



**MACKENZIE**  
DISTRICT COUNCIL

# ANNUAL PLAN

## 2019/20



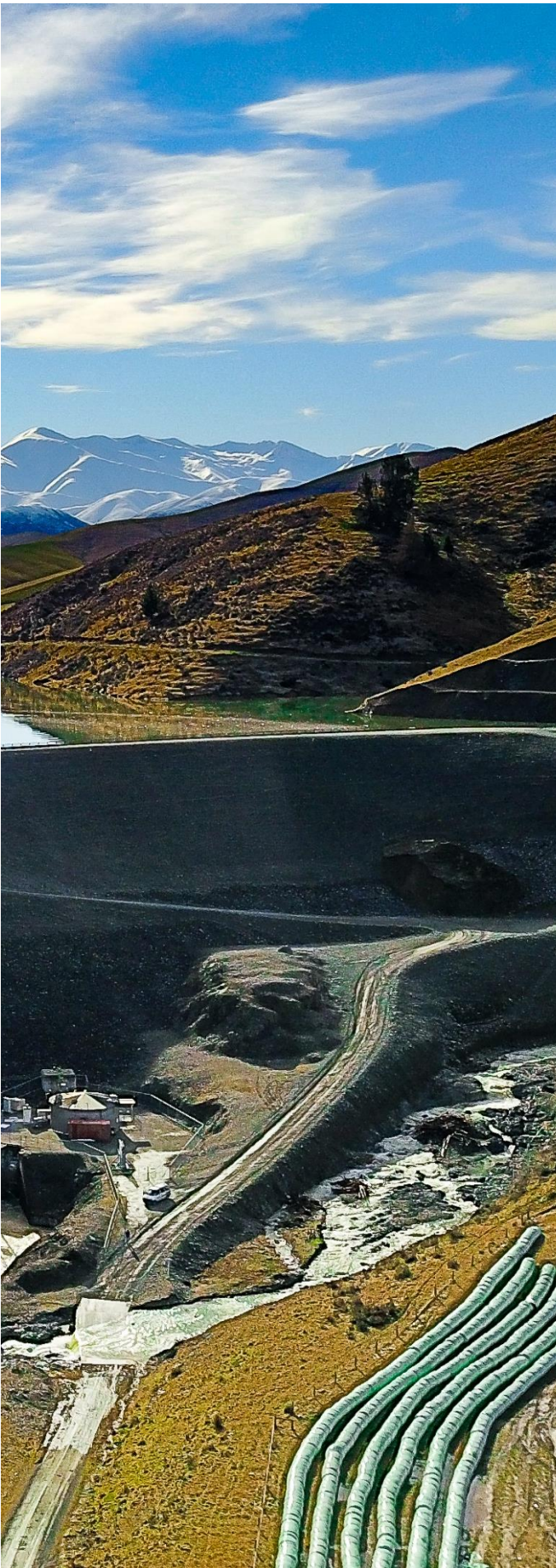
Today's  
choices,  
tomorrow's  
Mackenzie.





Credit: Ethan Anderson





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## From your Mayor and Chief Executive

It is with pleasure that we present the 2019/20 Annual Plan to you, our community. We are confident that we have prepared the Mackenzie District Council to better manage unprecedented growth, meet the challenges and build a strong platform of opportunities for our communities. We have largely continued as per our Long Term Plan in maintaining and improving our infrastructure in what can be described as a very busy and positive year.

This Annual Plan represents Year 2 of the current Long Term Plan 2018-28 and this means that it will only deal with the deviations from that Long Term Plan, either as a result of projects being delayed, brought forward or new projects being introduced. The legislation requires that only variances are addressed in an effort to reduce any unnecessary duplication. As part of our plan preparation process, Council also tested whether public consultation on these variances are required and decided that it was comfortable that none was required, mainly because no levels of service will be affected, the overall rates increase remain the same and the variances are not considered material.



In 2018 Council enrolled in the CouncilMARK™ programme that provided a strong mandate for change. It highlighted the fact that the organisation was at risk and not fit for purpose. An in-depth organisational review endorsed this assessment and recommended major changes to the organisation and its culture. In October 2018 Council adopted a Business Strategy that defined three clear priorities for change that are most likely to achieve the objectives set in its Long Term Plan 2018-28; one – to enhance the internal capability of the organisation; two – to protect the environment as our unique point of difference and three – to ensure we have sustainable infrastructure. These three priorities are supported by nine key initiatives, eight of which have been included in the Annual Plan for execution or commencement in this financial year. This means Council had to rework the proposed budget as reflected in Year 2 of its Long Term Plan without deviating from its overall rates increase of 8%. We are pleased to advise our community that we have managed to keep within the original rates setting of 8% by offsetting most of the organisational review cost through investment revenue, such as \$400,000 worth of carbon credits, and funding capital expenditure associated with the organisational review from cash reserves. Staff training and other incidental costs will continue to be funded through rates.

Our Annual Plan explains key highlights aimed to be achieved this year. At a time of rapid change due to mounting tourism pressures, we are pleased to confirm that a number of these highlights are community related projects such as playgrounds, upgrades to community centres and landscaping around the Market Place in Twizel.

In terms of roading expenditure we want to let you know that we have listened to you through our consultation with you and have budgeted an amount of \$300,000 for 'low cost low risk' roading projects. In addition to that we have allocated \$2.75M towards road maintenance and upgrades, being mindful of the need to keep our community safe while travelling on our roads. Our road sealing and footpath resurfacing programmes will also continue.

The timeframes for some of our core infrastructure projects have also been reviewed and amended for various reasons as described in the Annual Plan. For example, we have completed the Twizel oxidation pond upgrade ahead of schedule in the 2018/19 financial year and delayed the Fairlie water treatment upgrade until this financial year. We have also increased the funding for the review of our District Plan and reduced the solid waste cost charges due to a reduction of waste going to landfill, which is a wonderful achievement by our community that we continue to encourage.

We have been successful in obtaining funding worth \$711,000 for a Destination Mackenzie management/feasibility study with the ratepayer contributing \$90,000 towards it. The project will be completed within this financial year in collaboration with multiple partners and will provide us with the necessary intelligence, a sound platform and clear opportunities towards a sustainable future for the Mackenzie District.

It shapes up to be yet another productive year for the Mackenzie District Council. We are confident that as a result of the changes to our organisation and the review of our programmes and projects we will be able to serve our community well and deliver win-win plus public value outcomes during this financial year. We look forward to embracing the challenges and opportunities ahead!

Graham Smith

Mayor

Suzette van Aswegen

Chief Executive







# Introduction and Overview

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## Your Council



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**Mayor**

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**Deputy Mayor**

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**Stuart Barwood**

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# Your Community Boards

The Mackenzie District has three Community Boards:

- Fairlie – elected by the electors of the Fairlie community boundary;
- Tekapo – elected by the electors of the former Tekapo Ward; and
- Twizel – elected by the electors of the Twizel Township.

FAIRLIE COMMUNITY BOARD	Les Blacklock (Chair)	027 252 2227 / 03 685 6115 theteds1955@gmail.com
	Carolyn Coakley	027 478 3107 / 03 685 5998 carocoakley@gmail.com
	Pauline Jackson	027 212 5727 / 03 685 8627 highctrymc@xtra.co.nz
	Damon Smith	021 065 4062 / 03 685 8627 damonsmithy@gmail.com
	Councillor Chris Clarke	022 026 8708 / 03 685 8535 chrisclarke@mackenzie.govt.nz
TEKAPO COMMUNITY BOARD	Stella Sweney (Chair)	021 0460 886 / 03 680 6222 stellasweney12@gmail.com
	Steve Howes	021 801 216 / 03 680 6674 steveh@instants.co.nz
	Caroll Simcox	027 235 6722 / 03 680 6607 carollsimcox@xtra.com
	Lyn Martin	03 680 6537 lyntekapo@gmail.com
	Councillor Russell Armstrong	027 431 775 / 03 435 0421 russellarmstrong@mackenzie.govt.nz
TWIZEL COMMUNITY BOARD	Jacqui de Buyzer (Chair)	027 383 5695 jacqui.debuyzer@xtra.co.nz
	Norman Geary	027 848 752 norman.geary@gmail.com
	Nicola (Nancy) Collins	021 069 4167 nancy.herself@gmail.com
	Pat Shuker	022 010 7320
	Councillor Paul Hannagan	021 142 3163 paulhannagan@mackenzie.govt.nz



# Our vision and mission

## Mission statement

In February 2019, Council adopted a Business Strategy identifying operational priorities for the next four years. As part of our Business Strategy, we reviewed our values.

Due to the changing nature of the district, Council has also identified a set of new values as reflected below. These values will act as our guide (or guiding light) when considering options and making decisions for the future.

### **Be Fair to Everyone**

A rising tide lifts all boats. No-one in the Mackenzie District should be left behind in the name of 'progress'.

### **Peace and Serenity Matters**

These are the defining, unique, extremely special characteristics of our district – and they need to be protected.

### **Dare to be Different**

We will look for unique ways to innovate and will not let fear of criticism hold us back from doing the right thing.

### **Do Things With Respect and Trust**

We will, in every circumstance, operate with honesty and integrity, enabling mutual respect and trust within our organisation, with our community and with all others.

### **Leave Things Better for the Future**

We are here for more than to save the current day – our duty as public servants to the Mackenzie District community creates an obligation that we leave things better for future generations.

*Fostering Our  
Community*

## Vision statement

Mackenzie District will be a district in which:

- We foster the unique attributes and strong sense of community that makes the Mackenzie District special.
- Our natural environment is protected and enhanced in balance with achieving social and commercial objectives.
- A dynamic economy provides employment and investment opportunities consistent with the quality of life aspirations of existing and future generations.
- Democracy is respected and equal opportunity and the rights of the individual are upheld.
- A variety of sporting, recreational, cultural, spiritual, welfare and educational resources are available to enrich the lives of our people.
- Safe, effective, sustainable water, waste, communication, energy and transport systems are in place.
- People are encouraged to use their skills and talents for the benefit of the community.

## Our community outcomes

### AN ATTRACTIVE AND HIGHLY VALUED NATURAL ENVIRONMENT

The outstanding natural features of the district need to be preserved, enhanced, accessible and promoted. Anyone who has lived in the Mackenzie District or who has visited, understands that the natural environment is our greatest asset. Council's role in supporting this outcome is as a regulator through its District Plan. This provides a detailed framework for managing the natural and physical resources of the district. Council also provides and funds local reserves, and acts as an advocate for environmental issues. It has also joined other councils in protecting our lakes and streams for generations to come under the Canterbury Water Management Strategy.

### A THRIVING ECONOMY

We need to have a well-balanced economy, providing employment and investment opportunities, and sustaining a full range of support services. Our prosperity is based on farming, hydro-electric power generation and tourism. Council's role in economic development is to provide a regulatory environment that facilitates growth. It also funds the support and promotion of businesses in the district.

### A DEMOCRACY THAT UPHOLDS THE RIGHTS OF THE INDIVIDUAL

The district needs a council that represents its community while respecting the rights of the individual. The Mackenzie District, with an estimated population of 4,300 is represented by 19 elected representatives who continue a long tradition of championing a vigorous local democracy. The role of elected members is to represent the district and their community, make decisions on its behalf, and advocate when required.

