land, buildings and improvements, furniture and fittings, plant and equipment, computer hardware, motor vehicles, office equipment, resource recovery parks and heritage assets.

#### **RESTRICTED ASSETS**

Restricted assets are parks and reserves owned by Council, which provide a benefit or service to the community and cannot be disposed of because of legal or other restrictions. They include reserves vested under the Reserves Act, and endowments and other property held in trust for specific purposes.

#### **INFRASTRUCTURE ASSETS**

Infrastructure assets are the fixed utility systems owned by the Council and group. Each asset class includes all items that are required for the network to function. For example, sewer reticulation includes reticulation piping and sewer pump stations.

### **UNFORMED OR PAPER ROADS**

An unformed or paper road is a term for a road that is legally established and recorded in survey plans, but has not been formed, and that ownership of the land associated with the paper road resides with Council. Council does not recognise land under unformed paper roads in the financial statements because there is little or no service potential from the majority of these paper roads. Valuing these assets is also difficult. It is difficult to measure the service benefit to the public from having access to these routes. There is also limited market data detailing recent sales of such small individual areas arguably due to the high cost of disposal.

#### **ADDITIONS**

The cost of an item of property, plant, or equipment is recognised as an asset if and only if, it is probable that future economic benefits or service potential associated with the item will flow to the Council and group and the cost of the item can be measured reliably.

Work in progress is recognised at cost less impairment and is not depreciated.

In most instances, an item of property, plant and equipment is initially recognised at its cost. Where an asset is acquired through a non-exchange transaction, it is recognised at its fair value as at the date of acquisition.

#### **DISPOSALS**

Gains and losses on disposals are determined by comparing the disposal proceeds with the carrying amount of the asset. Gains and losses on disposals are reported net in the surplus or deficit. When revalued assets are sold, the amounts included in asset revaluation reserves in respect of those assets are transferred to accumulated funds.

#### **SUBSEQUENT COSTS**

Costs incurred subsequent to initial acquisition are capitalised only when it is probable that future economic benefits or service potential associated with the item will flow to the Council and the cost of the item can be measured reliably. The costs of day-to-day servicing of property, plant and equipment are recognised in the surplus or deficit as they are incurred.

#### **REVALUATIONS**

The carrying values of revalued items are assessed annually to ensure that their carrying amount does not differ materially from fair value and at least every three years. If there is a material difference, then the off-cycle asset classes are revalued. Revaluations of property, plant, and equipment are accounted for on a class-of-asset basis.

The net revaluation results are credited or debited to other comprehensive revenue and expense and are accumulated

to an asset revaluation reserve in equity for that class-of-asset. Where this would result in a debit balance in the asset revaluation reserve, this balance is not recognised in other comprehensive revenue and expense but is recognised in the surplus or deficit. Any subsequent increase on revaluation that reverses a previous decrease in value recognised in the surplus or deficit will be recognised first in the surplus or deficit up to the amount previously expensed and then recognised in other comprehensive revenue and expense.

| <b>Operational assets</b>                 | <b>Is the class revalued</b> | <b>Valuation basis</b>                 |
|---|------------------------------|--|
| <b>Buildings</b>                          | Yes                          | Fair value                             |
| <b>Computer hardware</b>                  | No                           | Depreciated replacement cost           |
| <b>Furniture and fittings</b>             | No                           | Depreciated replacement cost           |
| <b>Heritage assets</b>                    | No                           | Deemed cost                            |
| <b>Land</b>                               | Yes                          | Fair value                             |
| <b>Motor vehicles</b>                     | No                           | Depreciated replacement cost           |
| <b>Office equipment</b>                   | No                           | Depreciated replacement cost           |
| <b>Plant and machinery</b>                | No                           | Depreciated replacement cost           |
| <b>Restricted assets</b>                  | Is the class revalued        | Valuation basis                        |
| <b>Land</b>                               | Yes                          | Fair value                             |
| <b>Flood protection and control works</b> | No                           | Not applicable                         |
| <b>Landfills</b>                          | No                           | Not applicable                         |
| <b>Village projects</b>                   | No                           | Not applicable                         |
| <b>Alps 2 Ocean cycleway</b>              | No                           | Deemed cost                            |
| <b>Land under roads</b>                   | No                           | Not applicable                         |
| <b>Roads and footpaths</b>                | Yes                          | Optimised depreciated replacement cost |
| <b>Resource consents</b>                  | No                           | Optimised depreciated replacement cost |
| <b>Stormwater</b>                         | Yes                          | Optimised depreciated replacement cost |
| <b>Sewerage</b>                           | Yes                          | Optimised depreciated replacement cost |
| <b>Water supplies</b>                     | Yes                          | Optimised depreciated replacement cost |

## DEPRECIATION

Depreciation is provided on a straight-line basis on all property, plant and equipment, other than land, at rates that will write off the cost (or valuation) of the assets to their estimated residual values over their useful lives. The useful lives and associated depreciation rates of major classes of assets have been estimated as follows:

| <b>Assets</b>                   | <b>Depreciation method</b> | <b>Life (years)</b> |
|---------------------------------|----------------------------|---------------------|
| <b>Buildings</b>                | Straight line              | 13-80               |
| <b>Computer hardware</b>        | Straight line              | 3-10                |
| <b>Computer network cabling</b> | Straight line              | 10                  |
| <b>Furniture and fittings</b>   | Straight line              | 10                  |
| <b>Heritage assets</b>          | Straight line              | 60-150              |
| <b>Land</b>                     | Not depreciated            | -                   |

| <b>Assets</b>                             | <b>Depreciation method</b> | <b>Life (years)</b> |
|---|----------------------------|---------------------|
| <b>Motor vehicles</b>                     | Straight line              | 5                   |
| <b>Office equipment</b>                   | Straight line              | 5-10                |
| <b>Light plant and machinery</b>          | Straight line              | 10-25               |
| <b>Plant and machinery</b>                | Straight line              | 10-25               |
| <b>Resource recovery parks</b>            | Straight line              | 10-33               |
| <b>Flood protection and control works</b> | Not applicable             | -                   |
| <b>Landfills</b>                          | Straight line              | 30-50               |
| <b>Village projects</b>                   | Straight line              | 5-80                |
| <b>Alps 2 Ocean cycleway</b>              | Straight line              | 50                  |
| Formation                                 | Not depreciated            | -                   |
| Surfacing                                 | Straight line              | 0-17                |
| <b>Land under roads</b>                   | Not depreciated            | -                   |
| <b>Roads and footpaths</b>                | Straight line              | 6-80                |
| Formation                                 | Not depreciated            | -                   |
| Sub-base                                  | Not depreciated            | -                   |
| Base course                               | Straight line              | 75-100              |
| Surfacing                                 | Straight line              | 0-17                |
| Kerb and channelling                      | Straight line              | 10-100              |
| Street signs                              | Straight line              | 13                  |
| Street lighting                           | Straight line              | 20-40               |
| Bridges                                   | Straight line              | 80-100              |
| <b>Resource consents</b>                  | Straight line              | 10-33               |
| <b>Stormwater</b>                         |                            |                     |
| Lines                                     | Straight line              | 60-150              |
| Manholes                                  | Straight line              | 150                 |
| Open drains                               | Not depreciated            | -                   |
| <b>Wastewater</b>                         |                            |                     |
| Mains                                     | Straight line              | 60-80               |
| Pumps                                     | Straight line              | 15                  |
| Oxidation ponds                           | Not depreciated            | -                   |
| Box culverts                              | Straight line              | 100                 |
| Manholes                                  | Straight line              | 80                  |
| <b>Water supplies</b>                     |                            |                     |
| Piping mains                              | Straight line              | 60-80               |
| Pumps                                     | Straight line              | 25                  |
| Service lines                             | Straight line              | 80-100              |
| Hydrants                                  | Straight line              | 80                  |
| Valves and air valves                     | Straight line              | 80                  |
| Meters                                    | Straight line              | 25                  |
| Reservoirs                                | Straight line              | 80                  |

## **Intangibles - Software acquisition and development**

Acquired computer software is capitalised on the basis of costs incurred to acquire and bring to use the specific software.

Costs that are directly attributable with the development of software for internal use are recognised as an intangible asset. Direct costs include the software development employee costs and an appropriate portion of relevant overheads.

Staff training costs are recognised in the surplus or deficit when incurred.

Costs associated with maintaining computer software are recognised as an expense when incurred. Costs associated with development and maintenance of the Council's website are recognised as an expense when incurred.

