Annual Plan 2026/27

Mackenzie
DISTRICT COUNCIL

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MESSAGE FROM THE MAYOR AND CHIEF EXECUTIVE

The 2026/27 Annual Plan has been prepared in a challenging operating environment for councils across New Zealand. Rising costs, increasing compliance obligations, and the ongoing reform from central government will continue to place pressure on both council finances and service deli very. The fuel crisis, increasing inflation costs, and the costs of infrastructure and contracted services only add to the uncertainties

This Annual Plan reflects Councillors clear and deliberate focus on maintaining essential services, managing and renewing core infrastructure, and making disciplined financial decisions, while positioning the district for the changes ahead. It is not a plan built on expansion or assumptions, but one grounded in the realism of what Council can deliver and what the community can reasonably afford. Council has focussed on the "have to haves".

As a result, difficult decisions have been made. Priorities have been set, some expenditure has been reduced or removed. These decisions have been made with care, recognising that protecting core services and long-term financial resilience is essential, especially in making sure we continue to fund roading in the district at the appropriate level. We have increased the depreciation funding from 20% to 35% on Roading to ensure we can continue to invest in renewals, strengthening our infrastructure and financial resilience in this area.

Council knows things are tough, management and Council have put that lens over every spending decision. Councillors and management have worked through budget lines in detail. Inflation and the true cost of maintaining service levels and infrastructure delivery have continued to rise, while the ability to pass inflationary costs on through rates rises is difficult. Government has signalled that rates capping legislation is coming and that Council must focus on the basics.

Council cut funding in the community development area by disestablishing the Team Leader position, and reducing community grants and reducing the operational funding for this activity. Council also reduced the township project grants because the Community Boards have large unspent balances from previous years available to fund projects for the next financial year.

WATER TRANSITION – GIVING EFFECT TO LOCAL WATERS DONE WELL

Council is operating in a period of significant reform. Water services, planning legislation, and wider local government reform are reshaping how councils operate and how services are governed and funded. While the outcomes of many of these reforms are still evolving, Council has remained focused on protecting local interests while responding pragmatically to national requirements.

A major component of work over the past year has been preparing for the transition of Drinking and Wastewater services to a new joint water organisation on 1 July 2027. This transition represents a fundamental structural change, even though it does not alter day-to-day service delivery for residents.

Council's position has been consistent: retain local influence and ensure water services remain safe, compliant and reliable in the most effective manner possible. Work is now underway to manage this transition carefully and transparently, with a clear focus on long-term sustainability.

OTHER REFORM CHALLENGES

Central government is driving major reform of the planning system, replacing the Resource Management Act with new legislation. The Government is introducing two new pieces of legislation to replace the Resource Management Act. This will give councils less say in how to decide on development proposals.

These major changes are set to be introduced over the next year or so, and we'll need to look at the detail and see what they mean for Mackenzie.

Wider local government reform (Simplifying Local Government) signals a push toward consolidation, standardisation, and in some cases reduced local discretion. Local Government New Zealand has been clear in its position - reform is needed, particularly to enable infrastructure and housing but it must not come at the cost of local decision-making and it must be workable for smaller districts, not just large urban centres.

This transition will have multiple workstreams and work will continue on this transition for the remainder of the financial year. During the 2026/27 financial year, Council will also need to respond to emerging spatial planning requirements and ongoing reform of the resource management system. These changes require a more integrated approach to land use, infrastructure sequencing, and growth management.

GROWTH AND PRESSURE CHALLENGES

Pressure from short-term visitor accommodation continues to shape many of the challenges facing the district, particularly in Tekapo and Twizel. What was once a largely supplementary activity has become a significant commercial sector, with impacts on infrastructure demand, service levels, and community balance and social licence. Council is now taking a firmer and more consistent compliance approach to ensure that short-term accommodation operates within planning and building rules and contributes fairly through the rating system. This is not about discouraging tourism, which remains vital to the local economy. It is about equity and ensuring that commercial activity meets appropriate obligations.

PROJECTS - LOOKING FORWARD

Council has supported the initial direction of the Lake Tekapo master and traffic plan and the next phase will be to scope the implementation of some key parts in conjunction with the Tekapo Community Board and how that will be funded. Similarly we look to finalise the scope of the Twizel Master Plan and move ahead with this too. Council has supported the Twizel Community Care Trust to establish the Twizel community hub and library and the recent developments of relocating the library and the Twizel community care has led to a very favourable interim solution while the trust takes time to implement a longer term solution and sources funding. We continue to support the Tekapo Sports Trust for the relocation of the squash courts.

Ahead of developing the 2027–2037 Long Term Plan, Council will undertake a comprehensive review of its rating structure. This work is necessary to ensure that the way services are funded reflects how the district actually functions today — including growth in visitor activity, changing land use, and the rising cost of infrastructure. The current rating framework has evolved over time and, in some areas, no longer reflects who benefits from services or who drives demand. The review will look closely at long-term sustainability, with the aim of ensuring costs are shared appropriately between residents, commercial operators, and visitors. This review will inform the Long-Term Plan by providing a clearer, more robust foundation for future funding decisions, rather than carrying forward settings that are no longer fit for purpose.

Work is beginning on the development of the 2027–2037 Long Term Plan, which will set the strategic and financial direction for the district over the next decade.

Initial community engagement provided the lens through which Council is beginning to shape the 2027–2037 Long Term Plan. This process is not starting from a blank page. It builds directly on the decisions, constraints, and realities we are managing now — ageing infrastructure, funding pressures, regulatory reform, and sustainably managing tourism growth and pressures in specific parts of the district. This Long Term Plan will be developed with a strong emphasis on financial sustainability, infrastructure resilience, and fairness between today's ratepayers and the generations that follow.

There's a lot on our radar, but together the management team and council have charted a really positive course through it. We have tried to keep the rates increases as low as possible. This has been done without compromising the services we provide today, or pushing things out to be done in the future.

We thank residents, ratepayers, and staff for their ongoing engagement, professionalism, and resilience as we continue to navigate a complex and changing environment together. We encourage you to read our documents and provide us with feedback.

Scott Aronsen
Mayor

Angela Oosthuizen
Chief Executive

Photo credit: Match Sumaya / Unsplash

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

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

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

WORKING WITH PAPATIPU RŪNANGA

WAIHO I TE TOIPOTO, KAUA I TE TOIROA.

LET US KEEP CLOSE TOGETHER, NOT WIDE APART.

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

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

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

COUNCIL'S PLANNING PROCESS CENTRES ON THREE KEY DOCUMENTS:

Mackenzie District Council

Strategic Plan 2024-34

Mackenzie DISTRICT COUNCIL

Our Purpose To deliver quality services and core infrastructure

Our Values	Integrity	Community Focused	Collaborative	Responsive	Forward Looking	
Strategic Focus (External)	Valuing our Environment	Infrastructure Resilience	Community Development Places and Activities	Planning for Growth	Supporting Housing	Government Reform Advocacy and collaboration
Community Outcome	Our environment is valued and protected	Our infrastructure is affordable and resilient	Our community is strong and resilient	We are a prosperous district with sustainable tourism	Our community have access to suitable housing	Mackenzie's voice is heard
Internal Focus Areas	We focus on strategic priorities	We focus on the needs of our customers	Our team works together to deliver to our community	We support the district to develop appropriately	We actively and transparently manage our money	We deliver the projects we have committed to

Outcome Mackenzie's community is resilient and thriving

Guide to the Annual Plan 2026/27

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

The Annual Plan highlights any variations for the coming year from what was proposed in the Long-Term Plan 2024-2034.

The Long-Term Plan sets out the Council's ten-year budget and work programme and is updated, every three years. If you are interested in more information about Mackenzie District Council's community outcomes, groups of activities and levels of service, including the Council's policies for carrying out its work, please refer to the Long-Term Plan 2024-2034 (available from Council's website *mackenzie.govt.nz*).

The financial year beginning 1 July 2026 is the third year of Mackenzie District Council's Long-Term Plan 2024-2034.

This document is the formal and public statement of the Council's intentions in relation to the matters covered by the Annual Plan 2026/27 in accordance with section 96 of the Local Government Act (2002).

ANNUAL WORK PROGRAMME AND BUDGET

This Annual Plan does not contain any significant variations from year 3 of the Long-Term Plan 2024-2034. As a result, Council has not consulted on the Annual Plan.

ENGAGEMENT PROCESS

Council engaged with the Mackenzie community through 3 drop-in sessions in Twizel, Fairlie and Tekapo along with having an online option through the 'Lets Talk' community engagement platform and added a feedback email address.

A report was presented to Council at its meeting 16 June that outlined the feedback received.

Key decisions Councillors engaged on were
- The removal of the Community Development operational funding budget.
- The removal of Community Grants funding
- The removal of the contribution towards a feasibility study for a Twizel community hub
- Applying a CPI Adjustment to the schedule of fees and charges of 3.1%.
- Adding provision within budgets of $200,000 for unexpected events

General feedback from the Community Engagement was support for Councillors decisions.

OTHER KEY DECISIONS MADE IN THE DEVELOPMENT OF THE ANNUAL PLAN

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

The Long-Term Plan 2024-2034 indicated a rate requirement increase of 6.8% in year three.

Council wanted to maintain the current level of service, but to cut its cloth to get as close to or below the proposed 6.8% indicated in the Long-Term Plan.

In the preparation of the Annual Plan, Councillors attended nine budget-setting workshops that focused on what Council said it would do in year 3 of the Long-Term Plan. Councillors discussed unbudgeted expenditure, what projects have been carried forward, and what needs to be done in the district during 2026/27 while keeping in mind the current economic climate.

Councillors reviewed every activity budget to make reductions wherever possible. Councillors' focus on the cost of living and keeping the required rate rise to a minimum, was key in their considerations.

The outcome of all the discussions and re-working of budgets has landed with a rate requirement for the 2026/27 Annual Plan of 8.12% - over what was projected for year 3 of the Long-Term Plan. (without 3 waters the increase would be 6.98%)

The following decsions can be found on the MDC website in Council Reports dated 7 April, 26 May 2026, and 23 June.

KEY CHANGES INCLUDED:

- The reduction of the opening hours at the Twizel Resource Recovery Park by 2 hours per day.
- Reinstating user pays to the toilets situated at the footbridge in Takapō/Tekapo, enabling user pays toilet revenue targets to be more lilely to be achieved - $25,000 gross annual revenue.
- Increasing the agreed forestry contribution from $300,000 to $800,000 with the additional $500,000 to be applied to the roading/transportation activity - offsetting some of the roading reserve deficit balance.
- Setting a vacancy factor to the staffing budget of 2% then increasing that percentage to 3% at the 26 May meeting. This decision reduces the staffing budget by $250,000.
- The fees charged for LIM and PIM information to be increased in alignment with neighbouring councils.

CHARGES	2026/27
Residential Single Unit Properties (based on rating differential)	$450.00
All other properties	$715.00

- Introduction of a new charge for pre-application time required for the planning team in excess of 30 minutes in each case, with standard hourly rates applying.
- A reduction in the tourism marketing budget by $30,000 from $196,500 to $166,500.
- A decrease in the economic development costs for contracted services from the South Canterbury Chamber oif Commerce by $10,000.
- Transfering $138,274 from the operations management budget to the water activity, with the cost being recovered from water charges instead of general rates.
- Increase the facilities management budget from $25,000 to $41,000 to allow for the completion of the Reserve Management Plans (RMP's), with the full budget to be funded from the Lake Alexandrina reserve.
- To fund the trails maintenance budget, for planned and river maintenance from the Lake Alexandrina reserve - total amount $77,000.
- Removal of the annual $30,000 Community Board budgets for the 2026/27 year - each Community Board has reserves for current projects.
- Removal of the fees and charges for the Fairlie Village Green, noting that any maintenance, upkeep or re-instatement costs for the Green will sit with ratepayers.
- Reduction of the cleaning budget for both the Fairlie and Twizel office buildings saving $25,000.
- Increasing the funding of depreciation of the roading assets from the current 20% depreciation funding to 30% depreciaiton funding - then at its 26 May meeting Councillors increased that to 35% depreciation funding for roading assets.
- The re-alignment of MDC's drinking water allocation for each township water connection - taking the threashold up to 600m3 from 500m3. This aligns the drinking water allocation with Timaru District Council.
- Reducing the budget for the Peace Trees maintenance from $120,00 to $50,000 noting this also reduces the related revenue from NZTA by $20,000.
- Removal of the Twizel tree planting budget saving $40,000.
- Removal of the rural tree planting budget saving $10,000.
- Increasing the consultancy budget for the CEO review from $7,500 to $20,000.
- Removal of the budget for the water zone committees.
- Councillors have increased the Uniform Annual General
- Change (UAGC) for the 2026/27 year from $100.00 to $125.00
- Reducing the Council donation budget within coporate

  and goverance by $15,000 down to $5000.
- In a late decision on 23 June, Council directed that the currently vacant position of Community Development Team Leader be disestablished, reducing the budget required by a further $80,000.

FINANCIAL OVERVIEW

The financials show an overall rates increase of 8.12% from the current financial year (2025/26) which is broken into a general rates increase of 12.1% and targeted rates increase of 5.9%. The LTP year 3 had been budgeted at a 6.8% overall rates increase.

PROSPECTIVE STATEMENT OF COMPREHENSIVE REVENUE AND EXPENSE

The draft 2026/27 Annual Plan is budgeting a surplus of $17,690,000 compared to the LTP Year 3 surplus of $33,342,000 (unfavourable movement of $15,652,000). Significant variances for this comparison are:

- Increased income from water meters of $346,000 as a result of the installation of smart meters on all urban water supply properties and reduction to the annual water usage allowance,
- Increased revenue of $204,000 from user pay public toilets within the district
- Increased forestry operational costs of $804,000 for windrowing, desiccation, planting, releasing and pest control,
- Decreased revenue of $702,000 from timber harvesting sales from Council's forestry plantations,
- Increased revenue of $213,000 from disposal of solid waste at Council's resource recovery parks,
- Increased depreciation charges of $1,600,000 specifically within transportation, and water,
- Increased costs of $266,000 within transportation/roading to meet increased level of service within sealed and unsealed pavement maintenance, routine drainage maintenance and environmental maintenance to meet historical spend on weather events (we did not know NZTA 3-year funding when the LTP was approved),
- Increased costs of $1,038,000 within water, wastewater and stormwater to meet operating and maintenance of the Council's three waters activities,
- Increased costs of $144,000 to undertake the maintenance of Council's townships and parks and reserves throughout the district,
- Increased gain of $334,000 from revaluations of investment property and forestry,
- Decreased gain on revaluation of property, plant and equipment of $13,137,000 as a result of the out of cycle revaluation in April 2026 being undertaken for three waters assets.

PROSPECTIVE STATEMENT OF FINANCIAL POSITION

The draft 2026/27 Annual Plan is budgeting a closing equity balance of $431.223 million compared to the LTP Year 3 balance of $477.592 million (unfavourable movement of $46.369 million).

The main reason for this is the valuation of property, plant and equipment. The 2026/27 Annual Plan has used the adopted asset base from the 2024/25 Annual Report which reflected the out of cycle revaluation of Council's roading and three waters assets.

Borrowings (current and non-current) were forecast to be $25.649 million in year 3 of the 2024-34 LTP; the 2026/27 Annual Plan forecasts borrowings to be $26.811million. The additional $1.162 million is due to Council's actual borrowings in this current financial year being $25.811 million (Council only $25.1 million, Downlands Water Supply $0.711 million). The starting baseline is higher than the LTP baseline as a result of borrowing for the unbudgeted roading environmental maintenance costs and additional borrowing required in water for Fairlie water treatment plant, Twizel ringmain and smart meter installation. The budget proposes movements during 2026/27 in both Council and Downlands borrowings of $1,000,000 and relates to borrowing for the three waters transition into a new water entity.

THE RATES REQUIREMENT FOR 2026/27

Made up of 12.1% general rate and 5.9% for targeted rates The rate requirement for 2026/27 is a 8.12% increase.

The operational expenditure for 2026/27 is $2,933,000 above the amount signalled in the Long-Term Plan.

The capital expenditure for projects in 2026/27 is $4,412,000 below the amount signalled in the Long-Term Plan.

Reform update

The 2026/27 year will be a year of substantial change given the current programme of work coming from Central Government.

While some brief information on the legislative changes has been included in this plan the speed with which this change is happening is unprecented therefore to remain up to date with the changes please refer to the appropriate Government webites for the most up to date information.

At the time of putting this plan together the following reform is having the most impact on local government.

RESOURCE MANAGEMENT PLANNING - SPATIAL PLANNING

The Resource Management Act 1991 (RMA) is New Zealand's principal legislation for sustainable management of natural and physical resources, including land, air, water, and coastal areas.

The RMA was enacted in October 1991 to create a coordinated and comprehensive framework for environmental management, replacing or amending over 50 previous laws related to town planning and resource use

Its primary goal is to promote sustainable management of natural and physical resources while balancing environmental protection with development needs

The Act also incorporates the Treaty of Waitangi in decision-making processes.

KEY PROVISIONS

Purpose and Principles: The RMA sets out the purpose of sustainable management, matters of national importance, and other considerations for environmental decision-making

Resource Consents: Local authorities assess applications for land use, water use, and discharges, guided by regional and district plans, national direction, and RMA objectives

Local Authority Roles: Regional councils and territorial authorities are responsible for implementing the RMA through policy statements, plans, and monitoring of environmental effects

Environmental Standards and Planning: The Act allows for national environmental standards, policy statements, and local plans to regulate activities affecting air, water, soil, and coastal areas

Public Participation: Communities can participate in decision-making through submissions on plans and resource consent applications, ensuring local input in environmental management

Enforcement and Compliance: The RMA provides powers for enforcement officers and sets out procedures for hearings, compliance monitoring, and penalties for breaches

REFORMS AND CURRENT STATUS

The RMA has been subject to reforms and replacement attempts. In 2023, the Labour Government introduced the Natural and Built Environment Act (NBA) and the Spatial Planning Act (SPA), alongside plans for a Climate Change Adaptation Bill, but these were later repealed by the National-led coalition government

The RMA continues to operate while new resource management laws are being developed, with phased reforms aimed at improving environmental protection and streamlining planning processes

SIGNIFICANCE

The RMA is significant because it:

- Provides a single integrated framework for managing land, water, air, and coastal resources
- Balances environmental protection with economic development.
- Empowers local communities to influence how their environment is managed.
- Establishes national environmental standards and planning guidance to ensure consistency across New Zealand

Overall, the RMA remains a cornerstone of New Zealand's environmental legislation, shaping how natural and physical resources are used, protected, and developed.

SPATIAL PLANNING

Spatial planning in New Zealand is guided by the Spatial Planning Act (SPA), which aims to integrate various planning functions and promote sustainable development across regions.

OVERVIEW OF THE SPATIAL PLANNING ACT (SPA)

The Spatial Planning Act 2023 introduces a new framework for spatial planning in New Zealand, replacing the Resource Management Act 1991. This legislation aims to create a more cohesive approach to land use and infrastructure planning by requiring the development of Regional Spatial Strategies (RSS). These strategies will have significant legal weight in decision-making processes and will be reviewed every decade

OBJECTIVES OF SPATIAL PLANNING

The SPA focuses on several key objectives:

- Integration of Planning Functions: The act seeks to unify various strategic planning functions of local and regional authorities, which have often operated in silos
- Long-term Vision: RSS will set a strategic direction for at least the next 30 years, considering long-term data and projections, particularly regarding climate change
- Community Engagement: The act encourages local authorities to engage with their communities and central government to plan effectively for future prosperity while respecting cultural values and environmental sustainability

IMPLICATIONS FOR LOCAL AUTHORITIES

Local authorities will need to adapt to the new spatial planning framework by:

- Developing and implementing RSS that align with the SPA's objectives.
- Considering the impacts of climate change, population growth, and other dynamic factors in their planning processes
- Ensuring that their plans are informed by robust evidence and data, moving away from a "point-in-time" analysis to a more dynamic approach

CONCLUSION

The Spatial Planning Act represents a significant shift in how spatial planning is approached in New Zealand, aiming for a more integrated and sustainable future. Local authorities and communities are encouraged to prepare for these changes by understanding the implications of the SPA and engaging in the planning processes that will shape their regions for years to come. For more detailed information, you can refer to the official resources provided by the New Zealand government and planning institutes

HEADSTART - SIMPLFYING LOCAL GOVERNMENT

The Government has announced a streamlined, voluntary Head Start pathway for councils that are willing and able to reorganise before wider local government reforms begin after the 2028 local elections.