### A FIT AND HEALTHY COMMUNITY

We need a variety of sporting, recreational, cultural, spiritual, health, welfare and education resources to help sustain and enrich our lives. Council is one of the major providers of recreational and community facilities such as sports grounds and community halls. It works alongside local clubs and volunteers to help promote a fit and healthy community. It also supports the provision of medical and other social services and will act as an advocate where required on behalf of the community.

### SAFE, EFFECTIVE AND SUSTAINABLE INFRASTRUCTURE

Council is the prime provider and funder of essential services including roads, drinking water, sewage treatment, storm water disposal, refuse collection and recycling. This is very much the council's "bread and butter".

### A SUPPORTIVE AND CONTRIBUTING COMMUNITY

Council seeks to foster a supportive and contributing community and encourage people to use their skills for the benefit of the wider community. The supportive nature of the Mackenzie community is one of its unique advantages and is recognised and valued by those who live here. Council plays a supportive role in this area, advocating on behalf of community groups when required and facilitating local initiatives.



# How we plan for our District

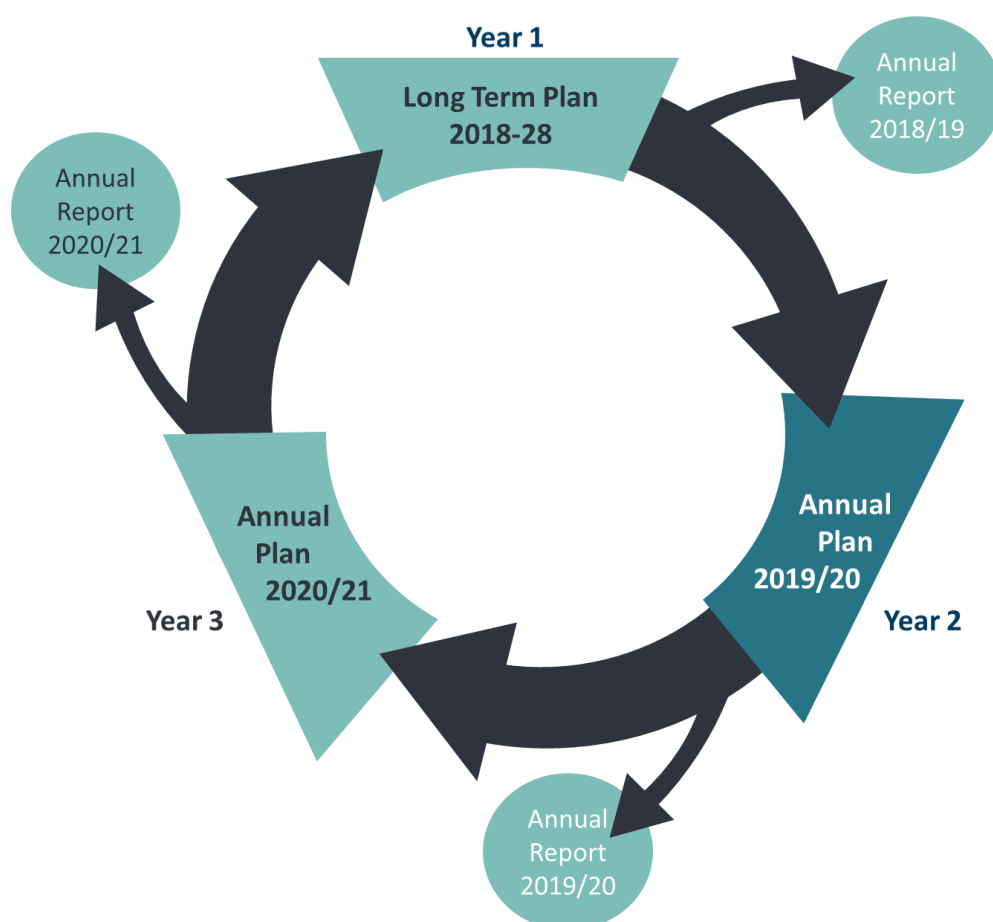
Council's planning process centres on three key documents:

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

This is our Year 2 Annual Plan, which provides an update to the Long Term Plan, highlighting changes to what we're planning for 2019/20, the reasons for these changes and the impact on rates.

This Annual Plan is an exceptions document (i.e. it only details what changes to the LTP for 2019/20). Projects that are proceeding as originally planned for Year 2 in the LTP are not covered in this Annual Plan. You may find it helpful to read this Annual Plan alongside the Long Term Plan (LTP) 2018-2028 which contains a detailed explanation of Council's work programme. You can read the LTP 2018-28 at [www.mackenzie.govt.nz](http://www.mackenzie.govt.nz) 'Long Term Plan 2018-2028'.

The format of this Annual Plan follows the same order as the LTP 2018-28 to make it easy to relate the two documents. After the introductory sections, there is discussion of the changes to each of Council's eight activity groups since adoption of the LTP. This is followed by a series of financial tables setting out the planned expenditure for the 2019/20 financial year.











## Our activities at a glance

This section of the Annual Plan explains how Council's activities will contribute towards the achievement of the Community Outcomes identified earlier in this Plan.

Council activities have been grouped into the following:

Groups of Activities	Activities
 <b>GOVERNANCE &amp; CORPORATE SERVICES</b>	<ul style="list-style-type: none"> <li>Governance</li> <li>Administration</li> <li>Community Facilities Department</li> <li>Chief Executive Office</li> <li>IT Department</li> <li>Finance</li> <li>Engineering Department</li> </ul>
 <b>WATER SUPPLIES</b>	<ul style="list-style-type: none"> <li>Water Supply</li> </ul>
 <b>WASTEWATER</b>	<ul style="list-style-type: none"> <li>Wastewater</li> </ul>
 <b>STORMWATER</b>	<ul style="list-style-type: none"> <li>Stormwater</li> </ul>
 <b>ROADING</b>	<ul style="list-style-type: none"> <li>Sealed &amp; Unsealed Roads</li> <li>Footpaths</li> <li>Bridges</li> <li>Drainage &amp; Parking</li> <li>Street lighting</li> <li>Cycleways &amp; Walkways</li> <li>Traffic services</li> </ul>
 <b>REGULATORY SERVICES</b>	<ul style="list-style-type: none"> <li>Building Control</li> <li>District Planning</li> <li>Animal Control</li> <li>Environmental Health</li> <li>Civil Defence &amp; Emergency Management</li> </ul>
 <b>COMMUNITY &amp; TOWNSHIP SERVICES</b>	<ul style="list-style-type: none"> <li>Cemeteries</li> <li>Halls</li> <li>Solid Waste</li> <li>Parks &amp; Swimming Pools</li> <li>Toilets</li> <li>Libraries</li> <li>Medical Centres</li> <li>Pensioner Housing</li> </ul>
 <b>TOURISM, ECONOMIC DEVELOPMENT &amp; COMMERCIAL ACTIVITIES</b>	<ul style="list-style-type: none"> <li>Real Estate</li> <li>Forestry</li> <li>Investments</li> <li>Pukaki Airport</li> <li>Economic Development and District Promotion</li> </ul>

Each of Council's groups of activities contribute to our community outcomes as summarised below:

								
AN ATTRACTIVE AND HIGHLY VALUED NATURAL ENVIRONMENT	✓	✓	✓	✓	✓	✓	✓	✓
A THRIVING ECONOMY	✓	✓	✓	✓	✓	✓	✓	✓
A DEMOCRACY THAT UPHOLDS THE RIGHTS OF THE INDIVIDUAL	✓							
A FIT AND HEALTHY COMMUNITY	✓	✓	✓	✓	✓	✓	✓	✓
SAFE, EFFECTIVE AND SUSTAINABLE INFRASTRUCTURE	✓	✓	✓	✓	✓	✓	✓	✓
A SUPPORTIVE AND CONTRIBUTING COMMUNITY	✓						✓	✓



## Our plans in brief – the numbers

Council adopted a Business Strategy 2018 – 2022 with three clearly defined strategic priorities for change that are most likely to achieve the objectives set in its Long Term Plan 2018 – 28 and in response to the findings of the Local Government New Zealand CouncilMARK Assessment Report.

The first priority is to enhance the internal capability of the organisation to manage the impact of change. The second priority is to protect the environment as a point of difference. The third priority is to ensure we have sustainable long-term infrastructure.

Flowing from this are nine key initiatives in priority order, with provision made in the 2019/20 Annual Plan to execute the first eight priorities:

1. Organisational review
2. Feasibility Study
3. Visitor Accommodation Review
4. Development Contributions Policy
5. Sustainable Infrastructure Strategy
6. Risk Management Framework
7. District Plan review
8. District Plan enforcement
9. Representation review

As a result of this prioritisation, Council had to rework the proposed budget for Year 2 in the Long Term Plan 2018-28, which had an impact on how we collect rates while keeping the overall rates increase below 8%, as per the 2018-28 Long Term Plan.

### ORIGINALLY PLANNED LTP YEAR 2 2019/20

### NOW PLANNED 2019/20

#### REVENUE (INCLUDES RATES, SUBSIDIES, FEES & CHARGES)

**\$16.2**  
MILLION

**\$21.8**  
MILLION

#### OPERATING EXPENDITURE

**\$16.5**  
MILLION

**\$18.5**  
MILLION

#### CAPITAL EXPENDITURE (EXCLUDING VESTED ASSETS)

**\$6.12**  
MILLION

**\$5.68**  
MILLION

#### EXTERNAL DEBT

**\$4.95**  
MILLION

**\$5.94**  
MILLION

#### RATES INCREASE

**WAS**  
**8.00%**

**NOW**  
**7.57%**

### Year two of our 2018-2028 Long Term Plan:

The Annual Plan updates the work plans and budgets that we had set through the Long Term Plan (LTP). For the most part we are continuing what was decided through the LTP. The following events occurred after the LTP was developed, causing adjustments in this Annual Plan:

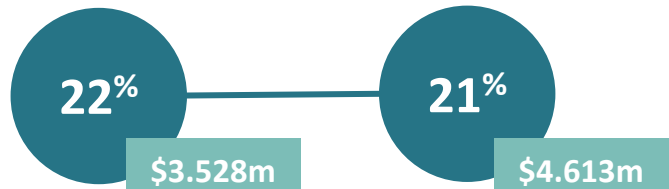
- We have made significant changes to how we function following our organisational review. Other increases in operating expenses include the Provincial Growth Fund and District Plan review. You can read more about these on page 16.
- We expect to receive Government subsidies of over \$2.6 million. This includes funding for roads by the NZ Transport Agency and \$711,000 from the Rural Provincial Growth Fund for the preparation of a destination management plan for the District.
- Changes to the schedule of capital projects have been made for various reasons, including delays in completing work and re-timing of renewals as well as a result of reassessing asset conditions. You can read more about our key projects and changes to our capital projects on pages 15 and 16.
- Debt in 2019/20 was originally forecast to be \$4.95 million, but changes to the schedule of planned works meant that debt funding will be \$1 million higher. Find out more about these projects on page 16. We anticipate that debt at 30 June 2020 will be \$5.94 million.
- In the LTP we signaled overall general rates increases of no more than 6.0% beyond inflation, (total of 8.40% for year two). We are staying below that limit for the 2019/20 with an increase of 7.57% including inflation.
- Development within the district has been increasing since we prepared our LTP. We now anticipate that we will receive an addition \$4.04 million of financial contributions and vested assets.