## **Easements**

Easements are not cash generating in nature, instead they give Council the right to access private property where infrastructural assets are located. Council has not valued and recognised easements as an intangible asset under PBE IPSAS 31 Intangible Assets. The work required identifying and developing a central register to record easements and paper roads would be considerable and difficult to ensure that it was comprehensive and complete. Council is also concerned that the cost to establish the register would be substantial with minimal benefits being achieved. Registered valuers would have difficulty determining a fair value for the easements due to their unique nature and having no active market for this particular asset type. There is also no recognised valuation methodology. For these reasons, Council has opted not to recognise easements as an intangible asset because they cannot be quantified, and the value of the easements cannot be measured reliably.

## **Carbon Credits**

Purchased Carbon credits are recognised at cost on acquisition. Acquired Carbon Credits from the Crown are recognised at fair value on receipt. In the absence of an Active Market Carbon Credits are brought in at their cost to the Council. Carbon Credits are not amortised but are instead tested for impairment annually. They are derecognised when they are used to satisfy carbon emission obligations.

## **Impairment**

The carrying value of an intangible asset with a finite life is amortised on a straight line basis over its useful life. Amortisation begins when the asset is available for use and ceases at the date that the asset is derecognised. The amortisation charge for each period is recognised in the surplus or deficit.

## **Employee Entitlements**

### Short Term Employee Entitlements

Employee benefits expected to be settled within 12 months of balance date are measured at nominal values based on accrued entitlements at current rates of pay.

These include salaries and wages accrued up to balance date, annual leave earned to, but not yet taken at balance date, and sick leave.

### Long Term employee entitlements

Employee benefits that are due to be settled beyond 12 months after the end of the period in which the employee renders the related service, such as long service leave and retirement gratuities, have been calculated on an actuarial basis.

The calculations are based on:

- Likely future entitlements accruing to staff, based on years of service, years to entitlement, the likelihood that staff will reach the point of entitlement; and contractual entitlement information; and
- The present value of estimated future cash flows.

### Presentation of employee entitlements

Sick leave, annual leave, and vested long service leave are classified as a current liability, Non-vested long service leave and retirement gratuities expected to be settled within 12 months of balance date are classified as a current liability. All other employee entitlements are classified as a non-current liability.

## **PROVISIONS**

A provision is recognised for future expenditure of uncertain amount or timing when:

- there is a present obligation (either legal or constructive) as a result of a past event;
- it is probable that an outflow of future economic benefits will be required to settle the obligation; and
- a reliable estimate can be made of the amount of the obligation.

Provisions are measured at the present value of the expenditures expected to be required to settle the obligation using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the obligation. The increase in the provision due to the passage of time is recognised as an interest expense and is included in "finance costs."

## **PAYABLES AND DEFERRED REVENUE**

Short-term payables are recorded at the amount payable.



## Budget Figures

The budget figures have been prepared in accordance with NZ GAAP, using accounting policies that are consistent with those adopted by the council for preparing these financial statements.

## Critical Accounting Estimates and Assumptions

In preparing these financial statements, estimates and assumptions have been made concerning the future. These estimates and assumptions may differ from the subsequent actual results. Estimates and assumptions are continually evaluated and are based on historical experience and other factors, including expectations or future events that are believed to be reasonable under the circumstances.

The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are:

- Estimating the fair value of land, buildings, and infrastructural assets
- Estimating the retirement obligation for employees
- Estimating the landfill aftercare provision

## Critical judgements in applying accounting policies

Management has exercised the following critical judgements in applying accounting policies:

- Classification of property
- Accounting for suspensory loan from Housing New Zealand
- Accounting for donated or vested land and buildings with use or return conditions

## Changes in accounting policies

Accounting policies have been changed to incorporate all necessary changes as required by the new Public Benefit Entity (PBE) Standards. No changes to recognition/ measurement were required.

The current PBE Standard on financial instruments, PBE IPSAS 29 Financial Instruments: Recognition and Measurement, is based on IAS 39 Financial Instruments: Recognition and Measurement issued by the IASB (International Accounting Standards Board). That standard has since been replaced by the IASB with IFRS 9 Financial Instruments.

In early 2017 the NZASB (NZ Accounting Standards Board) issued PBE IFRS 9 Financial Instruments based on IFRS 9 to give PBEs the opportunity to adopt a PBE Standard equivalent to IFRS 9 to reduce compliance costs that may arise on consolidation of mixed groups. Now that the IPSASB (International Public Sector Accounting Standards Board) has issued a revised standard on financial instruments, IPSAS 40 Financial Instruments (based on IFRS 9), the NZASB has incorporated that standard into the PBE Standards.

PBE IPSAS 41 Financial Instruments will replace both PBE IPSAS 29 and PBE IFRS 9.

IPSAS 41 is effective from 1 July 2022. The Council has early adopted this standard from 1 July 2020. The Council has assessed the changes have minimal impact on the prospective statements.

Photo credit: Christopher Izquierdo / Unsplash



# Prospective Statement of Comprehensive Revenue and Expense

| \$000  | Long Term<br>Plan Budget<br>2021/2022 | Long Term<br>Plan Forecast<br>2022/23 | Annual Plan<br>Budget<br>2022/23 |
|--|---------------------------------------|---------------------------------------|----------------------------------|
| <b>Revenue</b>   |                                       |                                       |                                  |
| Rates  | 12,364                                | 14,498                                | 14,464                           |
| Fees, charges and metered rates for water supply                               | 1,907                                 | 2,014                                 | 1,847                            |
| Subsidies and grants   | 9,516                                 | 3,080                                 | 3,036                            |
| Finance revenue  | 247                                   | 306                                   | 321                              |
| Other revenue  | 2,683                                 | 1,625                                 | 2,085                            |
| Development and financial contributions  | 1,684                                 | 2,128                                 | 2,122                            |
| Vested assets  | 2,881                                 | 2,979                                 | 2,979                            |
| Other gains / (losses)   | -                                     | 31                                    | 11                               |
| <b>Total Operating Revenue</b>   | <b>31,282</b>                         | <b>26,661</b>                         | <b>26,865</b>                    |
| <b>Expenditure</b>   |                                       |                                       |                                  |
| Personnel costs  | 4,967                                 | 5,328                                 | 5,685                            |
| Other expenses   | 15,345                                | 12,943                                | 13,661                           |
| Finance costs  | 76                                    | 327                                   | 215                              |
| Depreciation and amortisation expense  | 4,461                                 | 4,999                                 | 4,946                            |
| <b>Total Operating Expenditure</b>   | <b>24,849</b>                         | <b>23,597</b>                         | <b>24,506</b>                    |
| <b>Operating Surplus (Deficit) before Tax</b>                                  | <b>6,433</b>                          | <b>3,064</b>                          | <b>2,358</b>                     |
| Income Tax   | -                                     | -                                     | -                                |
| <b>Operating Surplus (Deficit) after Tax</b>                                   | <b>6,433</b>                          | <b>3,064</b>                          | <b>2,358</b>                     |
| <b>Other Comprehensive Revenue and Expense</b>                                 |                                       |                                       |                                  |
| Items that could be reclassified to surplus / (deficit)                        |                                       |                                       |                                  |
| Financial assets at fair value through other comprehensive revenue and expense | 438                                   | 434                                   | 434                              |
| Gain on revaluation of property, plant and equipment                           | 11,492                                | 124                                   | 233                              |
| <b>Total Other Comprehensive Revenue and Expense</b>                           | <b>11,930</b>                         | <b>558</b>                            | <b>667</b>                       |
| <b>TOTAL COMPREHENSIVE REVENUE AND EXPENSE</b>                                 | <b>18,363</b>                         | <b>3,622</b>                          | <b>3,026</b>                     |

# Prospective Statement of Movements in Equity

| <b>\$000</b>                         | <b>Long Term<br/>Plan Budget<br/>2021/2022</b> | <b>Long Term<br/>Plan Forecast<br/>2022/23</b> | <b>Annual Plan<br/>Budget<br/>2022/23</b> |
|--------------------------------------|--|--|---|
| Equity at the beginning of the year  | 294,483  | 312,846  | 313,338                                   |
| Comprehensive Revenue and Expense    | 18,363   | 3,622  | 3,026                                     |
| <b>EQUITY AT THE END OF THE YEAR</b> | <b>312,846</b>                                 | <b>316,471</b>                                 | <b>316,364</b>                            |



