



479TH MEETING

Notice is given of an Ordinary Meeting of Council to be held on:

Date: Tuesday, 12 December 2017

Time: 9:30am

**Location: Twizel Community Hall Lounge
Twizel**

AGENDA

Ordinary Council Meeting

12 December 2017

**Suzette van Aswegen
Chief Executive Officer**

Council Membership:

Mayor Graham Smith (Chair)

James Leslie

Russell Armstrong

Anne Munro

Stuart Barwood

Chris Clarke

Paul Hannagan

The purpose of local government:

(1) The purpose of local government is—

- (a) to enable democratic local decision-making and action by, and on behalf of, communities; and
- (b) to meet the current and future needs of communities for good-quality local infrastructure, local public services, and performance of regulatory functions in a way that is most cost-effective for households and businesses.

(2) In this Act, good-quality, in relation to local infrastructure, local public services, and performance of regulatory functions, means infrastructure, services, and performance that are—

- (a) efficient; and
- (b) effective; and
- (c) appropriate to present and anticipated future circumstances.

(Local Government Act 2002)

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- 1 OPENING**
- 2 APOLOGIES**
- 3 VISITORS**
- 4 DECLARATIONS OF INTEREST**
- 5 BEREAVEMENTS**

6 MAYOR'S REPORT

6.1 MAYORAL ACTIVITIES REPORT

File Reference: PAD 2/2

Attachments: Nil

RECOMMENDATIONS

That the report be received.

ACTIVITIES

Meetings and Events

Recent meetings and events of note that I have attended since the last Council meeting in October include:

November

- 1 November – Spoke on Port FM Radio Show.
- 2 November – Pukaki Ward Councillors and I had a relationship meeting with the South Canterbury District Health Board. Attended Civil Defence briefing for myself and Planning Committee Chair. Attended Fairlie Community Board workshop and meeting in late afternoon.
- 3 November – Attended Mackenzie Country Trust meeting in Twizel.
- 6 November – The Community Facilities Manager, Chief Executive and I travelled to Omarama for an Alps 2 Ocean Joint Committee meeting. This was followed by a bike ride from Otematata to Sailors Cutting and then a Summit meeting for Alps 2 Ocean of all stakeholders.
- 7 November – Attended a meeting between Mackenzie District Council, Pukaki Airport Committee and Meridian Energy. In evening attended a session with staff and elected members with Federated Farmers about the District Plan Review.
- 9 November – Attended Extraordinary Finance Committee meeting and submission hearing.
- 10 November – Met with a Twizel business person. Had farewell lunch for outgoing Chief Executive, Wayne Barnett.
- 11 November – Attended Armistice Day and Passchendaele commemorations at Albury and then attended Mary Hobbs' book launch at Mt Cook.
- 15 November – The Chief Executive and I met with a property developer. Attended meeting with Chorus in Fairlie. Met with Timaru business person.
- 16/17 November – The Chief Executive and I attended the Rural Provincial meeting in Wellington. We also met with a Tourist Bus operation company. Following that, we met with a Ministry for the Environment representative.
- 20 November – Attended the Alpine Energy Shareholders meeting in Timaru.
- 21 November – The Chief Executive and I met with two separate Pukaki Ward ratepayers.

- 23 November – Committee Meeting day.
- 24 November – Attended Mini Mayoral Forum in Waimate with other South Canterbury and North Otago Mayors. Attended farewell function for two retiring Mackenzie Kindergarten teachers.
- 28 November – Met with representative from Tuia Charitable Trust. Attended LTP workshop following this.
- 29 November – Attended a Council webinar and then visited the Science Roadshow being held at Mackenzie College. The Chief Executive and I then met with a property developer.
- 30 November – Attended Mayoral Forum working dinner in Christchurch with the Chief Executive.

December

- 1 December – Attended Mayoral Forum meeting in Christchurch with Chief Executive, and Civil Defence Emergency Management Group Joint Committee and Canterbury Regional Transport Committee Meeting.
- 4 December – Attended Twizel Community Board meeting.
- 5 December – Attended Tekapo Property Group meeting, a meeting at the Church of the Good Shepherd and Department of Conservation Wilding Pine meeting.
- 6 December – Spoke on Port FM radio show. Had an onsite meeting with the Pukaki Airport Committee and then met with Timaru business people in afternoon.
- 7 December – Met with Fairlie Bowling Club and Mackenzie Rugby Club representatives and then attended Fairlie Community Board meeting.
- 12 December – Attended Council meeting in Twizel and then the Mackenzie College End of Year Award Ceremony.