### WHERE THE MONEY COMES FROM

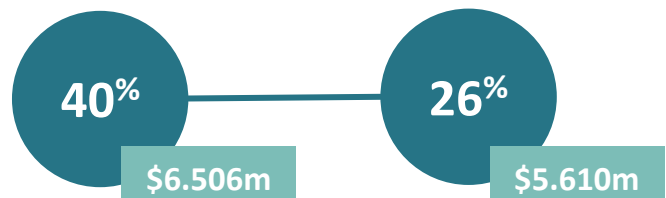
#### ORIGINALLY PLANNED LTP YEAR 2 2019/20

#### NOW PLANNED 2019/20

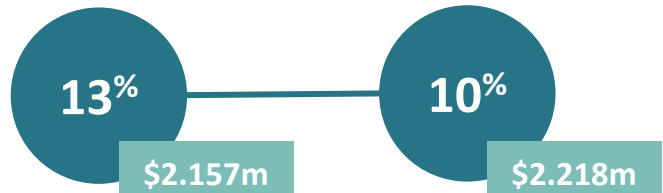
##### GENERAL RATES



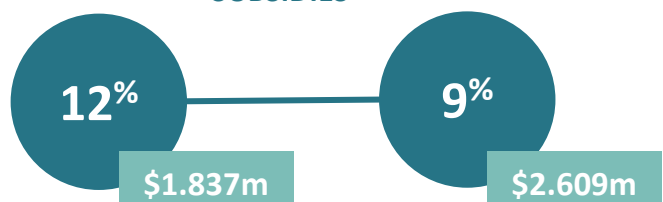
##### TARGETED RATES



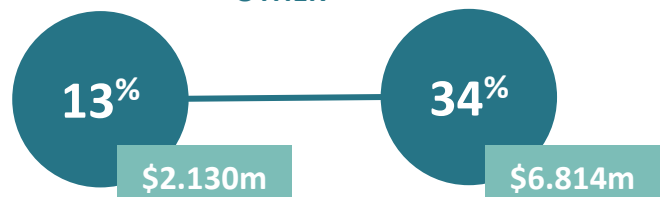
##### FEES AND CHARGES



##### SUBSIDIES



##### OTHER





## Our plans in brief – the highlights

*The 2019/20 year will see a continuation of our services and activities of fostering our community as set out for Year 2 (2019/20) in our Long Term Plan 2018-28.*

*We plan to maintain current levels of service throughout the year.*

*Here are the highlights of what you can expect to see this year.*

*For full detail of Council's planned programme of work, please see our Long Term Plan 2018-2028 on our website.*

### **Roading maintenance and renewals**

During the year we will be carrying out maintenance and renewals of our roads, footpaths and associated infrastructure (eg. streetlights). If unanticipated failures occur, we will request funding from NZTA.

**\$2.75**  
MILLION

### **Roading capital expenditure**

Following consultation with our community, we have budgeted an amount of \$300,000 per annum to fund 'low cost low risk' roading projects. We have also set aside budget for our sealing past houses programme and foot path resurfacing.

**\$475**  
THOUSAND

### **Fairlie water pipeline replacement**

As part of an ongoing programme, we will be replacing water mains within the Fairlie reticulated supply.

**\$120**  
THOUSAND

### **Lakeside domain development, Lake Tekapo**

We are undertaking a multi-staged development of the lakeside domain subject to the development of surrounding areas and neighbouring construction. Improvements to the domain and lake frontage from Lakeside Drive through to Pioneer Drive will continue this year.

**\$226**  
THOUSAND

### **Fairlie office building improvements**

We are planning to make some changes to our office building in Fairlie to improve safety in our reception area and alter the layout of work spaces to ensure appropriate spaces for our changing needs.

**\$514**  
THOUSAND

### **Market Place landscaping and upgrade, Twizel**

The Twizel Community Board is working on developing and finalising plans for the second stage upgrade of the Twizel Market Place.

**\$114**  
THOUSAND

### **Triennial Council and Community Board elections**

Council and Community Board elections are held every three years. An election of the Mayor, six Councillors (from two wards: Pukaki and Opuha) and our three Community Boards will be held in October 2019.

**\$53**  
THOUSAND

### **Civil Defence and Emergency Management generator**

We are planning to commission a portable generator to enable powering up civil defence centres (CDCs) within our district. This will support our affected community to provide welfare services during and after emergency events.

**\$36**  
THOUSAND

### **Alps to Ocean Cycleway**

We are working on off-roading sections of the Alps to Ocean Cycleway on Hayman Road to address significant safety concerns and increase the level of service for riders. We will be continuing this work this year. We expect to receive 2/3 of the cost from external funding such as grants.

**\$555**  
THOUSAND

### **Fairlie adventure playground**

We are upgrading our playground equipment including installing a basket swing. We are also upgrading footpaths around the playground.

**\$31**  
THOUSAND

### **Twizel Community Centre Upgrade**

As part of a three year work programme, we are making improvements to the Twizel Community Centre. This year we will be upgrading the kitchen and adding additional storage.

**\$92**  
THOUSAND

### **Mackenzie Community Centre Upgrade**

Within the second year of our three year programme of upgrades, we will be making sound and light system improvements and flooring repairs.

**\$92**  
THOUSAND

## Our plans in brief – the variances

Some of our plans for the year have changed since we adopted our Long Term Plan 2018-28. Where projects have been introduced, brought forward or delayed, these will not impact on existing levels of service.

For full detail of how our plans for this year compare with our Long Term Plan, please see our Long Term Plan 2018-2028 on our website.

### Organisation change

Council's Business Strategy 2018 – 2022 prioritised an in-depth organisational review to enhance the internal capability of the organisation. This need was earmarked in our May 2018 CouncilMARK Assessment Report which highlighted that the organisation was not fit for purpose and at risk of not being able to deliver its objectives set in our LTP. The review raised a number of concerns, which have been addressed in our Annual Plan 2019/20.

### Fairlie water treatment upgrade

The construction of a new treatment plant to upgrade Fairlie's drinking water supply was previously planned for completion in 2018/19 but this was delayed. The project is scheduled to be completed this financial year (2019/20) with no change to the cost of \$900,000.

### Forestry carbon credits

Our forestry estate qualifies for carbon credit allocations. With trending increases of carbon credit values over recent years, we intend to increase the offset of carbon credit values on the general rate. This offset will be to a total of \$400,000 from 16,000 carbon credit units at a value of \$25/unit. This commitment to offsetting will be reduced in future years.

### Twizel Information Centre

In recognising community demand, we are increasing opening hours and staffing of the Twizel Information Centre this year, this is subject to review and in consultation with the community.

### Digitisation of property files

We originally proposed to digitise property file records in 2017/18 however, following a review, we decided that we should complete the rollout of Laserfiche, our new document management system, before digitising our files. Now that this rollout has been completed we will be digitising all files this year.

### Resource management activities

Our District Plan review was planned to progress over the term of our LTP. To prioritise this, we now plan to utilise consultants for some of our business-as-usual resource consenting to allow staff to focus on the District Plan review.

### Solid waste cost changes

Over recent years the volume of waste being transported from the district to landfill has decreased. Based on these actuals, the budget for the cartage and disposal to landfill has been reduced from that planned for this year when the Long Term Plan was set. The decrease in actual volumes has reduced the budget for 2019/20 by \$200,000.

### Burkes Pass water supply treatment upgrade

We planned to upgrade the Burkes Pass water supply in 2019/20. The work, which will cost \$360,000 has been delayed until the following year (2020/21). There is not expected to be any changes to service because of the delay.

### Fairlie wastewater pipeline replacement

Subject to CCTV review of mains, a replacement programme was planned. We are continuing to review the condition of our pipelines to determine whether replacement is required. The planned work for this year is not yet required and has been delayed until 2020/21. During the year, we will continue to monitor the condition of our pipework.

### Twizel oxidation pond upgrade

We planned to upgrade the Twizel oxidation ponds and effluent disposal system however this upgrade was brought forward and completed within the 2018/19 year.

Originally  
Planned

Now Planned  
2019/20

\$0

\$700  
THOUSAND

\$0

\$900  
THOUSAND

\$0

\$400  
THOUSAND

\$50  
THOUSAND

\$198  
THOUSAND

\$0

\$260  
THOUSAND

\$618  
THOUSAND

\$870  
THOUSAND

\$1.07  
MILLION

\$872  
THOUSAND

\$360  
THOUSAND

\$0  
DEFERRED:  
2020/21

\$212  
THOUSAND

\$0  
DEFERRED:  
2020/21

\$924  
THOUSAND









\$0  
PREVIOUSLY  
COMPLETED



# Funding overview

This page sets out a snapshot of the Council's major activities and how these will be funded over the next year.

The total spend is split into capital expenditure (for example, construction of new roads) and operating expenditure (the day to day costs of providing services). There is also a breakdown of the proportion funded by rates, and that funded from other sources – these can include fees and charges, income from interest as well as financial contributions paid by developers.

Area of spend	Capital (excl. vested assets)	Operating spend	How costs are funded
 GOVERNANCE & CORPORATE SERVICES	\$955,000	\$5.066m	RATES 75% OTHER SOURCES 25%
 WATER SUPPLY	\$1.430m	\$1.552m	RATES 41% OTHER SOURCES 59%
 WASTEWATER	\$0	\$792,000	RATES 39% OTHER SOURCES 61%
 STORMWATER	\$0	\$123,000	RATES 28% OTHER SOURCES 72%
 ROADING	\$1.975m	\$4.072m	RATES 13% OTHER SOURCES 87%
 PLANNING & REGULATORY SERVICES	\$41,000	\$2.224m	RATES 38% OTHER SOURCES 62%
 COMMUNITY & TOWNSHIP SERVICES	\$729,000	\$3.293m	RATES 65% OTHER SOURCES 35%
<i>(Excluding Commercial Activities)</i>  TOURISM, ECONOMIC DEVELOPMENT & COMMERCIAL ACTIVITIES	\$555,000 \$0	\$771,000 \$612,000	RATES OFFSET -49% OTHER SOURCES 149%
<i>(Commercial Activities only)</i>			





# Financials

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# Forecast statement of comprehensive revenue & expenditure

