



461ST MEETING OF THE
MACKENZIE DISTRICT COUNCIL

TO THE MAYOR AND COUNCILLORS OF THE MACKENZIE DISTRICT COUNCIL

Membership of the Council:

Claire Barlow (Mayor)
Cr Russell Armstrong
Cr Murray Cox
Cr Noel Jackson
Cr James Leslie
Cr Graham Smith
Cr Evan Williams

*Notice is given of a meeting of the Mackenzie District Council to
be held on Tuesday 10 May 2016, at 9.30am.*

VENUE: Twizel Events Centre, Twizel

BUSINESS: As per the attached agenda.

WAYNE BARNETT
CHIEF EXECUTIVE OFFICER

Volume 1 of 2



MACKENZIE DISTRICT COUNCIL

Agenda for Tuesday 10 May, 2016, at 9.30am

OPENING AND APOLOGIES

VISITORS:

At 9:45am Christina Robb, Canterbury Water Management Strategy Programme Manager (CWMS) and Upper Waitaki Zone Water Management Committee Chairman Barry Shepherd will present the Upper Waitaki Zone Water Management Committee annual report to Council. A copy of this report is attached to the agenda.

DECLARATIONS OF INTEREST:

BEREAVEMENTS:

MAYORS REPORT: 4

REPORTS:

A) Chief Executive's Activities	6
B) Upper Waitaki Zone Water Management Committee Annual Report	8
C) Grants request Hops and Hooves	17
D) Delegations Manual Amendment	33
E) Remuneration of Elected Members	40
F) Alpine Energy Statement of Intent	51
G) Adoption of the Annual Plan 2016-2017	70

PUBLIC EXCLUDED REPORTS:

H) Sale of Land Ohau Road	<i>Volume 2</i>
I) Council Surplus Land Fox View Road	<i>Volume 2</i>
J) Sale of Land Old Glen Lyon Road	<i>Volume 2</i>

COMMUNITY BOARD RECOMMENDATIONS

A) Minutes of the Tekapo Community Board, April 4	170
B) Public Excluded Minutes of the Twizel Community Board April 26	<i>Volume 2</i>
C) Minutes of the Fairlie Community Board May 26	178

RECEIVE COMMITTEE MINUTES:

Resolve that Council receive the minutes of the following committees:

- | | |
|---|----------|
| A) Public Excluded Finance committee, April 26 | Volume 2 |
| B) Asset and Services Committee, April 26 | 185 |
| C) Public Excluded Extra-Ordinary Planning and Regulation Committee Meeting, April 28 | Volume 2 |

CONFIRM COUNCIL MINUTES:

- D) Resolve: that Council confirms and adopts the minutes of the Mackenzie District Council meeting held on March 29, 2016, as the correct record of the meeting, including those parts taken in public excluded. Volume 2

ADJOURNMENTS:

- 10.00AM Morning Tea
12.00pm Lunch
3.00pm Afternoon Tea

PUBLIC EXCLUDED RESOLUTION:

Resolve: that the public be excluded from the following part of the proceedings of this meeting namely:

- A. Sale of Land Ohau Raod
- B. Council Surplus Land Fox View Road
- C. Sale of Land Old Glen Lyon Road
- D. Public Excluded Twizel Community Board 18 April 2016
- E. Public Excluded Council minutes 29 March 2016
- F. Public Excluded Extraordinary Planning and Regulation Committee 28 April 2016

General subject of each matter to be considered	Reason for passing this resolution in relation to each matter	Ground(s) under section 48(1) for the passing of this resolution
Sale of Land Ohau Road	Enable Commercial Negotiations	48(1)(a)(i)
Council Surplus Land Fox View Road	Enable Commercial Negotiations	48(1)(a)(i)
Sale of Land Old Glen Lyon Road	Enable Commercial Negotiations	48(1)(a)(i)
PE Council Minutes 29 March 2016	Maintain Legal Privilege	48(1)(a)(i)
PE Twizel Community Board 18 April 2016	Maintain Legal Privilege	48(1)(a)(i)
PE Extraordinary Planning and Regulation Committee 28 April 2016	Maintain Legal Privilege	48(1)(a)(i)

This resolution is made in reliance on Section 48(1)(a)(i) of the Local Government Official Information and Meetings Act 1987 and the particular interest or interests protected by Section 6 or Section 7 of that Act, which would be prejudiced by the holding of the whole or the relevant part of the proceedings of the meeting in public are as follows: *Sale of Land Ohau Road, Council Surplus Land Fox View Road and Sale of Land Old Glen Lyon Road 7(2)(i); Public Excluded minutes of the Council, Twizel Community Board and Extraordinary Planning and Regulation Committee meeting under section 7(2)(g).*

MACKENZIE DISTRICT COUNCIL

REPORT TO: MACKENZIE DISTRICT COUNCIL
SUBJECT: MAYORAL GENERAL ACTIVITIES REPORT
MEETING DATE: 10 MAY 2016
REF: PAD 2/3
FROM: MAYOR

CORPORATE WORK ITEMS:

30 March 2016 – Attended the launch of the new CPIT tertiary institute in Timaru.

31 March 2016 – Had a telephone discussion with MP Louise Upston. In the afternoon attended a meeting regarding issues concerning the Church of the Good Shepherd with the CE and Cr Murray Cox.

2 April 2016 – Attended the opening of the Maadi Cup Rowing Event in Twizel.

4 April 2016 – Attended the Tekapo Community Board meeting in the evening.

6 April 2016 – Attended the Freedom Camping Strategy Review Workshop with Councillors and staff. In evening attended the Tekapo Lions Club dinner meeting and was the guest speaker.

7 April 2016 – Participated in the District Liquor Licensing Application Hearing held in the Council Chambers, Fairlie. Met with our audit manager in the afternoon.

8 April 2016 – Attended the Annual Plan Rates Workshop in Twizel then the Deputy Mayor and I attended the Maadi Cup in the afternoon.

12 April 2016 – The CE and I met with a Tekapo developer and then attended the Tekapo Property Group in the afternoon.

13 April 2016 – Spoke on the Port FM Mayoral Radio Show. Attended the Civil Defence National Disaster Resilience Strategy Workshop held in Christchurch.

18 April 2016 – The CE and I met with Jacqui Dean, Waitaki MP in Oamaru.

19-22 April 2016 – The CE and I attended the LGNZ Sector meeting on the Chatham Islands.

25 April 2016 – Attended the Fairlie ANZAC Day Ceremony and Parade.

26 April 2016 – Met with a Fairlie resident.

27 April 2016 – Attended the Mackenzie Country Trust meeting.

28 April 2016 – Attended the Annual Plan workshop and then the Planning Committee workshop and extraordinary meeting. Travelled to Christchurch and attended the Mayoral Forum working dinner.

29 April 2016 – Attended the Mayoral Forum in Christchurch. In evening attended the 2016 National Lions Convention in Timaru.

RECOMMENDATION:

1. That the report be received.

CLAIRE BARLOW
MAYOR

MACKENZIE DISTRICT COUNCIL

REPORT TO: MACKENZIE DISTRICT COUNCIL
SUBJECT: CHIEF EXECUTIVE OFFICER'S GENERAL ACTIVITIES REPORT
MEETING DATE: 10 MAY 2016
REF: PAD 2/3
FROM: CHIEF EXECUTIVE OFFICER

CORPORATE WORK ITEMS:

31 March 2016 – CE performance review catch up with HR consultant. Discussion with representatives of Church of the Good Shepherd.

1 April 2016 – Attended rates annual plan workshop. Attended NZ Trade and Enterprise presentation in Timaru. Hosted a project management meeting for Tekapo area.

4 April 2016 – Attended Chief Executives Forum at Selwyn District Council.

6 April 2016 – Attended Freedom Camping Strategy Review workshop. Met with purchasers of Lakeside Drive property.

7 April 2016 – Led staff meetings in Fairlie and Twizel. Met with our Audit director.

8 April 2016 – Met with potential communications service provider. Attended annual plan rates workshop in Twizel. Met with District Council's solicitor regarding Tekapo development and other matters.

11 April 2016 – Met with PSA union and delegates and began collective negotiation.

12 April 2016 – Met with Tekapo Property Developer. Attended Tekapo Property Group meeting.

13 April 2016 – Attended Civil Defence National Disaster Resilience Workshop in Christchurch. Met with ECan regarding regional approach to Freedom Camping and hotel development.

14-15 April 2016 – Attended two day Civil Defence Emergency Operation Centre training.

18 April 2016 – Met with Waitaki MP Jacqui Dean.

19-22 April 2016 – Attended LGNZ sector meeting at Chatham Islands.

27 April 2016 – Met with Remuneration Review Focus Group. Had project meeting for Tekapo development.

28 April 2016 – Annual Plan workshop and Planning Committee workshop.

29 April 2016 – Met with ECan iwi liaison representative.

2 May 2016 – District Plan review workshop. Met with Building Performance representative.

3 May 2016 – Conducted staff meetings in Fairlie and Twizel.

4 May 2016 – Met with South Canterbury Chamber of Commerce representatives. Teleconference with ECan staff regarding regional approach to freedom camping.

RECOMMENDATION:

1. That the report be received.

WAYNE BARNETT
CHIEF EXECUTIVE

Council paper

Upper Waitaki Zone Committee Annual Report

Purpose

To meet the requirements of the Environment Canterbury Long Term Plan, each Canterbury Water Management Strategy (CWMS) Zone Committee is required to report annually on progress in implementing their Zone Implementation Programme, and on progress in the ten CWMS target areas. The CWMS Regional Committee is also required to provide an annual update.

The attached report fulfils the annual reporting requirement for the Upper Waitaki Zone Committee.

Key Achievements of the Zone Committee 2011-2015

1. As noted in the attached report, the Upper Waitaki Zone Committee has been driving on-the-ground actions and working with the community to achieve their Zone Implementation Programme (ZIP) and CWMS goals. Highlights since the Committee's inception include:
 - Funded more than \$300,000 toward local community-driven biodiversity protection and enhancement projects
 - Secured additional monitoring for the zone and working towards a wholly integrated monitoring framework
 - Worked with the community to establish water quality limits which protect the recreational value of the lakes and water quality delivered to the Waitaki River, while providing for sustainable development opportunities
 - Hosted over 50 community meetings and workshops to facilitate local input into water management and sharing water management science with the community.

Upcoming activities in 2016

2. In 2016 a key event will be the hearing of the Waitaki Plan Change. The Committee will be hosting community meetings once the plan is notified.
3. 2016 is also a significant year as on the ground actions identified in the Committee's ZIPs will start to be implemented. These include: remedial actions on the Zone's one impacted waterway, the establishment of an integrated monitoring framework, and actions to manage the impact of visitors on the recreational experience in the zone.

Immediate Steps biodiversity projects

4. The Immediate Steps biodiversity protection and restoration programme was launched in 2010 and makes approximately \$2 million each year available to protecting biodiversity in and around freshwater habitats in the region. Of this amount, two thirds comes from rates, and one third comes from land owners and other stakeholders. Zone Committees recommend how that money be spent, guided in their decisions by staff and biodiversity specialists at Environment Canterbury and other organisations.
5. The Upper Waitaki Zone Committee has allocated over \$310K across 18 projects since 2011. Projects supported have included work to protect wetlands, control the spread of willows, protect and enhance populations of native fish, provide education opportunities to local students and remove and control invasive species. A full list of is provided in Attachment 2.

Funding of the CWMS

6. The CWMS has funding contributions from central, regional and local government. Many initiatives also receive funding from private individuals – such as consent holders, irrigation scheme shareholders, farmers and local businesses – and community groups.
7. Environment Canterbury raises \$28.5 million per annum (2015-16 year) through a CWMS rate. The rate is specifically for the CWMS and has the same incidence as the general rate. It funds land and water activities that were in place before the formal introduction of the CWMS – science, RMA planning, operations – and activities introduced with the CWMS – zone committee facilitation, regional water infrastructure and Immediate Steps Biodiversity. Specifically, the CWMS rate supports six activities:
 - CWMS committee facilitation
 - Environmental monitoring and progress reporting
 - Resource Management Act (RMA) Plans
 - Delivery of Zone Implementation Programmes
 - Biodiversity and ecosystem health
 - Regional Water Infrastructure
8. The expenditure in some of these activities – committee facilitation and delivery of ZIPs- is spread evenly across the zones. Expenditure on biodiversity and ecosystem health is also spread evenly across the zones, with the exception of regional biodiversity initiatives. For the last three years, regional biodiversity initiatives have been underway in Te Waihora, Wainono Lagoon and the Upper Rangitata/Rakaia

catchments, with expenditure on these projects coming from a regional level pool. The distribution of expenditure on environmental monitoring differs depending on the size of the zone and the complexity of water resources. These factors determine the number of rain gauges, groundwater monitoring bores, and river flow sites etc., which then affect monitoring costs. The distribution of expenditure on RMA plans moves around the region as each zone goes through its specific planning process – over time each zone will be the focus of an RMA plan. Regional water infrastructure activities and their associated costs are concentrated in zones with large water infrastructure either planned, or in train.

9. District/city councils share the costs of running the committees with Environment Canterbury, with committee honoraria and mileage split 50/50. District/city councils provide administration and secretarial support for the monthly public meetings of the zone committees, while Environment Canterbury provides administration and secretarial support for the CWMS Regional Committee. District/city councils also make a substantial investment in water infrastructure – public water supply, drainage, stockwater, wastewater and stormwater – all of which can contribute to achieving the CWMS targets.
10. Central government provides funding for specific projects, usually through grants. Grants for environmental restoration have been received for Whakaora Te Waihora and Wainono Lagoon which total \$6.8 million (multi-year). The infrastructure work programme also receives central government funding in the order of \$400,000 per annum through the Irrigation Acceleration Fund, which is administered by the Ministry of Primary Industries.

Communication

1. The Zone Committee Annual Reports provide annual updates on the Committee's work toward implementing their ZIPs. The Upper Waitaki Zone Committee's ZIP was endorsed by the relevant Councils in 2011.
2. The Upper Waitaki Annual Report 2011-2015 was presented to the Canterbury Regional Council on 21 April 2016, and will be presented to the Waimate District Council on 10 May, the Mackenzie District Council on 10 May and the Waitaki District Council on 11 May. Following this, the reports will be made publically available on the Zone Committee's website.
3. The Committee's 2016 Annual Report will be delivered to the Councils in February 2017.

Attachments

- Upper Waitaki Zone Committee Annual Report 2015
- Immediate Steps biodiversity projects in the Upper Waitaki zone

Attachment 1: Upper Waitaki Zone Committee Annual Report

Attachment 2: List of Immediate Steps Biodiversity Projects in the Upper Waitaki Zone

Project Name	Project Aim	Approval Year	Project Status	Total Approved Funding (\$)
Wairepo Wetland		2011	Completed	10,931.96
Ben Avon Willow Control	Control willow spread on river banks and wetlands.	2012	Audit	11,500.00
Grampian Grays River Fencing	Protect large wetland area associated with Gray's River on Grampian Station.	2012	Landowner Agreement	10,000.00
Fraser Stream Spring Protection	Protect and enhance lowland long-jawed galaxiid population in the spring system.	2012	Commenced	8,000.00
Mailbox Inlet Springs Protection (Glenmore Station)	Protect spring system that enters mailbox inlet.	2012	Completed	38,400.00
Upper Wairepo Wetland Wilding Control	Protect existing biodiversity values within ~ 30 ha intermontane basin wetland.	2013	Completed	7,996.57
Lower Maryburn Wetland	To exclude stock from a riparian section of the Maryburn and adjacent wetland area.	2013	Completed	5,300.00
Willowburn Wetland Protection	Protect a section of carex secta wetland from stock browse and encourage regeneration of the remnant.	2013	Audit	10,200.00
Ahuriri Tributary Longjaw Protection	Protect a small but significant population of lowland long-jawed galaxiids from introduced in-stream predators and cattle disturbance.	2013	Completed	8,190.00
Stockyard Creek Protection	Protect spring-fed system from effects of willow infestation.	2013	Commenced	6,600.00
Maryburn-Irishmans Alder Control	Collaboration between the regional council and local landowners to eradicate green alder from the Maryburn and Irishman's Creek catchments.	2013	Landowner Agreement	45,000.00
Pukaki Tarns Wilding Control	Increase the buffer zone adjacent to tarns within the Pukaki Downs tarn complex and maintain these clear of wildings.	2013	Monitoring and Maintenance	68,000.00
Barclays Wetland Fencing	Protect the wetland from stock grazing and spread of crack willow.	2013	Audit	23,923.00
Fraser Wetland Willow Control	Protect an important Mackenzie basin red tussock wetland from spread of invasive crack willow.	2013	Commenced	15,000.00
Omarama School - 2015 IMS Planting	Provide opportunity for students to learn about native vegetation and ecosystem restoration via involvement in practical activities at the project site (planting, weeding etc.).	2014	Commenced	2,227.00
Maryburn Fencing - House Hill	Improve the quality and quantity of indigenous shrubland and wetland vegetation along the Mary Burn.	2014	Commenced	16,176.00
Six mile creek wilding pine control	Remove last block of wilding pine trees from a 12 hectare site surrounding an intermontane stream and wetland. The landowner is considering extending an adjoining QEII covenant into this area.	2015	Landowner Agreement	18,000.00
Lake Tekapo Regional Park restoration stage 1	Trial planting of plants protected by individual plant protectors. This is to protect against rabbit browsing as an alternative to a rabbit proof fence.	2015	Commenced	4,890.00
Total Amount Awarded				\$310,334

Annual Report for the Community 2015

Working with the community to deliver their aspirations for freshwater

The Upper Waitaki catchment is the most distinctive and largest of New Zealand's high inland basins, almost completely derived from glacial activity with features ranging from alpine ice fields and lakes, to braided river plains.

The region has many lakes including the glacial fed lakes of Tekapo, Pukaki, Ohau and Alexandrina that lie behind moraines and the artificial hydro lakes of Ruataniwha, Benmore and Aviemore.

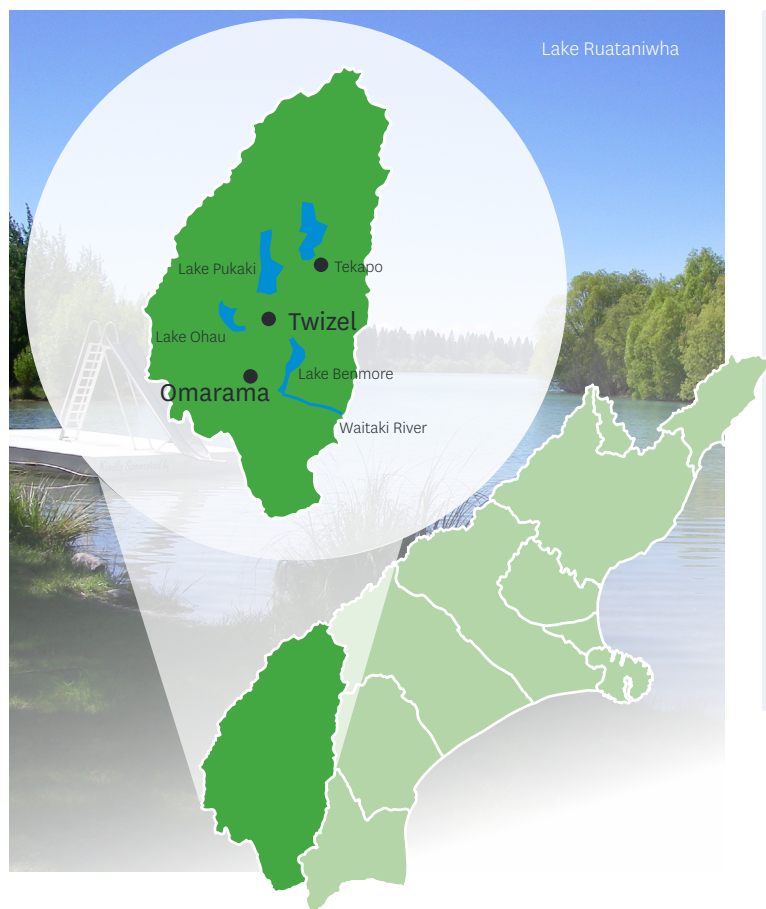
Following its formation in late 2010, the committee's first priority was to work with the community to develop a Zone Implementation Programme (ZIP) to deliver environmental, economic, social, and cultural outcomes.

The ZIP was accepted by the Mackenzie District Council and Environment Canterbury in early 2012 to inform their water management planning programmes. Since then, the committee has been involved in overseeing on the ground actions and working with the community to develop water quality limits. The ZIP Addendum which contains recommendations for catchment limits was completed in mid- 2015.

The committee's membership has been refreshed regularly to ensure a wide-range of perspectives is reflected and rigorous conversations are had to reach a consensus.

CWMS VISION:

“To enable present and future generations to gain the greatest social, economic, recreational and cultural benefits from our water resources within an environmentally sustainable framework.”



Key achievements 2010-2015

- Funded more than \$300,000 toward local community-driven biodiversity protection and enhancement projects
- Secured additional monitoring for the zone and working towards a wholly integrated monitoring framework
- Worked with the community to establish water quality limits which protect the recreational value of the lakes and water quality delivered to the Waitaki River, while providing for sustainable development opportunities
- Hosted over 50 community meetings and workshops to facilitate local input into water management and sharing water management science with the community

Upper Waitaki Zone

The Upper Waitaki Zone Committee covers the catchments upstream of the Waitaki Dam, from the Lindis Pass to Burkes Pass, including the Mackenzie Basin and straddles parts of the Waitaki and Mackenzie Districts. The committee is a joint committee of the Mackenzie and Waitaki District Councils, and Environment Canterbury. The zone is in the rohe Arowhenua rūnanga, Moeraki rūnanga and Waihao rūnanga.

Delivering community water aspirations - selected highlights

Love your Lakes Campaign

Throughout the community process to set water quality limits, the need to educate visitors about the impact they have on the environment and recreational experience in the Upper Waitaki was raised.

As a result, the committee recommended and are now overseeing a campaign to encourage visitors to use the facilities provided and take their rubbish with them.

The campaign currently consists of posters at local business such as Four Squares and Service Stations, stickers at recreation sites, and adverts in local papers. The campaign launched in late 2015.



Love your Lakes campaign poster and sticker



Juvenile Rainbow trout removed from spring



Trout barrier

Ahuriri tributary longjaw protection

This project was a collaboration between a local land-owner, the Department of Conservation and the Upper Waitaki Zone Committee to protect a remnant population of lowland longjaw galaxias and bignose galaxias from trout predation and stock damage.

Lowland longjaws thrive in cool streams and springs, however they are extremely vulnerable to trout predation and development. They are only found in a handful of springs in the Mackenzie Basin.

Bignose, also only found in the Mackenzie Basin, have similar habitat requirements and suffer from similar threats.

Both species are endangered with Bignose classified as nationally vulnerable and Lowland Longjaws classified as nationally critical.

The Ahuriri tributary project has seen a trout barrier erected in the stream, trout removed and stock excluded giving both species a bright future at this site.

Incentivising Biodiversity Conservation

The committee has worked to incorporate the relevant aspects of the Mackenzie Agreement into its work. One of the strands to this has been incentivising biodiversity conservation. As well as providing funding and advice through the Immediate Steps programme the committee have simplified the consent pathway for development proposals that incorporate the identification and protection of biodiversity.



Mackenzie Basin

Progress towards achieving CWMS Targets

Ecosystem Health and Biodiversity	We have contributed more than \$300,000 towards biodiversity projects to protect and enhance biodiversity. We have begun a restoration project on our one impacted waterway and we have set water quality limits which will protect ecosystem health.
Natural Character of Braided Rivers	
Kaitiakitanga	Our committee process has enabled the expression of Kaitiakitanga through mana whenua's role in decision making and our process has enabled a broader understanding of customary values associated with water.
Drinking Water	We have set catchment limits for nitrates in our zone.
Recreational and Amenity Opportunities	We have an education campaign underway to encourage visitors to look after our waterways. For the one site in our zone that does not meet the contact recreational standard, we have an investigation underway into the source of the contaminant. Our catchment limits have been set to protect the recreational value of our lakes.
Water Use Efficiency	The zone committee supports industry led efforts to increase water use efficiency and the requirement for Good Management Practice will drive water use efficiency.
Irrigated Land Area	There is the opportunity to increase the irrigated land area in the zone through consented but un-implemented development and some further development within the catchment limits set.
Energy Security and Efficiency	Catchment water quality limits will protect energy security in the zone
Regional and National Economies	Current contributions to regional GDP from the zone's industries are: Hydro \$660M, Tourism \$90M, Agriculture \$190M, and Aquaculture \$25M Our zone will contribute to new growth in regional and national economies through aquaculture, agriculture and tourism.
Environmental Limits	We have completed recommendations for water quality limits for all of our zone.



Zone Implementation Programme Progress

Subsequent to completing a ZIP Addendum in mid-2015, the zone committee and Environment Canterbury put together a work programme, which identified six key areas of work.

1. Water quality is improved in priority waterbodies requiring remedial action

- A complete stream walk of the Willowburn was carried out to gather baseline information and to inform management interventions.
- An action plan is currently being developed based on these findings

2. All land is managed at good management practice (GMP) and collectives are encouraged and supported

- Priority catchments have been confirmed.
- An Environmental Management Strategy has been developed with Benmore Irrigation Company
- 100% of Farm Environment Plans (FEPs) have been completed with Benmore Irrigation Company and 70% with the Forks, Irishman, Maryburn catchment group.

3. There is increased protection and enhancement of the zone's biodiversity:

- More than \$300,000 of biodiversity projects have been funded in the zone
- The Waitaki Sub Regional Plan Change provides as easier consent pathway as an incentive to protect biodiversity

4. There is widespread community understanding of and compliance with the Waitaki sub-regional section of the LWRP and WCWARP

- Community meetings were hosted in mid-February to explain the notified plan
- The Waitaki Plan Change hearing will take place in the 3rd quarter of 2016

5. We have increased catchment knowledge in priority areas (science) and we understand the effectiveness of interventions (monitoring)

- The creation of an integrated monitoring framework for the Waitaki is underway with objectives agreed and the first phase of work underway

6. There is widespread ownership of catchment health by the community

- A 'Love your Lakes' campaign has begun to encourage visitors and recreational users to use facilities and take their rubbish with them

There are still challenges but also opportunities

While much has been achieved, there is still plenty to do and challenges lie ahead.

In 2016 a key event will be the hearing of the Waitaki Plan Change. This Plan responds to our recommendations for water quality limits. We will be hosting community meetings once the plan is notified so that people can understand it and make useful submissions – we want the best possible plan that delivers on our intent.

Opportunities and challenges

Opportunities

A key opportunity is to champion the development of an integrated monitoring framework using Environment Canterbury, consent, and voluntary monitoring. This will allow us to have a shared source of data, reduce overlap, and to measure how effective our actions are. Other opportunities include continuing to develop a package that incentivises biodiversity conservation alongside development.



2016 is also a significant year as on the ground actions identified in our ZIPs will start to be implemented. These include: remedial actions on our one impacted waterway, the establishment of our integrated monitoring framework, and actions to manage the impact of visitors on the recreational experience in our zone.

Challenges

A key challenge for the zone committee is to ensure the package, that made up their recommendations on the sub-regional plan, endures through the formal hearing process with its intent upheld. Also that the collaborative spirit carries over into plan implementation. Another challenge is to ensure that the on-the-ground actions identified in the ZIP Addendum are delivered. These actions, combined with the water quality limits, are critical parts of the sub-regional planning package.



Zone committee members reflect a diverse range of community views

Each of the Canterbury region's ten zone committees include 4-10 community members whose membership is regularly refreshed to ensure a wide-range of perspectives are reflected.



Members of the Upper Waitaki Zone Committee

Zone Committee Members 2015:

Barry Shepherd (Chair)
Simon Cameron (Deputy Chair)
Jay Graybill (Community Member)
Lisa Anderson (Community Member)
Mat Bayliss (Community Member)
Richard Subtil (Community Member)
John Wilkie (Waihao)
Sandra Hampstead-Tipene (Arowhenua)
Wayne Tipa (Moeraki)
Peter Skelton (Environment Canterbury Commissioner)
Garry Kircher (Waitaki District Council)
Murray Cox (Mackenzie District Council)

Past Members:

Anne Steven	June Slee
Bill Chisolm	Mike Neilson
Claire Barlow	Shane Te Maiharoa
Craig Dawson	Te Wera King

Brought to you by the Upper Waitaki Zone Committee working with



Waitaki
DISTRICT COUNCIL
TE KAUNIHERA A ROHE O WAITAKI

MACKENZIE DISTRICT COUNCIL

REPORT TO: MACKENZIE DISTRICT COUNCIL

SUBJECT: HOPS AND HOOVES GRANT REQUEST

MEETING DATE: Tuesday 10TH MAY 2016

REF:

FROM: GARTH NIXON COMMUNITY FACILITIES MANAGER

PURPOSE OF REPORT:

For the Council to consider TPDA's Grant request

STAFF RECOMMENDATIONS:

1. That the report be received.
2. That the Council Determine if they wish to contribute to this event and make a grant accordingly

Garth Nixon
Community Facilities Manager

ATTACHMENTS:

Original application for plus supplementary information including, promotional material, Event budget and TPDA financials

BACKGROUND:

This revised request also went to the Twizel Community Board at their meeting on 18th of April. The Community Board granted \$ 250.00 toward the hall hire for this Event

The TPDA has previously applied to the community board for this event requesting the Community Board Grant the cost of the hall hire for this event. The Twizel community board considered their request and sought further information, specifically, financial information relating to the TPDA.

The TPDA has reconsidered their application and sought a grant of \$ 1000 from the Community Board and the Council also.

POLICY STATUS:

The Grant Policy set out guidelines in relation to grants

SIGNIFICANCE OF DECISION:

Not considered to be significant under the Significance policy

ISSUES & OPTIONS:

The options in this situation are to either

- support
- or not to support
- or support in part

CONSIDERATIONS:

Legal N/A

Financial

The Community Board has a grants budget of \$ 2,500 per annum. To date the approximately \$1,500 leaving a balance of \$1000.00

I have discussed the costs with the TPDA and understand their makeup.

There appears to be costs associated with administration \$ 2,500 of this event that would already be covered by the TPDA operation.

The Coast Guard component is payment related to services provided in running the event.

The TPDA appear to be in a strong financial position

The TPDA are underwriting this event so any loss will be covered by them.

Other

The TPDA's aim here is to create another event for Twizel and build the event for the future of Twizel. The question is does the community Board or Council wish or need to get behind the TPDA in supporting this event for Twizel.

ASSESSMENT OF OPTIONS:

The event is advertised and it appears it will run anyway.

The TPDA is in a strong financial position and it would appear to be able to support this event.

It is a new event that potentially an on-going event for Twizel.

CONCLUSION:

The event does not appear to need the financial support of the Community Board.

It is appropriate for the Community Board to show support for this event, as any off season events have to be good for Twizel.



Hops N' Hooves request for funding from the TWIZEL PROMOTION AND DEVELOPMENT ASSOCIATION:

We understand the Community Board has requested further information in support of our grant application for the upcoming Hops N' Hooves event. We understand that the Community Board was concerned that we could be seen to be a trading operation.

A small team of the committee has come together and looked at this, based on our discussions we have increased our request to ;

Community Board grant request : \$ 1000

Council grant request : \$ 1000 [James and Russell can you please present to the council for their consideration]

The request for these two grants is to help with the promotion and advertising to make this event a success.

Please find attached the budget for the Hops N' Hooves event.

The attached budget for the event is based on 350 people and shows a loss that the TWIZEL PROMOTION AND DEVELOPMENT ASSOCIATION is happy to under right.

It's our aim to attract 500 people in which case a small profit will be made and this will be distributed to the community.

The key objective for the TWIZEL PROMOTION AND DEVELOPMENT ASSOCIATION is to help facilitate the promotion and development of Twizel, this also has a wider effect on the whole Mackenzie district.

We believe it is important for our community to hold events that are not only of benefit to the members of the Mackenzie community but more importantly bring people from out of town into the area and encourage them here to have a short term stay especially in our off season.

The idea of Hops N' Hooves - All things to do with local craft beer and with the Mackenzie being famous for its Merino, this idea evolved. We think this could build into an annual event like the Wild Food festival or the Martinborough Wine and Food festival.

What is the benefit / Why are we looking for support:

Benefits : Beside giving members of both our community and the wider community an opportunity to come together. This is also very much of economic benefit. If we look at an event that is well established to start with eg: Salmon and Wine Festival.

Approx. 2000 people attend, the population of Twizel is just over 1000 and we know that less than 500 people are local, 1500 people come from outside Twizel, there maybe 500 more from the wider Mackenzie but this would be a large estimate.

Therefore 1000 are coming into the community, they spend at a very minimum. on average \$100 thus giving an economic impact of \$ 100 000. It is more likely they would spend \$250 on average so this would give an economic impact of \$ 250 000.

Hops N Hooves :

Being the first year we are aiming for 350 – 500 people to attend. Our aim is to build this event over the next few years to possibly 2000 people. The economic and social impact would be the same as for the Salmon and Wine Festival.

Why are we wanting your support :

To put these events on takes an amazing amount of time, with many hours put in by volunteers and the cost to run these event is large. We want to make sure we do this event right giving it the best possible opportunity to succeed.

As this event benefits both Twizel and the wider Mackenzie we are requesting both Community Board and Mackenzie District Council support.

The TWIZEL PROMOTION AND DEVELOPMENT ASSOCIATION is committing to underwrite this event and estimate there will be a loss in the first year or two. Once profits are made these go back into the community in some form or another.

A little back ground on the TWIZEL PROMOTION AND DEVELOPMENT ASSOCIATION:

The TWIZEL PROMOTION AND DEVELOPMENT ASSOCIATION has the aim of helping facilitate the promotion and development of Twizel. We act as an umbrella association to many clubs and groups within our community.

- We produce and print the weekly newspaper- the Twizel Update, which is delivered to Twizel residents, available from local businesses, posted out to surrounding townships, and a link to download being emailed out to over 1,000 subscribers. It is also available via the website which also features:
 - Twizel information
 - Listings for accommodation, services and things to do in Twizel and the surrounding area of the Mackenzie Basin.
 - Produced a very popular DVD 'A Brief History of Twizel'.

- Provide a local Community Telephone Directory.
- Arrange a mid-winter function for the Twizel Community.
- Run the much anticipated and very successful annual Salmon & Wine Festival.
- Support many other community initiatives.
- Any profits are returned to the community in one form or another.

The TWIZEL PROMOTION AND DEVELOPMENT ASSOCIATION sponsored a highly successful planning weekend last March in which many constructive thoughts and ideas about developing Twizel were expressed by members of the community. Community Board members and local Councillors also attended.

Out of that meeting an undertaking was given that the Community Board and TPDA would work together on many of the issues and opportunities put forward.

The TWIZEL PROMOTION AND DEVELOPMENT ASSOCIATION has subsequently sponsored a number of interest groups working on ideas raised at that weekend.

- A Museum Committee has been working on ideas.
- A Business Development Group has commenced and has held its second meeting.

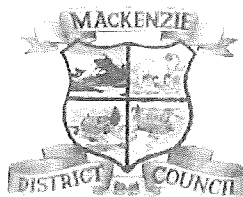
These groups are briefing the TWIZEL PROMOTION AND DEVELOPMENT ASSOCIATION monthly meeting on their progress.

- TPDA has also sponsored a series of winter “Bubbles and Inspiration” events at no cost to the attendees. A variety of speakers came last year and a similar series has been set up for the current year.

We respectfully resubmit this document to support our application and ask the community Board and Council for their support.

Luke Paardekooper

Chairman, Twizel Promotion and Development Association.



APPLICATION FOR GRANT

1. Name of Organisation/Individual:

TWIZEL PROMOTIONS AND DEVELOPMENT ASSN INC.