6.2 REPORT ON RURAL PROVINCIAL MEETING 16-17 NOVEMBER 2017**File Reference:** PAD 2/2**Author:** Catherine Johnson, Executive Assistant**Authoriser:** Graham Smith, Cr**Attachments:** Nil**STAFF RECOMMENDATIONS**

That the information be noted.

BACKGROUND

The Chief Executive and myself travelled to Wellington for the Rural Provincial Meeting held on 16 and 17 November 2017. The following is a summary of the discussions held, for your information.

Mayors Meeting (held prior to the Rural Provincial Meeting commencing)

Earthquake legislation on priority buildings is a problem as the action time has been reduced from 15 years to 7 years bringing in affordability issues.

The new Minister of Local Government, Nania Mahuta - Called for local government to have a fresh collaborative approach with no talking in silos. Inequality and poverty to be addressed as well as climate change, growth of infrastructure and the 3 Waters being top of the list. A funding and finance policy is to be reviewed. Would like local government to encourage civic participation. The Minister would like to meet Mayors and CEOs to test ideas to approach 3 Waters in the next three years. This report is expected to be out on 8th December. The Minister outlined significant issues such as regional development conversations, and also tourism relative effects. She envisages bringing the four wellbeings back into local government. It is all about finding workable splits, and mentioned how the government will distribute authority around regions while looking out for our indigenous people and dealing with housing issues.

Malcolm Alexander CEO of Local Government New Zealand - True MMP, ie the largest party does not govern. The new Government is focused on a 100 day plan including housing families, minimum wage, zero carbon emissions by 2050, increase walk cycling, clean water, and New Zealand's commitment to Paris accord is huge.

Funding needed 18% rate rise Hamilton, climate change and Councils' responsibility, risk people need to know information need to be on LIMs. Do nothing and may be liable, sea level rises, extreme events, flood control and infrastructure issues.

Fire Emergency - Takeover of rural fire has gone well, training now to cope with any response. Wanting a close working relationship with local government as they develop capabilities for emergencies.

Kapiti Mayor - Stormwater is a sleeping giant as 40km open stormwater drains. A breach is costly with up to \$600 million to deal with the issue. Who pays? One degree temperature rise equates to 8% more rain. Need to avoid flood hazard areas. People have greater expectations.

Tracy Collins Tararua - Hungry for broad band, Council helped make it happen. Get land permission and consenting issues in order. Collate data to a central point.

Gaming Trusts - A trustee Gaming Trusts inject \$300 million into communities that rely on funding. Loss of gaming machines and move against gambling having a negative affect with \$60 million been lost to communities. Reduced gaming machines has not decreased gambling problems.

Feedback from the LGNZ Road Shows - Issues same at each Council visited, with the size of the Council not mattering. The following issues have been raised throughout the country:

1. Rate funding models are not working
2. Provincial NZ is growing
3. Earthquake resilient measures are too tough
4. Housing rental markets are under extreme pressure
5. Climate change needs a plan
6. NZTA restructure has not worked, a new GPS needs to happen as soon as possible

Rural NZ College of Health Body for Practitioners – A representative spoke to us on the Rural GP situation and a serious shortage of doctors. 57% doctors over the age of 50 with younger doctors not wanting to work in rural NZ leading to a 30% deficit in next 5 years. Compliance costs, ageing patients, doctor ratios of 2800 patients per doctor is too much, and there is no back up for GPs. Important need for primary care where people want to talk to a doctor and not an ipad.

Education and talking to MP is what we can do.

Two Mayors gave feedback that the CouncilMARK programme was valuable in setting direction, investing in Council ourselves, looking at ourselves, better ways of managing our assets.

Minister Housing Phil Twyford Minister Housing and Transport - Housing is top of priority list, homelessness has to be addressed, Government are wanting to build 100,000 affordable homes a year, no more state houses to be sold. Intending on raising standards of rental properties and reviewing tenancy rules.