For the year ending 30 June 2020

	2018/19	2019/20	
	Long Term Plan \$000's	Long Term Plan \$000's	Annual Plan \$000's
<b>REVENUE</b>			
Rates	9,296	10,034	10,223
Subsidies and grants	1,811	1,837	2,609
Investment income	718	761	862
Other income	3,032	3,168	3,975
Contributions	150	154	1,832
Other gains and losses	265	204	0
Gain on sale – assets	0	0	0
Vested assets	0	0	2,363
<b>TOTAL REVENUE</b>	<b>15,273</b>	<b>16,159</b>	<b>21,864</b>
<b>EXPENSES</b>			
Employment expenses	3,440	3,500	4,143
Member expenses	404	473	452
Consultancy expenses	1,103	1,062	1,608
Administration expenses	833	851	1,356
Operation and maintenance	4,561	4,714	5,536
Finance expense	115	244	114
Roading	1,403	1,437	1,326
Depreciation	3,919	4,226	4,093
<b>TOTAL EXPENDITURE</b>	<b>15,777</b>	<b>16,504</b>	<b>18,627</b>
<b>Net Surplus/(Deficit) After Taxation</b>	<b>(505)</b>	<b>(346)</b>	<b>3,236</b>
<b>OTHER COMPREHENSIVE REVENUE AND EXPENSE</b>			
<i>Items that could be reclassified to surplus/(deficit)</i>			
Financial assets at fair value through other comprehensive revenue and expense	0	0	0
<i>Items that will not be reclassified to surplus/(deficit)</i>			
Gain on infrastructural revaluations	0	8,600	8,600
<b>TOTAL EXPENDITURE</b>	<b>0</b>	<b>8,600</b>	<b>8,600</b>
<b>TOTAL COMPREHENSIVE REVENUE AND EXPENSE</b>	<b>(505)</b>	<b>8,254</b>	<b>11,836</b>



# Forecast statement of changes in equity

*For the year ending 30 June 2020*

	2018/19	2019/20	
	Long Term Plan \$000's	Long Term Plan \$000's	Annual Plan \$000's
<b>BALANCE AT 1 JULY</b>	250,241	249,736	240,854
Valuation gains/(losses) on financial assets valuation	0	468	468
Valuation gains/(losses) on property, plant and equipment valuation	0	8,132	8,132
<b>Net income/(expense) recognised directly in equity</b>	<b>0</b>	<b>8,600</b>	<b>8,600</b>
Total comprehensive revenue, expense and movements for the year	(505)	(356)	3,236
<b>Total recognised revenue for the year</b>	<b>(505)</b>	<b>(346)</b>	<b>3,236</b>
<b>Owner transactions</b>			
Capital contribution	0	0	0
Repayment of capital	0	0	0
Capital contribution	0	0	0
<b>BALANCE AT 30 JUNE</b>	<b>249,736</b>	<b>257,991</b>	<b>252,690</b>

# Forecast statement of financial position

For the year ending 30 June 2020

	2018/19	2019/20	
	Long Term Plan \$000's	Long Term Plan \$000's	Annual Plan \$000's
<b>ASSETS</b>			
<b>Current Assets</b>			
Cash and cash equivalents	1,626	2,323	3,341
Receivables and prepayments	2,250	2,389	2,516
Inventories	4,017	3,504	2,449
Other financial assets	1,526	1,526	1,526
<b>TOTAL CURRENT ASSETS</b>	<b>9,419</b>	<b>9,652</b>	<b>9,832</b>
<b>Non-current Assets</b>			
Other financial assets	20,924	21,392	14,133
Intangible assets	0	0	0
Forestry assets	5,432	5,568	5,557
Property, plant and equipment	218,266	228,443	231,346
<b>TOTAL NON-CURRENT ASSETS</b>	<b>244,622</b>	<b>255,403</b>	<b>251,036</b>
<b>TOTAL ASSETS</b>	<b>254,041</b>	<b>265,055</b>	<b>260,868</b>
<b>LIABILITIES</b>			
<b>Current Liabilities</b>			
Payables and accruals	1,097	1,715	1,834
Employee entitlements	312	320	320
Provisions	0	0	0
Borrowing	0	0	0
<b>TOTAL CURRENT LIABILITIES</b>	<b>1,410</b>	<b>2,035</b>	<b>2,154</b>
<b>Non-current Liabilities</b>			
Employee entitlements	22	22	22
Provisions	57	58	58
Borrowings	2,817	4,948	5,944
<b>TOTAL NON-CURRENT LIABILITIES</b>	<b>2,895</b>	<b>5,029</b>	<b>6,024</b>
<b>TOTAL LIABILITIES</b>	<b>4,305</b>	<b>7,064</b>	<b>8,178</b>
<b>NET ASSETS</b>	<b>249,736</b>	<b>257,991</b>	<b>252,690</b>
<b>EQUITY</b>			
Accumulated funds	123,033	125,014	118,167
Capital reserves	(4,504)	(6,493)	4,072
Operating reserves	(538)	(562)	(831)
Special funds	5,807	5,961	7,145
Other reserves	47	47	50
Property, plant and equipment reserves	125,891	134,023	124,087
<b>TOTAL EQUITY</b>	<b>249,736</b>	<b>257,991</b>	<b>252,690</b>

# Forecast statement of cash flows

*For the year ending 30 June 2020*

## CASH FLOWS FROM OPERATING ACTIVITIES

### Cash was provided from:

Receipts from rates revenue	9,296	10,034	10,223
Receipts from other revenue	3,182	3,322	5,807
Subsidies and grants received	1,811	1,837	2,609
Interest received	718	761	862
Property sales	1,500	717	0
Goods and services tax (GST) received	0	0	0

2018/19	2019/20	
Long Term Plan \$000's	Long Term Plan \$000's	Annual Plan \$000's
9,296	10,034	10,223
3,182	3,322	5,807
1,811	1,837	2,609
718	761	862
1,500	717	0
0	0	0
<b>16,508</b>	<b>16,671</b>	<b>19,500</b>

### Cash was applied to:

Payments to suppliers and employees	11,744	11,683	14,068
Net goods and services tax (GST) paid	0	0	0
Finance costs	115	244	114

11,744	11,683	14,068
0	0	0
115	244	114
<b>11,858</b>	<b>11,927</b>	<b>14,182</b>

### Net cashflow from operating activities

<b>4,649</b>	<b>4,745</b>	<b>5,318</b>
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## CASH FLOWS FROM INVESTING ACTIVITIES

### Cash was provided from:

Purchase of property, plant and equipment	6,225	6,122	5,684
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6,225	6,122	5,684
<b>6,225</b>	<b>6,122</b>	<b>5,684</b>

### Net cashflow from investing activities

<b>(6,225)</b>	<b>(6,122)</b>	<b>(5,684)</b>
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## CASH FLOWS FROM FINANCING ACTIVITIES

### Cash was provided from:

Proceeds from borrowings	3,160	2,332	2,369
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3,160	2,332	2,369
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### Cash was applied to:

Repayment of borrowings	343	348	288
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343	348	288
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### Net cashflow from financing activities

<b>2,817</b>	<b>1,984</b>	<b>2,081</b>
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Net cashflows from operating activities	4,649	4,745	5,318
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4,649	4,745	5,318
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Net cashflows from investing activities	(6,225)	(6,122)	(5,684)
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(6,225)	(6,122)	(5,684)
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Net cashflows from financing activities	2,817	1,984	2,081
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2,817	1,984	2,081
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### Net decrease in cash, cash equivalents and bank overdrafts

<b>1,241</b>	<b>606</b>	<b>1,715</b>
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Cash, cash equivalents and bank overdrafts at the beginning of the year	385	1,626	1,626
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385	1,626	1,626
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### Cash, cash equivalents and bank overdrafts at the end of the year

<b>1,626</b>	<b>2,262</b>	<b>3,341</b>
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## Forecast summary of capital expenditure

*For the year ending 30 June 2020*

	2018/19	2019/20	
	Long Term Plan \$000's	Long Term Plan \$000's	Annual Plan \$000's
Governance and Corporate Services	261	680	955
Water Supplies	1,961	890	1,809
Wastewater	84	1,198	542
Stormwater	0	0	321
Roading	2,010	2,054	3,096
Planning and Regulatory Services	39	36	41
Community and Township Services	1,093	711	729
Tourism, Economic Development and Commercial Activities	540	555	555
<b>Total capital expenditure</b>	<b>5,988</b>	<b>6,123</b>	<b>8,047</b>

# Forecast Capital expenditure

for Groups of Activities

*For the year ending 30 June 2020*

## GOVERNANCE AND CORPORATE SERVICES

### Council Building – Fairlie

0088910. Buildings – administrative	0	514	514
0088925. Plant and equipment	0	0	0
0088940. Furniture and fittings – other	20	50	20

### Council Building – Twizel

0098940. Furniture and fittings – other	2	0	0
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### Information Technology

0788001. Records management programme	0	0	200
0788006. GIS aerials	30	31	31
0788010. Network infrastructure	10	0	0
0788012. Software	20	10	70
0788014. Website development	30	0	0
0788925. Plant and equipment	5	5	5

### Plant Operations

2658930. Vehicles	144	115	115
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## TOTAL GOVERNANCE AND CORPORATE SERVICES CAPITAL EXPENDITURE

<b>261</b>	<b>680</b>	<b>955</b>
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## WATER SUPPLIES

### Allandale Water Supply

0158980. Community assets – water supply	10	70	70
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### Ashwick/Opuha Water Supply

0168980. Community assets – water supply	0	51	51
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### Urban Water Supply

0248193. Vested assets	0	0	379
0248203. Reticulation	8	0	0
0248204. Head works – renewal	70	0	0
0248205. Treatment – renewal	900	360	900
0248206. Service connections – renewal	20	0	0
0248214. Reticulation fittings	110	0	0
0248215. Plant	25	0	0
0248281. Reticulation – renewal	568	409	409
0248285. Reticulation – new	250	0	0

## TOTAL WATER SUPPLIES CAPITAL EXPENDITURE

<b>1,961</b>	<b>890</b>	<b>1,809</b>
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*For the year ending 30 June 2020*

## WASTEWATER

### Urban Wastewater

0258193. Vested assets	0	0	542
0258401. Sewer reticulation renewal	84	1,136	0
0258817. Resource consent costs	0	62	0

### TOTAL WASTEWATER CAPITAL EXPENDITURE

<b>84</b>	<b>1,198</b>	<b>542</b>
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## STORMWATER

### Urban Stormwater

0589193. Vested assets	0	0	321
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### TOTAL STORMWATER CAPITAL EXPENDITURE

<b>2,817</b>	<b>1,984</b>	<b>2,081</b>
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## ROADING

### Roading Professional Services

0868925. Plant and equipment	0	0	3
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### District Roding

2549183. Vested assets	0	0	1,122
2548211. Unsealed road metaling	650	668	650
2548212. Sealed road resurfacing	500	512	475
2548213. Drainage renewal	70	72	72
2548214. Sealed road pavement rehabilitation	200	205	190
2548215. Structures component replacement bridges	50	51	50
25482151. Structure component replacement cattlestops	10	0	0
2548222. Traffic services renewals	60	62	60
2548310. Footpaths – surfacing	30	31	31
2548341. Minor improvements	300	308	300
2548395. Sealing past houses	140	144	144

### TOTAL ROADING CAPITAL EXPENDITURE

<b>2,010</b>	<b>2,054</b>	<b>3,096</b>
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## PLANNING AND REGULATORY SERVICES

### Civil Defence

0108925. Plant and equipment	39	36	41
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### TOTAL PLANNING AND REGULATORY SERVICES CAPITAL EXPENDITURE

<b>39</b>	<b>36</b>	<b>41</b>
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## COMMUNITY AND TOWNSHIP SERVICES