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# Prospective Statement of Financial Position

| <b>\$000</b>                         | <b>Long Term<br/>Plan Budget<br/>2021/2022</b> | <b>Long Term<br/>Plan Forecast<br/>2022/23</b> | <b>Annual Plan<br/>Budget<br/>2022/23</b> |
|--------------------------------------|--|--|---|
| <b>ASSETS</b>                        |  |  |   |
| <b>Current Assets</b>                |  |  |   |
| Cash and cash equivalents            | 4,851  | 4,866  | 4,168                                     |
| Receivables                          | 3,839  | 3,934  | 3,839                                     |
| Prepayments                          | 84   | 84   | 84  |
| Inventories                          | 28   | 28   | 28  |
| Short term investments               | 15,226   | 15,226   | 11,226                                    |
| <b>Total Current Assets</b>          | <b>24,028</b>                                  | <b>24,138</b>                                  | <b>19,345</b>                             |
| <b>Non-Current Assets</b>            |  |  |   |
| Property, plant and equipment        | 286,613  | 296,079  | 298,782                                   |
| Intangible assets                    | 896  | 896  | 946                                       |
| Forestry                             | 8,063  | 8,083  | 7,863                                     |
| Investment property                  | 4,319  | 4,330  | 4,319                                     |
| Inventory term                       | 389  | 389  | 558                                       |
| Other financial assets               | 11,231   | 11,658   | 11,352                                    |
| <b>Total Non-Current Assets</b>      | <b>311,511</b>                                 | <b>321,435</b>                                 | <b>323,821</b>                            |
| <b>TOTAL ASSETS</b>                  | <b>335,539</b>                                 | <b>345,573</b>                                 | <b>343,166</b>                            |
| <b>LIABILITIES</b>                   |  |  |   |
| <b>Current Liabilities</b>           |  |  |   |
| Payables                             | 5,222  | 5,331  | 5,783                                     |
| Employee benefit liabilities         | 328  | 328  | 328                                       |
| Provisions                           | 63   | 63   | 63  |
| Borrowings                           | 2,709  | 2,700  | 2,709                                     |
| <b>Total Current Liabilities</b>     | <b>8,322</b>                                   | <b>8,422</b>                                   | <b>8,883</b>                              |
| <b>Non-Current Liabilities</b>       |  |  |   |
| Provisions                           | -  | -  | -   |
| Employee benefit liabilities         | -  | -  | -   |
| Borrowings                           | 14,371   | 20,679   | 17,919                                    |
| <b>Total Non-Current Liabilities</b> | <b>14,371</b>                                  | <b>20,679</b>                                  | <b>17,919</b>                             |
| <b>TOTAL LIABILITIES</b>             | <b>22,693</b>                                  | <b>29,101</b>                                  | <b>26,802</b>                             |
| <b>NET ASSETS</b>                    | <b>312,846</b>                                 | <b>316,472</b>                                 | <b>316,364</b>                            |
| <b>EQUITY</b>                        |  |  |   |
| Retained earnings                    | 122,866  | 125,423  | 131,048                                   |
| Asset revaluations reserves          | 164,886  | 165,445  | 165,535                                   |
| Special Reserves                     | 9,060  | 9,060  | 10,670                                    |
| Separate Reserves                    | 16,034   | 16,543   | 9,111                                     |
| <b>TOTAL EQUITY</b>                  | <b>312,846</b>                                 | <b>316,471</b>                                 | <b>316,364</b>                            |



# Prospective Statement of Cash Flows

| <b>\$000</b>  | <b>Long Term<br/>Plan Budget<br/>2021/2022</b> | <b>Long Term<br/>Plan Forecast<br/>2022/23</b> | <b>Annual Plan<br/>Budget<br/>2022/23</b> |
|---|--|--|---|
| <b>Cash flows from operating activities</b>         |  |  |   |
| Receipts from rates revenue                         | 12,364   | 14,403   | 14,464                                    |
| Subsidies and grants received                       | 7,066  | 3,080  | 3,036                                     |
| Receipts from other revenue                         | 4,590  | 3,639  | 4,171                                     |
| Interest received                                   | 117  | 176  | 181                                       |
| Dividend revenue received                           | 130  | 130  | 140                                       |
| Financial and development contributions received    | 1,684  | 2,128  | 2,122                                     |
| Payments to suppliers and employees                 | (20,142)                                       | (18,159)                                       | (19,346)                                  |
| Interest paid                                       | (76)   | (327)  | (215)                                     |
| <b>Net cash flow from operating activities</b>      | <b>5,733</b>                                   | <b>5,070</b>                                   | <b>4,554</b>                              |
| <b>Cash flows from investing activities</b>         |  |  |   |
| Receipts from sale of investments                   | 9,993  | 15,234   | 10,000                                    |
| Receipts from sale of property, plant and equipment | -  | -  | 523                                       |
| Purchase of investments                             | (14,985)                                       | (15,226)                                       | (10,000)                                  |
| Purchase of property, plant and equipment           | (24,617)                                       | (11,362)                                       | (13,953)                                  |
| <b>Net cash flow from investing activities</b>      | <b>(29,609)</b>                                | <b>(11,354)</b>                                | <b>(13,429)</b>                           |
| <b>Cash flows from financing activities</b>         |  |  |   |
| Proceeds from borrowings                            | 17,080   | 9,008  | 10,628                                    |
| Repayment of borrowings                             | -  | (2,709)  | -   |
| <b>Net cash flow from financing activities</b>      | <b>17,080</b>                                  | <b>6,299</b>                                   | <b>10,628</b>                             |
| Net increase / (decrease) in cash held              | (6,796)  | 15   | 1,752                                     |
| Add opening cash brought forward                    | 11,647   | 4,851  | 2,416                                     |
| <b>CASH AND CASH EQUIVALENTS AT YEAR END</b>        | <b>4,851</b>                                   | <b>4,866</b>                                   | <b>4,168</b>                              |

Photo credit: Hayley Shen / Unsplash



# Prospective Funding Impact Statement (whole of Council)

| \$000  | Long Term<br>Plan Budget<br>2021/2022 | Long Term<br>Plan Forecast<br>2022/23 | Annual Plan<br>Budget<br>2022/23 |
|--|---------------------------------------|---------------------------------------|----------------------------------|
| <b>Sources of Operating Funding</b>                                      |                                       |                                       |                                  |
| General rates, uniform annual general charges, rates penalties           | 6,080                                 | 6,885                                 | 6,860                            |
| Targeted rates   | 6,285                                 | 7,614                                 | 7,605                            |
| Subsidies and grants for operating purposes                              | 4,019                                 | 1,305                                 | 1,221                            |
| Fees and charges   | 1,907                                 | 2,014                                 | 1,827                            |
| Interest and dividends from investments                                  | 247                                   | 306                                   | 321                              |
| Local authorities fuel tax, fines, infringement fees, and other receipts | 2,683                                 | 1,625                                 | 1,576                            |
| <b>Total Operating Funding</b>   | <b>21,221</b>                         | <b>19,749</b>                         | <b>19,410</b>                    |
| <b>Applications of Operating Funding</b>                                 |                                       |                                       |                                  |
| Payments to staff and suppliers  | 20,313                                | 18,270                                | 19,347                           |
| Finance costs  | 76                                    | 327                                   | 215                              |
| Other operating funding applications                                     | -                                     | -                                     | -                                |
| <b>Total Applications of Operating Funding</b>                           | <b>20,389</b>                         | <b>18,597</b>                         | <b>19,561</b>                    |
| <b>Surplus (Deficit) if Operating Funding</b>                            | <b>832</b>                            | <b>1,152</b>                          | <b>(151)</b>                     |
| <b>Sources of Capital Funding</b>  |                                       |                                       |                                  |
| Subsidies and grants for capital expenditure                             | 5,497                                 | 1,775                                 | 1,815                            |
| Development and financial contributions                                  | 1,684                                 | 2,128                                 | 2,122                            |
| Increase (decrease) in debt  | 17,080                                | 6,299                                 | 6,318                            |
| Gross proceeds from sale of assets                                       | -                                     | -                                     | 523                              |
| Lump sum contributions   | -                                     | -                                     | -                                |
| Other dedicated capital funding  | -                                     | -                                     | -                                |
| <b>Total Sources of Capital Funding</b>                                  | <b>24,261</b>                         | <b>10,202</b>                         | <b>10,778</b>                    |
| <b>Applications of Capital Funding</b>                                   |                                       |                                       |                                  |
| Capital expenditure  |                                       |                                       |                                  |
| - to meet additional demand`   | 1,477                                 | 542                                   | 1,282                            |
| - to improve the level of service  | 16,148                                | 8,058                                 | 9,233                            |
| - to replace existing assets   | 6,992                                 | 2,761                                 | 3,437                            |
| Increase (decrease) in reserves  | (169)                                 | -                                     | (3,325)                          |
| Increase (decrease) in investment  | 645                                   | (7)                                   | -                                |
| <b>Total Applications of Capital Funding</b>                             | <b>25,093</b>                         | <b>11,354</b>                         | <b>10,627</b>                    |
| <b>Surplus (Deficit) of Capital Funding</b>                              | <b>(832)</b>                          | <b>(1,152)</b>                        | <b>151</b>                       |
| <b>FUNDING BALANCE</b>   | <b>-</b>                              | <b>-</b>                              | <b>-</b>                         |