Make some rational economic decisions around best mix modes coastal shipping. Need to double investment on roads, and a new funding model to be looked for.

CONCLUSION

Not applicable.

SUZETTE VAN ASWEGEN
CHIEF EXECUTIVE OFFICER

7 PUBLIC EXCLUDED REPORTS

8 REPORTS

8.1 CHIEF EXECUTIVE OFFICER ACTIVITIES REPORT

File Reference: PAD 2/3

Attachments: 1. Tourism Summit Aotearoa 14 November 2017 Programme [!\[\]\(83f22ed94ec5517769dd76d702c6bfd8_img.jpg\) !\[\]\(58518edde73d42d67a35a8ed26134c7b_img.jpg\)](#)

RECOMMENDATIONS

That the report be received.

ACTIVITIES

It gives me great pleasure to present my first report to Council as your new Chief Executive. It has been an extremely busy and interesting period since commencing in this role on Monday 13 November 2017, as the organisation continues to deal with various Operational matters, as well as the relevant stages of many large projects such as the auditing of the Annual Report 2016/17, the preparation of Council's Long Term Plan 2018-28, the first stage of the District Plan review and a number of significant infrastructure projects. I wish to acknowledge staff's efforts throughout the calendar year, including the planning for and preparation of all the relevant strategic documents over and above a heavy operational workload, as well as Council's valued direction and contribution throughout the various processes, it is much appreciated.

We are currently recruiting for a Group Manager – Regulations and while this process is taking place, I am covering both the Chief Executive and Manager – Planning and Regulations roles with both the Planning Manager and Building Control Manager stepping up and managing some of the activities and responsibilities, which I am grateful for. I hope to be in a position to make an announcement regarding an appointment of the Group Manager – Regulations at the Council meeting.

As you are aware our Council has been accepted into the LGNZ CouncilMARK™ Excellence Programme, with the first visit by LGNZ representatives scheduled for 14 December 2017. Being part of this programme will involve a lot of work, but the results will be very rewarding and beneficial and will enhance effectiveness, efficiencies as well as public value. As part of the change agenda, I have already instigated one on one meetings with all employees between now and the Christmas break, in order to get a quick snapshot overview of the organisation from their perspective. Elected members are to be interviewed by me early in 2018 and will include Councillors and Community Board members. I am also meeting with various stakeholders in this regard with the aim to establish strong working relationships.

Mayor Graham Smith and I have recently attended the Rural Provincial two day meeting in Wellington, as well as the Canterbury Mayoral Forum in Christchurch, which was most beneficial to attend as it provided a national overview of matters relevant to and affecting local government.

On 14 November I attended the Tourism Summit Aotearoa presented by the Tourism Industry Association in Wellington. During this summit the industry offered a pledge to sustainability, as it seeks to rejuvenate itself following a period of lower than expected growth – ie 4% as opposed to 7% worldwide. Chris Roberts, CEO of Tourism Industry Aotearoa provided insights in terms of the industry's performance and gave it a "B – passing with merit" status, highlighting the need to do something different. The reason for rating the industry's performance a "B" was because international arrivals are up a little, spending is 10% more, connectivity with the regions is up a little, visitor experience is the same, and there has been no progress with productivity. There has also been no progress in broadening the shoulder season.

The Minister of Tourism, the Honourable Kelvin Davis presented at the Summit and highlighted the following priorities for New Zealand tourism:

- Public toilets;
- Carparks;
- Infrastructure;
- Training;
- Conservation; and
- Local Government funding models

The importance of narrative (power of storytelling), the need for authenticity and value based behaviour, creating individual and collective value, the value of 'a quality personal experience in a local setting' to tourists, regional dispersion and aligning regional and Maori interest was a common thread throughout the day, as many examples were presented to demonstrate commitment to the principles of sustainability. In the face of disruptive technology, the importance of not losing the human connection/dimension was also emphasised.

CORPORATE WORK ITEMS

Staff Movements

There have been no new staff starting or departing in this period.