*For the year ending 30 June 2020*

	2018/19	2019/20	
	Long Term Plan \$000's	Long Term Plan \$000's	Annual Plan \$000's
<b>Waste Management</b>			
0358807. Resource consent	90	31	31
0358925. Plant and equipment	60	0	0
<b>Fairlie Township</b>			
0528965. Community asset – public amenities	50	0	0
0528977. Playground upgrade	50	0	30
<b>Tekapo Township</b>			
0548516. Implementation of development plan	220	226	226
<b>Twizel Township</b>			
0558516. Implementation of development plan	64	66	66
0558965. Community asset – public amenities	0	100	114
<b>Fairlie Domain</b>			
0958953. Adventure playground	0	31	31
<b>Mackenzie Community Centre</b>			
1228940. Furniture and fittings – other	0	92	92
1228950. Community assets – buildings	30	41	41
<b>Twizel Community Hall</b>			
1268940. Furniture and fittings – other	0	51	51
1268950. Community assets – buildings	30	41	41
<b>Fairlie Swimming Pool</b>			
1408925. Plant and equipment	0	26	0
<b>Twizel Swimming Pool</b>			
1428925. Plant and equipment	0	31	31
1428965. Community assets – public amenities	500	0	0
<b>Fairlie Pensioner Housing</b>			
1908920. Buildings – housing	0	7	7
<b>Twizel Pensioner Housing</b>			
1918940. Furniture and fittings – other	9	9	9
<b>TOTAL COMMUNITY AND TOWNSHIP SERVICES CAPITAL EXPENDITURE</b>	<b>1,093</b>	<b>711</b>	<b>729</b>
<b>TOURISM, ECONOMIC DEVELOPMENT AND COMMERCIAL ACTIVITIES</b>			
<b>Tourism and Economic Development</b>			
1348007. Alps2Ocean capital expenditure	540	555	555
<b>TOTAL TOURISM, ECONOMIC DEVELOPMENT AND COMMERCIAL ACTIVITIES CAPITAL EXPENDITURE</b>	<b>540</b>	<b>555</b>	<b>555</b>
<b>TOTAL CAPITAL EXPENDITURE</b>	<b>5,988</b>	<b>6,122</b>	<b>8,047</b>

## Forecast summary of depreciation

*For the year ending 30 June 2020*

	2018/19	2019/20	
	Long Term Plan \$000's	Long Term Plan \$000's	Annual Plan \$000's
Governance and Corporate Services	202	216	192
Water Supplies	628	680	668
Wastewater	360	370	343
Stormwater	64	77	63
Roading	2,182	2,354	2,279
Planning and Regulatory Services	5	7	6
Community and Township Services	390	421	456
Tourism, Economic Development and Commercial Activities	89	101	86
<b>Total depreciation</b>	<b>3,919</b>	<b>4,226</b>	<b>4,093</b>

# Forecast statement of reserve movements

	Activity to which the fund relates	2019/20			
		Forecast Opening Balance at 1 July 2019	Forecast Movements Into Reserve 2019/20	Forecast Movements From Reserve 2019/20	Forecast Closing Balance at 30 June 2020
		\$'000's	\$'000's	\$'000's	\$'000's
<b>Reserves</b>					
<b>Accumulated Funds</b>		114,931	3,236	0	118,167
<b>TOTAL ACCUMULATED FUNDS</b>		<b>114,931</b>	<b>3,236</b>	<b>0</b>	<b>118,167</b>
<b>Special reserve funds</b>					
Albury water fund	Communities and Townships	40	0	0	40
Ashwick/Opuha water fund	Communities and Townships	(40)	0	0	(40)
Building maintenance	Communities and Townships	0	0	0	0
Housing replacement	Communities and Townships	7	0	0	7
Insurance reserve	Governance and Corporate	200	0	0	200
Land subdivision	Communities and Townships	2,541	124	0	2,665
Pensioner housing amenities	Communities and Townships	2	0	0	2
Watertight building reserve	Governance and Corporate	44	0	0	44
Mackenzie County Scholarship Trust	Governance and Corporate	86	0	0	86
Masonic Lodge Scholarship Fund	Governance and Corporate	24	0	0	24
Real estate investment	Commercial Activities	4,115	0	0	4,115
Strathconan pool capital	Communities and Townships	2	0	0	2
<b>TOTAL SPECIAL FUNDS MOVEMENT</b>		<b>7,021</b>	<b>124</b>	<b>0</b>	<b>7,145</b>

For the year ending 30 June 2020



*For the year ending 30 June 2020*

Reserves	Activity to which the fund relates	Purpose	Forecast Opening Balance at 1 July 2019 \$'000's	Forecast Movements Into Reserve 2019/20 \$'000's	Forecast Movements From Reserve 2019/20 \$'000's	Forecast Closing Balance at 30 June 2020 \$'000's
<b>Other reserves</b>						
Albury war memorial	Communities and Townships	Funding of maintenance of the districts war memorials	4	0	0	4
Ashwick/Allandale war memorial	Communities and Townships	Funding of maintenance of the districts war memorials	5	0	0	5
Davidson bequest: cemetery	Communities and Townships	Bequests for cemetery maintenance	2	0	0	2
Gillingham bequest: library	Communities and Townships	Bequests for library books	0	0	0	0
Gould bequest: cemetery	Communities and Townships	Bequests for cemetery maintenance	2	0	0	2
Paterson ponds	Communities and Townships	Funding of maintenance at Paterson Ponds	10	0	0	10
Enid Hutt Fairlie beautifying fund	Communities and Townships	To fund expenditure in the Fairlie township	27	0	0	27
<b>TOTAL OTHER RESERVES</b>			<b>50</b>	<b>0</b>	<b>0</b>	<b>50</b>

**Asset revaluation reserves**

Share revaluation reserve	Commercial Activities	Accumulate changes in value of Councils Share investments	6,214	0	0	6,214
Investment revaluation reserve	Commercial Activities	Accumulate movements in Councils long term investments	61	0	0	61

**Infrastructural assets revaluation reserves**

Land	Governance and Corporate	Accumulate changes in value of Councils land holdings	30,406	0	0	30,406
Water supplies	Water	Accumulate changes in value of Councils water infrastructure	13,489	1,596	0	15,085
Wastewater schemes	Wastewater	Accumulate changes in value of Councils wastewater infrastructure	7,365	872	0	8,237
Stormwater schemes	Stormwater	Accumulate changes in value of Councils stormwater infrastructure	2,641	312	0	2,953

*For the year ending 30 June 2020*

	<i>Activity to which the fund relates</i>	<i>Purpose</i>	Forecast Opening Balance at 1 July 2019 \$'000's	Forecast Movements Into Reserve 2019/20 \$'000's	Forecast Movements From Reserve 2019/20 \$'000's	Forecast Closing Balance at 30 June 2020 \$'000's
<b>Reserves</b>						
Roading	Roading	Accumulate changes in value of Councils roading infrastructure	45,236	5,352	0	50,588
Plant	Communities and Townships	Accumulate changes in value of Councils plant assets	35	0	0	35
Buildings	Governance and Corporate	Accumulate changes in value of Councils buildings	10,508	0	0	10,508
<b>TOTAL REVALUATION RESERVES</b>			<b>115,955</b>	<b>8,132</b>	<b>0</b>	<b>124,087</b>

**Roading Professional Services**

Administration	Governance and Corporate	To fund capital replacements of Administration Assets	(43)	0	(2)	(45)
Allandale water	Water	To fund debt repayment of the Allandale Water Scheme construction and to fund its eventual replacement.	(24)	24	(312)	(312)
Animal control	Regulatory	To fund capital requirements of animal control	(1)	0	(4)	(5)
Ashwick/Opuha water	Water	To fund capital requirements of the Ashwick/Opuha Water scheme	72	0	(51)	21
Asset management	Governance and Corporate	To fund capital requirements of asset management	0	0	0	0
Burkes Pass sewer	Wastewater	To fund sewer capital works in Burkes Pass	0	0	0	0
Burkes Pass water	Water	To fund capital requirements of the Burkes Pass Water scheme	0	0	0	0
CEO department	Governance and Corporate	To fund capital requirements of the CEO department	0	0	0	0
Civil defence	Regulatory	To fund capital requirements of Civil Defence	(26)	6	(41)	(61)
Community facilities	Communities and Townships	To fund capital requirements of community facilities	0	0	0	0
District Council	Governance and Corporate	To fund capital requirements of the Governance Activity	(2)	0	0	(2)

**For the year ending 30 June 2020**

<b>Reserves</b>	<b>Activity to which the fund relates</b>	<b>Purpose</b>	<b>Forecast Opening Balance at 1 July 2019 \$'000's</b>	<b>Forecast Movements Into Reserve 2019/20 \$'000's</b>	<b>Forecast Movements From Reserve 2019/20 \$'000's</b>	<b>Forecast Closing Balance at 30 June 2020 \$'000's</b>
Council building: Fairlie	Governance and Corporate	To fund replacement of Councils Administration Building in Fairlie	(25)	50	(533)	(508)
Council building: Twizel	Governance and Corporate	To fund replacement of Councils Administration Building in Twizel	38	19	0	57
District general	Communities and Townships	To fund capital requirements of the District	7	0	2	9
District wide roading	Roading	To fund roading capital works district wide.	(1,291)	2,093	(1,972)	(1,170)
Downlands water	Water	Councils share of a Joint Venture to fund the capital requirements of the Downlands Water Scheme	0	0	0	0
Fairlie medical centre	Communities and Townships	To fund replacement of medical facilities in Fairlie	32	5	0	37
Fairlie pensioner housing	Communities and Townships	To fund the eventual replacement of the pensioner housing stock in Fairlie	124	14	(7)	131
Fairlie roading	Roading	To fund roading projects in Fairlie	0	0	0	0
Fairlie resource recovery park	Communities and Townships	To fund capital upgrades and replacement for Fairlie Recovery Park	0	0	0	0
Fairlie sewer	Wastewater	To fund sewer capital works in Fairlie	0	0	0	0
Fairlie stormwater	Stormwater	To fund stormwater capital works in Fairlie	0	0	0	0
Fairlie township	Communities and Townships	To fund capital works in the Fairlie Township	(50)	80	0	30
Fairlie water	Water	To fund capital requirements of the Fairlie Water scheme	0	0	0	0
Forestry	Commercial Activities	To fund the operations of Councils Forestry Assets	6,344	157	0	6,501
Hardfill sites	Communities and Townships	To fund costs arising from operations of the Councils Hardfill sites	0	0	0	0
Inspectorate	Regulatory	Fund the capital requirements of the inspectorate department	0	0	0	0
Information technology department	Governance and Corporate	To fund capital replacement of Councils IT assets	(28)	48	(306)	(286)
Kimbell water	Water	To fund capital requirements of the Kimbell Water scheme	21	1	0	22
Lake Tekapo community hall	Communities and Townships	To fund replacement of the Tekapo Community Hall	(36)	9	0	0

