

Annual Plan 2025/26



Mackenzie
DISTRICT COUNCIL

Contents

Message from the Mayor and Chief Executive	3
Your Council	4
Our Strategic Vision	5
Our Planning Process	6
Guide to the Annual Plan 2025/26	7
Our Activities at a Glance	8
Annual Plan 2025/26: How it compares with year two of the Long-Term Plan	11
Council's Activities Explanations for Change	12
Overall Rate Summary 2025/26	13
What does Council Spend Money On?	14
Part 2: Council Activities	
Transport	16
Three Waters	20
Public Facilities, Parks and Places	29
Regulatory Services	33
Emergency Management	36
Waste Management and Minimisation	39
Tourism, Economic Development and Commercial Activity	42
Governance and Corporate Services	45
Part 3: Finances	
Prospective Financial Statements	48
Annual Plan Disclosure Statement	49
Prospective Statement of Comprehensive Revenue and Expense	50
Prospective Statement of Movements in Equity	51
Prospective Statement of Financial Position	52
Prospective Statement of Cash Flows	53
Prospective Funding Impact Statement (whole of Council)	54
Accounting Policies	57
Rating Information for 2056/26	76
Rates examples	87

MESSAGE FROM THE MAYOR AND CHIEF EXECUTIVE:

We are now heading into the second year of our current 10-year plan. Although high inflation and interest rates are beginning to subside, the impacts of high costs and increasing standards mean financial pressures on our ratepayers have not eased. Within this budgeting cycle, adjustments have been made to mitigate the impact of cost increases on Council and residents where possible.

For almost all of council's activity, the overall general rating increase required to keep the current levels of service is in the order of 2.6% which is close to the cost of inflation. On the other hand, the costs of providing infrastructure, in particular roading and three waters infrastructure, and compliance with government requirements for drinking water, have been driving significant cost increases in the order of 20% in these areas over recent years.

Despite these challenges, Council has kept the overall rates increase slightly below what was signalled in our Long-Term Plan - 10.7% (down from 10.8%).

The upcoming year will be challenging but we remain committed to striking a balance between costs and investment in appropriate infrastructure while also delivering fit for purpose services.

We are pleased the district's primary production sector has seen a robust year, with significant contributions from dairying and sheep farming. As well as improved prices the favourable weather conditions have led to increased yields and productivity. Looking ahead, the prospects for our agricultural sector remain positive and the Mackenzie region is well-positioned for another successful year for this important part of our economy.

Visitor numbers have exceeded pre-COVID levels and are predicted to continue to grow in line with the government's tourism growth strategy. While this has been a significant benefit to the District's economy, visitors will continue to put pressure on our infrastructure and resources, which we at council are working to alleviate. This year we will be implementing user pays for high tourism toilets at Hamilton Drive and at Pukaki and this project will be monitored to minimise any unintended consequences.

Local Water Done Well is central government's policy for water reform which requires changes to the structure of water services and delivery nationwide. Along with other councils in New Zealand, we have been mandated to create Water Service Delivery Plans by 3 September 2025 that set out how we will meet higher standards, investment and regulations and deliver infrastructure in a financially sustainable manner. This once-in-a-generation change is intended to become operational on 1 July 2027 and so over the coming year we will be focussing on setting up new financial arrangements and legal structures, including a constitution and shareholder agreements.

As part of the efforts to reduce rates, Council has reset the levels of excess water use to more realistic volumes, based on local and national consumption data, and the charges for exceeding this volume are to be on a 'user pays' basis. The rollout of the installation of water meters in our communities has facilitated this.

We have finished year one of the Long-Term Plan with many of the tasks we said we would do achieved. We now turn our focus to year two of the Long-Term Plan, and a range of tasks and projects. We are working with the community boards for each of our major towns to formulate 'master plans' helping to guide us in managing the issues and growth that we know we are facing. Each town also has key projects that they are working towards:

- Twizel - transitioning the library services from the school and working to establish an interim Library.
- Tekapo - the completion of the installation of water meters and working with the Sports Trust and community on the relocation of the Squash Courts.
- Fairlie - installing water meters in the township and engaging with the Allandale scheme about connecting Allandale to the urban water system.

District wide, a large proportion of the budget is spent on roading projects as well as ongoing maintenance.

We have completed three stages of the District Plan Review to date, with Stage Four decisions being finalised early in 2025/26. Completion of the District Plan will be a major milestone for Council and means that the Mackenzie has a modern up-to-date plan that holds us in good stead, particularly in light of the Resource Management Act reforms that are coming through. These reforms include regional plans so having an up to date Mackenzie plan will enable our community's voice to be heard in that process.

We will continue to support our communities with our Community Development Team and the Mayor's Taskforce for Jobs leaders who will continue to be active in our district.

We will be commencing a Rates Review to review our rating policy to identify changes in the way we charge our rates across the district.

There are several significant uncertainties ahead with major reform being actively pursued by central government for water, emergency management, resource management reform, and building services.

Local Government is in a period of major change, so it's critical that everyone takes an active role in council processes. Community views assist Council decision making.

Karen Morgan
Acting Mayor



Angela Oosthuizen
Chief Executive



HE AHA TE MEA NUI O TE AO? HE TANGATA! HE TANGATA! HE TANGATA!

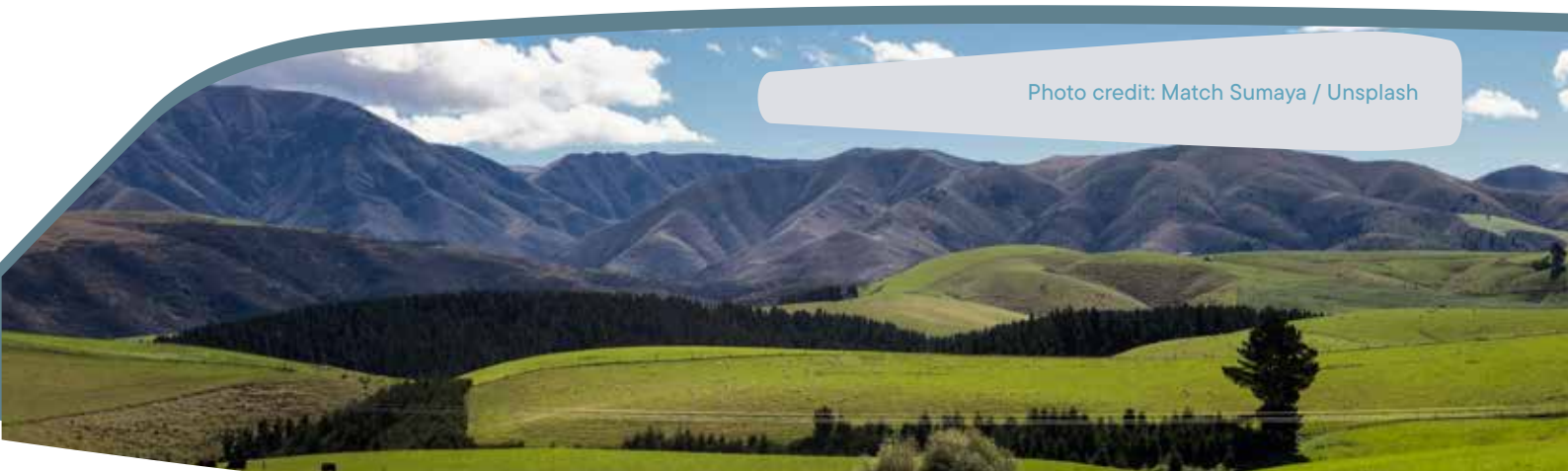
WHAT IS THE MOST IMPORTANT THING IN THE WORLD? IT IS PEOPLE! IT IS PEOPLE! IT IS PEOPLE!

This whakataukī talks to the importance of human connection and relationships. This is what creates community and enables people to flourish. It values the human being in all of us and reminds us of what is most important – not money, not success, not a job or a thing – it is people.

Your Council



Photo credit: Match Sumaya / Unsplash

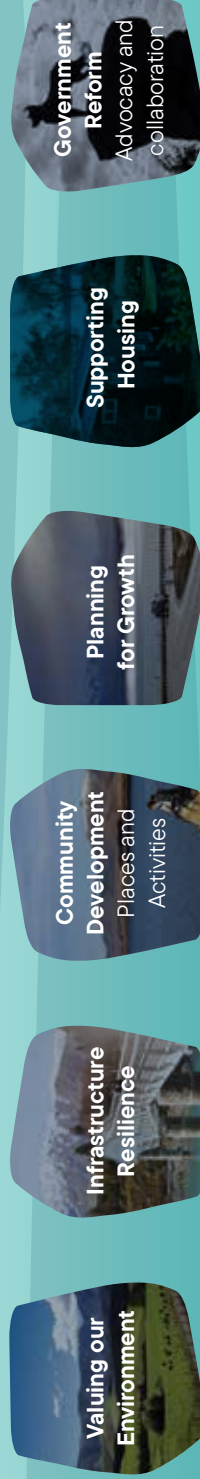


Our Purpose To deliver quality services and core infrastructure

Our Values



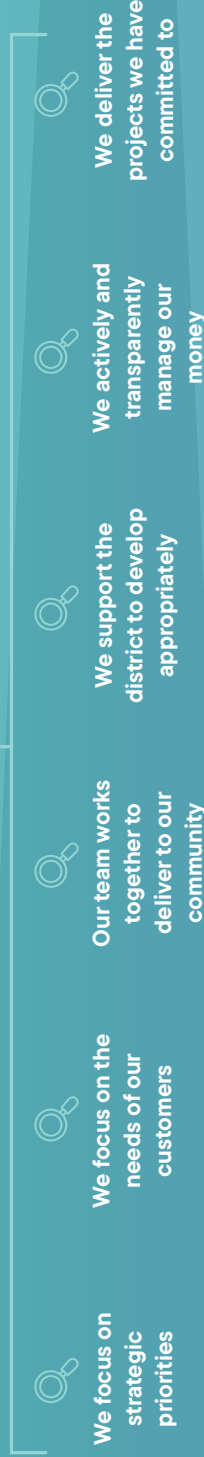
Strategic Focus (External)



Community Outcome



Internal Focus Areas



Outcome Mackenzie's community is resilient and thriving

WORKING WITH PAPATIPU RŪNANGA

WAIHO I TE TOIPOTO, KAUA I TE TOIROA.

LET US KEEP CLOSE TOGETHER, NOT WIDE APART.

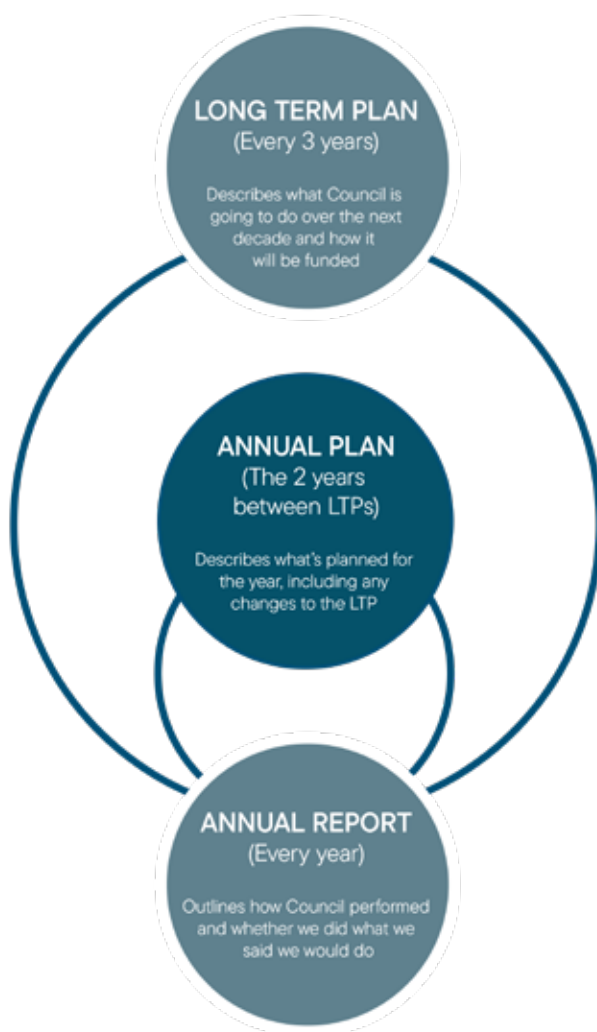
This whakataukī speaks to the importance of keeping connected, of maintaining relationships and dialogue so that we can keep moving forward together.

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

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

Our Planning Process

Council's planning process centres on three key documents:



Guide to the Annual Plan 2025/26

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 2024-2034.

The financial year beginning 1 July 2025 is the second year of Mackenzie District Council's Long-Term Plan 2024-2034. 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. 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 2024-2034 (available from Council's website mackenzie.govt.nz).

This document is the formal and public statement of the Council's intentions in relation to the matters covered by the Annual Plan 2025/26 in accordance with section 96 of the Local Government Act (2002).

ANNUAL WORK PROGRAMME AND BUDGET

This Annual Plan does not contain any significant variations from year 2 of the Long-Term Plan 2024-2034. As a result, Council has not consulted on the Annual Plan itself in accordance with section 95(2A) of the Local Government Act 2002. Instead, Council consulted on the proposed changes to how revenue will be collected for excess water charges, user pays charges for public toilets at Pukaki and Hamilton Drive, some other changes to fees and charges, along with an amendment in the Revenue and Financing Policy to reallocate public toilet costs amongst ratepayers. We have also informed the community of the key work that can be expected to be completed throughout the 2025/26 year.

The document sets out the following:

- key decisions taken in finalising the Annual Plan budgets
- a summary of how the Annual Plan 2025/26 varies from year 2 of the Long-Term Plan 2024-2034. The summary includes our rates for 2025/26
- a summary of the Council Activities including their scope, performance measures, major projects and capital, and operating expenditure; and
- the budget for 2025/26 and rates details for the year.

KEY DECISIONS MADE IN THE DEVELOPMENT OF THE ANNUAL PLAN

The economic climate is tough with clear indications that the cost increases across all aspects of life is making the current economic conditions difficult for residents.

The Long-Term Plan 2024-2034 indicated a rate requirement increase of 10.8% in year two.

The inflationary effects across most Council activities came very close to inflation at 2.6%, however, with the costs of providing roading and other infrastructure having risen approximately 20%, the initial rate requirement exceeded the forecast 10.8%.

Council wanted to maintain the current level of service, but to cut its cloth to get as close to or below the proposed 10.8% indicated in the Long-Term Plan.

In the preparation of the Annual Plan, Councillors attended eight budget-setting workshops that focused on what we said we would do in year 2 of the Long-Term Plan. Councillors discussed unbudgeted expenditure, what projects have been carried forward, and what needs to be done in the district during 2025/26 while keeping in mind the current economic climate.

Councillors reviewed every activity budget to make reductions wherever possible. While there is a danger in having budgets tight in that any unexpected event will need to be managed with unbudgeted expenditure, Councillors' focus on the cost of living and keeping the required rate rise to a minimum, was key in their considerations.

The outcome of all the discussions and re-working of budgets along with the changes in the fees and charges has landed with a rate requirement for the 2025/26 Annual Plan of 10.7% – just slightly under what was projected for year 2 of the Long-Term Plan.

KEY CHANGES INCLUDED:

- The budget for the library service was increased to \$146,780 (this is just for the Fairlie Community Library – the total district library budget is \$245,460 with an increase of \$40,229 over the 2024/25 budget of \$205,231).

The library service needed an overdue increase in budget to keep the service at the same level including providing internet access at the library. Council discussed the importance of having a library service in the district for all residents therefore approved the increased budget.

- Additional funds from the Forestry reserves were added to the revenue for the 2025/26 financial year to keep rates lower.

The Long-Term Plan 2024-2034 set out the use of Forestry reserves in the first three years as a means of keeping the rates requirement down. In year 2 of the Long-Term Plan Council signalled \$500,000 from the reserve to be used as additional revenue for the budget. In the preparation of the Annual Plan 2025/26 Councillors made the decision to increase the revenue taken from the reserve to \$800,000 keeping the rate requirement as close as possible to the 10.8% indicated in the Long-Term Plan.

- Increasing the budget for roading environmental maintenance and snow clearance by \$150,000.