Water Supplies

Since the last Council meeting on 31 October 2017, there has been one failed water sample, and this was on the Allandale Water Supply on 30 November 2017. It is believed that this was due to the high turbidity from recent thunderstorms in this location. A precautionary boil water notice was placed on the Allandale Water Supply.

Civil Defence

There have been no Civil Defence incidents since the last Council meeting.

Health and Safety

There has been one incident of a fall at the Fairlie office building reported since the last Council meeting. The incident was investigated and it was determined that no mitigation was required. The

staff member was not injured. One minor vehicle accident was also reported. This is being investigated.

Meetings and Events

Recent meetings and events of note that I have attended since the last Council meeting include:

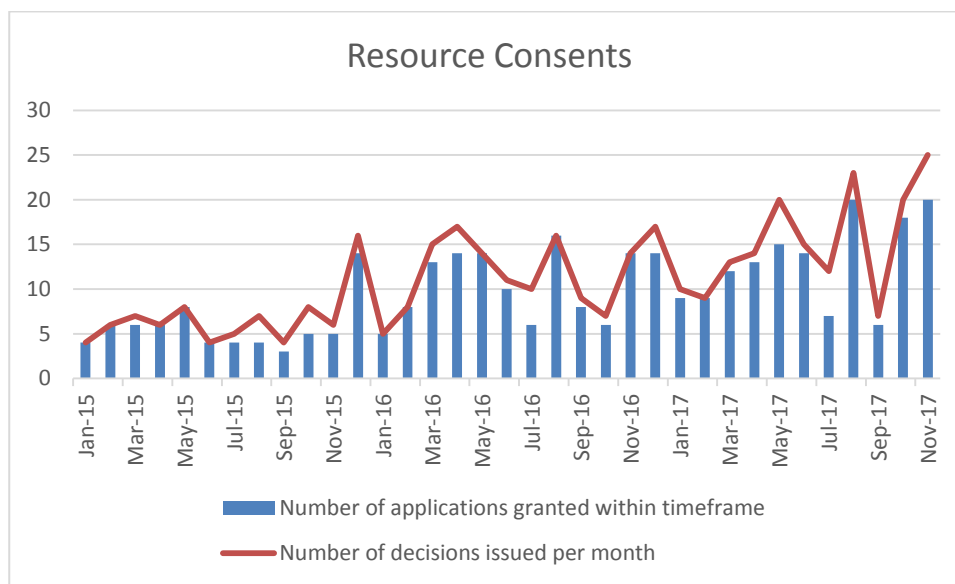
November

- 13 November – Held staff meeting at 8.30am.
- 14 November – Travelled to Wellington for a TIA Tourism Summit.
- 15 November – The Mayor and I met with a property developer.
- 16/17 November – The Mayor and I attended the Rural Provincial Meeting in Wellington. We also met with Judy Chen, the new CEO of the Tourism Export Council of New Zealand followed by a meeting with Ministry for the Environment representatives.
- 21 November – The Mayor and I met with two separate Pukaki Ward ratepayers. In afternoon had a meeting with Raewyn Bell, of South Canterbury Chamber of Commerce.
- 22 November – Had a meeting with a Tekapo resident, and then Tekapo property owner in afternoon.
- 23 November – Committee meeting day.
- 24 November – Involved in recruitment process for Group Manager – Regulations.
- 28 November – Involved in Council workshop.
- 29 November – The Mayor and I met with a property developer. Met with two Tekapo Community Board members. Had a relationship meeting with Timaru District Council.
- 30 November – Met with John Mackay of Audit New Zealand in Christchurch and then Council's solicitors. Attended Mayoral Forum working dinner.