*For the year ending 30 June 2020*

Reserves	Activity to which the fund relates	Purpose	Forecast Opening Balance at 1 July 2019 \$'000's	Forecast Movements Into Reserve 2019/20 \$'000's	Forecast Movements From Reserve 2019/20 \$'000's	Forecast Closing Balance at 30 June 2020 \$'000's
Lake Tekapo roading	Road	To fund roading projects in Tekapo	0	0	0	0
Lake Tekapo resource recovery park	Communities and Townships	To fund capital upgrades and replacements for Tekapo Recovery Park	0	0	0	0
Lake Tekapo sewer	Wastewater	To fund sewer capital works in Tekapo	0	0	0	0
Lake Tekapo stormwater	Stormwater	To fund stormwater capital works in Tekapo	0	0	0	0
Lake Tekapo township	Communities and Townships	To fund capital works in the Tekapo Township	(211)	9	(278)	(480)
Lake Tekapo water	Water	To fund water capital works in Tekapo	0	0	0	0
Mackenzie community centre	Communities and Townships	To fund the capital works at the Fairlie community centre	76	35	(92)	19
Manuka Terrace water	Water	To fund investigation and construction of a new water supply for Manuka Terrace	21	0	0	21
Plant account	Governance and Corporate	To fund capital replacement of Councils Motor Vehicle assets	(8)	71	(115)	(52)
Public Toilets	Communities and Townships	To fund replacement of Public Toilets within the district	(986)	68	0	(918)
Pukaki airport board	Commercial Activities	To fund the operations of Councils Airport Assets	0	0	0	0
Real estate	Commercial Activities	To fund subdivision of Councils real estate assets	156	0	(139)	17
Resource planning	Regulatory	To fund capital requirements of the Resource Planning Business unit	(2,560)	102	0	(2,458)
Roading professional business unit	Road	To fund capital requirements of the Roding Business unit	(12)	4	(2)	(10)
Rural roading	Road	To fund roading projects in Rural area	0	0	0	0
School Road water	Water	To fund capital requirements of the School Road Water scheme	20	1	0	21
Sherwood Downs hall	Communities and Townships	To fund capital requirements of the Sherwood Downs Reserves	21	0	0	21
Sherwood Downs recreation reserve	Communities and Townships	To fund capital requirements of the Sherwood Downs Hall	38	1	0	39
Spur Road water	Water	To fund Spur Road capital debt	(4)	0	0	(4)



*For the year ending 30 June 2020*

Reserves	Activity to which the fund relates	Purpose	Forecast Opening Balance at 1 July 2019 \$'000's	Forecast Movements Into Reserve 2019/20 \$'000's	Forecast Movements From Reserve 2019/20 \$'000's	Forecast Closing Balance at 30 June 2020 \$'000's
Swimming pool: Strathconan	Communities and Townships	To fund replacement of the Fairlie swimming pool	31	8	0	39
Swimming pool: Twizel	Communities and Townships	To fund replacement of the Twizel swimming pool	(334)	32	(31)	(333)
Tourism & Economic Development	Commercial Activities		0	369	(555)	(186)
Treatment of organic waste	Communities and Townships	To fund treatment of organic waste	0	0	0	0
Twizel community centre	Communities and Townships	To fund replacement of the Twizel Events Centre	208	80	(92)	196
Twizel medical centre	Communities and Townships	To fund replacement of medical facilities in Twizel	0	0	0	0
Twizel pensioner housing	Communities and Townships	To fund the eventual replacement of the pensioner housing stock in Twizel	31	9	(9)	31
Twizel roading	Roading	To fund roading projects in Twizel	0	0	0	0
Twizel resource recovery park	Communities and Townships	To fund capital upgrades and replacement for Twizel Recovery Park	0	0	0	0
Twizel sewer	Wastewater	To fund sewer capital works in Twizel	0	0	0	0
Twizel stormwater	Stormwater	To fund stormwater capital works in Twizel	0	0	0	0
Twizel township	Communities and Townships	To fund capital works in the Twizel Township	(311)	80	(180)	(411)
Twizel water	Water	To fund water capital works in Twizel	0	0	0	0
Urban Wastewater	Wastewater	To fund District sewer capital works	3,578	1,204	(542)	4,240
Urban stormwater	Stormwater	To fund District stormwater capital works	816	442	0	1,258
Urban water	Water	To fund District water capital works	(1,188)	1,603	(1,309)	(894)
Waste Management	Communities and Townships	To fund District Solid Waste capital works	(478)	33	(31)	(476)
<b>TOTAL CAPITAL RESERVES</b>			<b>4,106</b>	<b>6,657</b>	<b>(6,601)</b>	<b>4,072</b>

## Reserves

## Purpose

## Purpose

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**For the year ending 30 June 2020**

Reserves	Activity to which the fund relates	Purpose	Forecast Opening Balance at 1 July 2019 \$'000's	Forecast Movements Into Reserve 2019/20 \$'000's	Forecast Movements From Reserve 2019/20 \$'000's	Forecast Closing Balance at 30 June 2020 \$'000's
Twizel visitors centre	Communities and Townships	Accumulate surpluses/deficits from Twizel visitor centre operations	0	0	0	0
Twizel works and services	Communities and Townships	Accumulate surpluses/deficits from Twizel Works and Services Rate funded operations	151	94	(182)	63
Waste management	Communities and Townships	Accumulate surpluses/(deficits) from Council's Solid Waste operation	0	0	0	0
<b>TOTAL OPERATING RESERVES</b>			<b>(907)</b>	<b>1,207</b>	<b>(1,131)</b>	<b>(831)</b>
<b>TOTAL CAPITAL EXPENDITURE</b>			<b>241,066</b>	<b>19,356</b>	<b>(7,732)</b>	<b>252,690</b>

# Forecast funding impact statement

Whole of Council

	2018/19 Long Term Plan \$000's	2019/20 Long Term Plan \$000's	Annual Plan \$000's
<b>Sources of Operating Funding</b>			
General rates, uniform annual general charges, rates penalties	3,351	3,582	4,669
Targeted rates	5,932	6,506	5,610
Subsidies and grants for operating purposes	873	878	878
Interest and dividends from investments	718	761	862
Local authorities fuel tax, fines, infringement fees, and other receipts	3,045	3,114	4,007
<b>TOTAL OPERATING FUNDING (A)</b>	<b>13,919</b>	<b>14,842</b>	<b>16,026</b>
<b>Application of Operating Funding</b>			
Payments to staff and suppliers	11,752	12,040	13,658
Finance costs	115	244	114
Other operating funding applications	0	0	0
<b>TOTAL APPLICATIONS OF OPERATING FUNDING (B)</b>	<b>11,867</b>	<b>12,284</b>	<b>13,772</b>
<b>Surplus (deficit) of operating funding (A-B)</b>	<b>2,052</b>	<b>2,558</b>	<b>2,254</b>
<b>Sources of Capital Funding</b>			
Subsidies and grants for capital expenditure	938	958	931
Development and financial contributions	150	154	1,832
Increase (decrease) in debt	148	1,984	2,081
Gross proceeds from sale of assets	1,500	717	0
<b>TOTAL SOURCES OF CAPITAL FUNDING (C)</b>	<b>2,736</b>	<b>3,813</b>	<b>4,844</b>
<b>Application of Capital Funding</b>			
- To meet additional demand	0	0	0
- To improve the level of service	1,150	924	0
- To replace existing assets	4,838	5,198	5,684
Increase (decrease) in reserves	(1,200)	249	1,414
<b>TOTAL APPLICATIONS OF CAPITAL FUNDING (D)</b>	<b>4,788</b>	<b>6,371</b>	<b>7,098</b>
<b>Surplus (deficit) of capital funding (C-D)</b>	<b>(2,052)</b>	<b>(2,558)</b>	<b>(2,254)</b>
<b>FUNDING BALANCE ((A-B) + (C-D))</b>	<b>0</b>	<b>0</b>	<b>0</b>



# Annual Plan disclosure statement

## Rating base information

Schedule 10 of the Local Government Act 2002 requires the Council to state the projected number of rating units within the district at the end of the preceding financial year.

For the purposes of the 2019/20 Annual Plan, the Council is projecting a total of 4,696 rating units with a rateable land value of \$2,115,285,900 and rateable capital value of \$4,055,211,800 as at 30 June 2019.

## Disclosure statement

### Annual plan disclosure statement for year ending 30 June 2020

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

<i>For the year ending 30 June 2020</i>	Limit	Planned	Met?
<b>BENCHMARK</b>			
<b>Rates affordability benchmark</b>			
Income	\$14.193m	\$10.233m	✓
Increases	8.30%	7.57%	✓
<b>Debt affordability benchmark</b>			
External debt to rates revenue	\$20.446m	\$5.944m	✓
Finance costs to rates revenue	\$1.022m	\$0.114m	✓
<b>Balanced budget benchmark</b>	100%	94.86%	X
<b>Essential services benchmark</b>	100%	172.03%	✓
<b>Debt servicing benchmark</b>	10%	0.65%	✓

## Notes

### 1. Rates affordability benchmark

#### 1.1. For this benchmark:

- a) the council's planned rates income for the year is compared with a quantified limit on rates contained in the financial strategy included in the council's long-term plan; and
- b) the council's planned rates increases for the year are compared with a quantified limit on rates increases for the year contained in the financial strategy included in the council's long-term plan.

#### 1.2. The council meets the rates affordability benchmark if:

- a) its planned rates income for the year equals or is less than each quantified limit on rates; and
- b) its planned rates increases for the year equal or are less than each quantified limit on rates increases.

### 2. Debt affordability benchmark

#### 2.1. For this benchmark, the council's planned borrowing is compared with a quantified limit on borrowing contained in the financial strategy included in the council's long-term plan.

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

### 3. Balanced budget benchmark

#### 3.1. For this benchmark, the council's planned revenue (excluding development contributions, vested assets, financial contributions, gains on derivative financial instruments, and revaluations of property, plant, or equipment) is presented as a proportion of its planned operating expenses (excluding losses on derivative financial instruments and revaluations of property, plant, or equipment).

#### 3.2. The council meets the balanced budget benchmark if its revenue equals or is greater than its operating expenses.

### 4. Essential services benchmark

#### 4.1. For this benchmark, the council's planned capital expenditure on network services is presented as a proportion of expected depreciation on network services.

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

### 5. Debt servicing benchmark

#### 5.1. For this benchmark, the council's planned borrowing costs are presented as a proportion of planned revenue (excluding development contributions, financial contributions, vested assets, gains on derivative financial instruments, and revaluations of property, plant, or equipment).

#### 5.2. Because Statistics New Zealand projects that the council's population will grow slower than the national population growth rate, it meets the debt servicing benchmark if its planned borrowing costs equal or are less than 10% of its planned revenue.

# Rates for the 2019/20 year

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# Rating definitions

The rating definitions following are intended for the full period of the Long Term Plan: 2018-2028.

## 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.

These categories are defined as follows:

Tekapo A –	All rating units in the former Tekapo ward, used for hydro electric power generation (as more particularly defined on valuation roll number 25300 15901).
Ohau A –	All rating units in the former Twizel ward used for hydro electric power generation (as more particularly defined on valuation roll number 25320 00701A).
Tekapo B –	All rating units in the former Tekapo ward, used for hydro electric power generation (as more particularly defined in valuation roll number 25300 18400).
All other properties –	All rating units in the Mackenzie District other than Ohau A, Tekapo A and Tekapo B.