Across the 2023/24 and 2024/25 financial years there has been the need to approve unbudgeted expenditure for the management of snow clearance, rain events and environmental maintenance. Unbudgeted expenditure is when there is no allowance in the budget for this work. In managing the external borrowing Council decided to increase this budget to lessen the need for additional funding should there be a significant snow and/or weather event happen across the 2025/26 financial year.

- Councillors requested that a new position be created to work in the RMA compliance area to enforce rules in the District Plan, therefore additional budget for that full time equivalent position has been added (noting much of the enforcement cost may not be able to be recovered).

Additional resource in this area will assist with monitoring and compliance of resource consents, it will also assist with the development of policies and procedures in this area.

- The approval of \$50,000 to go towards a full rates review

Council has budgeted \$50,000 to be used to progress a rating review. The review will look at Council's existing rating framework and how those rates are currently allocated to properties within the Mackenzie District. Council has a number of rate types and the review will consider the appropriateness of each rate and who benefits from that rate type and the fairness of rates distributions on property types.

- Decreasing community board township budgets by \$10,000 each in view of cost pressures.

Note that as part of the finalisation of the Annual Plan, the Twizel community board budget was different to the others therefore Council brought the budget in line with the Fairlie and Tekapo community boards.

FEES AND CHARGES CONSULTATION

In the development of the Annual Plan, Councillors proposed to make changes to some of the fees and charges that were set in the Long-Term Plan 2024-2034.

The consultation covered the following proposals:

1. Changes to the annual water allowance per connection and an increase in the excess water use charge.
2. Charges for the use of the Pukaki and Hamilton drive toilets.
3. Changes to the percentage split of the general rate and the tourism and economic development rate for the servicing costs of the public toilets.
4. Some other changes to fees and charges.

Council received 98 submissions on the proposed changes. Following the hearings and deliberation on the submissions along with considering the longer term benefits and consideration of future generations, Councillors adopted the following:

WATER CHARGES

- The excess water use threshold for every township connection will be set at 500m³ per annum. Excess water charges will be billed every quarter, but there will be no charge until the 500m³ threshold is reached. The charge for excess water use will be \$2.00 + GST per m³ (\$2.30).

This will apply to all township water connections i.e. Twizel, Fairlie, Tekapo and Burkes Pass, as meters are rolled out. Commercial use meters are already in place in Fairlie, Tekapo and Twizel. Residential metering, which is in place in Twizel, is currently being rolled out in Tekapo. Fairlie and Burkes Pass will follow. Further information regarding billing and how to read water meters will be available to the community.

CHARGES FOR PUBLIC TOILETS

- The toilets at the southern end of Lake Pukaki and at Hamilton Drive in Tekapo will be user pays. Councillors have set the charge per use as \$1.50 (electronic payment) and \$2.00 (coin payment).
- Councillors confirmed a greater allocation (40%) of public toilet maintenance and cleaning to be allocated to the Tourism and Economic Development rate (primarily affecting businesses, and commercial and short-term accommodation).

OTHER CHARGES

- Councillors confirmed the proposed changes to other fees and charges will remain as proposed.

IMPACT ON RATES

The excess water use and public toilet charges decisions result in a lower overall rate increase. The forecast overall rates increase for 2025/26 is 10.7%. (This is because the increased charges for excess water users means a reduction in the overall increase in fixed water charges which are paid by all township connections across the district – and the user pays charges for the toilets reduces the burden on ratepayers).

The revenue collected from user pays public toilets will go towards the annual maintenance and cleaning costs of the district toilets, with the remaining costs coming from the general and the tourism and economic development rates.

The fees and charges along with the revenue and financing policy can be found on Councils website, mackenzie.govt.nz, search policies and/or fees and charges.

FINANCIAL OVERVIEW

The financials show an overall rates increase of 10.7 % from the current financial year (2024/25) which is broken into a general rates increase of 0.83% and targeted rates increase of 18.59%. The LTP year 2 had been budgeted at a 10.8% overall rates increase.

PROSPECTIVE STATEMENT OF COMPREHENSIVE REVENUE AND EXPENSE

The draft 2025/26 Annual Plan is budgeting a deficit of \$861,000 compared to the LTP Year 2 surplus of \$2,105,000 (unfavourable movement of \$2,966,000). Significant variances for this comparison are:

- Increased income from water meters of \$352,000 as a result of the installation of smart meters on all urban water supply properties and reduction to the annual water usage allowance,
- Increased contribution from the forestry operating reserve of \$300,000 to subsidise the general rate requirement,
- Decreased income of \$324,000 from financial contributions,
- Increased forestry operational costs of \$389,227 for windrowing, desiccation, planting, releasing and pest control,
- Increased staffing costs for an additional compliance officer for RMA compliance,
- Increased costs of \$245,650 for completion of the District Plan Review,
- Increased depreciation charges of \$1,633,000 specifically within transportation, water, wastewater as a result of an out of cycle revaluation in June 2024,
- Decreased operating grants expenditure of \$500,000 with the transfer of the Tekapo Sports Trust to be a capital grant,
- Increased costs of \$351,474 within transportation/roading to meet increased level of service within sealed and unsealed pavement maintenance, routine drainage maintenance and environmental maintenance to meet historical spend on weather events (we did not know NZTA 3-year funding when the LTP was approved),
- Increased costs of \$154,900 to undertake the maintenance of Council's townships and parks and reserves throughout the district,
- Decreased gain on revaluation of property, plant and equipment of \$245,000 as a result of the out of cycle revaluation in June 2024 being undertaken for roading and three waters assets.

PROSPECTIVE STATEMENT OF FINANCIAL POSITION

The draft 2025/26 Annual Plan is budgeting a closing equity balance of \$406.870 million compared to the LTP Year 2 balance of \$444.251 million (unfavourable movement of \$37.381 million).

The main reason for this is the valuation of property, plant and equipment. The 2025/26 Annual Plan has used the adopted asset base from the 2023/24 Annual Report which reflected the out of cycle revaluation of Council's roading and three waters assets.

Borrowings (current and non-current) were forecast to be \$21.016 million in year 2 of the 2024-34 LTP; the 2025/26

Annual Plan forecasts borrowings to be \$23.652 million. The additional \$2.636 million is due to Council's actual borrowings in this current financial year being \$23.811 million (Council only \$23.1 million, Downlands Water Supply \$0.711 million). The starting baseline is higher than the LTP baseline as a result of borrowing for the unbudgeted roading environmental maintenance costs and additional borrowing required in water for Fairlie water treatment plant, Twizel ringmain and smart meter installation. The budget proposes movements during 2025/26 in both Council and Downlands borrowings of -\$159,000.

THE RATES REQUIREMENT FOR 2025/26

Made up of 0.4% general rate and 19.5% for targeted rates. The rate requirement for 2025/26 is a 10.7% increase.

The operational expenditure for 2025/26 is \$2,847,000 above the amount signalled in the Long-Term Plan.

The capital expenditure for projects in 2025/26 is \$283,000 above the amount signalled in the Long-Term Plan.

Our Activities at a Glance

Council's activities and work programmes come out of the priorities identified during the development of the Long-Term Plan, including Asset Management Plans 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:



TRANSPORTATION

- Roading
- Bridges
- Streetlighting
- Signage
- Road Safety
- Parking



THREE WATERS

- Water supplies
- Wastewater
- Stormwater



PUBLIC FACILITIES, PARKS AND PLACES

- Parks and Open Spaces
- Swimming Pools
- Public Toilets
- Community Centres and Halls
- Cemeteries
- Pensioner Housing
- Cycleways, Walkways, A20



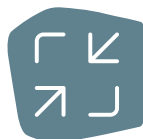
REGULATORY SERVICES

- Resource Management and District Planning
- Building Control
- Animal Control
- Environmental Health



EMERGENCY MANAGEMENT

- Civil Defence
- Emergency Management



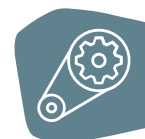
WASTE MANAGEMENT AND MINIMISATION

- Kerbside Collection
- 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



GOVERNANCE AND CORPORATE SERVICES

- Governance
- Chief Executive Office
- People and Cultural Relationships
- Customer Services
- Finance
- Corporate Planning
- Information and engagement
- Community Development
- Governance Support
- Asset Management

For each activity you will find information about projects planned for the coming year, any changes to the level of services detailed in the Long-Term Plan 2024-2034, 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 2024-2034 with the budget for 2025/26.



Photo credit: Sue Wilkins

KEY DISTRICT PROJECTS 2025/26

Projects

Following on from the work completed in 2024/25 (year one of the Long Term Plan), the 2025/26 (year two of the Long Term Plan) key projects include:

Activity		Total Budget 2025/26 (\$)
TRANSPORTATION		
	The LTP's year 2 – The District Roothing Programme (NZTA Approved) includes	
District Roothing programme	<ul style="list-style-type: none"> road metalling drainage, traffic services, bridge and structures renewals sealed road rehabilitation and minor improvements 	2,609,355
WATER SUPPLIES		
	The district water supply programme includes	
Urban Water	<ul style="list-style-type: none"> Reticulation Extension and Water pipes renewal programme Smart meter installation - completion of programme 	2,410,200
WASTEWATER		
	The district wastewater programme includes	
Urban Wastewater	<ul style="list-style-type: none"> Real time monitoring and new reticulation projects Fairlie and Burkes Pass wastewater treatment beds Tekapo's new treatment plant 	888,900
STORMWATER		
	The district stormwater programme will include	
Urban Stormwater	<ul style="list-style-type: none"> Fairlie – Sloane Street, Regent Street, Fire station renewals 	226,600
PUBLIC FACILITIES, PARKS AND PLACES		
	The Public Facilities, Parks and Places district programme includes	
Plantings	<ul style="list-style-type: none"> Tree planting, in the Twizel township Native restoration at Lake Alexandrina 	103,000
REGULATORY SERVICES		
	The finalisation of the District Plan Review will continue with stage four. Independent hearings-panel decisions are expected in the first quarter, followed by any appeal processes. Council decided in the LTP not to budget for the appeal costs, with the financing of those costs to be determined once the number of appeals is known.	
Planning		400,000
WASTE MANAGEMENT AND MINIMISATION		
Solid Waste	Twizel Resource Recovery Park landscaping and planting	30,900
GOVERNANCE AND CORPORATE SERVICES		
IT Support	Updates of aerial imaging, camera installations, Tekapo Hall access	74,675
Finance	Rating review	50,000
Community Development	Tekapo Sports Trust building funding	500,000

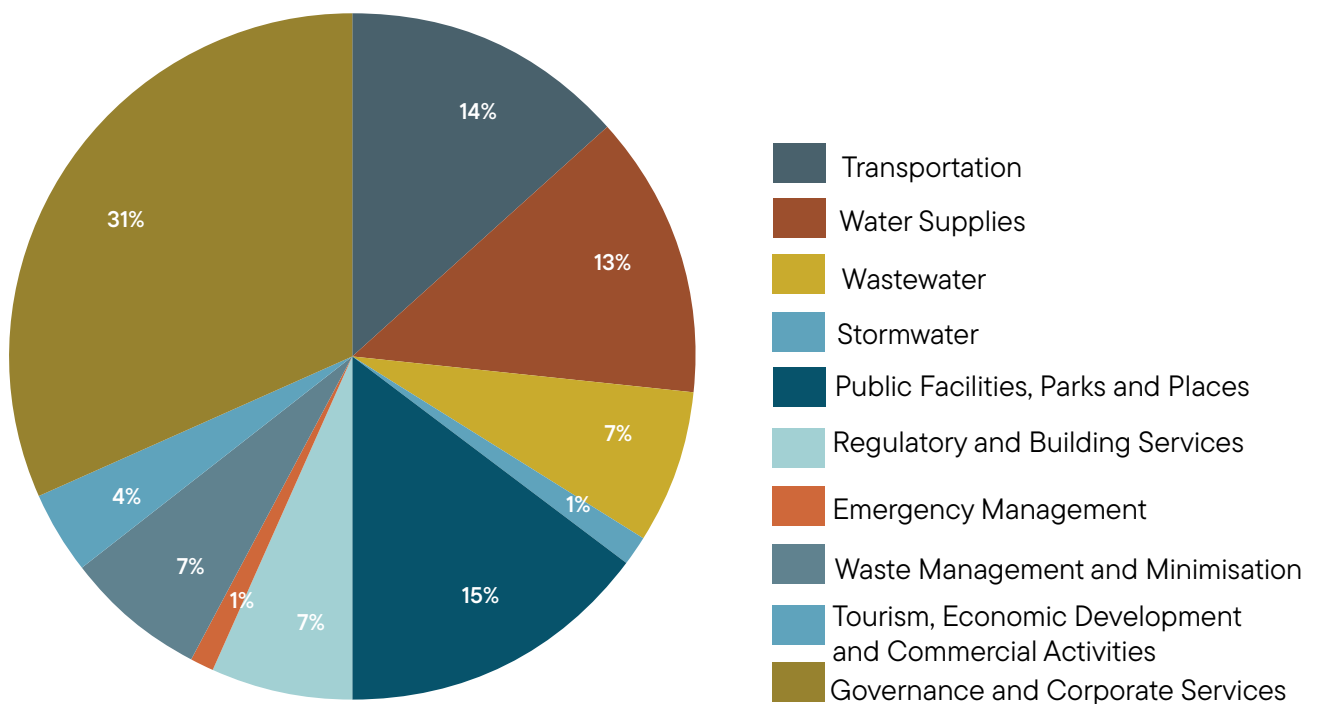
Rates

OVERALL RATE SUMMARY

(GST EXCLUSIVE)

Long-Term Plan 2024-25 \$000	Activity	Annual Plan 2025/26 (\$000)	Change from 2024/25	Long-Term Plan 2025/26 (\$000)
1,976	Transportation	2,743	767	2,195
2,467	Water Supplies	2,711	244	2,664
1,238	Wastewater	1,448	210	1,302
203	Stormwater	258	55	206
2,801	Public Facilities, Parks and Places	3,078	277	3,015
1,330	Regulatory and Building Services	1,327	(3)	1,469
212	Emergency Management	228	16	227
1,324	Waste Management and Minimisation	1,389	65	1,383
716	Tourism, Economic Development and Commercial Activities	737	21	763
6,020	Governance and Corporate Services	6,323	303	7,040
18,287	Total Rates	20,242	1,955	20,265