2. Address:

EVENTS CENTRE, TWIZEL

Telephone: 03 4350 066

Fax: _____

Email: tpdca@twizel.info

3. Contact Person: BRUCE COWAN

Position: COMMITTEE MEMBER

Phone: Business: 0274 809 220

Phone: Home: 4350 561

4. Please specify the legal status of your organization – trust/Incorporate Society/other.

INCORPORATED SOCIETY

5. Is your organisation recognised as a non profit body by the Inland Revenue Department?

☒ Yes ☐ No

6. Name of principal officers:

Chairperson/President: LUKE DAARDEKOOPEL

Secretary: COLIN MCKINNEY

Treasurer: KAREN HENDERSON

7. State your organisation's purpose and objectives: _____

FACILITATE THE PROMOTION AND DEVELOPMENT
OF TWIZZ AND SURROUNDS

8. How long has your organisation existed?

9. Is your organisation responsible to or controlled by any other organisation/authority? NO

Please specify: _____

10. What level of funding does your organisation request from the Mackenzie District Council?

COVER THE COST OF HIRE OF EVENT CENTRE FOR 11000003
EVENT

11. State the purpose for which the grant is requested:

SEE ATTACHED

12. State the number whom you expect will benefit from the grant you are requesting: TWIZZ COMMUNITY AND VISITORS

Members: _____ Others: _____

13. Has your organization received a donation during the past five years?

Yes ☒ No ☐ NOT THAT I CAN DETERMINE

If yes, please detail how your most recent donation was used	Received from	Year	Amount of Donation
TOTAL			

14. If your organisation is registered for GST, please supply your GST number:

58-819-735

15. Please supply a copy of your latest audited financial statements.

DECLARATION

I hereby declare that the information supplied here on behalf of my organisation is correct:

Name: BEVIE COWAN

Position: COMMITTEE MEMBER

Signature: [Signature]

Date: 1st MARCH 2016

Bruce Cowan

From: Bruce Cowan <bjcowan@xtra.co.nz>
Sent: Tuesday, 1 March 2016 1:23 p.m.
To: 'john.lyn.bishop@gmail.com'
Cc: 'arlene@mackenzie.govt.nz'
Subject: TPDA "Hops and Hooves" function,

Good afternoon John,

The TPDA is in the process of planning a function to be held on Saturday 4 June 2016 for the community, (including our many holiday house owners and other visitors). It will be a "Hops and Hooves " event in the Events Centre during the day. It will highlight a variety of beers and wines principally from the district as well as the meats from the farming and possibly the wild animals in the District.

As well as tastings we plan a variety of guest speakers to address the attendees on their specialty topics. For example, we are looking to attract chefs, butchers and farmers who can will comment on the meats raised and the ways of presenting the meats, talking of cuts and how each cut can be used. In addition Brewers will be invited to talk on their approach to Brewing. We are thinking that each expert will talk for say 15 minutes at various times during the day and this will be advertised well in advance so attendees are able to think about what interests them.

In order to enable people to plan their day we will be arranging a web site to allow people to register on line, rather than arriving and queuing to enter. Tickets will, however, be available for last minute deciders.

The TPDA is respectfully requesting that the Twizel Community Board add its weight to the day by subsidising the day by covering the rental cost of the Events Centre for the Hops and Hooves.

We look forward to your favourable response.

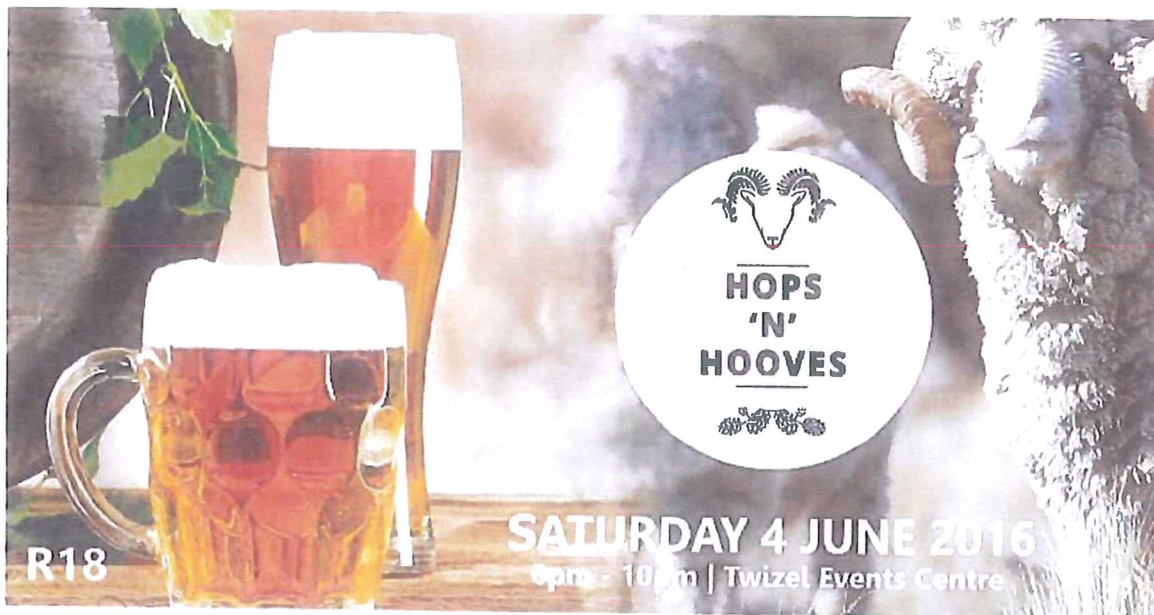
Kind Regards

Bruce Cowan

Committee Member
TPDA
Twizel.

0274 809 220

Bruce & Jan Cowan
PO Box 116.
203 Glen Lyon Road
Twizel
7901
P 03 4350561
Mobile Bruce 027 4809 220
Jan 021 511 159



This Queens Birthday will see food and beer lovers from all over descend on Twizel for the inaugural Hops 'n' Hooves Festival. Here is your chance to sample the finest of Craft beers and wonderful mouthwatering food gathered from in and around the Mackenzie High Country as well as some speciality providers invited from further afield.

PURCHASE YOUR TICKETS ONLINE NOW

Numbers are limited!

The EARLY BIRD SPECIAL of \$20 per ticket ends 1 May 2016.

Purchase your ticket before the 1 May and go in to the draw to win a night for 2 at the luxurious [Mt Cook Lakeside Retreat](#). A chance to escape to one of New Zealand's Finest Luxury Lodges, right here on the edge of Lake Pukaki. The Early Bird prize includes accommodation for two and breakfast. Purchase your ticket now for your chance to win. (Conditions: This prize needs to be used by the end of August 2016 and is subject to availability.)

From 1 May 2016 tickets are \$25

Door Sales: We are sure this event will sell out, however if we do have any door sales these will be \$30 on the night.

Please bring cash on the night, this will help speed up transactions at stalls.

Your ticket will include a \$5 voucher that you can use towards purchases from different stallholders on the night.

[Share](#) |

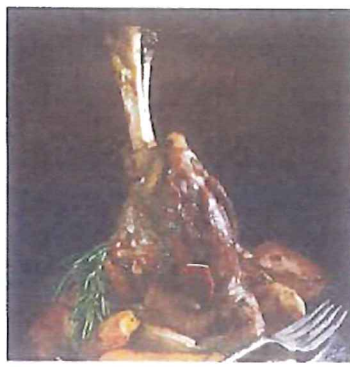


SEMINARS

Informative seminars that include:

- The art of making pickles.
- See a merino, blade shorn.
- Home brew tips.
- Recognizing the best cuts of meat.

(Final seminar programme to be confirmed)

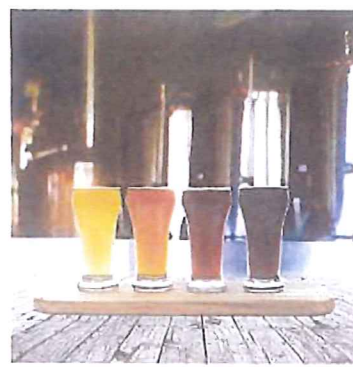


EAT

All things hoovey, Merino, Beef, Pork, Tahr (plus a few chicken offerings).

If you haven't tried Tahr before, here is your opportunity. You are in for a delicious healthy treat!

All found right in the Heart of the Mackenzie and expertly presented for you to sample and graze on throughout the evening around the brazier or undercover in the Event Centre.



DRINK

For keen homebrewers pick up tips on fine-tuning your techniques and creating a better brew. There are masterclasses, equipment available for purchase and even friendly advice.

Beer is no longer just a back yard BBQ brew. We're got some of the best craft beers from the Mackenzie region right here for you under one roof.

If beer is not to your taste, we have a couple of great wineries as well.



A Spicy Gumbo of Musical Treats

The Shake-'Em On-Downers have thrilled audiences and startled wildlife from Waiheke to Milford Sound, with energetic and iconoclastic interpretations of vintage jazz classics. As well as standards from the New Orleans and swing songbook, they also perform raging new compositions inspired by the era. Described as 'hot Dadaist swing', the Shake-'Em On-Downers will serve you up a spicy gumbo of musical treats!

Image credit Jonny Thompson

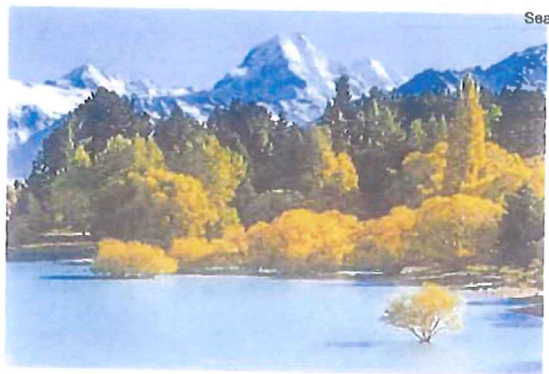
MAKE A WEEKEND OF IT!

[Accommodation](#)

[How to get here](#)

[Things to do](#)

[Share](#)



Search

EXHIBITORS AND SPONSORS

Keen to provide sponsorship or to exhibit at Hops 'n' Hooves? [Contact Jared](#) at the TPDA office.

Thanks to our brilliant sponsors!

Hops 'n' Hooves is the culmination of enthusiastic people and businesses working together - without the support and hard work of these champion sponsors, this event wouldn't and couldn't happen. Thank you all so much for being involved!

Gold Level Sponsors

MT COOK LAKESIDE RETREAT



~ 20,000 BC ~
Lake Pukaki, New Zealand



CONTACT

[CLICK HERE](#) to
contact the Twizel
Info Centre for Visitor
Information

[CLICK HERE](#) to email
the TPDA

Events Centre, Market
Place, TWIZEL

+64 3 435 0066



Twizel

Heart of the Mackenzie High Country

Click [HERE](#) to check out Twizel in real time via
webcam.

Copyright Twizel Promotion and Development Association | Website by Pulga Web Design

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G+

Hops N Hooves Budget

Hops and Hooves

Financial Summary

2016

Income:

Grants:		<u>Applied</u>	<u>Received</u>	<u>Variance</u>
CB		\$ 1,000.00	\$ -	-\$1,000
Council		\$ 1,000.00	\$ -	-\$1,000
Other		\$ 2,000.00	\$ -	-\$2,000
Takings	350 @ \$ 20	\$ 7,000.00	\$ -	-\$7,000
Stall Holders		\$ 1,500.00	\$ -	-\$1,500
TOTAL		\$ 12,500.00	\$ -	

Expenses:

<u>Description</u>	<u>Supplier</u>	<u>Cost (inc GST)</u>	<u>Actual</u>	<u>Variance</u>
Logo		\$ 400.00	\$ 552.00	\$152
Advertising	Port FM	\$ 2,500.00	\$ -	-\$2,500
Advertising	Central Otago Radio	\$ 460.00	\$ -	-\$460
Advertising	Timaru Courier	\$ 1,150.00	\$ -	-\$1,150
Advertising	Oamaru Mail	\$ 580.00	\$ -	-\$580
Licensing	Timaru District Council	\$ 575.00	\$ -	-\$575
Bands		\$ 2,000.00	\$ -	-\$2,000
Venue		\$ 500.00	\$ -	-\$500
Security		\$ 1,000.00	\$ -	\$1,000
Administration				
Online		\$ 2,012.50	\$ -	\$2,013
Coast Guard		\$ 1,500.00	\$ -	-\$1,500
TPDA staff		\$ 2,500.00	\$ -	\$2,500
Miss		\$ 500.00	\$ -	\$500
TOTAL		\$ 15,677.50	\$ 552.00	

NET PROFIT	-\$ 3,177.50	-\$ 552.00
-------------------	---------------------	-------------------

Balance Sheet

Twizel Promotions & Development Association Inc As at 30 June 2015

30 Jun 2015

Assets

Bank	
TPDA Holding account	6,135
Twizel Promotions & Developmen	67,908
Twizel Radio account	(120)
Total Bank	73,923
Current Assets	
less Provision for Doubtful Debts	(25)
Info Centre - Cash Float	150
Prepayments	77,954
Stock on Hand	917
TPDA - Accounts Receivable	19,514
Total Current Assets	98,510
Fixed Assets	
Climbing Wall - Less accumulated depreciation on wall	(28,666)
Climbing Wall asset	66,656
Radio station assets	39,267
Radio station- Less depreciation on assets	(26,884)
TPDA - Bouncy Castles	7,163
TPDA - Computer Equipment	3,101
TPDA - Less Accumulated depreciation on Bouncy Castles	(5,339)
TPDA - Less Accumulated Depreciation on Office Equipment	(12,637)
TPDA - Less Accumulated depreciation on trailers	(1,880)
TPDA - Trailers for bouncy castles	4,277
TPDA -Office Equipment	16,342
Total Fixed Assets	61,401
Total Assets	233,834

Liabilities

Current Liabilities	
GST	2,033
Rounding	1
TPDA - Accounts Payable	3,737
Wages Payable - Payroll	(1,152)
Total Current Liabilities	4,619
Total Liabilities	4,619
Net Assets	229,215

Equity

Current Year Earnings	41,717
Retained Earnings	187,497

Balance Sheet

Total Equity	30 Jun 2015
	229,215

MACKENZIE DISTRICT COUNCIL

REPORT TO: MACKENZIE DISTRICT COUNCIL

SUBJECT: Delegations Manual Amendment

MEETING DATE: 10 May 2016

REF: PAD 10/4

FROM: Projects & Administration Manager Toni Morrison

PURPOSE OF REPORT:

The purpose of this report is to seek Council approval to amend the Delegations Manual to include the Projects & Administration position in the list of financial sub-delegations to managers.

STAFF RECOMMENDATIONS:

1. That the report be received.
2. That the Mackenzie District Council amends the Delegations Manual to include the Projects and Administration Manager position in the list of financial sub-delegations to managers, as follows:

FINANCE MANAGER, <u>PROJECTS & ADMINISTRATION MANAGER</u> , PLANNING & REGULATIONS MANAGER & COMMUNITY FACILITIES MANAGER Sub Delegation from CEO		
	ITEM	AMOUNT
1	Contractual authority for expenditure provided for in Annual Plan	\$40,000
2	Contractual authority for expenditure not provided for in Annual Plan	\$5,000
3	Pursuant to Section 44 (3A) of the Public Bodies Contracts Act, the contracts entered into pursuant to this delegated power which <i>do not</i> need to be reported back to CEO shall be contracts of <i>less than</i>	\$20,000
4	Activity to which Contractual authority applies	Cost Centres for which Manager has responsibility

WAYNE BARNETT
CHIEF EXECUTIVE OFFICER

ATTACHMENTS:

None.

BACKGROUND:

The position of Projects and Administration Manager was created in 2015. That position, as with the rest of the management team, has responsibility for certain budgets and work programmes. In order to function effectively the position should have delegated authority for relevant budgets, in line with the same delegations applying to other management positions.

The amendment to the Delegations Manual that is sought is the addition of the words “Projects and Administration Manager” to the table on page 59 of the Manual, as set out below:

FINANCE MANAGER, <u>PROJECTS & ADMINISTRATION MANAGER</u>, PLANNING & REGULATIONS MANAGER & COMMUNITY FACILITIES MANAGER Sub Delegation from CEO		
	ITEM	AMOUNT
1	Contractual authority for expenditure provided for in Annual Plan	\$40,000
2	Contractual authority for expenditure not provided for in Annual Plan	\$5,000
3	Pursuant to Section 44 (3A) of the Public Bodies Contracts Act, the contracts entered into pursuant to this delegated power which <i>do not</i> need to be reported back to CEO shall be contracts of <i>less than</i>	\$20,000
4	Activity to which Contractual authority applies	Cost Centres for which Manager has responsibility

POLICY STATUS:

N/a. The Delegations Manual is a record of all delegations of Council and can be amended by Council at any time.

SIGNIFICANCE OF DECISION:

This is not considered significant under the Council’s Significance and Engagement Policy.

ISSUES & OPTIONS:

Option A: To amend the Delegations Manual to include the position of “Projects & Administration Manager” in the financial delegations.

Option B: To not include the position of “Projects & Administration Manager” in the financial delegations recorded in the Delegations Manual.

Option A is recommended as it will allow for the Projects & Administration Manager to efficiently and effectively manage work programmes and budgets in that section. If the

delegation is not approved, the Finance Manager will have to review and sign off on all expenditure in the Projects and Administration area, which is inefficient.

CONCLUSION:

The Council is asked to amend the Delegations Manual to provide for the recently created position of Projects & Administration Manager, by extending the same delegated financial authority to that position as is provided to other members of the management team. This is considered an efficient and effective approach.

Attachment 1

Table of Variances

Activity/works	Change	Amount	Funding Impact
Glen Lyon Road sealing	New spend, non-subsidised works Will seal approximately 1km of road.	\$120,000	Additional borrowing. Interest charged on borrowing will increase by \$5400 in 16/17 year. This cost will be spread among all ratepayers who pay the roading rate.
Fairlie trunk main	Capex - New spend Due to breakages the Council has recently approved funding to begin replacement programme in current financial year. This is a continuation of that programme.	\$300,000	No impact on rates or external debt Funded through internal borrowing Impact of increase: <ul style="list-style-type: none"> • Interest in 16/17: \$7,500 • Interest from year 3 onwards: \$15,000 • Increase in funded depreciation from year 3 onwards: \$3,000
Tekapo, Macauley, Godley Street works	Pipe upgrades in Twizel Updated cost now reflected in budget.	\$215,000 (budget) v \$450,000 (actual)	Increase in actual costs of \$235,000 No impact on rates or external debt Increase funded through internal borrowing Impact of <u>increase</u> : <ul style="list-style-type: none"> • Interest in 16/17 \$5,875 • Interest in Year 3 onwards \$11,750 • Increase in funded depreciation from Year 3 onwards \$2,350

Reticulation renewals	Fairlie Programme of works not undertaken in the 15/16 year so renewal programme delayed by one year. Programme already budgeted for.	No budget change (Budget = \$125,000)	No funding impact Delay of one year in the ongoing programme of renewals.
Reticulation renewals	District-wide service connection renewals. This programme links to the work programme of mains replacement, as service connection renewals are done at the same time.	\$60,000	No impact on rates or external debt Funded through internal borrowing Funding impact: <ul style="list-style-type: none"> • Interest in 16/17: \$1,500 • Interest from year 3 onwards: \$3,000 • Increase in funded depreciation from year 3 onwards: \$750
Rural water supply – Allandale network modelling	Opex - network modelling – new spend	\$20,000	Will be rated for from scheme beneficiaries One-off increase of \$37 per unit for 16/17 year, on top of approx. \$215 per unit cost
Tekapo Wastewater Treatment Plant	Investigations currently being undertaken but works will not be completed in current financial year. Will need to be provided for in 16/17 budget. No budget provided for in LTP Year 2.	\$300,000	Funded from capital reserve surplus. Impact: <ul style="list-style-type: none"> • Interest earned in 16/17 reduced by: \$3,375 • Interest from year 3 onwards reduced by: \$6,750 • Increase in funded depreciation from year 3 onwards: \$3,000

Twizel sewerage upgrade	<p>Delay in project.</p> <p>No budget was provided for in LTP Year 2 as this project was to be completed in Year 1.</p>	\$720,000	The delay in the project means that the rates increase required to fund the internal borrowing will also be delayed by a further year, to 17/18.
Tekapo public toilets	<p>Delay in project.</p> <p>No budget was provided for in LTP Year 2 as this project was to be completed in Year 1.</p>	\$400,000	The delay in the project means that the general rates requirement to fund the interest charged on internal borrowing will also be delayed by a further year, to 17/18.
Health & Liquor regulation	<p>Increase in contract costs, and new provision for enforcement and inspections.</p> <p>Total budget requirement increased from \$75,850 (Year 2 LTP) to \$141,000 (16/17 budget)</p>	<p>Increase of \$65,000</p> <p>Made up of \$19,000 user fees, with the balance being required from the general rate.</p>	<p>Requires additional \$46,000 from general rate.</p> <p>User fees are set by statute and cannot be increased.</p>
Consultancy	LTP support – new budget requirement.	\$75,000	<p>Funded from the general rate.</p> <p>Projected one-off cost for 16/17 year.</p> <p>There will be an ongoing programme and budget set for the LTP programme thereafter.</p>
Land Sales	In the LTP the predicted income from land sales had been budgeted to be received by the Council over a number of years. However the income from land sales will mostly be received in 16/17. Because of sales, actual subdivision costs will also rise.	Income for 16/17 year budgeted to be \$6.185m.	Income is lodged in the real estate account. Interest will be earned in the 16/17 period.

	Income budgeted for Year 2 of LTP was \$1.683m. Subdivision costs budgeted for Year 2 were \$1.386m.	Subdivision costs for 16/17 year will be \$3.282m.	
Lower Interest Rates	The Council had based its budgets on an interest rate of 4.5 %. However actual interest rates are lower than that assumed. These lower interest rates have been offset by higher investments from land sales.	Interest income will be increased by \$108,000.	This will be used to offset the general rate requirement.
Tourism – Economic Development	Council has been approached to increase funding in Tourism. Total budget for CCT in Year 2 LTP is \$210,000. This is a 10% increase, and is sought to fund an extra half FTE to meet additional strong demand for services.	Additional \$22,500 in targeted tourism rates.	Funded from the targeted tourism rates. Increase of 10% in targeted tourism rates by \$22,500.

MACKENZIE DISTRICT COUNCIL

REPORT TO: MACKENZIE DISTRICT COUNCIL
SUBJECT: REMUNERATION OF ELECTED MEMBERS
MEETING DATE: 10 MAY 2016
REF: STA 9
FROM: MANAGER - FINANCE

PURPOSE OF REPORT:

For members to adopt a policy for reimbursement of expenses by elected members.

STAFF RECOMMENDATIONS:

1. That the report be received.
2. That the policy of the reimbursement of expenses by elected members be adopted.

PAUL MORRIS
MANAGER - FINANCE

ATTACHMENTS:

- Appendix A – Policy for the Reimbursement of Expenses by Elected Members.
- Appendix B – Remuneration Authority covering letter dated 20 April 2016.

BACKGROUND:

The Remuneration Authority requires Council to adopt a policy for the reimbursement of expenses by elected members. This is attached as Appendix A.

The Remuneration Authority letter authorised in Appendix B details the amendments that have been made. These changes have been incorporated into the policy.

The attached policy complies with the Remuneration Authority guidelines and is similar to the policy adopted by Council previously.

Appendix A

POLICY FOR THE REIMBURSEMENT OF EXPENSES BY ELECTED MEMBERS

1. Introduction

Remuneration of members of local authorities, including community boards is determined by the Remuneration Authority, an independent body set up under its own Act of Parliament.

The Authority is empowered to set rules for reimbursing expenses incurred by elected members under the Local Government Act 2002. The approach taken by the Authority is to invite local authorities to draft their own rules for it to consider and, if thought fit, approve.

2. Background

Any Council rules for the reimbursement of expenses are required to be approved by the Remuneration Authority. These rules replace those adopted by Council in the last triennium and, following Council endorsement, will be submitted to the Remuneration Authority for its formal approval.

3. Vehicle Mileage Allowance

Councillors generally incur expense in traveling to and from Fairlie for Council meetings, workshops and on other official business. In addition, the Mayor will incur other travel costs in undertaking duties outside of regular meetings. Such expense is reimbursable by way of a vehicle mileage allowance:

- Council will pay a vehicle mileage allowance of 77c/km for travel on Council related business above a threshold of thirty kilometres for any one event. The maximum annual reimbursement to any one elected member at the 77c/km rate will be based on 5,000km claimed. Because of size and location of the District, claims above 5,000 kms will be allowed but the balance portion will be reimbursed at the lower rate of 37c/km.
- Detailed claims should be submitted as regularly as practicable to the Payments Officer.
- To minimise the net cost to the ratepayers of the District, Councillors should arrange to share transport wherever practical.
- Where meetings are held at Tekapo and Twizel, Council vehicles will normally be used to transport members to and from Fairlie and points in between.

4. Travel Time allowance

Elected members will often travel outside the District on Council business. Travel time in excess of two hours for any event will be paid for at \$35/hr. The maximum amount claimable by any elected member will be set at 100hrs per year.

5. Conference and course attendance

The following rules will apply:

- Attendance at conferences and courses will be authorised by way of a formal Council resolution.
- Council will arrange for the enrolment, registration fees, booking of accommodation and flight reservations if applicable.
- Wherever possible, payment will be made in advance by the Council or through the use of the Council credit card at the time. This is to reduce the number of instances where elected members have to incur expense out of their own pockets and then seek reimbursement from the Council.
- If payment is made directly by the member, reimbursement claims should be supported by appropriate GST receipts.
- Where the venue is within reasonable driving distance (say less than six hours travel time), Council will endeavour to arrange for a Council vehicle to be made available. If that is not possible, mileage may be claimed, but sharing of vehicles is also encouraged in such circumstances.
- Meal expenses are reimbursable but wherever possible such expenses should be added to the accommodation bill.
- Councillors are expected to meet their own personal expenses such as liquor and mini bar expenses.
- Councillors may wish to stay privately while attending courses and conferences. This is fine, but bear in mind that there is value in participating in informal networking sessions outside the normal conference sessions. Members' ability to participate in these may be somewhat limited if they make their own arrangements. In such cases, a daily allowance of \$50 is available when elected members do stay privately.
- Many conferences, including the annual conference of Local Government New Zealand, make provision for the attendance of spouses and partners. Such attendance has value and is encouraged. The Council position is that it will meet any spouse's/partner's registration fees for such conferences or courses. No additional accommodation cost is normally involved. Councillors will be responsible for the airfares of their spouse or partner and any additional costs of meals.

6. Other Out of Pocket Expenses

Mayoral Telephone Expenses

The Council provides the Mayor with a mobile phone as a convenient means of communication.

General

Council endeavours to minimise the amount of reimbursement required by meeting most expenses directly. However, there may still be some instances where out of pocket expenses are incurred and that is fine. These may include meals on the road and consumables for faxes and computers. It is essential for all Councillors to be contactable readily by either fax or e-mail or both. Past practice has been to either supply some consumables such as fax rolls or toner or to reimburse Councillors for such expense. Work related toll calls and call minder facilities are able to be reimbursed. It is proposed to continue these practices.

7. Computers and internet connections

The Council provides a laptop/tablet and multi-function printer (if required) for the Mayor and each Councillor. Laser printers are favoured because of their modest capital outlay and very low running costs. The laptops will be fitted with a basic webcam to allow informal communication between meetings. This equipment will remain the property of the Council.

The Council will also arrange for the Mayor and each Councillor to have the most appropriate form of broadband internet connection depending on the coverage in their area. Council's preference is to provide mobile broadband where possible but where adequate mobile broadband is not available Council will contribute the equivalent cost of broadband provision to elected members of mobile broadband. Council's preference is to provide 3G network coverage with a 1Gb per month cap.

Consumables relating to Council use will be reimbursed as required on a reasonable basis.

8. Resource Consent Hearings

Hearing fees for non-council initiated resource consent hearings will continue to form part of the Authority's determination.

The hourly rate will be reviewed each year. The hourly rate to apply from immediately after the 2016 elections will be:

Chairperson	\$100 per hour of hearing time
Others	\$80 per hour of hearing time

Preparation time of up to the time of the duration of the hearing may be remunerated at the same rates.

9. Application of these rules

These rules shall apply to the Mayor, Councillors, appointed members of Council Committees and to Community Board members with effect from a date determined by the Remuneration Authority.

WAYNE BARNETT
CHIEF EXECUTIVE OFFICER

28 April 2016



20 April 2016

Chairs of Regional Councils

Mayors of Territorial and Unitary Councils

All Chief Executives

Elected Members' Expenses and Allowances

The Authority is required to set or approve the policies of each council with regard to reimbursement of the costs incurred by elected members.

It undertakes this role in two parts. The Annual Local Authority determination includes provisions for mileage, travel times and communications and, additionally, each council is required to provide its full policy on expenses and allowances to the Authority for review and approval.

Once this has been done it is a requirement of the Authority that both the determination and the expenses policy be available for perusal by the public. A number of councils also report to their ratepayers on the usage of these allowances, a move towards further transparency that the Authority supports.

Payments set by the Authority in the Determination

In preparation for this year's determination, which will come into force on the 1st July 2016, the Authority has reviewed the allowances set in the determination and will be making adjustments to both the mileage and travel allowance.

Mileage Allowance

The Authority is making two changes to this allowance.

1. In line with the Inland Revenue Department's decision last year, the first five thousand kilometres claimed should now be reimbursed at 74c per kilometre, instead of 77c at present. The rate for travel in excess of 5000 kilometres remains at 37c.
2. In response to issues raised by elected members, the 30 kilometre threshold will now apply only to visits to the council or community board office. For other travel by members, no threshold distance will apply.

The principles and logic behind the per kilometre rate are explained in detail in the document attached to this letter.

Travel Time Allowance

This amount has been set at \$35.00 since 2013. It will increase to \$37.50.

Communications allowance

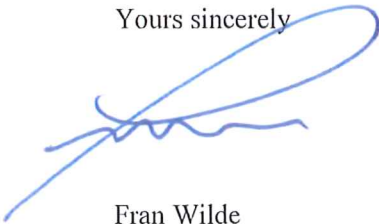
The Communications allowance is unchanged. We would draw your attention to the provision included in 2013 for councils to approach the Authority for approval to provide additional assistance to elected members who face exceptional cost to access or install appropriate communications links.

Please ensure your administration personnel read the determination carefully when it is issued. Particularly note that the mileage and communications allowances have pro rata provisions for members not in position for the full 12 months of the determination. This affects both members who do not return after the election and those who are elected for the first time in October.

Reimbursement and Expenses Policy recommended by the Council

Please review and either reconfirm or amend these policies and forward them to the Authority on letterhead no later than 10th June. The Authority will review and either approve all policies before 1st July or refer them back for further work if they do not clearly identify the payment regime and the authorisation process. The test the Authority will apply reflects the Auditor General's approach to the control and management of sensitive expenditure in the public sector.

Yours sincerely



Fran Wilde
Chair

LOCAL AUTHORITY VEHICLE MILEAGE ALLOWANCE - 2016

This note explains the principles adopted by the Remuneration Authority in setting the terms and conditions of the Vehicle Mileage Allowance, as a well as explaining the logic behind the per kilometre rates. It is updated using the 2014/15 Automobile Association data.

Principles

The Authority adopted the following principles when considering the setting of the Vehicle Mileage Allowance:

Principle 1: The Authority does not intend to meet the costs of an elected member getting to and from work, where the elected member lives within normal commuting distance of the nearest office of the local authority. This is because:

- a) The pay scales that the Authority uses to set elected member remuneration are based on pay scales used for other public service positions, where there is no doubt that the costs of travel to and from work is the responsibility of the job holder, and
- b) It is normal practice for people engaged in providing regular services to a single body to meet their own costs of travel to and from the place of employment.

Principle 2: Any mileage allowance should meet the reasonable additional costs incurred by the elected member in using their own vehicle for travel required on council business. This includes travel to and from the place of work in excess of normal commuting distance.

Principle 3: The Authority will apply averages in setting per kilometre rates and normal commuting distances. This means that the Authority will use average vehicle operating costs for average sized and specified cars travelling on average roads, and average kilometres travelled per annum by the population as a whole.

Principle 4: Wherever possible the Authority will use independent sources of information.

Threshold Distance

The application of Principle 1 requires the Authority to consider is what a “normal commuting distance”. Taking into account that commuting distances in the country tend to be longer than in urban areas, but not wishing to penalise country elected members, the Authority looked at average commuting distances in cities and large towns.

The Authority considered that it would be fair to regard a normal commuting distance as being 15 kilometres. The Authority recognises that this is an average and that, even in urban areas, some people commute more than 15 kilometres.

This means that any elected member living within 15 kilometres of their nearest office will meet their own cost of getting to and from work.

Members living more than 15 kilometres away from their nearest office may claim the allowance for distances in excess of the normal commuting distance. This means that they can claim for distances in excess of 30 kilometres (i.e. the round trip normal commuting distance).

If the mileage allowance were to apply for total distance travelled for people living more than 15 kilometres away for work, then that would be unfair on those living within 15 kilometres, who are meeting their own commuting costs.

The threshold for people living within the normal commuting distance is set at twice the distance between their home and place of work, so that both groups of people can claim mileage for any travel outside of normal commuting distance.

Per Kilometre Rates

Principle 4 using data on the costs of owning and running a car – this is regularly published by the Automobile Association, which has also supplied us with background data which enables deeper analysis.

The latest Automobile Association publication of car running costs is dated 2014/15. That data is based on the New Zealand average distance travelled of 14,000 kilometres per year for new vehicles over a 5 year period.

That report contains the following data:

Vehicle	Engine size	RRP	Average Cost	Operating Costs (cents per km)		
				14,000 km per year	19,000 km per year	24,000 km per year
Compact	1501cc - 2000cc	To \$42,000	\$34,284	65c	55c	49c
Medium	2001cc - 3500cc	To \$60,000	\$47,462	80c	67c	60c
Large	3500cc +	To \$75,000	\$66,893	109c	90c	80c

Bearing in mind that Principle 2 requires that additional costs be met by the allowance and that, on average, people drive 14,000 km per annum for personal use, then one can calculate:

- The cost of personal use, being the cost for the first 14,000 km per year, and
- The additional costs that will be incurred if an elected member needs to travel over 14,000 km in a year because of council business. This additional cost can be worked out by calculating the cost of the first 14,000 km in a year and the cost of the total distance in a year (including council travel) – the difference is the additional cost of council travel. This difference can then be expressed as a rate per km.

These calculations are shown below (based on the data from the AA report) where an extra 5,000 km a year is travelled on council business:

Vehicle	Cost rate for first 14,000 km	Personal Cost of first 14,000 km	Cost rate for 19,000 km	Cost of 19,000 km	Cost of additional 5,000km	Additional cost per km
Compact	65c per km	\$9,100	55c per km	\$10,450	\$1,350	27c
Medium	80c per km	\$11,200	67c per km	\$12,730	\$1,530	31c
Large	109c per km	\$15,260	90c per km	\$17,100	\$1,840	37c

Below are comparative calculations where an extra 10,000km a year is travelled on council business:

Vehicle	Cost rate for first 14,000 km	Personal Cost of first 14,000 km	Cost rate for 24,000 km	Cost of 24,000 km	Cost of additional 10,000km	Additional cost per km
Compact	65c per km	\$9,100	49c per km	\$11,760	\$2,660	27c
Medium	80c per km	\$11,200	60c per km	\$14,400	\$3,200	32c
Large	109c per km	\$15,260	80c per km	\$19,200	\$3,940	39c

It can be seen from the above that the additional cost per km incurred for the council travel is 32 cents if a councillor:

- drives a medium sized car, and
- normally does 14,000 km per year for personal travel, and
- does an extra 10,000 km in a year on council business.

Even if the councillor drives a large car (which is above average size) the additional cost per km is only 39 cents.

Using additional data supplied by the Automobile Association we have examined yearly costs associated with much higher additional yearly mileage by assuming higher depreciation rates, more frequent tyre replacement and higher repair costs. Yearly costs are shown in the following table for a car costing \$50,000 and owned for 5 years:

Km per year	14,000	30,000	40,000
Value of car after 5 years	\$18,100	\$8,700	\$4,900
Costs per annum			
Licence and WOF	\$337	\$337	\$337
Insurance	\$911	\$911	\$911
Interest and depreciation	\$6,975	\$8,591	\$9,269
Total Fixed Costs	\$8,223	\$9,840	\$10,518
Fuel	\$2,702	\$5,790	\$7,720
Tyres	\$507	\$1,086	\$1,448
Repairs	\$635	\$1,361	\$1,815
Total Running Costs	\$3,933	\$8,417	\$11,219
Total Costs	\$12,156	\$18,256	\$21,737
Cost per km	86.8c	60.9c	54.3c
Personal cost		<u>\$12,156</u>	<u>\$12,156</u>
Additional Cost		\$6,100	\$9,581
Additional cost per km		38c	37c

Reimbursement using standard Remuneration

Authority rates	\$7,920	\$11,620
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Conclusion

Taking into account all the above data, the Authority believes that the mileage rate of 77 cents for the first 5,000 kilometres of council travel and 37 cents for distances in excess of 5,000 kilometres is fair compensation for any additional costs incurred by an elected member in using their own car for council business travel.