OVERVIEW OF THE PROPOSAL

The New Zealand Government aims to simplify local government by reducing duplication, improving accountability, supporting the new resource management system, and making it easier for councils to deliver services efficiently.

The key elements include:

- A voluntary Head Start pathway for councils that want to move early to develop proposals for new or expanded unitary authorities.
- Outline proposals are due by 9 August 2026, with final policy decisions on detailed proposals expected early next year.

For councils that do not use the Head Start pathway, wider reform is expected after the 2028 local elections, including a potential interim governance model such as a board of mayors, Crown commissioners, or a hybrid arrangement.

RATIONALE FOR REFORM

The Government considers the current system too complex, costly, and difficult to navigate, with 78 councils operating across the country.

Simplifying structures is intended to:

- Reduce duplication and improve decision-making.
- Support the new resource management system and infrastructure planning.
- Enable councils to plan once, align infrastructure and resource management decisions, and deliver services more efficiently.

FEEDBACK AND ADJUSTMENTS

Consultation on the initial proposal received more than 1,150 submissions, including input from councils, sector groups, iwi/Māori organisations, and the public.

Key feedback points included:

- Support for reform but concerns about council capacity to implement changes alongside other government initiatives.
- Preference for regional reorganisation plans over combined territories boards (CTBs).
- Suggestions to maintain regional councillors until the 2028 elections to ensure democratic legitimacy.
- Desire for flexibility in locally led reform, with some mayors ready to reorganise faster.

In response, the Government refined its approach by creating the Head Start pathway while retaining the option for a later government-led backstop process if credible local proposals are not progressed.

HOW COUNCILS CAN PARTICIPATE

Councils have until 9 August 2026 to submit outline proposals under the Head Start pathway.

Proposals should focus on:

- Creating larger, more efficient unitary authorities.
- Streamlining functions and reducing duplication.
- Improving decision-making and service delivery.
- Considering local priorities and community needs

The Government will assess proposals and may approve them for further development, with more detailed policy decisions expected in early 2027.

IMPLICATIONS FOR COMMUNITIES

Communities may see more coordinated regional planning and improved service delivery.

Regional councillors are expected to remain in place until the 2028 local elections, supporting continuity while reform proposals are developed.

The reforms aim to balance efficiency with democratic legitimacy, ensuring that local input is considered while simplifying governance structures.

This approach allows regions to shape change locally while aligning with national priorities for infrastructure, housing, and resource management.

Mackenzie District Council has agreed to work with Timaru District Council and Waimati District Council. The three Councils will work together on a proposal to go forward to the Department of Internal Affairs on the 9th of August 2026. The three Councils will also continue discussions with both Waitaki District Council and Ashburton District Council.

RATES CAPPING

The Government has agreed to progress a rates cap to take effect 2029.

The model sets a target range for annual rates increases, based on long-term economic indicators like inflation at the lower end and GDP growth at the higher end.

The lower end of the range is designed to ensure councils can maintain essential services, while the upper end balances the need for sustainable growth with keeping rates increases affordable.

Analysis suggests a target range of 2 to 4 per cent per capita, per year. This means rates increases would be limited to a maximum of 4 per cent

The cap will apply to all sources of rates – general rates, targeted rates and uniform annual charges – but will exclude water charges and other non-rates revenue like fees and charges.

Councils will not be able to increase rates beyond the upper end of the range, unless they have permission from a regulator appointed by central government. Permission will only be granted in extreme circumstances, such as a natural disaster, and councils will need to show how they will return to the target range.

Where councils need to raise revenue to pay for things outside of extreme circumstances, such as catching up on past underinvestment in infrastructure, they will need to apply to a regulator for approval. Again, councils would need to provide justification and explain how they will return to the target range over time.

Mr Watts says. "From 2027, councils will be required to consider the impact of rates caps on their long-term plans and report on areas of financial performance, like the cost of wages and salaries, council rates as a percentage of local house prices and estimates of local infrastructure deficits.

SYSTEMS IMPROVEMENT BILL

The Local Government (System Improvements) Amendment Bill aims to reduce council rate pressures, clarify local government purposes, prioritize core services, and enhance accountability and transparency.

PURPOSE OF THE BILL

The bill seeks to amend the Local Government Act 2002 to refocus the purpose of local government on delivering cost-effective infrastructure, public services, and regulatory functions while supporting local economic growth.

It removes references to community wellbeing from the statutory purpose and emphasises democratic decision-making and meeting current and future community needs in a cost-effective manner.

KEY PROVISIONS

Core Services Prioritization: Councils must consider core services—such as roads, transport, water, public transport, waste management, civil defence, libraries, museums, and recreational facilities—when making financial and operational decisions.

Performance Measurement and Reporting: Councils are required to report on expenditure, including consultants and contractors, and comply with performance reporting rules set by the Secretary for Local Government.

Regulatory Relief: The bill reduces and clarifies regulatory requirements to ease administrative burdens on councils.

Cost-Effectiveness Definition: The bill introduces a definition of "cost-effective" to guide council decision-making and service delivery.

Amendments to Sections of the Act: Proposed changes include revisions to sections 3, 5, 10, 17A, and the insertion of a new section 11A to provide clear guidance on core services

IMPACTS ON COUNCILS AND COMMUNITIES

Financial Management: By focusing on core services and cost-effective delivery, councils may need to review service levels and standards, potentially affecting opening hours or service availability.

Transparency and Accountability: Enhanced reporting and standardised activity grouping improve comparability between councils and public scrutiny

Governance and Conduct: Councils will follow a single, government-set code of conduct and standing orders, promoting clearer expectations for elected members.

LEGISLATIVE PROCESS

The bill has been examined by the Governance and Administration Committee, which recommended its passage with amendments to improve clarity and conciseness

It is currently progressing through parliamentary stages, allowing MPs and the public to provide input.

Overall, the Local Government (System Improvements) Amendment Bill represents a significant reform aimed at strengthening council accountability, improving service delivery, and ensuring cost-effective management of local government resources in New Zealand.

WATER SERVICES TRANSITION UPDATE

Mackenzie District Council is working alongside Timaru District Council to set up a new Water Services Council Controlled Organisation (WSCCO) to deliver future drinking water and wastewater services. This work is about making sure our communities continue to have safe, reliable water services now and into the future. Following Mackenzie District Council's decision in February 2026 to partner with Timaru, both councils have been working through how best to build a model that is sustainable, meets national standards, and continues to support the people and places that call this district home.

For residents and ratepayers, this is about planning ahead so that essential water services remain strong and well managed for the long term. The proposed organisation is expected to focus on drinking water supply and wastewater services, while stormwater services are currently expected to remain with each council. Importantly, the intention is to keep these services locally owned and publicly accountable, while creating a dedicated organisation with the skills, scale, and focus needed to respond to growing infrastructure and compliance requirements.

Since that decision was made, the two councils have formally committed to working together and have started the process of establishing the new organisation. Public information released by the councils indicates the WSCCO is expected to be incorporated by 31 October 2026, with water services planned to transfer to the new entity from 1 July 2027. Behind the scenes, joint governance arrangements and project teams are being put in place to help make sure the transition is carefully managed and that communities are kept informed along the way.

There is still more work to do before the new organisation begins operating, including confirming governance arrangements and working through the detail of how the transition will happen. What remains most important is that the community continues to receive clear information and has confidence in how these essential services are being planned for the future. This transition is about putting in place a stronger long-term model for water services, while staying focused on the needs of local people. Mackenzie District Council will continue to share updates as the work progresses so residents understand what is changing, when it will happen, and what it means for them.

Our Activities at a Glance

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

TRANSPORTATION

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

THREE WATERS

- Water supplies
- Wastewater
- Stormwater

PUBLIC FACILITIES, PARKS AND PLACES

- Parks and Open Spaces
- Swimming Pools
- Public Toilets
- Community Centres and Halls
- Cemeteries
- Pensioner Housing
- Cycleways, Walkways, A2O

REGULATORY SERVICES

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

EMERGENCY MANAGEMENT

- Civil Defence
- Emergency Management

WASTE MANAGEMENT AND MINIMISATION

- Kerbside Collection
- Resource Recovery Parks and Hardfill Sites
- Waste Minimisation

TOURISM, ECONOMIC DEVELOPMENT AND COMMERCIAL ACTIVITIES

- Investments, including Forestry
- Pukaki Airport
- Real Estate
- Economic Development
- District Promotion

GOVERNANCE AND CORPORATE SERVICES

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

For each activity you will find information about projects planned for the coming year, any changes to the level of services detailed in the Long-Term Plan 2024-2034, and what the service will cost. A financial summary is provided for each group of activities that compares the budget forecast in the Long-Term Plan 2024-2034 with the budget for 2026/27.

Photo credit: Sue Wilkins

DISTRICT PROJECTS 2026/27

Projects

The following projects have been included for funding in the 2026/27 year. Major projects are highlighted in green.

Most of these projects can be categorised as capital projects. Projects that are being funded from the Operating buget are indicated with a asterix (*).

Activity		Total Budget 2026/27 ($)
TRANSPORTATION		
District Roading	Year 3 - Roading Programme (NZTA Approved) • Includes road metalling $780,939 • Includes sealed road resurfacing $2,099,999 • Includes drainage renewals $21,067 • Includes environmental renewals $6,751 • Includes sealed road rehabilitation $46,522 • Includes traffic services renewals $103,628 • Includes cycle path renewals $6,667 • Includes minor improvements $152,409	3,217,982
	*Environmental maintenance - increased budget for weather events	150,000
WATER SUPPLIES		
Allandale/Spur Road	Reticulation Extension (joining supply to Urban supply in Fairlie)	1,548,000
Urban Water	Smart meter installation - completion of programme - Fairlie	100,000
Urban Water	Treatment Backflow	104,135
Urban Water	Water Safety Plans Upgrades	110,000
Urban Water	Water pipes renewal programme	340,800
WASTEWATER		
Urban Wastewater	Sewer treatment	100,000
Urban Wastewater	New reticulation	165,000
Urban Wastewater	Aerators	350,000
Urban Wastewater	Tekapo new treatment plant	500,000
STORMWATER		
Urban Stormwater	Fairlie - Sloane Street, Regent Street, Firestation renewals	20,000
PARKS, FACILITIES, PARKS AND PLACES		
Cemeteries	Land improvements	20,000
Cemeteries	Fairlie Cemetery Road	8,000
Rural Reserves	Asset Renewals	10,000
Fairlie Township	Asset Renewals	29,000
Tekapo Township	Tekapo Domain Playground	150,000
Tekapo Township	Asset Renewals	18,000
Twizel Township	Twizel River Reserve	10,000
Twizel Township	Asset Renewals	4,000

Activity		Total Budget 2026/27 ($)
Lake Alexandrina	Native restoration	50,000
Albury Hall	Furniture and fittings renewals / replacements	2,000
Mackenzie Community Centre	Furniture and fittings renewals / replacements	10,000
Tekapo Community Hall	Furniture and fittings renewals / replacements	5,000
Twizel Events Centre	Furniture and fittings renewals / replacements	10,000
Strathconan Swimming Pool	Plant and equipment replacements	5,000
Twizel Swimming Pool	Plant and equipment replacements	5,000
Public Toilets	Burkes Pass paid toilet access	20,000
Pensioner Housing	Buildings renewals	8,000
REGULATORY SERVICES		
Freedom Camping and Parking Enforcement	*Paid parking feasibility study	50,000
EMERGENCY MANAGEMENT		
Civil Defence	Plant and equipment replacements	26,000
WASTE MANAGEMENT AND MINIMISATION		
Solid Waste	Plant and equipment replacements	20,000
TOURISM, ECONOMIC DEVELOPMENT AND COMMERCIAL ACTIVITY		
Forestry	*Harvesting of 23.34 hectares	637,494
GOVERNANCE AND CORPORATE SERVICES		
IT Support	Facilities security systemsn upgrades and camera installations	30,000
IT Support	Network insfrastructure and plant and equipment cyclic replacements	63,000
Plant Operations	Plant replacements / renewals	80,000
Operations Management	Three Waters Transition project	1,000,000
Fairlie Council Office Building	Furniture and fittings renewals / replacements	10,000
Twizel Council Office Building	Furniture and fittings renewals / replacements	3,000

* indicates a project funded from the operating budget.

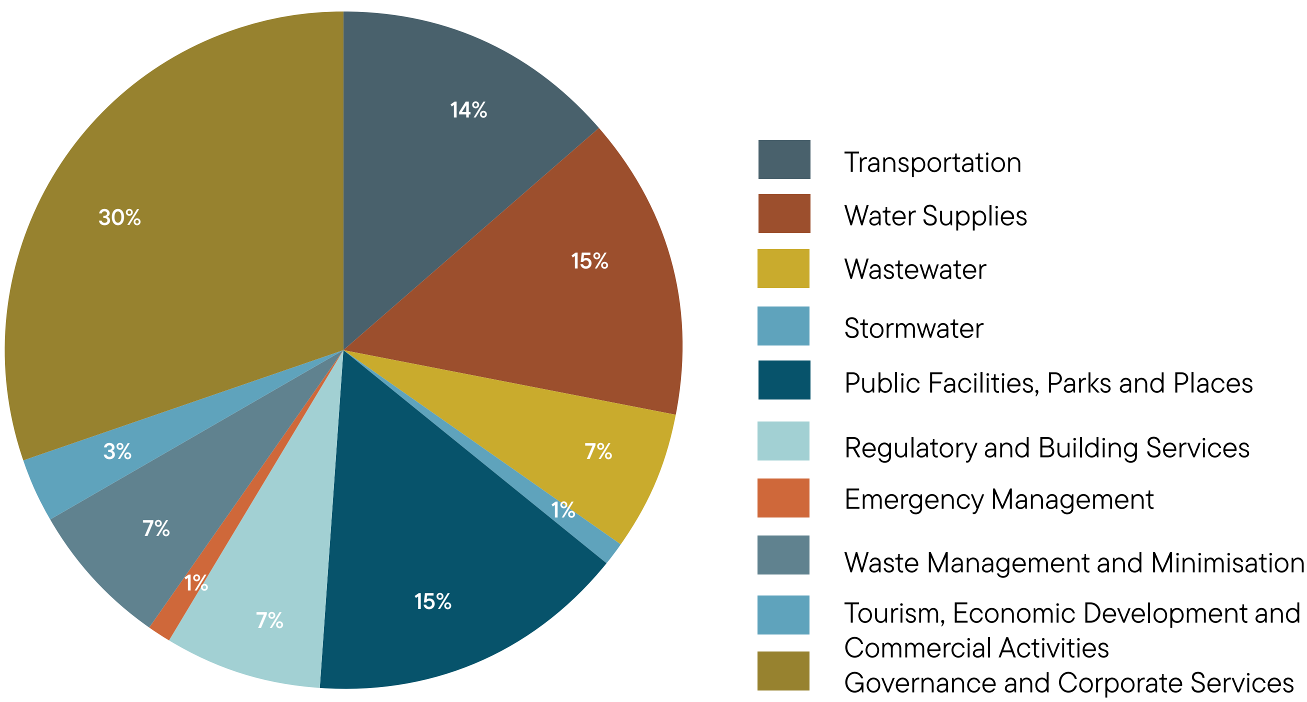
Rates

OVERALL RATE SUMMARY

(GST EXCLUSIVE)

Annual Plan 2025/26 ($000)	Activity	Annual Plan 2026/27 ($000)	Change from 2025/26	Long-Term Plan 2026/27 ($000)
2,743	Transportation	2,979	236	2,672
2,711	Water Supplies	3,173	462	2,791
1,448	Wastewater	1,478	30	1,336
258	Stormwater	266	8	209
3,078	Public Facilities, Parks and Places	3,334	256	3,101
1,327	Regulatory and Building Services	1,691	364	1,642
228	Emergency Management	261	33	239
1,389	Waste Management and Minimisation	1,468	79	1,434
737	Tourism, Economic Development and Commercial Activities	698	(39)	777
6,323	Governance and Corporate Services	6,511	188	7,445
20,242	Total Rates	21,859	1,617	21,645

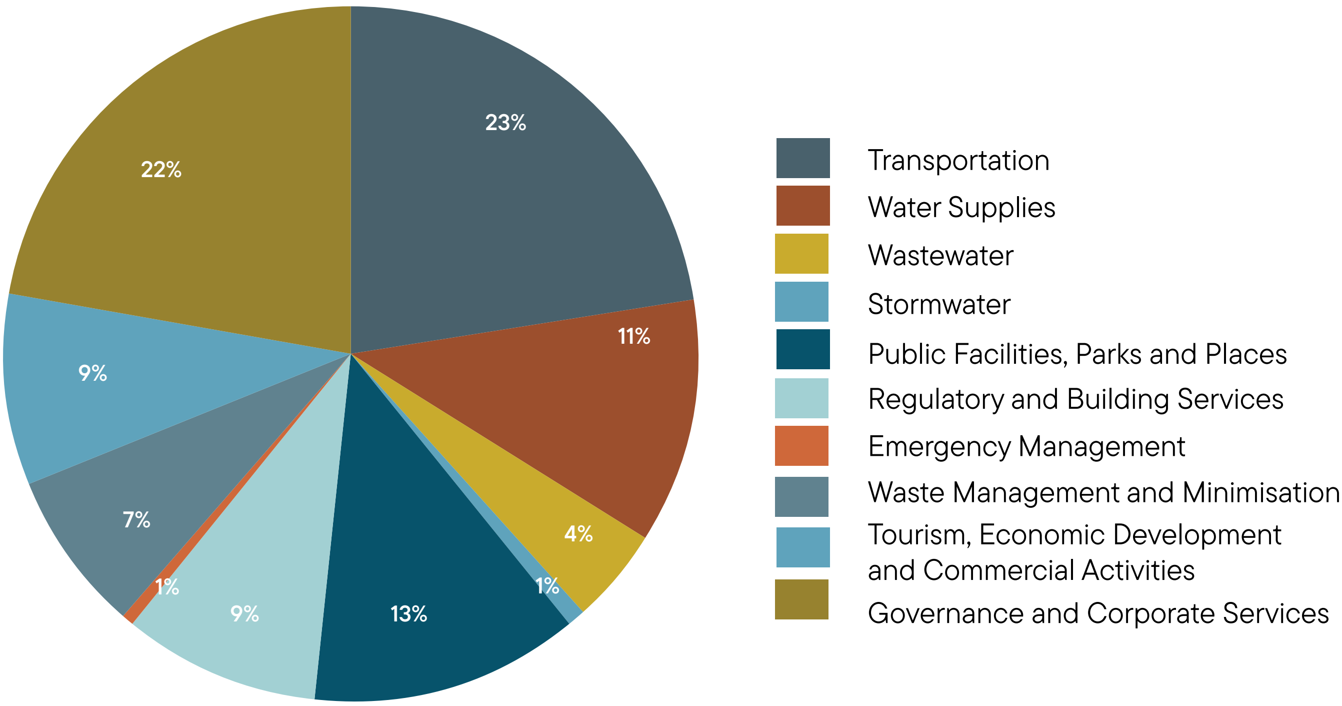
SHARE OF RATES



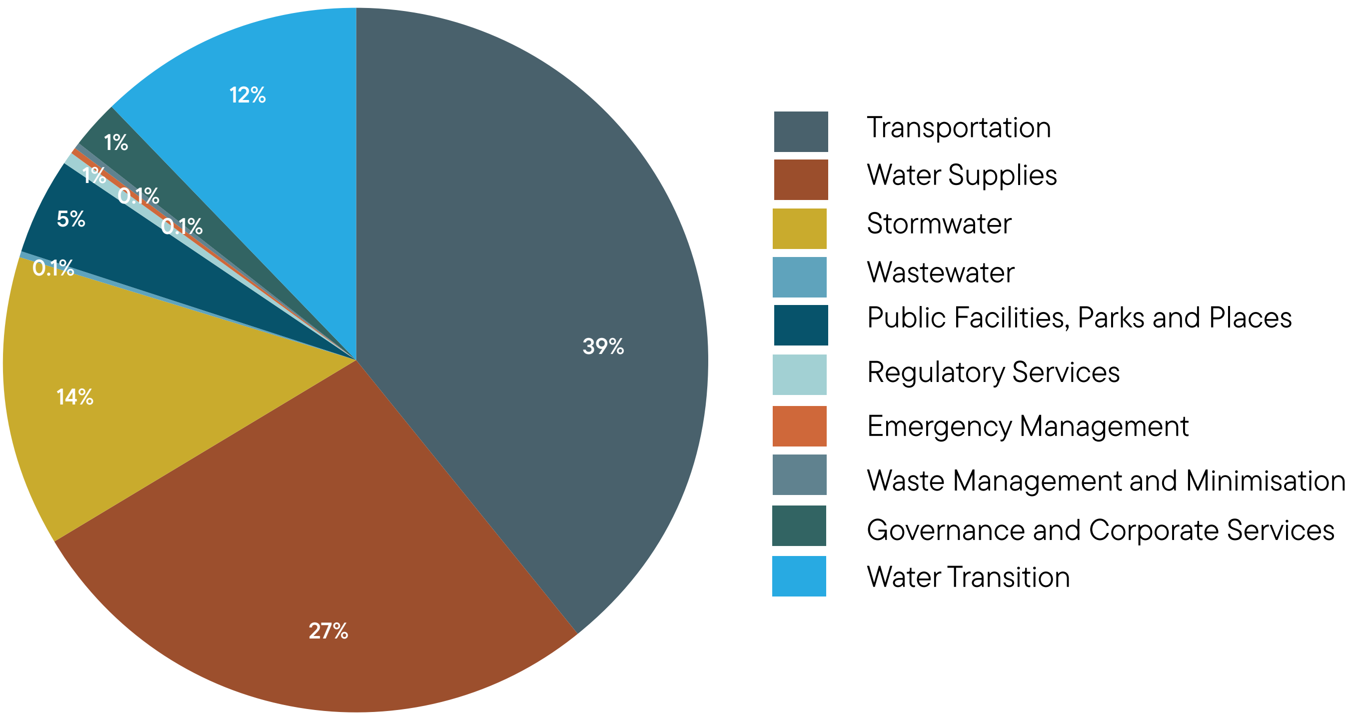
WHAT DOES COUNCIL SPEND MONEY ON?