# Reserve Funds Summary

The Council maintains reserve funds as a sub-part of its equity. The following presents a summary of total reserve fund movements from 1 July 2022 to 30 June 2023 and is followed by a breakdown into each type of reserve.

|                            | Balance<br>01/07/2022<br>\$000 | Deposits<br>to funds<br>\$000 | Withdrawals<br>from funds<br>\$000 | Balance<br>30/06/2023<br>\$000 |
|----------------------------|--------------------------------|-------------------------------|------------------------------------|--------------------------------|
| Special reserves           | 11,249                         | 375                           | (954)                              | 10,670                         |
| Separate reserves          | 11,553                         | 15,428                        | (17,869)                           | 9,111                          |
| Asset revaluation reserves | 164,887                        | 648                           | 0                                  | 165,535                        |
| <b>Total reserve funds</b> | <b>187,689</b>                 | <b>16,451</b>                 | <b>(18,823)</b>                    | <b>185,316</b>                 |

## Special Reserve Funds

Special funds have been set up for specific purposes. Their use is restricted to the purpose for which they were set up. They retain their surplus or deficit but are used to meet the costs that comply with their purpose.

Trust and Bequest Funds - These funds are subject to specific conditions accepted as binding by the Council, such as bequests or operations in trust under specific Acts, and which may not be revised by Council without reference to the courts or a third party. Transfers from these reserves may only be made for certain specific purposes or when specific conditions are met.

## Separate Reserves

These are reserve balances where activities are funded either by targeted rates or a combination of targeted rates and general rates. They hold a surplus or deficit balance from year to year, and the fund is only held for that specific activity. For example, each water supply activity has its own reserve balance.

| Special reserves                   | Opening Balance<br>1 July 2022<br>\$000 | Movement<br>into Reserve<br>\$000 | Movement<br>out of reserve<br>\$000 | Closing Balance<br>30 June 2023<br>\$000 |
|------------------------------------|---|-----------------------------------|-------------------------------------|--|
| Albury Water Fund                  | 40                                      | 0                                 | 0                                   | 40                                       |
| Ashwick/Opuha Water Supply         | 0                                       | 0                                 | 0                                   | 0  |
| Housing Replacement                | 7                                       | 0                                 | 0                                   | 7  |
| Insurance Reserve                  | 201                                     | 1                                 | 0                                   | 201                                      |
| Land Subdivision Reserve           | 5,179                                   | 262                               | (670)                               | 4,771                                    |
| Pensioner Housing Amenities        | 228                                     | 36                                | (8)                                 | 255                                      |
| Watertight Building Reserve        | 44                                      | 0                                 | 0                                   | 44                                       |
| Mackenzie County Scholarship Trust | 88                                      | 0                                 | 0                                   | 88                                       |
| Masonic Lodge Scholarship Fund     | 39                                      | 0                                 | 0                                   | 39                                       |
| Real Estate Investment             | 5,093                                   | 55                                | (276)                               | 4,872                                    |
| Albury war memorial                | 4                                       | 0                                 | 0                                   | 4  |
| Ashwick/Allandale war memorial     | 6                                       | 0                                 | 0                                   | 6  |
| Davidson bequest: cemetery         | 2                                       | 0                                 | 0                                   | 2  |
| Gillingham bequest: library        | 0                                       | 0                                 | 0                                   | 0  |
| Gould bequest: cemetery            | 2                                       | 0                                 | 0                                   | 2  |
| Paterson ponds                     | 10                                      | 0                                 | 0                                   | 10                                       |
| Enid Hutt Fairlie beautifying fund | 30                                      | 0                                 | 0                                   | 30                                       |
| Sherwood Downs Sports Trust        | 0                                       | 0                                 | 0                                   | 0  |
| Carpark Development                | 257                                     | 1                                 | 0                                   | 257                                      |
| Emergency Management               | 20                                      | 20                                | 0                                   | 40                                       |
| <b>Total Special Reserves</b>      | <b>11,249</b>                           | <b>375</b>                        | <b>(954)</b>                        | <b>10,670</b>                            |

| <b>Special reserves</b>           | <b>Opening Balance<br/>1 July 2022<br/>\$000</b> | <b>Movement<br/>into Reserve<br/>\$000</b> | <b>Movement<br/>out of reserve<br/>\$000</b> | <b>Closing Balance<br/>30 June 2023<br/>\$000</b> |
|-----------------------------------|--|--|--|---|
| Allandale Water                   | (241)  | (1)  | 0  | (241)   |
| Animal Control                    | 57   | (0)  | (50)   | 7   |
| Ashwick/Opuha Water               | 44   | 0  | 0  | 44  |
| District Wide Roading             | (3,107)  | 2,496                                      | (3,183)                                      | (3,794)   |
| Eversley Sewer                    | (1)  | (0)  | 0  | (1)   |
| Forestry                          | 9,630  | 24   | (25)   | 9,629   |
| Kimbell Water                     | 22   | 0  | 0  | 22  |
| Lake Tekapo Community Hall        | (36)   | 6  | (5)  | (35)  |
| Mackenzie Community Centre        | 63   | 25   | 0  | 88  |
| Manuka Terrace Water              | 22   | 0  | 0  | 22  |
| Plant Account                     | (34)   | 109  | (162)  | (87)  |
| School Road Water                 | 22   | 0  | 0  | 22  |
| Sherwood Downs Hall               | 24   | 0  | 0  | 24  |
| Sherwood Downs Recreation Reserve | 37   | 0  | 0  | 37  |
| Swimming Pool - Strathconan       | (5)  | 175  | (177)  | (7)   |
| Swimming Pool - Twizel            | (749)  | 3  | (10)   | (756)   |
| Twizel Community Centre           | 201  | 53   | (271)  | (18)  |
| Urban Wastewater                  | 3,984  | 2,283                                      | (2,835)                                      | 3,431   |
| Urban Stormwater                  | 927  | 664  | (831)  | 760   |
| Urban Water                       | (2,252)  | 7,457                                      | (7,798)                                      | (2,593)   |
| Albury Hall                       | 18   | 0  | 0  | 18  |
| Albury Water Supply               | 176  | 0  | 0  | 177   |
| District General                  | (193)  | 773  | (769)  | (190)   |
| Downlands Water Supply            | 236  | 155  | (151)  | 239   |
| Eversley/Punaroa Water Races      | (1)  | (0)  | 0  | (1)   |
| Fairlie Works and Services        | 72   | 0  | (30)   | 42  |
| Lake Tekapo Works and Services    | (208)  | 369  | (575)  | (414)   |
| Other Reserves - Lake Alexandrina | 598  | 62   | 0  | 660   |
| Pukaki Airport Board              | 2,253  | 18   | (206)  | 2,065   |
| Rural Works and Services          | (67)   | 3  | 0  | (64)  |
| Tourism and Development           | (320)  | 15   | 0  | (305)   |
| Twizel Works and Services         | 216  | 716  | (821)  | 111   |
| Waste Management                  | 163  | 24   | 30   | 217   |
| <b>Total Separate Reserves</b>    | <b>11,553</b>                                    | <b>15,428</b>                              | <b>(17,869)</b>                              | <b>9,111</b>                                      |

| <b>Asset revaluation reserves</b>                  | <b>Opening Balance<br/>1 July 2022<br/>\$000</b> | <b>Movement<br/>into Reserve<br/>\$000</b> | <b>Movement<br/>out of reserve<br/>\$000</b> | <b>Closing Balance<br/>30 June 2023<br/>\$000</b> |
|--|--|--|--|---|
| Share Revaluation                                  | 7,679  | 434  | 0  | 8,113   |
| Investment Revaluation                             | 79   | 0  | 0  | 79  |
| <b>Infrastructural Assets Revaluation Reserves</b> |  |  |  |   |
| - Land   | 40,381   | 0  | 0  | 40,381  |
| - Water Supplies                                   | 19,936   | 0  | 0  | 19,936  |
| - Downlands Water Supply                           | 648  | 152  | 0  | 800   |
| - Wastewater Schemes                               | 13,216   | 0  | 0  | 13,216  |
| - Stormwater Schemes                               | 3,785  | 0  | 0  | 3,785   |
| - Roading  | 67,149   | 0  | 0  | 67,149  |
| - Plant  | 35   | 0  | 0  | 35  |
| - Buildings  | 11,979   | 62   | 0  | 12,041  |
| <b>Total revaluation reserves</b>                  | <b>164,887</b>                                   | <b>648</b>                                 | <b>0</b>                                     | <b>165,535</b>                                    |

Photo credit: Jose Mizrahi / Unsplash



# Rating Definitions

## Separately Used or Inhabited Part of a Rating Unit (SUIP)

Where uniform annual general charges and targeted rates are assessed on each separately used or inhabited part (SUIP) of a rating unit, the following definition will apply.