Remuneration Authority

April 2016

MACKENZIE DISTRICT COUNCIL

REPORT TO: MACKENZIE DISTRICT COUNCIL
SUBJECT: ALPINE ENERGY LTD STATEMENT OF INTENT 2016-2019
MEETING DATE: 10 MAY 2016
REF: FIN 9/3/3
FROM: MANAGER FINANCE & ADMINISTRATION

PURPOSE OF REPORT:

To discuss the Statement of Corporate Intent for Alpine Energy Ltd.

STAFF RECOMMENDATIONS:

1. That the report be received.
2. That Council approves the draft Statement of Corporate Intent 2016-2019 for Alpine Energy Ltd.

PAUL MORRIS
MANAGER - FINANCE

ATTACHMENTS:

- Statement of Corporate Intent from Alpine Energy Ltd.

BACKGROUND:

Council owns 4.96% of the local lines company Alpine Energy Ltd (AEL). AEL is required to produce a draft Statement of Corporate Intent (SCI) for shareholder consideration then adopt a final SCI after considering shareholder input.

The Statement includes an increase in dividend in the 2017/2018 year to 24 cents.

SIGNIFICANCE OF DECISION:

The decision is not considered significant in terms of Council's Significance and Engagement Policy.

RECOMMENDATION:

This being a straight forward SCI it is recommended Council adopt the SCI.



Alpine Energy Limited
31-35 Meadows Road, Washdyke
P.O.Box 530, Timaru, New Zealand
Telephone: (03) 687 4300
Facsimile: (03) 684 8261
email: mailbox@alpineenergy.co.nz

29 March 2016

MFB:NLS

14/1

Wayne Barnett
The Chief Executive
Mackenzie District Council
P O Box 52
Fairlie 7949

31 MAR 2016

Dear Wayne,

Draft Statement of Corporate Intent 2016/17 to 2018/19

Please find attached a copy of Alpine Energy's draft Statement of Corporate Intent (SCI) for 2016/17 and the following two years.

You will note that the proposed dividend per share for 2016/17 and 2017/18 are in line with last year's SCI.

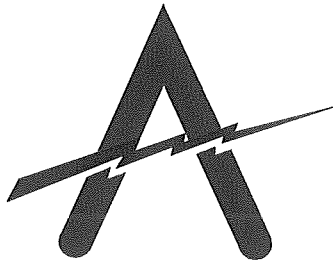
The Alpine Board in adopting its budget for the 2016/17 year and the following years has kept the proposed dividend at the 2017/18 rate for the 2018/19 year (24 cents per share).

Can your organisation review the draft SCI and forward any comments back to me by the 27 April 2016 in order for the Alpine Board to consider any suggested changes at its April Board meeting.

Yours faithfully,

A handwritten signature in black ink, appearing to read 'MFB', is written over a horizontal line.

Michael Boorer
Group Manager - Corporate Services



ALPINE ENERGY LTD

**STATEMENT OF
CORPORATE INTENT**

2016/19

Draft 18 March 2016

ALPINE ENERGY LIMITED

2016/17 STATEMENT OF CORPORATE INTENT

Alpine Energy Limited (the "Company") is an energy company (as that term is defined in the Energy Companies Act 1992). The Company's growth opportunities have been developed according to the Electricity Industry Reform Act 1998. This statement of corporate intent sets out the overall intentions and objectives for the Company for the trading period of 1 April 2016 to 31 March 2017 and the two succeeding financial years.

(a) The Objectives of the Company

Mission

To ensure commercial success by providing safe; reliable; and efficient energy delivery and infrastructure services.

Vision

Our vision is to develop, operate, and maintain integrated energy delivery solutions for the benefit of our community.

Our Values

Our Values are:

- Health and Safety Always
- Lawful conduct
- Respect, Integrity, and Honesty
- Professional Excellence
- Environmental Responsibility
- Contribute to the Community

Business Plan Goals

- Shareholders

To pursue business policies which will maximise the value of the company in the medium and long term.

- Customers

To provide customers with the safe, efficient, economic and reliable delivery of energy and services.

- Efficient Use of Resources

To promote energy efficiency and effective utilisation of resources under our management.

- **Human Resources**

To be regarded as a fair and reasonable employer in our region and a company for whom staff are proud to work.

- **Public and Social Responsibility**

To be a law abiding and responsible company.

(b) Nature and Scope of Activities to be undertaken

The Company's business will primarily be that of quality energy delivery, water resource utilisation, and infrastructure asset ownership and management.

The Company, through a subsidiary company, NetCon Limited, is also involved in contracting activities which support and develop the Business.

Consistent with its objectives the Company will pursue activities designed to ensure the efficient utilisation of its capital assets and human resources.

Opportunities for investment in activities consistent with its Mission will be investigated by the Company.

The Company will consult with its shareholders on any proposed investment in activities other than the safe, efficient, reliable and cost effective delivery of energy, and will not proceed without the approval of a majority of shareholders.

(c) Proprietorship Ratio

The ratio of shareholders' funds to total assets will be maintained at not less than 50 percent.

Total assets will comprise all the recorded tangible assets of the Company at their value as defined in the Company's statement of accounting policies.

Consolidated shareholders' funds of the Company will comprise the total issued capital, the balance of undistributed profits and all revenue and capital reserves.

(d) Accounting Policies

The Company's accounting policies will comply with the legal requirements of the Companies Act 1993 and be consistent with generally accepted accounting principles. Financial statements will conform to the Financial Reporting Standards as required by the Financial Reporting Act 1993.

The Company's electricity distribution network has been maintained to a sustainable standard while being depreciated in the financial accounts.

Details of the current accounting policies and their application are contained in Appendix A.

(e) Financial Performance Targets

The Company has developed financial performance targets to be used to instigate productivity improvements in each of the main business units and these will comprise specific measurable standards monitored for each unit. The following performance measures have been established for the Group:

	2016/17	2017/18	2018/19
(i) Ratio of Shareholders funds to total assets	0.55:1.00	0.56:1.00	0.59:1.00
(ii) Rate of return on shareholders funds:	11.80%	13.20%	15.37%
(iii) Net Tangible Assets per share	6.10	6.47	6.70
(iv) Earnings per share	38.72	45.82	57.58
(v) Ordinary Dividend per share	22.50	24.00	24.00
Financial Projections	\$M	\$M	\$M
Revenue	72.2	78.9	85.5
Operating Expenses	51.1	53.8	53.7
Operating Surplus Before Tax	21.1	25.1	31.8
Net Operating Surplus After Tax	16.0	18.9	23.8
Shareholder Funds	138.9	147.9	161.8
Current assets	12.3	12.2	12.8
Non-current Assets	239.6	254.9	264.1
Total Assets	251.9	267.1	276.9
Current Liabilities	14.2	15.3	15.4
Non-current liabilities	98.8	103.9	99.7
Total Liabilities	113.0	119.2	115.1
Net assets	138.9	147.9	161.8
Customer Capital Contributions	3.2	3.2	3.2
Capital Expenditure	36.6	24.9	17.7
Interest Cover (not to be less than 3.0)	8.16	6.23	7.34
Gearing (to be 50% or greater)	55%	56%	59%

(f) Operating Performance Targets

The Company has developed annual operating performance targets to show how its quality of service to customers and consumers is focussed. Apart from the consequences of extreme weather events, Alpine Energy seeks to be in the top quartile of New Zealand line companies and its annual operating targets below are based on these criteria.

- (i) Electricity Line Losses < 6% per year
- (ii) Average Interruption Duration (SAIDI) < 154 minutes of interruption p.a.
- (iii) Average Interruption Frequency (SAIFI) < 1.51 interruptions per customer

(g) Dividend Distribution Policy

The Company will, subject to a solvency certificate being signed by Directors, distribute to its Shareholders in cash a total of 22.5 cents per share in 2016/17, 24.0 cents in 2017/18 and 24.0 cents in 2018/19.

The Board of Directors of the Company will include within its report on the operations of the Company (prepared after the end of each financial year) a statement recommending the maximum amount of dividend (if any) payable by the Company in respect of its equity securities.

Quarterly interim dividends of 20% of the annual forecasted dividend will be paid out on 30 September, 31 December, and 31 March with a final dividend on 31 July subject to completion of the Annual General Meeting.

(h) Information to be provided to Shareholders

The Company will provide information which complies with the requirements of the Companies Act 1993, the Energy Companies Act 1992, and the Financial Reporting Act 1993. The following information will be available.

Half yearly reports will be delivered to the Company's shareholders within 2 months after the end of each reporting period. These reports will comprise:

- (i) a report from the directors covering the operations for the half year period, including significant activities of the Company in regard to its associate company investments; and
- (ii) financial statements, including a statement of financial position and a statement of profit and loss.

Annual reports will be delivered to the Company's shareholders within three months of the end of each financial year and will comprise:

- (i) a report from the directors covering the operations for the year, including significant activities of the Company in regard to its associate company investments;
- (ii) audited consolidated financial statements for the financial year in respect of the Company and its subsidiaries (if any);
- (iii) auditors' report on the financial statements and the performance targets (together with other measures by which performance of the Company has been judged in relation to the Company's objectives).

The Company's audited consolidated financial statements will comprise the following:

- * Income Statement
- * Balance Sheet
- * Statement of cash flows
- * Statement of changes in equity
- * Details of all transactions entered into during the financial year by the Company or any of its subsidiaries and certain other bodies
- * Such other statements as may be necessary to fairly reflect the financial position of the Company and its subsidiaries (if any), the resources available to it or them and the financial results of the operations.

Information for disclosure for the separated line and energy businesses prepared for the purposes of the Electricity (Information Disclosure) Regulations 1994 will be delivered to the Company's shareholders within three weeks of the information being published in the New Zealand Gazette.

Draft statements of corporate intent will be delivered to the Company's shareholders one month before the end of each financial year.

Shareholders may request further information or reports from the Directors, and the Company shall supply this information to all Shareholders in such manner as shall from time to time be agreed between the Company and Shareholders.

(i) **Procedures for Acquisition of Interests in Other Companies or Organisations**

As a general policy, any proposed investment by the Company in other companies or organisations will be required to meet the weighted average cost of capital (WACC) of the investments being considered, which shall reflect the market cost of debt and the market cost of equity.

All investment proposals will be considered by the Company's Board of Directors and in respect of any acquisition which has a value greater than 5% of the value of the total assets of the Company, as disclosed in the statement of financial position published in the preceding annual report of the Company, recommendations will be made for shareholders approval.

(j) Transaction Details

The following information is disclosed in terms of Section 39(2) (i) of the Energy Companies Act 1992:-

- Contractual arrangements with the District Councils include:-
 - * Development, installation and maintenance of community lighting facilities.
 - * Road and Footpath Sealing: - re-sealing of cable trenches and restoration of footpaths etc after underground cabling and new subdivisions.
 - * Negotiation of a contribution towards the overhead line to underground conversion programme.

All transactions between the Company and its Shareholder District Councils will be conducted on a commercial basis. Charges between the parties made for services provided as part of the normal trading activities of the Company, are incorporated into the operating costs and revenues of the Company.

(k) Further Matters

The Company intends to investigate, consider and if appropriate, acquire interests in electricity lines related activities to the extent that such opportunities become available to the Company.

The maintenance and development of the total reticulation system of the Company will be a prime responsibility for the Company and shall be charged for on a fair and reasonable basis while acknowledging that some cross subsidisation among customers may occur.

APPENDIX A

STATEMENT OF ACCOUNTING POLICIES

1 GENERAL INFORMATION

Alpine Energy Limited ("the Company") and its subsidiaries and joint arrangements (together, "the Group") own an electricity distribution network, and also undertake assets management contracting services.

The Company is a limited liability company incorporated and domiciled in New Zealand. The address of its registered office is 31 Meadows Road, Washdyke, Timaru.

2 SIGNIFICANT ACCOUNTING POLICIES

The principal accounting policies applied in the preparation of these consolidated financial statements are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated.

2.1 Basis of preparation

The consolidated financial statements of the Group have been prepared in accordance with Generally Accepted Accounting Practice in New Zealand ('NZ GAAP'). They comply with New Zealand equivalents to International Financial Reporting Standards ('NZ IFRS') and other applicable Financial Reporting Standards, as applicable for profit-oriented entities. The consolidated financial statements also comply with International Financial Reporting Standards ('IFRS').

The consolidated financial statements have been prepared under the historical cost convention, as modified by the revaluation of land and buildings, available-for-sale financial assets, and financial assets and financial liabilities at fair value through profit or loss.

The preparation of financial statements in conformity with IFRS requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the Group's accounting policies. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the consolidated financial statements are disclosed in note 4.

Entities reporting

The consolidated financial statements for the 'Group' are for the economic entity comprising Alpine Energy Limited, its subsidiaries and joint arrangements. The Company and Group are designated as profit oriented entities for financial reporting purposes.

Statutory base

Alpine Energy Limited is a company registered under the Companies Act 1993 and an Energy Company under the Energy Companies Act 1992. The financial statements of the Group have been prepared in accordance with the requirements of the Financial Reporting Act 2013, the Energy Companies Act 1992, and the Companies Act 1993. In accordance with the Energy Companies Act 1992 because group financial statements are prepared and presented for Alpine Energy Limited and its subsidiaries, separate financial statements for Alpine Energy Limited are no longer required to be prepared and presented.

2.1.1 Changes in accounting policies and disclosures

(a) New and amended standards adopted by the group

The group has adopted External Reporting Board Standard A1 Accounting Standards Framework (For-profit Entities Update) (XRB A1). XRB A1 establishes a for-profit tier structure and outlines which suite of accounting standards entities in different tiers must follow. The group is a Tier 1 entity as it is a large for-profit public sector entity. There was no impact on the current or prior year financial statements.

(b) New standards not yet adopted as per the prior year

The group only adopts new accounting standards once they have been issued and are effective.

A number of new standards and amendments to standards and interpretations are effective for annual

periods beginning after 1 April 2014, and have not been applied in preparing these consolidated financial statements. None of these are expected to have a significant effect on the consolidated financial statements of the Group, except the following set out below:

NZIFRS 15: Revenue from contracts with customers (Effective date: periods beginning on or after 1 January 2017)

NZ IFRS 15 addresses recognition of revenue from contracts with customers. It replaces the current revenue recognition guidance in NZ IAS 18 Revenue and NZ IAS 11 Construction Contracts and is applicable to all entities with revenue. It sets out a five step model for revenue recognition to depict the transfer of promised goods or services to customers in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods and services.

This standard may significantly impact the Group where long term or construction revenue contracts are entered into.

NZ IFRS 9: Financial Instruments (Effective date: periods beginning on or after 1 January 2018)

NZ IFRS 9, 'Financial instruments', was issued in September 2014 as a complete version of the standard. NZ IFRS 9 replaces the parts of NZ IAS 39 that relate to the classification and measurement of financial instruments, hedge accounting and impairment. NZ IFRS 9 requires financial assets to be classified into two measurement categories: those measured as at fair value and those measured at amortised cost. The determination is made at initial recognition. The classification depends on the entity's business model for managing its financial instruments and the contractual cash flow characteristics of the instrument. For financial liabilities, the standard retains most of the NZ IAS 39 requirements. The main change is that, in cases where the fair value option is taken for financial liabilities, the part of a fair value change due to an entity's own credit risk is recorded in other comprehensive income rather than the income statement, unless this creates an accounting mismatch. The new hedge accounting model more closely aligns hedge accounting with risk management activities undertaken by companies when hedging their financial and non-financial risks. NZ IFRS 9 introduces a new expected credit loss model for calculating the impairment of financial assets. This standard is effective for reporting periods beginning on or after 1 January 2018. The Group is yet to assess NZ IFRS 9's full impact.

2.2 Consolidation

(a) Subsidiaries

Subsidiaries are all entities (including structured entities) over which the Group has control. The Group controls an entity when the Group is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. Subsidiaries are fully consolidated from the date on which control is transferred to the Group. They are deconsolidated from the date that control ceases.

The Group applies the purchase method to account for business combinations. The consideration transferred for an acquisition of a subsidiary is measured as the fair value of assets given, equity instruments issued, and liabilities incurred or assumed at the date of exchange. Identifiable assets acquired and liabilities and contingent liabilities assumed in a business combination are measured initially at their fair values at the acquisition date, irrespective of the extent of any minority interest.

Acquisition-related costs are expensed as incurred.

The excess of the consideration transferred the amount of any non-controlling interest in the acquiree and the acquisition-date fair value of any previous equity interest in the acquiree over the fair value of the identifiable net assets acquired is recorded as goodwill. If the total consideration transferred and non-controlling interest is less than the fair value of the net assets of the subsidiary acquired in the case of a bargain purchase, the difference is recognised directly in the income statement.

Inter-company transactions, balances and unrealised gains on transactions between group companies are eliminated. Unrealised losses are also eliminated.

Accounting policies of subsidiaries have been changed where necessary to ensure consistency with the policies adopted by the Group.

(b) Joint Arrangements

The Group has applied NZ IFRS 11 to all joint arrangements as of 1 April 2013. Under NZ IFRS 11 investments in joint arrangements are classified as either joint operations or joint ventures depending on the

contractual rights and obligations of each investor. Alpine Energy Limited has assessed the nature of its two joint arrangements and determined them to be joint ventures. Joint ventures are accounted for using the equity method.

Under the equity method of accounting, interests in joint venture are initially recognised at cost and adjusted thereafter to recognise the Group's share of the post-acquisition profits or losses and movements in other comprehensive income. When the Group's share of losses in a joint venture equals or exceeds its interests in the joint ventures (which includes any long-term interests that, in substance, form part of the Group's net investment in the joint ventures), the Group does not recognise further losses, unless it has incurred obligations or made payments on behalf of the joint ventures.

Unrealised gains on transactions between the Group and its joint ventures are eliminated to the extent of the group's interest in the joint ventures. Unrealised losses are also eliminated unless the transaction provides evidence of an impairment of the asset transferred. Accounting policies of the joint ventures have been changed where necessary to ensure consistency with the policies adopted by the Group. This has been applied from 1 April 2013.

2.3 Foreign currency translation

(a) Functional and presentation currency

Items included in the financial statements are measured using the currency of the primary economic environment in which the entity operates ("the functional currency"). The consolidated financial statements are presented in New Zealand dollars, which is the Group's functional and presentation currency.

(b) Transactions and balances

Transactions in foreign currencies are translated into the functional currency using the exchange rates at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at year-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in the income statement, except when deferred in other comprehensive income as qualifying cash flow hedges and qualifying net investment hedges. Foreign exchange gains and losses that relate to borrowings and cash and cash equivalents are presented in the statement of comprehensive income within 'finance income or costs'. All other foreign exchange gains and losses are presented within 'Other (losses)/gains-net'.

2.4 Property, plant and equipment

Land and buildings are shown at fair value, based on valuations by external independent valuers, less subsequent depreciation for buildings. Valuations are performed with sufficient regularity to ensure that the fair value of a revalued asset does not differ materially from its carrying amount. Any accumulated depreciation at the date of revaluation is eliminated against the gross carrying amount of the asset, and the net amount is restated to the revalued amount of the asset. All other property, plant and equipment is stated at historical cost less depreciation. Historical cost includes expenditure that is directly attributable to the acquisition of the items. Cost may also include transfers from equity of any gains/losses on qualifying cash flow hedges of foreign currency purchases of property, plant and equipment.

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Group and the cost of the item can be measured reliably. The carrying amount of the replaced part is derecognised. All other repairs and maintenance are charged to the income statement during the financial period in which they are incurred.

Increases in the carrying amount arising on revaluation of land and buildings are credited to other comprehensive income and shown as revaluation reserves in shareholders' equity. Decreases that offset previous increases of the same asset are charged in other comprehensive income and debited against other reserves directly in equity; all other decreases are charged to the income statement. Each year the difference between depreciation based on the revalued carrying amount of the asset charged to the income statement and depreciation based on the assets' original cost is transferred from 'other reserves' to 'retained earnings'.

Land is not depreciated. Depreciation of property, plant and equipment is calculated using the straight-line method to allocate their cost or revalued amounts to their residual values over their estimated useful lives. The rates are as follows:

• Reticulation system	1.4% - 10.0%
• Meters and Relays	6.67% - 15.0 %
• Plant and Equipment	7.5% - 50.0%

The assets' residual value and useful lives are reviewed, and adjusted if appropriate, at each balance sheet date.

Capital work in progress is not depreciated until commissioned.

An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount.

Gains and losses on disposals are determined by comparing proceeds with carrying amount and are recognised within "Other (losses)/gains – net" in the statement of comprehensive income.

When revalued assets are sold, the amounts included in revaluation reserves are transferred to retained earnings.

2.5 Intangible assets

(a) Computer software

Costs associated with maintaining computer software programmes are recognised as an expense as incurred. Development costs that are directly attributable to the design and testing of identifiable and unique software products controlled by the Group are recognised as intangible assets when the following criteria are met:

- it is technically feasible to complete the software product so that it will be available for use;
- management intends to complete the software product and use or sell it;
- there is an ability to use or sell the software product;
- it can be demonstrated how the software product will generate probable future economic benefits;
- adequate technical, financial and other resources to complete the development and to use or sell the software product are available; and
- the expenditure attributable to the software product during its development can be reliably measured.

Directly attributable costs that are capitalised as part of the software product include the software development employee costs and an appropriate portion of relevant overheads.

Other development expenditures that do not meet these criteria are recognised as an expense as incurred. Development costs previously recognised as an expense are not recognised as an asset in a subsequent period.

Computer software development costs recognised as assets have a finite useful life and are amortised over their economic useful life of 2-5 years.

(b) Easements

Assets sited on easements will normally be renewed at the end of their economic life in the same location that they are currently housed. On this basis the easement itself has an infinite life. Easements are recorded at cost and are tested annually for any sign of impairment and whenever there is an indicator of impairment.

2.6 Impairment of non-financial assets

Intangible assets that have an indefinite useful life or intangible assets not ready to use are not subject to amortisation and are tested annually for impairment. Assets that are subject to amortisation are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs of disposal and value in use. For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are largely independent cash inflows (cash-generating units). Prior impairments of non-financial assets (other than goodwill) are reviewed for possible reversal at each reporting date.

2.7 Financial assets

2.7.1 Classification

The Group classifies its financial assets in the following categories: financial assets at fair value through profit or loss, loans and receivables, held to maturity investments and available for sale financial assets. The classification depends on the purpose for which the financial assets were acquired. Management determines the classification of its financial assets at the initial recognition and re-evaluates this designation at every reporting date.

(a) Financial assets at fair value through profit and loss

Financial assets at fair value through profit or loss are financial assets held for trading. A financial asset is classified in this category if acquired principally for the purpose of selling in the short term. Derivatives are also categorised as held for trading unless they are designated as hedges. Assets in this category are classified as current assets if expected to be settled within 12 months, otherwise they are classified as non-current.

(b) Loans and receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. They are included in current assets, except for those with maturities greater than 12 months after the balance sheet date. These are classified as non-current assets. The Group's loans and receivables comprise 'trade and other receivables', 'cash and cash equivalents', and 'other investments' in the balance sheet.

(c) Held to maturity investments

Held to maturity investments are non-derivative financial assets with fixed or determinable payments and fixed maturities that the Group's management has the positive intention and ability to hold to maturity.

(d) Available for sale financial assets

Available for sale financial assets are non-derivatives that are either designated in this category or not classified in any of the other categories. They are included in non-current assets unless the investment matures or management intends to dispose of it within 12 months of the balance sheet date.

2.7.2 Recognition and measurement

Regular purchases and sales of financial assets are recognised on the trade-date – the date on which the Group commits to purchase or sells the asset. Investments are initially recognised at fair value plus transaction costs for all financial assets not carried at fair value through profit or loss. Financial assets carried at fair value through profit or loss are initially recognised at fair value, and transaction costs are expensed in the statement of comprehensive income. Financial assets are derecognised when the rights to receive cash flows from the investments have expired or have been transferred and the Group has transferred substantially all risks and rewards of ownership. Available-for-sale financial assets and financial assets at fair value through profit and loss are subsequently carried at fair value. Loans and receivables are subsequently carried at amortised cost using the effective interest method.

Gains or losses arising from changes in the fair value of the "financial assets at fair value through profit or loss" category are presented in the income statement within "other (losses)/gains-net" in the period in which they arise. Dividend income from financial assets at fair value through profit or loss is recognised in the income statement as part of other income when the group's right to receive payments is established.

2.8 Offsetting financial instruments

Financial assets and liabilities are offset and the net amount reported in the balance sheet when there is a legally enforceable right to offset the recognised amounts and there is an intention to settle on a net basis or realise the asset and settle the liability simultaneously.

2.9 Impairment of financial assets

(a) Assets carried at amortised cost

The Group assesses at the end of each reporting period whether there is objective evidence that a financial asset or group of financial assets is impaired. A financial asset or a group of financial assets is impaired and impairment losses are incurred only if there is objective evidence of impairment as a result of one or more events that occurred after the initial recognition of the asset (a 'loss event') and that loss event (or events)

has an impact on the estimated future cash flows of the financial asset or group of financial assets that can be reliably estimated.

Evidence of impairment may include indications that the debtors or a group of debtors is experiencing significant financial difficulty, default or delinquency in interest or principal payments, the probability that they will enter bankruptcy or other financial reorganisation, and where observable data indicate that there is a measurable decrease in the estimated future cash flows, such as changes in arrears or economic conditions that correlate with defaults.

For loans and receivables category, the amount of the loss is measured as the difference between the asset's carrying amount and the present value of estimated future cash flows (excluding future credit losses that have not been incurred) discounted at the financial asset's original effective interest rate. The carrying amount of the asset is reduced and the amount of the loss is recognised in the consolidated income statement. If a loan or held-to-maturity investment has a variable interest rate, the discount rate for measuring any impairment loss is the current effective interest rate determined under the contract. As a practical expedient, the Group may measure impairment on the basis of an instrument's fair value using an observable market price.

If, in a subsequent period, the amount of the impairment loss decreases and the decrease can be related objectively to an event occurring after the impairment was recognised (such as an improvement in the debtor's credit rating), the reversal of the previously recognised impairment loss is recognised in the consolidated income statement.

2.10 Inventories

Inventories are stated at the lower of weighted average cost or net realisable value. Net realisable value is the estimated selling price in the ordinary course of business, less applicable variable selling expenses. The cost of work in progress comprises design costs, raw materials, direct labour, and other direct costs and related production overheads (based on normal operating capacity).

2.11 Trade receivables

Trade receivables are amounts due from customers for merchandise sold or services performed in the ordinary course of business. If collection is expected in one year or less (or in the normal operating cycle of the business if longer), they are classified as current assets. If not, they are presented as non-current assets.

Trade receivables are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method, less provision for impairment.

Collectability of trade receivables is reviewed on an ongoing basis. Debts which are known to be uncollectible are written off. A provision for doubtful receivables is established when there is objective evidence that the group will not be able to collect all amounts due according to the original terms of receivables. The amount of the provision is the difference between the asset's carrying amount and the present value of estimated future cash flows, discounted at the effective interest rate.

2.12 Share capital

Ordinary shares are classified as equity. Incremental costs directly attributable to the issue of new shares are shown in equity as a deduction, net of tax, from the proceeds.

2.13 Trade Payables

Trade payables are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Accounts payable are classified as current liabilities if payment is due within one year or less (or in the normal operating cycle of the business if longer). If not they are presented as non-current liabilities. The amounts are unsecured and are usually paid within 30 days of recognition.

Trade payables are recognised at fair value.

2.14 Borrowings

Borrowings are initially recognised at fair value, net of transaction costs incurred. Borrowings are subsequently carried at amortised cost; any difference between the proceeds (net of transaction costs) and the redemption value is recognised in the income statement over the period of the borrowings using the effective interest method.

Borrowings are classified as current liabilities unless the Group has an unconditional right to defer settlement of the liability for at least 12 months after the balance sheet date.

Fees paid on the establishment of loan facilities are recognised as transaction costs of the loan to the extent that it is probable that some or all of the facility will be drawn down. In this case, the fee is deferred until the draw-down occurs. To the extent there is no evidence that it is probable that some or all of the facility will be drawn down, the fee is capitalised as a pre-payment for liquidity services and amortised over the period of the facility to which it relates.

2.15 Borrowing costs

General and specific borrowing costs directly attributable to the acquisition, construction or production of qualifying assets, which are assets that take a substantial period of time to get ready for their intended use or sale, are added to the cost of those assets, until such time as the assets are substantially ready for their intended use or sale.

Investment income earned on the temporary investment of specific borrowings pending their expenditure on qualifying assets is deducted from the borrowing costs eligible for capitalisation.

All other borrowing costs are recognised in profit or loss in the period in which they are incurred.

2.16 Current and deferred income tax

The tax expense for the period comprises current and deferred tax. Tax is recognized in the income statement, except to the extent that it relates to items recognised in other comprehensive income or directly in equity. In this case the tax is also recognised in other comprehensive income or directly in equity, respectively.

The current income tax charge is calculated on the basis of the tax laws enacted or substantively enacted at the balance sheet date in the countries where the Company and its subsidiaries operate and generate taxable income. Management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulation is subject to interpretation. It establishes provisions where appropriate on the basis of amounts expected to be paid to the tax authorities.

Deferred income tax is recognised on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the consolidated financial statements. However, deferred tax liabilities are not recognised if they arise from the initial recognition of goodwill; deferred income tax is not accounted for if it arises from initial recognition of an asset or liability in a transaction other than a business combination that at the time of the transaction affects neither accounting nor taxable profit or loss. Deferred income tax is determined using tax rates (and laws) that have been enacted or substantively enacted by the balance sheet date and are expected to apply when the related deferred income tax asset is realised or the deferred income tax liability is settled.

Deferred income tax assets are recognised only to the extent that it is probable that future taxable profit will be available against which the temporary differences can be utilised.

Deferred income tax liabilities are provided on taxable temporary differences arising from investments in subsidiaries, associates and joint arrangements, except for deferred income tax liability where the timing of the reversal of the temporary difference is controlled by the Group and it is probable that the temporary difference will not reverse in the foreseeable future.

Deferred income tax assets are recognised on deductible temporary differences arising from investments in subsidiaries, associated and joint arrangements only to the extent that it is probable the temporary difference will reverse in the future and there is sufficient taxable profit available against which the temporary difference can be utilised.

Deferred income tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets against current tax liabilities and when the deferred income taxes assets and liabilities relate to income taxes levied by the same taxation authority on either the same taxable entity or different taxable entities where there is an intention to settle the balances on a net basis.

2.17 Employee benefits

Liabilities for wages and salaries, including non-monetary benefits, annual leave, and accumulating sick leave expected to be settled within 12 months of the reporting date are recognised in other payables in respect of employees' services up to the reporting date and are measured at the amounts expected to be paid when the liabilities are settled. Liabilities for non-accumulating sick leave are recognised when the leave is taken and measured at the rates paid or payable. The liability for employee entitlements is carried at the present value of the estimated future cash flows.

The group has no post-employment schemes.

2.18 Provisions

Provisions for legal claims, service warranties and rental obligations are recognised when the group has a present legal or constructive obligation as a result of past events; it is probable that an outflow of resources will be required to settle the obligation; and the amount has been reliably estimated. Provisions are not recognised for future operating losses.

Where there are a number of similar obligations, the likelihood that an outflow will be required in settlement is determined by considering the class of obligations as a whole. A provision is recognised even if the likelihood of an outflow with respect to any one item included in the same class of obligations may be small.

Provisions are measured at the present value of the expenditures expected to be required to settle the obligation using a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the obligation.

2.19 Revenue recognition

Revenue is measured at the fair value of consideration received or receivable and represents amounts receivable for goods supplied stated net of discounts, rebates and goods and services tax. The Group recognises revenue when the amount of revenue can be reliably measured; when it is probable that future economic benefits will flow to the entity; and when specific criteria have been met for each of the group's activities, as described below.

(a) Sales of goods

Sales of goods are recognised when a Group entity has delivered a product to the customer. Retail sales are usually in cash or by bank transfer. The recorded revenue is the gross amount of sale.

(b) Sales of services

Sales of services are recognised in the accounting period in which the services are rendered, by reference to stage of completion of the specific transaction and assessed on the basis of the actual service provided as a proportion of the total services to be provided.

(c) Construction contracting

Contract revenue and expenses related to individual construction contracts are recognised as a percentage of completion of each contract on a monthly basis.

(d) Rental income

Rental income is recognised on an accruals basis in accordance with the substance of the relevant agreements.

2.20 Interest income

Interest income is recognised using the effective interest method. When a loan and receivable is impaired, the Group reduces the carrying amount to its recoverable amount, being the estimated future cash flow discounted at the original effective interest rate of the instrument, and continues unwinding the discount as interest income. Interest income on impaired loan and receivables is recognised using the original effective interest rate.

2.21 Dividend income

Dividend income is recognised when the right to receive payment is established.

2.22 Leases

(a) Group is the lessee

Leases in which a significant portion of the risks and rewards of ownership are retained by the lessor are classified as operating leases. Payments made under operating leases (net of any incentives received from the lessor) are charged to the income statement on a straight-line basis over the period of the lease.

(b) Group is the lessor

Assets leased to third parties under operating leases are included in property, plant and equipment in the balance sheet. They are depreciated over their expected useful lives on a basis consistent with similar owned property, plant and equipment. Rental income (net of any incentives given to lessees) is recognised on a straight-line basis over the lease term.

2.23 Dividend distribution

Dividend distribution to the Company's shareholders is recognised as a liability in the Group's financial statements in the period in which the dividends are approved by the Company's shareholders.

2.24 Construction contracts

A construction contract is defined by IAS 11, 'Construction contracts', as a contract specifically negotiated for the construction of an asset.

When the outcome of a construction contract can be estimated reliably and it is probable that the contract will be profitable, contract revenue is recognised over the period of the contract by reference to the stage of completion. Contract costs are recognised as expenses by reference to stage of completion of the contract activity at the end of the reporting period. When it is probable that total contract costs will exceed total contract revenue, the expected loss is recognised as an expense immediately.

When the outcome of a construction contract cannot be estimated reliably, contract revenue is recognised only to the extent of the contract costs incurred that are likely to be recoverable.

The Group uses the 'percentage-of-completion method' to determine the appropriate amount to recognise in a given period. The stage of completion is measured by reference to the contract costs incurred up to the end of the reporting period as a percentage of total estimated costs for each contract.

Contract work in progress is stated at cost less amounts invoiced to customers. Cost includes all expenses directly related to specific contracts.

2.25 Goods and services tax (GST)

The statement of comprehensive income has been prepared so that all components are stated exclusive of GST. All items in the balance sheet are stated net of GST, with the exception of receivables and payables, which include GST invoiced.

MACKENZIE DISTRICT COUNCIL

REPORT TO: MACKENZIE DISTRICT COUNCIL

SUBJECT: Adoption of the Annual Plan 2016-2017

MEETING DATE: 10 May 2016

REF: PAD 10/1 2016-17

FROM: Finance Manager Paul Morris
Projects & Administration Manager Toni Morrison

PURPOSE OF REPORT:

The purpose of this report is for Council to adopt the 2016-2017 Annual Plan.

STAFF RECOMMENDATIONS:

1. That the report be received.
2. That pursuant to section 95(1) of the Local Government Act 2002, the Council adopts 2016-2017 Annual Plan attached as Appendix A, to take effect from 1 July 2016.
3. That staff be given the delegation to make minor formatting and grammatical amendments prior to publication.
4. That the Council informs the public of the adoption of the Annual Plan 2016-2017 and its contents.

WAYNE BARNETT
CHIEF EXECUTIVE OFFICER

ATTACHMENTS:

Attachment 1: Mackenzie District Council Annual Plan 2016-2017.

BACKGROUND:

As the Council is aware, amendments to the Local Government Act 2002 (LGA) in 2014 have streamlined the process for developing and adopting Annual Plans. Essentially the Act now provides that where there are no significant or material differences from the content of Year 2 of the Long Term Plan 2015 – 25, the Council is not required to consult during the development of the Annual Plan.

The purpose of an Annual Plan is to:

- (a) contain the proposed annual budget and funding impact statement for the year to which the annual plan relates; and
- (b) identify any variation from the financial statements and funding impact statement included in the local authority's long-term plan in respect of the year; and
- (c) provide integrated decision making and co-ordination of the resources of the local authority; and
- (d) contribute to the accountability of the local authority to the community.

(section 95 LGA)

The content of an annual plan is prescribed by Part 2 of Schedule 10 LGA.

The Council has had a number of workshops and meetings on the process, and considered the budgets and work programmes for the 2016/17 year. At its meeting of 29 March 2016, the Council approved a number of matters for inclusion in the Annual Plan. It further resolved that the identified differences from Year 2 of the LTP were not significant or material, and that it would not undertake consultation on the Annual Plan.

A draft Annual Plan has since been circulated to Council for review and comment. The Annual Plan has now been updated to reflect all Council decisions made to date. Attached is the final Annual Plan, for adoption by Council.