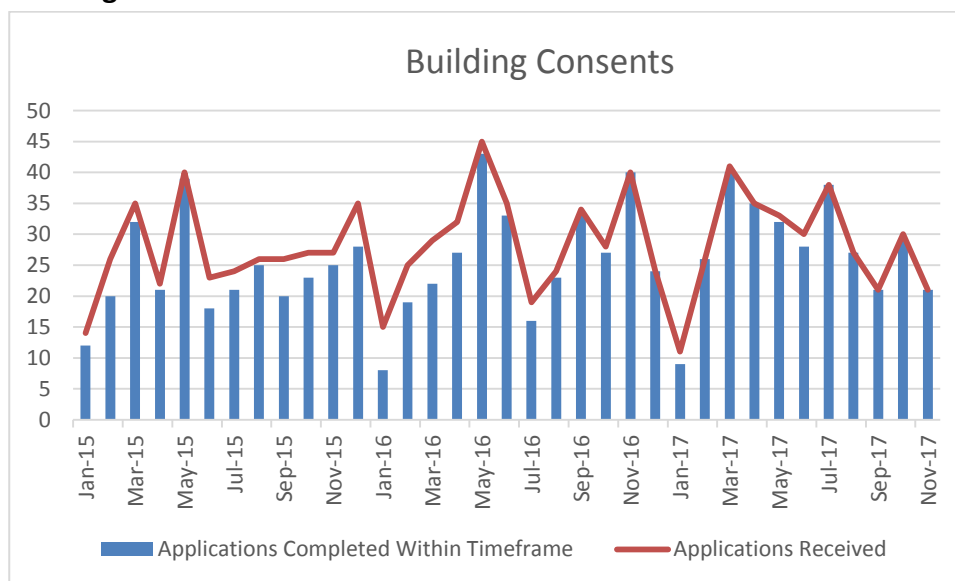
December

- 1 December – Attended Mayoral Forum, Civil Defence Emergency Management Group Joint Committee meeting, and Canterbury Regional Transport Committee.
- 4 December – Attended Twizel Community Board meeting.
- 5 December – Attended Tekapo Property Group meeting and then a meeting at the Church of the Good Shepherd.
- 6 December – Had an onsite meeting with the Pukaki Airport Committee. Met with Tekapo and Twizel businesses.
- 7 December – Held monthly staff meeting. Met with Fairlie Bowling Club and Mackenzie Rugby Club representatives and then attended Fairlie Community Board meeting.
- 8 December – Travelled to Christchurch for Regional Forum.
- 12 December – Council meeting.

Resource Consents



Building Consents



Complaints/Service Requests for November 2017

From 1 November to 30 November, 49 service requests were received from residents throughout the District. Of these, 43 have been completed and closed off, and the remaining 6 have been initially inspected and the essential issues dealt with. Some finishing work is needed to achieve a final sign off before they are closed.

SUZETTE VAN ASWEGEN
CHIEF EXECUTIVE OFFICER

Morning Sessions
8.30am-12.30pm

Programme

8am	Registration and networking
8.30am	Welcome Simon Dallow, Summit Moderator Chris Roberts, Chief Executive, Tourism Industry Aotearoa
8.50am	Tourism 2025 score card – how are we tracking? Chris Roberts, Chief Executive, Tourism Industry Aotearoa
9am	VIP political presentation
9.20am	How can communities be the backbone of successful business? Lisa Tumahi, Kaiwhakahaere of Te Rununga o Ngāi Tahu
9.55am	A collective approach – launching the Tourism Sustainability Commitment Grant Webster, Chair, Tourism Industry Aotearoa and Chief Executive, Tourism Holdings Ltd
10.15am	The need for a unified sustainable approach – leaders panel Lisa Tumahi, Kaiwhakahaere of Te Rununga o Ngāi Tahu Rachel Brown, Chief Executive Officer, Sustainable Business Network Richard Lauder, Chief Executive, Real Journeys Grant Webster, Chair, Tourism Industry Aotearoa and Chief Executive, Tourism Holdings Ltd
10.40am	Morning Tea
11am	Big picture ideas we can learn from ground-breaking Kiwi innovation Kirk Hope, Chief Executive, BusinessNZ
11.25am	Innovation in a fair trade environment Matt Morrison, Co-founder, Karma Cola
11.55am	New Zealand's unique people incubator culture Kirsten Patterson (KP), Chief Executive Officer, Institute of Directors
12.20pm	Taking us beyond our comfort zone – panel discussion Kirk Hope, Chief Executive, BusinessNZ Matt Morrison, Co-founder, Karma Cola Kirsten Patterson (KP), Chief Executive Officer, Institute of Directors