A separately used or inhabited part of a rating unit includes any part of a rating unit that is used or inhabited by any person, other than the ratepayer, having a right to use or inhabit that part by virtue of a tenancy, lease, licence, or other agreement, or any parts or parts of a rating unit that can be separately used or inhabited by the ratepayer. This definition includes separately used parts, whether or not actually inhabited at any particular time, which are provided by the owner for rental (or some other form of occupation) on an occasional or long term basis by someone other than the owner.

For the purposes of this definition, vacant land and vacant premises offered or intended for use or inhabitation by a person other than by the owner and usually used as such, are defined as “used”. For the avoidance of doubt, a rating unit that has a single use or occupation is treated as having one separately used or inhabited part.

Examples of properties which have separately used or inhabited parts include:

- Residential property that contains two or more units that can be separately inhabited, including flats or houses each of which is or can be separately inhabited
- Commercial or other non-residential property containing separate residential accommodation
- Commercial premises that contain separate shops, kiosks or other retail or wholesale outlets, each of which is operated as a separate business or is capable of operation as a separate business
- Farm property with more than one dwelling
- Council property with more than one lessee.

Council has recognised that there are certain instances where the above situations will occur, but in circumstances that do not give rise to separate uses or inhabitations. These specific instances are:

- Where a residential property contains not more than one additional separately inhabited part and where members of the owner’s family inhabit the separate part on a rent-free basis
- Individual storage garages / partitioned areas of a warehouse
- Bed and breakfast home stays.

| All properties                            | All rateable properties in the Mackenzie District  |
|---|--|
| <b>Ohau A</b>                             | All rating units in the former Twizel ward, used for hydro electric power generation (as more particularly defined on valuation roll number 25320 00701A)  |
| <b>Tekapo A</b>                           | All rating units in the former Tekapo ward, used for hydro electric power generation (as more particularly defined on valuation roll number 25300 15901)   |
| <b>Tekapo B</b>                           | All rating units in the former Tekapo ward, used for hydro electric power generation (as more particularly defined on valuation roll number 2530 18400)  |
| <b>All Other Properties</b>               | All rating units in the Mackenzie District other than Ohau A, Tekapo A and Tekapo B  |
| <b>All Other Rural Properties</b>         | All rating units in the Mackenzie District excluding the community areas of Twizel, Tekapo, Fairlie and Mount Cook Village and other than Ohau A, Tekapo A and Tekapo B  |
| <b>Rural Community</b>                    | All rating units in the Mackenzie District excluding the community areas of Twizel, Tekapo, Fairlie and Mount Cook Village   |
| <b>Commercial Business</b>                | All rating units within the Mackenzie District identified as where the principal user of the land is identified as being a trading entity engaged in commercial business activities (excluding commercial accommodation providers)   |
| <b>Industrial Land Properties</b>         | All rating units within the Mackenzie District with a property category code beginning with I in the Council’s Rating Information Database. The property category code is the code given to a property when identifying the highest and best use of a property by Council’s valuation service provider |
| <b>Commercial Accommodation Business</b>  | All rating units within the Mackenzie District identified as accommodation providers for short term (less than 30 consecutive days occupancy by the same occupier) paying guests and where the principal use of the land is commercial accommodation business  |
| <b>Secondary Accommodation Properties</b> | All other rating units within the Mackenzie District identified by Council as accommodation providers for short term (less than 30 consecutive days occupancy by the same occupier) paying guests, but where the principal use of the land is not commercial accommodation business                    |

# Rating for 2022/23

All rates are shown GST inclusive.

## General Rate

A general rate will be set on capital value under section 13 of the Local Government (Rating) Act 2002 on all rateable land.

The general rate will be set differentially using the following categories based on the use and location of the land:

- **Tekapo A**
- **Ohau A**
- **Tekapo B**
- **All Other Properties**

The relationship between the rates set in the differential categories are as follows:

| Category                    | Revenue Produced   |
|-----------------------------|--|
| <b>Ohau A</b>               | 10% of the total rate requirement excluding the UAGC requirement |
| <b>Tekapo A</b>             | 10% of the total rate requirement excluding the UAGC requirement |
| <b>Tekapo B</b>             | 10% of the total rate requirement excluding the UAGC requirement |
| <b>All Other Properties</b> | 70% of the total rate requirement excluding the UAGC requirement |

The general rate is used to fund in whole or part, the general activities of Council, including but not limited to the following:

- Democracy (Council General)
- Civil Defence
- Health and Liquor Guidelines
- Waste Management
- Animal Control
- Pensioner Housing
- Building Control
- Public Toilets
- District Planning
- Cemeteries
- Resource Consent Planning
- Medical Facilities
- Responsible Camping
- Tourism and Economic Development

|                      | Factor                                | Estimated Revenue 2022/23 |
|----------------------|---------------------------------------|---------------------------|
| Ohau A               | 0.0022645 per dollar of capital value | 709,438                   |
| Tekapo A             | 0.0194367 per dollar of capital value | 709,438                   |
| Tekapo B             | 0.0034272 per dollar of capital value | 709,438                   |
| All Other Properties | 0.0011025 per dollar of capital value | 4,881,592                 |
|                      |                                       | <b>7,009,905</b>          |

## Uniform Annual General Charge (UAGC)

A uniform annual general charge will be set under section 15 of the Local Government (Rating) Act 2002 as a fixed amount per SUIP.

Its level is designed to obtain a balance between flat charges and rates on capital value that is acceptable to Council. It is not used to fund any special portion of the general expenditure of Council.

The uniform annual general charge is used to fund in whole or part, the general activities of Council, including but not limited to the following:

- Democracy (Council General)
- Civil Defence
- Health and Liquor Guidelines
- Waste Management
- Animal Control
- Pensioner Housing
- Building Control
- Public Toilets
- District Planning
- Cemeteries
- Resource Consent Planning
- Medical Facilities
- Responsible Camping
- Tourism and Economic Development

|                               | Factor            | Estimated Revenue 2022/23 |
|-------------------------------|-------------------|---------------------------|
| Uniform Annual General Charge | \$150.00 per SUIP | <b>813,750</b>            |



## Targeted Rates

Sections 16 to 19 of the Local Government (Rating) Act 2002 authorise Council to set targeted rates to fund functions that are identified in its Long Term Plan as being functions for which targeted rates may be set.

Schedule 3 of the Local Government (Rating) Act 2002 lists factors that may be used to calculate the liability of targeted rates and section 18 provides that rates may be set per rating unit. The Council may select one or more of these factors for each targeted rate. If differential rating is being used, the Council must use the matters contained in Schedule 2 of the Local Government (Rating) Act 2002 to define the differential categories.

Lump Sum Contributions – except in respect of the Eversley Reserve Sewerage Rate, the Council does not accept lump sum contributions for any targeted rates.

## Works and Services Targeted Rates

The following targeted rates will be assessed under section 16 of the Local Government (Rating) Act 2002 to fund Council's works and services activities. Council's swimming pools and community halls are 70% funded as part of this rate. The works and services that may be provided to each community include:

- Social services and information provision
- Village and township maintenance
- Parks and reserves
- Swimming pools
- Community halls

## Twizel Works and Services Rate

This targeted rate will be assessed on every rating unit in the Twizel community area of benefit (as defined on a map held by Council) and will be:

- A fixed amount per SUIP of a rating unit to fund an annually defined percentage of the targeted rate requirement (excluding capital improvement work in the Twizel community area of benefit which is funded by the Twizel Improvement rate); and
- A rate in the dollar based on capital value of the land to fund the balance of the targeted rate requirement (excluding capital improvement work in the Twizel community area of benefit which is funded by the Twizel Improvement rate).

Currently the 2022/23 split of the rate requirement is 10% fixed charges and 90% rate in the dollar of capital value.

|                    | Factor                                | Estimated Revenue 2022/23 |
|--------------------|---------------------------------------|---------------------------|
| Fixed Charge       | \$28.89 per SUIP                      | 63,471                    |
| Capital Value Rate | 0.0004787 per dollar of capital value | 571,239                   |
|                    |                                       | <b>634,710</b>            |

## Fairlie Works and Services Rate

This targeted rate will be assessed on every rating unit in the Fairlie community area of benefit (as defined on a map held by Council) and will be:

- A fixed amount per SUIP of a rating unit to fund an annually defined percentage of the targeted rate requirement; and
- A rate in the dollar based on the capital value of the land to fund the balance of the targeted rate requirement.