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

OPERATING EXPENDITURE



CAPITAL EXPENDITURE



Council's Activities

Transport

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

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

THIS GROUP OF ACTIVITIES INCLUDE:

Local road network (excluding State Highways and Aoraki Mt Cook)
Bridges
Streetlighting
Signage
Road safety
Parking
Footpaths
Cycleways

WHAT WE DO

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

The transport activity manages council's land transport network, and the associated assets and services throughout the district. It delivers both asset (such as roads, signs, and infrastructure) and non-asset functions (such as temporary traffic management and road safety initiatives).

Council manages over 742km of roads (520km unsealed), 96 bridges, 72km of footpath, drainage facilities (e.g. soak pits, culverts), signs, carparks, kerb and channel, 1,145 streetlights, cycleways, and road marking. Overall management of the assets is provided by the Council, with operational work carried out by contractors.

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

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

Photo credit: Sue Wilkins

OUR PERFORMANCE MEASURES

WHAT YOU CAN EXPECT FROM US		WHAT WE WILL MEASURE	TARGETS: 2026/27
Provide safe, smooth, quality sealed roads to reduce travel times and vehicle wear.		The average quality of ride on a sealed local road network, measured by smooth travel exposure: *	
	1	a) rural roads	≥ 90%
	2	b) urban roads	≥ 75%
	3	The percentage of the sealed local road network that is resurfaced*	≥ 4%
	4	The percentage of the unsealed road network renewed using wearing course and stabilisation techniques	≥ 2%
	5	The percentage of road users that are satisfied with the roading network	≥ 85%
Provide a safe and efficient roading network	6	The change from the previous year in number of fatalities and serious crashes on the local road network, expressed as a number* (*0 change equates to ≤2 fatality and serious injury crashes*)	0
	7	The number of death and serious injuries recorded for the financial year on local roads under control of the Mackenzie District Council. (*In line with the Road to Zero vision*)	< 1
	8	The number of reported crashes on local roads under control of the Mackenzie District Council.	≤ 10
	9	The percentage of customer service requests relating to roads and footpaths to which Council responds within ten working days. *	≥ 75%
Maintain footpaths in good condition, fit for purpose.	10	The percentage of footpaths that are at or above the 'average condition rating'. * *Condition rating will be undertaken at not less than 5 years frequency.*	≥ 75%

*Mandatory performance measure

MAJOR PROJECTS 2026/27

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

Unsealed road metaling: road metaling will continue particularly on high risk and high trafficked roads like Lilybank and Braemar Roads. Council and the contractor continually monitor performance of the unsealed network, re-evaluating the priority of, and need for, metaling at locations. This program can change depending on seasonal needs and traffic frequency.

Road resurfacing: pre-reseal repairs have been carried out over the past two years in preparation for resurfacing of identified roads. Resurfacing will take place over the summer at the start of 2027 across the network.

CAPITAL PROJECTS 2026/27

$000	2026/27 Year 3 Long-Term Plan*	2026/27 Annual Plan
TO IMPROVE THE LEVEL OF SERVICE		
District Roading		
Rural Seal Extensions	28	28
Minor Improvements	579	152
TO REPLACE EXISTING ASSETS		
Roading Professional Services		
Plant and Equipment	13	13
District Roading		
Unsealed Road Metalling	1,031	781
Sealed Road Resurfacing	889	2,100
Drainage Renewal	221	21
Sealed Road Pavement Rehabilitation	97	47
Bridge and Structures Renewals	282	-
Traffic Services Renewals	104	104
Environmental Renewals	-	7
Footpath Renewal	356	-
Cycle path renewal	17	7
Total capital works	**3,617**	**3,259**

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

TRANSPORTATION - FUNDING IMPACT STATEMENT FOR 2026/27

$000	Annual Plan Budget 2025/26	Long-Term Plan Forecast 2026/27	Annual Plan Budget 2026/27
SOURCES OF OPERATING FUNDING			
General rates, uniform annual general charges, rates penalties	-	-	-
Targeted rates	2,743	2,672	2,979
Subsidies and grants for operating purposes	1,235	1,395	1,299
Fees and charges	-	-	-
Internal charges and overheads recovered	-	-	-
Local authorities fuel tax, fines, infringement fees, and other receipts	176	180	176
Total Operating Funding	**4,154**	**4,247**	**4,454**
APPLICATIONS OF OPERATING FUNDING			
Payments to staff and suppliers	2,962	2,897	3,140
Finance costs	207	219	171
Internal charges and overheads applied	107	88	98
Other operating funding applications	-	-	-
Total Applications of Operating Funding	**3,276**	**3,204**	**3,409**
Surplus (Deficit) of Operating Funding	**878**	**1,043**	**1,045**
SOURCES OF CAPITAL FUNDING			
Subsidies and grants for capital expenditure	1,306	1,675	1,649
Development and financial contributions	-	-	-
Increase (decrease) in debt	(300)	(300)	(300)
Gross proceeds from sale of assets	-	-	-
Lump sum contributions	-	-	-
Other dedicated capital funding	-	-	-
TOTAL SOURCES OF CAPITAL FUNDING	**1,006**	**1,375**	**1,349**
APPLICATIONS OF CAPITAL FUNDING			
Capital expenditure			
- to meet additional demand	-	-	-
- to improve the level of service	680	607	181
- to replace existing assets	1,943	2,708	3,078
Increase (decrease) in reserves	(740)	(897)	(865)
Increase (decrease) in investment	-	-	-
Total Applications of Capital Funding	**1,884**	**2,418**	**2,394**
Surplus (Deficit) of Capital Funding	**(878)**	**(1,043)**	**(1,045)**
FUNDING BALANCE	**0**	**0**	**0**

Three Waters

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

THIS ACTIVITY INCLUDES:

Water Supply Urban drinking water supply Rural drinking water and stock water supply

Wastewater

Wastewater collection, treatment and disposal

Stormwater

Urban stormwater collection, treatment and disposal

WHAT WE DO

WATER SUPPLY

Council maintains and manages the abstraction, treatment and distribution of water through community water supplies in the townships of Twizel (including Pukaki Airport), Tekapo, Fairlie and Burkes Pass and rural communities' at Allandale and Albury. Water services are provided to protect public health and support economic activities undertaken in the district.

Management of the Albury water supply is undertaken by the Albury Rural Water Supply Society Inc. on behalf of Council.

WASTEWATER

Council maintains and manages wastewater (sewage) collection, treatment and disposal services for its urban communities. Wastewater services are provided to protect public health within our communities, support the development of the district and to protect the natural and built environment.

There are community wastewater systems in the townships of Twizel, Tekapo, Fairlie and Burkes Pass. In each case, effluent is collected and treated using a waste stabilisation pond system and then discharged to ground.

STORMWATER

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

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

The stormwater network excludes infrastructure related to the roading activity.

OUR PERFORMANCE MEASURES

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

WHAT YOU CAN EXPECT FROM US		WHAT WE WILL MEASURE	TARGETS: 2026/27
Provide safe drinking water	1	Compliance with Water Services (Drinking Water Standards for New Zealand) Regulations 2022 (part 4) – Bacterial Compliance and Drinking Water Quality Assurance Rules 2022 (DWQAR)* (not able to meet 100% of monitoring requirements)	≥95% compliance across 4 supplies
	2	Compliance with Water Services (Drinking Water Standards for New Zealand) Regulations 2022 (part 5) – Protozoal Compliance and Drinking Water Quality Assurance Rules 2022 (DWQAR)* (No protozoa compliance at smaller supplies: Burkes Pass and Allandale)	3 out of 5 supplies compliant

WHAT YOU CAN EXPECT FROM US		WHAT WE WILL MEASURE		TARGETS: 2026/27
Maintain excellent water supply network services	3	The percentage of real water loss from the networked reticulation system*		≤ 25%
Maintain excellent customer services	4	The median response times to attend a call-out in response to a fault or unplanned interruption to the network reticulation system*		
		a)	Attendance for urgent call outs	≤ 2 hours
		b)	Resolution for urgent call outs	≤ 12 hours
		c)	Attendance for non-urgent call outs	≤ 72 hours
				≤ 120 hours
	5	The total number of complaints received about any of the following:*		≤ 5 per 1,000 connected properties
		a)	Drinking water clarity	
		b)	Drinking water taste	
		c)	Drinking water odour	
		d)	Drinking water pressure or flow	
		e)	Continuity of supply	
		f)	Council response to any of the above	
	6	The percentage of ratepayers satisfied with the water supply service		≥ 65%
Provide demand management of water supply services	7	Average consumption of drinking water per day per resident with the district*		<$1.2m^3$

*Mandatory performance measure

HOW WE MEASURE OUR WASTEWATER PROGRESS TO ACHIEVE OUR COMMUNITY OUTCOMES

WHAT YOU CAN EXPECT FROM US		WHAT WE WILL MEASURE		TARGETS: 2026/27
Maintain excellent sewer network services	1	The number of dry weather sewerage overflows from Council's sewerage system, expressed per 1,000 connected properties*		≤ 2 events
Wastewater is discharged in a safe manner	2	Compliance with the Council's resource consents for discharge from its sewerage system measured by the number of:		
		a)	Data within the annual compliance reports	Compliant data
		b)	The number of abatement notices	Nil notices and/or orders
		c)	The number of infringement notices	
		d)	The number of enforcement orders	
		e)	The number of convictions	

WHAT YOU CAN EXPECT FROM US		WHAT WE WILL MEASURE	TARGETS: 2026/27
Maintain excellent customer services	3	Where the Council attends to sewage overflows resulting from a blockage or other fault in the Council's sewerage system, the following median response times measured:* a) Attendance time b) Resolution time	≤ 1 hour ≤ 4 hours
	4	The total number of complaints received by the Council about any of the following:* a) Sewage odour b) Sewerage system faults c) Sewerage system blockages d) The Council's response to issues with its sewerage system	≤ 50 complaints per 1,000 connections
	5	The percentage of residents satisfies with wastewater treatment and disposal services	≥ 65%

HOW WE MEASURE OUR STORMWATER PROGRESS TO ACHIEVING OUR COMMUNITY OUTCOMES

WHAT YOU CAN EXPECT FROM US		WHAT WE WILL MEASURE	TARGETS: 2026/27
Maintain excellent network services	1	The number of flooding events in the Mackenzie district where the urban stormwater system overflows*	≤ 2 overflow events per 1,000 connections
	2	For each flooding event, the number of habitable floors affected*	≤ 2 overflow events per 1,000 connections
Stormwater services managed according to required environmental standards	3	Compliance with the Council's resource consents for discharge from its stormwater system, measured by the number of:* a) Abatement notices b) Infringement notices c) Enforcement orders d) Convictions	NIL
Maintain excellent customer services	4	The median response time to attend a flooding event*	≤ 2hours
	5	The total number of complaints received about the performance of the stormwater system*	≤ 5 complaints per 1,000 connected properties
	6	The percentage of residents satisfied with the stormwater service	≥ 65%

*Mandatory performance measure

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

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

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

KEY PROJECTS 2026/27

WATER SUPPLY

- Water Metering: Council will continue with the installation of smart water meters to properties connected to Twizel and Tekapo and extend targeted metering into Fairlie and Burkes Pass. Water meters allow Council and residents to identify leaks quickly to improve efficiency. The water meters also provide the opportunity for the community to learn about water consumption and encourages water conservation.
- Water Safety Plans: During 2025/26, Council will continue the delivery of a range of initiatives focusing on backflow prevention and reslience, quality control on sampling regimes and equipment upgrades.

Drinking-water safety improvement – Allandale. The Allandale Water Supply lacks sufficient barriers to protect against protozoa contamination. Council will investigate and implement solutions to ensure Allandale drinking water is safe and compliant.

Drinking-water safety improvement – Albury. The Albury Water Supply lacks sufficient barriers to protect against protozoa contamination. The Albury Rural Water Supply Committee will, on behalf of Council, investigate and implement solutions to ensure Albury drinking water is safe and compliant.

Pipe renewals: Council will continue renewal of identified high maintenance, high risk water pipes to improve network reliability and lower network outage risk.

CAPITAL PROJECTS 2026/27

$000	2026/27 Year 3 Long-Term Plan*	2026/27 Annual Plan
TO IMPROVE THE LEVEL OF SERVICE		
Allandale / Spur Road Water Supply		
Allandale/Spur Road Water Supply Reticulation Extension	1,790	1,548
Urban Water Supply		
Backflow	53	104
New Smart Meters	400	100
Water Safety Plans	53	110
TO REPLACE EXISTING ASSETS		
DOWNLANDS WATER SUPPLY		
Reticulation renewals	42	34
Plant renewals	6	10
In ground reservoir lining and solid roof cover installation	84	15
Reservoir pipework renewals	42	-
Water network modelling	-	1
URBAN WATER SUPPLY		
Service Connections	5	10
Reticulation – Water Pipes Renewal Programme	379	341
Total Capital works	**2,854**	**2,273**

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

WATER SUPPLY - FUNDING IMPACT STATEMENT FOR 2026/27

$000	Annual Plan Budget 2025/26	Long-Term Plan Forecast 2026/27	Annual Plan Budget 2026/27
SOURCES OF OPERATING FUNDING			
General rates, uniform annual general charges, rates penalties	-	-	-
Targeted rates	2,711	2,791	3,173
Subsidies and grants for operating purposes	-	-	-
Fees and charges	502	149	502
Internal charges and overheads recovered	1,211	-	2,088
Local authorities fuel tax, fines, infringement fees, and other receipts	27	27	13
Total Operating Funding	**4,451**	**2,967**	**5,776**
APPLICATIONS OF OPERATING FUNDING			
Payments to staff and suppliers	1,648	1,155	2,386
Finance costs	414	516	357
Internal charges and overheads applied	956	109	1,697
Other operating funding applications	-	-	-
Total Applications of Operating Funding	**3,019**	**1,780**	**4,441**
Surplus (Deficit) of Operating Funding	**1,433**	**1,187**	**1,336**
SOURCES OF CAPITAL FUNDING			
Subsidies and grants for capital expenditure	-	-	-
Development and financial contributions	335	526	526
Increase (decrease) in debt	1,527	1,709	1,016
Gross proceeds from sale of assets	-	-	-
Lump sum contributions	-	-	-
Other dedicated capital funding	-	-	-
TOTAL SOURCES OF CAPITAL FUNDING	**1,862**	**2,235**	**1,543**
APPLICATIONS OF CAPITAL FUNDING			
Capital expenditure			
- to meet additional demand	-	-	-
- to improve the level of service	2,101	2,295	1,862
- to replace existing assets	441	520	411
Increase (decrease) in reserves	753	608	605
Increase (decrease) in investment	-	-	-
Total Applications of Capital Funding	**3,295**	**3,423**	**2,878**
Surplus (Deficit) of Capital Funding	**(1,433)**	**(1,187)**	**(1,336)**
FUNDING BALANCE	**0**	**0**	**0**

KEY PROJECTS 2026/27

WASTEWATER

- Facility upgrades: Wastewater treatment performance improvement is required across all wastewater treatment plants to ensure ongoing, compliant, environmentally appropriate treatment and disposal of wastewater that support good public health. Resilience and redundancy improvements are required across pumping facilities to reduce failure risk and potential for environmental and public health harm.
- Pipe replacement programme: Renewal of aging or defective wastewater pipes will continue across the urban centres based on the condition rating and performance of the wastewater network.

CAPITAL PROJECTS 2026/27

$000	2026/27 Year 3 Long-Term Plan*	2026/27 Annual Plan
TO MEET ADDITIONAL DEMAND		
Urban Sewerage		
Tekapo New Treatment Plant	5,264	500
TO IMPROVE THE LEVEL OF SERVICE		
Urban Sewerage		
Sewer Reticulation - new	-	165
TO REPLACE EXISTING ASSETS		
Urban Sewerage		
Sewer Reticulation	463	100
Aerators	-	350
Total capital works	**5,727**	**1,115**

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

WASTEWATER - FUNDING IMPACT STATEMENT FOR 2025/26

$000	Annual Plan Budget 2025/26	Long-Term Plan Forecast 2026/27	Annual Plan Budget 2026/27
SOURCES OF OPERATING FUNDING			
General rates, uniform annual general charges, rates penalties	-	-	-
Targeted rates	1,448	1,336	1,478
Subsidies and grants for operating purposes	-	-	-
Fees and charges	65	44	65
Internal charges and overheads recovered	-	-	-
Local authorities fuel tax, fines, infringement fees, and other receipts	-	-	-
Total Operating Funding	**1,513**	**1,380**	**1,543**
APPLICATIONS OF OPERATING FUNDING			
Payments to staff and suppliers	224	604	247
Finance costs	-	11	-
Internal charges and overheads applied	563	93	716
Other operating funding applications	-	-	-
Total Applications of Operating Funding	**788**	**708**	**963**
Surplus (Deficit) of Operating Funding	**725**	**672**	**580**
SOURCES OF CAPITAL FUNDING			
Subsidies and grants for capital expenditure	-	-	-
Development and financial contributions	201	316	316
Increase (decrease) in debt	-	5,264	-
Gross proceeds from sale of assets	-	-	-
Lump sum contributions	-	-	-
Other dedicated capital funding	-	-	-
TOTAL SOURCES OF CAPITAL FUNDING	**201**	**5,580**	**316**
APPLICATIONS OF CAPITAL FUNDING			
Capital expenditure			
- to meet additional demand	309	5,264	500
- to improve the level of service	240	-	165
- to replace existing assets	340	417	450
Increase (decrease) in reserves	37	571	(219)
Increase (decrease) in investment	-	-	-
Total Applications of Capital Funding	**926**	**6,252**	**896**
Surplus (Deficit) of Capital Funding	**(725)**	**(672)**	**(580)**
FUNDING BALANCE	**0**	**0**	**0**

STORMWATER

CAPITAL PROJECTS 2025/26

$000	2026/27 Year 3 Long-Term Plan*	2026/27 Annual Plan
TO REPLACE EXISTING ASSETS		
Urban Stormwater		
Renewals – Stormwater Reticulation Pipework	-	20
Total capital works	**-**	**20**

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

STORMWATER - FUNDING IMPACT STATEMENT FOR 2026/27

$000	Annual Plan Budget 2025/26	Long-Term Plan Forecast 2026/27	Annual Plan Budget 2026/27
SOURCES OF OPERATING FUNDING			
General rates, uniform annual general charges, rates penalties	-	-	-
Targeted rates	258	209	266
Subsidies and grants for operating purposes	-	-	-
Fees and charges	-	-	-
Internal charges and overheads recovered	-	-	-
Local authorities fuel tax, fines, infringement fees, and other receipts	-	-	-
Total Operating Funding	**258**	**209**	**266**
APPLICATIONS OF OPERATING FUNDING			
Payments to staff and suppliers	51	82	50
Finance costs	-	-	-
Internal charges and overheads applied	93	34	106
Other operating funding applications	-	-	-
Total Applications of Operating Funding	**144**	**116**	**156**
Surplus (Deficit) of Operating Funding	**114**	**93**	**110**
SOURCES OF CAPITAL FUNDING			
Subsidies and grants for capital expenditure	-	-	-
Development and financial contributions	67	105	105
Increase (decrease) in debt	-	-	-
Gross proceeds from sale of assets	-	-	-
Lump sum contributions	-	-	-
Other dedicated capital funding	-	-	-
TOTAL SOURCES OF CAPITAL FUNDING	**67**	**105**	**105**
APPLICATIONS OF CAPITAL FUNDING			
Capital expenditure			
- to meet additional demand	-	-	-
- to improve the level of service	-	-	-
- to replace existing assets	227	-4	20
Increase (decrease) in reserves	(45)	198	195
Increase (decrease) in investment	-	-	-
Total Applications of Capital Funding	**182**	**198**	**215**
Surplus (Deficit) of Capital Funding	**(115)**	**(93)**	**(110)**
FUNDING BALANCE	**0**	**0**	**0**

Public Facilities, Parks and Places

Goal: Mackenzie District Council Parks and Community Facilities provides parks and reserves land, facilities and services to meet the current and future needs of the community in a way that is sustainable in the long-term and complies with regulatory requirements..