Tourism Summit **Aotearoa 2017**

Afternoon Sessions
1.50pm-6.45pm

12.30pm	Lunch
1.50pm	Succeeding in a disruption-led innovative digital world Chris Riddell, Futurist
3pm	Afternoon Tea
3.20pm	Innovative solutions to complex infrastructure problems James Rosenwax, Executive Director, Cities, AECOM
4pm	Is a new wave of investment coming? Nick Miller, Investment Director, Blue Sky Private Equity
4.40pm	What will success look like for tourism business growth? – panel discussion James Rosenwax, Executive Director, Cities, AECOM Chris Riddell, Futurist Nick Miller, Investment Director, Blue Sky Private Equity Chris Roberts, Chief Executive, Tourism Industry Aotearoa
5.10pm	Tourism Industry New Zealand Trust Scholarships 2018 awarded Grant Webster, Chair, Tourism Industry New Zealand Trust
5.20pm	Closing address Simon Dallow, Summit Moderator
5.30pm	Networking drinks
6.45pm	Event closes

Please note timings and content subject to change.

@TourismAotearoa #TourismSummit

8.2 ADOPTION OF THE ANNUAL REPORT

File Reference: FIN

Author: Tania Hoefsloot, Financial Accountant

Authoriser: Paul Morris, Chief Financial Officer

Attachments: 1. Annual Report Summary 2017  
2. Annual Report (under separate cover)  

PURPOSE OF REPORT

To adopt the audited Annual Report for the year ended 30 June 2017.

STAFF RECOMMENDATIONS

1. That the report be received.
2. That Council approves the signing of the audited Annual Report for the year ended 30 June 2017.
3. That Council adopts the Annual Report for the year ended 30 June 2017.
4. That Council approves the signing of the Annual Report Summary for 2017.
5. That Council adopt the Annual Report Summary for 2017.

BACKGROUND

Sections 98 and 99 of the Local Government Act 2002 require Council to prepare its Annual Report for the year ended 30 June 2017 in accordance with the information required by Part 3 of Schedule 10 of the same Act.

The Annual Report presents Council's actual (financial and non-financial) performance measured against planned performance as set out in the Long-term plan and the annual plan for the year ended 30 June 2017, and to promote Council's accountability to the community for the decisions made throughout the year by the local authority.

Council is required to adopt its Annual Report by 31 October 2017. This statutory deadline has been breached as the adoption of the annual report has been delayed. Council asked for Audit NZ's reasons to be tabled (see Attachment 2).

This year's audit focused heavily on the revaluations of Council infrastructure including vested assets. Council is expecting to receive an unqualified audit report that the statements comply with generally accepted accounting practice (GAAP), relevant legislation and fairly reflects reported performance. Once the Annual Report and the Summary Annual Report are adopted and signed these documents are made available to the public.

The unqualified opinion has been reliant on the resolution of the issue raised by audit regarding vested asset recognition. Council has agreed to change the timing of vested assets and recognise a prior period adjustment to appease audit and to achieve this opinion.