Currently the 2022/23 split of the rate requirement is 10% fixed charges and 90% rate in the dollar of capital value.

|                    | Factor                                | Estimated Revenue 2022/23 |
|--------------------|---------------------------------------|---------------------------|
| Fixed Charge       | \$84.20 per SUIP                      | 50,440                    |
| Capital Value Rate | 0.0020125 per dollar of capital value | 453,964                   |
|                    |                                       | <b>504,404</b>            |

### Lake Tekapo Works and Services Rate

This targeted rate will be assessed on every rating unit in the Lake Tekapo community are of benefit (as defined on a map held by Council) and will be:

A fixed amount per SUIP of a rating unit to fund an annually defined percentage of the targeted rate requirement; and

A rate in the dollar based on the capital value of the land to fund the balance of the targeted rate requirement.

Currently the 2022/23 split of the rate requirement is 48% fixed charges and 52% rate in the dollar based on capital value.

|                    | Factor                                | Estimated Revenue 2022/23 |
|--------------------|---------------------------------------|---------------------------|
| Fixed Charge       | \$227.04 per SUIP                     | 219,211                   |
| Capital Value Rate | 0.0002785 per dollar of capital value | 237,480                   |
|                    |                                       | <b>456,691</b>            |

### Rural Works and Services Rate

This targeted rate will be assessed on every rating unit in the rural community (as defined on a map held by Council, excluding Mount Cook Village) and will be:

- A fixed amount per SUIP of a rating unit to fund an annually defined percentage of the targeted rate requirement; and
- A rate based on the capital value of the land to fund the balance of the targeted rate requirement, set differentially using the following categories based on the use and location of the land:

- **Ohau A**
- **Tekapo A**
- **Tekapo B**
- **All Other Rural Properties**

The relationship between the rates set in the differential categories are as follows:

| Category                          | Factor                            |
|-----------------------------------|-----------------------------------|
| <b>Ohau A</b>                     | 20% of the total rate requirement |
| <b>Tekapo A</b>                   | 20% of the total rate requirement |
| <b>Tekapo B</b>                   | 20% of the total rate requirement |
| <b>All Other Rural Properties</b> | 40% of the total rate requirement |

Currently the 2022/23 split of the rate requirement is 49% fixed charges and 51% rate in the dollar based on capital value.

|                            | Factor                                | Estimated Revenue 2022/23 |
|----------------------------|---------------------------------------|---------------------------|
| Fixed Charge               | \$26.68 per SUIP                      | 41,941                    |
| Ohau A                     | 0.0000279 per dollar of capital value | 8,731                     |
| Tekapo A                   | 0.0002392 per dollar of capital value | 8,731                     |
| Tekapo B                   | 0.0000422 per dollar of capital value | 8,731                     |
| All Other Rural Properties | 0.0000083 per dollar of capital value | 17,462                    |
|                            |                                       | <b>85,596</b>             |

## Urban Sewerage Rates

### Sewage Treatment Rate

A targeted rate will be assessed under section 16 of the Local Government (Rating) Act 2002 on rating units located in the Fairlie, Twizel (including land encompassing and known as Pukaki Airport), Lake Tekapo communities and Burkes Pass township (as defined on maps held by Council) to fund the cost of sewage treatment.

The targeted rate will be:

- A fixed amount per SUIP of a rating unit which is connected to a community sewerage scheme
- An additional targeted rate will be assessed on every rating unit which is connected to a community sewerage scheme of a fixed amount per water closet or urinal after the first (rating units comprising a single household are treated as having one water closet or urinal). This rate will be set at 25% of the fixed amount.

**Note:** For the purposes of the targeted rates for sewage treatment:

- a) The sewerage service is treated as being provided if the rating unit is connected to a public sewerage drain;
- b) A rating unit used primarily as a residence for one household is treated as having not more than one water closet or urinal.

### Sewerage Infrastructure Rate

A targeted rate will be assessed under section 16 of the Local Government (Rating) Act 2002 on rating units located in the Fairlie, Twizel (including land encompassing and known as Pukaki Airport), Lake Tekapo communities and Burkes Pass township (as defined by maps held by Council) to fund the Council's sewerage infrastructure services. This includes sewer maintenance, depreciation and the servicing of loans.

The targeted rate will be:

- A fixed amount per SUIP of a rating unit which is connected or capable of being connected to a community sewerage scheme
- An additional targeted rate will be assessed on every rating unit connected to a community sewerage scheme of a fixed amount per water closet or urinal after the first (rating units comprising a single household are treated as having one water closet or urinal). This rate will be set at 25% of the fixed amount.

**Note:** for the purposes of the targeted rate for sewerage infrastructure:

- a) The sewerage infrastructure service is treated as being provided if the rating unit is connected to or able to be connected to a public sewerage drain and is within 30 metres of such a drain;
- b) A rating unit used primarily as a residence for one household is treated as having not more than one water closet or urinal.

### Eversley Reserve Sewerage Rate

A targeted rate will be assessed under section 16 of the Local Government (Rating) Act 2002 to repay a loan made by Council to Eversley Reserve ratepayers to fund on-property sewerage infrastructure for rating units in the Eversley Reserve area of benefit. Excluding those rating units that opted to pay a lump sum contribution.

The targeted rate will be a fixed amount per rating unit in the Eversley Reserve (as defined on a map held by Council), excluding those rating units which have opted to pay the lump sum contribution.

|                                  | Factor                                   | Estimated Revenue 2022/23 |
|----------------------------------|--|---------------------------|
| Treatment Fixed Charge           | \$57.75 per SUIP                         | 176,184                   |
| Treatment Additional Charge      | \$14.43 for each additional water closet | 12,069                    |
| Infrastructure Fixed Charge      | \$186.85 per connectible SUIP            | 713,959                   |
| Infrastructure Additional Charge | \$46.71 for each additional water closet | 39,052                    |
| Eversley Reserve Fixed Charge    | \$938.30 per rating unit                 | 11,260                    |
|                                  |  | <b>952,524</b>            |

### Urban Stormwater Rate

A targeted rate will be assessed under section 16 of the Local Government (Rating) Act 2002 on rating units located in the Fairlie, Twizel and Lake Tekapo communities (as defined on maps held by Council) to fund the costs of Council's urban stormwater reticulation.

The targeted rate will be a fixed amount per SUIP of a rating unit which is within the communities of Fairlie, Twizel and Lake Tekapo.

|              | Factor           | Estimated Revenue 2022/23 |
|--------------|------------------|---------------------------|
| Fixed Charge | \$49.59 per SUIP | 187,364                   |

### Urban Water Supply Rates

#### Water Treatment Rate

A targeted rate will be assessed under section 16 of the Local Government (Rating) Act 2002 on rating units located in the Fairlie, Twizel (including land encompassing and known as Pukaki Airport), Lake Tekapo communities and Burkes Pass township (as defined on maps held by Council) to fund the costs of Council's urban water treatment.

The targeted rate will be a fixed amount per SUIP of a rating unit which are connected to a Council community water supply (except those rating units receiving a metered water supply).

#### Water Infrastructure Rate

A targeted rate will be assessed under section 16 of the Local Government (Rating) Act 2002 on rating units located in the Fairlie, Twizel (including land encompassing and known as Pukaki Airport), Lake Tekapo communities and Burkes Pass township (as defined on maps held by Council) to fund the Council's urban water supply infrastructure services. This includes maintenance, depreciation and the servicing of loans.

The targeted rate will be a fixed amount per SUIP of a rating unit which is connected or capable of connection to a council community water supply (except those rating units receiving a metered water supply).

**Note:** any rating unit to which water can be but is not supplied (being a property situated within 100 metres of any part of an urban communities' waterworks) is treated as being capable of connection.

#### Metered Water Rate

A targeted rate under section 16 of the Local Government (Rating) Act 2002. The targeted rate will be a fixed amount per metered supply on any separately used or inhabited part of a rating unit which receives a Council water metered supply.

- Fairlie community
- Twizel community
- Lake Tekapo community
- Burkes Pass community
- Rural community

|                             | Factor                               | Estimated Revenue 2022/23 |
|-----------------------------|--------------------------------------|---------------------------|
| Treatment Fixed Charge      | \$73.40 per connected SUIP           | 220,229                   |
| Infrastructure Fixed Charge | \$395.98 per connectible SUIP        | 1,494,046                 |
| Metered Water Fixed Charge  | \$469.39 per metered supply per SUIP | 99,511                    |
|                             |                                      | <b>1,813,786</b>          |

## **Rural Water Supply Rates**

The following targeted rates will be assessed under the Local Government (Rating) Act 2002 to fund rural water supplies.