THIS ACTIVITY INCLUDES:

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

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

WHAT WE DO AND WHY WE DO IT

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

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

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

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

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

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

OUR PERFORMANCE MEASURES

WHAT YOU CAN EXPECT FROM US	WHAT WE WILL MEASURE	Targets: 2026/27
Township services and amenities are provided and maintained to an acceptable level	Residents' satisfaction rating for township services and facilities *	≥ 70%
Parks and Community Facilities are operated effectively, efficiently, safely and meet the needs of the users.	Residents' satisfaction rating for parks and community facilities*	≥ 70%
	Monthly performance assessment of park and public toilets operations and maintenance standards **	≥ 90%
	Recreation Aotearoa Pool Safe Accreditation	Maintain Pool Safe accreditation
	Customer satisfaction rating for swimming pools	≥ 75%
	No serious harm accidents on our playgrounds, parks or facilities	No serious harm accidents on our playgrounds, parks or facilities

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

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

CAPITAL PROJECTS 2025/26

$000	2026/27 Year 3 Long-Term Plan*	2026/27 Annual Plan
TO MEET ADDITIONAL DEMAND		
Cemeteries		
Land Improvements	21	20
Fairlie Cemetery Road	8	8
To improve the level of service		
TWIZEL TOWNSHIP		
Twizel River Reserves	11	10
OTHER RESERVES		
Lake Alexandrina – Native Restorations	53	50
To replace existing assets		
RURAL WORKS AND SERVICES		
Tree Planting	21	-
Asset Renewals	-	10
FAIRLIE TOWNSHIP		
Asset Renewals	31	29
TEKAPO TOWNSHIP		
Tekapo Domain Playground	-	150
Asset Renewals	19	18
TWIZEL TOWNSHIP		
Tree Planting	42	-
Asset Renewals	4	4
ALBURY HALL		
Furniture and Fittings	2	2
MACKENZIE COMMUNITY CENTRE		
Furniture and Fittings - Other	11	10
TEKAPO COMMUNITY HALL		
Furniture and Fittings	5	5
TWIZEL EVENTS CENTRE		
Furniture and Fittings - Other	11	10
STRATHCONAN SWIMMING POOL (FAIRLIE)		
Plant and Equipment	5	5
TWIZEL SWIMMING POOL		
Plant and Equipment	5	5
PUBLIC TOILETS		
Buildings – Burkes Pass Paid Toilet Access	-	20
PENSIONER HOUSING		
Buildings - Housing	8	8
	257	**364**

PUBLIC FACILITIES, PARKS AND PLACES - FUNDING IMPACT STATEMENT FOR 2026/27

$000	Annual Plan Budget 2025/26	Long-Term Plan Forecast 2026/27	Annual Plan Budget 2026/27
SOURCES OF OPERATING FUNDING			
General rates, uniform annual general charges, rates penalties	466	843	685
Targeted rates	2,612	2,258	2,649
Subsidies and grants for operating purposes	1	1	1
Fees and charges	170	135	168
Internal charges and overheads recovered	-	-	-
Local authorities fuel tax, fines, infringement fees, and other receipts	524	413	552
Total Operating Funding	**3,771**	**3,650**	**4,055**
APPLICATIONS OF OPERATING FUNDING			
Payments to staff and suppliers	3,076	2,967	3,111
Finance costs	120	82	111
Internal charges and overheads applied	131	62	151
Other operating funding applications	-	-	-
Total Applications of Operating Funding	**3,328**	**3,111**	**3,373**
Surplus (Deficit) of Operating Funding	**444**	**539**	**682**
SOURCES OF CAPITAL FUNDING			
Subsidies and grants for capital expenditure	-	-	-
Development and financial contributions	-	-	-
Increase (decrease) in debt	(120)	(85)	(20)
Gross proceeds from sale of assets	-	-	-
Lump sum contributions	-	-	-
Other dedicated capital funding	-	-	-
TOTAL SOURCES OF CAPITAL FUNDING	**(120)**	**(85)**	**(20)**
APPLICATIONS OF CAPITAL FUNDING			
Capital expenditure			
- to meet additional demand	26	29	28
- to improve the level of service	93	63	60
- to replace existing assets	183	148	276
Increase (decrease) in reserves	23	214	298
Increase (decrease) in investment	-	-	-
Total Applications of Capital Funding	**324**	**454**	**662**
Surplus (Deficit) of Capital Funding	**(444)**	**(539)**	**(682)**
FUNDING BALANCE	**0**	**0**	**0**

Regulatory Services

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

THIS GROUP OF ACTIVITIES INCLUDES:

Building control

District Planning

Food Premises and Environmental health

Liquor licensing

Animal control

Parking Control

Other territorial authority regulatory functions

WHAT WE DO

The planning department is responsible for administering the Council's functions under the Resource Management Act 1991.

The key planning document is the District Plan, which sets out the issues facing the district and then manages the effects of those issues by setting objectives, policies and rules to achieve the purpose of the Resource Management Act.

The purpose of the Resource Management Act is to enable sustainable management of the district's natural and physical resources.

The regulatory department has the responsible for regulatory policy and bylaw development and monitoring, including bylaw and policy development in relation to the Health Act 1956, Dog Control Act 1996, Sale and Supply of Alcohol Act 2012, the Building Act 2004 and Freedom Camping Act 2011.

In doing so, specifically we:

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

Other resource management functions of the planning department include:

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

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

- Building Warrant of Fitness monitoring
- Certificates of acceptance
- Pool fencing compliance
- Earthquake prone buildings compliance
- Dangerous, affected and insanitary buildings
- Notices to fix
- Determine applications for Waiver or Modification
- Consider a certificate under Sale and Supply or alcohol Act, fee per hour if building compliance verification required
- Land information memorandum

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

OUR PERFORMANCE MEASURES

WHAT YOU CAN EXPECT FROM US		WHAT WE WILL MEASURE	TARGETS: 2025/26
Deliver timely, efficient processing of consents and related requirements in line with statutory requirements	1	The percentage of those surveyed that are satisfied the Council is adequately managing resource management issues in the district.	≥ 80%
	2	The percentage of non-notified resource consents which are processed within the 20 working days statutory timeframe.	≥ 98%
	3	The percentage of resource consent applicants are satisfied with the qual-ity of services they receive.	≥ 50%
	4	The percentage of building consents which are processed within the 20 working days statutory timeframe.	100%
	5	The percentage of building consents applicants who are satisfied with the quality of the service they receive.	≥ 70%
	6	Retain Building Consent Authority accreditation.	Accreditation is retained
	7	The percentage of code of compliance certificates issued within the 20 working days statutory timeframe from the date of acceptance.	100%
	8	The percentage of LIMs which are processed within the 10-working day statutory timeframe.	≥ 85%
	9	The percentage of residents that believe the Council is adequately managing dog control issues in the district.	≥ 80%

PROJECTS 2025/26

$000	2026/27 Year 3 Long-Term Plan*	2026/27 Annual Plan
TO IMPROVE THE LEVEL OF SERVICE		
Freedom Camping and Parking Enforcement		
Paid Parking Feasibility Study	-	50
	-	**50**

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

Photo credit: Sue Wilkins

REGULATORY SERVICES –
FUNDING IMPACT STATEMENT FOR 2026/27

$000	Annual Plan Budget 2025/26	Long-Term Plan Forecast 2026/27	Annual Plan Budget 2026/27
SOURCES OF OPERATING FUNDING			
General rates, uniform annual general charges, rates penalties	1,327	1,642	1,691
Targeted rates	-	-	-
Subsidies and grants for operating purposes	-	-	-
Fees and charges	1,559	1,499	1,589
Internal charges and overheads recovered	124	21	92
Local authorities fuel tax, fines, infringement fees, and other receipts	103	187	88
Total Operating Funding	**3,113**	**3,349**	**3,460**
APPLICATIONS OF OPERATING FUNDING			
Payments to staff and suppliers	2,780	2,507	2,553
Finance costs	289	316	272
Internal charges and overheads applied	138	142	286
Other operating funding applications	-	-	-
Total Applications of Operating Funding	**3,206**	**2,965**	**3,111**
Surplus (Deficit) of Operating Funding	**(92)**	**384**	**349**
SOURCES OF CAPITAL FUNDING			
Subsidies and grants for capital expenditure	-	-	
Development and financial contributions	103	105	105
Increase (decrease) in debt	28	(381)	(389)
Gross proceeds from sale of assets	-	-	-
Lump sum contributions	-	-	-
Other dedicated capital funding	-	-	-
TOTAL SOURCES OF CAPITAL FUNDING	**131**	**(276)**	**(283)**
APPLICATIONS OF CAPITAL FUNDING			
Capital expenditure			
- to meet additional demand	-	-	-
- to improve the level of service	-	-	50
- to replace existing assets	-	-	-
Increase (decrease) in reserves	39	108	16
Increase (decrease) in investment	-	-	-
Total Applications of Capital Funding	**39**	**108**	**66**
Surplus (Deficit) of Capital Funding	**92**	**(384)**	**(349)**
FUNDING BALANCE	**0**	**0**	**0**

Emergency Management

Goal: Individuals, whānau, communities, and businesses understand the hazards that may affect the Mackenzie District and are better prepared to respond to and recover from emergencies.

THIS ACTIVITY IS:

Delivered through comprehensive emergency management across the 4 Rs: reduction, readiness, response, and recovery. While response is often the most visible aspect, this activity also includes risk reduction, community preparedness, training, planning, coordination, and recovery readiness.

WHAT WE DO

Council's emergency management activity is guided by the Civil Defence Emergency Management Act 2002, the Civil Defence Emergency Management Regulations 2003, the National Civil Defence Emergency Management Plan, and the National Disaster Resilience Strategy.

Emergency management is a core council function that supports the safety and wellbeing of the community during disruptive events. Our role is to ensure the Mackenzie District is prepared for, can respond to, and can recover from emergencies. This requires maintaining local capability, supporting community resilience, and working closely with the Canterbury CDEM Group, emergency services, lifeline utilities, mana whenua, partner agencies, and neighbouring councils.

Key elements of Councils emergency management planning role include:

- Identification of Local and Alternate Controller(s), Response and Recovery Managers and Alternates and those authorised to declare a local state of civil defence emergency.
- Maintaining local emergency management arrangements, including trained staff, response and recovery leadership, and an operational Emergency Operations Centre (EOC)
- Supporting a shared South Canterbury 24/7 duty officer model with Timaru and Waimate District Councils to ensure continuous monitoring and timely identification and escalation of emerging risks
- Maintaining response readiness through training, exercising, planning, and equipment maintenance
- Strengthening relationships with emergency services, welfare agencies, lifeline utilities, mana whenua, community groups, and other response partners
- Supporting community awareness and preparedness through public education and engagement
- Supporting and developing community response capability, including volunteers and community response teams
- Contributing to district and regional risk reduction, readiness, response, and recovery planning
- Providing or supporting recovery management following emergency events.

Council participates in a shared South Canterbury duty officer arrangement with Timaru and Waimate District Councils, providing 24/7 monitoring of hazard information, receipt and triage of alerts, and initial response coordination. This function provides the first point of assessment and escalation for any emerging event, ensuring that Council can respond in a timely and coordinated manner.

Council maintains an Emergency Operations Centre (EOC) capability to coordinate response activities during an emergency. This includes trained staff across key functions, communications systems and equipment, and procedures for activation and sustained operations over extended periods.

Emergency management also includes responding to incidents within the district and, where required, contributing staff or capability to wider Canterbury or national responses. This reflects the interconnected nature of emergency management and the reliance on shared capability across the region.

OUR PERFORMANCE MEASURES

WHAT YOU CAN EXPECT FROM US		WHAT WE WILL MEASURE	TARGETS: 2026/27
The organisation is prepared to respond to an emergency	1	That council has 24/7 CDEM duty officer to monitor warning systems and be available to partner agencies	100% duty officer
	2	That council staff are trained to a minimum of "EOC 2"	70% staff trained
	3	An EOC exercise is conducted annually	1 exercise
The organisation will engage with the community in risk reduction activities	4	The organisation participates in risk reduction planning, modelling, or engaging with scientific research	3 sessions / workshops per year
Increase community awareness and understanding of CDEM	5	Facilitate multi-agency and community hazards workshops across the Mackenzie District.	4 workshops per year

KEY PROJECTS 2026/27

- Maintaining and improving Emergency Operations Centre readiness, including training and exercising staff to ensure the ability to sustain operations during extended events
- Ongoing review and improvement of local response and recovery arrangements to reflect changing risks and operational experience
- Continued support for community response capability, including volunteer and community response team development
- Public education and community engagement to improve household and community preparedness
- Participation in district and regional risk reduction and resilience work, including hazard and critical infrastructure planning
- Continued renewal of essential emergency management communications equipment to maintain reliability during emergencies
- Contributing to regional fuel disruption planning and local continuity preparedness for essential council services.

CAPITAL PROJECTS 2026/27

$000	2026/27 Year 3 Long-Term Plan*	2026/27 Annual Plan
TO REPLACE EXISTING ASSETS		
Plant and Equipment	27	26
Total capital works	**27**	**26**

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

EMERGENCY MANAGEMENT - FUNDING IMPACT STATEMENT FOR 2026/27

$000	Annual Plan Budget 2025/26	Long-Term Plan Forecast 2026/27	Annual Plan Budget 2026/27
SOURCES OF OPERATING FUNDING			
General rates, uniform annual general charges, rates penalties	228	239	261
Targeted rates	-	-	-
Subsidies and grants for operating purposes	-	-	-
Fees and charges	-	-	-
Internal charges and overheads recovered	-	-	-
Local authorities fuel tax, fines, infringement fees, and other receipts	-	-	-
Total Operating Funding	**228**	**239**	**261**
APPLICATIONS OF OPERATING FUNDING			
Payments to staff and suppliers	189	198	197
Finance costs	4	4	3
Internal charges and overheads applied	12	9	30
Other operating funding applications	-	-	-
Total Applications of Operating Funding	**205**	**211**	**231**
Surplus (Deficit) of Operating Funding	**23**	**28**	**30**
SOURCES OF CAPITAL FUNDING			
Subsidies and grants for capital expenditure	-	-	-
Development and financial contributions	-	-	-
Increase (decrease) in debt	(6)	(6)	(6)
Gross proceeds from sale of assets	-	-	-
Lump sum contributions	-	-	-
Other dedicated capital funding	-	-	-
TOTAL SOURCES OF CAPITAL FUNDING	**(6)**	**(6)**	**(6)**
APPLICATIONS OF CAPITAL FUNDING			
Capital expenditure			
- to meet additional demand	-	-	-
- to improve the level of service	-	-	-
- to replace existing assets	32	25	26
Increase (decrease) in reserves	(15)	(3)	(2)
Increase (decrease) in investment	-	-	-
Total Applications of Capital Funding	**17**	**22**	**24**
Surplus (Deficit) of Capital Funding	**(23)**	**(28)**	**(30)**
FUNDING BALANCE	**0**	**0**	**0**

Waste Management and Minimisation

Goal: By 2050, the South Canterbury region will be a low-emissions, low-waste society built on a circular economy, effectively managing and minimising waste across the Mackenzie District.

The Waste Minimisation Act 2008 requires all local authorities (councils) to promote effective and efficient waste management and minimisation practices.

Waste minimisation includes all actions taken to divert waste from landfills. This involves reducing the amount of waste generated, as well as reusing, recycling, and recovering value from materials wherever possible.

WHAT WE DO

Mackenzie District has made strong progress in reducing waste and establishing reliable services that support communities to manage waste responsibly. Key waste management and minimisation activities include:

Kerbside collection:

Council provides a four-bin kerbside collection service comprising refuse, recycling, organics (food and garden waste), and glass. This service is available in the main urban areas of Albury, Fairlie, Kimbell, Burkes Pass, Tekapo, and Twizel. Rural properties located along collection routes may opt into the service, provided there is a safe location for the collection vehicle to stop.

Resource recovery parks:

Resource Recovery Parks (RRPs) and Cleanfill sites are located in Twizel, Tekapo, and Fairlie, and are operated under contract by EnviroWaste. These facilities accept a wide range of materials, including residual waste, green waste, mixed recyclables, electronic waste, glass, and metals. They also accept domestic quantities of waste oil, paint, hazardous substances, batteries, LPG cylinders, and tyres.