Following adoption, there will be information placed on the Council's website about the process and the adoption of the Annual Plan and its contents. The Council also proposes to engage with interested parties such as Meridian, Genesis and Federated Farmers.

The Council will be asked to pass its rates resolution setting the rates at its meeting of 21 June 2016.

POLICY STATUS:

The statutory process to develop an Annual Plan for the 2016/17 year is set down in the Local Government Act 2002.

SIGNIFICANCE OF DECISION:

In accordance with the Council's Significance & Engagement policy, this matter has been assessed as significant because it relates to the 2016/17 Annual Plan.

OPTIONS:

Option 1: adopt the Annual Plan 2016-2017.

Option 2: instruct staff to amend the Annual Plan 2016-2017.

In developing the Annual Plan the Council instructed staff to prepare budgets and programmes based on what was set out in year 2 of the LTP. This Annual Plan delivers the levels of service described in the LTP, within the rates and debt limits set in the Financial Strategy. The Plan reflects Council decisions to date. If Council chooses not to adopt the Annual Plan then this will potentially delay adoption and the setting of rates. For this reason, Option 1 is recommended.

CONCLUSION:

The Council is asked to adopt the Annual Plan which will take effect from 1 July 2016.



Mackenzie District Council

Annual Plan

2016 – 2017

“Fostering Our Community”

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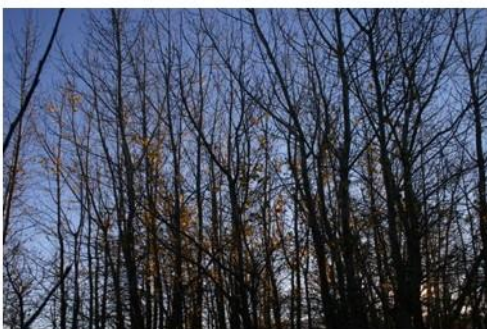
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INTRODUCTION

Introduction from the Mayor and Chief Executive Officer

How Your Rates are Spent

Key Projects for 2016/17

Introduction from the Mayor and Chief Executive Officer

It is a pleasure to introduce this 2016/17 Annual Plan for the Mackenzie District Council. The document is our first Annual Plan to be produced under the provisions of the 2014 Local Government Act amendments. The changes to the Act are significant in relation to the consultation requirements for Local Government. The provisions allow a more focused community discussion through the Long Term Plan process and streamline the implementation of subsequent Annual Plans as long as they maintain the direction set by the Long Term Plan process. Our view is that these are positive changes.

The objectives and overall implementation provisions of this Annual Plan are essentially unchanged from year two of the Long Term Plan. Council has considered the effect of all changes and determined them to be minor in their specific and cumulative effects, as such the decision has been made to not re-consult as part of the Plan process. We look forward to continuing to implement the goals that our community has sought.

Council's overriding objective for the Long Term Plan was to ensure that the District's affairs were managed in a prudent and responsible manner. The Annual Plan delivers this, with an average rates rise of 4.96% which is below the rates cap of 6% set in the Council's Financial Strategy.

The key focus areas for 2016/17 are to progress the District Plan Review, reduce our road maintenance backlog, continue with water main replacements and further develop

our commercial subdivisions, community and reserve facilities.

The provision of road services is the biggest single cost item for our Council. We are aware that our roading budgets have been set too low in previous plans. This has led to the accumulation of a maintenance backlog as well as a funding shortfall. These issues were canvassed through the Long Term Plan and the decision taken to fund catch-up work in addition to that which is co-funded by the New Zealand Transport Agency. This work has been started and will continue in 2016/17.

This plan also maintains the funding allocations that were included in the Long Term Plan to provide for costs associated with Plan Change 13 (a formal change to the District Plan) and historical solid waste management costs. This reflects a deliberate and prudent move to address reserve fund deficits that have been built up over a period of time.

The plan also includes allowance for staff and resources to meet the demand that will arise as a result of the strong development levels we are experiencing at the moment.

Overall this plan reflects a continuation of the very strong progress that is being made within our district. We are confident that the plan maintains appropriate financial control to strengthen the district while also allowing for proper maintenance of our asset base and supporting the exciting growth opportunities.



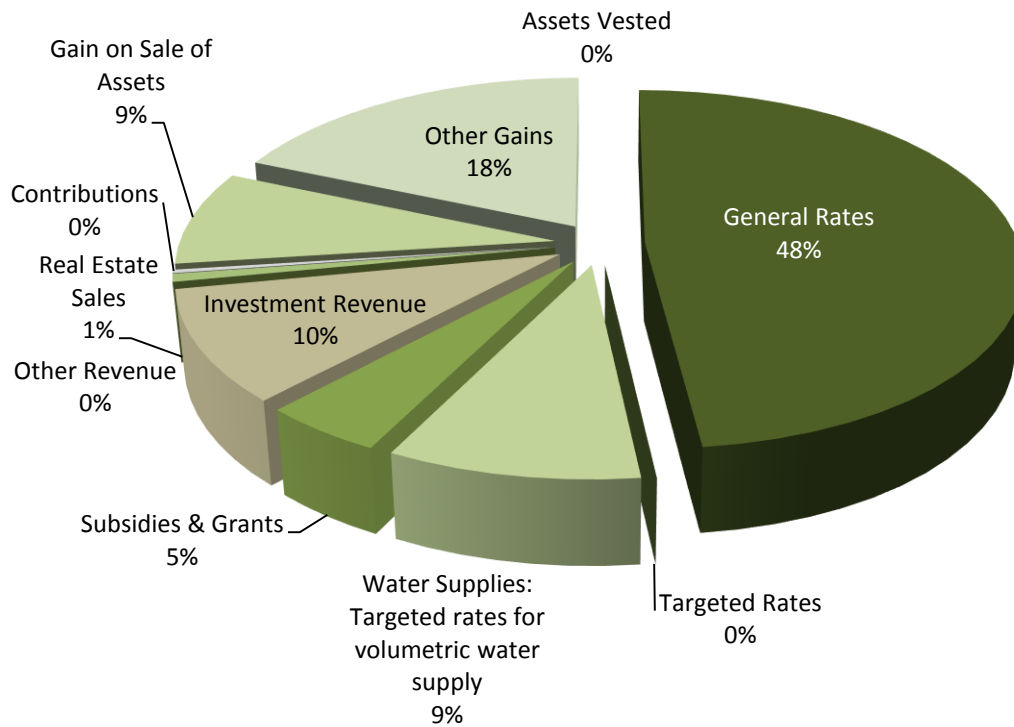
Mayor
Claire Barlow



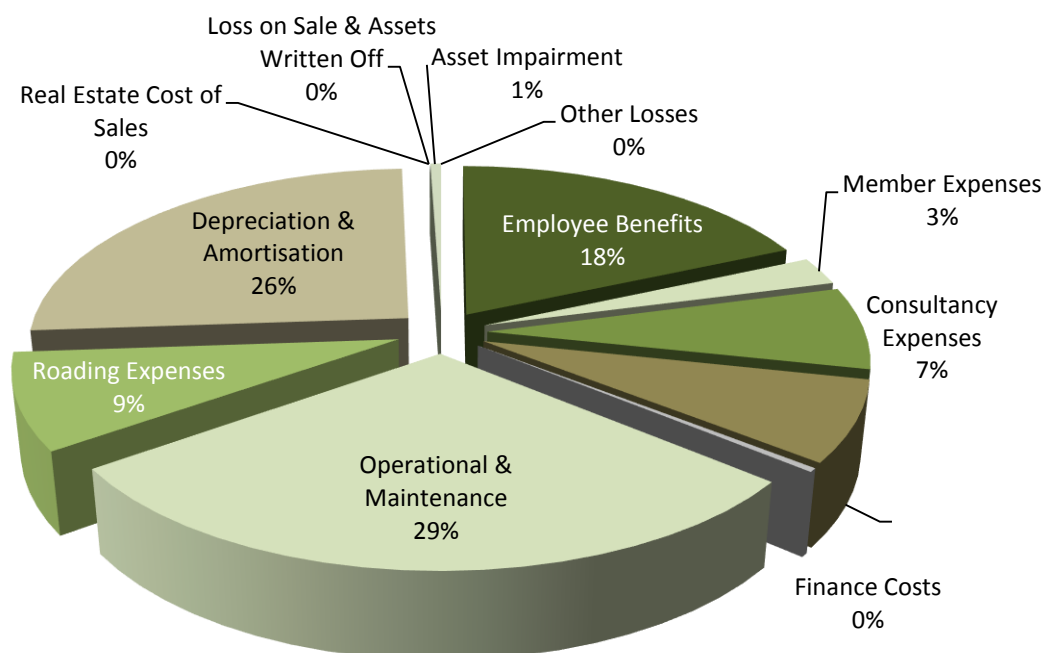
Chief Executive Officer
Wayne Barnett

How Your Rates Are Spent

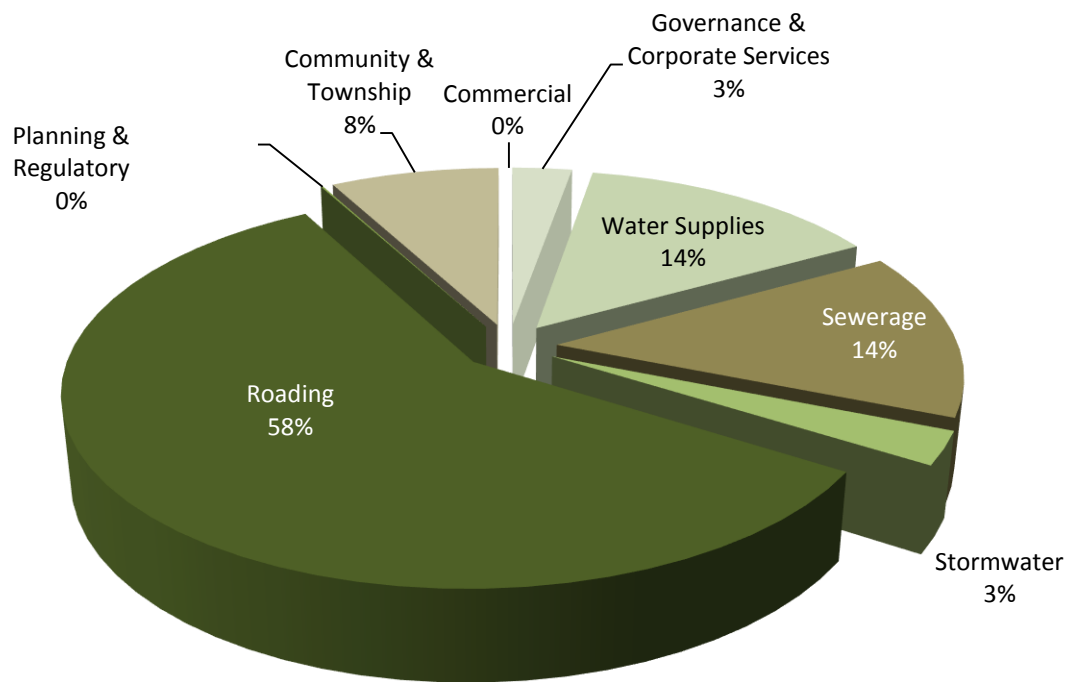
Forecast Operating Income for the 2016/17 year (\$16.926 million)



Forecast Operating Expenditure by Activity for the 2016/17 year (\$13.832 million)



Forecast Capital Expenditure for the 2016/17 year (\$8.227 million)



Key Projects for 2016/17

Tekapo Commercial Development

Council is progressing through the development of the significant new commercial area at the Tekapo Lakefront. Construction is nearing completion for the seven new sites with a total area of approximately 15,000 m². The development will support business growth and cater for the unprecedented tourist numbers currently being attracted to our region. There are a number of important ancillary facilities scheduled for construction during this annual plan period. These include new toilets at the western end of the township, improved car parking and landscaping within the new town area.

Additional Public Toilets

The Council will continue its programme of providing services and community and visitor facilities. It will replace the current public toilets in Tekapo with new toilets in the western carpark area, to address the need for improved services for the community and visitors to Tekapo. This project has a budgeted cost of \$400,000. Additional toilets are also proposed at Lake Ruataniwha, and the toilets at Lake Wardell will also be upgraded.

Tekapo Sewage Disposal Upgrade

The Tekapo wastewater system has previously experienced issues in relation to the disposal of treated effluent during winter freezing periods. The Council has initiated investigations at the site and will complete its review of disposal options and undertake an upgrade of the disposal system in the 2016/17 period. This will ensure that the system complies with appropriate environmental standards and will enable the Council to meet its obligations in respect of resource consents.

Fairlie Water Supply Trunk Main Works

In 2015/16 the Council experienced a number of breakages in the Fairlie trunk main, resulting in water shortage and supply issues in the Fairlie township. The Council approved funding to begin a programme to replace the main pipe. This work is ongoing, and \$300,000 has been set aside to complete these works in 2016/17. The upgrade of the trunk main will ensure continuity and reliability of the water supply to Fairlie.

Transportation Strategy

The Council is developing a Transportation Strategy which will be an important component in addressing the significant growth currently being experienced in the district. This strategy will provide a shared vision and objectives for communities and will assist Council to identify, plan and prioritise transport projects to respond to population and tourist growth, and other changing needs.

Twizel Water Supply Pipe Upgrade Work

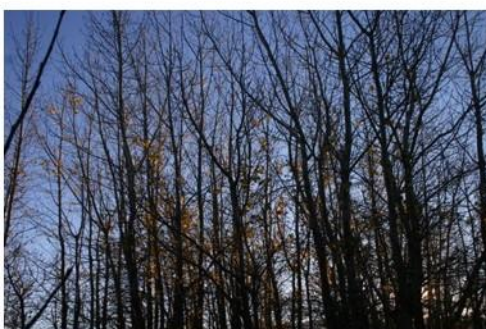
The Council's Infrastructure Strategy identifies one of the biggest issues facing the Council in the next 30 years is the need to replace asbestos cement and concrete water pipes in each of the three towns. This is a significant programme of work and the Council is committed to the upgrades to provide safe and reliable drinking water supplies to its communities. Included in the 2016/17 programme are planned pipe upgrades in the Tekapo Drive/ MacAulay Place/ Godley Street area in Twizel, at a cost of \$450,000.

District Plan Review

Under the Resource Management Act 1991 (RMA), every district council must have a District Plan. The Mackenzie District Plan was adopted in 2004 and much of it is due for review. The Council has initiated the review programme, and proposes to consult on draft provisions and commence the formal public submissions process in 2016/17. This will provide the opportunity for the community and stakeholders to have their say.

Roading

The Council views the roading network as vital infrastructure, underpinning the district's economic wellbeing and supporting significant activities such as farming and tourism. The provision of road services is the biggest single cost item for the Council. In its Long Term Plan the Council set out an ongoing programme of works to address a backlog of maintenance requirements on the district's roads. This programme of work will continue, to maintain required levels of service.



COUNCIL ACTIVITIES

Introduction

Roading

Water Supplies

Sewerage

Stormwater

Regulatory Services

Community and Township Services

Governance and Corporate Services

Tourism, Economic Development and
Commercial Activities

Council Activities – Introduction

Council activities are grouped into eight categories:

- Roding
- Water Supplies
- Sewerage
- Stormwater
- Regulatory Services
- Community and Township Services
- Governance and Corporate Services
- Tourism, Economic Development and Commercial Activities

Each of these activities is summarised in the following pages, and includes comments where there are changes from Year 2 (2016/17) of the Long Term Plan 2015-25 (LTP).

Roading

What we do

The Council owns and maintains 731 kilometres of local roads within the district, made up of 212 km sealed and 519 km of unsealed roads. That is all the roads in the district except for state highways which are managed by the New Zealand Transport Agency (NZTA), and roading in Mt Cook Village which is administered by the Department of Conservation. Rural roads make up 92% of the network.

The roading assets administered by the Council include more than just roads. There are also footpaths, bridges, streetlights, signage and other assets associated with transportation. The total replacement cost for Council's roading assets is \$84.9 million (July 2013 valuation).

The Council intends to develop a Transportation Strategy, which will provide overall strategic direction for all of Council's roading activities.

Plans for the Year

The roading activity is largely 'business as usual', based on our NZTA approved programme. The Council will continue to fund above the NZTA programme, as signalled in the LTP.

The Council will continue its resealing and re-metalling works, which involve initially addressing the most urgent sites in need of maintenance on both the sealed and unsealed network.

To maintain current service levels on its unsealed roads the Council needs to apply approximately 21,000m³ of wearing course and maintenance metal annually, which will continue in 2016/17. Maintenance of the current levels of service on the sealed network involves resealing 111,000m² (approximately 19km) per annum. The budgeted cost for this is \$1.28 million of which sealing is \$684,000 and metalling is \$596,000.

In addition to reseals, there are sections of road requiring pavement rehabilitation. The Council has provided for ongoing rehabilitation requirements in the 2016/17 year of \$175,000.

Bridges

The Fox Ski Field bridge is programmed for replacement in the 2016/17 year. The Council will consider whether to undertake the replacement of the bridge at the same time as the Frasers Road bridge which was planned for replacement the following year 2017/18. If the two bridge replacements are undertaken simultaneously, this may result in efficiencies in terms of contractor costs. The decision will also depend on assessments of the structural integrity of the bridges in terms of the required timing for the replacements. If both are replaced at the same time, this would be funded as part of the Minor Improvements programme and would have no impact on rates.

Footpaths, Streetlights and Drainage Assets

Footpath works will continue as planned, with the renewal of existing surfaces prioritised in areas of greatest need. The 2016/17 budget for renewals is larger than that of 2015/16, so more renewals will be undertaken.

As with footpaths, the Council's street lighting programme will continue as programmed. Any ageing infrastructure that is replaced as part of maintenance will be replaced with LED lighting. The Council's drainage work programme is also business as usual, as per the LTP.

Variances to the Long Term Plan 2015-2025

The Council noted in its LTP that while it planned to undertake required maintenance of the existing sealed network, there was no provision for major additional seal extensions (new seals) during the LTP period. Minor localised seal extensions, for example for dust mitigation purposes, may be considered on a case by case basis.

However since the LTP was adopted, the Council has reviewed the effects of increased development on adjacent residents at a section of Old Glen Lyon Road in Twizel. A change in road use and increased development at the end of Old Glen Lyon Road has resulted in a significant increase in vehicle traffic and dust nuisance. The Council will seal approximately 1km of road at an additional cost of \$120,000.



Levels of Service, Performance Measures and Targets for 2016/17

Community Outcomes <ol style="list-style-type: none"> 1. A thriving economy 2. Safe, effective and sustainable infrastructure 3. A fit and healthy community 4. An attractive and highly valued natural environment 		
Levels of Service	Performance Measure	Targets 2016/17
Council provides safe, smooth, quality sealed roads in order to reduce travel times and vehicle wear.	The average quality of ride on a sealed local road network, measured by smooth travel exposure.* The percentage of the sealed local road network that is resurfaced.* The percentage of the unsealed road network renewed using wearing course and stabilisation techniques. The percentage of road users satisfied with the roading network.	90% for rural and 75% for urban roads. ≥4% ≥2% ≥80%
Council provides a safe and efficient roading network.	The change from the previous financial year in the number of fatalities and serious injury crashes on the local road network, expressed as a number.* The percentage of customer service requests relating to roads and footpaths to which Council responds within the timeframe specified in the LTP.*	Change from previous financial year= 0 (equates to a total target of ≤2 fatality and serious injury crashes) ≥75% of service requests relating to roads and footpaths will be responded to within 10 working days.
Footpaths are maintained in good condition and are fit for purpose	The percentage of footpaths that fall within the level of service or service standard for the condition of footpaths that is set out in the LTP.*	≥75% of the total length of footpaths are at or above the 'average condition rating'. Condition rating will be undertaken at not less than 5 years frequency.

*Mandatory Performance Measure

Roading Activity Funding

Forecast Financial Summary

Roads Activity Group

For the year ended 30 June 2017

Notes	LTP Budget	LTP Budget	Budget	Variance
	2015/2016	2016/2017	2016/2017	from LTP
	\$000's	\$000's	\$000's	
REVENUE				
Targeted rates	952	1,160	1,154	-6
Subsidies and grants	1,584	1,555	1,553	-2
Other revenue	43	43	26	-17
Financial/upgrade contributions	0	0	0	0
Internal interest income	6	13	0	-13
Internal income	0	0	0	0
Assets vested	0	0	2,673	2,673
TOTAL REVENUE	2,585	2,771	5,406	
EXPENDITURE				
Personnel costs	152	155	172	-17
Consultancy expenses	95	96	100	-4
Administration	0	0	3	-3
Roading expenses	1,201	1,221	1,193	28
Interest on capital reserves	1	1	20	-19
Internal expenses	14	15	19	-4
Finance costs	0	31	36	-5
Depreciation	1,601	1,757	1,995	-238
TOTAL EXPENDITURE	3,064	3,276	3,538	
OPERATING SURPLUS/(DEFICIT)	(479)	(505)	1,868	

Forecast Funding Impact Statement for 2016-2017

Notes	LTP Budget	LTP Budget	Annual Plan
	2015/2016	2016/2017	2016/2017
	\$000's	\$000's	\$000's
SOURCES OF OPERATING FUNDING			
General rates, uniform annual general charges, rates penalties	0	0	0
Targeted rates	952	1,160	1,154
Subsidies and grants for operating purposes	988	960	697
Fees and charges	0	0	0
Internal charges and overheads recovered	6	13	0
Local authorities fuel tax, fines, infringement fees, and other receipts	43	43	26
TOTAL OPERATING FUNDING (A)	1,989	2,176	1,877
APPLICATIONS OF OPERATING FUNDING			
Payments to staff and suppliers	1,448	1,472	1,468
Finance costs	0	31	36
Internal charges and overheads applied	15	16	39
Other operating funding applications	0	0	0
TOTAL APPLICATIONS OF OPERATING FUNDING (B)	1,463	1,519	1,543
Surplus (deficit) of operating funding (A-B)	526	657	334
SOURCES OF CAPITAL FUNDING			
Subsidies and grants for capital expenditure	596	595	855
Development and financial contributions	0	0	0
Increase (decrease) in debt	0	738	738
Gross proceeds from sale of assets	0	0	0
Lump sum contributions	0	0	0
Other dedicated capital funding	0	0	0
TOTAL SOURCES OF CAPITAL FUNDING (C)	596	1,333	1,593
APPLICATIONS OF CAPITAL FUNDING			
Capital expenditure			
- To meet additional demand	0	0	2,673
- To improve the level of service	0	0	0
- To replace existing assets	1,871	2,004	2,124
Increase (decrease) in reserves	(749)	(14)	(2,870)
Increase (decrease) of investments	0	0	0
TOTAL APPLICATIONS OF CAPITAL FUNDING (D)	1,122	1,990	1,927
Surplus (deficit) of capital funding (C-D)	(526)	(657)	(334)
FUNDING BALANCE ((A-B) + (C-D))	0	0	0

Financial and development contributions enable Council to fund likely and foreseeable capital projects that are expected to occur from growth and new development in the District. The use of development contributions is restricted for this specific purpose only. They can not be used to fund operating expenditure.

Reconciliation Surplus of Operating Funding to Cost of Service Statement Net Operating Surplus

Surplus (deficit) of operating funding	526	657	334
Less:			
Depreciation	1,601	1,757	1,995
Add:			
Vested Assets	0	0	2,673
Capital Portion NZTA Funding	596	595	855
OPERATING SURPLUS/(DEFICIT)	(479)	(505)	1,867

Forecast Capital Expenditure

Roads Activity Group

For the year ended 30 June 2017

Projects	Notes	LTP Budget	LTP Budget	Annual Plan
		2015/2016 \$000's	2016/2017 \$000's	2016/2017 \$000's
MEET ADDITIONAL DEMAND				
District Roding				
Vested assets		0	0	2,673
TOTAL CAPITAL EXPENDITURE TO MEET ADDITIONAL DEMAND		0	0	2,673
REPLACE EXISTING ASSETS				
District Roding				
Unsealed road metalling		266	0	596
Sealed road resurfacing		1,002	684	684
Footpath - surfacing		20	122	242
Drainage renewal		60	61	105
Sealed road pavement rehabilitation		173	176	176
Structures component replacements bridges		20	626	20
Structures component replacements cattlestops		6	7	6
Traffic services renewals		69	70	40
Associated improvements				
Minor improvements	2	250	254	250
Plant and Equipment		5	5	5
TOTAL CAPITAL EXPENDITURE TO REPLACE EXISTING ASSETS		1,871	2,005	2,124
TOTAL CAPITAL EXPENDITURE		1,871	2,005	4,797

Water Supplies

What we do

The Water Supplies activity aims to provide for the safe and effective treatment, storage and distribution of water to urban and rural parts of the district.

There are community water supplies in the townships of Twizel, Tekapo, Fairlie and Burkes Pass, a small stand-alone water supply at Pukaki Airport, and rural schemes at Allandale, Kimbell and Albury. The Council manages the four urban schemes, the Pukaki Airport supply, and the rural scheme at Allandale.

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

There are two public stock water race systems in the District. They are Ashwick Opuha and School Road.

The water supply asset includes all Council owned pipelines, valves, hydrants, treatment facilities, and related infrastructure.



Plans for the Year

It is business as usual in the Council's water supply activities for 2016/17. The programme of renewals is ongoing with maintenance to be undertaken as set out in the LTP. Rural water supplies will continue to be operated as they are at present.

As part of the ongoing project of works at Tekapo, Scada telemetry will be installed at the reservoir and at the booster pump at Lochinver. There will be a minor upgrade to the treatment system at Burkes Pass, including the installation of a flow meter to allow accurate monitoring of the quantity of water provided to the township.

Replacement of asbestos cement pipe in Twizel will be undertaken. Pipe renewals will also continue at Fairlie to replace ageing concrete pipes.

Council assets, including some water supply assets, will be revalued in 2016/17. Revaluations are used to set the level of depreciation funding for assets.

Variances from the Long Term Plan 2015-2025

Fairlie trunk main replacement

In 2015/16 the Council experienced a number of breakages in the Fairlie trunk main, resulting in water shortage and supply issues in the Fairlie township. Council approved funding to begin a programme to replace the main pipe. The 2016/17 annual plan provides for \$300,000 to complete these works.

Fairlie Reticulation renewals

As a result of the urgent works required on the Fairlie trunk main, the planned 2015/16 programme of renewals for Fairlie was delayed. These works will be undertaken in the 2016/17 year at the budgeted cost of \$125,000.

Twizel pipe upgrade work

As noted above, the Council will undertake a programme of pipe upgrades in Twizel. The 2016/17 works were planned for Tekapo Drive/ MacAulay Place/ Godley Street area at a budget of \$215,000. However since the works were planned, actual contract costs have been received for the work. The budget has been updated to reflect actual costs of \$450,000.

District-wide service connection reticulation renewals

This programme links to the work programme of mains replacement in the townships, as service connection renewals are done at the same time as mains replacements are undertaken. This is budgeted at a cost of \$60,000 for 2016/17.

While these matters are identified as variances from the programme set out in year 2 of the LTP, they do not constitute significant or material differences.

Levels of Service, Performance Measures and Targets for 2016/17

Community Outcomes <ol style="list-style-type: none"> 1. A thriving economy 2. Safe, effective and sustainable infrastructure 3. An attractive and highly valued natural environment 		
Levels of Service	Performance Measure	Targets 2016/17
Water supplies are available and reliable	<p>The percentage of real water loss from the networked reticulation system.* 1</p> <p>The median response times to attend a call-out in response to a fault or unplanned interruption to the network reticulation system:</p> <ol style="list-style-type: none"> a) Attendance for urgent call- outs: from the time that the Council receives notification to the time that the service personnel reach the site, and b) Resolution of urgent call-outs: from the time that the Council receives notification to the time that service personnel confirm resolution of the fault or interruption, and c) Attendance for non-urgent call-outs: from the time that the Council receives notification to the time that the service personnel reach the site, and d) Resolution of non-urgent call- outs: from the time that the Council receives notification to the time that service personnel confirm resolution of the fault or interruption.* <p>The average consumption of drinking water per day per resident within the District.*</p>	<p>Estimated target: less than 25%</p> <p>a) 2 hours</p> <p>b) 12 hours</p> <p>c) 72 hours</p> <p>d) 120 hours</p> <p>Less than 1.3m³ per person per day within urban schemes.</p>

* Mandatory Performance Measure

¹ There are known and recorded pumped volumes supplied to each scheme. However at present the district's urban schemes are each made up of non-metered and metered supplies, and are a mix of on-demand and restricted supply. This means that there is currently no way to measure a difference between supply and consumption. The Council is able to make a coarse estimate only.

Water Supplies Activity

Forecast Financial Summary

Water Supplies Activity Group

For the year ended 30 June 2017

Notes	LTP Budget	LTP Budget	Budget	Variance from LTP
	2015/2016	2016/2017	2016/2017	
	\$000's	\$000's	\$000's	
REVENUE				
Targeted rates	912	982	984	2
Investment revenue	5	2	2	0
Other revenue	155	161	161	0
Financial/upgrade contributions	0	0	0	0
Other gains	0	0	0	0
Internal interest income	3	3	2	-1
Internal income	3	3	3	0
Assets vested	0	0	91	91
TOTAL REVENUE	1,078	1,151	1,243	
EXPENDITURE				
Personnel costs	11	11	11	0
Consultancy expenses	2	4	14	-10
Administration	36	38	83	-45
Operational and maintenance	460	479	475	4
Interest on capital reserves	55	105	62	43
Internal expenses	3	3	3	0
Finance costs	3	11	11	0
Depreciation	496	495	515	-20
TOTAL EXPENDITURE	1,066	1,146	1,174	
OPERATING SURPLUS/(DEFICIT)	12	5	69	

Forecast Funding Impact Statement for 2016-2017

Notes	LTP Budget	LTP Budget	Annual Plan
	2015/2016	2016/2017	2016/2017
	\$000's	\$000's	\$000's
SOURCES OF OPERATING FUNDING			
General rates, uniform annual general charges, rates penalties	0	0	0
Targeted rates	912	982	984
Subsidies and grants for operating purposes	0	0	0
Fees and charges	0	0	0
Internal charges and overheads recovered	6	6	5
Local authorities fuel tax, fines, infringement fees, and other receipts	160	163	163
TOTAL OPERATING FUNDING (A)	1,078	1,151	1,152
APPLICATIONS OF OPERATING FUNDING			
Payments to staff and suppliers	509	531	583
Finance costs	3	11	11
Internal charges and overheads applied	58	108	65
Other operating funding applications	0	0	0
TOTAL APPLICATIONS OF OPERATING FUNDING (B)	570	650	659
Surplus (deficit) of operating funding (A-B)	508	502	493
SOURCES OF CAPITAL FUNDING			
Subsidies and grants for capital expenditure	0	0	0
Development and financial contributions	0	0	0
Increase (decrease) in debt	105	116	0
Gross proceeds from sale of assets	0	0	0
Lump sum contributions	0	0	0
Other dedicated capital funding	0	0	0
TOTAL SOURCES OF CAPITAL FUNDING (C)	105	116	0
APPLICATIONS OF CAPITAL FUNDING			
Capital expenditure			
- To meet additional demand	0	0	91
- To improve the level of service	1,451	411	1,078
- To replace existing assets	0	10	0
Increase (decrease) in reserves	(838)	197	(676)
Increase (decrease) of investments	0	0	0
TOTAL APPLICATIONS OF CAPITAL FUNDING (D)	613	618	493
Surplus (deficit) of capital funding (C-D)	(508)	(502)	(493)
FUNDING BALANCE ((A-B) + (C-D))	0	0	0

Financial and development contributions enable Council to fund likely and foreseeable capital projects that are expected to occur from growth and new development in the District. The use of development contributions is restricted for this specific purpose only. They can not be used to fund operating expenditure.

Reconciliation Surplus of Operating Funding to Cost of Service Statement Net Operating Surplus

Surplus (deficit) of operating funding	508	502	493
Less:			
Depreciation	496	495	515
Add:			
Vested Assets	0	0	91
Financial Contributions			
OPERATING SURPLUS/(DEFICIT)	12	7	69

Forecast Capital expenditure**Water Supplies Activity Group**

For the year ended 30 June 2017

Projects	Notes	2016	2017	
		LTP Budget	LTP Budget	Budget
		\$000's	\$000's	\$000's
MEET ADDITIONAL DEMAND				
Vested assets	2	0	0	91
TOTAL CAPITAL EXPENDITURE TO MEET ADDITIONAL DEMAND		0	0	91
IMPROVE LEVEL OF SERVICE				
Urban Water				
Town Reticulation - renewal		1,441	382	975
Plant		0	29	33
Service Connections				60
Allandale - Reticulation extension		10	10	10
TOTAL CAPITAL EXPENDITURE TO IMPROVE LEVEL OF SERVICE		1,451	421	1,078
TOTAL CAPITAL EXPENDITURE		1,451	421	1,169

Sewerage

What we do

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

There are community sewerage systems in the townships of Fairlie, Burkes Pass, Tekapo and Twizel. In each case, effluent is collected and treated by way of an oxidation pond system and then discharged to ground. The sewerage asset includes all Council-owned pipelines, manholes, treatment facilities and related infrastructure.



Plans for the Year

Other than the variances outlined below, it is a 'business as usual' approach in this activity. The inspections of sewer mains in Fairlie and Tekapo continues, with a view to establishing a programme of replacement starting in 2017/18.

The Council will install a mag flow meter in the inlet to the Fairlie treatment ponds to measure inflows. This will provide information to assist in managing the Fairlie scheme. Scada telemetry will be installed at the Mackenzie Park pump station in Twizel. As with Fairlie, this equipment will allow better monitoring and management of Council's sewerage systems.

Council assets, including its sewer assets, will be revalued in 2016/17. Revaluations are used to set the level of depreciation funding.

Variances from the Long Term Plan 2015-2025

Tekapo wastewater treatment plant works

In 2015/16 the Council initiated a programme of investigation of the wastewater disposal system in Tekapo as the site was experiencing issues during winter freezing periods. Investigations were undertaken in 2015/16, but work on an alternative disposal system will not be completed as programmed in that year. The Council has therefore provided \$300,000 in the 2016/17 Annual Plan to complete the investigations and works.

Twizel wastewater treatment upgrade

The Council had planned to upgrade and consolidate the Twizel wastewater treatment and land disposal system in the 2015/16 year. However there has been a delay to those works and while there is still some uncertainty around the timing of the project, the Council has budgeted \$720,000 for the 2016/17 year.

While these matters are identified as variances from the programme set out in year 2 of the LTP, they do not constitute significant or material differences. They relate to the timing of projects already planned, rather than new or significant projects.