**Note:** rating units are considered to be supplied if the rating unit receives a water supply, or any part of the rating unit lies within the defined area of benefit for that supply (as defined on maps held by Council).

### **Allandale Water Supply**

A targeted rate for water supply under section 19 of the Local Government (Rating) Act 2002 assessed on every rating unit supplied with water by the Allandale rural water supply, to fund the costs of maintenance, depreciation and the servicing of loans.

The targeted rate will be a fixed amount per unit of water supplied.

**Note:** For the purposes of the Allandale water supply, a unit of water allows for a supply of 1,820 litres per day.

### **Ashwick / Opuha Water Supply**

A targeted rate for water supply under section 16 of the Local Government (Rating) Act 2002 assessed on every rating unit within the defined area of benefit for the Ashwick / Opuha rural water supply, to fund the costs of maintenance, depreciation and the servicing of loans.

The targeted rate will be a fixed amount per rating unit.

### **Fairlie Water Race**

A targeted rate for a water supply under section 16 of the Local Government (Rating) Act 2002 assessed on every rating unit within the defined area of benefit for the Fairlie water race, to partly fund the costs of maintenance, depreciation and the servicing of loans.

The targeted rate will be a fixed amount per rating unit.

An additional targeted rate will be a fixed amount per hectare within the rating unit.

### **Spur Road Water Supply**

A targeted rate for water supply under section 19 of the Local Government (Rating) Act 2002 assessed on every rating unit supplied with water by the Spur Road rural water supply, to fund the costs of maintenance, depreciation and the servicing of loans.

The targeted will be a fixed amount per unit of water supplied.

**Note:** For the purposes of the Spur Road rural water supplies, a unit of water allows for a supply of 1,820 litres per day.

### **Downlands Water Supply**

A targeted rate for water supply under section 16 of the Local Government (Rating) Act 2002 on every rating unit serviced by Downlands water supply within the Mackenzie District, to fund the costs of maintenance, depreciation and the servicing of loans.

The targeted rate will be a fixed amount per rating unit.

A targeted rate for water supply under section 19 of the Local Government (Rating) Act 2002 assessed on every rating unit serviced by Downlands water supply within the Mackenzie District, to fund the costs of maintenance, depreciation and the servicing of loans.

The targeted rate will be a fixed amount per unit of water.

**Note:** for the purposes of the Downlands water supply, a unit of water allows for a supply of 1,000 litres per day.



|                                 | Factor                   | Estimated Revenue 2022/23 |
|---------------------------------|--------------------------|---------------------------|
| Allandale Water Supply          | \$320.75 per unit        | 154,923                   |
| Ashwick / Opuha Water Supply    | \$92.26 per rating unit  | 4,060                     |
| Fairlie Water Race Fixed Charge | \$30.00 per rating unit  | 870                       |
| Fairlie Water Race              | \$6.02 per hectare       | 4,190                     |
| Spur Road Water Supply          | \$445.16 per unit        | 29,826                    |
| Downlands Water Fixed Charge    | \$562.00 per rating unit | 32,034                    |
| Downlands Water Supply          | \$225.00 per unit        | 48,600                    |
|                                 |                          | <b>274,503</b>            |

### District Rooding Rate

A targeted rate will be assessed under section 16 of the Local Government (Rating) Act 2002 to fund the costs of all roading in the Mackenzie District, both subsidised and non-subsidised.

The targeted rate will be assessed on every rating unit in the Mackenzie District (excluding Mount Cook Village) and will be made up of two components:

- A fixed amount per SUIP of a rating unit to fund an annually defined percentage of the targeted rate requirement; and
- A rate based on the capital value of the land, to fund the balance of the targeted rate requirement, set differentially using the following categories based on the use and location of the land:
  - **Ohau A**
  - **Tekapo A**
  - **Tekapo B**
  - **All Other Properties**

The relationship between the rates set in the differential categories is as follows:

| Category                    | Revenue Produced                  |
|-----------------------------|-----------------------------------|
| <b>Ohau A</b>               | 10% of the total rate requirement |
| <b>Tekapo A</b>             | 10% of the total rate requirement |
| <b>Tekapo B</b>             | 10% of the total rate requirement |
| <b>All Other Properties</b> | 70% of the total rate requirement |

Currently the 2022/23 split of the rate requirement is 35% fixed charges and 65% rate in the dollar based on capital value.

|                      | Factor                                | Estimated Revenue 2022/23 |
|----------------------|---------------------------------------|---------------------------|
| Fixed Charge         | \$124.53 per SUIP                     | 664,010                   |
| Ohau A               | 0.0003936 per dollar of capital value | 123,316                   |
| Tekapo A             | 0.0033785 per dollar of capital value | 123,316                   |
| Tekapo B             | 0.0005957 per dollar of capital value | 123,316                   |
| All Other Properties | 0.0001976 per dollar of capital value | 863,212                   |
|                      |                                       | <b>1,897,170</b>          |

### Twizel Improvement Rate

A targeted rate will be assessed under section 16 of the Local Government (Rating) Act 2002 to fund capitalised improvement work in the Twizel community area benefit. The rates will be assessed on rating units in the Twizel community (as defined by a map held by Council)

The targeted rate will be a fixed amount per SUIP of a rating unit.

|              | Factor           | Estimated Revenue 2022/23 |
|--------------|------------------|---------------------------|
| Fixed Charge | \$51.14 per SUIP | <b>112,355</b>            |

### Solid Waste Rate

A targeted rate will be assessed under section 16 of the Local Government (Rating) Act 2002 to partly fund the cost of all solid waste activity undertaken by Council. It will be assessed on every rating unit to which the Council provides the service. These waste collection areas (as defined on maps held by Council) are:

- Twizel waste collection area
- Lake Tekapo waste collection area
- Fairlie waste collection area
- Those rating units within one kilometre of the collection route on State Highway 8 from Cave in the east to Twizel in the west that have opted to receive the service.

The targeted rate will be a fixed amount per SUIP of a rating unit to which the Council provides the service.

|              | Factor            | Estimated Revenue 2022/23 |
|--------------|-------------------|---------------------------|
| Fixed Charge | \$354.79 per SUIP | <b>1,052,150</b>          |

### Tourism and Economic Development Rates

Targeted rates will be assessed under section 16 of the Local Government (Rating) Act 2002 to fund the costs of Mackenzie District tourism and promotion activities.

#### Fixed Amount

A targeted rate will be assessed as a fixed amount per SUIP of a rating unit on every rating unit in the Mackenzie District.

#### Differential Rate

Targeted rates will be assessed on rating units in the following categories (defined on the basis of the use to which the land is put), and set differentially:

The categories for the rate are:

- Commercial Business
- Industrial Land Properties
- Commercial Accommodation Business
- Secondary Accommodation Properties

The targeted rates will be:

- Commercial Business – a rate on the rateable capital value of the land on rating units in the commercial business category
- Industrial Land Properties – a fixed amount per rating unit for industrial land properties
- Commercial Accommodation Business – a rate on the rateable capital value of the land on rating units in the commercial accommodation category
- Secondary Accommodation Properties – a rate on the rateable capital value of the land on rating units in the secondary accommodation category.

The amount per dollar of capital value for secondary accommodation properties is half of that for commercial properties.

The relationship between the rates set is as follows:

| Category                                  | Revenue Produced                     |
|---|--------------------------------------|
| <b>All Properties</b>                     | 10% of the total rate requirement    |
| <b>Commercial Business</b>                | 28.63% of the total rate requirement |
| <b>Industrial Land Properties</b>         | 1.37% of the total rate requirement  |
| <b>Commercial Accommodation Business</b>  | 21.53% of the total rate requirement |
| <b>Secondary Accommodation Properties</b> | 38.48% of the total rate requirement |

Currently the 2022/23 split of the rate requirement is 15% fixed charges and 85% rate in the dollar based on capital value.

|                                    | Factor                                | Estimated Revenue 2022/23 |
|------------------------------------|---------------------------------------|---------------------------|
| Fixed Charge                       | \$9.83 per SUIP                       | 53,371                    |
| Commercial Business                | 0.0007866 per dollar of capital value | 152,814                   |
| Industrial Land Properties         | \$100.00 per rating unit              | 7,300                     |
| Commercial Accommodation Business  | 0.0007719 per dollar of capital value | 114,882                   |
| Secondary Accommodation Properties | 0.0003860 per dollar of capital value | 205,346                   |
|                                    |                                       | <b>533,713</b>            |

#### Rural Cattle Stop Maintenance Rate

A targeted rate will be assessed under section 16 of the Local Government (Rating) Act 2002 to fund the cost of the maintenance and upgrade costs of cattle stop structures and approaches (10 metres either side of the transverse centre line running through the middle of the cattlestop) on Council road and the outer boundary of a rating unit.