Waste Disposal : There are no Class 1 landfills, recycling plants, or reprocessing facilities within the district. Under current arrangements, refuse is transported to the Redruth Landfill in Timaru. Recycling and glass are processed at the Redruth recycling facility, while organic waste collected kerbside is composted at the Redruth organics facility

OUR PERFORMANCE MEASURES

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

CAPITAL PROJECTS 2026/27

$000	2026/267 Year 3 Long-Term Plan*	2026/27 Annual Plan
TO REPLACE EXISTING ASSETS		
Plant and Equipment	21	20
Total capital works	**21**	**20**

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

WASTE MANAGEMENT AND MINIMISATION - FUNDING IMPACT STATEMENT FOR 2026/27

$000	Annual Plan Budget 2025/26	Long-Term Plan Forecast 2026/27	Annual Plan Budget 2026/27
SOURCES OF OPERATING FUNDING			
General rates, uniform annual general charges, rates penalties	308	338	345
Targeted rates	1,081	1,096	1,123
Subsidies and grants for operating purposes	-	-	-
Fees and charges	237	242	893
Internal charges and overheads recovered	-	-	-
Local authorities fuel tax, fines, infringement fees, and other receipts	554	566	128
Total Operating Funding	**2,179**	**2,242**	**2,488**
APPLICATIONS OF OPERATING FUNDING			
Payments to staff and suppliers	2,110	2,163	2,376
Finance costs	-	-	-
Internal charges and overheads applied	(27)	11	(0)
Other operating funding applications	-	-	-
Total Applications of Operating Funding	**2,084**	**2,174**	**2,375**
Surplus (Deficit) of Operating Funding	**95**	**68**	**113**
SOURCES OF CAPITAL FUNDING			
Subsidies and grants for capital expenditure	-	-	-
Development and financial contributions	-	-	-
Increase (decrease) in debt	-	-	-
Gross proceeds from sale of assets	-	-	-
Lump sum contributions	-	-	-
Other dedicated capital funding	-	-	-
TOTAL SOURCES OF CAPITAL FUNDING	**-**	**-**	**-**
APPLICATIONS OF CAPITAL FUNDING			
Capital expenditure			
- to meet additional demand	-	-	-
- to improve the level of service	-	-	-
- to replace existing assets	52	19	20
Increase (decrease) in reserves	43	49	93
Increase (decrease) in investment	-	-	-
Total Applications of Capital Funding	**95**	**68**	**113**
Surplus (Deficit) of Capital Funding	**(95)**	**(68)**	**(113)**
FUNDING BALANCE	**0**	**0**	**0**

Tourism, Economic Development and Commercial Activity

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

WHAT WE DO

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

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

TOURISM PROMOTION AND DESTINATION MANAGEMENT

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

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

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

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

ECONOMIC DEVELOPMENT

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

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

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

COMMERCIAL ACTIVITIES

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

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

OUR PERFORMANCE MEASURES

WHAT YOU CAN EXPECT FROM US		WHAT WE WILL MEASURE	TARGETS: 2026/27
Economic development is fostered for the district as a whole	1	Percentage of ratepayers satisfied with Council's tourism promotion and economic decelopment	≥ 80%
Pukaki Airport is well maintained	2	Pukaki Airport - user satisfaction with facility	≥ 75% from user survey

TOURISM, ECONOMIC DEVELOPMENT AND COMMERCIAL - FUNDING IMPACT STATEMENT FOR 2026/27

$000	Annual Plan Budget 2025/26	Long-Term Plan Forecast 2026/27	Annual Plan Budget 2026/27
SOURCES OF OPERATING FUNDING			
General rates, uniform annual general charges, rates penalties	-	77	-
Targeted rates	737	700	698
Subsidies and grants for operating purposes	593	-	439
Fees and charges	37	26	60
Internal charges and overheads recovered	-	-	-
Local authorities fuel tax, fines, infringement fees, and other receipts	1,886	2,595	1,652
Total Operating Funding	**3,254**	**3,398**	**2,848**
APPLICATIONS OF OPERATING FUNDING			
Payments to staff and suppliers	2,493	2,050	2,755
Finance costs	(28)	(155)	(66)
Internal charges and overheads applied	1,724	910	1,106
Other operating funding applications	-	-	-
Total Applications of Operating Funding	**4,189**	**2,805**	**3,795**
Surplus (Deficit) of Operating Funding	**(935)**	**593**	**(946)**
SOURCES OF CAPITAL FUNDING			
Subsidies and grants for capital expenditure	-	-	-
Development and financial contributions	-	-	-
Increase (decrease) in debt	(1,030)	(1,471)	(56)
Gross proceeds from sale of assets	-	-	-
Lump sum contributions	-	-	-
Other dedicated capital funding	-	-	-
TOTAL SOURCES OF CAPITAL FUNDING	**(1,030)**	**(1,471)**	**(56)**
APPLICATIONS OF CAPITAL FUNDING			
Capital expenditure			
- to meet additional demand	-	-	-
- to improve the level of service	-	-	-
- to replace existing assets	-	-	-
Increase (decrease) in reserves	(1,965)	(953)	(1,002)
Increase (decrease) in investment	-	75	-
Total Applications of Capital Funding	**(1,965)**	**(878)**	**(1,002)**
Surplus (Deficit) of Capital Funding	**935**	**(593)**	**946**
FUNDING BALANCE	**0**	**0**	**0**

Governance and Corporate Services

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

THIS ACTIVITY INCLUDES:

GOVERNANCE

- Mayor and Councillors
- Community Boards
- Elections

CORPORATE SERVICES

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

WHAT WE DO

GOVERNANCE

Our governance portfolio is the foundation of everything that we do as a Council. The governing body of Council is responsible and democratically accountable for decision making of the Mackenzie District Council. The District Council includes a mayor, elected at large, and seven Councillors, elected by way of three wards: Pukaki, Opuha and Tekapo (3 elected from each of Pukaki and Opuha; 1 elected from Tekapo). Local community boards are also democratically elected to represent each of our three wards.

In addition to the full Council which meets regularly, Mackenzie District Council operates two standing committees: Audit and Risk Committee and Chief Executive Performance Committee. Council is also represented on several joint committees at a regional level.

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

CORPORATE SERVICES

Our corporate services activities support the functioning of Council through administration and managerial support. These activities set out above support the governance function of Council and all the other services that Council manage on behalf of our community. Corporate Services also administers and distributes grants from Sport New Zealand and Creative New Zealand.

GOVERNMENT REFORM:

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

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

COMMUNITY DEVELOPMENT

During the 2025/26 year, Council made decisions that changed the scope of its Community Development activity. These included reductions to the operational and community grants budgets and the disestablishment of the Team Leader – Community Development position. As a result, the Community Development function now focuses on a smaller number of core activities.

The function will continue to:

- administer the Creative Communities Scheme, Rural Travel Fund and Heritage Fund;
- provide funding and governance advice and support to community organisations;
- administer the contract with Mackenzie College for the operation of the Mackenzie Library in Fairlie and operate the Twizel Library; and
- deliver the Mayor's Taskforce for Jobs programme, which is fully externally funded and supports local young people and rangatahi into employment, education and training.

As a consequence of these decisions, Council no longer has dedicated capacity to undertake a range of broader community development activities previously delivered by the team. This includes:

- building and maintaining strategic relationships with social service agencies and other community partners;
- providing dedicated project support for major community-led initiatives;
- undertaking research, advocacy and partnership work to attract external social investment into the district;
- administering Council-funded community grant programmes that have now ceased; and
- providing financial contributions and dedicated staff support to a number of community organisations, initiatives and events that were previously supported through the Community Development budget.

These changes represent a reduction in the scope of Council's Community Development activity. While staff will continue to provide advice and assistance within the resources available, Council is no longer able to provide the same level of strategic community development support that was previously available. Community organisations seeking assistance with strategic planning, project development or securing external investment may therefore need to work more closely with regional or national agencies, funding organisations and other specialist support providers where appropriate.

The Creative Communities Scheme, Rural Travel Fund and Mayor's Taskforce for Jobs will continue to operate as externally funded programmes. The Heritage Fund will continue to be administered by Council. However, the Council resources available to support broader community development outcomes beyond the administration of these programmes have been reduced in line with Council's adopted budgets and funding decisions.

OUR PERFORMANCE MEASURES

WHAT YOU CAN EXPECT FROM US	WHAT WE WILL MEASURE	TARGETS: 2025/26
Council Prepare key accountability documents in accordance with good practice.	The annual report is prepared within statutory timeframes and with an unmodified audit opinion.	The annual report is prepared within statutory timeframes and with an unmodified audit opinion.
	The annual plan is prepared within statutory timeframes.	The annual plan is prepared within statutory timeframes
Council Represent and govern the district on behalf of the community	The percentage of residents across the district say they are satisfied with the performance of the Councillors and Mayor in the annual ratepayer survey.	≥ 60%
Council Build strong iwi relationships and encourage Maori to contribute to the decision-making process	Number of face-to-face meetings held each year between council representatives and ngā Papatipu Rūnanga, or Te Rūnanga o Ngāi Tahu.	≥ 2
Council Provide opportunities for the community to engage with elected members	Number of public forums held each year with communities and groups	≥ 40

WHAT YOU CAN EXPECT FROM US	WHAT WE WILL MEASURE	TARGETS: 2025/26
Customer Services Customer expectations for service response meet customer demand and are delivered in a timely manner	Council provides a centralised service point (via face to face, phone and e-mail) for all customers.	Two to three service centres operating Monday to Friday 8:30am to 5pm providing first point of contact customer service via face to face, phone and e-mail. Number of service centres, and hours operated to be informed by performance statistics, population growth, demand and customer feedback
Customer Services Customer expectations of the quality of the service received at the first point of contact	Council meets customer satisfaction levels at the first point of contact.	At least 85% of customers are satisfied or very satisfied by the quality of the centralised customer service received at the first point of contact. Measured by annual customer satisfaction survey and quality monitoring

CAPITAL PROJECTS 2025/26

$000	2026/27 Year 6 Long-Term Plan*	2026/27 Annual Plan
TO IMPROVE THE LEVEL OF SERVICE		
Information and Engagement		
Communications projects	26	-
Operations Management		
Three Waters Transition Project	-	1,000
TO REPLACE EXISTING ASSETS		
IT Support		
Network infrastructure	17	16
Projects	32	47
Plant and Equipment	49	30
Fairlie Council Office Building		
Furniture and Fittings - Other	11	10
Twizel Council Office Building		
Furniture and Fittings - Other	3	3
Plant		
Vehicles - renewal	84	80
Total Capital works	**222**	**1,186**

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

GOVERNANCE AND CORPORATE SERVICES - FUNDING IMPACT STATEMENT FOR 2026/27

$000	Long-Term Plan Budget 2024/25	Long-Term Plan Forecast 2025/26	Annual Plan Budget 2025/26
SOURCES OF OPERATING FUNDING			
General rates, uniform annual general charges, rates penalties	6,179	7,267	6,454
Targeted rates	144	178	57
Subsidies and grants for operating purposes	129	116	129
Fees and charges	172	141	100
Internal charges and overheads recovered	1,970	1,289	2,129
Local authorities fuel tax, fines, infringement fees, and other receipts	356	340	207
Total Operating Funding	**8,950**	**9,331**	**9,075**
APPLICATIONS OF OPERATING FUNDING			
Payments to staff and suppliers	8,731	9,031	8,298
Finance costs	69	73	57
Internal charges and overheads applied	(355)	(181)	99
Other operating funding applications	-	-	-
Total Applications of Operating Funding	**8,445**	**8,923**	**8,454**
Surplus (Deficit) of Operating Funding	**505**	**408**	**621**
SOURCES OF CAPITAL FUNDING			
Subsidies and grants for capital expenditure	-	-	-
Development and financial contributions	-	-	-
Increase (decrease) in debt	(96)	(96)	904
Gross proceeds from sale of assets	-	-	-
Lump sum contributions	-	-	-
Other dedicated capital funding	-	-	-
TOTAL SOURCES OF CAPITAL FUNDING	(96)	(96)	904
APPLICATIONS OF CAPITAL FUNDING			
Capital expenditure			
- to meet additional demand	-	-	-
- to improve the level of service	525	26	1,000
- to replace existing assets	247	176	186
Increase (decrease) in reserves	(363)	110	339
Increase (decrease) in investment	-	-	-
Total Applications of Capital Funding	**409**	**312**	**1,525**
Surplus (Deficit) of Capital Funding	**(505)**	**(408)**	**(621)**
FUNDING BALANCE	**0**	**0**	**0**

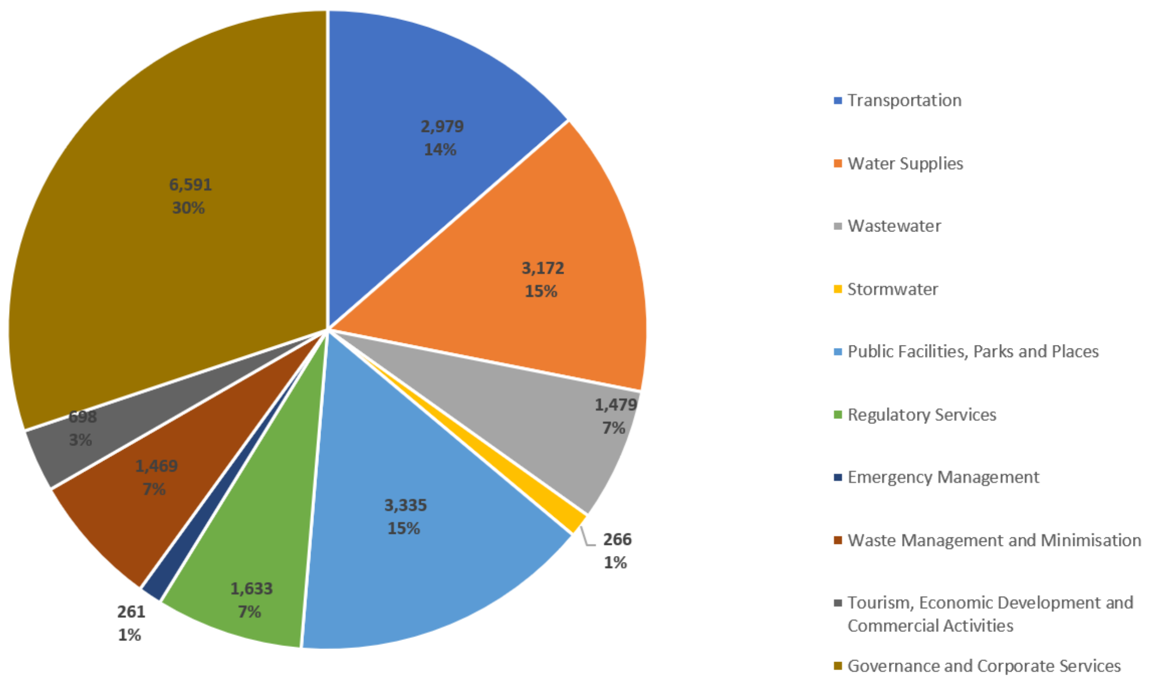
Council's Finances

Overall Rate Summary

(GST exclusive)

Annual Plan 2025/26 ($000)	Activity	Annual Plan 2026/27 ($000)	Change from 2025/26 ($000)	LTP 2026/27 ($000)
2,743	Transportation	2,979	236	2,672
2,711	Water Supplies	3,173	462	2,791
1,448	Wastewater	1,478	30	1,336
258	Stormwater	266	8	209
3,078	Public Facilities, Parks and Places	3,334	256	3,101
1,327	Regulatory and Building Services	1,691	364	1,642
228	Emergency Management	261	33	239
1,389	Waste Management and Minimisation	1,468	79	1,434
737	Tourism, Economic Development, Commercial Activities	698	(39)	777
6,323	Governance and Corporate Services	6,511	188	7,445
20,242		**21,859**	**1,617**	**21,645**

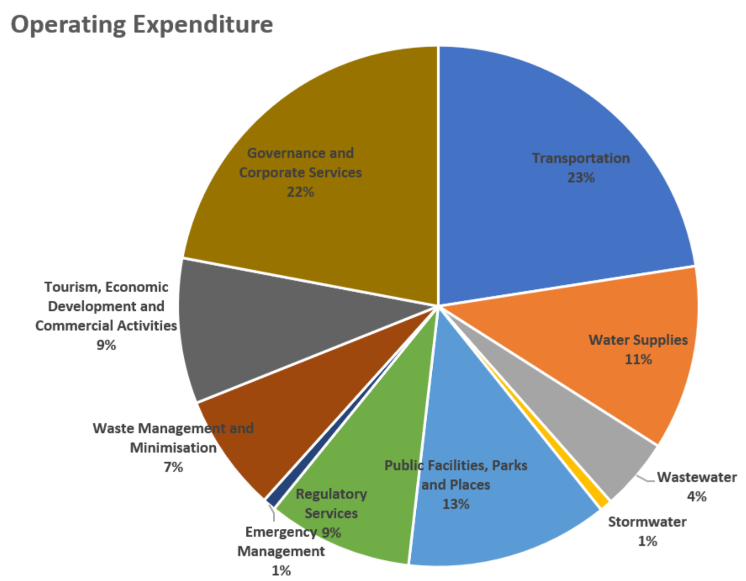
Share of rates

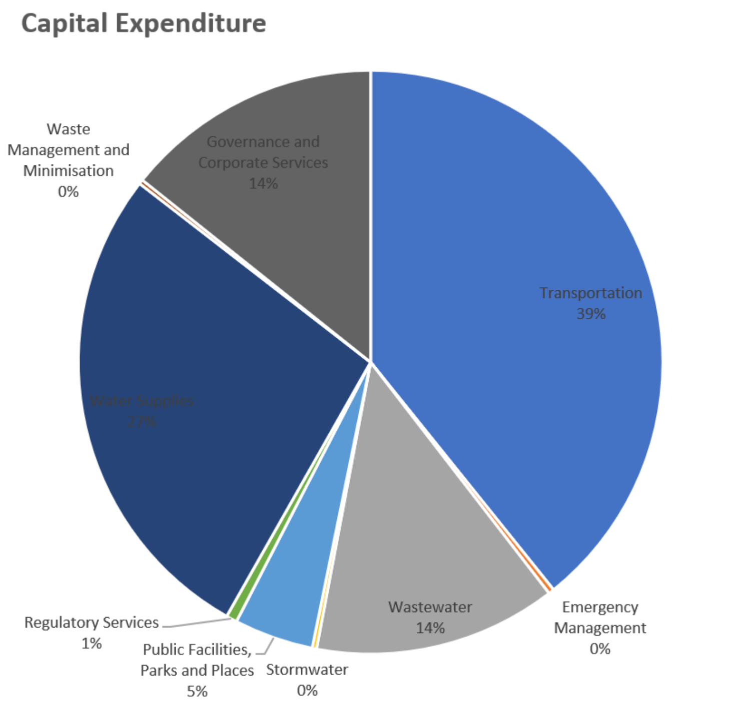


How your Rates are Spent

What does council spend money on?