Levels of Service, Performance Measures and Targets for 2016/17

Community Outcomes <ol style="list-style-type: none"> 1. Safe, effective and sustainable infrastructure 2. A fit and healthy community 3. An attractive and highly valued natural environment 		
Levels of Service	Performance Measure	Targets 2016/17
Sewage is managed without risk to public health	The number of dry weather sewerage overflows from Council's sewerage system, expressed per 1000 sewerage connections to that sewerage system.*	≤5
Safe discharge of wastewater	Compliance with the Council's resource consents for discharge from its sewerage system measured by the number of: <ol style="list-style-type: none"> a) abatement notices b) infringement notices c) enforcement orders, and d) convictions received by the Council in relation those resource consents.*	a) Nil b) Nil c) Nil d) Nil
Sewage is able to be disposed of without significant disruption	Where the Council attends to sewerage overflows resulting from a blockage or other fault in the Council's sewerage system, the following median response times measured: <ol style="list-style-type: none"> a) attendance time: from the time that the territorial authority receives notification to the time that service personnel reach the site, and b) resolution time: from the time that the territorial authority receives notification to the time that service personnel confirm resolution of the blockage or other fault.* 	a) ≤1 hour b) ≤4 hours
Sewage is able to be disposed of without significant disruption	The total number of complaints received by the Council about any of the following: <ol style="list-style-type: none"> a) sewage odour b) sewerage system faults c) sewerage system blockages, and d) the Council's response to issues with its sewerage system, expressed per 1000 connections to the Council's sewerage system.* 	≤50
Sewage is managed without risk to public health	Percentage of ratepayers satisfied with the sewage treatment and disposal service.	85%

* Mandatory Performance Measure

Sewerage Activity

Forecast Financial Summary

Sewerage Activity Group

For the year ended 30 June 2017

Notes	LTP Budget	LTP Budget	Budget	Variance from LTP
	2015/2016	2016/2017	2016/2017	
	\$000's	\$000's	\$000's	
REVENUE				
Targeted rates	443	578	562	-16
Other revenue	6	6	6	0
Financial/upgrade contributions	0	0	0	0
Internal interest income	46	28	35	7
Assets vested	0	0	149	149
TOTAL REVENUE	495	612	752	
EXPENDITURE				
Consultancy expenses	0	0	10	-10
Administration	11	11	41	-30
Operational and maintenance	146	226	199	27
Interest on capital reserves	6	6	6	0
Depreciation	323	360	344	16
TOTAL EXPENDITURE	486	603	600	
OPERATING SURPLUS/(DEFICIT)	9	9	152	

Forecast Funding Impact Statement for 2016-2017

Notes	LTP Budget	LTP Budget	Annual Plan
	2015/2016	2016/2017	2016/2017
	\$000's	\$000's	\$000's
SOURCES OF OPERATING FUNDING			
General rates, uniform annual general charges, rates penalties	0	0	0
Targeted rates	443	578	562
Subsidies and grants for operating purposes	0	0	0
Fees and charges	0	0	0
Internal charges and overheads recovered	46	28	35
Local authorities fuel tax, fines, infringement fees, and other receipts	6	6	6
TOTAL OPERATING FUNDING (A)	495	612	603
APPLICATIONS OF OPERATING FUNDING			
Payments to staff and suppliers	157	237	250
Finance costs	0	0	0
Internal charges and overheads applied	6	6	6
Other operating funding applications	0	0	0
TOTAL APPLICATIONS OF OPERATING FUNDING (B)	163	243	256
Surplus (deficit) of operating funding (A-B)	332	370	347
SOURCES OF CAPITAL FUNDING			
Subsidies and grants for capital expenditure	0	0	0
Development and financial contributions	0	0	0
Increase (decrease) in debt	0	0	0
Gross proceeds from sale of assets	0	0	0
Lump sum contributions	0	0	0
Other dedicated capital funding	0	0	0
TOTAL SOURCES OF CAPITAL FUNDING (C)	0	0	0
APPLICATIONS OF CAPITAL FUNDING			
Capital expenditure			
- To meet additional demand	0	0	149
- To improve the level of service	902	31	1,000
- To replace existing assets	0	0	11
Increase (decrease) in reserves	(570)	339	(813)
Increase (decrease) of investments	0	0	0
TOTAL APPLICATIONS OF CAPITAL FUNDING (D)	332	370	347
Surplus (deficit) of capital funding (C-D)	(332)	(370)	(347)
FUNDING BALANCE ((A-B) + (C-D))	0	0	0

Financial and development contributions enable Council to fund likely and foreseeable capital projects that are expected to occur from growth and new development in the District. The use of development contributions is restricted for this specific purpose only. They can not be used to fund operating expenditure.

Reconciliation Surplus of Operating Funding to Cost of Service Statement Net Operating Surplus

Surplus (deficit) of operating funding	332	370	347
Less:			
Depreciation	323	360	344
Add:			
Vested Assets	0	0	149
OPERATING SURPLUS/(DEFICIT)	9	10	152

Forecast Capital Expenditure**Sewerage Activity Group**

For the year ended 30 June 2017

Projects	Notes	LTP Budget	LTP Budget	Annual Plan
		2015/2016	2016/2017	2016/2017
		\$000's	\$000's	\$000's
MEET ADDITIONAL DEMAND				
Vested assets		0	0	149
TOTAL CAPITAL EXPENDITURE TO MEET ADDITIONAL DEMAND		0	0	149
IMPROVE LEVEL OF SERVICE				
Urban Sewer				
Sewer Reticulation - renewal		902	31	0
Sewer Treatment - new		0	0	1,000
TOTAL CAPITAL EXPENDITURE TO IMPROVE LEVEL OF SERVICE		902	31	1,000
REPLACE EXISTING ASSETS				
Urban Sewer				
Sewer Reticulation - new		0	0	11
TOTAL CAPITAL EXPENDITURE TO REPLACE EXISTING ASSETS		0	0	11
TOTAL CAPITAL EXPENDITURE		902	31	1,160

Stormwater

What we do

Council is responsible for the management of \$3.48 million worth of stormwater assets. Stormwater management is the smallest of the 3 Waters activities. The stormwater network provides drainage away from the road corridor and homes to minimise the incidence of flooding.

There are simple networks in Fairlie, Tekapo and Twizel only. They discharge to ground or to water after flowing through some form of treatment facility such as a swale or larger vegetated treatment area.

Plans for the Year

In the Council's stormwater activity it is 'business as usual' with no major or unusual expenditure expected or planned. There will be some additional stormwater discharges added to the network from the Council's development in Tekapo. As with other assets, revaluation of Council's stormwater assets will also be undertaken in the 2016/17 year.



Variances to the Long Term Plan 2015-2025

There are no significant variances from Year 2 of the Long Term Plan for this activity.

Levels of Service, Performance Measures and Targets for 2016/17

Community Outcomes <ol style="list-style-type: none"> 1. Safe, effective and sustainable infrastructure 2. An attractive and highly valued natural environment 		
Levels of Service	Performance Measure	Targets 2016/17
System adequacy – The stormwater system is adequately sized and maintained.	The number of flooding events that occur in the district.* For each flooding event, the number of habitable floors affected (per 1000 properties connected to the Council's stormwater system)*	Less than or equal to two flooding events. Less than or equal to two per flooding event, per 1000 properties connected to the stormwater system.
Discharge compliance – The stormwater system is managed in accordance with consent conditions.	Compliance with the Council's resource consents for discharge from its stormwater system, measured by the number of abatement notices, infringement notices, enforcement orders, and convictions*	Nil abatement notices Nil infringement notices Nil enforcement orders Nil convictions
Response times – Flooding events from the stormwater system are promptly attended to.	The median response time to attend a flooding event, measured from the time that the Council receives notification to the time that service personnel reach the site.*	Two hours, including travel time to remote parts of the district.
Customer satisfaction – The stormwater system is managed to an appropriate quality of service.	The number of complaints received by the Council about the performance of its stormwater system, expressed per 1000 properties connected to the stormwater system.*	Less than five complaints per 1000 properties connected to the stormwater system.

* Mandatory Performance Measure

Stormwater Activity

Forecast Financial Summary

Stormwater Activity Group

For the year ended 30 June 2017

	LTP Budget	LTP Budget	Budget	Variance
Notes	2015/2016	2016/2017	2016/2017	from LTP
	\$000's	\$000's	\$000's	
REVENUE				
Targeted rates	79	85	99	14
Financial/upgrade contributions	0	0	0	0
Internal interest income	8	10	12	2
Assets vested	0	0	232	232
TOTAL REVENUE	87	95	343	
EXPENDITURE				
Consultancy expenses	0	0	6	-6
Administration	1	1	10	-9
Operational and maintenance	25	28	29	-1
Depreciation	62	66	67	-1
TOTAL EXPENDITURE	88	95	112	
OPERATING SURPLUS/(DEFICIT)	(1)	0	231	

Forecast Funding impact statement for 2016-2017

Notes	LTP Budget	LTP Budget	Annual Plan
	2015/2016	2016/2017	2016/2017
	\$000's	\$000's	\$000's
SOURCES OF OPERATING FUNDING			
General rates, uniform annual general charges, rates penalties	0	0	0
Targeted rates	79	85	99
Subsidies and grants for operating purposes	0	0	0
Fees and charges	0	0	0
Internal charges and overheads recovered	8	10	12
Local authorities fuel tax, fines, infringement fees, and other receipts	0	0	0
TOTAL OPERATING FUNDING (A)	87	95	111
APPLICATIONS OF OPERATING FUNDING			
Payments to staff and suppliers	26	29	45
Finance costs	0	0	0
Internal charges and overheads applied	0	0	0
Other operating funding applications	0	0	0
TOTAL APPLICATIONS OF OPERATING FUNDING (B)	26	29	45
Surplus (deficit) of operating funding (A-B)	61	66	66
SOURCES OF CAPITAL FUNDING			
Subsidies and grants for capital expenditure	0	0	0
Development and financial contributions	0	0	0
Increase (decrease) in debt	0	0	0
Gross proceeds from sale of assets	0	0	0
Lump sum contributions	0	0	0
Other dedicated capital funding	0	0	0
TOTAL SOURCES OF CAPITAL FUNDING (C)	0	0	0
APPLICATIONS OF CAPITAL FUNDING			
Capital expenditure			
- To meet additional demand	0	0	232
- To improve the level of service	0	0	0
- To replace existing assets	0	0	0
Increase (decrease) in reserves	61	66	(166)
Increase (decrease) of investments	0	0	0
TOTAL APPLICATIONS OF CAPITAL FUNDING (D)	61	66	66
Surplus (deficit) of capital funding (C-D)	(61)	(66)	(66)
FUNDING BALANCE ((A-B) + (C-D))	0	0	0

Financial and development contributions enable Council to fund likely and foreseeable capital projects that are expected to occur from growth and new development in the District. The use of development contributions is restricted for this specific purpose only. They can not be used to fund operating expenditure.

Reconciliation Surplus of Operating Funding to Cost of Service Statement Net Operating Surplus

Surplus (deficit) of operating funding	61	66	66
Less:			
Depreciation	62	66	67
Add:			
Vested Assets	0	0	232
OPERATING SURPLUS/(DEFICIT)	(1)	0	231

Forecast Capital Expenditure**Stormwater Activity Group**

For the year ended 30 June 2017

Projects	Notes	LTP Budget	LTP Budget	Annual Plan
		2015/2016	2016/2017	2016/2017
		\$000's	\$000's	\$000's
MEET ADDITIONAL DEMAND				
Vested assets		0	0	232
TOTAL CAPITAL EXPENDITURE TO MEET ADDITIONAL DEMAND		0	0	232
TOTAL CAPITAL EXPENDITURE				
		0	0	232

Regulatory Services

What we do

The Regulatory Services group of activities includes environmental and planning functions, building control, public health and liquor licensing, rural fire, civil defence and animal control.

Plans for the Year

Bylaws and Policy

In the 2016/17 year, the Council will investigate the development of a Local Approved Products Policy and whether one is necessary or appropriate to manage whether and where 'legal highs' may be sold. It will also continue to review any Council policies and bylaws that are due for renewal.



Resource Management and Planning

The Council continues with the review of the District Plan. Public notification of proposed provisions is due in the 2016/17 year. It is also likely that there will be ongoing work in relation to Plan Change 13 (landscape management in the Mackenzie Basin) as this continues to progress through the Environment Court process. The Council will also complete the processing of Private Plan Change 16 at Tekapo in the 2016/17 year. Resource consent numbers increased in the 2015/16 year, and these higher levels of consents are also likely to occur in the 2016/17 year.

Building Control

Building control work is expected to continue to increase steadily over the year as outlined in the LTP.

Animal Control, Health & Liquor Regulation

The Council has planned to continue its current services in respect of dog and animal control. Health and liquor functions will remain contracted to Timaru District Council. Timaru District Council has sub-contracted the Food Act regulatory functions to Food and Health Limited.

Civil Defence and Rural Fire

The Council's civil defence function will continue to be managed as an essential part of Council's responsibilities. The Council will continue working with the community to encourage volunteers and to ensure adequate training is provided to volunteers as well as Council staff. The Council's rural fire functions will continue as planned, with minor expenditure to keep equipment up to date.

Variances to the Long Term Plan 2015 - 2025

Health & Liquor Regulation Contract Costs

An increase in contract costs and new provision for enforcement and inspections has been budgeted in the 2016/17 year. The Council has been notified of an increase in the cost of its contract with Timaru District Council. The total budget requirement has increased from \$75,850 (Year 2 LTP) to \$151,000 (16/17 budget), which is an increase of \$75,000. This is made up of \$19,000 user fees with the balance being required from the general rate.

This change is not considered a material change from Year 2 of the LTP. There are no significant variances from the programme set out in Year 2 of the LTP for the regulatory services area.

Levels of Service, Performance Measures and Targets for 2016/17

Community Outcomes <ol style="list-style-type: none"> 1. A thriving economy. 2. Safe, effective and sustainable infrastructure. 3. A fit and healthy community. 4. An attractive and highly valued natural environment. 		
Levels of Service	Performance Measure	Targets 2016/17
To effectively manage environmental issues within the District.	The percentage of those surveyed that are satisfied by the belief that the Council are adequately managing resource management issues in the District.	≥80% positive feedback to a customer survey.
To provide a customer focused service for processing resource consents while achieving our obligations under the Resource Management Act 1991.	<p>Non-notified consents are processed within the statutory timeframe of 20 working days.</p> <p>The percentage of applicants for resource consents that are satisfied with the quality of the service they receive.</p>	<p>≥95% compliance.</p> <p>≥80% positive feedback to a customer survey.</p>
To provide a customer focussed building control service that achieves our obligations under the Building Act 2004.	<p>Building consents are processed within the statutory timeframe of 20 working days.</p> <p>The percentage of applicants for building consents that are satisfied with the quality of the service they receive.</p>	<p>95% compliance</p> <p>≥80% positive feedback to a customer survey.</p>
To provide a safe environment for dogs and the public to co-exist.	The percentage of those surveyed that believe the Council is adequately managing dog control issues in the District.	≥80% positive feedback to a customer survey.
For the Council to be prepared to respond to a civil defence emergency.	Council staff and volunteers are familiar with their roles and are adequately trained.	Training is attended as required, and the Council will participate in one training exercise per year.
For the public to be adequately prepared for a civil defence emergency.	The percentage of the community surveyed that believe they are adequately prepared for a civil defence emergency.	≥80% favourable response from a customer survey.

Regulatory Services Activity

Forecast Financial Summary

Planning and Regulatory Activity Group

For the year ended 30 June 2017

	Notes	LTP Budget 2015/2016 \$000's	LTP Budget 2016/2017 \$000's	Budget 2016/2017 \$000's	Variance from LTP
REVENUE					
General rates		421	424	448	24
Targeted rates		165	173	168	-5
Other revenue		625	640	720	80
Gain on sale of assets		0	0	0	0
Reserve contributions		120	120	120	0
Internal interest income		1	0	0	0
TOTAL REVENUE		1,332	1,357	1,456	
EXPENDITURE					
Personnel costs		740	754	675	79
Consultancy expenses		432	392	505	-113
Administration		78	80	79	1
Operational and maintenance		213	218	348	-130
Interest on capital reserves		61	63	73	-10
Internal expenses		36	39	33	6
Depreciation		42	46	44	2
TOTAL EXPENDITURE		1,602	1,592	1,757	
OPERATING SURPLUS/(DEFICIT)		(270)	(235)	(301)	

Forecast Funding impact statement for 2016-2017

Notes	LTP Budget	LTP Budget	Annual Plan
	2015/2016	2016/2017	2016/2017
	\$000's	\$000's	\$000's
SOURCES OF OPERATING FUNDING			
General rates, uniform annual general charges, rates penalties	421	424	448
Targeted rates	165	173	168
Subsidies and grants for operating purposes	0	0	0
Fees and charges	0	0	0
Internal charges and overheads recovered	1	0	0
Local authorities fuel tax, fines, infringement fees, and other receipts	625	640	720
TOTAL OPERATING FUNDING (A)	1,212	1,237	1,336
APPLICATIONS OF OPERATING FUNDING			
Payments to staff and suppliers	1,463	1,444	1,607
Finance costs	0	0	0
Internal charges and overheads applied	97	102	106
Other operating funding applications	0	0	0
TOTAL APPLICATIONS OF OPERATING FUNDING (B)	1,560	1,546	1,713
Surplus (deficit) of operating funding (A-B)	(348)	(308)	(377)
SOURCES OF CAPITAL FUNDING			
Subsidies and grants for capital expenditure	0	0	0
Development and financial contributions	120	120	120
Increase (decrease) in debt	0	0	0
Gross proceeds from sale of assets	0	0	0
Lump sum contributions	0	0	0
Other dedicated capital funding	0	0	0
TOTAL SOURCES OF CAPITAL FUNDING (C)	120	120	120
APPLICATIONS OF CAPITAL FUNDING			
Capital expenditure			
- To meet additional demand	0	0	0
- To improve the level of service	0	0	0
- To replace existing assets	86	8	8
Increase (decrease) in reserves	(314)	(197)	(265)
Increase (decrease) of investments	0	0	0
TOTAL APPLICATIONS OF CAPITAL FUNDING (D)	(228)	(188)	(257)
Surplus (deficit) of capital funding (C-D)	348	308	377
FUNDING BALANCE ((A-B) + (C-D))	0	0	0

Financial and development contributions enable Council to fund likely and foreseeable capital projects that are expected to occur from growth and new development in the District. The use of development contributions is restricted for this specific purpose only. They can not be used to fund operating expenditure.

Reconciliation Surplus of Operating Funding to Cost of Service Statement Net Operating Surplus

Surplus (deficit) of operating funding	(348)	(308)	(377)
Less:			
Depreciation	42	46	44
Add:			
Reserve Contributions	120	120	120
OPERATING SURPLUS/(DEFICIT)	(270)	(234)	(301)

Forecast Capital Expenditure**Planning and Regulatory Activity Group****For the year ended 30 June 2017**

Projects	Notes	LTP Budget	LTP Budget	Annual Plan
		2015/2016	2016/2017	2016/2017
		\$000's	\$000's	\$000's
REPLACE EXISTING ASSETS				
Regulatory Services				
Civil Defence				
Plant & equipment		25	0	0
Rural Fire				
Plant & equipment		6	8	8
Vehicles		55		
TOTAL CAPITAL EXPENDITURE TO REPLACE EXISTING ASSETS		86	8	8
TOTAL CAPITAL EXPENDITURE		86	8	8

Community and Township Services

What we do

The Council provides township amenity areas and recreational facilities including the district's pools, parks, reserves, libraries, community centres and halls.

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

The Council has historically provided solid waste collection services and operated a number of landfills. All landfills in the district have now been closed. The kerbside collection and operation of the three Resource Recovery Parks are managed by contractors.



Plans for the Year

Twizel

The activities planned for Twizel in the 2016/17 are largely business as usual with ongoing maintenance of facilities and reserves. \$100,000 has been budgeted for Twizel township projects.

Twizel's Lakes Wardell and Ruataniwha have reserves which are popular with visitors. The facilities in this area are limited, with work proposed in the plan for additional toilets at Lake Ruataniwha and an upgrade of the existing toilets at Lake Wardell. There are also plans for the ongoing development of tracks and facilities in these areas.

Lake Tekapo

Works are ongoing in respect of redeveloping community facilities at Tekapo in association with the Tekapo Lakefront development. A plan for the development and reserve areas, including the Domain, the footbridge/town centre area and the solar system display is being developed. Works budgeted for include the development of a new play area. The Council has budgeted \$250,000 for township projects in Lake Tekapo.

Fairlie

Fairlie has a budget of \$30,000 for township projects in the 2016/17 year. Further work will be undertaken in the Fairlie Village Green which will include additional play equipment and parking. This is expected to be funded from community fundraising.

Funding has been provided for the expansion of the available area in the Fairlie cemetery which will also be undertaken in 2016/17.

District Wide

Housing

Submissions to the LTP raised the importance of pensioner housing to the community. Communities in Twizel and Tekapo have suggested a need for additional housing for the elderly, along with worker type accommodation needed in Lake Tekapo.

As signalled in the LTP, the Council will commission a small research project to be completed in 2016/17, to determine the likely future need for additional council type housing across the district. The review will also look at options for providing the service and will include a concurrent review of the Pensioner Flat Occupancy policy.

Solid Waste

Solid waste management activities will occur as planned in the LTP. There are no changes planned for solid waste services in the district.

Variances from the Long-Term plan 2015-2025

In 2015/16 the Council intended to replace the current public toilets in Tekapo with new toilets in the western carpark area. This project has been delayed by a year, and will now be carried out in 2016/17 at the budgeted cost of \$400,000.

This change is not considered a material change from Year 2 of the LTP. There are no significant variances from the programme set out in Year 2 of the LTP for the Community and Township services area.

Levels of Service, Performance Measures and Targets for 2016/17

Community Outcomes <ol style="list-style-type: none"> 1. A thriving economy 2. Safe, effective and sustainable infrastructure 3. A fit and healthy community 4. A supportive and contributing community 5. An attractive and highly valued natural environment 		
Levels of Service	Performance Measure	Targets 2016/17
Township services and facilities are provided and maintained to an acceptable level	Average customer satisfaction rating for township services and facilities.	84% or above
Engage the community to achieve waste reduction	The percentage of solid waste from the district resource recovery diverted from landfills.	>37%
Waste is handled hygienically	Compliance with resource consent conditions.	100% compliance

Community and Township Services Activity

Forecast Financial Summary

Community and Township Services Activity Group

For the year ended 30 June 2017

	Notes	LTP Budget 2015/2016 \$000's	LTP Budget 2016/2017 \$000's	Budget 2016/2017 \$000's	Variance from LTP
REVENUE					
General rates		628	677	534	-143
Targeted rates		1,874	1,863	1,866	3
Subsidies and grants		18	18	18	0
Other revenue		479	496	446	-50
Gain on sale of assets		0	0	0	0
Internal interest income		12	16	11	-5
TOTAL REVENUE		3,011	3,070	2,875	
EXPENDITURE					
Personnel costs		129	131	145	-14
Consultancy expenses		27	28	32	-4
Administration		292	300	221	79
Operational and maintenance		2,189	2,200	2,170	30
Interest on capital reserves		87	107	75	32
Internal expenses		8	8	8	0
Depreciation		330	352	346	6
TOTAL EXPENDITURE		3,062	3,126	2,997	
OPERATING SURPLUS/(DEFICIT)		(51)	(56)	(122)	

Forecast Funding impact statement for 2016-2017

Notes	LTP Budget	LTP Budget	Annual Plan
	2015/2016	2016/2017	2016/2017
	\$000's	\$000's	\$000's
SOURCES OF OPERATING FUNDING			
General rates, uniform annual general charges, rates penalties	628	677	534
Targeted rates	1,874	1,863	1,866
Subsidies and grants for operating purposes	18	18	18
Fees and charges	0	0	0
Internal charges and overheads recovered	12	16	11
Local authorities fuel tax, fines, infringement fees, and other receipts	479	496	446
TOTAL OPERATING FUNDING (A)	3,011	3,070	2,875
APPLICATIONS OF OPERATING FUNDING			
Payments to staff and suppliers	2,637	2,660	2,568
Finance costs	0	0	0
Internal charges and overheads applied	95	115	83
Other operating funding applications	0	0	0
TOTAL APPLICATIONS OF OPERATING FUNDING (B)	2,732	2,774	2,651
Surplus (deficit) of operating funding (A-B)	279	296	224
SOURCES OF CAPITAL FUNDING			
Subsidies and grants for capital expenditure	0	0	0
Development and financial contributions	0	0	0
Increase (decrease) in debt	0	0	0
Gross proceeds from sale of assets	0	0	0
Lump sum contributions	0	0	0
Other dedicated capital funding	0	0	0
TOTAL SOURCES OF CAPITAL FUNDING (C)	0	0	0
APPLICATIONS OF CAPITAL FUNDING			
Capital expenditure			
- To meet additional demand	0	0	200
- To improve the level of service	0	0	0
- To replace existing assets	465	51	451
Increase (decrease) in reserves	(186)	244	(427)
Increase (decrease) of investments	0	0	0
TOTAL APPLICATIONS OF CAPITAL FUNDING (D)	279	296	224
Surplus (deficit) of capital funding (C-D)	(279)	(296)	(224)
FUNDING BALANCE ((A-B) + (C-D))	0	0	0

Financial and development contributions enable Council to fund likely and foreseeable capital projects that are expected to occur from growth and new development in the District. The use of development contributions is restricted for this specific purpose only. They can not be used to fund operating expenditure.

Reconciliation Surplus of Operating Funding to Cost of Service Statement Net Operating Surplus

Surplus (deficit) of operating funding	279	296	224
Less:			
Depreciation	330	352	346
OPERATING SURPLUS/(DEFICIT)	(51)	(56)	(122)

Forecast Capital Expenditure

Community and Township Services Activity Group

For the year ended 30 June 2017

Projects	Notes	LTP Budget	LTP Budget	Annual Plan
		2015/2016	2016/2017	2016/2017
		\$000's	\$000's	\$000's
MEET ADDITIONAL DEMAND				
<i>Cemeteries</i>				
Land		0	0	200
TOTAL CAPITAL EXPENDITURE TO MEET ADDITIONAL DEMAND		0	0	200
REPLACE EXISTING ASSETS				
<i>Community Services</i>				
<i>Pensioner Housing</i>				
Plant and Equipment - Fairlie		0	22	22
Plant and Equipment - Twizel		0	9	9
<i>Public Toilets</i>				
Buildings		465	0	400
<i>Recreational Facilities</i>				
<i>Twizel Township and Twizel Reserves</i>				
Projects		0	20	20
Furniture & fittings - other				
TOTAL CAPITAL EXPENDITURE TO REPLACE EXISTING ASSETS		465	51	451
TOTAL CAPITAL EXPENDITURE		465	51	651

Governance and Corporate Services

What we do

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

The activity includes all work associated with the elected Council and Community Boards in Twizel, Tekapo and Fairlie. Elected members, being the community's representatives, make decisions within the framework of the Local Government Act 2002 (LGA) on behalf of, and in the interests of, the community. Council and Community Boards are elected every three years.

Every three years the council carries out elections in accordance with the Local Electoral Act 2001. It also ensures that any vacancies are filled in accordance with the Local Electoral Act 2001.

The council's Corporate Services arm manages the commercial activities of the council and provides accounting, secretarial and administrative support to all other activities of Council.

Plans for the Year

It is largely business as usual in terms of governance and corporate services activity. There will be local government elections held in October 2016, and budgets have been provided for this.

Council also intends to renovate its Fairlie offices in the 2016/17 year. A budget of \$61,400 has been provided for this.

Variances from the Long-Term Plan 2015-2025

The Council has included an additional budget of \$75,000 for consultancy support for Long Term Planning. Other than that, there are no significant variances from the program of work contemplated in the LTP.

Levels of Service, Performance Measures and Targets for 2016/17

Community Outcomes		
<ol style="list-style-type: none"> 1. A thriving economy 2. Safe, effective and sustainable infrastructure 3. A fit and healthy community 4. A supportive and contributing community 5. An attractive and highly valued natural environment 6. A democracy which upholds the rights of the individual 		
Levels of Service	Performance Measure	Targets 2016/17
Prepare key accountability documents in accordance with good practice.	The annual report is prepared within statutory timeframes and with an unmodified audit opinion.	The annual report is prepared within statutory timeframes and with an unmodified audit opinion.
	The annual plan is prepared within statutory timeframes and with an unmodified audit opinion.	The annual plan is prepared within statutory timeframes and with an unmodified audit opinion.
Represent and govern the district on behalf of the community	The percentage of residents across the district who say they are satisfied with the performance of the councillors and Mayor in the annual ratepayer survey.	60% or above
Build strong iwi relationships and encourage Maori to contribute to the decision-making process	Number of face-to-face meetings held each year between council representatives and Papatipu Runanga, or Te Runanga o Ngai Tahu.	2 or more
Provide opportunities for the community to engage with elected members	Number of public forums held each year with communities and groups	40 or more*

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

Governance and Corporate Services Activity

Forecast Financial Summary

Governance and Corporate Services Activity Group

For the year ended 30 June 2017

Notes	LTP Budget	LTP Budget	Budget	Variance
	2015/2016	2016/2017	2016/2017	from LTP
	\$000's	\$000's	\$000's	
REVENUE				
General rates	2,616	2,682	2,884	202
Targeted rates	25	26	26	0
Subsidies and grants	0	0	0	0
Investment revenue	0	0	0	0
Other revenue	117	122	126	4
Gain on sale of assets	0	0	50	50
Financial/upgrade contributions	0	0	0	0
Internal interest income	0	1	1	0
Internal income	124	134	117	-17
Assets vested	0	0	0	0
TOTAL REVENUE	2,882	2,965	3,204	
EXPENDITURE				
Personnel costs	1,502	1,445	1,511	-66
Member expenses	321	328	330	-2
Consultancy expenses	176	181	277	-96
Administration	419	439	456	-17
Operational and maintenance	220	302	366	-64
Interest on capital reserves	10	10	6	4
Internal expenses	67	72	58	14
Finance costs	0	0	0	0
Funded depreciation*	153	167	156	11
TOTAL EXPENDITURE	2,868	2,944	3,160	
OPERATING SURPLUS/(DEFICIT)	14	21	44	

Forecast Funding Impact Statement for 2016-2017

Notes	LTP Budget	LTP Budget	Annual Plan
	2015/2016	2016/2017	2016/2017
	\$000's	\$000's	\$000's
SOURCES OF OPERATING FUNDING			
General rates, uniform annual general charges, rates penalties	2,616	2,682	2,884
Targeted rates	25	26	26
Subsidies and grants for operating purposes	0	0	0
Fees and charges	0	0	0
Internal charges and overheads recovered	124	135	118
Local authorities fuel tax, fines, infringement fees, and other receipts	117	122	126
TOTAL OPERATING FUNDING (A)	2,882	2,965	3,154
APPLICATIONS OF OPERATING FUNDING			
Payments to staff and suppliers	2,638	2,695	2,940
Finance costs	0	0	0
Internal charges and overheads applied	77	82	64
Other operating funding applications	0	0	0
TOTAL APPLICATIONS OF OPERATING FUNDING (B)	2,715	2,777	3,004
Surplus (deficit) of operating funding (A-B)	167	188	150
SOURCES OF CAPITAL FUNDING			
Subsidies and grants for capital expenditure	0	0	0
Development and financial contributions	0	0	0
Increase (decrease) in debt	0	0	0
Gross proceeds from sale of assets	0	0	0
Lump sum contributions	0	0	0
Other dedicated capital funding	0	0	0
TOTAL SOURCES OF CAPITAL FUNDING (C)	0	0	0
APPLICATIONS OF CAPITAL FUNDING			
Capital expenditure			
- To meet additional demand	0	0	0
- To improve the level of service	28	0	18
- To replace existing assets	84	176	212
Increase (decrease) in reserves	55	12	(80)
Increase (decrease) of investments	0	0	0
TOTAL APPLICATIONS OF CAPITAL FUNDING (D)	167	188	150
Surplus (deficit) of capital funding (C-D)	(167)	(188)	(150)
FUNDING BALANCE ((A-B) + (C-D))	0	0	0

Financial and development contributions enable Council to fund likely and foreseeable capital projects that are expected to occur from growth and new development in the District. The use of development contributions is restricted for this specific purpose only. They can not be used to fund operating expenditure.

Reconciliation Surplus of Operating Funding to Cost of Service Statement Net Operating Surplus

Surplus (deficit) of operating funding	167	188	150
Add:			
Gain on Sale of Assets			50
Less:			
Depreciation	153	167	156
OPERATING SURPLUS/(DEFICIT)	14	21	44

Forecast Capex Expenditure

Governance and Corporate Services Activity Group

For the year ended 30 June 2017

Projects	Notes	LTP Budget	LTP Budget	Annual Plan
		2015/2016	2016/2017	2016/2017
		\$000's	\$000's	\$000's
IMPROVE LEVEL OF SERVICE				
Corporate Services				
Information Technology				
Software		0	0	0
Web site development		28	0	18
TOTAL CAPITAL EXPENDITURE TO IMPROVE LEVEL OF SERVICE				
		28	0	18
REPLACE EXISTING ASSETS				
Corporate Services				
Administration				
Plant & equipment		0	0	0
Information Technology				
Information Management System		8	8	10
PC Server		20	0	0
Website development		0	0	0
Network infrastructure		2	0	0
Software	1	18	18	0
GIS aerials		0	0	0
Communications equipment		0	0	0
Plant & equipment		3	0	0
Plant & Equipment				
Motor vehicles		28	83	135
Fairlie Building				
Plant & equipment	2	0	0	0
Building - other		0	61	62
Furniture & Fittings - admin		3	3	3
Furniture & Fittings - other		0	0	0
Twizel Building				
Building - other	2	0	0	0
Furniture & Fittings - other		2	2	2
TOTAL CAPITAL EXPENDITURE TO REPLACE EXISTING ASSETS				
		84	175	212
TOTAL CAPITAL EXPENDITURE		112	175	230

Tourism, Economic Development and Commercial Activities

What we do

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

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

The Council's commercial activities are:

- Cash & Equity Investments
- Forestry Investments
- Real Estate including Tekapo Lakefront Development
- Rental Properties
- Pukaki Airport



Plans for the Year

Tourism & Economic Development

The Council has entered into contracts with providers for this work in the 2016/17 year, as follows:

- Memorandum of Understanding with Christchurch and Canterbury Tourism to provide destination marketing services for the Mackenzie District for the 2016/17 year;
- Contract for Service Agreement between Tourism Waitaki, Mackenzie District Council and Waitaki District Council for Alps2Ocean business and marketing services for 2016/17.

The long term maintenance of the Alps2Ocean cycleway will continue to be shared between the Mackenzie and Waitaki District Councils and work will be undertaken on track and signage maintenance as well as the maintenance and cleaning of facilities along the way. The Council will continue to investigate off-roading sections of Hayman Road in 2016/17, within current budgets.

Visitor numbers have risen significantly in 2015/16, and this trend is forecast to continue over 2016/17. The Council will continue to monitor the effects on the increased tourism and visitor activity on its assets and services, as well as the economic benefits for the district.

In 2015/16 the Council had a Memorandum of Understanding with Aoraki Development Business and Tourism to provide economic development activity and business support services to the District. However that organisation is not in a position to continue to offer that service. The Council will look at other providers for the 2016/17 year within the budget allocated.

Commercial Activities

The Council's commercial activities will continue as set out in Year 2 of the LTP, with the exceptions outlined below. Forestry assets will continue to be maintained. All subdivision associated with the Tekapo development will be completed and the Council will continue its programme of selling the sections created.

Variances from the Long-Term Plan 2015-2025

Increased income from Land Sales occurring in 2016/17

In the LTP the predicted income from land sales had been budgeted to be received by the Council over a number of years. However the income from land sales will mostly be received in the 2016/17 year. Because of sales, actual subdivision costs will also rise.

The income budgeted for Year 2 of LTP was \$1.683m with subdivision costs budgeted for Year 2 at \$1.386m. However, for this Plan, the income for the 2016/17 year is now budgeted to be \$4.103m, with subdivision costs for 2016/17 year to be \$2.508m. This will earn the Council increased interest in the 2016/17 year.

Reduced income from Lower Interest Rates

In its LTP, the Council had based its budget on an interest rate of 4.5 %. However actual interest rates are lower than that assumed. An adjustment has been made for this and the interest rate has been budgeted at 3% for 2016/17 year.

These lower interest rates have been offset by higher investments from land sales. Interest income will be increased by \$108,000.

Increase in Tourism Budget for CCT

The Council has approved an increase in funding in the Tourism activity area of \$22,000 in addition to the budgeted funding of \$210,000 for the 2016/17 year. This is for Christchurch and Canterbury Tourism and will allow current levels of service to be maintained. It is a 10% increase, and is sought to fund an extra half FTE and further research work to meet additional strong demand for services.

While these matters are identified as variances from the programme set out in year 2 of the LTP, they do not constitute significant or material differences. There are no significant impacts from the changes on delivery of services, rates, or funding.