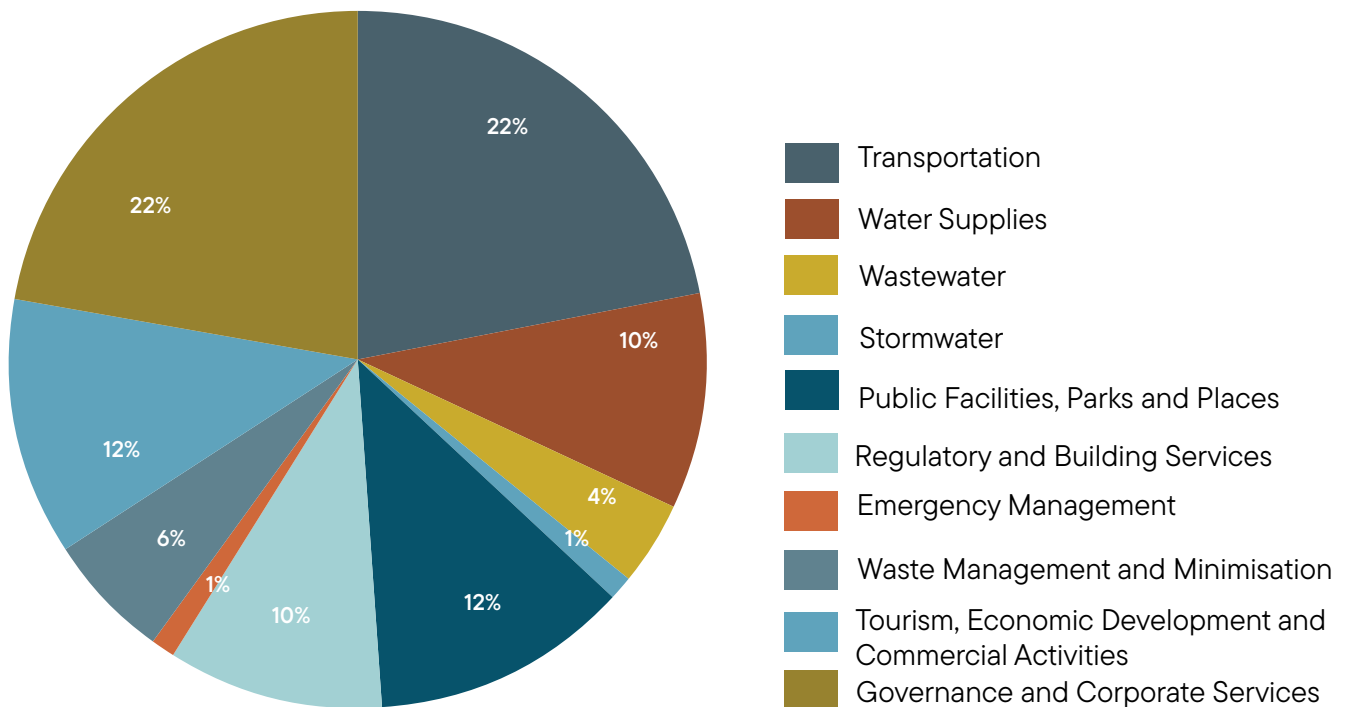
SHARE OF RATES



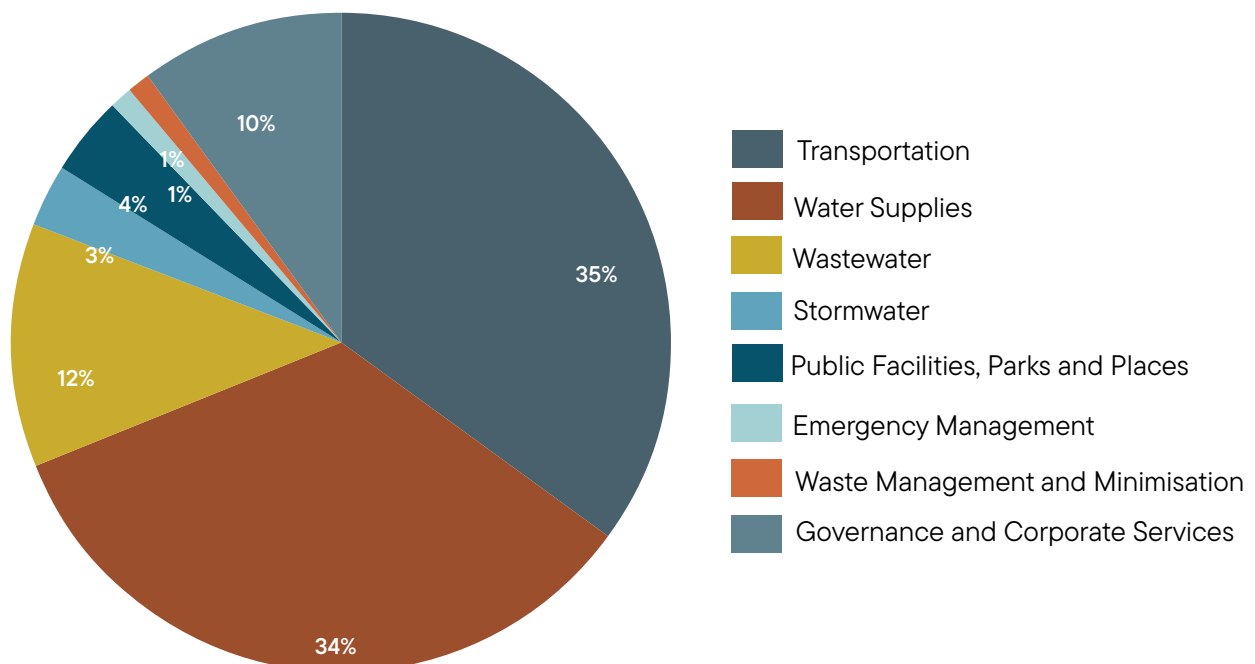
WHAT DOES COUNCIL SPEND MONEY ON?

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





Council's Activities



Transport

Goal: To provide a safe and efficient transportation network to connect our communities

Our Transportation activity is a key function of Council connecting our district.

THIS GROUP OF ACTIVITIES INCLUDE:

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

Road safety
Parking
Footpaths
Cycleways

WHAT WE DO

Our transportation activity supports the provision of our district's roading network, which is vital infrastructure for our community, 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 key agriculture and tourism sectors, enables businesses to access resources and markets, and provides people with social, cultural, recreational and employment opportunities.

The transport activity manages council's land transport network, and the 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 manages over 732km of roads (520km unsealed), 95 bridges, 69km of footpath, drainage facilities (e.g. soak pits, culverts), signs, carparks, kerb and channel, 1,251 streetlights, cycleways, 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 transport 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.

The Council will continue to own, control and manage the district's entire roading network as one of its core activities. As a result, our priority is to maintain, operate and protect the existing roading network.



Photo credit: Sue Wilkins

OUR PERFORMANCE MEASURES

WHAT YOU CAN EXPECT FROM US	WHAT WE WILL MEASURE	TARGETS: 2025/26
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: *	
	1 a) rural roads	≥ 90%
	2 b) urban roads	≥ 75%
	3 The percentage of the sealed local road network that is resurfaced*	≥ 4%
	4 The percentage of the unsealed road network renewed using wearing course and stabilisation techniques	≥ 2%
	5 The percentage of road users that are satisfied with the roading network	≥ 85%
Provide a safe and efficient roading network	6 The change from the previous year in number of fatalities and serious crashes on the local road network, expressed as a number* (0 change equates to ≤2 fatality and serious injury crashes)	0
	7 The number of death and serious injuries recorded for the financial year on local roads under control of the Mackenzie District Council. (In line with the Road to Zero vision)	< 1
	8 The number of reported crashes on local roads under control of the Mackenzie District Council.	≤ 10
	9 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.	10 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 2025/26

Low-Cost Low Risk Projects: including economic growth and productivity focused projects with increased resilience like site benching, seal widening, traction seals, speed management, and travel management demand measures.

Unsealed road metalling: road metalling will continue particularly on high risk and high trafficked roads like Lilybank and Braemar Roads. An economic assessment was undertaken in 2024/25 to assess the viability of seal extensions along these roads. A business case has been made to NZTA to assist with funding.

Ongoing sealed road resurfacing upgrades: pre-reseal repairs continue into 2025/26. Resurfacing of sealed roads is programmed for 2026/27, responding to the need to improve the condition of sealed roads across the district.

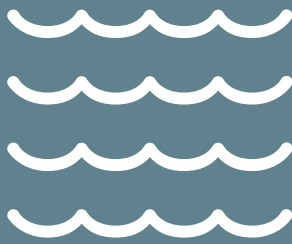
CAPITAL PROJECTS 2025/26

\$000	2025/26 Year 2 Long- Term Plan*	2025/26 Annual Plan
TO IMPROVE THE LEVEL OF SERVICE		
District Roothing		
Rural Seal Extensions	14	-
Minor Improvements	567	680
TO REPLACE EXISTING ASSETS		
Roothing Professional Services		
Plant and Equipment	13	13
District Roothing		
Unsealed Road Metalling	803	1,003
Sealed Road Resurfacing	746	-
Drainage Renewal	187	229
Sealed Road Pavement Rehabilitation	74	177
Bridge Structure Component Replacement	-	26
Bridge and Structures Renewals	276	284
Traffic Services Renewals	101	123
Environmental Renewals	-	6
Footpath Renewal	231	66
Car Parking Renewal	-	-
Cycle path renewal	16	16
Total capital works	3,027	2,623

* Within the Long-Term Plan 2024-2034, capital projects were shown at 100% budgeted cost including inflation, but Council only funded 90% of the cost of replacing assets.

TRANSPORTATION - FUNDING IMPACT STATEMENT FOR 2025/26

\$000	Long-Term Plan Budget 2024/2025	Long-Term Plan Forecast 2025/26	Annual Plan Budget 2025/26
SOURCES OF OPERATING FUNDING			
General rates, uniform annual general charges, rates penalties	-	-	-
Targeted rates	1,976	2,195	2,743
Subsidies and grants for operating purposes	1,010	1,247	1,235
Fees and charges	-	-	-
Internal charges and overheads recovered	-	-	-
Local authorities fuel tax, fines, infringement fees, and other receipts	171	176	176
Total Operating Funding	3,157	3,618	4,154
APPLICATIONS OF OPERATING FUNDING			
Payments to staff and suppliers	2,133	2,606	2,962
Finance costs	246	232	207
Internal charges and overheads applied	80	83	107
Other operating funding applications	-	-	-
Total Applications of Operating Funding	2,459	2,921	3,276
Surplus (Deficit) of Operating Funding	698	697	878
SOURCES OF CAPITAL FUNDING			
Subsidies and grants for capital expenditure	1,028	1,404	1,306
Development and financial contributions	-	-	-
Increase (decrease) in debt	(300)	(300)	(300)
Gross proceeds from sale of assets	-	-	-
Lump sum contributions	-	-	-
Other dedicated capital funding	-	-	-
TOTAL SOURCES OF CAPITAL FUNDING	728	1,104	1,006
APPLICATIONS OF CAPITAL FUNDING			
Capital expenditure			
- to meet additional demand	-	-	-
- to improve the level of service	350	580	680
- to replace existing assets	1,678	2,202	1,943
Increase (decrease) in reserves	(602)	(981)	(740)
Increase (decrease) in investment	-	-	-
Total Applications of Capital Funding	1,426	1,801	1,884
Surplus (Deficit) of Capital Funding	(698)	(697)	(878)
FUNDING BALANCE	0	0	0



Three Waters

Goal: 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

WATER SUPPLY

Council maintains and manages the abstraction, treatment and distribution of water through community water supplies in the townships of Twizel (including Pukaki Airport), Tekapo, Fairlie and Burkes Pass and rural scheme at Allandale and Albury.

Management of the Albury water supply is undertaken by the Albury Rural Water Supply Society Inc. under a formal agreement with the Council. Routine operations 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 protect public health within our communities, support the development of the district and to protect the natural and built environment.

There are community wastewater systems in the townships of Twizel, Tekapo, Fairlie and Burkes Pass. In each case, effluent

is collected and treated using a waste stabilisation 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 water or to surface water after flowing through some form of treatment such as a swale, larger vegetated treatment area or mechanical filtration.

The stormwater network excludes infrastructure related to the roading activity.

OUR PERFORMANCE MEASURES

HOW WE MEASURE OUR WATER SUPPLIES' PROGRESS TO ACHIEVING THE COMMUNITY OUTCOMES

WHAT YOU CAN EXPECT FROM US	WHAT WE WILL MEASURE	TARGETS: 2025/26
Provide safe drinking water	1 Compliance with Water Services (Drinking Water Standards for New Zealand) Regulations 2022 (part 4) – Bacterial Compliance and Drinking Water Quality Assurance Rules 2022 (DWQAR)* (not able to meet 100% of monitoring requirements)	≥95% compliance across 4 supplies
	2 Compliance with Water Services (Drinking Water Standards for New Zealand) Regulations 2022 (part 5) – Protozoal Compliance and Drinking Water Quality Assurance Rules 2022 (DWQAR)* (No protozoa compliance at smaller supplies: Burkes Pass and Allandale)	3 out of 5 supplies compliant

WHAT YOU CAN EXPECT FROM US		WHAT WE WILL MEASURE	TARGETS: 2025/26
Maintain excellent water supply network services	3	The percentage of real water loss from the networked reticulation system*	≤ 25%
	4	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 b) Resolution for urgent call outs c) Attendance for non-urgent call outs	≤ 2 hours ≤ 12 hours ≤ 72 hours ≤ 120 hours
Maintain excellent customer services	5	The total number of complaints received about any of the following:*	≤ 5 per 1,000 connected properties
	6	The percentage of ratepayers satisfied with the water supply service	≥ 65%
Provide demand management of water supply services	7	Average consumption of drinking water per day per resident with the district*	<1.2m ³

*Mandatory performance measure

HOW WE MEASURE OUR WASTEWATER PROGRESS TO ACHIEVE OUR COMMUNITY OUTCOMES

WHAT YOU CAN EXPECT FROM US		WHAT WE WILL MEASURE	TARGETS: 2025/26
Maintain excellent sewer network services	1	The number of dry weather sewerage overflows from Council's sewerage system, expressed per 1,000 connected properties*	≤ 2 events
Wastewater is discharged in a safe manner	2	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 b) The number of abatement notices c) The number of infringement notices d) The number of enforcement orders e) The number of convictions	Compliant data Nil notices and/or orders

WHAT YOU CAN EXPECT FROM US		WHAT WE WILL MEASURE	TARGETS: 2025/26
Maintain excellent customer services	3	Where the Council attends to sewage overflows resulting from a blockage or other fault in the Council's sewerage system, the following median response times measured:*	≤ 1 hour
		a) Attendance time	≤ 4 hours
		b) Resolution time	
	4	The total number of complaints received by the Council about any of the following:*	≤ 50 complaints per 1,000 connections
		a) Sewage odour	
		b) Sewerage system faults	
		c) Sewerage system blockages	
		d) The Council's response to issues with its sewerage system	
	5	The percentage of residents satisfies with wastewater treatment and disposal services	≥ 65%

HOW WE MEASURE OUR STORMWATER PROGRESS TO ACHIEVING OUR COMMUNITY OUTCOMES

WHAT YOU CAN EXPECT FROM US		WHAT WE WILL MEASURE	TARGETS: 2025/26
Maintain excellent network services	1	The number of flooding events in the Mackenzie district where the urban stormwater system overflows*	≤ 2 overflow events per 1,000 connections
	2	For each flooding event, the number of habitable floors affected*	≤ 2 overflow events per 1,000 connections
Stormwater services managed according to required environmental standards	3	Compliance with the Council's resource consents for discharge from its stormwater system, measured by the number of:*	NIL
		a) Abatement notices	
		b) Infringement notices	
		c) Enforcement orders	
		d) Convictions	
Maintain excellent customer services	4	The median response time to attend a flooding event*	≤ 2hours
	5	The total number of complaints received about the performance of the stormwater system*	≤ 5 complaints per 1,000 connected properties
	6	The percentage of residents satisfied with the stormwater service	≥ 65%

*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.

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

KEY PROJECTS 2025/26

WATER SUPPLY

- **Water Metering:** Council will continue with the installation of smart water meters to properties connected to urban water supplies, following on from Twizel and Tekapo will be Fairlie and Burkes Pass. Water meters allow Council and residents to identify leaks quickly to improve efficiency. The water meters also provide the opportunity for the community to learn about water consumption and encourages water conservation.
- **Water Safety Plans:** During 2025/26, Council will continue the delivery of the projects identified within our water safety plans. This will involve a range of initiatives including backflow prevention, catchment controls, quality control on sampling regimes and equipment upgrades.
- **Water Main Upgrades:** Tekapo alternative supply from reservoir project. The current old AC line runs down from the reservoir and along state highway 8 into Tekapo village. The new more resilient line will run down through the golf course and connect at D'Archiac Drive.

WATER SUPPLY CAPITAL PROJECTS 2025/26

\$000	2025/26 Year 2 Long- Term Plan	2025/26 Annual Plan
TO IMPROVE THE LEVEL OF SERVICE		
Urban Water Supply		
Backflow	52	52
New Smart Meters	391	391
Water Safety Plans	-	10
Allandale / Spur Road Water Supply		
Allandale/Spur Road Water Supply Reticulation Extension	1,648	1,648
To replace existing assets		
Urban Water Supply		
Service Connections	10	10
Reticulation – Water Pipes Renewal Programme	371	371
Downlands Water Supply		
Reticulation renewals	41	34
Plant renewals	20	11
In ground reservoir lining and solid roof cover installation	10	8
Reservoir pipework renewals	-	7
Total Capital works	2,544	2,542

* Within the Long-Term Plan 2024-2034, capital projects were shown at 100% budgeted cost including inflation, but Council only funded 90% of the cost of replacing assets, except for Downlands Water Supply which was fully funded.