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

<i>Category</i>	<i>Factor</i>
Tekapo A	10% of the total rate requirement
Ohau A	10% of the total rate requirement
Tekapo B	10% of the total rate requirement
All other properties	70% of the total rate requirement

## UNIFORM ANNUAL GENERAL CHARGE

A uniform annual general charge will be set under section 15 of the Local Government (Rating) Act 2002 as a fixed amount per separately used or inhabited part of a rating unit (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 general rate and uniform annual general charge are used to fund the general activities of Council, including but not limited to the following:

- Administrative, technical and regulatory activities and associated overhead costs
- Civil defence
- Planning
- Cemeteries
- Public toilets
- Part of the solid waste management costs
- Part of the Alps to Ocean Activity
- Other general expenses.

## TARGETED RATES

Sections 16-19 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 three 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 two 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. The works and services which 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 separately used or inhabited part (SUIP) of a rating unit to fund an annually defined percentage of the targeted rate requirement (excluding capital improvement work in the Twizel community area of benefit which is funded by Twizel Improvement rate); and
- A rate in the dollar based on the capital value of the land to fund the balance of the targeted rate requirement (excluding capital improvement work in the Twizel community area of benefit which is funded by Twizel Improvement rate).

Currently the 2019/20 split of the rate requirement is 10% fixed charges and 90% rate in the dollar of capital value.

#### *Fairlie Works and Services Rate*

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

- A fixed amount per separately used or inhabited part (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 2019/20 split of the rate requirement is 10% fixed charges and 90% rate in the dollar based on capital value.

#### *Lake Tekapo Works and Services Rate*

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

- A fixed amount per separately used or inhabited part (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.

Currently the 2019/20 split of the rate requirement is 48% fixed charges and 52% rate in the dollar based on capital value.

#### *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 separately used or inhabited part (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.

Ohau A –	All rating units in the former Twizel ward used for hydroelectric power generation (as more particularly defined on valuation roll 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 25300 18400).
All other rural properties	All rating units in the rural area other than Ohau A, Tekapo A and Tekapo B and Mount Cook Village).

Rural area is defined as the area of the District excluding the community areas of benefit of Twizel, Tekapo, Fairlie and Mount Cook Village (as defined on a plan held by Council).

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

<b>Category</b>	<b>Factor</b>
Ohau A	20% of the balance of the targeted rate requirement
Tekapo A	20% of the balance of the targeted rate requirement
Tekapo B	20% of the balance of the targeted rate requirement
All other rural properties	40% of the balance of the targeted rate requirement

Currently the 2019/20 split of the rate requirement is 49% fixed charges and 51% rate in the dollar based on capital value.

## URBAN SEWERAGE RATES

### Sewage Treatment Rate

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

The targeted rate will be:

- A fixed amount per separately used or inhabited part (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 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.

**Notes:** 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 and Burkes Pass communities to fund the Council's sewerage infrastructure services. This includes sewer maintenance, depreciation and the servicing of loans. (as defined on maps held by Council).

The targeted rate will be:

- A fixed amount per separately used or inhabited part (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 treated as having one water closet or urinal). This rate will be set at 25% of the fixed amount).

**Notes:** 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.

### Eversley Reserve Sewerage Rate

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

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

## 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 to fund the costs of Council's urban stormwater reticulation (as defined on maps held by Council)

The targeted rate will be a fixed amount per separately used or inhabited part (SUIP) of a rating unit which is within the communities of Fairlie, Twizel and Lake Tekapo.

## 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 and Burkes Pass communities to fund the costs of Council's urban water treatment. (as defined on maps held by Council).

The targeted rate will be a fixed amount per separately used or inhabited part (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 and Burkes Pass communities to fund the Council's urban water supply infrastructure services. This includes maintenance, depreciation and the servicing of loans. (as defined on maps held by Council)

The targeted rate will be a fixed amount per separately used or inhabited part (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 will be assessed on every rating unit in each of the following communities where water is supplied and measured by meter.

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

The targeted rate will be a fixed amount per metered supply to any rating unit which is serviced by a council water meter.

**Note:** Rating units are considered to be serviced if rating unit receives a water supply.

## RURAL WATER SUPPLY RATES

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

### Ashwick/Opuha Water Supply

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

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

### Fairlie Water Race

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

A targeted rate will be assessed on every rating unit as 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 rate will be a fixed amount per unit of water supplied.

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

## Downlands Water Supply

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

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

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

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

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

## 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 separately used or inhabited part (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 district properties.

These categories are defined as follows:

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).
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 B –	All rating units in the former Tekapo Ward, used for hydroelectric power generation (as more particularly defined in valuation roll number 25300 18400).
All other district properties –	All rating units in the Mackenzie District other than Tekapo A, Ohau A, Tekapo B and Mount Cook village.

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

<i>Category</i>	<i>Factor</i>
Tekapo A	10% of the total capital value rate requirement
Ohau A	10% of the total capital value rate requirement
Tekapo B	10% of the total capital value rate requirement
All other district properties	70% of the total capital value rate requirement

Currently the 2019/20 split of the rate requirement is 35% fixed charges and 65% rate in the dollar based on capital value.

## TWIZEL IMPROVEMENT RATE

A targeted rate will be assessed under section 16 of the Local Government (Rating) Act 2002 to fund capitalised improvement work in the Twizel community area of benefit.

The targeted rate will be a fixed amount per separately used or inhabited part (SUIP) of a rating unit.

## SOLID WASTE RATE

### Urban 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 in each of the following waste collection areas:

- Twizel waste collection area
- LakeTekapo waste collection area
- Fairlie waste collection area  
(as defined on maps held by Council)

And on 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 separately used and inhabited part (SUIP) of a rating unit to which the Council provides the service.

## TOURISM AND PROMOTION RATE

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

The first targeted rate will be assessed as a fixed amount per separately used and inhabited part (SUIP) of a rating unit on every rating unit in the Mackenzie District.

### Differential Rate

The second targeted rate 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:

#### Group A

- Commercial businesses
- Industrial land properties

#### Group B

- Commercial accommodation business
- Secondary accommodation properties

## Definitions Used

All properties	All rateable properties in the Mackenzie District
<b>Group A</b>	
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 land use code beginning with I in the Council's Rating Information Database
<b>Group B</b>	
Commercial Accommodation Businesses	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 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.
<b>Property land use codes</b>	
Each rating assessment has a property land use code that broadly describes the nature of this property.	
The property land use code is based on the highest and best use or the use for which the property would be sold given current economic conditions.	
This differs from Land Use Data which is based on current actual use and zoning.	
The coding is alpha-numeric and has two six characters.	
Property land use codes are maintained by Council's current valuation service provider "Quotable Value Ltd".	

The targeted rate will be:

### Group A

Commercial business - A rate on the rateable capital value of the land of all Commercial business properties (excluding commercial accommodation businesses and secondary accommodation properties)

Industrial land - A fixed amount per rating unit for Industrial land properties (excluding commercial businesses, commercial accommodation businesses and secondary accommodation properties).

### Group B

Commercial accommodation businesses - A rate on the rateable capital value of the land of all commercial accommodation businesses (excluding commercial business properties and industrial land properties).

Secondary accommodation properties - A rate on the rateable capital value of the land of all secondary accommodation properties (excluding commercial business and industrial land properties).

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

The relationship between the rates set is as follows:

All Properties	10% of the total rates requirement
Group A	30% of the total rate requirement set as follows: 5.03% Industrial Land properties 25.97% Commercial Businesses
Group B	60% of the total rate requirement set differentially as follows: 19.75% Commercial Accommodation businesses 40.25% Secondary Accommodation properties

Currently the 2019/20 split of the rate requirement is 14% fixed charges and 86% rates in the dollar based on capital value.

## ECONOMIC DEVELOPMENT RATE

A targeted rate will be assessed under section 16 of the Local Government (Rating) Act 2002 to fund the cost of economic development activities undertaken by Council.

The targeted rate will be assessed on every rating unit in the District and will be made up of two components:

- A fixed amount per separately used or inhabited part (SUIP) of a rating unit to fund an annually defined percentage of the targeted rate requirement; and
- A rate based on the land use on the rateable capital value of the land to fund the balance of the targeted rate requirement, on rating units in the commercial business, industrial land properties as defined below.

### Categories

Commercial Businesses  
Industrial land properties

Currently the 2019/20 split of the rate requirement is 67.56% fixed charges and 32.44% rate in the dollar based on capital value.

## ALPS TO OCEAN RATE

A targeted rate will be assessed under section 16 of the Local Government (Rating) Act 2002 to partly fund the cost of Alps to Ocean activity. It will be assessed on every rating unit in the Mackenzie District:

The targeted rate will be a fixed amount per separately used or inhabited part (SUIP) of a rating unit.

## 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 meters 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 on those rating units units benefitting if the cattle stop encroaches more than one rating unit.

## DEFINITIONS USED

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

Where uniform annual general charges and targeted rates are assessed on each separately used or inhabited part 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 part 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 habitation by a person other than by the owner and usually used as such are defined "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 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

## Rating for the 2019/20 year

The revenue and financing mechanisms to be used to cover the estimated expenses of the Council are covered in the Council's Revenue and Financing Policy. The method and impact of both general and targeted rates are covered in the Funding Impact Statement.

General Rates		
	Factor	Value
<b>General Rate</b>		
Tekapo A	0.0150202 per dollar of capital value	\$518,198.91
Ohau A	0.0017418 per dollar of capital value	\$518,198.91
Tekapo B	0.0026438 per dollar of capital value	\$518,198.91
All Other Properties	0.0010298 per dollar of capital value	\$3,627,392.00
Total Expected Rates (including GST)		\$5,181,988.73
Total Expected Rates (excluding GST)		\$4,506,077.15
<b>Uniform Annual General Charge</b>		
Fixed Charge	\$24.64 per SUIP	\$122,571.00
Total Expected Rates (excluding GST)		\$106,583.47

Targeted Rates – Works and Services Rates		
	Factor	Value
<b>Twizel Works and Services Rate</b>		
Fixed Charge	\$36.06 per SUIP	\$71,648.50
Capital Value Rate	0.0007804 per dollar of capital value	\$644,836.49
Total Expected Rates (including GST)		\$716,484.98
Total Expected Rates (excluding GST)		\$623,030.42
<b>Fairlie Works and Services Rate</b>		
Fixed Charge	\$59.82 per SUIP	\$34,935.16
Capital Value Rate	0.0019825 per dollar of capital value	\$314,416.44
Total Expected Rates (including GST)		\$349,351.60
Total Expected Rates (excluding GST)		\$303,784.00
<b>Lake Tekapo Works and Services Rate</b>		
Fixed Charge	\$178.75 per SUIP	\$148,815.34
Capital Value Rate	0.0002765 per dollar of capital value	\$161,216.60
Total Expected Rates (including GST)		\$310,031.94
Total Expected Rates (excluding GST)		\$269,592.99
<b>Rural Works and Services Rate</b>		
Fixed Charge	\$15.73 per SUIP	\$23,402.16
Ohau A	0.0000163 per dollar of capital value	\$4,871.47
Tekapo B	0.0000248 per dollar of capital value	\$4,871.47
Tekapo A	0.0001412 per dollar of capital value	\$4,871.47
All other rural properties	0.0000051 per dollar of capital value	\$9,742.94
Total Expected Rates (including GST)		\$47,759.50
Total Expected Rates (excluding GST)		\$41,530.00