Levels of Service, Performance Measures and Targets for 2016/17

Community Outcomes 1. A thriving economy 2. Safe, effective and sustainable infrastructure		
Levels of Service	Performance Measure	Targets 2016/17
Investments – The community expects the investments of the council to be managed wisely.	Council's cash investment portfolio independently reviewed each quarter, and performance of investments against the Bancorp Ltd benchmark portfolio.	Council's cash investment portfolio independently reviewed each quarter and investments out-perform the Bancorp Ltd benchmark portfolio.
To foster the economic development of the district as a whole.	Percentage of ratepayers satisfied with the Council's tourism promotion and economic development	≥80%

Tourism, Economic Development and Commercial**Forecast Financial Summary****Commercial Activities Activity Group****For the year ended 30 June 2017**

		LTP Budget	LTP Budget	Budget	Variance
	Notes	2015/2016	2016/2017	2016/2017	from LTP
		\$000's	\$000's	\$000's	
REVENUE					
General rates		(863)	(944)	(964)	
Targeted rates		432	442	362	80
Investment Income		(111)	(185)	769	-954
Other Income		231	(121)	212	-333
Other Gains and Losses		1,427	1,468	1,449	19
Internal interest income		949	1,127	204	923
Internal income		0	0	0	0
		2,065	1,787	2,032	
Less used to offset rates		0	0	0	
TOTAL REVENUE		2,065	1,787	2,032	
EXPENDITURE					
Personnel costs		35	37	44	-7
Member expenses		20	20	20	0
Consultancy expenses		111	89	79	10
Administration		89	90	109	-19
Operational and maintenance		474	478	477	1
Real estate cost of sales		0	0	0	0
Interest on capital reserves		95	90	26	64
Assets impairment		72	74	74	0
Depreciation		82	82	84	-2
TOTAL EXPENDITURE		978	960	913	
OPERATING SURPLUS/(DEFICIT)		1,087	827	1,119	

Forecast Funding Impact Statement for 2016-2017

Notes	LTP Budget	LTP Budget	Annual Plan
	2015/2016	2016/2017	2016/2017
	\$000's	\$000's	\$000's
SOURCES OF OPERATING FUNDING			
General rates, uniform annual general charges, rates penalties	(863)	(944)	(964)
Targeted rates	432	442	362
Subsidies and grants for operating purposes	0	0	0
Fees and charges	0	0	0
Internal charges and overheads recovered	949	1,126	204
Local authorities fuel tax, fines, infringement fees, and other receipts	859	865	981
TOTAL OPERATING FUNDING (A)	1,377	1,489	583
APPLICATIONS OF OPERATING FUNDING			
Payments to staff and suppliers	729	714	729
Finance costs	0	0	0
Internal charges and overheads applied	95	90	26
Other operating funding applications	0	0	0
TOTAL APPLICATIONS OF OPERATING FUNDING (B)	824	804	755
Surplus (deficit) of operating funding (A-B)	553	685	(172)
SOURCES OF CAPITAL FUNDING			
Subsidies and grants for capital expenditure	0	0	0
Development and financial contributions	0	0	0
Increase (decrease) in debt	0	0	0
Gross proceeds from sale of assets	3,880	1,628	4,103
Lump sum contributions	0	0	0
Other dedicated capital funding	0	0	0
TOTAL SOURCES OF CAPITAL FUNDING (C)	3,880	1,628	4,103
APPLICATIONS OF CAPITAL FUNDING			
Capital expenditure			
- To meet additional demand	0	0	0
- To improve the level of service	0	0	0
- To replace existing assets	0	0	0
Increase (decrease) in reserves	4,433	2,313	3,931
Increase (decrease) of investments	0	0	0
TOTAL APPLICATIONS OF CAPITAL FUNDING (D)	4,433	2,313	3,931
Surplus (deficit) of capital funding (C-D)	(553)	(685)	172
FUNDING BALANCE ((A-B) + (C-D))	0	0	0

Financial and development contributions enable Council to fund likely and foreseeable capital projects that are expected to occur from growth and new development in the District. The use of development contributions is restricted for this specific purpose only. They can not be used to fund operating expenditure.

Reconciliation Surplus of Operating Funding to Cost of Service Statement Net Operating Surplus

Surplus (deficit) of operating funding	553	685	(172)
Less:			
Depreciation	82	82	84
Asset Impairment	72	74	74
Add:			
Other Gains	688	297	1,449
OPERATING SURPLUS/(DEFICIT)	1,087	826	1,119

Forecast Capex Expenditure

Commercial Activities Activity Group

For the year ended 30 June 2017

Projects	Notes	LTP Budget	LTP Budget	Annual Plan
		2015/2016	2016/2017	2016/2017
		\$000's	\$000's	\$000's
TOTAL CAPITAL EXPENDITURE		0	0	0

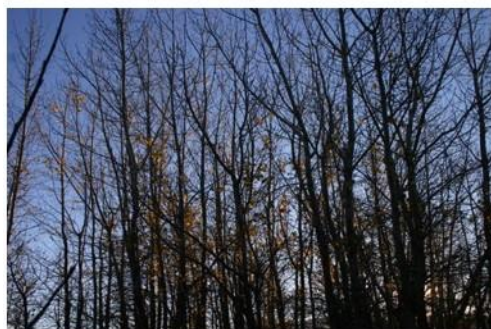
Council Controlled Organisation

Mackenzie Holdings Limited

The Mackenzie District Council has financial interest in Mackenzie Holdings Ltd which is a Council Controlled Organisation. It holds 100% ownership of Mackenzie Holdings Ltd. This company was established in October 2004, primarily to operate the Pukaki Airport.

Council reviewed the structure of the operation of Pukaki Airport in October 2006 and for a number of reasons, it reverted back to the Pukaki Airport Board, which is a committee of Council.

The assets and liabilities of Mackenzie Holdings Ltd were assumed by Council as of 1 July 2007 and the company has ceased trading. Council's operation of the Pukaki Airport has been transferred to the Pukaki Airport Board. Council has exempted it from the normal reporting requirements of such bodies, due to its small size and inactive status. Mackenzie Holdings Ltd will be wound up at some time in the future, but this is not anticipated during this Plan.



FINANCIAL & FUNDING

Forecast Statement of Comprehensive Income

Forecast Statement of Changes in Equity

Forecast Statement of Financial Position

Forecast Statement of Projected Cash Flows

Forecast Summary of Capital Expenditure

Forecast Summary of Depreciation

Forecast Statement of Reserves Movements

Forecast Statement of Comprehensive Income

For the Year Ending 30 June 2017

	LTP Budget 2015/2016 \$000's	LTP Budget 2016/2017 \$000's	Annual Plan 2016/2017 \$000's
REVENUE			
Rates	7,685	8,146	8,123
Fees, charges and targeted water supply	0	0	0
Subsidies and Grants	1,602	1,573	1,571
Investment Revenue	634	662	771
Other Revenue	1,686	1,382	1,697
Real Estate Sales	0	0	0
Contributions	120	120	120
Gain on Sale of Assets	0	0	50
Other Gains	760	371	1,449
Assets Vested	0	0	3,145
TOTAL REVENUE	12,487	12,254	16,926
EXPENDITURE			
Employee Benefits	2,515	2,563	2,558
Member Expenses	341	348	350
Consultancy Expenses	844	789	1,023
Administration	928	958	1,002
Finance Costs	3	42	47
Operational and Maintenance	3,807	3,930	4,064
Roading Expenses	1,173	1,191	1,193
Depreciation and Amortisation	3,089	3,326	3,551
Real Estate Cost of Sales	0	0	0
Loss on Sale and Assets Written Off	0	0	0
Asset Impairment	0	0	74
Other Losses	0	0	0
TOTAL EXPENDITURE	12,700	13,147	13,862
Net Surplus/(Deficit) After Taxation	(213)	(893)	3,064
OTHER COMPREHENSIVE REVENUE AND EXPENSE			
<i>Item that will be reclassified to surplus/(deficit)</i>			
Financial assets at fair value through other comprehensive revenue	0	0	0
<i>Item that will not be reclassified to surplus/(deficit)</i>			
Gain on infrastructure revaluations	0	0	0
Total Other Comprehensive Revenue and Expense	0	0	0
TOTAL COMPREHENSIVE REVENUE AND EXPENSE	(213)	(893)	3,064

The accompanying Statement of Accounting Policies and Notes form an integral part of these financial statements.

Forecast Statement of Changes in Equity

For the Year Ending 30 June 2017

	LTP Budget 2015/2016 \$000's	LTP Budget 2016/2017 \$000's	Annual Plan 2016/2017 \$000's
BALANCE AT 1 JULY	209,669	209,456	211,781
Property, plant and equipment			
Valuation gains/(losses) taken to equity	0	0	0
Net income/(expense) recognised directly in equity	0	0	0
Total comprehensive revenue and expense for the year	(213)	(893)	3,064
Total recognised revenue for the year	(213)	(893)	3,064
Owner transactions			
Capital contribution	0	0	0
Repayment of capital	0	0	0
Capital contribution	0	0	0
BALANCE AT 30 JUNE	209,456	208,563	214,845

The accompanying Statement of Accounting Policies and Notes form an integral part of these financial statements.

Forecast Statement of Financial Position

As at 30 June 2017

	LTP Budget 2015/2016 \$000's	LTP Budget 2016/2017 \$000's	Annual Plan 2016/2017 \$000's
ASSETS			
Current Assets			
Cash and cash equivalents	6,038	7,169	6,785
Receivables and prepayments	1,617	1,656	1,656
Inventories	4,103	4,064	3,419
Current portion property intended for resale	0	0	0
Other Financial assets	1,035	1,035	1,035
TOTAL CURRENT ASSETS	12,793	13,924	12,895
Non-current Assets			
Other Financial assets	10,770	11,271	11,271
Intangible assets	366	440	440
Forestry assets	2,292	2,347	2,347
Property, plant and equipment	185,438	183,688	191,119
TOTAL NON-CURRENT ASSETS	198,866	197,746	205,177
Total Assets	211,659	211,670	218,072
LIABILITIES			
Current Liabilities			
Payables and accruals	1,880	1,926	1,926
Employee entitlements	156	159	159
Provisions	0	0	0
Borrowings	0	0	0
TOTAL CURRENT LIABILITIES	2,036	2,085	2,085
Non-current Liabilities			
Employee entitlements	0	0	0
Provisions	62	63	63
Borrowings	105	959	1,079
TOTAL NON-CURRENT LIABILITIES	167	1,022	1,142
Total Liabilities	2,203	3,107	3,227
NET ASSETS	209,456	208,563	214,845
EQUITY			
Contributed Capital	0	0	0
Accumulated Funds	102,972	107,608	107,885
Capital Reserves	(4,080)	(1,490)	(438)
Operating Reserves	(110)	(8,338)	(2,745)
Special Funds	6,097	6,097	6,097
Other Reserves	42	42	42
Property Revaluation Reserves	104,535	104,644	104,004
TOTAL EQUITY	209,456	208,563	214,845

The accompanying Statement of Accounting Policies and Notes form an integral part of these financial statements.

Forecast Statement of Projected Cash Flows

For the Year Ending 30 June 2017

	LTP Budget 2015/2016 \$000's	LTP Budget 2016/2017 \$000's	Annual Plan 2016/2017 \$000's
CASH FLOWS FROM OPERATING ACTIVITIES			
Cash was provided from:			
Receipts from rates revenue	7,685	8,146	8,123
Subsidies and grants received	1,602	1,573	1,571
Receipts from other revenue	1,806	1,502	1,817
Interest received	634	662	771
Dividends received	0	0	0
Property sales	3,880	1,628	4,103
Goods and services tax (GST) received	0	0	0
	15,607	13,511	16,385
Cash was applied to:			
Payments to suppliers and employees	9,713	10,500	12,699
Net goods and services tax (GST) paid	0	1	0
Finance costs	3	42	47
	9,716	10,543	12,746
Net cashflow from operating activities	5,891	2,968	3,639
CASH FLOWS FROM INVESTING ACTIVITIES			
Cash was provided from:			
Sale of assets	0	0	0
Redemption of investments	0	0	0
	0	0	0
Cash was applied to:			
Purchase of property, plant and equipment	4,886	2,691	5,102
Purchase of investments	0	0	0
	4,886	2,691	5,102
Net cashflow from investing activities	(4,886)	(2,691)	(5,102)
CASH FLOWS FROM FINANCING ACTIVITIES			
Cash was provided from:			
Proceeds from borrowings	105	854	1,079
	105	854	1,079
Cash was applied to:			
Repayment of borrowings	0	0	0
	0	0	0
Net cashflow from financing activities	105	854	1,079
Net Cashflows from operating activities	5,891	2,968	3,639
Net Cashflows from Investing Activities	(4,886)	(2,691)	(5,102)
Net Cashflows from Financing Activities	105	854	1,079
Net decrease in cash, cash equivalents and bank overdrafts	1,110	1,131	(384)
Cash, cash equivalents and bank overdrafts at the beginning of the year	4,928	6,038	7,169
Cash, cash equivalents and bank overdrafts at the end of the year	6,038	7,169	6,785

The accompanying Statement of Accounting Policies and Notes form an integral part of these financial statements.

Reconciliation of Forecast Net Surplus/(Deficit) to Prospective Net Cash Flow from Operating Activities

For the Year Ending 30 June 2017

	LTP Budget	LTP Budget	Annual Plan
	Forecast	Forecast	Forecast
	\$000's	\$000's	\$000's
REPORTED OPERATING SURPLUS	(213)	(893)	3,064
Add(less): Non-cash items:			
Vested assets	0	0	-3,145
Depreciation and amortisation	3,089	3,326	3,551
(Gains)/losses on fair value of forestry assets	0	0	-500
Forestry cost of sales	0	0	
(Gains)/losses on fair value of assets	0	0	0
Movements in current assets (other than cash)			
Recognition of carbon credits	0	0	0
Impairment of assets	0	0	74
(Gain)/loss on sale of assets written off	0	0	-50
Investment valuation	0	0	0
	3,089	3,326	-70
Add(less) Movements in working capital items			
Increase (decrease) in Accounts payable	0	0	0
Increase (decrease) in Employee entitlements	0	0	0
(Increase) decrease in Accounts receivable	0	0	0
(Increase) decrease in Inventories	0	0	645
(Increase) decrease in Properties intended for disposal	0	0	0
	0	0	645
Add(less): Items classified as investing activities			
Net losses on sale of property intended for disposal	0	0	0
Gain/(loss) on Sale included in Investing Activity	0	0	0
	0	0	0
Net Cash inflow from operating activities	2,876	2,433	3,639

Forecast of Capital Expenditure

Forecast Capital Expenditure for Group of Activities

Projects	LTP Budget	LTP Budget	Annual Plan
	2015/2016	2016/2017	2016/2017
	\$000's	\$000's	\$000's
MEET ADDITIONAL DEMAND			
Water			
<i>Urban Water</i>			
Vested assets	0	0	91
Sewerage			
<i>Urban Sewer</i>			
Vested assets	0	0	149
Stormwater			
<i>Urban Stormwater</i>			
Vested assets	0	0	232
Roading			
<i>District Roothing</i>			
Vested assets	0	0	2,673
Community Services			
<i>Cemeteries</i>			
Land	0	0	100
Land	0	0	100
TOTAL CAPITAL EXPENDITURE TO MEET ADDITIONAL DEMAND	0	0	3,345
IMPROVE LEVEL OF SERVICE			
Corporate Services			
<i>Information Technology</i>			
Website Development	28	0	0
Water			
<i>Urban Water</i>			
Plant	0	29	33
<i>Twizel Water</i>			
Town Reticulation - renewal	1441	382	975
Sewerage			
<i>Urban Sewer</i>			
Sewer Treatment - new	902	31	1,000
TOTAL CAPITAL EXPENDITURE TO IMPROVE LEVEL OF SERVICE	2,371	442	2,008

Forecast Capital Expenditure for Group of Activities (cont'd)

Projects	LTP Budget	LTP Budget	Annual Plan
	2015/2016	2016/2017	2016/2017
	\$000's	\$000's	\$000's
REPLACE EXISTING ASSETS			
Corporate Services			
Information Technology			
Information management system	8	8	10
PC Server	20	0	0
Network Infrastructure	2	0	0
Plant & Equipment	3	0	0
Software	18	18	18
Plant & Equipment			
Motor vehicles	28	83	135
Fairlie Building			
Building - renovations	0	61	62
Furniture & Fittings -other	3	3	3
Twizel Building			
Furniture & Fittings - other	2	2	2
Water			
Urban Water			
Tekapo Water			
Service connections	0	0	60
Allandale Water			
Reticulation extension	10	10	10
Sewerage			
Urban Sewer			
Sewer Reticulation - renewal	0	0	0
Sewer Reticulation - new	0	0	11
Roading			
District Roothing			
Footpaths - surfacing	20	122	242
Unsealed road metalling	266	0	596
Sealed road resurfacing	1002	684	684
Drainage renewal	60	61	105
Sealed road pavement rehabilitation	173	176	176
Structures component replacements bridges	20	626	20
Structures component replacements cattlestops	6	7	6
Traffic services renewals	69	70	40
Minor improvements	250	254	250
Professional Roothing Business Unit			
Plant and equipment	5	5	5
Regulatory Services			
Rural Fire			
Plant & equipment	6	8	8
Vehicles	55	0	0
Civil Defence			
Plant & equipment	25	0	0
Community Services			
Fairlie Pensioner Housing			
Plant and equipment	0	22	22
Twizel Pensioner Housing			
Plant and equipment	0	9	9
Public Toilets			
Urban toilets	465	0	400
Twizel Reserves			
Other projects	0	20	20
TOTAL CAPITAL EXPENDITURE TO REPLACE EXISTING ASSETS	2,516	2,249	2,894
TOTAL CAPITAL EXPENDITURE	4,887	2,691	8,247

Forecast Summary of Capital Expenditure

	LTP Budget	LTP Budget	Annual Plan
	2015/2016	2016/2017	2016/2017
	\$000's	\$000's	\$000's
Governance and Corporate Services	112	175	230
Water supplies	1,451	421	1,169
Sewerage	902	31	1,160
Stormwater	0	0	232
Roading	1,871	2,005	4,797
Planning and Regulatory	86	8	8
Community and Township Services	465	51	651
Commercial Activities	0	0	0
Total capital expenditure	4,887	2,691	8,247

Forecast Summary of Depreciation

Depreciation and amortisation for each Group of Activities

	LTP Budget	LTP Budget	Forecast
	2015/2016	2016/2017	2016/2017
	\$000's	\$000's	\$000's
Governance and Corporate Services	153	167	156
Water supplies	496	495	515
Sewerage	323	360	344
Stormwater	62	66	67
Roading	1,601	1,757	1,995
Planning and Regulatory	42	46	44
Community and Township Services	330	352	346
Commercial Activities	82	82	84
Total depreciation and amortisation expense	3,089	3,325	3,551

Forecast Statement of Reserves Movements

2016/2017 Forecast			
Opening Balance at 1 July 2016	Movements into Reserve 2016/2017	Movements from Reserve 2016/2017	Closing Balance at 30 June 2017
\$000's	\$000's	\$000's	\$000's
103,380	4,505	0	107,885
103,380	4,505	0	107,885
5,217	0	0	5,217
217	0	0	217
30,294	-640	0	29,654
13,610	0	0	13,610
6,564	0	0	6,564
2,467	0	0	2,467
38,095	0	0	38,095
35	0	0	35
8,144	0	0	8,144
104,643	-640	0	104,003
40	0	0	40
-40	0	0	-40
7	0	0	7
200	0	0	200
1,029	0	0	1,029
2	0	0	2
44	0	0	44
83	0	0	83
7	0	0	7
4,724	0	0	4,724
1	0	0	1
6,097	0	0	6,097
4	0	0	4
4	0	0	4
1	0	0	1
1	0	0	1
10	0	0	10
22	0	0	22
42	0	0	42

NOTE 4 – Reserves

Activity to which the fund
relates

Purpose

ACCUMULATED GENERAL FUNDS

Total accumulated general funds

PROPERTY REVALUATION RESERVES

Share revaluation reserve	Commercial	Accumulate changes in value of Councils Share investments
Investment revaluation reserve	Commercial	Accumulate movements in Councils long term investments
Infrastructure assets revaluation reserves		
Land	Governance and Corporate	Accumulate changes in value of Councils land holdings
Water supplies	Water	Accumulate changes in value of Councils water infrastructure
Wastewater schemes	Sewerage	Accumulate changes in value of Councils wastewater infrastructure
Stormwater schemes	Stormwater	Accumulate changes in value of Councils stormwater infrastructure
Roading	Roading	Accumulate changes in value of Councils roading infrastructure
Plant	Communities and Towns	Accumulate changes in value of Councils plant assets
Buildings	Governance and Corporate	Accumulate changes in value of Councils buildings
Total revaluation reserves		

SPECIAL FUND RESERVES

Albury water fund	Communities and Towns	To fund Albury Water
Ashwick/Opuha water fund	Communities and Towns	To fund Ashwick/Opuha Water
Housing replacement	Communities and Towns	To fund district housing
Insurance reserve	Governance and Corporate	To fund disaster cover
Land subdivision	Communities and Towns	To fund district wide projects
Pensioner housing amenities	Communities and Towns	To fund pensioner housing amenities
Watertight building reserve	Governance and Corporate	Held to cover increased insurance costs of Riskpool
Mackenzie County Scholarship Trust	Governance and Corporate	Held on behalf of Mackenzie County Scholarship Trust
Masonic Lodge Scholarship Fund	Governance and Corporate	Held on behalf of Masonic Scholarship Fund
Real estate investment	Commercial	Accumulate operating results from Councils Real Estate activities
Strathconan pool capital	Communities and Towns	To fund Strathconan pool capital
Total special funds reserves		

OTHER RESERVES

Albury war memorial	Communities and Towns	Funding of maintenance of the districts war memorials
Ashwick/Allandale war memorial	Communities and Towns	Funding of maintenance of the districts war memorials
Davidson bequest: cemetery	Communities and Towns	Bequests for cemetery maintenance
Gould bequest: cemetery	Communities and Towns	Bequests for cemetery maintenance
Paterson ponds	Communities and Towns	Funding of maintenance at Paterson Ponds
Enid Hutt Fairlie beautifying fund	Communities and Towns	To fund expenditure in the Fairlie township
Total other reserves		

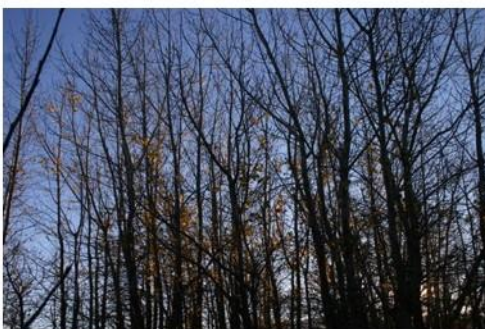
Forecast Statement of Reserves Movements (cont'd)

CAPITAL RESERVES

Administration	Governance and Corporate	To fund capital replacements of Administration Assets	-55	4	0	-51
Allandale water	Water	To Fund debt repayment of the Allandale Water Scheme construction	-328	41	-10	-297
Animal control	Regulatory	To fund capital requirements of animal control	-14	0	0	-14
Ashwick/Opuha water	Water	To fund capital requirements of the Ashwick/Opuha Water scheme	-61	0	0	-61
Civil defence	Regulatory	To fund capital requirements of Civil Defence	-3	5	0	2
District Council	Governance and Corporate	To fund capital requirements of the Governance Activity	-5	0	0	-5
Council building: Fairlie	Governance and Corporate	To fund replacement of Councils Administration Building in Fairlie	17	33	-65	-15
Council building: Twizel	Governance and Corporate	To fund replacement of Councils Administration Building in Twizel	10	18	-2	26
District general	Communities and Towns	To fund capital requirements of the District	43	0	0	43
District wide sewer	Sewerage	To fund sewer capital works district wide.	1,747	493	-1,160	1,080
District wide stormwater	Stormwater	To fund stormwater capital works district wide.	462	299	-232	529
District wide roading	Roading	To fund roading capital works district wide.	-315	4,792	-4,792	-315
District wide water	Water	To fund water capital works district wide	-923	517	-1,159	-1,565
Downlands water	Water	Councils share of a Joint Venture to fund the capital requirements of the Downlands Water Scheme	93	0	0	93
Fairlie medical centre	Communities and Towns	To fund replacement of medical facilities in Fairlie	19	4	0	23
Fairlie pensioner housing	Communities and Towns	To fund the eventual replacement of the pensioner housing stock in Fairlie	98	8	-22	84
Forestry	Commercial	To fund the operations of Councils Forestry Assets	1,353	382	0	1,735
Information technology department	Governance and Corporate	To Fund capital replacement of Councils IT assets	-109	69	-27	-67
Kimbell water	Water	To fund capital requirements of the Kimbell Water scheme	16	1	0	17
Lake Tekapo community hall	Communities and Towns	To fund replacement of the Tekapo Community Hall	-40	6	0	-34
Mackenzie community centre	Communities and Towns	To fund the capital works at the Fairlie community centre	25	19	0	44
Plant account	Governance and Corporate	To Fund capital replacement of Councils Motor Vehicle assets	87	35	-135	-13
Public Toilets	Communities and Towns	To fund replacement of Public Toilets within the district	-454	28	-400	-826
Real estate	Commercial	To fund subdivision of Councils real estate assets	-624	0	0	-624
Roading professional business unit	Roading	To fund capital requirements of the Roding Business unit	-20	4	-5	-21
Rural fire control	Regulatory	To fund capital requirements of Rural fire	-81	39	0	-42
Sherwood Downs hall	Communities and Towns	To fund capital requirements of the Sherwood Downs Reserves	20	0	0	20
Sherwood Downs recreation reserve	Communities and Towns	To fund capital requirements of the Sherwood Downs Hall	36	1	0	37
Spur Road water	Water	To fund Spur Road capital debt	-2	0	0	-2
Swimming pool: Strathconan	Communities and Towns	To fund replacement of the Fairlie swimming pool	-11	5	0	-6
Swimming pool: Twizel	Communities and Towns	To fund replacement of the Twizel swimming pool	9	5	0	14
Treatment of organic waste	Communities and Towns	To fund treatment of organic waste	0	0	0	0
Twizel community centre	Communities and Towns	To fund replacement of the Twizel Events Centre	124	43	0	167
Twizel pensioner housing	Communities and Towns	To fund the eventual replacement of the pensioner housing stock in Twizel	32	5	-9	28
Twizel township	Communities and Towns	To fund capital works in the Twizel Township	-513	91	0	-422
Total capital reserves			633	6,947	-8,018	-438

Forecast Statement of Reserves Movements (cont'd)**OPERATING RESERVES**

Albury hall	Communities and Towns	To fund operations at the Albury Hall	9	0	0	9
Albury community refuse collection	Communities and Towns	Council's refuse collection operations	3	0	0	3
Albury water supply	Water	Accumulate surpluses/deficits from General Rate funded operations	135	0	0	135
District general	Communities and Towns	Accumulate surpluses/deficits from General Rate funded operations	607	0	0	607
District wide roading	Roading	To fund district roading operations	-1,908	1,991	-3,898	-3,815
Downlands water supply	Water	Accumulate surpluses/deficits from General Rate funded operations	15	19	0	34
Eversley/Punaroa water races	Water	Accumulate surpluses/deficits to fund Eversley/Puneroa operating activities	-1	0	0	-1
Fairlie community refuse collection	Communities and Towns	Council's refuse collection operations	11	0	0	11
Fairlie works and services	Communities and Towns	Accumulate surpluses/deficits from Fairlie Works and Services Rate funded operations	16	0	0	16
Lake Alexandrina refuse collection	Communities and Towns	Council's refuse collection operations	1	0	0	1
Lake Tekapo community refuse collection	Communities and Towns	Council's refuse collection operations	10	0	0	10
Lake Tekapo works and services	Communities and Towns	Accumulate surpluses/deficits from Tekapo Works and Services Rate funded operations	247	0	0	247
Other reserves	Communities and Towns	Accumulate surpluses from Lake Alexandrina rental receipts	280	0	0	280
Roading professional services business unit	Roading	Accumulate operating results of Councils Rooding Business Unit	-27	0	0	-27
Resource management	Regulatory	Deficit from Plan Change 13	341	0	-169	172
Rural works and services	Communities and Towns	Accumulate surpluses/deficits from Rural Works and Services Rate funded operations	86	0	0	86
Tourism and development	Commercial	Accumulate operating results from ownership of the Pukaki Visitors Centre	-447	13	0	-434
Twizel community refuse collection	Communities and Towns	Councils refuse collection operations	2	0	0	2
Twizel visitors centre	Communities and Towns	Accumulate surpluses/deficits from Twizel visitor centre operations	5	0	-5	0
Twizel works and services	Communities and Towns	Accumulate surpluses/deficits from Twizel Works and Services Rate funded operations	-32	58	-91	-65
Waste management	Communities and Towns	Accumulate surpluses/(deficits) from Council's Solid Waste operation	0	16	-32	-16
Total operating reserves			-647	2,097	-4,195	-2,745
TOTAL EQUITY			214,148	12,909	-12,213	214,844



POLICIES & ASSUMPTIONS

Accounting Policies

Significant Forecasting Assumptions

Accounting Policies

Period ended 30 June 2017

NOTE 1 – Statement of accounting policies for the forecast financial statements

Reporting Entity

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

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

The Council has designated itself as a public benefit entity (PBEs) for financial reporting purposes. The forecast financial statements of the Council are for the year ended 30 June 2017. The forecast financial statements were authorised for issue by Council on 10 May 2017.

Basis of Preparation

The forecast financial statements have been prepared on the going concern basis, and the accounting policies have been applied consistently throughout the period.

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

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

Statement of Compliance and Preparation

The forecast financial statements of Council have been prepared in accordance with the Local Government Act 2002, which requires compliance with New Zealand generally accepted accounting practice (NZ GAAP).

The forecast financial statements have been prepared in accordance with Tier 2 PBE Standards and disclosure concessions have been applied.

The criteria under which Council is eligible to report in accordance with Tier 2 PBE Standards are:

- Council is not considered large with expenses greater than \$2 million and less than \$30 million per annum, and
- Not publicly accountable

These forecast financial statements comply with PBE Standards.

Previously the Group consisted of the ultimate parent, Council and two subsidiaries including Mackenzie Tourism Development Trust and Mackenzie Holdings Ltd. On the 12th June 2014, Council instructed the Trustees of Mackenzie Tourism Development Trust to dissolve the Trust and Mackenzie Holdings Ltd has been dormant for and exempted under section 7 of the Local Government Act 2002. Therefore consolidated forecast financial statements have not been prepared.

Presentation Currency and Rounding

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

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

Changes in accounting policies

There have been no changes in accounting policies.

Judgement and Estimations

The preparation of forecast financial statements in conformity with PBE IPSAS requires management to make judgments, estimates and assumptions that affect the application of policies and reported amounts of assets and liabilities, income and expenses. The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances, the results of which form the basis of making the judgments about carrying values of assets and liabilities that are not readily apparent from other sources. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period or in the period of the revision and future periods if the revision affects both current and future periods.

Cautionary Note

The information in the forecast financial statements is uncertain and the preparation requires the exercise of judgement. Actual financial results achieved for the period covered are likely to vary from the information presented, and the variations may be material. Events and circumstances may not occur as expected or may not have been predicted or Council may subsequently take actions that differ from the proposed courses of action on which the forecast financial statements are based.

The information contained within these forecast financial statements may not be suitable for use in another capacity.

Assumptions Underlying the Forecast Financial Information

The financial information contained within these policies and documents is prospective financial information in terms of PBE FRS 42 *Prospective Financial Statements*. The purpose for which it has been prepared is to provide a broad accountability mechanism of the Council to the Community.

Basis of Consolidation

Consolidated forecast financial statements are prepared adding together like items of assets, liabilities, equity, revenue, and expenses on a line-by-line basis. All significant intragroup balances, transactions, revenue, and expenses are eliminated on consolidation.

Subsidiaries

Previously the Group consisted of the ultimate parent, Council and two subsidiaries including Mackenzie Tourism Development Trust and Mackenzie Holdings Ltd. Both are inactive and dormant, therefore consolidated forecast financial statements have not been prepared.

Joint Venture

A joint venture is a contractual agreement whereby two or more parties undertake an economic activity that is subject to joint control.

PBE IPSAS 8 requires venturers to account for their investment in a jointly controlled entity using either proportionate consolidation or equity accounting.

Mackenzie District Council has a 4% interest in a jointly controlled asset called the Downlands Water Supply has chosen the proportionate method for accounting for its joint venture. Council recognises in its financial statements its share of each of the assets, liabilities, revenue, and expenses of the joint venture.

Significant Accounting Policies

1. Goods and Services Tax (GST)

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

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

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

Commitments and contingencies are disclosed exclusive of GST

2. Revenue Recognition

Revenue is measured at fair value.

The specific accounting policies for significant revenue items are explained below:

Revenue from Non Exchange Transactions

Rates revenue

The following policies for rates have been applied:

- General rates, targeted rates (excluding water-by-meter), and uniform annual general charges are recognised at the start of the financial year to which the rates resolution relates. They are recognised at the amounts due. The Council considers that the effect of payment of rates by instalments is not sufficient to require discounting of rates receivables and subsequent recognition of interest revenue.
- Rates arising from late payment penalties are recognised as revenue when rates become overdue.
- Revenue from water-by-meter rates is recognised on an accrual basis based on usage. Unbilled usage, as a result of unread meters at year end, is accrued on an average usage basis.
- Rates remissions are recognised as a reduction of rates revenue when the Council has received an application that satisfies its rates remission policy.
- Rates collected on behalf of the Environment Canterbury are not recognised in the forecast financial statements, as the Council is acting as an agent for Environment Canterbury.

New Zealand Transport Agency roading subsidies

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

Other grants received

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

Building and resource consent revenue

Revenue from building consents is recognised when payment of the consent is received. Fees and charges for resource consent services are recognised on a percentage completion basis with reference to the recoverable costs incurred at balance date.

Entrance fees

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

Provision of goods and services

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

Contributions

Development, land subdivision reserve and financial contributions are recognised when the relevant development receives sign-off from the Council in terms of the Resource Management Act 1991.

Vested or donated physical assets

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

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

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

Infringement fees and fines

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

Landfill fees

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

Revenue from Exchange Transactions

Sales of goods and services

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

Interest and dividends

Interest revenue is accrued on a time basis using the effective interest method, by reference to the principal outstanding and at the interest rate applicable. Interest revenue on an impaired financial asset is recognised using the original effective interest rate.

Dividends are recognised when the right to receive payment has been established. When dividends are declared from pre-acquisition surpluses, the dividend is deducted from the cost of the investment.

Donated and bequeathed financial assets

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

Revenue from commission and booking fees

Revenue from commission and booking fees from the sale of tours and accommodation is recognised when the booking is made by the customer, payment has been received and the voucher has been issued.

Rental revenue

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

3. Equity

Equity is the community's interest in the Council and is measured as the difference between total assets and total liabilities. Public equity is disaggregated and classified into various reserves to identify those portions of equity held for specific purposes.

These components of equity are:

- Operating reserves
- Capital reserves
- Asset revaluation reserve
- Other reserves & special funds reserves
- Accumulated general funds

Operating Reserves

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

Capital Reserves

Pursuant to the policy for funding of capital expenditure adopted by the Council, a Capital Reserve has been created for all activities of Council that involve assets. The movements within the capital reserves involve all capital income received for the activity and any capital expenditure incurred within that activity.

The capital income includes depreciation funded from rates, financial contributions, upgrade contributions and grants. Depending on the movements in the capital reserve, the balance can be in funds or in deficit. An interest component is applied to the capital reserve depending on whether the particular reserve is in funds or deficit. The Council policy is to charge interest on deficit capital reserves at the average of Councils external bond investment rates and to pay interest for capital reserves with funds at a rate of 25 basis points less than the Official Cash Rate.

Property Revaluation Reserves

The property revaluation reserves recognise any increase or decrease in the carrying value of Council's revalued assets.

Other Reserves & Special Funds Reserves

Other reserves

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

Restricted reserves

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

Council-created reserves

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

Accumulated General Funds

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

4. Cash and Cash Equivalents

Cash and Cash Equivalents includes, cash in hand, deposits held at call with banks, and other short term highly liquid investments with original maturities of three months or less.

Bank overdrafts are shown within borrowings in current liabilities in the forecast statement of financial position.

5. Trade and Other Receivables

Receivables are recorded at their face value, less any provision for impairment.

6. Other financial assets

Financial assets are initially recognised at fair value plus transaction costs unless they are carried at fair value through surplus or deficit in which case the transaction costs are recognised in the surplus or deficit.

Purchases and sales of financial assets are recognised on trade-date, the date on which the Council commits to purchase or sell the asset. Financial assets are de-recognised when the rights to receive cash flows from the financial assets have expired or have been transferred and the Council has transferred substantially all the risks and rewards of ownership.

Council classifies its financial assets into the following three categories:

- Financial assets at fair value through surplus or deficit;
- Loans and receivables; and
- Available for sale financial assets.

The classification of a financial asset depends on the purpose for which the instrument was acquired.

Financial Assets at Fair Value Through Surplus or Deficit

Financial assets at fair value through surplus or deficit include financial assets held for trading. A financial asset is classified in this category if it is acquired principally for the purpose of selling in the short-term. Derivatives are also categorised as held for trading unless they are designated as hedges. Assets in this category are classified as current assets.

After initial recognition, financial assets in this category are measured at their fair values with gains or losses on re-measurement recognised in the forecast surplus or deficit.

Loans and Receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. They are included in current assets, except for maturities greater than 12 months after the balance date, which are included in non-current assets.

After initial recognition, they are measured at amortised cost using the effective interest method, less impairment. Gains and losses when the asset is impaired or derecognised are recognised in the forecast surplus or deficit.

Council's loans and receivables are comprised of cash and cash equivalents, trade and other receivables and term deposits.

Fair Value Through Other Comprehensive Revenue and Expenses

Fair value through other comprehensive revenue and expenses are those non-derivative financial assets that are designated as available for sale or are not classified as (a) financial assets at fair value through surplus or (b) loans and receivables above.