WATER SUPPLY - FUNDING IMPACT STATEMENT FOR 2025/26

\$000	Long-Term Plan Budget 2024/2025	Long-Term Plan Forecast 2025/26	Annual Plan Budget 2025/26
SOURCES OF OPERATING FUNDING			
General rates, uniform annual general charges, rates penalties	-	-	-
Targeted rates	2,467	2,664	2,711
Subsidies and grants for operating purposes	-	-	-
Fees and charges	142	146	502
Internal charges and overheads recovered	-	-	1,211
Local authorities fuel tax, fines, infringement fees, and other receipts	26	27	27
Total Operating Funding	2,635	2,837	4,451
APPLICATIONS OF OPERATING FUNDING			
Payments to staff and suppliers	1,103	1,133	1,648
Finance costs	449	446	414
Internal charges and overheads applied	101	104	956
Other operating funding applications	-	-	-
Total Applications of Operating Funding	1,653	1,683	3,019
Surplus (Deficit) of Operating Funding	982	1,154	1,433
SOURCES OF CAPITAL FUNDING			
Subsidies and grants for capital expenditure	-	-	-
Development and financial contributions	500	515	335
Increase (decrease) in debt	(128)	1,534	1,527
Gross proceeds from sale of assets	-	-	-
Lump sum contributions	-	-	-
Other dedicated capital funding	-	-	-
TOTAL SOURCES OF CAPITAL FUNDING	372	2,049	1,862
APPLICATIONS OF CAPITAL FUNDING			
Capital expenditure			
- to meet additional demand	-	-	-
- to improve the level of service	550	2,091	2,101
- to replace existing assets	224	415	441
Increase (decrease) in reserves	580	697	753
Increase (decrease) in investment	-	-	-
Total Applications of Capital Funding	1,354	3,203	3,295
Surplus (Deficit) of Capital Funding	(982)	(1,154)	(1,433)
FUNDING BALANCE	0	0	0

KEY PROJECTS 2025/26

WASTEWATER

- Lake Tekapo upgrades: Wastewater treatment plant project. An upgrade of the wastewater treatment plant is required to cater for growth in tourism and include the Station Bay subdivision. Council has elected to upgrade the existing facility to the end of its consented life in 2040 rather than building a new plant. Upgrades include a receival screen, aerators, and improvements to discharge capacity
- Pipe replacement programme: Renewal of aging or defective wastewater pipes will continue across the urban centres based on the condition rating and performance of the wastewater network.
- Pressure sewer systems: Lyford Lane has been identified for the extension of the reticulated wastewater network in Twizel. Consultation, design and construction commencement are planned for 2025/26.

CAPITAL PROJECTS 2025/26

\$000	2025/26 Year 2 Long-Term Plan*	2025/26 Annual Plan
TO MEET ADDITIONAL DEMAND		
Urban Sewerage		
Tekapo New Treatment Plant	206	206
Treatment – Real Time Monitoring	103	103
TO IMPROVE THE LEVEL OF SERVICE		
Urban Sewerage		
Wastewater Treatment Beds – Fairlie	-	110
Wastewater Treatment Beds – Burkes Pass	-	130
TO REPLACE EXISTING ASSETS		
Urban Sewerage		
Sewer Reticulation	340	340
Total capital works	649	889

* Within the Long-Term Plan 2024-2034, capital projects were shown at 100% budgeted cost including inflation, but Council only funded 90% of the cost of replacing assets.

WASTEWATER - FUNDING IMPACT STATEMENT FOR 2025/26

\$000	Long-Term Plan Budget 2024/2025	Long-Term Plan Forecast 2025/26	Annual Plan Budget 2025/26
SOURCES OF OPERATING FUNDING			
General rates, uniform annual general charges, rates penalties	-	-	-
Targeted rates	1,238	1,302	1,448
Subsidies and grants for operating purposes	-	-	-
Fees and charges	42	43	65
Internal charges and overheads recovered	-	-	-
Local authorities fuel tax, fines, infringement fees, and other receipts	-	-	-
Total Operating Funding	1,280	1,345	1,513
APPLICATIONS OF OPERATING FUNDING			
Payments to staff and suppliers	543	593	224
Finance costs	-	-	-
Internal charges and overheads applied	86	89	563
Other operating funding applications	-	-	-
Total Applications of Operating Funding	629	682	788
Surplus (Deficit) of Operating Funding	651	663	725
SOURCES OF CAPITAL FUNDING			
Subsidies and grants for capital expenditure	-	-	-
Development and financial contributions	300	309	201
Increase (decrease) in debt	-	-	-
Gross proceeds from sale of assets	-	-	-
Lump sum contributions	-	-	-
Other dedicated capital funding	-	-	-
TOTAL SOURCES OF CAPITAL FUNDING	300	309	201
APPLICATIONS OF CAPITAL FUNDING			
Capital expenditure			
- to meet additional demand	380	309	309
- to improve the level of service	-	-	240
- to replace existing assets	198	306	340
Increase (decrease) in reserves	373	357	37
Increase (decrease) in investment	-	-	-
Total Applications of Capital Funding	951	972	926
Surplus (Deficit) of Capital Funding	(651)	(663)	(725)
FUNDING BALANCE	0	0	0

STORMWATER

KEY PROJECTS 2025/26

Stormwater Reticulation Upgrade: Replacement of the storm channel and line in Sloane St is planned for 2025/26.

CAPITAL PROJECTS 2025/26

\$000	2025/26 Year 2 Long-Term Plan*	2025/26 Annual Plan
TO REPLACE EXISTING ASSETS		
Urban Stormwater		
Renewals – Sloane St, Regent St, Fire Station	280	227
Total capital works	280	227

* Within the Long-Term Plan 2024-2034, capital projects were shown at 100% budgeted cost including inflation, but Council only funded 90% of the cost of replacing assets.



Photo credit: Sue Wilkins

STORMWATER - FUNDING IMPACT STATEMENT FOR 2025/26

\$000	Long-Term Plan Budget 2024/2025	Long-Term Plan Forecast 2025/26	Annual Plan Budget 2025/26
SOURCES OF OPERATING FUNDING			
General rates, uniform annual general charges, rates penalties	-	-	-
Targeted rates	203	206	258
Subsidies and grants for operating purposes	-	-	-
Fees and charges	-	-	-
Internal charges and overheads recovered	-	-	-
Local authorities fuel tax, fines, infringement fees, and other receipts	-	-	-
Total Operating Funding	203	206	258
APPLICATIONS OF OPERATING FUNDING			
Payments to staff and suppliers	78	82	51
Finance costs	-	-	-
Internal charges and overheads applied	32	33	93
Other operating funding applications	-	-	-
Total Applications of Operating Funding	110	115	144
Surplus (Deficit) of Operating Funding	93	91	114
SOURCES OF CAPITAL FUNDING			
Subsidies and grants for capital expenditure	-	-	-
Development and financial contributions	100	103	67
Increase (decrease) in debt	-	-	-
Gross proceeds from sale of assets	-	-	-
Lump sum contributions	-	-	-
Other dedicated capital funding	-	-	-
TOTAL SOURCES OF CAPITAL FUNDING	100	103	67
APPLICATIONS OF CAPITAL FUNDING			
Capital expenditure			
- to meet additional demand	-	-	-
- to improve the level of service	-	-	-
- to replace existing assets	252	204	227
Increase (decrease) in reserves	(59)	(10)	(45)
Increase (decrease) in investment	-	-	-
Total Applications of Capital Funding	193	972	182
Surplus (Deficit) of Capital Funding	(93)	(91)	(115)
FUNDING BALANCE	0	0	0



Public Facilities, Parks and Places

Goal: Mackenzie District Council Parks and Community Facilities provides parks and reserves land, facilities and services 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..

THIS ACTIVITY INCLUDES:

Parks and Open Spaces	Cemeteries
Swimming Pools	Streetscapes
Public Toilets	Trails
Trees	Community Housing
Community and Recreation Centres	Playgrounds
Council Administration Buildings	Responsible camping assets

Council also provides a range of services including pensioner housing, grants to the Resource Centres in Fairlie and Twizel, and supports the medical centres in Fairlie and Twizel.

WHAT WE DO AND WHY WE DO IT

Parks and recreation facilities are provided by Council delivering a range of benefits including:

- Open space within urban areas
- Recreation opportunities to support an active and healthy lifestyle
- Visual relief from the built environment
- Beautification and amenity enhancement
- Facilities to support organised recreation and sport
- Protection of the natural environment, open space and heritage features
- Habitat for wildlife
- Community pride
- Children's play
- Conservation of cultural heritage
- Protection of access to waterways

These benefits are specifically or generally believed to enhance the community's health and wellbeing.

Due to limited commercial opportunities and benefit, the private sector will not provide a comprehensive range of parks and recreation activities. Therefore, Council provides and maintains these spaces.

Parks are valued highly by the community and many of the MDC parks have history associated with them, that is significant. There are some of our parks that are protected and managed through legislation with their underlying reserve status.

Through protecting, enlarging and enhancing this network we will, over time, create significant ecological, amenity, recreation and economic value.

OUR PERFORMANCE MEASURES

WHAT YOU CAN EXPECT FROM US	WHAT WE WILL MEASURE	Targets:
		2025/26
Township services and amenities are provided and maintained to an acceptable level	Residents' satisfaction rating for township services and facilities *	≥ 70%
	Residents' satisfaction rating for parks and community facilities*	≥ 70%
	Monthly performance assessment of park and public toilets operations and maintenance standards **	≥ 90%
Parks and Community Facilities are operated effectively, efficiently, safely and meet the needs of the users.	Recreation Aotearoa Pool Safe Accreditation	Maintain Pool Safe accreditation
	Customer satisfaction rating for swimming pools	≥ 75%
	No serious harm accidents on our playgrounds, parks or facilities	No serious harm accidents on our playgrounds, parks or facilities

*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 2025/26

Lake Tekapo Domain playground: Staff have begun work on the concept design for expanding the existing Tekapo Domain playground. The aim is for this work to be completed this financial year

Man Made Hill: (MMH) Work will continue on the development of MMH in conjunction with the Twizel Community Board

User-pays public toilets: Staff will continue to look at and implement options for pay toilets throughout the District.

CAPITAL PROJECTS 2025/26

	2025/26 Year 2 Long-Term Plan*	2025/26 Annual Plan
\$000		
TO MEET ADDITIONAL DEMAND		
Cemeteries		
Fairlie Cemetery Road	26	26
Twizel Township		
Man Made Hill – final stage	52	-
To improve the level of service		
Fairlie Township- Signage Upgrade	3	3
Tekapo Township - Signage Upgrade	3	3
Tekapo Township - Lakeside Planting and Wiling Pine Removal	26	26
Twizel Township - Twizel River Reserves	10	10
Other Reserves - Lake Alexandrina – Native Restorations	52	52
To replace existing assets		
Burkes Pass Cemetery – Tree Works and Fencing	31	31
Mackenzie Community Centre - Furniture and Fittings - Other	10	10
Tekapo Community Hall - Furniture and Fittings	5	5
Twizel Events Centre - Furniture and Fittings - Other	10	10
Pensioner Housing - Buildings - Housing	8	8
Strathconan Swimming Pool (Fairlie) - Plant and Equipment	5	5
Twizel Swimming Pool- Plant and Equipment	5	5
Fairlie Township- Asset Renewals	19	19
Tekapo Township - Asset Renewals	3	3
Twizel Township - Twizel Signage Upgrades	5	5
Twizel Township - Tree Planting	52	52
Asset Renewals	9	9
Albury Hall Furniture and Fittings	2	2
Rural Works and Services		
Tree planting	12	12
Asset Renewals	3	3
Signage Rural	3	3
Total Capital Works	353	302

* Within the Long-Term Plan 2024-2034, capital projects were shown at 100% budgeted cost including inflation, but Council only funded 90% of the cost of replacing assets.

PUBLIC FACILITIES, PARKS AND PLACES - FUNDING IMPACT STATEMENT FOR 2025/26

\$000	Long-Term Plan Budget 2024/2025	Long-Term Plan Forecast 2025/26	Annual Plan Budget 2025/26
SOURCES OF OPERATING FUNDING			
General rates, uniform annual general charges, rates penalties	712	807	466
Targeted rates	2,089	2,208	2,612
Subsidies and grants for operating purposes	1	1	1
Fees and charges	129	132	170
Internal charges and overheads recovered	-	-	-
Local authorities fuel tax, fines, infringement fees, and other receipts	347	358	524
Total Operating Funding	3,278	3,506	3,771
APPLICATIONS OF OPERATING FUNDING			
Payments to staff and suppliers	2,841	2,855	3,076
Finance costs	87	86	120
Internal charges and overheads applied	(24)	60	131
Other operating funding applications	-	-	-
Total Applications of Operating Funding	2,904	3,001	3,328
Surplus (Deficit) of Operating Funding	374	505	444
SOURCES OF CAPITAL FUNDING			
Subsidies and grants for capital expenditure	-	-	-
Development and financial contributions	-	-	-
Increase (decrease) in debt	(20)	(80)	(120)
Gross proceeds from sale of assets	-	-	-
Lump sum contributions	-	-	-
Other dedicated capital funding	-	-	-
TOTAL SOURCES OF CAPITAL FUNDING	(20)	(80)	(120)
APPLICATIONS OF CAPITAL FUNDING			
Capital expenditure			
- to meet additional demand	243	77	26
- to improve the level of service	315	93	93
- to replace existing assets	292	165	183
Increase (decrease) in reserves	(496)	90	23
Increase (decrease) in investment	-	-	-
Total Applications of Capital Funding	354	425	324
Surplus (Deficit) of Capital Funding	(374)	(505)	(444)
FUNDING BALANCE	0	0	0



Regulatory Services

Goal: To protect public health and safety by ensuring compliance with legislation and local bylaws

THIS GROUP OF ACTIVITIES INCLUDES:

Building control

District Planning

Food Premises and Environmental health

Liquor licensing

Animal control

Parking Control

Other territorial authority regulatory functions

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.

The regulatory department has the 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 Act 2012, the Building Act 2004 and Freedom Camping Act 2011.

In doing so, specifically we:

- Help our community achieve the requirements of the Building Act and Building Codes,
- Provide a responsive and efficient resource consent service that observes planning rules,
- Ensure premises that prepare and sell food are registered and inspected,
- Ensure premises that sell alcohol are licensed and inspected,
- Respond to dog or stock issues, noise complaints and other environmental nuisances.

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 Council is 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 Territorial Authority building services which includes:

- Building Warrant of Fitness monitoring
- Certificates of acceptance
- Pool fencing compliance
- Earthquake prone buildings compliance
- Dangerous, affected and insanitary buildings
- Notices to fix
- Determine applications for Waiver or Modification
- Consider a certificate under Sale and Supply or alcohol Act, fee per hour if building compliance verification required
- 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: 2025/26
Deliver timely, efficient processing of consents and related requirements in line with statutory requirements	1	The percentage of those surveyed that are satisfied the Council is adequately managing resource management issues in the district.	≥ 80%
	2	The percentage of non-notified resource consents which are processed within the 20 working days statutory timeframe.	≥ 98%
	3	The percentage of resource consent applicants are satisfied with the quality of services they receive.	≥ 50%
	4	The percentage of building consents which are processed within the 20 working days statutory timeframe.	100%
	5	The percentage of building consents applicants who are satisfied with the quality of the service they receive.	≥ 70%
	6	Retain Building Consent Authority accreditation.	Accreditation is retained
	7	The percentage of code of compliance certificates issued within the 20 working days statutory timeframe from the date of acceptance.	100%
	8	The percentage of LIMs which are processed within the 10-working day statutory timeframe.	≥ 85%
	9	The percentage of residents that believe the Council is adequately managing dog control issues in the district.	≥ 80%



Photo credit: Sue Wilkins

REGULATORY SERVICES - FUNDING IMPACT STATEMENT FOR 2025/26

\$000	Long-Term Plan Budget 2024/2025	Long-Term Plan Forecast 2025/26	Annual Plan Budget 2025/26
SOURCES OF OPERATING FUNDING			
General rates, uniform annual general charges, rates penalties	1,330	1,469	1,327
Targeted rates	-	-	-
Subsidies and grants for operating purposes	-	-	-
Fees and charges	1,425	1,467	1,559
Internal charges and overheads recovered	20	21	124
Local authorities fuel tax, fines, infringement fees, and other receipts	178	195	103
Total Operating Funding	2,953	3,152	3,113
APPLICATIONS OF OPERATING FUNDING			
Payments to staff and suppliers	3,233	2,506	2,780
Finance costs	300	326	289
Internal charges and overheads applied	42	98	138
Other operating funding applications	-	-	-
Total Applications of Operating Funding	3,575	2,930	3,206
Surplus (Deficit) of Operating Funding	(622)	22	(92)
SOURCES OF CAPITAL FUNDING			
Subsidies and grants for capital expenditure	-	-	-
Development and financial contributions	100	103	103
Increase (decrease) in debt	624	(219)	28
Gross proceeds from sale of assets	-	-	-
Lump sum contributions	-	-	-
Other dedicated capital funding	-	-	-
TOTAL SOURCES OF CAPITAL FUNDING	724	(116)	131
APPLICATIONS OF CAPITAL FUNDING			
Capital expenditure			
- to meet additional demand	-	-	-
- to improve the level of service	-	-	-
- to replace existing assets	-	-	-
Increase (decrease) in reserves	102	106	39
Increase (decrease) in investment	-	-	-
Total Applications of Capital Funding	102	106	39
Surplus (Deficit) of Capital Funding	622	(222)	92
FUNDING BALANCE	0	0	0



Emergency Management

Goal: Individuals, whānau and businesses understand our hazards and can identify opportunities to respond to and recover from the impacts of that hazard

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 important, our communities and governance often measure success by our response activities.