### Targeted Rates – Urban Sewerage Rates

	Factor	Value
<b>Sewage Treatment Rate</b>		
Sewage Treatment Fixed Charge	\$42.02 per connected SUIP	\$118,334.54
Additional Charge	\$10.50 for each additional water closet	\$7,380.15
Total Expected Rates (including GST)		\$125,714.69
Total Expected Rates (excluding GST)		\$109,317.12
<b>Sewerage Infrastructure Rate</b>		
Sewage Infrastructure Fixed Charge	\$195.18 per connectable SUIP	\$668,618.28
Additional Charge	\$48.79 for each additional water closet	\$34,279.98
Total Expected Rates (including GST)		\$702,898.26
Total Expected Rates (excluding GST)		\$611,215.88
<b>Eversley Reserve Sewerage Rate</b>		
Fixed Charge	\$938.28 per rating unit	\$11,259.36
Total Expected Rates (excluding GST)		\$9,790.75

### Targeted Rates – Urban Stormwater Rate

	Factor	Value
<b>Stormwater Rate</b>		
Fixed Charge	\$41.60 per SUIP	\$141,218.00
Total Expected Rates (excluding GST)		\$122,798.26

### Targeted Rates – Urban Water Rates

	Factor	Value
<b>Water Treatment Rate</b>		
Fixed Charge	\$42.67 per connected SUIP	\$118,999.47
Total Expected Rates (excluding GST)		\$103,477.80
<b>Water Infrastructure Rate</b>		
Fixed Charge	\$337.17 per connectable SUIP	\$1,141,521.46
Total Expected Rates (excluding GST)		\$992,627.36
<b>Water Meter Rate</b>		
Fixed Charge	\$379.84 per metered supply	\$78,250.06
Total Expected Rates (excluding GST)		\$68,043.53

### Targeted Rates – Rural Water Supply Rates

	Factor	Value
<b>Allandale Water Supply</b>		
Fixed Charge	\$273.61 per unit	\$150,213.00
Total Expected Rates (excluding GST)		\$130,620.00
<b>Ashwick/Opuha Water Race</b>		
Fixed Charge	\$225.00 per rating unit	\$12,252.10
Total Expected Rates (excluding GST)		\$10,654.00
<b>Spur Road Water Supply</b>		
Fixed Charge	\$187.43 per unit	\$12,558.00
Total Expected Rates (excluding GST)		\$10,920.00

## Targeted Rates – Rural Water Supply Rates

	Factor	Value
<b>Downlands Water Supply</b>		
Fixed Charge	\$453.00 per serviced rating unit	\$25,820.75
Total Expected Rates (excluding GST)		\$22,452.82
<b>Downlands Water Supply</b>		
Fixed Charge	\$181.00 per unit	\$40,725.00
Total Expected Rates (excluding GST)		\$35,413.04
<b>Fairlie Water Race – Per Rating Unit</b>		
Fixed Charge	\$30.00 per rating unit	\$870.00
Total Expected Rates (excluding GST)		\$756.52
<b>Fairlie Water Race – Per Hectare</b>		
Fixed Charge	\$2.77 per hectare	\$1,925.65
Total Expected Rates (excluding GST)		\$1,674.48

## Targeted Rates – Rooding

	Factor	Value
<b>District Rooding Rate</b>		
Fixed Charge	\$78.67 per SUIP	\$384,127.49
Tekapo A	0.0020677 per dollar of capital value	\$71,337.95
Ohau A	0.0002397 per dollar of capital value	\$71,337.95
Tekapo B	0.0003639 per dollar of capital value	\$71,337.95
All other district properties	0.000144 per dollar of capital value	\$499,366.00
Total Expected Rates (including GST)		\$1,097,507.33
Total Expected Rates (excluding GST)		\$954,354.20

## Targeted Rates – Other

	Factor	Value
<b>Twizel Improvement Rate</b>		
Fixed Charge		\$107,594.00
Total Expected Rates (excluding GST)	\$54.35 per SUIP	\$93,560.00
<b>Solid Waste Rate</b>		
Fixed Charge	\$265.41 per serviced SUIP	\$724,455.00
Total Expected Rates (excluding GST)		\$629,960.87
<b>Tourism and Promotion Rate</b>		
Fixed Charge	\$6.67 per SUIP	\$33,212.81
Fixed Charge: Industrial Land Properties	\$100.00 per rating unit	\$13,400.00
Capital Value Rate: Commercial Businesses	0.0006797 per dollar of capital value	\$86,238.42
Capital Value Rate: Commercial Accommodation	0.0006031 per dollar of capital value	\$65,611.05
Capital Value Rate: Secondary Accommodation	0.0003015 per dollar of capital value	\$133,665.78
Total Expected Rates (including GST)		\$332,128.05
Total Expected Rates (excluding GST)		\$288,807.00

## Targeted Rates – Other

	Factor	Value
<b>Economic Development Rate</b>		
Fixed Charge	\$10.00 per SUIP	\$49,725.00
Capital Value Rate	0.0000998 per dollar of capital value	\$23,875.00
Total Expected Rates (including GST)		\$73,600.00
Total Expected Rates (excluding GST)		\$64,000.00
<b>Alps to Ocean Rate</b>		
Fixed Charge		\$115,000.00
Total Expected Rates (excluding GST)	\$23.12 per SUIP	\$100,000.00
<b>Rural Cattle Stop Maintenance Rate</b>		
Fixed Charge	\$61.25 per cattle stop	\$2817.50
Total Expected Rates (excluding GST)		\$2,450.00



## Rating impact on sample properties

	Capital Value	Rates	
		2018/19	2019/20
Fairlie			
Low value property	\$ 215,000.00	\$ 1,772.48	\$ 1,849.00
Mid value property	\$ 265,000.00	\$ 1,913.55	\$ 2,006.82
High value property	\$ 315,000.00	\$ 2,054.62	\$ 2,164.65
Lake Tekapo			
Low value property	\$ 580,000.00	\$ 2,091.48	\$ 2,130.58
Mid value property	\$ 730,000.00	\$ 2,293.05	\$ 2,348.15
High value property	\$ 980,000.00	\$ 2,637.00	\$ 2,710.78
Twizel			
Low value property	\$ 215,000.00	\$ 1,820.02	\$ 1,875.23
Mid value property	\$ 250,000.00	\$ 1,900.15	\$ 1,963.18
High value property	\$ 410,000.00	\$ 2,131.66	\$ 2,217.25
Rural Properties			
Farm Property	\$ 1,010,000.00	\$ 2,003.05	\$ 2,157.52
Farm Property	\$ 2,090,000.00	\$ 2,398.15	\$ 2,623.13
Farm Property	\$ 3,010,000.00	\$ 3,393.13	\$ 3,707.88
Farm Property	\$ 3,880,000.00	\$ 4,334.03	\$ 4,733.68
Farm Property	\$ 5,050,000.00	\$ 5,599.39	\$ 6,113.19
Farm Property	\$ 5,750,000.00	\$ 6,356.44	\$ 6,938.54
Farm Property	\$ 7,000,000.00	\$ 7,708.31	\$ 8,412.39
Farm Property	\$ 7,800,000.00	\$ 8,573.51	\$ 9,355.64
Farm Property	\$ 10,300,000.00	\$ 11,277.26	\$ 12,303.33
Farm Property	\$ 13,100,000.00	\$ 15,217.77	\$ 16,696.86

**Note:** the above sample properties have been selected as properties with a single dwelling with indicative rates shown.



# Other Information

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# Glossary

<b>Activity</b>	Services, projects or goods provided by Council (e.g. libraries, water supply). These activities are then combined into groups of activities.
<b>Annual Plan</b>	a document produced annually by Council to inform stakeholders or our intended activities, performance, income and expenditure for one financial year
<b>Asset</b>	an item of value, usually of physical nature, that Council owns on behalf of the people of the Mackenzie – that has a useful life of more than 12 months and creates future economic benefits over a period of time, such as roads, drains, parks and buildings
<b>Capital expenditure (CAPEX)</b>	Expenditure that will increase the value of the Council's assets. It generally involves building a new asset or replacing an existing asset.
<b>Capital value (CV)</b>	The value of land including any improvements.
<b>Community Board</b>	Local elected board within a community to represent community concerns to Council and to carry out functions delegated to it by Council. Mackenzie District has three Community Boards – Twizel, Tekapo and Fairlie.
<b>Community outcomes</b>	The outcomes that our community wants to achieve. These outcomes set the direction for Council plans and help in the coordination of activities.
<b>Council</b>	A territorial authority, being an elected group of people that have the mandate of the community they represent to make decisions and provide local governance. In the context of this document, 'Council' refers to the Mackenzie District Council.
<b>Debt</b>	the value of outstanding obligations owed by Council to external third parties
<b>Depreciation</b>	assets lose their value over time as a result of wear and tear, age, or obsolescence (in other words, they depreciate), and must be replaced once the end of their useful life is reached. Depreciation is an accounting method to spread the replacement cost of items over their useful lives
<b>District Plan</b>	a plan under the Resource Management Act 1991 that manages, through objectives, policies and rules, the adverse impact of land uses on the environment of the district. The Mackenzie District Plan became operative in May 2004.
<b>Environment Canterbury Regional Council (ECAN)</b>	the authority responsible for protecting the Canterbury region's air, soil and water resources from pollution and ensuring their sustainable use
<b>Expenditure</b>	the outflow of resources (usually cash) in return for goods and/or services
<b>Fees and charges</b>	Fees and Charges are charges for a Council service that must be met by the user of the service (e.g. entrance fees to swimming pools, consent application fees etc).
<b>Financial contributions</b>	contributions from developers collected under the district plan for developing public facilities. Contributions might be in cash or in the form of land
<b>Financial year</b>	Council's financial year runs from 1 July to 30 June of the following year.
<b>General rate</b>	A rate levied across all properties for activities that benefit the whole District.
<b>Groups of activities</b>	Several activities combined together (e.g. Community & Township Services).
<b>Interest</b>	interest payable on bank overdrafts and debt
<b>Level of service (LOS)</b>	A measure of a service that Council delivers e.g. library opening hours, water quality etc.
<b>Local Government Act (LGA) 2002</b>	the primary legislation governing Council's operations and actions
<b>Long Term Plan (LTP)</b>	a ten-year plan which sets out what Council will do over the ensuing decade, how it will be funded and what level of service the community can expect to receive
<b>Operating expenditure (OPEX)</b>	expenditure through Council's activities on such items as salaries, materials, and electricity
<b>Operating revenue</b>	money earned through activities in return for a service provided, or by way of a grant or subsidy to ensure particular services or goods are provided. Examples include NZTA subsidies, rental income, permits and fees.
<b>Rates</b>	a property tax to fund local government activities. The amount of rates varies between properties because of difference in capital values and differences in services provided. Property valuation changes, which Council has no control over, will also affect the rates paid.
<b>Revenue</b>	income received by the council to fund its services. Sources include rates, fees and charges, and grants and subsidies.
<b>Subsidies</b>	Amounts received from other agencies for the provision of services.
<b>SUIP</b>	Separately used or inhabited part of a property
<b>Targeted rate</b>	paid by a specific group who receive a specific service
<b>Vested assets</b>	Capital works completed by a contractor of which ownership is transferred to Council, at zero-cost, for ongoing maintenance



As at 1 July 2019