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





End of section one

Transport

Capital projects 2026/27

	2026/27 Year 3 LTP* $000	2026/27 Annual Plan $000
To improve the level of service		
District Roading		
Rural Seal Extensions	28	28
Minor Improvements	579	152
To replace existing assets		
Roading Professional Services		
Plant and Equipment	13	13
District Roading		
Unsealed Road Metalling	1,031	781
Sealed Road Resurfacing	889	2,100
Drainage Renewal	221	21
Sealed Road Pavement Rehabilitation	97	47
Bridge and Structures Renewals	282	-
Traffic Services Renewals	104	104
Environmental Renewals	-	7
Footpath Renewal	356	-
Cycle path renewal	17	7
	3,617	**3,259**

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

Transportation - Funding Impact Statement for 2026/27

	Annual Plan Budget 2025/26 $000	Long Term Plan Forecast 2026/27 $000	Annual Plan Budget 2026/27 $000
Sources of Operating Funding			
General rates, uniform annual general charges, rates penalties	-	-	-
Targeted rates	2,743	2,672	2,979
Subsidies and grants for operating purposes	1,235	1,395	1,299
Fees and charges	-	-	-
Internal charges and overheads recovered	-	-	-
Local authorities fuel tax, fines, infringement fees, and other receipts	176	180	176
Total Operating Funding	**4,154**	**4,247**	**4,454**
Applications of Operating Funding			
Payments to staff and suppliers	2,962	2,897	3,140
Finance costs	207	219	171
Internal charges and overheads applied	107	88	98
Other operating funding applications	-	-	-
Total Applications of Operating Funding	**3,276**	**3,204**	**3,409**
Surplus (Deficit) if Operating Funding	**878**	**1,043**	**1,045**
Sources of Capital Funding			
Subsidies and grants for capital expenditure	1,306	1,675	1,649
Development and financial contributions	-	-	-
Increase (decrease) in debt	(300)	(300)	(300)
Gross proceeds from sale of assets	-	-	-
Lump sum contributions	-	-	-
Other dedicated capital funding	-	-	-
Total Sources of Capital Funding	**1,006**	**1,375**	**1,349**
Applications of Capital Funding			
Capital expenditure			
- to meet additional demand	-	-	-
- to improve the level of service	680	607	181
- to replace existing assets	1,943	2,708	3,078
Increase (decrease) in reserves	(740)	(897)	(865)
Increase (decrease) in investment	-	-	-
Total Applications of Capital Funding	**1,884**	**2,418**	**2,394**
Surplus (Deficit) of Capital Funding	**(878)**	**(1,043)**	**(1,045)**
FUNDING BALANCE	**0**	**0**	**0**

Three Waters

Water Supplies

Capital projects 2026/27

	2026/27 Year 3 LTP* $000	2026/27 Annual Plan $000
To improve the level of service		
Allandale / Spur Road Water Supply		
Allandale/Spur Road Water Supply Reticulation Extension	1,790	1,548
Urban Water Supply		
Backflow	53	104
New Smart Meters	400	100
Water Safety Plans	53	110
To replace existing assets		
Downlands Water Supply		
Reticulation renewals	42	34
Plant renewals	6	10
In ground reservoir lining and solid roof cover installation	84	15
Reservoir pipework renewals	42	-
Water network modelling	-	1
Urban Water Supply		
Service Connections	5	10
Reticulation – Water Pipes Renewal Programme	379	341
	2,854	**2,273**

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

Water Supplies - Funding Impact Statement for 2026/27

	Annual Plan Budget 2025/26 $000	Long Term Plan Forecast 2026/27 $000	Annual Plan Budget 2026/27 $000
Sources of Operating Funding			
General rates, uniform annual general charges, rates penalties	-	-	-
Targeted rates	2,711	2,791	3,173
Subsidies and grants for operating purposes	-	-	-
Fees and charges	502	149	502
Internal charges and overheads recovered	1,211	-	2,088
Local authorities fuel tax, fines, infringement fees, and other receipts	27	27	13
Total Operating Funding	**4,451**	**2,967**	**5,776**
Applications of Operating Funding			
Payments to staff and suppliers	1,648	1,155	2,386
Finance costs	414	516	357
Internal charges and overheads applied	956	109	1,697
Other operating funding applications	-	-	-
Total Applications of Operating Funding	**3,019**	**1,780**	**4,441**
Surplus (Deficit) if Operating Funding	**1,433**	**1,187**	**1,336**
Sources of Capital Funding			
Subsidies and grants for capital expenditure	-	-	-
Development and financial contributions	335	526	526
Increase (decrease) in debt	1,527	1,709	1,016
Gross proceeds from sale of assets	-	-	-
Lump sum contributions	-	-	-
Other dedicated capital funding	-	-	-
Total Sources of Capital Funding	**1,862**	**2,235**	**1,543**
Applications of Capital Funding			
Capital expenditure			
- to meet additional demand	-	-	-
- to improve the level of service	2,101	2,295	1,862
- to replace existing assets	441	520	411
Increase (decrease) in reserves	753	608	605
Increase (decrease) in investment	-	-	-
Total Applications of Capital Funding	**3,295**	**3,423**	**2,878**
Surplus (Deficit) of Capital Funding	**(1,433)**	**(1,187)**	**(1,336)**
FUNDING BALANCE	**0**	**0**	**0**

Wastewater

Capital projects 2026/27

	2026/27 Year 3 LTP* $000	2026/27 Annual Plan $000
To meet additional demand		
Urban Sewerage		
Tekapo New Treatment Plant	5,264	500
To improve the level of service		
Urban Sewerage		
Sewer Reticulation – New	-	165
To replace existing assets		
Urban Sewerage		
Sewer Reticulation	463	100
Aerators	-	350
	5,727	**1,115**

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

Wastewater - Funding Impact Statement for 2026/27

	Annual Plan Budget 2025/26 $000	Long Term Plan Forecast 2026/27 $000	Annual Plan Budget 2026/27 $000
Sources of Operating Funding			
General rates, uniform annual general charges, rates penalties	-	-	-
Targeted rates	1,448	1,336	1,478
Subsidies and grants for operating purposes	-	-	-
Fees and charges	65	44	65
Internal charges and overheads recovered	-	-	-
Local authorities fuel tax, fines, infringement fees, and other receipts	-	-	-
Total Operating Funding	**1,513**	**1,380**	**1,543**
Applications of Operating Funding			
Payments to staff and suppliers	224	604	247
Finance costs	-	11	-
Internal charges and overheads applied	563	93	716
Other operating funding applications	-	-	-
Total Applications of Operating Funding	**788**	**708**	**963**
Surplus (Deficit) if Operating Funding	**725**	**672**	**580**
Sources of Capital Funding			
Subsidies and grants for capital expenditure	-	-	-
Development and financial contributions	201	316	316
Increase (decrease) in debt	-	5,264	-
Gross proceeds from sale of assets	-	-	-
Lump sum contributions	-	-	-
Other dedicated capital funding	-	-	-
Total Sources of Capital Funding	**201**	**5,580**	**316**
Applications of Capital Funding			
Capital expenditure			
- to meet additional demand	309	5,264	500
- to improve the level of service	240	-	165
- to replace existing assets	340	417	450
Increase (decrease) in reserves	37	571	(219)
Increase (decrease) in investment	-	-	-
Total Applications of Capital Funding	**926**	**6,252**	**896**
Surplus (Deficit) of Capital Funding	**(725)**	**(672)**	**(580)**
FUNDING BALANCE	**0**	**0**	**0**

Stormwater

Capital projects 2026/27

	2026/27 Year 3 LTP* $000	2026/27 Annual Plan $000
To replace existing assets		
Urban Stormwater		
Renewals – Stormwater Reticulation Pipework	-	20
	-	**20**

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

Stormwater - Funding Impact Statement for 2026/27

	Annual Plan Budget 2025/26 $000	Long Term Plan Forecast 2026/27 $000	Annual Plan Budget 2026/27 $000
Sources of Operating Funding			
General rates, uniform annual general charges, rates penalties	-	-	-
Targeted rates	258	209	266
Subsidies and grants for operating purposes	-	-	-
Fees and charges	-	-	-
Internal charges and overheads recovered	-	-	-
Local authorities fuel tax, fines, infringement fees, and other receipts	-	-	-
Total Operating Funding	**258**	**209**	**266**
Applications of Operating Funding			
Payments to staff and suppliers	51	82	50
Finance costs	-	-	-
Internal charges and overheads applied	93	34	106
Other operating funding applications	-	-	-
Total Applications of Operating Funding	**144**	**116**	**156**
Surplus (Deficit) if Operating Funding	**114**	**93**	**110**
Sources of Capital Funding			
Subsidies and grants for capital expenditure	-	-	-
Development and financial contributions	67	105	105
Increase (decrease) in debt	-	-	-
Gross proceeds from sale of assets	-	-	-
Lump sum contributions	-	-	-
Other dedicated capital funding	-	-	-
Total Sources of Capital Funding	**67**	**105**	**105**
Applications of Capital Funding			
Capital expenditure			
- to meet additional demand	-	-	-
- to improve the level of service	-	-	-
- to replace existing assets	227	-4	20
Increase (decrease) in reserves	(45)	198	195
Increase (decrease) in investment	-	-	-
Total Applications of Capital Funding	**182**	**198**	**215**
Surplus (Deficit) of Capital Funding	**(115)**	**(93)**	**(110)**
FUNDING BALANCE	**0**	**0**	**0**

Public Facilities, Parks and Places

Capital projects 2026/27

	2026/27 Year 3 LTP* $000	2026/27 Annual Plan $000
To meet additional demand		
Cemeteries		
Land Improvements	21	20
Fairlie Cemetery Road	8	8
To improve the level of service		
Twizel Township		
Twizel River Reserves	11	10
Other Reserves		
Lake Alexandrina – Native Restorations	53	50
To replace existing assets		
Rural Works and Services		
Tree Planting	21	-
Asset Renewals	-	10
Fairlie Township		
Asset Renewals	31	29
Tekapo Township		
Tekapo Domain Playground	-	150
Asset Renewals	19	18
Twizel Township		
Tree Planting	42	-
Asset Renewals	4	4
Albury Hall		
Furniture and Fittings	2	2
Mackenzie Community Centre		
Furniture and Fittings - Other	11	10
Tekapo Community Hall		
Furniture and Fittings	5	5
Twizel Events Centre		
Furniture and Fittings - Other	11	10
Strathconan Swimming Pool (Fairlie)		
Plant and Equipment	5	5
Twizel Swimming Pool		
Plant and Equipment	5	5
Public Toilets		
Buildings – Burkes Pass Paid Toilet Access	-	20
Pensioner Housing		
Buildings - Housing	8	8
	257	**364**

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

Public Facilities, Parks and Places - Funding Impact Statement for 2026/27

	Annual Plan Budget 2025/26 $000	Long Term Plan Forecast 2026/27 $000	Annual Plan Budget 2026/27 $000
Sources of Operating Funding			
General rates, uniform annual general charges, rates penalties	466	843	685
Targeted rates	2,612	2,258	2,649
Subsidies and grants for operating purposes	1	1	1
Fees and charges	170	135	168
Internal charges and overheads recovered	-	-	-
Local authorities fuel tax, fines, infringement fees, and other receipts	524	413	552
Total Operating Funding	**3,771**	**3,650**	**4,055**
Applications of Operating Funding			
Payments to staff and suppliers	3,076	2,967	3,111
Finance costs	120	82	111
Internal charges and overheads applied	131	62	151
Other operating funding applications	-	-	-
Total Applications of Operating Funding	**3,328**	**3,111**	**3,373**
Surplus (Deficit) if Operating Funding	**444**	**539**	**682**
Sources of Capital Funding			
Subsidies and grants for capital expenditure	-	-	-
Development and financial contributions	-	-	-
Increase (decrease) in debt	(120)	(85)	(20)
Gross proceeds from sale of assets	-	-	-
Lump sum contributions	-	-	-
Other dedicated capital funding	-	-	-
Total Sources of Capital Funding	**(120)**	**(85)**	**(20)**
Applications of Capital Funding			
Capital expenditure			
- to meet additional demand	26	29	28
- to improve the level of service	93	63	60
- to replace existing assets	183	148	276
Increase (decrease) in reserves	23	214	298
Increase (decrease) in investment	-	-	-
Total Applications of Capital Funding	**324**	**454**	**662**
Surplus (Deficit) of Capital Funding	**(444)**	**(539)**	**(682)**
FUNDING BALANCE	**0**	**0**	**0**

Regulatory and building services

Capital projects 2026/27

	2026/27 Year 3 LTP* $000	2026/27 Annual Plan $000
To improve the level of service		
Freedom Camping and Parking Enforcement		
Paid Parking Feasibility Study	-	50
	-	**50**

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

Regulatory and Building Services - Funding Impact Statement for 2026/27

	Annual Plan Budget 2025/26 $000	Long Term Plan Forecast 2026/27 $000	Annual Plan Budget 2026/27 $000
Sources of Operating Funding			
General rates, uniform annual general charges, rates penalties	1,327	1,642	1,691
Targeted rates	-	-	-
Subsidies and grants for operating purposes	-	-	-
Fees and charges	1,559	1,499	1,589
Internal charges and overheads recovered	124	21	92
Local authorities fuel tax, fines, infringement fees, and other receipts	103	187	88
Total Operating Funding	**3,113**	**3,349**	**3,460**
Applications of Operating Funding			
Payments to staff and suppliers	2,780	2,507	2,553
Finance costs	289	316	272
Internal charges and overheads applied	138	142	286
Other operating funding applications	-	-	-
Total Applications of Operating Funding	**3,206**	**2,965**	**3,111**
Surplus (Deficit) if Operating Funding	**(92)**	**384**	**349**
Sources of Capital Funding			
Subsidies and grants for capital expenditure	-	-	
Development and financial contributions	103	105	105
Increase (decrease) in debt	28	(381)	(389)
Gross proceeds from sale of assets	-	-	-
Lump sum contributions	-	-	-
Other dedicated capital funding	-	-	-
Total Sources of Capital Funding	**131**	**(276)**	**(283)**
Applications of Capital Funding			
Capital expenditure			
- to meet additional demand	-	-	-
- to improve the level of service	-	-	50
- to replace existing assets	-	-	-
Increase (decrease) in reserves	39	108	16
Increase (decrease) in investment	-	-	-
Total Applications of Capital Funding	**39**	**108**	**66**
Surplus (Deficit) of Capital Funding	**92**	**(384)**	**(349)**
FUNDING BALANCE	**0**	**0**	**0**

Emergency Management

Capital projects 2026/27

	2026/27 Year 3 LTP* $000	2026/27 Annual Plan $000
To replace existing assets		
Emergency Management		
Plant and Equipment	27	26
	27	**26**

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

Emergency Management - Funding Impact Statement for 2026/27

	Annual Plan Budget 2025/26 $000	Long Term Plan Forecast 2026/27 $000	Annual Plan Budget 2026/27 $000
Sources of Operating Funding			
General rates, uniform annual general charges, rates penalties	228	239	261
Targeted rates	-	-	-
Subsidies and grants for operating purposes	-	-	-
Fees and charges	-	-	-
Internal charges and overheads recovered	-	-	-
Local authorities fuel tax, fines, infringement fees, and other receipts	-	-	-
Total Operating Funding	**228**	**239**	**261**
Applications of Operating Funding			
Payments to staff and suppliers	189	198	197
Finance costs	4	4	3
Internal charges and overheads applied	12	9	30
Other operating funding applications	-	-	-
Total Applications of Operating Funding	**205**	**211**	**231**
Surplus (Deficit) if Operating Funding	**23**	**28**	**30**
Sources of Capital Funding			
Subsidies and grants for capital expenditure	-	-	-
Development and financial contributions	-	-	-
Increase (decrease) in debt	(6)	(6)	(6)
Gross proceeds from sale of assets	-	-	-
Lump sum contributions	-	-	-
Other dedicated capital funding	-	-	-
Total Sources of Capital Funding	**(6)**	**(6)**	**(6)**
Applications of Capital Funding			
Capital expenditure			
- to meet additional demand	-	-	-
- to improve the level of service	-	-	-
- to replace existing assets	32	25	26
Increase (decrease) in reserves	(15)	(3)	(2)
Increase (decrease) in investment	-	-	-
Total Applications of Capital Funding	**17**	**22**	**24**
Surplus (Deficit) of Capital Funding	**(23)**	**(28)**	**(30)**
FUNDING BALANCE	**0**	**0**	**0**

Waste Management and Minimisation

Capital projects 2026/27

	2026/27 Year 3 LTP* $000	2026/27 Annual Plan $000
To replace existing assets		
Waste Management and Minimisation		
Plant and Equipment	21	20
	21	**20**

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

Waste Management and Minimisation - Funding Impact Statement for 2026/27

	Annual Plan Budget 2025/26 $000	Long Term Plan Forecast 2026/27 $000	Annual Plan Budget 2026/27 $000
Sources of Operating Funding			
General rates, uniform annual general charges, rates penalties	308	338	345
Targeted rates	1,081	1,096	1,123
Subsidies and grants for operating purposes	-	-	-
Fees and charges	237	242	893
Internal charges and overheads recovered	-	-	-
Local authorities fuel tax, fines, infringement fees, and other receipts	554	566	128
Total Operating Funding	**2,179**	**2,242**	**2,488**
Applications of Operating Funding			
Payments to staff and suppliers	2,110	2,163	2,376
Finance costs	-	-	-
Internal charges and overheads applied	(27)	11	(0)
Other operating funding applications	-	-	-
Total Applications of Operating Funding	**2,084**	**2,174**	**2,375**
Surplus (Deficit) if Operating Funding	**95**	**68**	**113**
Sources of Capital Funding			
Subsidies and grants for capital expenditure	-	-	-
Development and financial contributions	-	-	-
Increase (decrease) in debt	-	-	-
Gross proceeds from sale of assets	-	-	-
Lump sum contributions	-	-	-
Other dedicated capital funding	-	-	-
Total Sources of Capital Funding	**-**	**-**	**-**
Applications of Capital Funding			
Capital expenditure			
- to meet additional demand	-	-	-
- to improve the level of service	-	-	-
- to replace existing assets	52	19	20
Increase (decrease) in reserves	43	49	93
Increase (decrease) in investment	-	-	-
Total Applications of Capital Funding	**95**	**68**	**113**
Surplus (Deficit) of Capital Funding	**(95)**	**(68)**	**(113)**
FUNDING BALANCE	**0**	**0**	**0**

Tourism, economic development and commercial activities

Tourism, Economic Development, Commercial - Funding Impact Statement for 2026/27

	Annual Plan Budget 2025/26 $000	Long Term Plan Forecast 2026/27 $000	Annual Plan Budget 2026/27 $000
Sources of Operating Funding			
General rates, uniform annual general charges, rates penalties	-	77	-
Targeted rates	737	700	698
Subsidies and grants for operating purposes	593	-	439
Fees and charges	37	26	60
Internal charges and overheads recovered	-	-	-
Local authorities fuel tax, fines, infringement fees, and other receipts	1,886	2,595	1,652
Total Operating Funding	**3,254**	**3,398**	**2,848**
Applications of Operating Funding			
Payments to staff and suppliers	2,493	2,050	2,755
Finance costs	(28)	(155)	(66)
Internal charges and overheads applied	1,724	910	1,106
Other operating funding applications	-	-	-
Total Applications of Operating Funding	**4,189**	**2,805**	**3,795**
Surplus (Deficit) if Operating Funding	**(935)**	**593**	**(946)**
Sources of Capital Funding			
Subsidies and grants for capital expenditure	-	-	-
Development and financial contributions	-	-	-
Increase (decrease) in debt	(1,030)	(1,471)	(56)
Gross proceeds from sale of assets	-	-	-
Lump sum contributions	-	-	-
Other dedicated capital funding	-	-	-
Total Sources of Capital Funding	**(1,030)**	**(1,471)**	**(56)**
Applications of Capital Funding			
Capital expenditure			
- to meet additional demand	-	-	-
- to improve the level of service	-	-	-
- to replace existing assets	-	-	-
Increase (decrease) in reserves	(1,965)	(953)	(1,002)
Increase (decrease) in investment	-	75	-
Total Applications of Capital Funding	**(1,965)**	**(878)**	**(1,002)**
Surplus (Deficit) of Capital Funding	**935**	**(593)**	**946**
FUNDING BALANCE	**0**	**0**	**0**

Governance and corporate services

Capital projects 2026/27

	2026/27 Year 3 LTP* $000	2026/27 Annual Plan $000
To improve the level of service		
Information and Engagement		
Communications projects	26	-
Operations Management		
Three Waters Transition Project	-	1,000
To replace existing assets		
IT Support		
Network infrastructure	17	16
Projects	32	47
Plant and Equipment	49	30
Fairlie Council Office Building		
Furniture and Fittings - Other	11	10
Twizel Council Office Building		
Furniture and Fittings - Other	3	3
Plant		
Vehicles - renewal	84	80
	222	**1,186**

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

Governance and Corporate Services - Funding Impact Statement for 2026/27

	Annual Plan Budget 2025/26 $000	Long Term Plan Forecast 2026/27 $000	Annual Plan Budget 2026/27 $000
Sources of Operating Funding			
General rates, uniform annual general charges, rates penalties	6,179	7,267	6,454
Targeted rates	144	178	57
Subsidies and grants for operating purposes	129	116	129
Fees and charges	172	141	100
Internal charges and overheads recovered	1,970	1,289	2,129
Local authorities fuel tax, fines, infringement fees, and other receipts	356	340	207
Total Operating Funding	**8,950**	**9,331**	**9,075**
Applications of Operating Funding			
Payments to staff and suppliers	8,731	9,031	8,298
Finance costs	69	73	57
Internal charges and overheads applied	(355)	(181)	99
Other operating funding applications	-	-	-
Total Applications of Operating Funding	**8,445**	**8,923**	**8,454**
Surplus (Deficit) if Operating Funding	**505**	**408**	**621**
Sources of Capital Funding			
Subsidies and grants for capital expenditure	-	-	-
Development and financial contributions	-	-	-
Increase (decrease) in debt	(96)	(96)	904
Gross proceeds from sale of assets	-	-	-
Lump sum contributions	-	-	-
Other dedicated capital funding	-	-	-
Total Sources of Capital Funding	**(96)**	**(96)**	**904**
Applications of Capital Funding			
Capital expenditure			
- to meet additional demand	-	-	-
- to improve the level of service	525	26	1,000
- to replace existing assets	247	176	186
Increase (decrease) in reserves	(363)	110	339
Increase (decrease) in investment	-	-	-
Total Applications of Capital Funding	**409**	**312**	**1,525**
Surplus (Deficit) of Capital Funding	**(505)**	**(408)**	**(621)**
FUNDING BALANCE	**0**	**0**	**0**

Prospective Financial Statements

The prospective financial statements in this section outline Council's planned expenditure for the 2026/27 financial year.

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

Funding Impact Statement

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

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

Balanced Budget Statement

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

Receipt of Capital Income

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

Funding of depreciation

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

The Council has resolved that it will not fully cash-fund depreciation on certain assets. We consider that, in most instances, where an asset needs to be replaced it will have the capacity to borrow if required. The most significant of these is where we believe we will receive money from third parties to help fund any asset replacement.