WHAT WE DO

Our strategic direction is primarily set by the Civil Defence and Emergency Management Act 2002, Civil Defence and Emergency Management Regulations 2003, and National Civil Defence and Emergency Management Plan 2015.

The recently released National Disaster Resilience Strategy from the National Emergency Management Agency (NEMA) has given us clear direction setting a vision of "New Zealand as a disaster resilient nation that acts proactively to manage risks and build resilience in a way that contributes to the wellbeing and prosperity of all New Zealanders".

Our vision for Civil Defence and Emergency Management (CDEM) is "that individuals, whānau and businesses understand our hazards and can identify opportunities to respond to and recover from the impacts of that hazard".

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

Key elements of Councils emergency management planning role include:

- Identification of Local and Alternate Controller(s), Response and Recovery Managers and Alternates and those authorised to declare a local state of civil defence emergency.
- Maintenance of an operational structure for the management of a local civil defence emergency, including training of key staff and maintenance of equipment.
- Maintaining a schedule of additional volunteers to provide support as required.
- Maintaining links with other service providers such as the Fire, Police, Ambulance, Health Sector, Mana Whenua and other support agencies.
- Maintaining links with Governmental and Non-Governmental organisations and agencies who provide, or can provide welfare services during emergency events either by agreement, mandate or statutory obligation.
- Provision of Recovery Management and Leadership post emergency event response.
- Provision of public information and publicity on how to prepare for and respond to emergencies.
- Duty Officer: Timaru, Waimate and Mackenzie District Councils have an MOU that provides 24/7 duty officer and controller coverage across South Canterbury 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, personal protective equipment (PPE) and other opportunities that develop over time.
- 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: 2025/26
The organisation is prepared to respond to an emergency	1 That council has 24/7 CDEM duty officer to monitor warning systems and be available to partner agencies	100% duty officer
	2 That council staff are trained to a minimum of “EOC 2”	70% staff trained
	3 An EOC exercise is conducted annually	1 exercise
The organisation will engage with community in risk reduction activities	4 The organisation participates in risk reduction planning, modelling, or engaging scientific research	3 sessions / workshops per year
Increase community awareness and understanding of CDEM	5 Facilitate multi agency and community hazards workshop across the Mackenzie District.	4 workshops per year

KEY PROJECTS 2025/26

There are no major capital projects planned for the 2025/2026 financial year. \$32,000 has been included in the budget for routine cyclical replacement of older radio and communications equipment, mainly in rural areas, that has reached the end of its life, and risks not functioning when needed.

CAPITAL PROJECTS 2025/26

	2025/26 Year 2 Long-Term Plan*	2025/26 Annual Plan
\$000		
TO REPLACE EXISTING ASSETS		
Plant and Equipment	32	32
Total capital works	32	32

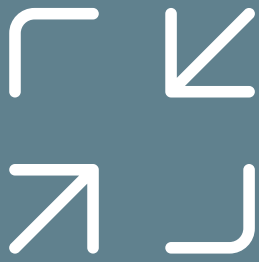
* Within the Long-Term Plan 2024-2034, capital projects were shown at 100% budgeted cost including inflation, but Council only funded 90% of the cost of replacing assets.



Photo credit: Sue Wilkins

EMERGENCY MANAGEMENT - FUNDING IMPACT STATEMENT FOR 2025/26

\$000	Long-Term Plan Budget 2024/25	Long-Term Plan Forecast 2025/26	Annual Plan Budget 2025/26
SOURCES OF OPERATING FUNDING			
General rates, uniform annual general charges, rates penalties	212	227	228
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	-	-	-
Total Operating Funding	212	227	228
APPLICATIONS OF OPERATING FUNDING			
Payments to staff and suppliers	188	195	189
Finance costs	5	5	4
Internal charges and overheads applied	(9)	0	12
Other operating funding applications	-	-	-
Total Applications of Operating Funding	184	200	205
Surplus (Deficit) of Operating Funding	28	27	23
SOURCES OF CAPITAL FUNDING			
Subsidies and grants for capital expenditure	-	-	-
Development and financial contributions	-	-	-
Increase (decrease) in debt	(6)	(6)	(6)
Gross proceeds from sale of assets	-	-	-
Lump sum contributions	-	-	-
Other dedicated capital funding	-	-	-
TOTAL SOURCES OF CAPITAL FUNDING	(6)	(6)	(6)
APPLICATIONS OF CAPITAL FUNDING			
Capital expenditure			
- to meet additional demand	-	-	-
- to improve the level of service	-	-	-
- to replace existing assets	22	29	32
Increase (decrease) in reserves	-	(8)	(15)
Increase (decrease) in investment	-	-	-
Total Applications of Capital Funding	22	21	17
Surplus (Deficit) of Capital Funding	(28)	(27)	(23)
FUNDING BALANCE	0	0	0



Waste Management and Minimisation

Goal: By 2050, the South Canterbury Region is a low-emissions, low-waste society build on a circular economy

The Waste Management and Minimisation activities includes all the work Council does in managing and minimizing rubbish and recycling in the Mackenzie District.

The Waste Minimisation Act 2008 states that all authorities (councils) must promote effective and efficient forms of waste management and minimisation.

Waste minimisation includes all the actions we can take to divert waste from landfills. This includes reducing the waste we generate along with reusing, recycling and recovering the value of our waste.

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 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: 2025/26
Engage the community to achieve waste reduction	1 Residents' satisfaction rating for kerbside waste collections.	≥ 80%
	2 Residents' satisfaction rating for Resource Recovery Parks (transfer stations).	≥ 80%
	3 Total kerbside material.	< 289kg/capita
	4 Kerbside refuse collection volume.	< 96kg/capita
	5 Total material received at Resource Recovery Parks.	< 3,150 tonnes
	6 Percentage of contamination in kerbside collection.	Organic < 1% Glass < 1% Mixed Recycling < 10%
	7 Percentage of total organics in kerbside rubbish collection.	< 44%
	8 Volume disposed at Class 1 Landfill from Resource Recovery Park.	< 1,829 tonnes
Waste is handled hygienically	9 Compliance with resource consent conditions (RRPs and closed landfill sites).	100%

MAJOR PROJECTS 2025/26

Landscaping – Twizel Resource Recovery Park: A landscaping and planting project is planned for the Twizel Resource Recovery Park. This aims to provide increased screening of the park and wind protection. This will be a staged project, with the first stage completed and a second round of planting planned for autumn 2025.

CAPITAL PROJECTS 2025/26

\$000	2025/26 Year 2 Long- Term Plan*	2025/26 Annual Plan
TO REPLACE EXISTING ASSETS		
Plant and Equipment	21	21
Landscaping / planting – Twizel RRP	31	31
Total capital works	52	52

* Within the Long-Term Plan 2024-2034, capital projects were shown at 100% budgeted cost including inflation, but Council only funded 90% of the cost of replacing assets.

WASTE MANAGEMENT AND MINIMISATION - FUNDING IMPACT STATEMENT FOR 2025/26

\$000	Long-Term Plan Budget 2024/25	Long-Term Plan Forecast 2025/26	Annual Plan Budget 2025/26
SOURCES OF OPERATING FUNDING			
General rates, uniform annual general charges, rates penalties	296	319	308
Targeted rates	1,028	1,064	1,081
Subsidies and grants for operating purposes	-	-	-
Fees and charges	230	237	237
Internal charges and overheads recovered	-	-	-
Local authorities fuel tax, fines, infringement fees, and other receipts	539	554	554
Total Operating Funding	2,093	2,174	2,179
APPLICATIONS OF OPERATING FUNDING			
Payments to staff and suppliers	2,037	2,108	2,110
Finance costs	-	-	-
Internal charges and overheads applied	(13)	-	(27)
Other operating funding applications	-	-	-
Total Applications of Operating Funding	2,024	2,108	2,084
Surplus (Deficit) of Operating Funding	69	66	95
SOURCES OF CAPITAL FUNDING			
Subsidies and grants for capital expenditure	-	-	-
Development and financial contributions	-	-	-
Increase (decrease) in debt	-	-	-
Gross proceeds from sale of assets	-	-	-
Lump sum contributions	-	-	-
Other dedicated capital funding	-	-	-
TOTAL SOURCES OF CAPITAL FUNDING	-	-	-
APPLICATIONS OF CAPITAL FUNDING			
Capital expenditure			
- to meet additional demand	-	-	-
- to improve the level of service	-	-	-
- to replace existing assets	54	46	52
Increase (decrease) in reserves	15	20	43
Increase (decrease) in investment	-	-	-
Total Applications of Capital Funding	69	66	95
Surplus (Deficit) of Capital Funding	(69)	(66)	(95)
FUNDING BALANCE	0	0	0



Tourism, Economic Development and Commercial Activity

Goal: To promote tourism within the district, enhancing economic development and managing the Council's commercial investments.

WHAT WE DO

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

- The Mackenzie Regional Tourism Organisation (RTO), branded as MackenzieNZ, which focuses on the promotion and positioning of the Mackenzie District both to the domestic and international tourism market
- Alps to Ocean (A2O) cycle trail tourism business and operations (in conjunction with the Waitaki District Council).
- Economic development services including business support, training and events; promotion of education opportunities; website and visitor/attraction promotion.
- Commercial activities, including:
 - cash and equity investments.
 - forestry investments, (1,000 hectares of forestry estate in the district)
 - property management including commercial and community good rental properties
 - Pukaki Airport (an uncontrolled public airport)

TOURISM PROMOTION AND DESTINATION MANAGEMENT

Tourism is a significant contributor to the district's economy. The council believes that it is important to continue to promote the Mackenzie to visitors, particularly targeting shoulder and off-peak seasons as well as preferred international markets. At the same time, the Council recognises that it is important to also plan for proactive management of the environmental effects and infrastructural demands of future visitor numbers in the district.

There are 31 Regional Tourism Organisations (RTOs) throughout New Zealand (in a variety of legal structures and forms). The Council is the RTO for the Mackenzie District. Previously the RTO visitor promotion and marketing services had been sub-contracted. The promotion and marketing activities, and associated staff, were brought into the council. Feedback has been that this has been a positive step, with Council staff working closely with tourism businesses and organisations in the district.

We work closely with other districts and national organisations to capture the benefit of projects and initiatives for the local economy. In addition, we provide advocacy and co-ordination in relation to issues affecting the district.

Council also supports tourism within the Mackenzie District through the maintenance and promotion of the Alps 2 Ocean Cycle Trail (A2O). The A2O extends from Mount Cook to Lake Ohau locally and then continues to Oamaru within the Waitaki District. Responsibility for maintenance of the cycleway is shared between the Mackenzie and Waitaki District Councils. Marketing and promotion of the Trail now sits within Mackenzie District Council Parks, Facilities and Places Team.

ECONOMIC DEVELOPMENT

Having a range of diverse and sustainable businesses is also essential to the district's economic wellbeing and community outcomes. The council's most significant financial contributors to economic development are its investments in district wide infrastructure and the District Plan. In addition, both staff and external resources deliver economic development activities, in addition to tourism.

Council wants existing and developing businesses to have access to the information, advice and support they need to thrive and grow.

The South Canterbury Chamber of Commerce is also contracted by Council to deliver a range of services, including business support. The Chamber connects directly with our business community and collaborates with our tourism team.

COMMERCIAL ACTIVITIES

The Council is also involved in a range of commercial activities to contribute to a thriving district economy. Our commercial activities are financial investments, commercial forestry ownership, real estate holdings and rentals, and ownership and operation of Pukaki Airport.

- The council is involved in commercial activities to generate financial returns for the benefit of Mackenzie's ratepayers and residents. By generating returns on our investments and using these returns to offset rates, the aim is to help to keep rates at an affordable level for households and businesses while still providing the types of services, infrastructure and facilities that make the Mackenzie District a desirable place to live, work and visit.
- In addition, Council operates Pukaki Airport as a public airport, acting as an important gateway to the district and serving and promoting a range of aviation and tourism operations.

OUR PERFORMANCE MEASURES

WHAT YOU CAN EXPECT FROM US		WHAT WE WILL MEASURE	TARGETS: 2025/26
Economic development is fostered for the district as a whole	1	Percentage of ratepayers satisfied with Council's tourism promotion and economic development	≥ 80%
Pukaki Airport is well maintained	2	Pukaki Airport - user satisfaction with facility	≥ 75% from user survey



TOURISM, ECONOMIC DEVELOPMENT AND COMMERCIAL - FUNDING IMPACT STATEMENT FOR 2025/26

\$000	Long-Term Plan Budget 2024/25	Long-Term Plan Forecast 2025/26	Annual Plan Budget 2025/26
SOURCES OF OPERATING FUNDING			
General rates, uniform annual general charges, rates penalties	71	78	-
Targeted rates	645	685	737
Subsidies and grants for operating purposes	358	226	593
Fees and charges	25	26	37
Internal charges and overheads recovered	-	-	-
Local authorities fuel tax, fines, infringement fees, and other receipts	3,370	2,354	1,886
Total Operating Funding	4,469	3,369	3,254
APPLICATIONS OF OPERATING FUNDING			
Payments to staff and suppliers	3,015	2,310	2,493
Finance costs	(136)	(139)	(28)
Internal charges and overheads applied	1,420	1,167	1,724
Other operating funding applications	-	-	-
Total Applications of Operating Funding	4,299	3,338	4,189
Surplus (Deficit) of Operating Funding	170	31	(935)
SOURCES OF CAPITAL FUNDING			
Subsidies and grants for capital expenditure	294	-	-
Development and financial contributions	-	-	-
Increase (decrease) in debt	(68)	(374)	(1,030)
Gross proceeds from sale of assets	-	-	-
Lump sum contributions	-	-	-
Other dedicated capital funding	-	-	-
TOTAL SOURCES OF CAPITAL FUNDING	226	(374)	(1,030)
APPLICATIONS OF CAPITAL FUNDING			
Capital expenditure			
- to meet additional demand	-	-	-
- to improve the level of service	304	-	-
- to replace existing assets	27	-	-
Increase (decrease) in reserves	65	(343)	(1,965)
Increase (decrease) in investment	-	-	-
Total Applications of Capital Funding	396	(343)	(1,965)
Surplus (Deficit) of Capital Funding	(170)	(31)	935
FUNDING BALANCE	0	0	0



Governance and Corporate Services

Goal: To lead, support and guide all the activities carried out by Mackenzie District Council. These services enable Council to function and provide stable, transparent, effective, efficient and accountable local governance to the district.

THIS ACTIVITY INCLUDES:

GOVERNANCE

- Mayor and Councillors
- Community Boards
- Elections

CORPORATE SERVICES

- Chief Executive's Office
- People and Cultural Relationships, including Health and Safety
- Customer Services
- Finance
- Corporate Planning
- Information Technology
- Communications
- Governance Support
- Community Development
- Asset Management, including Fairlie and Twizel Council Office Buildings

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 seven Councillors, elected by way of three wards: Pukaki, Opuha and Tekapo (3 elected from each of Pukaki and Opuha; 1 elected from Tekapo). Local community boards are also democratically elected to represent each of our three wards.

In addition to the full Council which meets regularly, Mackenzie District Council operates two standing committees: Audit and Risk Committee and Chief Executive Performance Committee. Council is also represented on several 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 set out above support the governance function of Council and all the other services that Council manage on behalf of our community. Corporate Services also administers and distributes grants from Sport New Zealand and Creative New Zealand.

GOVERNMENT REFORM:

This group will need to continue to respond to legislative change, as well as ensuring all statutory documents remain fit for purpose. Failure to be future focused in responding to change will result in negative effects on visitors, the community and the environment.