They are included in non-current assets unless management intends to dispose of, or realise, the investment within 12 months of the end of the reporting period.

Council includes in this category:

- Investments that it intends to hold long-term but which may be realised before maturity; and
- Shareholdings that it holds for strategic purposes.

These investments are measured at their fair value, with gains and losses recognised through forecast other comprehensive revenue and expense, except impairment losses, which are recognised through the forecast surplus or deficit.

On de-recognition, the cumulative gain or loss previously recognised in other comprehensive revenue and expense is reclassified from equity to the forecast surplus or deficit.

Impairment of Financial Assets

Financial assets are assessed for objective evidence of impairment at each balance date. Impairment is established when there is objective evidence that the Council will not be able to collect amounts due according to the original terms of the receivable. Significant financial difficulties of the debtor, probability that the debtor will enter into bankruptcy, receivership, or liquidation and default in payments are considered indicators that the asset is impaired. The amount of the impairment is the difference between the asset's carrying amount and the present value of estimated future cash flows, discounted using the original effective interest rate, forecast surplus or deficit.

If, in a subsequent period, the amount of the impairment loss decreases and the decrease can be related objectively to an event occurring after the impairment was recognised (such as an improvement in the debtor's credit rating), the reversal of the previously recognised impairment loss is recognised in surplus/(deficit).

Loans and receivables, and held-to-maturity investments

Impairment is established when there is objective evidence that the council will not be able to collect amounts due according to the original terms of the receivable. Significant financial difficulties of the debtor, probability that the debtor will enter into bankruptcy, receivership, or liquidation and default in payments are considered indicators that the asset is impaired. The amount of the impairment is the difference between the asset's carrying amount and the present value of estimated future cash flows, discounted using the original effective interest rate.

For debtors and other receivables, the carrying amount of the asset is reduced through the use of an allowance account, and the amount of the loss is recognised in the surplus or deficit. When the receivable is uncollectible, it is written-off against the allowance account. Overdue receivables that have been renegotiated are reclassified as current (that is, not past due). Impairment in term deposits, local authority stock and government bonds are recognised directly against the instrument's carrying amount.

Financial assets at fair value through other comprehensive revenue and expense

For equity investments, a significant or prolonged decline in the fair value of the investment below its cost is considered objective evidence of impairment.

For debt investments, significant financial difficulties of the debtor, probability that the debtor will enter into bankruptcy, and default in payments are considered objective indicators that the asset is impaired.

If impairment evidence exists for investments at fair value through other comprehensive revenue and expense, the cumulative loss (measured as the difference between the acquisition cost and the current fair value, less any impairment loss on that financial asset previously recognised in the surplus or deficit) recognised in other comprehensive revenue and expense is reclassified from equity to the surplus or deficit.

Equity instrument impairment losses recognised in the surplus or deficit are not reversed through the surplus or deficit.

If in a subsequent period the fair value of a debt instrument increases and the increase can be objectively related to an event occurring after the impairment loss was recognised, the impairment loss is reversed in the surplus or deficit.

7. Forestry

Forests were valued as at 30 June 2015, by Terry O'Neill (Bachelor of Forestry Science) Forester, Ashburton District Council in accordance with PBE IPSAS 27 *Agriculture*. All forests have been valued at 'fair value' less costs to sell at the point of harvest. Fair value is determined based on the present value of expected net cash flows discounted at a current market determined pre-tax rate of 8% (2014 the discount rate was 8%).

Council has a policy to revalue its forests annually. Any increase or decrease in the valuation is recognised in the forecast surplus or deficit.

8. Inventories

Inventories (such as spare parts and other items) held for distribution or consumption in the provision of services that are not supplied on a commercial basis are measured at cost adjusted where applicable, for any loss of service potential. Where inventory is acquired at no cost or for nominal consideration, the cost is the current replacement cost at the date of acquisition.

Inventories held for use in the production of goods and services on a commercial basis are valued at the lower of cost and net realisable value. The cost of purchased inventory is determined using the first-in first-out (FIFO) method.

The amount of any write down in the value of inventories is recognised in the forecast surplus/(deficit) in the period of the write-down.

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

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

9. Non-Current Assets Held for Sale

Non-current assets held for sale are classified as held for sale if their carrying amount will be recovered principally through a sale transaction, not through continuing use. Non-current assets held for sale are measured at the lower of their carrying amount and fair value less costs to sell.

Non-current assets are not depreciated or amortised while they are classified as held for sale.

10. Property, Plant and Equipment and Depreciation

Property, plant and equipment consist of:

Operational Assets:

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

Restricted Assets:

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

Infrastructure assets

Infrastructure assets are the fixed utility systems owned by Council including roads, footpaths, bridges and culverts, water, sewerage, stormwater, landfills, village projects and the Alps 2 Ocean cycle-way, for example, sewer reticulation includes reticulation piping and sewer pump stations.

Recognition and Measurement

Property, plant, and equipment is shown at cost or valuation, less accumulated depreciation and impairment losses.

Initial recognition

Property, plant and equipment are initially shown at cost or at fair value in the case where an asset is acquired at no cost or for a nominal cost. Cost includes any costs that are directly attributable to the acquisition of the items.

Capital work in progress is recognised at cost less impairment and is not depreciated. The total cost of a project is transferred to the relevant asset class at balance date upon completion and then depreciated.

Subsequent measurement

Revaluations of property, plant and equipment are accounted for on a class of asset basis.

Revaluation

The measurement base for each class of asset is described below. The carrying values of revalued items are reviewed at each balance date to ensure that those values are not materially different to fair value.

Valuation

Operational assets	Is the class revalued?	Valuation Basis
Buildings	Yes	Fair value
Computer hardware	No	Depreciated historical cost
Furniture and fittings	No	Depreciated historical cost
Heritage assets	No	Deemed cost
Land	Yes	Fair value
Motor vehicles	No	Depreciated historical cost
Office equipment	No	Depreciated historical cost
Plant and machinery	No	Depreciated historical cost

Restricted assets	Is the class revalued?	Valuation Basis
Land	Yes	Fair value

Infrastructural assets	Is the class revalued?	Valuation Basis
Flood protection and control works	No	Not applicable
Landfills	No	Not applicable
Village projects	No	Not applicable
Alps 2 ocean cycle-way	No	Deemed cost
Land under roads	No	Not applicable
Roads and footpaths	Yes	Optimised depreciated replacement cost
Resource consents	No	Optimised depreciated replacement cost
Stormwater	Yes	Optimised depreciated replacement cost
Sewerage	Yes	Optimised depreciated replacement cost
Water supplies	Yes	Optimised depreciated replacement cost

Accounting for revaluations

Council accounts for revaluations of property, plant and equipment on a class of asset basis.

The results of revaluing are credited or debited to an asset revaluation reserve for that class of asset. Where this results in a debit balance in the asset revaluation reserve, this balance is expensed in the forecast surplus/deficit.

Any subsequent increase on revaluation that off-sets a previous decrease in value recognised in the forecast surplus/deficit will be recognised first in the forecast surplus/deficit up to the amount previously expensed, and then recognised in other comprehensive revenue and expenditure.

Those asset classes that are revalued are valued on a three yearly valuation cycle on the basis described above. All other asset classes are carried at depreciated historical cost. The carrying values of revalued items are reviewed at each balance date to ensure that those values are not materially different to fair value.

Additions

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

Additions between valuations are recorded at cost, except for vested assets. Certain infrastructure assets and land have been vested in the Council as part of the subdivision consent process. The vested reserve land has been initially recognised at the most recent appropriately certified government valuation. Vested infrastructure assets have been valued based on the actual quantities of infrastructure

Disposals

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

Subsequent costs

Costs incurred subsequent to initial acquisition are capitalised only when it is probable that future economic benefits or service potential associated with the item will flow to Council and the cost of the item can be measured reliably.

The costs of day-to-day servicing of property, plant, and equipment are recognised in the forecast surplus or deficit as they are incurred.

Vested Assets

In addition, infrastructural assets will be vested to Council from developers as the relevant developments have been completed. The Council will record the cost of those vested assets at the current cost when received and the assets will be revalued in line with the Council's other infrastructural assets. These assets will also be subject to depreciation.

Depreciation

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

Operational assets	Depreciation method	Life (years)
Buildings	Straight line	50
Computer hardware	Straight line	3-10
Computer network cabling	Straight line	10
Furniture and fittings	Straight line	5-10
Heritage assets	Straight line	60-150
Land	Not depreciated	-
Motor vehicles	Straight line	5-25
Office equipment	Straight line	5
Light plant and machinery	Straight line	5-10
Plant and machinery	Straight line	5-10
Resource recovery parks	Straight line	2-10

Infrastructural assets	Depreciation method	Life (years)
Flood protection and control works	Not applicable	-
Landfills	Straight line	33-50
Village projects	Straight line	5-80
Alps 2 ocean cycle-way	Straight line	50
Formation	Not depreciated	-
Surfacing	Straight line	0-17
Land under roads	Not depreciated	-
Roads and footpaths	Straight line	6-80
Formation	Not depreciated	-
Sub-base	Not depreciated	-
Base course	Straight line	75-100
Surfacing	Straight line	0-17
Kerb and channelling	Straight line	10-100
Street signs	Straight line	13
Street lighting	Straight line	20-40
Bridges	Straight line	80
Resource consents	Straight line	Over the life of the consent
Stormwater		
Lines	Straight line	150
Manholes	Straight line	150
Open drains	Not depreciated	-
Sewerage		
Mains	Straight line	60-80
Pumps	Straight line	15
Oxidation ponds	Not depreciated	-
Box culverts	Straight line	100
Manholes	Straight line	100
Water supplies		
Piping mains	Straight line	60-80

Infrastructural assets	Depreciation method	Life (years)
Pumps	Straight line	15
Service lines	Straight line	80-100
Hydrants	Straight line	100
Valves and air valves	Straight line	80
Meters	Straight line	25
Reservoirs	Straight line	80

Unformed or Paper Roads

An unformed or paper road is a term for a road that is legally established and recorded in survey plans, but has not been formed, and that ownership of the land associated with the paper road resides with Council.

Council does not recognise land under unformed paper roads in the forecast financial statements because there little or no service potential from the majority of these paper roads.

Valuing these assets is also difficult. It is difficult to measure the service benefit to the public from having access to these routes. There is also limited market data detailing recent sales of such small individual areas arguably due to the high cost of disposal.

9. Intangible Assets

Software

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

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

Costs associated with maintaining computer software are recognised as an expense when incurred.

Carbon Credits

Carbon Credits acquired by way of a government grant are initially recognised at the date of entitlement at fair value. Subsequent to initial recognition, carbon credits are measured at the original fair value less any accumulated impairment losses.

Carbon credits have an indefinite useful life and are tested for impairment annually or when an indication of impairment exists. The useful life of carbon credits with an indefinite life is reviewed each reporting period to determine whether the indefinite life assessment continues to be supportable.

Easements

Easements are not cash generating in nature, instead they give Council the right to access private property where infrastructural assets are located.

Council has not valued and recognised easements as an intangible asset under PBE IPSAS 31 Intangible Assets. The work required identifying and developing a central register to record easements and paper roads would be considerable and difficult to ensure that it was comprehensive and complete. Council is also concerned that the cost to establish the register would be substantial with minimal benefits being achieved. Registered valuers would have difficulty determining a fair value for the easements due to their unique nature, and having no active market for this particular asset type. There is also no recognised valuation methodology.

For these reasons, Council has opted not to recognise easements as an intangible asset because they cannot be quantified and the value of the easements cannot be measured reliably.

Resource Consents

It is difficult to determine the fair value of Resource Consents due to their specialised nature and having no active market to compare values against. For these reasons, Council holds resource consents at deemed cost and they are amortised over the life of the consent.

Amortisation

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

The useful lives and associated amortisation values of major classes of intangible assets have been estimated as follows:

Intangible assets	Depreciation method	Life (years)
Computer software	Straight line	3

10. Impairment of property plant and equipment and intangible assets

Council does not hold any cash-generating assets. Assets are considered cash-generating where their primary objective is to generate a commercial return.

Non-Cash-Generating Assets

The carrying amounts of property, plant and equipment are reviewed at least annually to determine if there is any indication of impairment. Where an asset's recoverable service amount is less than its carrying amount, it will be reported at its recoverable amount and an impairment loss will be recognised.

Recoverable service amount is defined as the higher of an asset's fair value less cost to sell and its value in use.

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

Losses resulting from impairment are reported within the forecast surplus or deficit, unless the asset is carried at a revalued amount in which case any impairment loss is treated as a revaluation decrease and recorded within forecast other comprehensive revenue and expense. Should the impairment loss result in a debit balance in the revaluation reserve, the balance is recognised in the forecast surplus or deficit.

The reversal of an impairment loss on a revalued asset is credited to the revaluation reserve, and subsequently through other comprehensive revenue and expense. However, to the extent that an impairment loss for that class of asset was previously recognised in the forecast surplus or deficit, a reversal of the impairment loss is also recognised in the forecast surplus or deficit.

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

11. Creditors and other payables

Short-term creditors and other payables are recorded at their face value.

12. Employee Entitlements

Short-Term Employee Entitlements

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

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

A liability for sick leave is recognised to the extent that compensated absences in the coming year are expected to be greater than the sick leave entitlements earned in the coming year. The amount is calculated based on the unused sick leave entitlement that can be carried forward at balance date; to the extent it will be used by staff to cover those future absences.

A liability and an expense are recognised for bonuses where Council has a contractual obligation, or where a past practice has created a constructive obligation at balance date.

Long-Term Employee Entitlements

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

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

Presentation of Employee Entitlements

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

13. Superannuation schemes

Defined Contribution Schemes

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

Defined Benefit Schemes

Council makes employer contributions to the Defined Benefit Plan Contributors Scheme (the scheme), which is managed by the Board of Trustees of the National Provident Fund. The scheme is a multi-employer defined benefit scheme.

Insufficient information is available to use defined benefit plan accounting, as it is not possible to determine from the terms of the scheme the extent to which the scheme's forecast surplus or deficit will affect future contributions by individual employers, as there is no prescribed bases for allocation. The scheme is therefore accounted for as a defined contribution scheme.

14. Leases

Finance Leases

A finance lease is a lease that transfers to the lessee substantially all the risks and rewards incidental to ownership of an asset, whether or not title is eventually transferred.

At the commencement of the lease term, finance leases are recognised as assets and liabilities in the forecast statement of financial position at the lower of the fair value of the leased item or the present value of the minimum lease payments.

The finance charge is charged to the forecast surplus or deficit over the lease period so as to produce a constant periodic rate of interest on the remaining balance of the liability.

The amount recognised as an asset is depreciated over its useful life. If there is no certainty as to whether Council will obtain ownership at the end of the lease term, the asset is fully depreciated over the shorter of the lease term and its useful life.

Operating Leases

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

Rental revenue from an operating lease is recognised on a straight-line basis over the term of the relevant lease.

15. Borrowings

Borrowings are initially recognised at their fair value plus transaction costs. After initial recognition, all borrowings are measured at amortised cost using the effective interest method where the difference to carrying value is material. Amortised cost is calculated by taking into account any issue costs, and any discount or premium on settlement.

Borrowings are classified as current liabilities unless Council has an unconditional right to defer settlement of the liability for at least 12 months after balance date.

16. Borrowing costs

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

17. Grant expenditure

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

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

18. Income tax

Council is exempt from income tax, except for income from council-controlled organisations. Accordingly, no provision has been made for income tax.

19. Statement of Cash Flows

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

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

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

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

20. Cost Allocation

Direct costs are charged directly to significant activities. Indirect costs have been charged to the administration activity and have not been allocated to significant activities based on cost drivers and related activity/usage information.

Significant Forecasting Assumptions

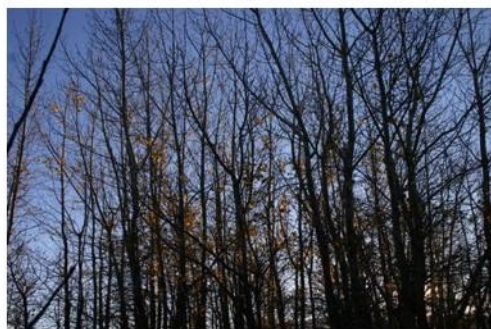
The 10 Year LTP 2015-2025 included significant forecasting assumptions that had been applied to develop the 10 year forecasts. The assumptions contained in the LTP remain unchanged in this Annual Plan, apart from the variations described below. For details of the unchanged assumptions, please see Council's Long Term Plan 2015-2025. As part of developing the 2016/17 budget, the Council reviewed the assumptions applied in the LTP, and the following areas have been reviewed and amended accordingly.

Interest Rates

The LTP predicted rising interest rates, based on the official cash rate. This has not proven to be the case, with rates falling leading up to this plan. Interest income is expected to remain at levels predicted in the plan, as Council will have more funds to invest due to earlier settlement of major property sales.

Growth of Property Values

The LTP assumed a level of increase in property values which has not occurred. This has meant that the rating burden is spread over a lower capital value base, and has resulted in higher than anticipated rates increases than were highlighted in the sample property data in the LTP. However rates increases remain within the limits set in the Council's Financial Strategy.



FUNDING IMPACT STATEMENT

Funding Impact Statement

Rating Definitions

Rating for 2016-2017 Year

Rating Impact on Sample Properties

Rating Base Information

Disclosure statement

Funding Impact Statement

For the year ended 30 June 2017

Notes	LTP Budget	LTP Budget	Annual Plan
	2015/2016	2016/2017	2016/2017
	\$000's	\$000's	\$000's
SOURCES OF OPERATING FUNDING			
General rates, uniform annual general charges, rates penalties	2,802	2,839	2,902
Targeted rates	4,882	5,309	5,221
Subsidies and grants for operating purposes	1,006	978	715
Fees and charges	0	0	0
Interest and dividends from investments	1,152	1,335	385
Local authorities fuel tax, fines, infringement fees, and other receipts	2,289	2,335	2,468
TOTAL OPERATING FUNDING (A)	12,131	12,796	11,691
APPLICATIONS OF OPERATING FUNDING			
Payments to staff and suppliers	9,607	9,781	10,190
Finance costs	3	42	47
Other operating funding applications	443	519	389
TOTAL APPLICATIONS OF OPERATING FUNDING (B)	10,053	10,341	10,626
Surplus (deficit) of operating funding (A-B)	2,078	2,455	1,065
SOURCES OF CAPITAL FUNDING			
Subsidies and grants for capital expenditure	596	595	855
Development and financial contributions	120	120	120
Increase (decrease) in debt	105	854	738
Gross proceeds from sale of assets	3,880	1,628	4,103
Lump sum contributions	0	0	0
Other dedicated capital funding	0	0	0
TOTAL SOURCES OF CAPITAL FUNDING (C)	4,701	3,197	5,816
APPLICATIONS OF CAPITAL FUNDING			
Capital expenditure			
- To meet additional demand	0	0	232
- To improve the level of service	0	0	3,113
- To replace existing assets	2,381	442	2,096
Increase (decrease) in reserves	4,398	5,210	1,440
Increase (decrease) of investments	0	0	0
TOTAL APPLICATIONS OF CAPITAL FUNDING (D)	6,779	5,652	6,881
Surplus (deficit) of capital funding (C-D)	-2,078	-2,455	-1,065
FUNDING BALANCE ((A-B) + (C-D))	0	0	0

Financial and development contributions enable Council to fund likely and foreseeable capital projects that are expected to occur from growth and new development in the District. The use of development contributions is restricted for this specific purpose only. They can not be used to fund operating expenditure.

Rating Definitions

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:

Group (A)

Tekapo A – All separately rateable properties in the former Tekapo ward, used for hydro electric power generation (as more particularly defined on valuation roll number 25300 15901).

Ohau A – All separately rateable properties in the former Twizel ward used for hydro electric power generation (as more particularly defined on valuation roll number 25320 00701A).

Tekapo B – All separately rateable properties in the former Tekapo ward, used for hydro electric power generation (as more particularly defined in valuation roll number 25300 18400).

Group (B)

All other properties – All separately rateable properties in the District not classified in any of the categories in Group (A).

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

Category	Factor
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 on 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 to calculate the liability of targeted rates. 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.

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
- Rural fire

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 agreed percentage of the targeted rate requirement (excluding improvement work); and
- A rate in the dollar based on the capital value of the land to fund the balance of the targeted rate requirement (excluding improvement work)

Currently the 2015/16 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 agreed 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 2015/16 split of the rate requirement is 10% fixed charges and 90% rate in the dollar based on capital value.

Tekapo Works and Services Rate

This targeted rate will be assessed on every rating unit in the 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 agreed 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 2015/16 split of the rate requirement is 35% fixed charges and 65% 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 agreed 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 of the land:
 - Ohau A;
 - Tekapo A;
 - Tekapo B;
 - All other rural properties.

Ohau A means – All separately rateable properties in the former Twizel ward used for hydroelectric power generation (as more particularly defined on valuation roll 25320 00701A).

Tekapo A means – All separately rateable properties in the former Tekapo ward, used for hydroelectric power generation (as more particularly defined on valuation roll number 25300-15901).

Tekapo B means – All separately rateable properties in the former Tekapo ward, used for hydroelectric power generation (as more particularly defined on valuation roll number 25300 18400).

All other rural properties means – every other property 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:

Category	Factor
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 properties	40% of the balance of the targeted rate requirement

Currently the 2015/16 split of the rate requirement is 74% fixed charges and 26% rate in the dollar based on capital value.

Urban Sewerage Rates

Sewage Treatment Rates

A targeted rate will be assessed under section 16 of the Local Government (Rating) Act 2002 in each of the following communities to fund the cost of sewage treatment:

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

(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 Rates

A targeted rate will be assessed under section 16 of the Local Government (Rating) Act 2002 in each of the following communities to fund the Council's sewerage infrastructure services. This includes sewer maintenance, depreciation and the servicing of loans:

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

(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 not 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 fund the rating units in the Eversley Reserve sewerage scheme serviced by the Fairlie sewerage system apart from those rating units that opted to pay a lump sum contribution.

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

Urban Water Supply Rates

Urban Water Treatment Rate

A targeted rate will be assessed under section 16 of the Local Government (Rating) Act 2002 in each of the following communities to fund the costs of Council's urban water treatment.

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

(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).

Urban Water Infrastructure Rate

A targeted rate will be assessed under section 16 of the Local Government (Rating) Act 2002 in each of the following communities to fund the Council's urban water supply infrastructure services. This includes maintenance, depreciation and the servicing of loans:

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

(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 separately used or inhabited part (SUIP) of a 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.

Twizel Improvement Rate

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

The targeted rate will be a fixed amount per separately used or inhabited part (SUIP) of a rating unit to fund improvement work in the community of Twizel.

Urban Stormwater Rate

A targeted rate will be assessed under section 16 of the Local Government (Rating) Act 2002 in each of the following communities to fund the costs of Council's urban stormwater reticulation.

- Fairlie Community
- Twizel Community
- Lake Tekapo Community

(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.

Rural Water Supplies

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 serviced if the rating unit receives a water supply, or the rating unit lies within the defined area of benefit for that supply.

Allandale Rural Water Supply

A targeted rate for water supply under section 19 assessed on every rating unit serviced 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 Rural Water Supply

A targeted rate for water supply under section 16 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 – Variable

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

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

Fairlie Water Race – Fixed

A targeted rate for water supply under section 16 assessed on every rating unit within the defined area of benefit for the Fairlie water race to partly fund the costs of maintenance, depreciation and the servicing of loans

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

Spur Road Rural Water Supply

A targeted rate for water supply under section 19 assessed on every rating unit serviced 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.

Manuka Terrace Water Supply Investigation Rate

A targeted rate will be assessed under section 16 of the Local Government (Rating) Act 2002 for all rating units in the Manuka Terrace water supply area (as defined on a map held by Council) to fund preliminary expenses in investigating and planning of a future water supply. Once the scheme is operational the method of rating will be reviewed.

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

Note: For the purposes of the Allandale, Ashwick/Opuha and Spur Road Water rural water supplies, a unit of water equals a volume of 1.82m³/day.

Downlands Water Supply

A targeted rate for water supply under section 16 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 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 1000 litres per day.

District Rooding Rate

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

The targeted rate will be assessed on every rating unit in the District (excluding Mount Cook Village) and will be made up of 2 components:

- A fixed amount per separately used or inhabited part (SUIP) of a rating unit (excluding Mount Cook Village to fund an annually agreed 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:

Group (A)

Tekapo A – All separately rateable properties in the former Tekapo Ward, used for hydroelectric power generation (as more particularly defined on valuation roll number 25300 15901).

Ohau A – All separately rateable properties in the former Twizel Ward used for hydroelectric power generation (as more particularly defined on valuation roll number 25320 00701A).

Tekapo B – All separately rateable properties in the former Tekapo Ward, used for hydroelectric power generation (as more particularly defined in valuation roll number 25300 18400).

Group (B)

All other district properties” means all separately rateable properties 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:

Category	Factor
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 2015/16 split of the rate requirement is 41% fixed charges and 59% rate in the dollar based on capital value.

Solid Waste Rates

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
- Tekapo waste collection area
- Fairlie waste collection area

And on those rating units within one kilometre of the collection route, 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.

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 agreed 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, set using the following categories based on the use and location of the land:

Category

- Commercial Businesses
- Industrial land properties

Currently the 2015/16 split of the rate requirement is 66.36% fixed charges and 33.64% 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 district:

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

Tourism and Promotion Rate

Targeted rates will be assessed under section 16 of the Local Government (Rating) Act 2002 on a differential basis to fund the costs of District tourism and promotion activities. The targeted rate will be assessed on every rating unit and will be set differentially using the following categories and calculated on the following basis:

- The use to which the land is put and
- The capital value of the land

Categories

- Commercial businesses
- Industrial land properties
- Commercial accommodation business
- Secondary accommodation properties
- All properties

The targeted rates will be:

All Properties

- A fixed amount per separately used and inhabited part of a rating unit in the District.

Group A

- A rate based on the land use on the rateable capital value of the land of all Commercial business properties (excluding commercial accommodation businesses and secondary accommodation properties)
- A fixed amount for Industrial land properties (excluding commercial businesses, commercial accommodation businesses and secondary accommodation properties).

Group B

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

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

All Properties	10% of the total rates requirement
Group A	30% of the total rate requirement
Group B	60% of the total rate requirement

Currently the 2015/16 split of the rate requirement is 15.26% fixed charges and 84.74% rates in the dollar based on capital value.

Rural Cattlestop 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 cattlestops situated on the boundary between rating units and Council roads.

The targeted rate will be a fixed amount per cattlestop, or part thereof on those rating units or parts of rating units benefitting.

Definitions Used

District Tourism and Promotion

All properties	All rateable properties in the Mackenzie District
Group A	
Commercial Business	All rateable properties within the Mackenzie District identified as the principal use of the land being a trading entity engaged in commercial business activities (excluding commercial accommodation providers)
Industrial land Properties	All rateable properties within the Mackenzie District on land with a property category code beginning with I in the Council's Rating Information Database
Group B	
Commercial Accommodation Businesses	All rateable properties within the Mackenzie District identified as accommodation providers for short term (not permanent) paying guests and where the principal use of the land is commercial accommodation business.
Secondary Accommodation Properties	All other rateable properties within the Mackenzie District identified as accommodation providers for short term (not permanent) paying guests, but where the principal use of the land is not commercial accommodation business.
Property Category Codes	Each rating assessment has a property category that broadly describes the nature of this property. The property category 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 category codes are maintained by Council's current valuation service providers "Quotable Value Ltd".

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

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

A separately used or occupied part of a rating unit includes any part of a rating unit that it used or occupied 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 are used or occupied by the ratepayer for more than one single use. For the purposes of this policy, vacant land is defined as "used".

Separately used or inhabited parts include:

- Residential property that contains two or more units that can be separately occupied, flats or houses each of which is separately inhabited or is capable of separate habitation.
- 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 2016-2017 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
General Rate		
Hydro Differential		
Tekapo A	0.0098232 per dollar of capital value	\$322,206
Ohau A	0.0011385 per dollar of capital value	\$322,206
Tekapo B	0.0017234 per dollar of capital value	\$322,206
All Other Ratepayers	0.0008470 per dollar of capital value	\$2,255,444
Total Expected Rates (including GST)		\$3,222,062
Total Expected Rates (excluding GST)		\$2,801,793
Uniform Annual General Charge		
Fixed Charge	\$25.21 per SUIP rating unit	\$116,798
Total Expected Rates (excluding GST)		\$101,563

Targeted Rates - Works and Services Rates

	Factor	Value
Twizel Works and Services Rate		
Fixed Charge	\$35.77 per SUIP rating unit	\$63,375
Capital Value Rate	0.0011773 per dollar of capital value	\$570,382
Total Expected Rates (including GST)		\$633,757
Total Expected Rates (excluding GST)		\$551,093
Fairlie Works and Services Rate		
Fixed Charge	\$51.11 per SUIP rating unit	\$29,420
Capital Value Rate	0.0021195 per dollar of capital value	\$264,779
Total Expected Rates (including GST)		\$294,199
Total Expected Rates (excluding GST)		\$255,825
Tekapo Works and Services Rate		
Fixed Charge	\$192.13 per SUIP rating unit	\$141,894
Capital Value Rate	00.0007859 per dollar of capital value	\$263,518
Total Expected Rates (including GST)		\$405,412
Total Expected Rates (excluding GST)		\$352,532
Rural Works and Services Rate		
Fixed Charge	\$135.18 per SUIP rating unit	\$197,844
Hydro Differential:		
Ohau A	0.0000073 per dollar of capital value	\$2,082
Tekapo A	0.0000634 per dollar of capital value	\$2,082
Tekapo B	0.0000111 per dollar of capital value	\$2,082
Capital Value Rate	0.0000024 per dollar of capital value	\$4,166
Total Expected Rates (including GST)		\$208,256
Total Expected Rates (excluding GST)		\$181,092
Twizel Improvement Rate		
Fixed charge	59.23 per SUIP rating unit	\$104,750
Total expected rates (excluding GST)		\$91,086

Targeted Rates –Urban Sewerage Rates

	Factor	Value
Sewerage Treatment Rates		
Sewage Treatment Fixed Charge	\$32.86 per connected SUIP rating unit	\$82,742
Additional Charge	\$8.21 for each additional water closet	\$5,717
Total Expected Rates (including GST)		\$88,459
Total Expected Rates (excluding GST)		\$76,920

	Factor	Value
Sewerage Infrastructure Rates		
Sewerage Infrastructure Fixed Charge	\$167.60 per connectable SUIP rating unit	\$516,898
Additional Charge	\$41.90 for each additional water closet	\$29,164
Total Expected Rates (including GST)		\$546,062
Total Expected Rates (excluding GST)		\$474,836
Eversley Reserve Sewerage Rate		
Fixed Charge	\$938.28 per rating unit	\$12,197
Total Expected Rates (excluding GST)		\$10,606
Targeted Rate – Urban Stormwater		
Stormwater Rate	\$37.28 per SUIP rating unit	\$113,847
Fixed Charge		\$98,997
Total expected rates (excluding GST)		

Targeted Rates – Urban Water Rates

	Factor	Value
Water Treatment Rate		
Fixed Charge	\$91.19 per connected SUIP rating unit	\$227,077
Total Expected Rates (excluding GST)		\$197,458
Water Infrastructure Rate		
Fixed Charge	\$214.61 per connectable SUIP rating unit	\$640,523
Total Expected Rates (excluding GST)		\$556,976
Water Meter Rate		
Fixed Charge	\$305.81 per metered supply	\$63,914
Total Expected Rates (excluding GST)		\$55,577

Targeted Rates – Rural Water Supply Rates

	Factor	Value
Allandale Water Supply		
Fixed Charge	\$235.00 per unit	\$128,780
Total Expected Rates (excluding GST)		\$111,982
Ashwick/Opuha Water Race – Operational Charge		
Fixed Charge	\$225 per rating unit	\$10,125
Total Expected Rates (excluding GST)		\$8,804
Spur Road Water Supply		
Fixed Charge	\$77.90 per unit	\$5,231
Total Expected Rates (excluding GST)		\$4,548
Downlands Water Supply		
Fixed Charge	\$370 per serviced rating unit	\$21,460
Total Expected Rates (excluding GST)		\$18,660
Downlands Water Supply		
Fixed Charge	\$148 per unit	\$31,228
Total Expected Rates (excluding GST)		\$27,154
Fairlie Water Race – Fixed Charge		
Fixed Charge	\$30.00 per rating unit	\$900
Total Expected Rates (excluding GST)		\$782
Fairlie Water Race – Variable Charge		
Fixed Charge	\$3.76 per hectare	\$2,599
Total Expected Rates (excluding GST)		\$2,260
Manuka Terrace Water Supply Development Rate		
Fixed Charge	\$0.00 per rating unit	\$00
Total Expected Rates (excluding GST)		\$00

Targeted Rates – Other

	Factor	Value
District Roading Rate		
Fixed Charge	\$119.45 per SUIP rating unit	\$542,697
Hydro Differential		
Tekapo A	0.0023809 per dollar of capital value	\$78,095
Ohau A	0.0002759 per dollar of capital value	\$78,095
Tekapo B	0.0004177 per dollar of capital value	\$78,095
All other district properties	0.0002089 per dollar of capital value	\$546,669
Total expected rates (including GST)		\$1,323,651
Total expected rates (excluding GST)		\$1,151,001
Urban Solid Waste Rate		
Fixed Charge	\$278.68 per serviced SUIP rating unit	\$685,293
Total expected rates (excluding GST)		\$595,906
Tourism and Promotion Rate		
Fixed Charge	\$5.77 per SUIP rating unit	\$26,737
Fixed Charge – Industrial land properties	\$100.00 per rating unit	\$12,400
Capital Value rate – Commercial Businesses	0.0006008	\$59,791
Capital Value rate - Commercial Accommodation	0.0011889	\$99,301
Capital Value rate -Secondary Accommodation	0.0005944	\$69,144
Total expected rates (including GST)		\$267,375
Total expected rates (excluding GST)		\$232,500
Economic Development Rate		
Fixed Charge	\$10.00 per SUIP rating unit	\$46,330
Capital Value rate	0.0001230	\$22,670
Total Expected Rates (including GST)		\$69,000
Total Expected Rates (excluding GST)		\$60,000
Alps to Ocean Rate		
Fixed Charge	\$24.82 per SUIP rating unit	\$115,000
Total Expected Rates (including GST)		\$100,000
Rural Cattlestop Maintenance Rate		
Fixed Charge	\$81.00 per cattlestop	\$3,727
Total Expected Rates (excluding GST)		\$3,240

Rating Impact on Sample Properties

	Capital Value	Rates 2015/16	Annual Plan Rates 2016/17	% Increase
Fairlie				
Section	55000	815.81	830.55	1.81%
Lower Value House	175000	1,550.71	1,614.35	4.10%
Mid Value House	210000	1,668.41	1,725.49	3.42%
Upper Value House	250000	1,802.91	1,852.51	2.75%
High Value House	315000	2,021.49	2,058.92	1.85%
Tekapo				
Section	185000	1,081.94	1,137.66	5.15%
Lower Value House	280000	1,580.86	1,715.38	8.51%
Mid Value House	390000	1,774.85	1,917.99	8.06%
Upper Value House	580000	2,109.93	2,267.95	7.49%
High Value House	760000	2,427.37	2,599.49	7.09%
Twizel				
Section	89000	891.92	898.55	0.74%
Lower Value House	175000	1,398.30	1,493.36	6.80%
Mid Value House	215000	1,493.62	1,582.69	5.96%
Upper Value House	350000	1,815.34	1,884.19	3.79%
High Value House	445000	2,041.74	2,096.35	2.67%
Rural				
Section	110000	400.97	436.88	8.96%
Lifestyle	400000	696.61	743.82	6.78%
Farm Property	1000000	1,308.29	1,378.88	5.40%
Farm Property	2000000	2,327.75	2,437.32	4.71%
Farm Property	3000000	3,347.21	3,495.75	4.44%
Farm Property	4000000	4,366.67	4,554.18	4.29%
Farm Property	5000000	5,386.13	5,612.62	4.20%
Farm Property	6000000	6,405.59	6,671.05	4.14%
Farm Property	7000000	7,425.05	7,729.48	4.10%
Farm Property	8000000	8,444.51	8,787.91	4.07%
Farm Property	9000000	9,463.97	9,846.35	4.04%
Farm Property	10000000	10,483.44	10,904.78	4.02%

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 2016/7 Annual Plan, the Council is projecting a total of 4,433 rating units with a rateable land value of \$1,636,968,350 and rateable capital value of \$3,166,301,250 as at 30 June 2016.

Disclosure Statement

Annual plan disclosure statement for year ending 30 June 2017

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.