The other major reason depreciation is not funded is when we do not expect to renew or replace an asset at the end of its useful life.

- The Council owns and operates a number of small rural water supplies which are largely self-managed by committees of users. They have been content to meet capital expenditure as it is required and not fund depreciation year by year. Council has raised no objection to this and notes the amounts of depreciation are relatively small. There were low numbers of users on each supply and they understood the consequences and rationale for not funding depreciation. These rural schemes include Albury, School Road and Kimbell.
- The Council also does not fully fund depreciation on its township parks and reserve assets, halls and swimming pools as Council assumes that we will either receive external grants or loan for the balance.

Annual Plan Disclosure Statement

What is the purpose of this statement?

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

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

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

Benchmark	Benchmark Quantified Limit	Planned	Met
Rates affordability benchmark	Total rates increase will not be more than 9.00% including inflation (LGCI)	7.98%	Yes
Debt affordability benchmark	Total debt will not exceed 175% of total revenue	80.9%	Yes
Balanced budget benchmark	100%	91.5%	No
Essential services benchmark	100%	97.8%	No
Debt servicing benchmark	10%	2.9%	Yes

Rates affordability benchmark

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

Debt affordability benchmark

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

Balanced budget benchmark

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

Essential services benchmark

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

Debt servicing benchmark

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

Prospective Statement of Comprehensive Revenue and Expense

	Annual Plan Budget 2025/26 $000	Long Term Plan Forecast 2026/27 $000	Annual Plan Budget 2026/27 $000
Revenue			
Rates	20,242	21,645	21,859
Fees, charges and metered rates for water supply	2,742	3,106	3,377
Subsidies and grants	3,264	3,187	3,517
Finance revenue	436	465	437
Dividend revenue	-	-	-
Other revenue	3,189	2,974	2,378
Development and financial contributions	706	1,053	1,053
Vested assets	168	289	181
Other gains / (losses)	28	24	358
Total Operating Revenue	**30,775**	**32,743**	**33,158**
Expenditure			
Personnel costs	8,060	7,399	7,968
Other expenses	16,243	16,228	17,126
Finance costs	1,074	1,065	904
Depreciation and amortisation expense	8,422	6,899	8,499
Total Operating Expenditure	**33,799**	**31,591**	**34,497**
Operating Surplus (Deficit) before Tax	**(3,024)**	**1,152**	**(1,339)**
Income Tax	-	-	-
Operating Surplus (deficit) after Tax	**(3,024)**	**1,152**	**(1,339)**
Other Comprehensive Revenue and Expense			
Items that could be reclassified to surplus / (deficit)			
Financial assets at fair value through other comprehensive revenue and expense	604	628	604
Items that will not be reclassified to surplus / (deficit)			
Gain on revaluation of property, plant and equipment	1,558	31,562	18,425
Total Other Comprehensive Revenue and Expense	**2,162**	**32,190**	**19,029**
TOTAL COMPREHENSIVE REVENUE AND EXPENSE	**(861)**	**33,342**	**17,690**

Prospective Statement of Movements in Equity

	Annual Plan Budget 2025/26 $000	Long Term Plan Forecast 2026/27 $000	Annual Plan Budget 2026/27 $000
Equity at the beginning of the year	407,731	442,249	413,533
Comprehensive Revenue and Expense	(861)	33,342	17,690
EQUITY AT THE END OF THE YEAR	**406,870**	**477,592**	**431,223**
Components of equity			
Retained earnings at the beginning of the year	150,124	193,371	145,544
Transfers to/(from) retained earnings	904	(1,481)	884
Net surplus/(deficit)	(3,024)	1,152	(1,339)
Retained earnings at the end of the year	148,004	193,042	145,089
Asset revaluation reserves at the beginning of the year	252,728	241,886	262,241
Revaluation gains	1,560	32,190	19,029
Asset revaluation reserves at the end of the year	254,287	274,076	281,270
Special fund reserves at the beginning of the year	13,228	12,457	13,833
Transfers to/(from) reserves	(69)	105	677
Special fund reserves at the end of the year	13,269	12,562	14,510
Activity reserves at the beginning of the year	(7,856)	(3,463)	(8,085)
Transfers to/(from) reserves	(835)	1,376	(1,561)
	(8,691)	(2,087)	(9,647)
EQUITY AT THE END OF THE YEAR	**406,870**	**477,592**	**431,223**

Prospective Statement of Financial Position

	Annual Plan Budget 2025/26 $000	Long Term Plan Forecast 2026/27 $000	Annual Plan Budget 2026/27 $000
ASSETS			
Current Assets			
Cash and cash equivalents	4,437	3,322	5,071
Receivables	4,279	4,375	4,477
Prepayments	447	456	351
Inventories	22	21	62
Short term investments	5,016	8,018	4,165
Total Current Assets	**14,201**	**16,192**	**14,126**
Non-Current Assets			
Property, plant and equipment	391,780	463,710	418,205
Intangible assets	3,933	3,218	4,896
Forestry	4,806	4,876	5,553
Investment property	5,698	5,373	6,301
Inventory term	342	342	342
Investment in CCOs and other similar entities	1	1	1
Other financial assets	16,667	17,001	16,186
Total Non-Current Assets	**423,227**	**494,521**	**451,485**
TOTAL ASSETS	**437,428**	**510,713**	**465,610**
LIABILITIES			
Current Liabilities			
Payables	6,331	7,036	6,925
Employee benefit liabilities	496	360	575
Provisions	5	3	5
Borrowings	3,291	3,000	11,000
Total Current Liabilities	**10,123**	**10,399**	**18,505**
Non-Current Liabilities			
Provisions	34	38	30
Employee benefit liabilities	39	35	40
Borrowings	20,361	22,649	15,811
Total Non-Current Liabilities	**20,434**	**22,722**	**15,881**
TOTAL LIABILITIES	**30,557**	**33,121**	**34,387**
NET ASSETS	**406,870**	**477,592**	**431,223**
EQUITY			
Retained earnings	148,004	193,041	145,089
Asset revaluation reserves	254,287	274,076	281,270
Special fund reserves	13,269	12,562	14,510
Activity reserves	(8,691)	(2,087)	(9,647)
TOTAL EQUITY	**406,870**	**477,592**	**431,223**

Prospective Statement of Cashflows

	Annual Plan Budget 2025/26 $000	Long Term Plan Forecast 2026/27 $000	Annual Plan Budget 2026/27 $000
Cash flow from operating activities			
Receipts from rates revenue	20,040	21,547	21,531
Subsidies and grants received	3,264	3,187	3,517
Receipts from other revenue	5,930	6,079	5,755
Interest received	436	465	437
Dividend revenue received	-	-	-
Financial and development contributions received	706	1,053	1,053
Payments to suppliers and employees	(24,303)	(23,499)	(25,094)
Interest paid	(1,074)	(1,065)	(904)
Net cash flow from operating activities	**4,999**	**7,767**	**6,294**
Cash flow from investing activities			
Receipts from sale of investments	-	-	-
Receipts from sale of property, plant and equipment	-	-	-
Purchase of investments	-	-	-
Purchase of property, plant and equipment	(5,579)	(12,296)	(6,235)
Net cash flow from investing activities	**(5,579)**	**(12,296)**	**(6,235)**
Cash flow from financing activities			
Proceeds from borrowings	4,469	7,529	6,100
Repayment of borrowings	(4,000)	(2,895)	(5,100)
Net cash flow from financing activities	**469**	**4,634**	**1,000**
Net increase (decrease) in cash held	(111)	105	1,059
Add opening cash brought forward	4,548	3,217	4,011
Closing cash balance	**4,437**	**3,322**	**5,071**
Closing balance made up of cash and cash equivalents	**4,437**	**3,322**	**5,071**

Prospective Funding Impact Statement (whole Council)

	Annual Plan Budget 2025/26 $000	Long Term Plan Forecast 2026/27 $000	Annual Plan Budget 2026/27 $000
Sources of Operating Funding			
General rates, uniform annual general charges, rates penalties	8,508	10,402	9,436
Targeted rates	11,734	11,243	12,423
Subsidies and grants for operating purposes	1,958	1,511	1,868
Fees and charges	2,742	2,236	3,377
Interest and dividends from investment	436	465	437
Local authorities fuel tax, fines, infringement fees, and other receipts	3,189	3,843	2,378
Total Operating Funding	**28,567**	**29,700**	**29,918**
Applications of Operating Funding			
Payments to staff and suppliers	24,302	23,625	25,094
Finance costs	1,074	1,065	904
Other operating funding applications	-	-	-
Total Applications of Operating Funding	**25,376**	**24,690**	**25,998**
Surplus (Deficit) if Operating Funding	**3,190**	**5,010**	**3,920**
Sources of Capital Funding			
Subsidies and grants for capital expenditure	1,306	1,675	1,649
Development and financial contributions	706	1,053	1,053
Increase (decrease) in debt	459	4,634	1,000
Gross proceeds from sale of assets	-	-	-
Lump sum contributions	-	-	-
Other dedicated capital funding	-	-	-
Total Sources of Capital Funding	**2,471**	**7,362**	**3,701**
Applications of Capital Funding			
Capital expenditure			
- to meet additional demand	335	5,293	528
- to improve the level of service	3,639	2,992	3,318
- to replace existing assets	3,464	4,012	4,467
Increase (decrease) in reserves	(1,777)	-	(691)
Increase (decrease) in investment	-	75	-
Total Applications of Capital Funding	**5,660**	**12,372**	**7,622**
Surplus (Deficit) of Capital Funding	**(3,190)**	**(5,010)**	**(3,920)**
FUNDING BALANCE	**0**	**0**	**0**

Prospective Reconciliation of Funding Impact Statement to Comprehensive Revenue and Expense

	Annual Plan Budget 2025/26 $000	Long Term Plan Forecast 2026/27 $000	Annual Plan Budget 2026/27 $000
Surplus (deficit) of operating funding	**3,190**	**5,010**	**3,920**
Add / (deduct)			
Subsidies and grants for capitals	1,306	1,675	1,649
Development and financial contributions	706	1,053	1,053
Vested assets	168	289	181
Other gains / (losses)	28	25	358
Depreciation expense	(8,422)	(6,899)	(8,499)
Surplus (deficit) Statement of Comprehensive Revenue and Expense	**(3,024)**	**1,152**	**(1,339)**

Prospective Summary of Depreciation by Activities

	Annual Plan Budget 2025/26 $000	Long Term Plan Forecast 2026/27 $000	Annual Plan Budget 2026/27 $000
Transportation	4,321	3,426	4,370
Water Supplies	1,694	1,293	1,611
Wastewater	726	672	580
Stormwater	114	92	110
Public Facilities, Parks and Places	847	758	907
Regulatory and Building Services	2	3	13
Emergency Management	18	22	24
Waste Management and Minimisation	96	67	113
Tourism, Economic Development and Commercial Activities	93	88	123
Governance and Corporate Services	510	478	646
Total depreciation	**8,422**	**6,899**	**8,499**

Prospective Summary of Capital Expenditure by Activities

	Annual Plan Budget 2025/26 $000	Long Term Plan Forecast 2026/27 $000	Annual Plan Budget 2026/27 $000
Transportation	2,623	3,617	3,259
Water Supplies	2,542	2,854	2,273
Wastewater	889	5,727	1,115
Stormwater	.227	-	20
Public Facilities, Parks and Places	302	257	364
Regulatory and Building Services	-	-	50
Emergency Management	32	27	26
Waste Management and Minimisation	52	21	20
Tourism, Economic Development and Commercial Activities	-	-	-
Governance and Corporate Services	772	222	1,186
Total depreciation	**7,439**	**12,725**	**8,313**

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

Accounting Policies

Reporting entity

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

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

The Council has designated itself as a public benefit entity (PBE) for the purposes of complying with generally accepted accounting practice. The financial statements of the Council are for the periods ending 30 June 2026. The prospective financial statements were authorised for issue by Council on 30 June 2026.

Basis of Preparation

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

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

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

Statement of Compliance

The financial statements of the Council have been prepared in accordance with the requirements of the LGA and the Local Government (Financial Reporting and Prudence) Regulations 2014 (LG(FRP)R), which include the requirement to comply with generally accepted accounting practice in New Zealand (NZ GAAP) and comply with Tier 1 Public Benefit Entity (PBE) Standards.

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

Basis for assumptions, risks, and uncertainties

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

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

Presentation currency and rounding

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

Cautionary Note

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

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

Joint Operation

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

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

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

Revenue Recognition

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

Rates Revenue

The following policies for rates have been applied:

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

Rates Remissions

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

Non-Rateable land

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

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

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

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

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

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

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

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

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

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

Infringement fees and fines
Infringement fees and fines mostly relate to parking infringements and are recognised when the infringement notice is issued. The Council recognises the revenue at an amount based on the probability of collection.

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

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

Interest and dividends
Interest revenue is accrued on a time basis using the effective interest method, by reference to the principal outstanding and at the interest rate applicable. Interest revenue on an impaired financial asset is recognised using the original effective interest rate. Dividends are recognised when the right to receive payment has

been established. When dividends are declared from pre-acquisition surpluses, the dividend is deducted from the cost of the investment.

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

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

Expenditure

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

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

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

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

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

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

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

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

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

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

Income tax
Income tax expense includes components relating to both current tax and deferred tax.

Current tax is the amount of income tax payable based on the taxable profit for the current year, plus any adjustments to income tax payable in respect of prior years. Current tax is calculated using tax rates (and tax laws) that have been enacted or substantively enacted at balance date.

Deferred tax is the amount of income tax payable or recoverable in future periods in respect of temporary differences and unused tax losses. Temporary differences are differences between the carrying amount of assets and liabilities in the statement of financial position and the corresponding tax bases used in the computation of taxable profit.

Deferred tax is measured at the tax rates that are expected to apply when the asset is realised or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at balance date. The measurement of deferred tax reflects the tax consequences that would follow from the manner in which the entity expects to recover or settle the carrying amount of its assets and liabilities.

Deferred tax liabilities are generally recognised for all taxable temporary differences. Deferred tax assets are recognised to the extent that it is probable that taxable profits will be available against which the deductible temporary differences or tax losses can be utilised.

Deferred tax is not recognised if the temporary difference arises from the initial recognition of goodwill or from the initial recognition of an asset or liability in a transaction that is not a business combination and at the time of the transaction, affects neither accounting profit nor taxable profit.

Current and deferred tax is recognised against the surplus or deficit for the period, except to the extent that it relates to a business combination, or to transactions recognised in other comprehensive revenue and expense or directly in equity.

Statement of Financial Position Items

Cash and cash equivalents

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

Trade and Other Receivables

Trade and other receivables are recorded at the amount due, less an allowance for expected credit losses (ECL). The Council applies the simplified ECL model of recognising lifetime ECL for receivables. In measuring ECLs, receivables have been grouped into rates receivables, and other receivables, and assessed on a collective basis as they possess shared credit risk characteristics.

Rates are “written-off”:

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

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

Fair Value

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

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

Impairment

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

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

Financial assets/financial liabilities

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

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

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

A financial asset shall be measured at amortised cost if both of the following conditions are met:
(a) the financial asset is held within a business model whose objective is to hold financial assets in order to collect contractual cash flows and
(b) the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

A financial asset shall be measured at fair value through other comprehensive revenue or expense if both of the following conditions are met:
(a) the financial asset is held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets; and
(b) the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

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

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

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

Expected credit loss allowance (ECL)
The Council recognises an allowance for ECLs for all debt instruments not classified as Fair Value Through Surplus or Deficit. ECLs are the probability-weighted estimate of credit losses, measure at the present value of cash shortfalls, which is the difference between the cash flows due to Council in accordance with the contract and the cash flows it expect to receive. ECLs are discounted at the effective interest rate of the financial asset.

ECLs are recognised in two stages. ECLs are provided for credit losses that result from default events that are possible within the next 12 months (a 12-month ECL). However, if there has been a significant increase in credit risk since initial recognition, the loss allowance is based on losses possible for the remaining life of the financial asset (Lifetime ECL).

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

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

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

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

A financial liability is classified as a financial liability at fair value through Surplus or Deficit if it meets one of the following conditions:
- It is held for trading, or
- It is designated by the entity as at fair value through Surplus or Deficit (note that such a designation is only permitted if specified conditions are met).

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

Inventories

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

Inventories are measured as follows:
- **Commercial:** measured at the lower of cost and net realisable value.
- **Non-commercial:** measured at cost, adjusted for any loss of service potential.

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

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

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

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

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

Property, plant and equipment

Operational assets

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

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

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

Unformed or paper roads
An unformed or paper road is a term for a road that is legally established and recorded in survey plans, but has not been formed, and that ownership of the land associated with the paper road resides with Council. Council does not recognise land under unformed paper roads in the financial statements because there is little or no service potential from the majority of these paper roads.

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

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

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

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

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

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

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

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

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

Plantation Forestry

Standing forestry assets are independently revalued annually at fair value less estimated costs to sell for one growth cycle.

Gains or losses arising on initial recognition of forestry assets at fair value less costs to sell and from a change in fair value less costs to sell are recognised in the surplus/(deficit).

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

Investment Property

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

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

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

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

Impairment of property, plant and equipment

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

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

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

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

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

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

Estimating the fair value of land, buildings and infrastructure

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

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

Heritage assets have been recorded at cost less accumulated depreciation.

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

Land operational, restricted and infrastructural

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

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

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

Buildings (operational)

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

- Structure
- Services, and
- Internal fitout

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

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

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

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

Classification of property – Pensioner housing

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

Infrastructural assets

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

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

Subsequent additions have been valued at cost and depreciated.

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

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

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

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

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

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

Value in use for non-cash generating assets

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

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

Value in use for cash generating assets

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

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

Depreciation

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

Operational Assets	Depreciation method	Life (years)
Buildings	Straight line	13 - 80
Computer hardware	Straight line	3 - 10
Computer network cabling	Straight line	10
Furniture and fittings	Straight line	10
Heritage assets	Straight line	60 - 150
Land	Not depreciated	-
Motor vehicles	Straight line	5
Office equipment	Straight line	5 - 10
Light plant and machinery	Straight line	10 - 25
Plant and machinery	Straight line	10 - 25
Infrastructural Assets	**Depreciation method**	**Life (years)**
Solid Waste		
• Resource recovery parks	Straight line	10 - 99
• Landfills	Straight line	30 - 50
• Litter bins	Straight line	10
Village projects	Straight line	5 - 80
Alps 2 Ocean cycleway	Straight line	50
• Formation	Not depreciated	-
Land under roads	Not depreciated	-
Roads		
• Formation	Not depreciated	-
• Sub-base – sealed rural	Not depreciated	-
• Sub-base – sealed	Straight line	100
• Base course	Straight line	75 - 125
• Surfacing	Straight line	3 - 40
• Kerb and channelling	Straight line	40 - 80
• Street signs	Straight line	20
• Street lighting	Straight line	20 - 40
• Bridges	Straight line	80 - 100
• Shoulders	Straight line	100
Footpaths		
• Surface	Straight line	25 - 75
• Base	Straight line	30 - 75
• Formation	Not depreciated	-
• Sub-base	Not depreciated	-
Resource consents	Straight line	10 - 33
Stormwater		
• Lines	Straight line	60 - 150
• Manholes	Straight line	150
• Open drains	Not depreciated	-
Wastewater		
• Mains	Straight line	10 - 100
• Pumps	Straight line	15 - 20
• Oxidation ponds	Not depreciated	-
• Box culverts	Straight line	100
• Manholes	Straight line	100
Water supplies		
• Piping mains	Straight line	10 - 80
• Pumps	Straight line	15 - 20
• Service lines	Straight line	60 - 80
• Hydrants	Straight line	80
• Valves and air valves	Straight line	25 - 80
• Meters	Straight line	20 - 25
• Reservoirs	Straight line	40 - 80

Distinction between capital and revenue expenditure

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

Intangibles - Software acquisition and development

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

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

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

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

Easements

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

Carbon Credits

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

Impairment

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

Employee Entitlements

Short Term Employee Entitlements

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

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

Long Term employee entitlements

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

The calculations are based on:

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

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

Provisions

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

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

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

Payables and deferred revenue

Short-term payables are recorded at the amount payable.