Every decision the Council makes affects the economic, environmental, social and cultural well-being of our community. It is the Council's responsibility to ensure that this effect is a positive one, and one that promotes the lifestyle of all Mackenzie residents in a balanced, fair, and equitable manner.

OUR PERFORMANCE MEASURES

WHAT YOU CAN EXPECT FROM US	WHAT WE WILL MEASURE	TARGETS: 2025/26
Council 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
Council Represent and govern the district on behalf of the community	The percentage of residents across the district say they are satisfied with the performance of the Councillors and Mayor in the annual ratepayer survey.	≥ 60%
Council 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
Council Provide opportunities for the community to engage with elected members	Number of public forums held each year with communities and groups	≥ 40
Customer Services 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. Number of service centres, and hours operated to be informed by performance statistics, population growth, demand and customer feedback
Customer Services 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

CAPITAL PROJECTS 2025/26

\$000	2025/26 Year 2 Long- Term Plan	2025/26 Annual Plan
TO IMPROVE THE LEVEL OF SERVICE		
Information and Engagement		
Communications projects	26	25
Community Development		
Tekapo Sports Trust	-	500
TO REPLACE EXISTING ASSETS		
Fairlie Council Office Building		
Furniture and Fittings - Other	7	7
Twizel Council Office Building		
Furniture and Fittings - Other	3	3
IT Support		
Network infrastructure	16	16
Projects	75	75
Plant and Equipment	64	64
Plant		
Vehicles - renewal	82	82
Total Capital works	273	772
* Within the Long-Term Plan 2024-2034, capital projects were shown at 100% budgeted cost including inflation, but Council only funded 90% of the cost of replacing assets, except for Downlands Water Supply which was fully funded.		

GOVERNANCE AND CORPORATE SERVICES - FUNDING IMPACT STATEMENT FOR 2025/26

\$000	Long-Term Plan Budget 2024/25	Long-Term Plan Forecast 2025/26	Annual Plan Budget 2025/26
SOURCES OF OPERATING FUNDING			
General rates, uniform annual general charges, rates penalties	5,851	6,866	6,179
Targeted rates	169	174	144
Subsidies and grants for operating purposes	285	113	129
Fees and charges	134	138	172
Internal charges and overheads recovered	1,160	1,262	1,970
Local authorities fuel tax, fines, infringement fees, and other receipts	311	320	356
Total Operating Funding	7,910	8,873	8,950
APPLICATIONS OF OPERATING FUNDING			
Payments to staff and suppliers	8,005	8,786	8,731
Finance costs	82	77	69
Internal charges and overheads applied	(568)	(388)	(355)
Other operating funding applications	-	-	-
Total Applications of Operating Funding	7,519	8,475	8,445
Surplus (Deficit) of Operating Funding	391	398	505
SOURCES OF CAPITAL FUNDING			
Subsidies and grants for capital expenditure	-	-	-
Development and financial contributions	-	-	-
Increase (decrease) in debt	(96)	(96)	(96)
Gross proceeds from sale of assets	-	-	-
Lump sum contributions	-	-	-
Other dedicated capital funding	-	-	-
TOTAL SOURCES OF CAPITAL FUNDING	(96)	(96)	(96)
APPLICATIONS OF CAPITAL FUNDING			
Capital expenditure			
- to meet additional demand	-	-	-
- to improve the level of service	25	26	525
- to replace existing assets	245	222	247
Increase (decrease) in reserves	25	54	(363)
Increase (decrease) in investment	-	-	-
Total Applications of Capital Funding	295	302	409
Surplus (Deficit) of Capital Funding	(391)	(398)	(505)
FUNDING BALANCE	0	0	0



Council's Finances

Prospective Financial Statements

The prospective financial statements in this section outline Council's planned expenditure for the 2025/26 financial year.

To see the significant forecast assumptions that underlie the financial information in this Annual Plan please refer to the Long Term Plan 2024-2034.

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 fully cash-fund depreciation on certain assets. We consider that, in most instances, where an asset needs to be replaced it will have the capacity to borrow if required. The most significant of these is where we believe we will receive money from third parties to help fund any asset replacement.

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, School Road and Kimbell.
- The Council also does not fully fund depreciation on its township parks and reserve assets, halls and swimming pools as Council assumes 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 not be more than 9.00% including inflation (LGCI)	10.7%	No
Debt affordability benchmark	Total debt will not exceed 175% of total revenue	76.9%	Yes
Balanced budget benchmark	100%	88.4%	No
Essential services benchmark	100%	88.3%	No
Debt servicing benchmark	10%	3.6%	Yes

Rates affordability benchmark

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

Debt affordability benchmark

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

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).

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.

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).

Prospective Statement of Comprehensive Revenue and Expense

	Long Term Plan Budget 2024/25 \$000	Long Term Plan Forecast 2025/26 \$000	Annual Plan Budget 2025/26 \$000
Revenue			
Rates	18,287	20,265	20,242
Fees, charges and metered rates for water supply	2,942	3,039	2,742
Subsidies and grants	2,976	2,992	3,264
Finance revenue	462	464	436
Dividend revenue	-	-	-
Other revenue	3,665	2,669	3,189
Development and financial contributions	1,000	1,030	706
Vested assets	160	165	168
Other gains / (losses)	25	26	28
Total Operating Revenue	29,517	30,650	30,775
Expenditure			
Personnel costs	7,109	7,240	8,060
Other expenses	16,044	15,890	16,243
Finance costs	1,032	1,033	1,074
Depreciation and amortisation expense	6,727	6,789	8,422
Total Operating Expenditure	30,912	30,952	33,799
Operating Surplus (Deficit) before Tax	(1,395)	(302)	(3,024)
Income Tax	-	-	-
Operating Surplus (deficit) after Tax	(1,395)	(302)	(3,024)
Other Comprehensive Revenue and Expense			
<i>Items that could be reclassified to surplus / (deficit)</i>			
Financial assets at fair value through other comprehensive revenue and expense	581	604	604
<i>Items that will not be reclassified to surplus / (deficit)</i>			
Gain on revaluation of property, plant and equipment	-	1,803	1,558
Total Other Comprehensive Revenue and Expense	581	2,407	2,162
TOTAL COMPREHENSIVE REVENUE AND EXPENSE	(814)	2,105	(861)

Prospective Statement of Movements in Equity

	Long Term Plan Budget 2024/25 \$000	Long Term Plan Forecast 2025/26 \$000	Annual Plan Budget 2025/26 \$000
Equity at the beginning of the year	442,960	442,148	407,731
Comprehensive Revenue and Expense	(814)	2,105	(861)
EQUITY AT THE END OF THE YEAR	442,146	444,251	406,870
Components of equity			
Retained earnings at the beginning of the year	195,512	194,006	150,124
Transfers to/(from) retained earnings	(111)	(333)	904
Net surplus/(deficit)	(1,395)	(302)	(3,024)
Retained earnings at the end of the year	194,006	193,371	148,004
Asset revaluation reserves at the beginning of the year	238,898	239,479	252,728
Revaluation gains	581	2,407	1,560
Asset revaluation reserves at the end of the year	239,479	241,886	254,287
Special fund reserves at the beginning of the year	12,741	12,431	13,228
Transfers to/(from) reserves	(310)	26	(69)
Special fund reserves at the end of the year	12,431	12,457	13,269
Activity reserves at the beginning of the year	(4,191)	(3,770)	(7,856)
Transfers to/(from) reserves	421	307	(835)
Activity reserves at the end of the year	(3,770)	(3,463)	(8,691)
EQUITY AT THE END OF THE YEAR	442,146	444,251	406,870

Prospective Statement of Financial Position

	Long Term Plan Budget 2024/25 \$000	Long Term Plan Forecast 2025/26 \$000	Annual Plan Budget 2025/26 \$000
ASSETS			
Current Assets			
Cash and cash equivalents	3,186	3,217	4,437
Receivables	4,172	4,277	4,279
Prepayments	456	456	447
Inventories	21	21	22
Short term investments	8,018	8,018	5,016
Total Current Assets	15,853	15,989	14,201
Non-Current Assets			
Property, plant and equipment	424,518	426,461	391,780
Intangible assets	3,218	3,218	3,933
Forestry	4,853	4,865	4,806
Investment property	5,348	5,361	5,698
Inventory term	342	342	342
Investment in CCOs and other similar entities	1	1	1
Other financial assets	15,769	16,373	16,667
Total Non-Current Assets	454,049	456,621	423,227
TOTAL ASSETS	469,902	472,610	437,428
LIABILITIES			
Current Liabilities			
Payables	6,773	6,907	6,331
Employee benefit liabilities	360	360	496
Provisions	3	3	5
Borrowings	3,000	3,000	3,291
Total Current Liabilities	10,136	10,270	10,123
Non-Current Liabilities			
Provisions	38	38	34
Employee benefit liabilities	35	35	39
Borrowings	17,547	18,016	20,361
Total Non-Current Liabilities	17,620	18,089	20,434
TOTAL LIABILITIES	27,756	28,359	30,557
NET ASSETS	442,146	444,251	406,870
EQUITY			
Retained earnings	194,006	193,371	148,004
Asset revaluation reserves	239,479	241,886	254,287
Special fund reserves	12,431	12,457	13,269
Activity reserves	(3,770)	(3,463)	(8,691)
TOTAL EQUITY	442,146	444,251	406,870

Prospective Statement of Cashflows

	Long Term Plan Budget 2024/25 \$000	Long Term Plan Forecast 2025/26 \$000	Annual Plan Budget 2025/26 \$000
Cash flow from operating activities			
Receipts from rates revenue	18,287	20,162	20,040
Subsidies and grants received	2,976	2,992	3,264
Receipts from other revenue	6,607	5,707	5,930
Interest received	462	464	436
Dividend revenue received	-	-	-
Financial and development contributions received	1,000	1,030	706
Payments to suppliers and employees	(23,147)	(22,995)	(24,303)
Interest paid	(1,032)	(1,033)	(1,074)
Net cash flow from operating activities	5,153	6,327	4,999
Cash flow from investing activities			
Receipts from sale of investments	-	-	-
Receipts from sale of property, plant and equipment	-	-	-
Purchase of investments	-	-	-
Purchase of property, plant and equipment	(5,158)	(6,765)	(5,579)
Net cash flow from investing activities	(5,158)	(6,765)	(5,579)
Cash flow from financing activities			
Proceeds from borrowings	3,010	3,461	4,469
Repayment of borrowings	(3,000)	(2,992)	(4,000)
Net cash flow from financing activities	10	469	469
Net increase (decrease) in cash held	5	32	(111)
Add opening cash brought forward	3,181	3,186	4,548
Closing cash balance	3,186	3,217	4,437
Closing balance made up of cash and cash equivalents	3,186	3,217	4,437

Prospective Funding Impact Statement (whole Council)

	Long Term Plan Budget 2024/25 \$000	Long Term Plan Forecast 2025/26 \$000	Annual Plan Budget 2025/26 \$000
Sources of Operating Funding			
General rates, uniform annual general charges, rates penalties	8,470	9,764	8,508
Targeted rates	9,817	10,501	11,734
Subsidies and grants for operating purposes	1,654	1,588	1,958
Fees and charges	2,127	2,188	2,742
Interest and dividends from investment	462	464	436
Local authorities fuel tax, fines, infringement fees, and other receipts	4,480	3,519	3,189
Total Operating Funding	27,010	28,027	28,567
Applications of Operating Funding			
Payments to staff and suppliers	23,153	23,129	24,302
Finance costs	1,032	1,033	1,074
Other operating funding applications	-	-	-
Total Applications of Operating Funding	24,185	24,162	25,376
Surplus (Deficit) if Operating Funding	2,825	3,862	3,190
Sources of Capital Funding			
Subsidies and grants for capital expenditure	1,323	1,404	1,306
Development and financial contributions	1,000	1,030	706
Increase (decrease) in debt	6	459	459
Gross proceeds from sale of assets	-	-	-
Lump sum contributions	-	-	-
Other dedicated capital funding	-	-	-
Total Sources of Capital Funding	2,329	2,893	2,471
Applications of Capital Funding			
Capital expenditure			
- to meet additional demand	623	386	335
- to improve the level of service	1,544	2,790	3,639
- to replace existing assets	2,991	3,589	3,464
Increase (decrease) in reserves	(4)	(9)	(1777)
Increase (decrease) in investment	-	-	-
Total Applications of Capital Funding	5,154	6,756	5,660
Surplus (Deficit) of Capital Funding	(2,825)	(3,862)	(3,190)
FUNDING BALANCE	0	0	0

Prospective Reconciliation of Funding Impact Statement to Comprehensive Revenue and Expense

	Long Term Plan Budget 2024/25 \$000	Long Term Plan Forecast 2025/26 \$000	Annual Plan Budget 2025/26 \$000
Surplus (deficit) of operating funding	2,825	3,862	3,190
Add / (deduct)			
Subsidies and grants for capitals	1,323	1,404	1,306
Development and financial contributions	1,000	1,030	706
Vested assets	160	165	168
Other gains / (losses)	24	26	28
Depreciation expense	(6,727)	(6,789)	(8,422)
Surplus (deficit) Statement of Comprehensive Revenue and Expense	(1,395)	(303)	(3,024)

Prospective Summary of Depreciation by Activities

	Long Term Plan Budget 2024/25 \$000	Long Term Plan Forecast 2025/26 \$000	Annual Plan Budget 2025/26 \$000
Transportation	3,408	3,414	4,321
Water Supplies	1,225	1,248	1,694
Wastewater	649	664	726
Stormwater	92	92	114
Public Facilities, Parks and Places	700	715	847
Regulatory and Building Services	3	3	2
Emergency Management	22	22	18
Waste Management and Minimisation	67	67	96
Tourism, Economic Development and Commercial Activities	87	88	93
Governance and Corporate Services	474	476	510
Total depreciation	6,727	6,789	8,422

Prospective Summary of Capital Expenditure by Activities

	Long Term Plan Budget 2024/25 \$000	Long Term Plan Forecast 2025/26 \$000	Annual Plan Budget 2025/26 \$000
Transportation	2,028	2,783	2,623
Water Supplies	774	2,505	2,542
Wastewater	578	615	889
Stormwater	252	204	227
Public Facilities, Parks and Places	850	334	302
Regulatory and Building Services	-	-	-
Emergency Management	22	29	32
Waste Management and Minimisation	54	46	52
Tourism, Economic Development and Commercial Activities	331	-	-
Governance and Corporate Services	270	248	772
Total depreciation	5,026	7,156	7,439

* Within the Long-Term Plan 2024-2034, capital projects were shown at 100% budgeted cost including inflation, but Council only funded 90% of the cost of replacing assets.

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 Council's principal activity 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 2026. The prospective financial statements were authorised for issue by Council 30 June 2025.

Basis of Preparation

The financial statements have been prepared on the going concern basis, and the accounting policies have been applied consistently throughout the 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) and comply with Tier 1 Public Benefit Entity (PBE) Standards.

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

Basis for assumptions, risks, and uncertainties

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

The prospective financial statements have been prepared on the basis of best estimate assumptions of future events which the Council expects to take place. The Council has considered factors that may lead to a material difference between information in the prospective financial statements and actual results. These factors, and the assumptions made in relation to the sources of uncertainty and potential effect, are outlined in this plan.

Presentation currency and rounding

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

Cautionary Note

The financial information is prospective. Actual results are likely to vary from the information presented and the variations may be material.

The prospective financial statements have been prepared in accordance with PBE financial reporting standard 42.

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.

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

The Council recognises its share of assets, liabilities, revenue and expenses relating to the operation in its financial statements.

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 remissions are recognised as a reduction of rates revenue when the Council has received an application that satisfies its rates remission policy.
- Rates collected on behalf of the Environment Canterbury Regional Council (ECan) are not recognised in the financial statements, as the Council is acting as an agent for ECan.

Rates Remissions

The objective of rates remissions is to facilitate the continuing provision of non-commercial community services and recreational opportunities in the Mackenzie District. The different type of rates remissions and the specific objectives of each type of rates remission are set in accordance with the policy outlined in the Long-Term plan.

Non-Rateable land

Under the Local Government (Rating) Act 2002, certain properties cannot be rated for general rates. These properties include schools, places of religious worship, public gardens, and reserves. These non-rateable properties may be subject to targeted rates in respect of sewerage, water, refuse and sanitation. The non-rateable land does not constitute a remission under the Council's rates remissions policy.