Benchmark	Limit	Planned	Met
Rates affordability benchmark			
• income	\$9.132m	\$8.123m	Yes
• increases	6.00%	4.96%	Yes
Debt affordability benchmark	\$11.763m	\$1.079m	Yes
• External debt to rates revenue	16,246	1,079	Yes
• External debt to operating revenue	100%	0.00%	Yes
• Finance costs to rates revenue	10%	0.58%	Yes
Balanced budget benchmark	100%	98.55%	No
Essential services benchmark	100%	251.9%	Yes
Debt servicing benchmark	10%	0.34%	Yes

Notes

1 Rates affordability benchmark

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.
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

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

3 Balanced budget benchmark

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

4 Essential services benchmark

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

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).
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.

MACKENZIE DISTRICT COUNCIL

REPORT TO: MACKENZIE DISTRICT COUNCIL
FROM: CHIEF EXECUTIVE OFFICER
SUBJECT: COMMUNITY BOARD RECOMMENDATIONS
MEETING DATE: 10 MAY 2016

PURPOSE OF REPORT:

To consider the recommendations made by community boards.

RECOMMENDATIONS:

1. That the report be received.

TWIZEL COMMUNITY BOARD:

2. That council **notes** the following resolution regarding a request for funding for “Hops and Hooves Event” from Twizel Promotions and Development Association:

Resolved: that the Twizel Community Board contribute \$250 being half of the hall hire costs, based on the hall hire being \$500.

Phil Rive/ Bruce White

3. That council **notes** the following resolution regarding the Twizel Rubbish Bin location:

Resolved that the Twizel Community Board direct Garth Nixon to relocate the bins/a bin to a location closer to the Events Centre.

Bruce White/ Chairman

TEKAPO COMMUNITY BOARD:

1. That council **notes** the following resolution regarding a grant request from Tamara Waite:

Resolved: that the Community Board decline the request and inform Ms Waite that the Community Board has considered her application and will be reviewing the fees and charges of the Tekapo Community Hall in the future

Stella Sweney/Lyn Martin

2. That council **notes** the following resolution regarding the Boundary Fence at Aorangi Crescent:

Resolved That the Community Board decline to build the fence.

Stella Sweney/ Cr Cox

3. That council **notes** the following resolution regarding the Nepal Event:

Resolved That the Community Board approve a grant to cover the cost of the hall hire for the event.

Lyn Martin/ Stella Sweney

FAIRLIE COMMUNITY BOARD:

1. That council **notes** the following resolution regarding Regent Street Improvements and the use of the footpath and legal roadside reserve for business purposes:

Resolved: that the Fairlie Community Board instruct the Chief executive officer to approach the business owner to cease business usage of the legal road reserve on Regent Street and removal of vehicles. If there is no action taken within 3 working days, investigate other options available to Council.

Chairman/ Les Blacklock

2. That council **notes** the following resolution regarding Regent Street Improvements:

Resolved: that the Fairlie Community Board delay the Regent Street Improvement project subject to identification and prioritization of the various improvements established within the Mackenzie District Transportation Strategy.

Les Blacklock/ Warren Barker

ATTACHMENTS:

The minutes of the meetings of the community boards.

BACKGROUND:

The community boards have made a number of decisions for council to note and/or consider.

POLICY STATUS:

N/A

SIGNIFICANCE OF DECISIONS REQUESTED:

No significant decisions are required.

CONSIDERATIONS:

The Council delegated a range of authorities to staff and other organisations on 14 June 2005 when it also confirmed that it did not need to make any specific delegations to Community Boards to have them better perform their role.

This policy was amended on November 5, 2010, when the Council resolved to delegate to the Fairlie, Tekapo and Twizel Community Boards, the following responsibilities:

- The ability to consider requests from local organizations for financial assistance in the form of grants, where budget exists for such matters and subject to no one grant exceeding \$1,000.

- The ability to appoint local representatives to organizations within the community board area and other organizations where local representation is requested.
- The ability to authorize, within approved budgets, board members' attendance at relevant conferences and/or training courses.
- The ability to provide or withhold affected persons approval for planning applications on land adjoining Council owned land within the community board area.
- The ability to approve routine changes in policy affecting locally funded facilities within the community board area.

In the absence of delegated authority to the Community Boards on other matters, the Council has the opportunity to note and consider the issues raised and matters promoted on behalf of the Townships by their Boards and to endorse them where appropriate.

WAYNE BARNETT
CHIEF EXECUTIVE OFFICER

MACKENZIE DISTRICT COUNCIL

MINUTES OF A MEETING OF THE TEKAPO COMMUNITY BOARD HELD IN THE LAKE TEKAPO COMMUNITY HALL, TEKAPO, ON MONDAY 4 APRIL 2016, AT 7.05PM

PRESENT:

Peter Munro (Chair)
Murray Cox
Stella Sweney
Lyn Martin

IN ATTENDANCE:

Wayne Barnett, Chief Executive Officer
Garth Nixon, Community Facilities Manager
Bernie Haar, Asset Manager
Keri-Ann Little, Committee Secretary
3 members of the public

OPENING:

The chairman welcomed everyone to the postponed March 8th meeting.

APOLOGIES:

Nil

DECLARATIONS OF INTEREST:

There were no declarations of interest.

MINUTES:

Resolved that the minutes of the meeting of the Tekapo Community Board held on 25 January 2016, be confirmed and adopted as the correct record of the meeting, including those parts taken in public excluded.

Stella Sweney/ Lyn Martin

Stella Sweney acknowledged Bruce Martin's contribution to the Community.

TEKAPO COMMUNITY BOARD MATTERS UNDER ACTION:

1. Tekapo Plantation: Murray Place/Section A:

Mr Nixon looked thru, there are a number of plants and the area is looking okay, but it does need more plantings and mulch. Track has been sprayed.

2. Freedom Camping:

Workshop on Wednesday in terms of the review, there will be information available to all those who attend. There aren't any more paid wardens being appointed, very few complaints received and feedback has been good. Hamilton Drive has quieten down, no way near the issue that it was. Limit of two hours at Hamilton Drive a possibility asked the Chairman, Garth said this would have to comply with the bylaw and require enforcing. Mr Nixon to provide information from the workshop to the chairman please.

3. Future of Motuariki Island:

Nothing to report.

4. Tekapo Squash Club:

Cr Cox to have another meeting over plans, will follow up.

5. Town Projects:

a. Alps2Ocean Link between Tekapo and Canal Road - agenda item

b. Upgrade of Hamilton Drive lookout –Just tidy ups, grass has been sown and looks good.

c. Walkway lights – Garth hasn't checked them as yet but they are to be replaced. The Chairman said none of the lights were working recently.

6. Tekapo Domain Playground:

Initial site meeting held. Next step to mark out boundary and prepare site. *Jana marking out a plan and will work in with development plan in terms of identifying it.*

7. 60Km Speed Limit Extension: *Bernie said the request is still with NZTA, it is a state highway issue and is a wider issue with speed limits in the Country as a whole, they won't do anything until national issues are resolved, there is a modelling exercise, keeping in mind side of the road, volumes etc – next step Community Board would request a review of the pedestrian crossing, the island could be improved, signage.*

8. Civil Defence:

The chief executive to come back to the community board at a later date with more information. No progress.

9. Tekapo Footbridge:

A plan for the footbridge approaches was attached to the agenda.

The community board agreed to use L and L Construction to carry out the work as they have already done some work in the area to a high standard.

The memorial seat will need to be relocated, and an interpretation panel. The Lions have a wishing well and they are keen to incorporate it somewhere.

The approach work has now been completed, the Chairman has asked to keep this item on the matters under action.

10. Tekapo canal boat ramp:

Cr Cox reported this matter is on the agenda for discussion at the Genesis meeting.

11. Solar System Project:

Lyn Martin said she has heard nothing back.

12. Public Toilets: 4 April 2016

Garth will distribute plans to the community board when they are available.

REPORTS:

FINANCIAL REPORT:

This report is the financial report for the community board for the period to January 2016, the purpose of which to update board members on the financial performance of the Tekapo Community as a whole for that period.

Resolved that the report be received.

Cr Cox/Stella Sweney

Mr Nixon spoke to the financial report outlining the following bulleted points:

- Member's expenses were over the budgeted set amount.
- Tekapo investment income no significant issues.
- Tekapo Community Hall not looking as good as it might, usage has not dropped off, and we have overestimated usage and expenses. Ovens just serviced and income is behind due to slower invoicing through Tekapo Weddings, two months from people hiring and people paying. Chairman said this is too long. Mr Nixon said he will review this at the annual review.

Ms Sweney said we thought the Hall would be used more and asked have we put the charges too high could we look at this at the review also,. Mr Nixon said we can review the fees and charges as we do every year before setting fees and charges, he feels the hire for weddings is reasonable, the problem maybe community use and daily usage charges.

The Chairman said it would be useful to have some facts i.e. late payments no payments in preparation for our annual review.

- Tekapo domain should be going against township account.

Mr Nixon led discussion in regards to the "elephant area" near the camping ground, who was to maintain this area, there was an agreement with the Camping ground to use this area for the Christmas period for overflow of campers. There was no money exchanged and this appears to have become a permanent arrangement and needs to be reviewed.

Cr Cox said that he is worried with the plan change, the Camping Ground could get smaller, and this agreement needs to be highlighted.

The CEO said in the first instance, he will meet with the Camping ground and discuss where the agreement is at and what their understanding is, we can start a dialogue etc., it is important to ensure we all have a clear understanding.

- The Township account on page 15 provides a summary, there is a variance in the rates, Garth Nixon is to report back on this issue. Expenses that are significant are tree maintenance and pruning, which has been discussed. The litter bin collection with additional bins and collection around township has also been a significant cost to the Township account.

Ms Martin asked about the glass bins at the tavern carpark. Mr Nixon said Whitestone have installed theses glass bins at their own cost due to frustration with having to deal with all the glass over the holiday period.

Ms Sweney asked why the litter bin collection is using so much of the budget, Mr Nixon said the township reserves areas that are unspent cover the extra cost and added that the Community board made a decision early on to supply extra bins.

The CEO said it will "wash up", in previous years it has been underspent, and it is good to see projects money being spent.

Projects budget, any further spending on projects will require using projects reserves as the projects budget has been spent. Projects reserves has built up due to nothing being spent in previous years.

GRANT REQUEST TAMARA WAITE:

The purpose of this report is to consider a grant request from Tamara Waite, attached to the report is email request correspondence and completed grant application form.

Mr Nixon supplied the following background information, stating Ms Waite has requested a grant to support her hire of the Tekapo Hall to reduce the cost to her Yoga classes in Tekapo. Ms Waite is a commercial operator who is based in Twizel and she is charged commercial rates for hall hire.

Ms Martin said because she isn't a local she have no problem with turning her request down, however making the hall more affordable could be addressed.

Ms Sweney said it is a benefit to the community and much appreciated, perhaps we could respond to MS Waite and inform her we will be reviewing rates in the future and we appreciate that she supplies her service in Tekapo and uses our Hall.

The Chairman enquired, are we providing a service for the community or are we wanting the hall to generate income.

It is the difference between commercial and club users said Ms Martin.

Resolved: that the report be received.

Cr Cox/ Stella Sweney

Resolved:

The Community Board decline the request and inform Ms Waite that the Community Board has considered her application and will be reviewing the fees and charges of the Tekapo Community Hall in the future

Stella Sweney/Lyn Martin

BOUNDARY FENCE AORANGI CRESCENT:

The purpose of this report from the Community Facilities Manager, is for the Tekapo Community Board to consider costs related to fencing a road boundary on Aorangi Crescent. Attached to this report is the quotation for the work.

The Chairman thanked Mr Nixon for his comprehensive report.

Resolved:

1. That the report be received.

Stella Sweney/ Lyn Martin

2. That the Community Board decline to build the fence.

Stella Sweney/ Cr Cox

Not included in the agenda was a letter that Mr Nixon distributed via email, which had been read by all members.

Mr Nixon said the way it has come about is the resident has talked about a retaining wall, however the resident is in the midst of landscaping and has found out what the Council was doing and has phoned Mr Nixon. The need for a retaining wall is no longer, because they have shifted things around, he has talked to them about what they want, in terms of a fence as she is concerned about cyclists falling down the bank that they have created. Mr Nixon said he does not see that as a concern, he has talked through the options about what she would like, in the end it would require the use of community board funds and Mr Nixon is not comfortable proceeding on the basis of just building a fence, he thinks that the fair ground is half costs. Mr Nixon received a quote which he has passed on however, this was no well received.

Ms Sweney asked to make her opinion very clear, option 1 decline to build the fence, having been to view the area, building a fence for one rate payer would set a precedent.

Mr Nixon thanked the board and added it was nice to have their support on this matter.

TRANSPORTATION STRATEGY FOR THE MACKENZIE DISTRICT:

The Chairman invited Community Board member Ms Sweney to speak to her agenda item included on page 27.

Mrs Sweeney said she was really surprised that we did not proceed with what had already been done by two international based companies, Aurecon and Boffa Miskell, rather than the smaller Abley Transportation Consultants. She accepts there needs to be a transportation strategy for the district but is hoping to be reassured that we are going to go ahead with the parking and landscaping.

Cr Cox reported he has initiated a small group consisting of Bernie Haar, Garth Nixon, Suzy Ratahi, Roading Manager, Peter Munro, and Wayne Barnett and myself to discuss issues and how the town moves forward through the initial phase now the subdivision works are almost completed, concentration must shift to toilets, car parking and the domain.

Mr Barnett stated Aurecon were given a narrow brief, when the study came through the focus was on car parking and whether enough would be supplied in accordance with the District Plan. We have since assessed the traffic volumes, leaving us questioning whether in fact we do have enough car parking. Mr Barnett understands the frustration, however the Council will continue with other projects in the meantime.

These projects are:

- Entry exit of Godley
- Rapuwai Lane
- Profile of Eastern carpark
- Lay out of Eastern carpark
- Boat ramp access and long vehicle parking
- Temporary carparks
- Play area

- Toilets Eastern and Western
- Finishing of domain
- Landscaping of viewing corridors
- Communications out to the public.

Mr Haar objected, he doesn't accept Abley are a small company but are award winning and their report got funding from NZTA for the Footbridge. The work Completed by Aurecon and Boffa Miskell was to look at the District Plan. The Transportation Strategy is essential, Council must have this document in place. Mr Haar added workstream issues around Tekapo will be highlighted resulting in discussion and prioritisation at Council level.

NEPAL EVENT – PROMOTIONS LETTER:

This agenda item was included by Community Board Chairman Peter Munro.

The Chairman said the Ankuro Community Development trust are requesting a reduction in fees for this event. Mr Nixon added the application should be in the form of a grant.

Resolved:

1. That the report be received.
2. That the Community Board approve a grant to cover the cost of the hall hire for the event.

Lyn Martin/ Stella Sweney

WARD MEMBER'S REPORT:

Cr Cox reported we will make a commitment after each Property Group meeting to update the community and community board. We have met with the Church of the Good Shepherd Committee and agreed that the committee will come back to us as to where they see the Church both now and moving forward 20 years, for them there are issues in regards to car parking and their need to accommodate visitors to the Church

There has been works on wildings, The Mackenzie Wilding Trees Trust, LIMNZ, DOC, The Council and Ecan are meeting to decide how to move forward with wilding trees across the Mackenzie. Rob Young has completed a document and highlighted areas in the Mackenzie and will look at a way of working those sites and how they should deal with them i.e. contain or remove trees etc.

Water Zone committees distribute a coloured paper copy to residents, this one acknowledges plan change 5 and is the first part of managing nutrient levels on farms. Farmers' are having to move to good management practices on their farms. The first part of this legislation notification period is now.

Upper Waitaki Zone latest meeting, there was discussion on restoring the Willowburn stream as this is one of the most degraded streams, the Zone is looking at spending money to restore the Lake. Lake Wardell's problems have stemmed from dry years, recovery is at a loggerhead and will probably be required to come to Council. Discussion in regards to compliance from Farmers, there is a feeling from Farmers who are trying to comply to restrictions feel the ones who are not, are being pulled up for this, while also feeling Ecan is doing nothing, when the legislation comes in there will be pressure to adhere to restrictions.

At the last Council meeting Mr Nixon presented a paper regarding Tekapo toilets - Exeloo type toilet, from that there was general acceptance to go ahead with this and to return to Council with an actual floor plan and cost.

The Community Board agreed that this should go ahead and push for the other sets as well, general discussion; Western toilets free as they will be the main set and by the carpark, eastern and lakeside toilets could be paid toilets, possibly showers down lakeside drive.

Ms Martin asked will the Community Board have a say with the exterior, Mr Nixon said yes and there are many options. Mr Nixon will distribute to the Community Board when he has the plans.

REPORTS FROM MEMBERS WHO REPRESENT THE COMMUNITY BOARD ON OTHER COMMITTEES:

Ms Bradley member of the public was invited by Ms Martin to update the Community Board on The Promotions Committee. Ms Bradley said she was hoping for a community night earlier this month, but will go back and see if anyone is available at the end of April. Still working on the website, the person who is developing this is close to completion.

The Chairman said nothing new re the Footbridge. The Council grant has opened up a chance for getting some more money to pay the final bills and should have been advertised around the community, no meeting this month.

The Chairman said The Whitewater Trust held the NZ Slalom championships which were well attended, including Olympic athletes. We need to applaud the chairman of the trust Alan Hoffman who has made tremendous progress.

Enhancement group has officially granted \$1,000 to The Footbridge Society for planting added Ms Martin.

GENERAL BUSINESS:

UPDATE ON FREEDOM CAMPING ISSUES:

This agenda item has already been discussed in matters under action and will be discussed further at the up and coming workshop.

LITTER BINS IN TEKAPO:

This report from The Community Facilities Manager for discussion on new litter bins for Tekapo, this report was accompanied by pictures and information on page 30 of the agenda.

Direction was sought from the Community Board to investigate the bin option further in terms of a trial period. The bins would reduce frequency of emptying and reduce cost. The bins will come to half the cost of the budgeted rubbish. A report will be presented to the Community Board if interest is high.

Recycling is not available with the lease of these bins, the Community Board must weigh up if we stay with recycling.

Ms Martin said she would not like to see recycling reduced.

Mr Haar noted the return from recycling is negligible, however it is a social responsibility. The new bins may solve unsightly rubbish issues.

Resolved: that the report be received:

Cr Cox/ Stella Sweney

EARLY CHILDHOOD WORKING PARTY UPDATE

Penny Wilson provided a letter of update to the Community Board in regards to the Early Childhood Working Party. Ms Martin briefly informed the board that there is a trust of 5 people and is a contract between Lake Tekapo "Bright Stars Community Trust" and The Ministry of Education. An Architect quote has been accepted which will go out for building requests.

TOURISM EXPORT COUNCIL:

This agenda item was in the form of a letter sent to Ms Sweney.

Ms Sweney spoke to the agenda item and noted the letter was of interest to the Community Board

Ms Sweney said The Tourism Export Council would be happy to attend a Council meeting. There are resources out there and people are willing to help.

Cr Cox said they could be useful for submissions to government, and added there is a fund being set up by the Government to support Towns in terms of tourism infrastructure.

NEXT MEETING:

The next meeting of the Tekapo Community Board will be held on Monday 2 May 2016 at 7pm, Tekapo Community Hall.

The Chairman thanked everyone for their attendance and contribution.

**THERE BEING NO FURTHER BUSINESS
THE CHAIRMAN DECLARED THE MEETING CLOSED AT 9.18PM**

CHAIRMAN: _____

DATE: _____

MACKENZIE DISTRICT COUNCIL
MINUTES OF A MEETING OF THE FAIRLIE COMMUNITY BOARD
HELD IN THE COUNCIL CHAMBERS, FAIRLIE, ON TUESDAY APRIL
26, 2016, AT 5PM

PRESENT:

Owen Hunter (Chairman)
Warren Barker
Les Blackstock
Trish Willis
Cr Noel Jackson

IN ATTENDANCE:

Paul Morris, Finance Manager
Garth Nixon, Community Facilities Manager
Suzy Ratahi, Roding Manager
Aaron Hakkaart, Policy Planner (District Plan Review)
Keri-Ann Little, Committee Clerk
1 member of the public

Public forum:

Alan Ward was invited by the Chairman to speak to the letter he submitted to Mayor Barlow, this letter is included in the agenda.

Mr Ward said his main concern is the condition of Regent Street, shingle burns on the footpath and road side, you cannot get parking for broken down cars, not registered or unwarranted cars. Visitors visit town, they do a u turn in front of his house and the dust is horrific, frequently with one wheel in the gravel when passing. Whitestone have fixed the pot holes and now there are new pot holes. There cannot be a business run from the road. Mechanics working underneath the vehicles on the road is dangerous. Campervans cannot get into Riddle Street as it is too narrow and so need alternative parking. He said he can go back 5 years when the Chairman and previous Community Board member Ashley Shore met with Mr Ward to discuss this issue and still nothing has been done.

The Chairman responded stating funding is an issue, Princess Street is almost completed and Regent Street is the next on the list, something will happen but we do not have a timetable or a budget. He said he agrees with Mr Ward's concerns on the mechanical side of the issue and the state of the road.

Miss Willis added the Roding Department have commissioned some options and the Community Board have actioned the Roding Team to undertake some investigation work and cost.

Mrs Ratahi stated, Council is looking at a few options, we need to get a parking by law in place, we are currently working on this however, she cannot guarantee this will be in place next summer, the bylaw is required to run through a procedure first and then open to consultation. In regards to Mechanics working on the road reserve, this is a

health and safety concern and should resolve itself, however parking may take 12 months.

Cr Jackson said the dust nuisance is also a problem from the side of the road.

Mrs Ratahi highlighted there are other projects District wide that need attention, the Transportation Strategy will prioritise projects moving forward. However, there are some complications with the Road Reserve on Regent Street with a stormwater pipe replacement planned.

The Chairman also raised the need for the Regent Street centreline to be moved over, Mrs Ratahi said she is awaiting line markers to be available to carry out the works.

Mrs Ratahi suggested moving forward the Board engage the Chief Executive Officer to approach the business, she will liaise with the Planning Department in regards to the unwarranted and unregistered vehicles, the streetscaping options are an agenda item at this meeting and options can be discussed further.

The Chairman reiterated asking The Chief Executive Officer to approach the business and report back to the Community Board, if there is no improvement before the end of the week then there will need to be further discussion and action required.

Mr Ward was thanked for his attendance, comments and letter. Mr Ward left the meeting at 5:25pm.

APOLOGIES:

Resolved that an apology be received from The Chief Executive Officer, Wayne Barnett.

Trish Willis/Cr Jackson

MINUTES:

Resolved that the minutes of the meeting of the Fairlie Community Board held on Monday, March 14, 2016, be confirmed and adopted as the correct record.

Warren Barker/ Les Blacklock

FAIRLIE COMMUNITY BOARD MATTERS UNDER ACTION AND PROJECTS REPORT:

- 1. Allandale Bridge Walkway:** NZTA have been approached with no feedback received to date. *Local SC division have this on the long term plan list.*
- 2. Green Sign and Power Pole in front of Old Library Building:** The Roading Manager is continuing to work with NZTA regarding the sign. *On the agenda.*

3. Town Projects:

Community Centre maintenance and improvements – to be updated.

4. Community Board Future Development and Town Projects Workshop: Les Blacklock is away until early November so the workshop will be postponed until he is available after that date.

5. Community Board Asset Database: Mr Nixon is currently working on the 30 year plan. *Domain gates need to be added. Members think of a list and compile.*

6. Abley Traffic Report on Regent Street: The chairman is awaiting budgets on the three options. *On the agenda.*

7. Request from Fairlie 150 Years Committee for financial support: Mr Nixon has followed this up and has not been able to get the information requested by the community board.

8. Allandale Road Entrance to Towns: Trish Willis asked for this to be re-added to the list of Matters Under Action.

REPORTS:

FAIRLIE COMMUNITY BOARD FINANCIAL ACTIVITY REPORT TO FEBRUARY 2016:

The Community Facilities Manager explained the variances in the financial report.

The Chairman thanked Mr Nixon for the inclusion of the projects budget in the agenda.

Resolved that the report be received.

Cr Jackson/Warren Barker

DISTRICT PLAN REVIEW UPDATE:

Aaron Hakkaart, Policy Planner, District Plan Review, provided an update on the District Plan Review process.

Resolved that the report be received.

Cr Jackson/Warren Barker

The Mackenzie District Council has embarked on the review of its District Plan. The review is being managed by Craig Welsh a consultant with Resource and Environmental Management Limited. The Mackenzie District Plan was made operative in 2004, and the Resource Management Act 1991 (RMA) requires that the Council undertake a formal review of any provisions that are more than ten years old. Plan reviews are an involved process for Council's, and take a few years to complete.

Mr Hakkaart said this is a long winded process and invited Board members to contact him if they have any questions via email, phone or pop in to the Council office.

Mr Hakkaart left meeting at 5:40pm.

REGENT STREET IMPROVEMENTS:

This report from the Roading Manager, Suzy Ratahi was to advise Fairlie Community Board of the options presented by Abley Consultants for Regent Street and to provide advice for this project.

Following on from earlier discussion regarding the use of Regent Street foot pathing and Road Reserve for business use, the Community Board resolved the following resolution:

Resolved: that the Fairlie Community Board instruct the Chief Executive Officer to approach the business owner to cease business usage of the legal road reserve on Regent Street and removal of vehicles. If there is no action taken within 3 working days, investigate other options available to Council.

Chairman/ Les Blacklock

Mrs Ratahi added there are other options available for parking and tabled a town map highlighting available parking areas.

Mr Barker said a priority is more parking, but he highlighted it is too soon to make a decision.

When asked to state her favoured option, Mrs Ratahi replied option 2, increased parking while still keeping with the character of the town.

The Chairman asked for an update on the Riddle Street one way trial.

Mrs Ratahi said an update was printed in the accessible, bigger traffic volumes are required to gage correct usage.

Mr Blacklock disagreed, there is no real quiet time, at the last meeting or one before the Community Board asked for this trial to take place. He said we need to get this up and running.

Mr Ratahi said she will arrange with Whitestone for the trial to take place now.

Resolved that the report be received.

Les Blacklock/ Warren Barker

Resolved: that the Fairlie Community Board delay the Regent Street Improvement project subject to identification and prioritization of the various improvements established within the Mackenzie District Transportation Strategy.

Les Blacklock/ Warren Barker

BUDGET PROCESS WORKSHOP:

Mr Morris, Finance Manager provided the Community Board with an update on the budget process in regards to rating, assisted by a powerpoint presentation.

Resolved that the report be received.

Cr Jackson/ Warren Barker

Council are monitoring other water sources, and may not be as big a cost as once thought said the Chairman.

Warren Barker asked for clarification in regards to the Mackenzie Rugby Club and Bowling Club rates being paid, do other districts do the same.

Mr Morris said he does not believe they do but does not have that information. The Bowling club approached Council last week. He said clubs are rated on a liquor licence, the Act changed in 2002 and Council was required to add a rates remissions policy.

Mr Morris suggested the Bowling club apply to the Community Board for a grant to cover their rates this year.

Cr Jackson raised concerns whether other clubs will come back to Council and state they have been paying rates all these years while others haven't.

Mr Morris said no they won't, their rates have been legally levied.

Mr Blacklock voiced his concerns on the Rugby Club's financial position and whether they have the ability to pay the rates required.

Cr Jackson said times have changed, the District is moving forward and Council has to keep up with rules and regulations.

Mr Morris left the meeting at 6:56pm.

WARD MEMBERS REPORT:

Cr Jackson had nothing new to report.

REPORT FROM MEMBERS WHO REPRESENT THE BOARD ON OTHER COMMITTEES:

There were no reports from members who represent the board on other committees. The Chairman added he has erected the “no dogs and no motorbike” sign on the fence outside the Domain.

GENERAL BUSINESS:

STATE HIGHWAY 79 ENTRANCE:

Mr Nixon provided the following update points of the works around the township:

- Planting outside Stan Taylors has been sprayed and plants are up.
- Wild flower planting has been mowed off and he has had a conversation with Whitestone in regards to mowing and edging not being completed to a satisfactory level.

Miss Willis tabled a letter from Isobel Habraken, Fairlie Garden Club in response to a request regarding plantings in gardens around the township. Mrs Habraken suggested she and Miss Willis meet for a “coffee” talk to merely discuss suitable flowers to be planted in flower beds around the township. The Community Board was agreed Miss Willis will liaise with the Fairlie Garden Club to receive their input.

The Chairman said the Community Board are becoming frustrated with the lack of progress and quality of work.

Miss Willis enquired if the Board could pay someone to do this work, so it is completed on time and properly. She said the Community Board are getting complaints from the public.

Ms Willis left the meeting at 7:07pm.

The Chairman asked Mr Nixon to speak with Whitestone and express their concerns about the quality of work being completed and the timeframes being breached, suggesting a list be drawn up with ongoing instructions asking Whitestone if these can be completed.

LETTER FROM RSA:

The Chairman tabled a letter from the Mackenzie Returned Services Association Incorporated (RSA) addressed to The Fairlie Community Board.

Mr Nixon reported Council have approved a \$2,500 grant to contribute towards this project.

The Community Board indicated they have no desire to pursue this matter further.

NORTH STREET SIGN:

Mr Barker said he is requesting a Road name change of North Street in Eversley Reserve to “Lower North Street” to avoid confusion to visitors. Mr Barker will liaise with Mrs Ratahi in regards to his request.

**THERE BEING NO FURTHER BUSINESS THE CHAIRPERSON
DECLARED THE MEETING CLOSED AT 7:17PM**

CHAIRMAN: _____

DATE: _____

MACKENZIE DISTRICT COUNCIL

MINUTES OF A MEETING OF THE ASSET AND SERVICES COMMITTEE HELD IN THE COUNCIL CHAMBERS, FAIRLIE, ON TUESDAY 26 APRIL, 2016 AT 10:30AM

PRESENT:

Cr James Leslie (Chairman)
Cr Graham Smith
Cr Murray Cox
Cr Russell Armstrong
Cr Evan Williams
Cr Noel Jackson

IN ATTENDANCE:

Wayne Barnett, Chief Executive Officer
Bernie Haar, Asset Manager
Suzy Ratahi, Roading Manager
Geoff Horler, Utilities Manager
Angie Taylor, Solid Waste Manager
Keri-Ann Little, Committee Secretary

APOLOGIES:

Resolved: that an apology be received from Mayor Barlow.

Cr Smith/ Cr Williams

DECLARATIONS OF INTEREST:

There were no declarations of interest.

MINUTES:

Resolved that the minutes of the meeting of the Asset and Services Committee held on March 15, 2016 be adopted and confirmed as a correct record.

Cr Smith/ Cr Williams

ASSET MANAGERS MONTHLY REPORT:

The purpose of this report was to update the Asset and Services Committee on the progress on various projects and also on the normal operation of the department for the past month.

Resolved:

1. That the report be received.

Cr Cox/ Cr Armstrong

Utilities:

Mr Horler took the report as read, and spoke to the following points;

- Twizel water upgrade has finished and is running.
- Water remain replacement is underway, Maryburn will be changed over tomorrow.
- Twizel wastewater is stagnant.

Mr Haar added; the Twizel watermain, we had discussed a possible trial, with a pipe bursting, Whitestone have bought the equipment, but it is coming in the Country, but it looks like there is not going to the time frame to allow it to happen within this contract. What I am proposing we do is; next year's contract, Tekapo, Godley and McCauley Place and negotiating a rate similar to what has been in place. A trial hopefully will happen rather sooner than later.

No samples have been taken from Maryburn, the pipe is quite a wee way down and the main is still live at the moment. Samples will not be taken due to expense and the eventual redundancy of the line.

Mr Horler continued:

- Tekapo Reservoir reline/sealing complete, waiting for the seal to harden and will be refilled around the 9th of May. Later in the year, the Council will look to start the outside, the bypass has worked well.
- The Kimbell line is completed.
- Fairlie intake investigations are ongoing.

Cr Smith stated he had received a complaint in regards to Twizel water and chlorine dosing, now we have completed the upgrade and the water is reportedly cleaner it was rumoured the dosage of chlorine would decrease, is this happening.

Mr Horler responded, there was an issue in where it did seem to overdose, the chlorine is off at the moment while we find out why it overdosed so we can reduce the dose, and we are working to determine why this has happened.

Cr Smith said regarding the Kimbell line, it looks untidy and hasn't been compacted.

Mr Horler said it has been improved, boulders moved to the fence line, it will be left to settle and re-evaluated in a year's time.

Roading:

Mrs Ratahi took her report as read and highlighted the following points:

- Very busy with re-seals and minor improvements.
- NZTA visited and completed a "RAPT" tour looking at forward works programme, to see if they agree with our level of expenditure because we submitted a cost scope adjustment form for more funding to meet Council's funding levels which was approved as Council's Long Term Plan process . Gordon Macdonald and Graham Clark looked at the network and made some comments, very beneficial, they would like us to do more work on risk modelling on some of our sealed networks.

Mr Ratahi continued stating she is looking at this utilising DTEMs which is a modelling software programme, getting pricing for that work, before they improve that increase.

- They will assess unsealed pavements.
- Haldon Road, 2ks there that I think would benefit surfacing. Receiving a considerably higher traffic count throughout the off season.
- Most of minor improvements completed.
- Lilybank Road traction seal join the two seals and are now holding off on this works due to late timing in the season, we will now look at doing a timber face side rail around Lakeside Drive.
- Fairlie Community Board recently debated the dust nuisance from Fox View Road and passed a resolution for Council to consider sealing approximately 120 metres back from SH8, Council would either have to carry this work out as unbudgeted works or allow for the project 2018-2028 Long Term Plan.

Mrs Ratahi added she has received complaints in regards to the dust problem also at Eversley Reserve, this is part of a bigger picture that will feed quite nicely into the Transportation strategy.

Cr Jackson commented that he has visited Everlsey Reserve and seen the dust problem first hand.

Mrs Ratahi reiterated this is a good conversation to have as part of the Transportation Strategy, however sealing Eversley Reserve is currently in year 9 of the Long Term Plan.

Cr Jackson asked if this could be brought further forward, Mrs Ratahi replied this would depend on what Council decides in the next Long Term Plan, or whether there would be an amendment to the Long Term Plan next year.

Mr Barnett added it would be possible to amend the Long Term Plan next year or do the works in the next Long Term Plan.

Mrs Ratahi said because of the low level of traffic using the road it would not meet NZTA funding criteria and would have to be solely funded by Council.

Cr Smith referred back to Fox View Road adding there will have to be prioritisations made. Mrs Ratahi agreed adding this will all be part of the Transportation Strategy.

Solid Waste:

Angie Taylor added the following points to her report, taken as read;

- Paper for trees continues to be popular, recycling programme in Schools, and is funded by the waste levy we receive from the Ministry and currently \$1,200 a year.
- The Glass stockpile has gone, which is a fantastic story and I plan to engage with the media.
- Change is glass collection procedure, not extra cost to Council

We are working on our contract with Envirowaste, improving our Health and Safety reporting and this is something I will start to build into my report.

Cr Smith referred to Asbestos disposal and asked if Council had addressed its safe disposal.

Ms Taylor said the contractor has an arrangement with a Christchurch Contractor.

Cr Cox asked is solid waste collection in Tekapo based on Wheelie Bins emptied every time from every house or was it based on the fact that 60% of bins would be emptied only.

Mr Haar replied, the rate set is a recovery on the cost of supplying the service on a total amount of waste collected on an annual basis.

So wasn't based on the fact the truck would stop at every place, clarified Cr Cox and continued on to ask if there will be an increase in cost.

Mr Haar said the contract cost, we pay a fee for every bin each month for collection regardless of whether its picked up or not, but of course in the contract, Envirowaste would of made an assumption that perhaps only 60-70% would be emptied, you are right however, with the number of Holiday Homes being occupied the waste stream is increasing.

Mr Haar continued to add Ms Taylor has been speaking to Holiday Home owners, offering a two bin service to allow for extra waste, subsequently they are charged a double set of rates.

Mr Haar concluded the Asset Manager's Monthly report; there are three contracts running at the moment, other than utilities services contracts. No Health and Safety issues have been reported to us. As Mr Horler mentioned the Water Supply Reservoir relining and covering is complete, you will note the contract value was \$195,000, we have paid \$181,000 resulting in the works coming in under budget.

The first progress payment for the Twizel Water Main Replacement has been made.

The Chairman congratulated Mr Haar, once again, on his report.

Resolved:

2. That the report be received.

Cr Cox/ Cr Armstrong

**THERE BEING NO FURTHER BUSINESS THE
CHAIRMAN DECLARED THE MEETING CLOSED AT 10:50AM**

CHAIRMAN: _____

DATE: _____