Equity and Reserves

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

Equity is disaggregated and classified into the following components:

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

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

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

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

Asset revaluation reserves
These reserves relate to:

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

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

Statement of Cash Flows

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

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

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

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

Goods and Services Tax (GST)

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

Budget Figures

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

Changes in accounting policies

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

Critical Accounting Estimates and Assumptions

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

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

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

Critical judgements in applying accounting policies

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

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

Financial Reserves – Statement of Movements

The Council maintains reserve funds as a sub-part of its equity. The following presents a summary of total reserve fund movements from 1 July 2025 to 30 June 2026 and is followed by a breakdown into each type of reserve.

	Opening Balance 1 July 2026 $000	Movement into reserve $000	Movement from reserve $000	Closing Balance 30 June 2027 $000
Special reserves	13,833	677	-	14,510
Separate reserves	(8,085)	1,720	(3,281)	(9,647)
Revaluation reserves	262,241	19,029	-	281,270
Total reserves	**267,990**	**21,426**	**(3,281)**	**286,133**

Special Reserve Funds

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

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

Separate Reserves

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

	Opening Balance 1 July 2025 $000	Movement into reserve $000	Movement from reserve $000	Closing Balance 30 June 2026 $000
Special Reserves				
Albury War Memorial	5	0	-	6
Albury Water Supply	43	2	-	46
Ashwick/Allandale War Memorial	8	0	-	8
Carpark Development	284	10	-	294
Davidson Bequest – Cemetery	2	0	-	2
Emergency Management	85	3	-	88
Enid Hutt Fairlie Beautifying Fund	37	1	-	39
Gillingham Bequest – Library	1	0	-	1
Gould Bequest – Cemetery	2	0	-	2
Heritage Fund	9	0	-	9
Housing Replacement	8	0	-	8
Insurance	3,200	-	-	3,200
Land Subdivision	1	0	-	1
Land Subdivision – Opuha	376	45	-	421
Land Subdivision – Pukaki	2,318	118	-	2,432
Land Subdivision – Tekapo	1,950	105	-	2,055
Mackenzie County Scholarship Trust	244	9	-	252
Masonic Lodge Scholarship	50	2	-	51

Paterson's Ponds	11	0	-	11
Pensioner Housing Amenities	3	0	-	3
Real Estate Investment	5,145	180	-	5,326
Sherwood Sports Trust	0	0	-	0
Strathconan Pool Capital	2	0	-	2
Unexpected Events	-	200	-	200
Watertight Building	49	2	-	51
	13,833	677	-	14,510
Separate Reserves				
Administration - Capital Reserve	(5)	0	(0)	(5)
Albury Hall	1	0	-	1
Albury Water Supply	(34)	-	(4)	(38)
Allandale/Spur Road Water	(193)	25	-	(168)
Alps to Ocean Trail	(489)	36	-	(453)
Animal Control	117	1	-	118
Ashwick/Opuha Water	10	0	-	10
Cemeteries - Capital Reserve	(64)	18	-	(45)
Civil Defence - Capital Reserve	(11)	0	-	(11)
Council Building - Fairlie - Capital Reserve	(236)	15	-	(221)
Council Building - Twizel - Capital Reserve	44	11	-	54
Depot - Tekapo	3	-	(0)	2
Depot - Twizel	(5)	-	(2)	(6)
District Council - Capital Reserve	(1)	-	(0)	(1)
District General - Capital Reserve	(281)	0	-	(281)
District Wide Roading	(3,330)	-	(369)	(3,699)
Downlands Water Supply	87	-	(14)	73
Downlands Water Supply	858	-	(69)	789
Eversley Sewer	(0)	-	-	(0)
Fairlie Camping Ground	53	26	-	79
Fairlie Community Board	21	-	-	21
Fairlie Medical Centre - Capital Reserve	115	14	-	128
Fairlie Township	(329)	2	-	(327)
Forestry	9,783	-	(798)	8,985
Information and Engagement - Capital Reserve	(212)	-	(3)	(215)
Investment Management	8,613	2,578	(2,950)	8,241
IT Support - Capital Reserve	17	197	-	214
Kimbell Water	31	1	-	32
Lake Tekapo Community Board	36	-	-	36
Lake Tekapo Community Hall	29	3	-	32
Lake Tekapo Township	(545)	17	-	(528)
Mackenzie Community Centre	116	21	-	137
Old Library Café	151	-	(14)	138
Other Reserves - Lake Alexandrina	1,016	-	(200)	816
Pensioner Housing	201	2	-	202
Plant Account	(32)	161	-	129
Public Toilets - Capital Reserve	(524)	23	-	(502)
Pukaki Airport Board	1,801	-	(70)	1,731
Pukaki Visitor Centre	68	11	-	79
Real Estate	1,706	209	-	1,915
Responsible Camping	284	-	(91)	193
Roading Professional Services Business Unit	(849)	4	-	(845)
Rural Works and Services	171	-	-	171
School Road Water	43	-	-	43
Sherwood Downs Hall and Reserve	74	-	-	74
Skipton Hall	(1)	-	-	(1)
Swimming Pool - Strathconan	(172)	12	-	(160)
Swimming Pool - Twizel	(383)	9	-	(374)
Three Waters Operations	(181)	2	-	(179)

Tourism and Development	279	-	-	279
Twizel Community Board	12	-	-	12
Twizel Community Centre	(318)	42	-	(276)
Twizel Township	(526)	17	-	(509)
Urban Stormwater	708	195	-	903
Urban Wastewater	6,042	-	(219)	5,823
Urban Water	(4,988)	552	-	(4,436)
Waste Management	131	93	-	224
Internal Borrowing				
Administration - Internal Loan	(28)	-	2	(26)
Allandale/Spur Road Water - Internal Loan	(210)	(1,548)	13	(1,745)
Animal Control - Internal Loan	(2)	-	0	(2)
Cemeteries - Internal Loan	(189)	-	8	(181)
Civil Defence - Internal Loan	(97)	-	6	(91)
Council Building - Fairlie - Internal Loan	(1,165)	-	68	(1,098)
Council Building - Twizel - Internal Loan	(240)	-	15	(225)
District Wide Roading - Internal Loan	(4,875)	-	300	(4,575)
Information and Engagement - Internal Loan	(64)	-	4	(60)
IT Support - Internal Loan	(128)	-	8	(120)
Lake Tekapo Township - Internal Loan	(391)	-	18	(373)
Operations Management – Internal Loan	-	(1,000)	-	(1,000)
Public Toilets - Internal Loan	(816)	-	39	(777)
Resource Planning - Internal Loan	(7,758)	(30)	419	(7,369)
Swimming Pool - Strathconan - Internal Loan	(260)	-	15	(245)
Swimming Pool - Twizel - Internal Loan	(655)	-	40	(615)
Twizel Community Centre - Internal Loan	(368)	-	21	(347)
Twizel Township - Internal Loan	(488)	-	28	(460)
Urban Water - Internal Loan	(9,263)	-	519	(8,745)
	(7,856)	1,720	(3,281)	(9,647)
Asset Revaluation Reserves				
Share Revaluation	10587	604	-	11,191
Investment Revaluation	60	-	-	60
Infrastructural Assets Revaluation Reserves				
- Land	44,783	-	-	44,783
- Water Supplies	31,490	-	-	31,490
- Downlands Water Supply	1,586	-	-	1,586
- Wastewater Schemes	22,869	-	-	22,869
- Stormwater Schemes	6,305	-	-	6,305
- Roading	129,888	18,425	-	148,312
- Plant	175	-	-	175
- Buildings	14,500	-	-	14,500
	262,241	19,029	-	281,270
Total reserves	**267,990**	**21,426**	**(3,281)**	**286,133**

Rating Information for 2026/27

All rates are shown GST inclusive

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

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

Rating base units

Proposed rating units for 2026/27 are 5,839.

Rating definitions

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

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

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

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

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

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

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

These specific instances are:

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

Differential Categories

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

General Rate

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

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

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

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

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

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

- Democracy (Council General)
- Health and Liquor Licensing
- Animal Control
- Building Control
- District Planning
- Resource Consent Planning
- Regulatory Management
- Civil Defence
- Waste Management
- Pensioner Housing
- Public Toilets
- Cemeteries
- Medical Facilities

	Factor	Estimated Revenue 2026/27
Ohau A	0.0028892 per dollar of capital value	995,544
Tekapo A	0.0247956 per dollar of capital value	995,544
Tekapo B	0.0043722 per dollar of capital value	995,544
All Other Properties	0.0012408 per dollar of capital value	6,968,807
		$9,955,438

Uniform Annual General Charge (UAGC)

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

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

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

- Democracy (Council General)
- Health and Liquor Licensing
- Animal Control
- Building Control
- District Planning
- Resource Consent Planning
- Regulatory Management
- Civil Defence
- Waste Management
- Pensioner Housing
- Public Toilets
- Cemeteries
- Medical Facilities

	Factor	Estimated Revenue 2026/27
Uniform Annual General Charge	$125.00 per SUIP	**$729,813**

Targeted Rates

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

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

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

Works and Services Targeted Rates

The following targeted rates will be assessed under section 16 of the Local Government (Rating) Act 2002 to fund Council's works and services activities.

Council's swimming pools and community halls are 60% funded as part of this rate. The works and services that may be provided to each community include:

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

Twizel Works and Services Rate

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

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

Currently the 2026/27 split of the rate requirement is 10% fixed charges and 90% rate in the dollar of capital value.

	Factor	Estimated Revenue 2026/27
Fixed Charge	$43.14 per SUIP	101,481
Capital Value Rate	0.0005483 per dollar of capital value	913,331
		$1,014,812

Fairlie Works and Services Rate

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

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

Currently the 2026/27 split of the rate requirement is 10% fixed charges and 90% rate in the dollar of capital value.

	Factor	Estimated Revenue 2026/27
Fixed Charge	$105.39 per SUIP	67,236
Capital Value Rate	0.0020660 per dollar of capital value	605,127
		$672,364

Lake Tekapo Works and Services Rate

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

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

Currently the 2026/27 split of the rate requirement is 48% fixed charges and 52% rate in the dollar based on capital value.

	Factor	Estimated Revenue 2026/27
Fixed Charge	$304.57 per SUIP	337,010
Capital Value Rate	0.0003707 per dollar of capital value	365,094
		$702,104

Rural Works and Services Rate

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

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

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

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

Currently the 2026/27 split of the rate requirement is 40% fixed charges and 60% rate in the dollar based on capital value.

	Factor	Estimated Revenue 2026/27
Fixed Charge	$32.60 per SUIP	53,901
Ohau A	0.0000469 per dollar of capital value	16,170
Tekapo A	0.0004027 per dollar of capital value	16,170
Tekapo B	0.0000710 per dollar of capital value	16,170
All Other Rural Properties	0.0000125 per dollar of capital value	32,340
		$134,751

Wastewater Rates

Sewage Treatment Rate

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

The targeted rate will be:

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

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

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

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

Sewerage Infrastructure Rate

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

The targeted rate will be:

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

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

a) The sewerage infrastructure service is treated as being provided if the rating unit is connected to or able to be connected to a public sewerage drain and is within 30 metres of such a drain;

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

	Factor	**Estimated Revenue 2026/27**
Treatment Fixed Charge	$89.09 per SUIP	318,355
Treatment Additional Charge	$22.27 for each additional water closet	21,604
Infrastructure Fixed Charge	$310.43 per connectable SUIP	1,284,555
Infrastructure Additional Charge	$77.61 for each additional water closet	75,279
		$1,699,792

Urban Stormwater Rate

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

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

	Factor	Estimated Revenue 2026/27
Fixed Charge	$74.90 per SUIP	**$306,249**

Urban Water Supply Rates

Water Treatment Rate

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

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

Water Infrastructure Rate

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

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

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

Metered Water Rate

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

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

	Factor	Estimated Revenue 2026/27
Treatment Fixed Charge	$106.45 per connected SUIP	372,991
Infrastructure Fixed Charge	$614.63 per connectable SUIP	2,517,531
Metered Water Fixed Charge	$721.08 per metered supply per SUIP	157,556
		$3,048,078

Rural Water Supply Rates

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

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

Allandale Water Supply

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

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

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

Fairlie Water Race

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

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

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

Spur Road Water Supply

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

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

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

Downlands Water Supply

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

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

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

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

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

	Factor	**Estimated Revenue 2026/27**
Allandale Water Supply	$690.72 per unit	351,576
Fairlie Water Race Fixed Charge	$30.00 per rating unit	990
Fairlie Water Race	$6.64 per hectare	4,524
Spur Road Water Supply	$690.72 per unit	46,278
Downlands Water Fixed Charge	$1,000.00 per rating unit	57,000
Downlands Water Supply	$400.00 per unit	86,400
		$546,768

District Roading Rate

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

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

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

  a) Ohau A
  b) Tekapo A
  c) Tekapo B
  d) All Other Properties

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

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

Currently the 2026/27 split of the rate requirement is 35% fixed charges and 65% rate in the dollar based on capital value.

	Factor	**Estimated Revenue 2026/27**
Fixed Charge	$208.45 per SUIP	1,197,007
Ohau A	0.0006451 per dollar of capital value	222,301
Tekapo A	0.0055368 per dollar of capital value	222,301
Tekapo B	0.0009763 per dollar of capital value	222,301
All Other Properties	0.0002810 per dollar of capital value	1,556,109
		$3,420,020

Solid Waste Rate

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

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

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

	Factor	**Estimated Revenue 2026/27**
Fixed Charge	$382.96 per SUIP	**$1,291,524**

Tourism and Economic Development Rates

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

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

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

The categories for the rate are:

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

The targeted rates will be:

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

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

The relationship between the rates set is as follows:

Category	***Revenue Produced***
All Properties	10% of the total rate requirement
Commercial Business	29.33% of the total rate requirement
Industrial Land Properties	0.67% of the total rate requirement
Commercial Accommodation Business	23.53% of the total rate requirement
Secondary Accommodation Properties	36.47% of the total rate requirement

Currently the 2026/27 split of the rate requirement is 11% fixed charges and 89% rate in the dollar based on capital value.

	Factor	**Estimated Revenue 2026/27**
Fixed Charge	$17.62 per SUIP	102,859
Commercial Business	0.0013170 per dollar of capital value	301,676
Industrial Land Properties	$100.00 per rating unit	6,900
Commercial Accommodation Business	0.0008916 per dollar of capital value	242,047
Secondary Accommodation Properties	0.0004458 per dollar of capital value	375,104
		$1,028,585

Rural Cattle Stop Maintenance Rate

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

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

	Factor	**Estimated Revenue 2026/27**
Fixed Charge	$125.00 per cattle stop	**$5,875**

Community Facilities Rate

A targeted rate will be assessed under section 16 of the Local Government (Rating) Act 2002 to fund 40% of the cost of the Twizel Events Centre, Twizel Swimming Pool, Lake Tekapo Community Hall, Mackenzie Community Centre, Strathconan Swimming Pool, Albury Hall, and Sherwood Hall.

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

	Factor	**Estimated Revenue 2026/27**
Fixed Charge	$61.86 per SUIP	**$361,169**

Due Date for payment of Rates

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

Instalment Number	**Due Date**
One	20 September 2026
Two	20 December 2026
Three	20 March 2027
Four	20 June 2027

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

Penalties

A penalty of 10% of the amount of the rates assessed in the 2026/2027 financial year remaining unpaid will be added if not paid on or before the due date, on the following dates:

Instalment Number	**Penalty Date**
One	22 September 2026
Two	22 December 2026
Three	22 March 2027
Four	22 June 2027

A further penalty under section 58 of 10% of the amount of any rates for previous financial years remaining unpaid on the later of 5 working days after the date of resolution (8 July 2026) will be added.

A further penalty of 10% will be added to any unpaid rates from previous financial years that remain unpaid on 8 January 2027.

Rates examples

The following examples show how the adopted changes will affect properties in different areas. The examples show the rates proposed for 2026/27 compared with actual rates for 2025/26.

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

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

Fairlie

Type	Last year's capital value	Actual 2025/26	New capital value	Proposed 2026/27	Rates change
Section mid value	185,000	2,129.07	185,000	2,182.02	**$52.95**
House low value	325,000	3,211.67	325,000	3,262.81	**$51.14**
House mid value	430,000	3,593.51	430,000	3,639.54	**$46.03**
House high value	750,000	4,757.21	750,000	4,787.65	**$30.44**
Commercial mid value	550,000	4,854.42	550,000	4,894.45	**$40.03**
Commercial high value	1,200,000	8,074.44	1,200,000	8,082.63	**$8.18**
Accommodation mid value	570,000	4,670.86	570,000	4,650.07	**($20.79)**
Accommodation high value	1,050,000	6,894.91	1,050,000	6,800.23	**($94.68)**
Secondary mid value	360,000	3,518.44	360,000	3,548.89	**$30.45**
Secondary high value	750,000	5,131.14	750,000	5,122.02	**($9.12)**

Lake Tekapo

Type	Last year's capital value	Actual 2025/26	New capital value	Proposed 2026/27	Rates change
Section mid value	520,000	2,586.68	520,000	2,701.58	**$114.90**
House low value	500,000	3,124.28	500,000	3,242.22	**$117.94**
House mid value	850,000	3,752.37	850,000	3,904.61	**$152.24**
House high value	1,260,000	4,488.13	1,260,000	4,680.56	**$192.43**
Commercial mid value	1,200,000	6,061.25	1,200,000	6,247.45	**$186.20**
Commercial high value	7,580,000	25,915.01	7,580,000	26,724.59	**$809.58**
Accommodation mid value	740,000	4,292.67	740,000	4,356.24	**$63.58**
Accommodation high value	6,640,000	20,762.20	6,640,000	20,782.94	**$20.74**
Secondary mid value	750,000	3,946.85	750,000	4,049.73	**$102.88**
Secondary high value	1,290,000	5,185.13	1,290,000	5,312.46	**$127.33**

Twizel

Type	Last year's capital value	Actual 2025/26	New capital value	Proposed 2026/27	Rates change
Section mid value	300,000	1,989.04	300,000	2,077.06	**$88.01**
House low value	490,000	2,945.03	490,000	3,048.87	**$103.85**
House mid value	600,000	3,166.48	600,000	3,276.59	**$110.11**
House high value	1,580,000	5,139.39	1,580,000	5,305.32	**$165.93**
Commercial mid value	1,190,000	6,021.87	1,190,000	6,165.24	**$143.37**
Commercial high value	4,600,000	17,378.88	4,600,000	17,715.48	**$336.60**
Accommodation mid value	750,000	4,216.13	750,000	4,255.84	**$39.70**
Accommodation high value	8,810,000	28,477.32	8,810,000	28,127.70	**($349.63)**
Secondary mid value	750,000	3,842.39	750,000	3,921.48	**$79.09**
Secondary high value	1,300,000	5,223.85	1,300,000	5,305.26	**$81.42**

Rural

Type	Last year's capital value	Actual 2025/26	New capital value	Proposed 2026/27	Rates change
Township section low value	50,000	486.20	50,000	522.24	**$36.04**
Township low value house	301,000	1,221.54	301,000	1,290.31	**$68.77**
Lifestyle low value	920,000	1,734.00	920,000	1,857.11	**$123.12**
Lifestyle mid value	950,000	1,777.03	950,000	1,903.14	**$126.11**
Lifestyle high value	1,200,000	2,135.59	1,200,000	2,286.73	**$151.14**
Sheep/beef low value	940,000	1,762.69	940,000	1,887.80	**$125.11**
Sheep/beef mid value	5,020,000	7,614.45	5,020,000	8,147.89	**$533.45**
Dairy farm mid value	8,430,000	12,505.26	8,430,000	13,379.98	**$874.72**
Cropping high value	14,500,000	21,211.20	14,500,000	22,693.40	**$1,482.20**
Sheep/beef high value	18,800,000	27,378.50	18,800,000	29,291.05	**$1,912.55**
Secondary mid value	750,000	1,864.11	750,000	1,930.65	**$66.54**
Secondary high value	1,300,000	2,927.17	1,300,000	3,019.74	**$92.57**

Mackenzie
DISTRICT COUNCIL

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