New Zealand Transport Agency roading subsidies

Council receives government grants from NZTA which subsidise 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 parking infringements and are recognised when the infringement notice is issued. The Council recognises the revenue at an amount based on the probability of collection.

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).

Rental revenue

Rental revenue is recognised on a straight-line basis over the lease term.

Expenditure

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

Salary and wages

Salary and wages are recognised as an expense as employees provide services.

Superannuation schemes

Obligations for contributions to KiwiSaver are accounted for as defined contribution superannuation schemes and are recognised as an expense in the surplus or deficit when incurred.

Borrowing costs

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

Grant expenditure

Non-discretionary grants are those grants that are awarded if the grant application meets the specified criteria and are recognised as expenditure when an application that meets the specified criteria for the grant has been received. Discretionary grants are those grants where the Council has no obligation to award on receipt of the grant application and are recognised as expenditure when approved by the Council and the approval has been communicated to the applicant. The Council's grants awarded have no substantive conditions attached.

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.

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.

Statement of Financial Position Items

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 applies 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.

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.

Fair Value

Debtors and other receivables are non-interest bearing and receipt is normally on 30-day terms, therefore the carrying value of trade other receivables approximates their fair value.

There is no concentration of credit risk with respect to receivables outside the Council, as the Council has a large number of customers.

Impairment

Council does not provide for any impairment on rates receivable as it has various powers under the Local Government (Rating) Act 2002 to recover any outstanding debts. These powers allow Council to commence legal proceedings to recover any rates that remain unpaid 4 months after the due date for payment. If payment has not been made within 3 months of the Court’s judgement, then Council can apply to the Registrar of the High Court to have the judgement enforced by sale or lease of the rating unit.

Ratepayers can apply for payment plan options in special circumstances. Where such payment plans are in place, debts are discounted to their present value of future payments if the effect of discounting is material.

Financial assets/financial liabilities

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

At initial recognition, the Council shall measure a financial asset or financial liability at its fair value plus or minus, in the case of a financial asset, or financial liability not at fair value through surplus 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 Surplus or Deficit, 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 fair value through other comprehensive revenue and expense, (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 designates 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 recognises an allowance for ECLs for all debt instruments not classified as Fair Value Through Surplus or Deficit. 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 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.

ECLs 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 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's historical experience and informed credit assessment and included forward-looking information.

The Council considers a financial asset to be in default when the financial asset is more than 90 days past due. The Council 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 Surplus or Deficit.

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

A financial liability is classified as a financial liability at fair value through Surplus or Deficit 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 Surplus or Deficit (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.

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.

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

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/(deficit).

Forestry maintenance costs are recognised in the surplus/(deficit) when incurred.

Investment Property

Properties leased to third parties under operating leases are classified as investment property unless the property is held to meet delivery objectives, rather than earn rentals or for capital appreciation. Property held to meet service delivery objectives is classified as property, plant and equipment.

Investment property is measured initially at its cost, including transaction costs.

After initial recognition, investment property is measured at fair value as determined annually by an independent valuer.

Gains or losses arising from a change in the fair value of investment property is recognised in the surplus/(deficit).

Impairment of property, plant and equipment

Property, plant and equipment that have a finite useful life are reviewed for impairment at each balance date and whenever events or changes in circumstances indicate that the carrying amount may not be recoverable.

An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable is the higher of an asset's fair value less costs to sell and its value to use.

If an asset's carrying amount exceeds its recoverable amount, the asset is regarded as impaired and the carrying amount is written down to the recoverable amount. For revalued assets, the impairment loss is recognised against the revaluation reserve for that class of asset. Where that results in a debit balance in the revaluation reserve, the balance is recognised in the surplus/(deficit).

For assets not carried at a revalued amount, the total impairment loss is recognised in the surplus/(deficit).

The reversal of an impairment loss on a revalued asset is credited to other comprehensive revenue and expenses and increases the asset revaluation reserve for that class of asset. However, to the extent that an impairment loss for that class of asset was previously recognised in the surplus/(deficit), a reversal of the impairment loss is also recognised in the surplus/(deficit).

For assets not carried at a revalued amount, the reversal of an impairment loss is recognised in the surplus/(deficit).

Estimating the fair value of land, buildings and infrastructure

The most recent valuation of land and buildings was performed by an independent registered valuer, Valuation Partners Limited. The valuation is effective as at 30 June 2023. Future revaluations will be carried out on a three yearly basis or as required by the standard.

Plant and machinery includes the vertical composting unit. The vertical composting unit has been revalued as at 1 July 2022 by the registered valuer, AECOM Maunsell, using depreciated replacement cost. Subsequent additions have been valued at cost and depreciated.

Heritage assets have been recorded at cost less accumulated depreciation.

Other assets are valued at the lower of cost less accumulated depreciation.

Land operational, restricted and infrastructural

Land is valued at fair value using market-based evidence based on its highest and best use with reference to comparable land values.

Where there is a designation against the land or the use of the land is restricted because of reserve or endowment status, the valuation approach reflects the restriction in use. Such land is valued based on rural land value plus a location adjustment to reflect different zoning, which are based on the valuer's judgement.

Restrictions on the Council's ability to sell land would normally not impair the value of the land because the Council has operational use of the land for the foreseeable future and will substantially receive the full benefits of outright ownership.

Buildings (operational)

Buildings have been valued using market values where a market value exists for that asset, or at depreciated replacement cost. Each building has also been componentised into:

- Structure
- Services, and
- Internal fitout

Specialised buildings are valued at fair value using depreciated replacement cost because no reliable market data is available for such buildings.

Depreciated replacement cost is determined using a number of significant assumptions.

Straight line depreciation has been applied in determining the depreciated replacement cost value of the asset.

Non-specialised buildings (for example, residential and office buildings) are valued at fair value using market based evidence.

Classification of property – Pensioner housing

The Council owns a number of properties held to provide housing to pensioners. The receipt of market-based rental from these properties is incidental to holding them. The properties are held for service delivery objectives as part of the Council's social housing policy. The properties are therefore accounted for as property, plant and equipment rather than as investment property.

Infrastructural assets

Infrastructural assets include wastewater, stormwater, water supply, bridges and roading systems, and solid waste.

Council's infrastructural assets, except rural water races, village projects, resource consents, litter bins, and Alps2Ocean cycleway, have been included at their most recent valuation, plus additions at cost, less accumulated depreciation.

Subsequent additions have been valued at cost and depreciated.

Rural water races, landfills, village projects and Alps2Ocean cycleway are stated at their cost of deemed cost less depreciation.

Costs incurred in obtaining any resource consents are capitalised and depreciated over the life of the resource consent. If a resource consent application is declined, then all capitalised costs are written off.

Sewerage, water, drainage and roading infrastructural assets are valued using the depreciated replacement cost method. There are a number of estimates and assumptions exercised when valuing infrastructural assets using the depreciated replacement cost method. These include:

- Determinisation of quantities and sizes of assets are optimised to relate to these acquired for current service delivery and foreseeable demand with the constraint that both sizes and quantities may only be reduced to reflect restrictions in need. Expansions are matters to be considered in capital improvement budgets.
- Estimating the replacement cost of the asset. The replacement cost of an asset is based on recent construction contracts in the region for modern engineering equivalent assets, from which unit rates are determined. Unit rates have been applied to components of the network based on size, material, depth and location. If recent contract cost information is considered out of date, it is indexed to Statistics New Zealand and NZTA indices for civil construction to convert them to current dollar value at the valuation date.
- Estimates of the remaining useful life over which the asset will be depreciated. These estimates can be affected by the local conditions. For example, weather patterns and traffic growth. If useful lives do not reflect the actual consumption of the benefits of the asset, then the Council could be over or under estimating the annual depreciation charge recognised as an expense in the statement of comprehensive revenue and expense. To minimise this risk, infrastructural asset useful lives have been determined with reference to New Zealand Infrastructural Asset Valuation and Depreciation Guidelines published by the National Asset Management Steering Group and have been adjusted for local conditions based on past experience. Asset inspections, deterioration and condition-modelling are also carried out regularly as part of asset management planning activities, which provides further assurance over useful life estimates.

The measurement basis for Downlands Water Scheme was changed from historical cost to the revaluation model for the 2019/20 financial year, in agreement with the joint arrangement parties being Waimate, Timaru and Mackenzie District Councils.

Land under roads, includes under formed roads and subsequent additions vested to Council. The value is based on the average value of the land in the associated ward deemed by Quotable Value. These values have been adopted as deemed cost.

Value in use for non-cash generating assets

Non-cash generating assets are those assets that are not held with the primary objective of generating a commercial return.

For non-cash generating assets, value in use is determined using an approach based on either a depreciated replacement cost approach, a restoration cost approach, or a service units approach. The most appropriate approach used to measure value in use depends on the nature of the impairment and availability of information.

Value in use for cash generating assets

Cash generating assets are those assets that are held with the primary objective of generating a commercial return.

The value in use for cash generating assets is the present value of expected future cash flows.

Depreciation

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

Operational Assets	Depreciation method	Life (years)
Buildings	Straight line	13 - 80
Computer hardware	Straight line	3 - 10
Computer network cabling	Straight line	10
Furniture and fittings	Straight line	10
Heritage assets	Straight line	60 - 150
Land	Not depreciated	-
Motor vehicles	Straight line	5
Office equipment	Straight line	5 - 10
Light plant and machinery	Straight line	10 - 25
Plant and machinery	Straight line	10 - 25
Infrastructural Assets	Depreciation method	Life (years)
Resource recovery parks and landfills	Straight line	30 - 80
Litter bins	Straight line	10
Village projects	Straight line	5 - 80
Alps 2 Ocean cycleway	Straight line	50
Formation	Not depreciated	-
Land under roads	Not depreciated	-
Roads		
Formation	Not depreciated	-
Sub-base	Straight line	100
Base course	Straight line	75 - 100
Surfacing	Straight line	0 - 17
Kerb and channelling	Straight line	40 - 80
Street signs	Straight line	20
Street lighting	Straight line	20 - 40
Bridges	Straight line	80 - 100
Shoulders	Straight line	100
Footpaths		
Surface	Straight line	25 - 75
Base	Straight line	30 - 75
Formation	Not depreciated	-
Sub-base	Not depreciated	-
Resource consents	Straight line	10 - 33
Stormwater		
Lines	Straight line	60 - 150
Manholes	Straight line	150
Open drains	Not depreciated	-
Wastewater		
Mains	Straight line	10 - 100
Pumps	Straight line	15 - 20
Oxidation ponds	Not depreciated	0 - 100
Box culverts	Straight line	100
Manholes	Straight line	100
Water supplies		
Piping mains	Straight line	10 - 80
Pumps	Straight line	15 - 20
Service lines	Straight line	60 - 80
Hydrants	Straight line	80
Valves and air valves	Straight line	25 - 80
Meters	Straight line	20 - 25
Reservoirs	Straight line	40 - 80

Distinction between capital and revenue expenditure

Capital expenditure is defined as all expenditure incurred in the creation of a new asset and any expenditure that results in a significant restoration or increased service potential for existing assets. Constructed assets are included in property, plant and equipment as each becomes operational and available for use. Revenue expenditure is defined as expenditure that is incurred in the maintenance and operation of the property, plant and equipment of the Council.

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.

Equity and Reserves

Equity is the community’s interest in the Council and is measured as the difference between total assets and total liabilities.

Equity is disaggregated and classified into the following components:

- Special funds reserves;
 - Separate reserves;
 - Asset revaluation reserves; and
 - Accumulated general funds.

Special funds reserves

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

- **Other reserves** - Other reserves consist of funds which have been received over time by the Council, usually by way of a donation or bequest, the terms of which restrict the use of funds. Each amount has been set up as a trust fund to maintain a degree of independence from general Council funds.
- **Restricted reserves** - Restricted reserves are those reserves subject to specific conditions accepted as binding by the Council and which may not be revised by the Council without reference to the Courts or a third party. Transfers from these reserves may be made only for certain specified purposes or when certain specified conditions are met.
- **Council-created reserves** - Council-created reserves are reserves established by Council decision. The Council may alter them without reference to any third party or the Courts. Transfers to and from these reserves are at the discretion of the Council.

Separate reserves

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

Asset revaluation reserves

These reserves relate to:

- The revaluation of property, plant and equipment to fair value including operational and infrastructure assets, and
- The revaluation of financial assets including shares and bond stock held. This reserve comprises of the cumulative net change in the fair value of assets classified as fair value through other comprehensive revenue and expense, (FVTOCRE).

Accumulated General Funds

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

Statement of Cash Flows

Cash and cash equivalents is considered to be cash on hand and cash at bank, and on-call deposits, net of overdrafts.

Operating activities include cash received from all revenue sources of the Council and record the cash payments made for the supply of goods and services.

Investing activities are those activities relating to the acquisition and disposal of non-current assets.

Financing activities comprise activities that change the equity and debt capital structure of the Council.

Goods and Services Tax (GST)

All items in the financial statements are stated exclusive of GST.

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.

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.

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 fair value of forestry assets and investment property
- 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

Financial Reserves – Statement of Movements

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 2025 to 30 June 2026 and is followed by a breakdown into each type of reserve.

	Opening Balance 1 July 2025 \$000	Movement into reserve \$000	Movement from reserve \$000	Closing Balance 30 June 2026 \$000
Special reserves	13,338	509	(577)	13,269
Separate reserves	(7,856)	2,009	(2,844)	(8,691)
Revaluation reserves	252,728	1,560	-	254,287
Total reserves	258,211	4,078	(3,422)	258,866

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.

	Opening Balance 1 July 2025 \$000	Movement into reserve \$000	Movement from reserve \$000	Closing Balance 30 June 2026 \$000
Special Reserves				
Albury War Memorial	5	0	-	5
Albury Water Supply	43	2	-	45
Ashwick/Allandale War Memorial	7	0	-	8
Carpark Development	276	11	-	287
Davidson Bequest – Cemetery	2	0	-	2
Emergency Management	64	3	-	66
Enid Hutt Fairlie Beautifying Fund	36	1	-	38
Gillingham Bequest – Library	1	0	-	1
Gould Bequest – Cemetery	2	0	-	2
Heritage Fund	10	0	-	10
Housing Replacement	8	0	-	8
Insurance	3,200	-	-	3,200
Land Subdivision	1	0	-	1
Land Subdivision – Opuha	256	40	-	296
Land Subdivision – Pukaki	2,251	127	(52)	2,326
Land Subdivision – Tekapo	1,874	111	(26)	1,960
Mackenzie County Scholarship Trust	193	8	-	201
Masonic Lodge Scholarship	46	2	-	47

	Opening Balance 1 July 2025 \$000	Movement into reserve \$000	Movement from reserve \$000	Closing Balance 30 June 2026 \$000
Paterson's Ponds	11	0	-	11
Pensioner Housing Amenities	3	0	-	3
Real Estate Investment	5,001	200	(500)	4,701
Sherwood Sports Trust	0	0	-	0
Strathconan Pool Capital	2	0	-	2
Watertight Building	48	2	-	49
	13,338	509	(577)	13,269
Separate Reserves				
Administration - Capital Reserve	(5)	0	(0)	(5)
Albury Hall	5	0	-	5
Albury Water Supply	(11)	-	(3)	(14)
Allandale/Spur Road Water	(144)	18	(6)	(132)
Animal Control	134	6	-	140
Ashwick/Opuha Water	10	0	-	10
Cemeteries - Capital Reserve	(95)	4	(4)	(94)
Civil Defence - Capital Reserve	9	0	(14)	(5)
Council Building - Fairlie - Capital Reserve	(171)	18	(7)	(159)
Council Building - Twizel - Capital Reserve	36	12	-	49
Depot - Tekapo	(1)	1	(0)	0
Depot - Twizel	5	5	-	10
District Council - Capital Reserve	(1)	-	(0)	(1)
District General - Capital Reserve	(237)	-	(9)	(246)
District Wide Roading	(2,383)	-	(835)	(3,218)
Downlands Water Supply	151	24	-	175
Downlands Water Supply	771	-	-	771
Eversley Sewer	(0)	-	(0)	(0)
Fairlie Camping Ground	21	27	-	48
Fairlie Community Board	41	2	-	43
Fairlie Medical Centre - Capital Reserve	95	17	-	112
Fairlie Township	(244)	-	(10)	(254)
Forestry	8,356	334	(700)	7,990
Information and Engagement - Capital Reserve	(186)	1	(7)	(193)
Investment Management	9,944	2,493	(2,043)	10,394
IT Support - Capital Reserve	46	68	(29)	85
Kimbell Water	29	2	-	31
Lake Tekapo Community Board	53	2	-	55
Lake Tekapo Community Hall	18	3	-	21
Lake Tekapo Township	(881)	-	(35)	(917)
Mackenzie Community Centre	56	24	-	81
Old Library Café	169	18	-	187
Other Reserves - Lake Alexandrina	958	48	(64)	942
Pensioner Housing	213	14	-	227
Plant Account	50	71	-	121
Public Toilets - Capital Reserve	(303)	21	(12)	(294)
Pukaki Airport Board	1,838	74	(101)	1,811
Pukaki Visitor Centre	64	14	-	78
Real Estate	1,492	60	(10)	1,542
Responsible Camping	98	4	(67)	35
Roading Professional Services Business Unit	(928)	1	(37)	(964)
Rural Works and Services	211	8	-	220
School Road Water	41	2	-	43
Sherwood Downs Hall and Reserve	66	3	-	69
Skipton Hall	(1)	-	(0)	(1)