The targeted rate will be a fixed amount per cattle stop, (or part thereof, if the cattlestop benefits more than one rating unit) on those rating units benefiting.

|              | Factor                   | Estimated Revenue 2022/23 |
|--------------|--------------------------|---------------------------|
| Fixed Charge | \$125.00 per cattle stop | <b>5,875</b>              |

#### Community Facilities Rate

A targeted rate will be assessed under section 16 of the Local Government (Rating) Act 2002 to fund 30% of the cost of the Twizel Events Centre, Twizel Swimming Pool, Lake Tekapo Community Hall, Mackenzie Community Centre, Strathconan Swimming Pool, Albury Hall, Skipton Hall, and Sherwood Hall.

The targeted rate will be a fixed amount per SUIP of a rating unit on every rating unit in the Mackenzie District.

|              | Factor           | Estimated Revenue 2022/23 |
|--------------|------------------|---------------------------|
| Fixed Charge | \$37.99 per SUIP | <b>206,138</b>            |

### **Due Date for payment of Rates**

All rates will be payable in three instalments on the due dates as follows:

| <b>Instalment Number</b> | <b>Due Date</b>   |
|--------------------------|-------------------|
| One                      | 20 September 2022 |
| Two                      | 20 December 2022  |
| Three                    | 20 March 2023     |
| Four                     | 20 June 2023      |

Ratepayers may elect to pay on a more regular basis if they choose before the due date of any instalment. Rates may be paid utilising any payment methods acceptable to the Council, including quarterly direct debits, cash or eftpos at Council offices, direct credit or other bank transfer methods.

### **Penalties**

A penalty of 10% of the amount of the rates assessed in the 2021/2022 financial year remaining unpaid will be added if not paid on or before the due date, on the following dates:

| <b>Instalment Number</b> | <b>Penalty Date</b> |
|--------------------------|---------------------|
| One                      | 22 September 2022   |
| Two                      | 22 December 2022    |
| Three                    | 22 March 2023       |
| Four                     | 22 June 2023        |

A further penalty under section 58 of 10% of the amount of any rates for previous financial years remaining unpaid on the later of 5 working days after the date of resolution (7 July 2022) will be added. An additional penalty of 10% will be added to any unpaid rates from previous financial years that remain unpaid on 7 January 2023.

# Rating Impact on Sample Properties

The following examples show how the adopted changes will affect properties in different areas. The examples show the rates proposed for 2022/23 compared with the actual rates for 2021/22.

In the following examples the variables are used to demonstrate the potential impacts on rateable properties in different locations:

- Targeted rates for stormwater, wastewater, waste management and water have not been included for rural properties and where applicable will be additional to the rates identified
- Extraordinary metered water charges are not included and where applicable will be additional to the rates identified.

## Fairlie

| Type                     | Capital Value | Actual 2021/22 | Proposed 2022/23 | Rates Change |
|--------------------------|---------------|----------------|------------------|--------------|
| Mid Value Section        | 140,000       | 1,297.50       | <b>1,502.75</b>  | 202.25       |
| Low Value House          | 205,000       | 1,893.34       | <b>2,204.01</b>  | 310.67       |
| Mid Value House          | 350,000       | 2,308.05       | <b>2,684.34</b>  | 376.29       |
| High Value House         | 630,000       | 3,108.87       | <b>3,611.86</b>  | 502.99       |
| Commercial Mid Value     | 530,000       | 3,270.17       | <b>3,797.51</b>  | 527.34       |
| Commercial High Value    | 1,130,000     | 5,379.40       | <b>6,257.03</b>  | 877.63       |
| Accommodation Mid Value  | 290,000       | 2,327.48       | <b>2,709.42</b>  | 381.94       |
| Accommodation High Value | 750,000       | 3,946.13       | <b>4,588.26</b>  | 642.13       |
| Secondary Mid Value      | 315,000       | 2,311.70       | <b>2,689.98</b>  | 378.28       |
| Secondary High Value     | 750,000       | 3,699.11       | <b>4,298.85</b>  | 599.74       |

## Lake Tekapo

| Type                     | Capital Value | Actual 2021/22 | Proposed 2022/23 | Rates Change |
|--------------------------|---------------|----------------|------------------|--------------|
| Mid Value Section        | 500,000       | 1,734.25       | <b>1,971.09</b>  | 236.84       |
| Low Value House          | 500,000       | 2,144.19       | <b>2,457.04</b>  | 312.85       |
| Mid Value House          | 860,000       | 2,640.53       | <b>3,025.30</b>  | 384.77       |
| High Value House         | 2,900,000     | 5,453.16       | <b>6,245.48</b>  | 792.32       |
| Commercial Mid Value     | 3,360,000     | 8,389.18       | <b>9,714.63</b>  | 1,325.45     |
| Commercial High Value    | 8,470,000     | 18,783.10      | <b>21,800.46</b> | 3,017.36     |
| Accommodation Mid Value  | 850,000       | 3,186.67       | <b>3,665.60</b>  | 478.93       |
| Accommodation High Value | 8,470,000     | 18,712.15      | <b>21,575.47</b> | 2,863.32     |
| Secondary Mid Value      | 750,000       | 2,735.89       | <b>3,141.15</b>  | 405.26       |
| Secondary High Value     | 1,350,000     | 3,760.75       | <b>4,319.85</b>  | 559.10       |



## Twizel

| Type                     | Capital Value | Actual 2021/22 | Proposed 2022/23 | Rates Change |
|--------------------------|---------------|----------------|------------------|--------------|
| Mid Value Section        | 265,000       | 1,314.76       | <b>1,506.20</b>  | 191.44       |
| Low Value House          | 365,000       | 1,880.16       | <b>2,170.03</b>  | 289.87       |
| Mid Value House          | 500,000       | 2,090.03       | <b>2,410.16</b>  | 320.13       |
| High Value House         | 1,300,000     | 3,333.71       | <b>3,883.21</b>  | 499.50       |
| Commercial Mid Value     | 1,010,000     | 3,644.73       | <b>4,211.84</b>  | 567.11       |
| Commercial Mid Value     | 3,520,000     | 9,191.59       | <b>10,651.04</b> | 1,459.45     |
| Accommodation Mid Value  | 750,000       | 2,972.73       | <b>3,433.76</b>  | 461.03       |
| Accommodation High Value | 8,810,000     | 20,812.20      | <b>23,992.11</b> | 3,179.91     |
| Secondary Mid Value      | 750,000       | 2,725.70       | <b>3,144.35</b>  | 418.65       |
| Secondary High Value     | 1,350,000     | 3,761.88       | <b>4,334.98</b>  | 573.10       |

## Rural

| Type                             | Capital Value | Actual 2021/22 | Proposed 2022/23 | Rates Change |
|----------------------------------|---------------|----------------|------------------|--------------|
| Low Value Township Section       | 50,000        | 369.28         | <b>414.46</b>    | 45.18        |
| Low Value Township House         | 175,000       | 800.55         | <b>932.80</b>    | 132.25       |
| Lifestyle Low Value              | 660,000       | 1,055.63       | <b>1,212.57</b>  | 156.94       |
| Lifestyle Mid Value              | 700,000       | 1,100.64       | <b>1,264.91</b>  | 164.27       |
| Lifestyle High Value             | 930,000       | 1,359.43       | <b>1,565.84</b>  | 206.41       |
| Farm Low Value – Sheep and Beef  | 940,000       | 1,370.69       | <b>1,578.92</b>  | 208.23       |
| Farm Mid Value – Sheep and Beef  | 4,325,000     | 5,179.42       | <b>6,007.81</b>  | 828.39       |
| Farm Mid Value – Dairy           | 8,280,000     | 9,629.50       | <b>11,182.48</b> | 1,552.98     |
| Farm High Value – Cropping       | 14,500,000    | 16,628.12      | <b>19,320.65</b> | 2,692.53     |
| Farm High Value – Sheep and Beef | 18,800,000    | 21,466.39      | <b>24,946.71</b> | 3,480.32     |
| Secondary Mid Value              | 750,000       | 1,403.92       | <b>1,619.81</b>  | 215.89       |
| Secondary High Value             | 1,300,000     | 2,203.92       | <b>2,551.71</b>  | 347.79       |

**Note** – Rural properties do not include rates for water or wastewater



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**Mackenzie**  
DISTRICT COUNCIL