	Opening Balance 1 July 2025 \$000	Movement into reserve \$000	Movement from reserve \$000	Closing Balance 30 June 2026 \$000
Swimming Pool - Strathconan	(122)	11	(5)	(116)
Swimming Pool - Twizel	(305)	8	(12)	(309)
Tourism and Development	27	1	-	28
Twizel Community Board	34	1	-	35
Twizel Community Centre	(331)	42	(13)	(302)
Twizel Township	(1,094)	-	(44)	(1,138)
Urban Stormwater	531	21	(45)	506
Urban Wastewater	5,421	255	-	5,675
Urban Water	(4,857)	711	(194)	(4,341)
Waste Management	168	51	-	219
Internal Borrowing				
Administration - Internal Loan	(29)	-	2	(28)
Allandale/Spur Road Water - Internal Loan	(223)	(1,648)	13	(1,858)
Animal Control - Internal Loan	(2)	-	0	(2)
Cemeteries - Internal Loan	(143)	(54)	8	(189)
Civil Defence - Internal Loan	(102)	-	6	(97)
Council Building - Fairlie - Internal Loan	(1,233)	-	68	(1,165)
Council Building - Twizel - Internal Loan	(255)	-	15	(240)
District Wide Roading - Internal Loan	(5,175)	-	300	(4,875)
Information and Engagement - Internal Loan	(68)	-	4	(64)
IT Support - Internal Loan	(310)	-	14	(295)
Lake Tekapo Township - Internal Loan	(136)	-	8	(128)
Public Toilets - Internal Loan	(755)	-	35	(720)
Resource Planning - Internal Loan	(7,217)	(400)	372	(7,245)
Swimming Pool - Strathconan - Internal Loan	(275)	-	15	(260)
Swimming Pool - Twizel - Internal Loan	(695)	-	40	(655)
Twizel Community Centre - Internal Loan	(388)	-	21	(368)
Twizel Township - Internal Loan	(436)	-	44	(392)
Urban Water - Internal Loan	(9,275)	(391)	499	(9,167)
	(7,856)	2,009	(2,844)	(8,691)
Asset Revaluation Reserves				
Share Revaluation	1,187	-	-	1,187
Investment Revaluation	-	-	-	-
Infrastructural Assets Revaluation Reserves				
- Land	44,783	1,560	-	46,342
- Water Supplies	31,490	-	-	31,490
- Downlands Water Supply	1,586	-	-	1,586
- Wastewater Schemes	22,869	-	-	22,869
- Stormwater Schemes	6,305	-	-	6,305
- Roading	129,879	-	-	129,879
- Plant	(0)	-	-	(0)
- Buildings	14,630	-	-	14,630
	252,728	1,560	-	254,287
Total reserves	258,211	4,078	(3,422)	258,866

Rating Information for 2025/26

All rates are shown GST inclusive

Rates are set and assessed on properties in accordance with the Local Government (Rating) Act 2002.

The funding impact statement provides information of the general rates and targeted rates, including how the liability for rates is calculated and the activities that rates fund.

Rating base units

Proposed rating units for 2025/26 are 5,706

Rating definitions

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

Where uniform annual general charges (UAGC) 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.

Differential Categories

All properties	All rateable properties in the Mackenzie District
Ohau A	All rating units in the former Twizel ward, used for hydroelectric power generation (as more particularly defined on valuation roll number 25320 00701A)
Tekapo A	All rating units in the former Tekapo ward, used for hydroelectric power generation (as more particularly defined on valuation roll number 25300 15901)
Tekapo B	All rating units in the former Tekapo ward, used for hydroelectric power generation (as more particularly defined on valuation roll number 2530 18400)
All Other Properties	All rating units in the Mackenzie District other than Ohau A, Tekapo A and Tekapo B
All Other Rural Properties	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
Rural Community	All rating units in the Mackenzie District excluding the community areas of Twizel, Tekapo, Fairlie and Mount Cook Village
Commercial Business	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)
Industrial Land Properties	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
Commercial Accommodation Business	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
Secondary Accommodation Properties	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

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
Ohau A	10% of the total rate requirement excluding UAGC requirement
Tekapo A	10% of the total rate requirement excluding UAGC requirement
Tekapo B	10% of the total rate requirement excluding UAGC requirement
All Other Properties	70% of the total rate requirement excluding 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)
- Health and Liquor Guidelines
- Animal Control
- Building Control
- District Planning
- Resource Consent Planning
- Responsible Camping
- Civil Defence
- Waste Management
- Pensioner Housing
- Public Toilets
- Cemeteries
- Medical Facilities

Factor		Estimated Revenue 2025/26
Ohau A	0.0026405 per dollar of capital value	909,865
Tekapo A	0.022616 per dollar of capital value	909,865
Tekapo B	0.0039959 per dollar of capital value	909,865
All Other Properties	0.0011573 per dollar of capital value	6,369,055
		\$9,098,650

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)
- Health and Liquor Guidelines
- Animal Control
- Building Control
- District Planning
- Resource Consent Planning
- Responsible Camping
- Civil Defence
- Waste Management
- Pensioner Housing
- Public Toilets
- Cemeteries
- Medical Facilities

	Factor	Estimated Revenue 2025/26
Uniform Annual General Charge	\$100.00 per SUIP	\$570,650

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 60% 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; and
- A rate in the dollar based on capital value of the land to fund the balance of the targeted rate requirement.

Currently the 2025/26 split of the rate requirement is 10% fixed charges and 90% rate in the dollar of capital value.

	Factor	Estimated Revenue 2025/26
Fixed Charge	\$45.54 per SUIP	105,453
Capital Value Rate	0.0005918 per dollar of capital value	949,076
		\$1,054,529

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 2025/26 split of the rate requirement is 10% fixed charges and 90% rate in the dollar of capital value.

	Factor	Estimated Revenue 2025/26
Fixed Charge	\$116.77 per SUIP	71,530
Capital Value Rate	0.0022151 per dollar of capital value	643,774
		\$715,305

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 2025/26 split of the rate requirement is 48% fixed charges and 52% rate in the dollar based on capital value.

	Factor	Estimated Revenue 2025/26
Fixed Charge	\$313.97 per SUIP	331,395
Capital Value Rate	0.0003732 per dollar of capital value	359,012
		\$690,407

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 is as follows:

Category	Factor
Ohau A	20% of the total rate requirement
Tekapo A	20% of the total rate requirement
Tekapo B	20% of the total rate requirement
All Other Rural Properties	40% of the total rate requirement

Currently the 2025/26 split of the rate requirement is 40% fixed charges and 60% rate in the dollar based on capital value.

	Factor	Estimated Revenue 2025/26
Fixed Charge	\$33.89 per SUIP	55,058
Ohau A	0.0000479 per dollar of capital value	16,517
Tekapo A	0.0004114 per dollar of capital value	16,517
Tekapo B	0.0000725 per dollar of capital value	16,517
All Other Rural Properties	0.0000129 per dollar of capital value	33,035
		\$137,644

Wastewater 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:

- The sewerage service is treated as being provided if the rating unit is connected to a public sewerage drain;*
- 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:

- 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;*
- A rating unit used primarily as a residence for one household is treated as having not more than one water closet or urinal.*

Factor		Estimated Revenue 2025/26
Treatment Fixed Charge	\$94.65 per SUIP	312,161
Treatment Additional Charge	\$23.65 for each additional water closet	20,790
Infrastructure Fixed Charge	\$313.75 per connectable SUIP	1,262,857
Infrastructure Additional Charge	\$78.44 for each additional water closet	68,947
		\$1,664,755

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 2025/26
Fixed Charge	\$74.54 per SUIP	\$297,134

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 2025/26
Treatment Fixed Charge	\$103.50 per connected SUIP	335,453
Infrastructure Fixed Charge	\$570.65 per connectable SUIP	2,271,192
Metered Water Fixed Charge	\$674.16 per metered supply per SUIP	144,945
		\$2,751,589

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.

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 water supply, 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 2025/26
Allandale Water Supply	\$303.35 per unit	154,405
Fairlie Water Race Fixed Charge	\$30.00 per rating unit	810
Fairlie Water Race	\$4.65 per hectare	3,171
Spur Road Water Supply	\$443.67 per unit	29,726
Downlands Water Fixed Charge	\$907.46 per rating unit	51,725
Downlands Water Supply	\$363.00 per unit	78,408
		\$318,245

District Roading 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:
 - a) Ohau A
 - b) Tekapo A
 - c) Tekapo B
 - d) All Other Properties

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

Category	Revenue Produced
Ohau A	10% of the total rate requirement
Tekapo A	10% of the total rate requirement
Tekapo B	10% of the total rate requirement
All Other Properties	70% of the total rate requirement

Currently the 2025/26 split of the rate requirement is 35% fixed charges and 65% rate in the dollar based on capital value.

	Factor	Estimated Revenue 2025/26
Fixed Charge	\$196.42 per SUIP	1,102,021
Ohau A	0.0005939 per dollar of capital value	204,661
Tekapo A	0.0050974 per dollar of capital value	204,661
Tekapo B	0.0008988 per dollar of capital value	204,661
All Other Properties	0.0002641 per dollar of capital value	1,432,628
		\$3,148,632

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 2025/26
Fixed Charge	\$375.34 per SUIP	\$1,242,941

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
All Properties	10% of the total rate requirement
Commercial Business	29.36% of the total rate requirement
Industrial Land Properties	0.64% of the total rate requirement
Commercial Accommodation Business	24.76% of the total rate requirement
Secondary Accommodation Properties	35.24% of the total rate requirement

Currently the 2025/26 split of the rate requirement is 11% fixed charges and 89% rate in the dollar based on capital value.

	Factor	Estimated Revenue 2025/26
Fixed Charge	\$18.28 per SUIP	104,316
Commercial Business	0.0013173 per dollar of capital value	306,248
Industrial Land Properties	\$100.00 per rating unit	6,700
Commercial Accommodation Business	0.0009969 per dollar of capital value	258,244
Secondary Accommodation Properties	0.0004986 per dollar of capital value	367,651
		\$1,043,158

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 benefitting.

	Factor	Estimated Revenue 2025/26
Fixed Charge	\$125.00 per cattle stop	\$5,875

Community Facilities Rate

A targeted rate will be assessed under section 16 of the Local Government (Rating) Act 2002 to fund 40% of the cost of the Twizel Events Centre, Twizel Swimming Pool, Lake Tekapo Community Hall, Mackenzie Community Centre, Strathconan Swimming Pool, Albury 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 2025/26
Fixed Charge	\$65.89 per SUIP	\$375,952

Due Date for payment of Rates

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

Instalment Number	Due Date
One	20 September 2025
Two	20 December 2025
Three	20 March 2026
Four	20 June 2026

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 2025/2026 financial year remaining unpaid will be added if not paid on or before the due date, on the following dates:

Instalment Number	Penalty Date
One	22 September 2025
Two	22 December 2025
Three	22 March 2026
Four	22 June 2026

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 2025) will be added.

A further penalty of 10% will be added to any unpaid rates from previous financial years that remain unpaid on 8 January 2026.

Rates examples

The following examples show how the adopted changes will affect properties in different areas. The examples show the rates proposed for 2025/26 compared with actual rates for 2023/24.

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	Last year's capital value	Actual 2024/25	New capital value	Proposed 2025/26	Rates change
Section mid value	185,000	1,872.47	185,000	2,129.07	256.60
House low value	325,000	2,867.67	325,000	3,211.68	344.00
House mid value	430,000	3,208.21	430,000	3,593.51	385.30
House high value	750,000	4,246.04	750,000	4,757.21	511.17
Commercial mid value	550,000	4,212.54	550,000	4,854.43	641.88
Commercial high value	1,200,000	6,929.44	1,200,000	8,074.44	1,145.00
Accommodation mid value	570,000	4,124.34	570,000	4,670.86	546.52
Accommodation high value	1,050,000	6,070.21	1,050,000	6,894.91	824.70
Secondary mid value	360,000	3,127.13	360,000	3,518.44	391.32
Secondary high value	750,000	4,550.08	750,000	5,131.14	581.06

Lake Tekapo

Type	Last year's capital value	Actual 2024/25	New capital value	Proposed 2025/26	Rates change
Section mid value	520,000	2,304.30	520,000	2,586.68	282.38
House low value	500,000	2,812.18	500,000	3,124.28	312.10
House mid value	850,000	3,394.47	850,000	3,752.37	357.89
House high value	1,260,000	4,076.59	1,260,000	4,488.13	411.54
Commercial mid value	1,200,000	5,200.73	1,200,000	6,061.25	860.52
Commercial high value	7,580,000	21,790.85	7,580,000	25,915.01	4,124.17
Accommodation mid value	740,000	3,811.36	740,000	4,292.67	481.31
Accommodation high value	6,640,000	18,410.14	6,640,000	20,762.20	2,352.06
Secondary mid value	750,000	3,532.14	750,000	3,946.85	414.70
Secondary high value	1,290,000	4,649.45	1,290,000	5,185.13	535.68

Twizel

Type	Last year's capital value	Actual 2024/25	New capital value	Proposed 2025/26	Rates change
Section mid value	300,000	1,784.98	300,000	1,989.04	204.06
House low value	490,000	2,686.62	490,000	2,945.03	258.41
House mid value	600,000	2,895.33	600,000	3,166.48	271.15
House high value	1,580,000	4,754.71	1,580,000	5,139.39	384.68
Commercial mid value	1,190,000	5,229.34	1,190,000	6,021.87	792.53
Commercial high value	4,600,000	14,893.14	4,600,000	17,378.88	2,485.74
Accommodation mid value	750,000	3,787.93	750,000	4,216.13	428.20
Accommodation high value	8,810,000	25,614.38	8,810,000	28,477.32	2,862.94
Secondary mid value	750,000	3,483.97	750,000	3,842.39	358.42
Secondary high value	1,300,000	4,750.46	1,300,000	5,223.85	473.39

Rural

Type	Last year's capital value	Actual 2024/25	New capital value	Proposed 2025/26	Rates change
Township section low value	50,000	413.31	50,000	486.20	72.89
Township low value house	301,000	1,119.75	301,000	1,221.54	101.79
Lifestyle low value	920,000	1,599.08	920,000	1,734.00	134.93
Lifestyle mid value	950,000	1,639.96	950,000	1,777.03	137.07
Lifestyle high value	1,200,000	1,980.70	1,200,000	2,135.59	154.89
Sheep/beef low value	940,000	1,626.33	940,000	1,762.69	136.35
Sheep/beef mid value	5,020,000	7,187.15	5,020,000	7,614.45	427.30
Dairy farm mid value	8,430,000	11,834.79	8,430,000	12,505.26	670.48
Cropping high value	14,500,000	20,107.86	14,500,000	21,211.20	1,103.34
Sheep/beef high value	18,800,000	25,968.52	18,800,000	27,378.50	1,409.98
Secondary mid value	750,000	1,671.42	750,000	1,864.11	192.69
Secondary high value	1,300,000	2,644.00	1,300,000	2,927.17	283.17



Mackenzie
DISTRICT COUNCIL



Mackenzie
DISTRICT COUNCIL

mackenzie.govt.nz