POLICY STATUS

N/A

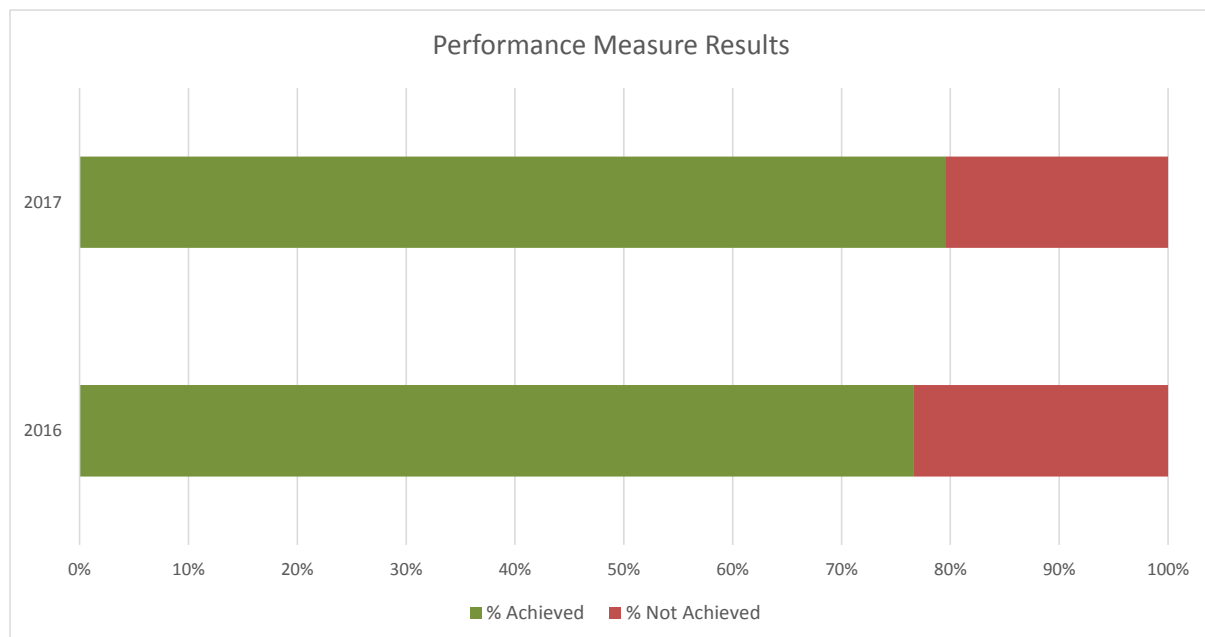
SIGNIFICANCE OF DECISION

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

OPTIONS

Council does not have an option of not adopting its Annual Report as this would be in breach of the legislation.

The Annual Report focuses on both financial and non-financial performance for the year. The following is a table of this year's performance measure results compared to last year's results.



For the 2016/17 year emphasis was placed on improving the supporting documentation for the non financial performance information to ensure that all could be measured. This has seen all of the non financial performance information in 2016/17. For this reason and a small increase in ratepayer satisfaction has resulted in a slight improvement of 3% in the achieved measures compared to last year.

The financials reflect the increased activity in the district with the net surplus before valuation gains of \$4.237 million against a budgeted surplus of \$3.064. The biggest drivers of the increased surplus are increased revenues in Subsidies and Grants \$2.349 million, Real Estate Sales \$2.825 million and Other Revenue (\$4.004 million) all of which reflect increased development activity. In addition, increased revenue of \$13.831 million was recorded as gains from the revaluation of Council's

infrastructure assets as at 1st July 2016 along with land and buildings as at 30 June 2017. The revaluation is a gain on paper only arising from higher market prices. Any movements in market prices are not budgeted due to the inherent difficulties in forecasting market conditions and changes in technology which affect fair value.

Real Estate Sales \$2.825 million were achieved this year from two lake front sections in Lake Tekapo. The cost of the land pertaining to these sales was \$1,339,000 showing in the expenditure section.

Other Revenue (\$4.004 million) is largely due to:

- the gain realised on 5 residential sections sold in Twizel,
- carbon credits worth \$275,000 issued to Council during the year, and
- the forestry revaluation gain of \$527,000.

Offset against these gains is the loss on disposal value of \$221,000 of the fire response assets.

These increases in revenue were partially offset by lower than budgeted Vested Assets (\$2.334 million, which was \$811,000 less than the estimated budget of \$3,145,000. The Lake Tekapo footbridge was vested to Council during the year for \$2,333,540. Vested asset revenue is largely dependent on the infrastructural assets that are expected to be vested in Council from developers. They are a non cash item and subject to the number of subdivisions that are completed. Infrastructural assets vested to Council this year from Tekapo developers for \$1,545,000, including water assets \$261,000, sewer assets \$263,000, stormwater assets \$288,000 and roading assets \$733,000 has been restated. This change in the timing of recognition of vested assets has meant that no revenue has been recognised in this financial year for these infrastructural vested assets and has reallocated the revenue into prior financial years.

Operating expenditure was over budget by \$2.751 million most of which is attributable to unbudgeted real estate cost of sales of \$1.339 million and higher than expected depreciation costs \$0.954 million.

Cash investment at the end of the year stands at \$6.844 million with no external debt. This is a healthy position for Council to be in, as the cash received from real estate sales will be invested with the interest earned on investments are used to offset rates.

Council's infrastructure assets, land and buildings are revalued on a tri-annual basis and therefore took place on 1 July 2016. The revaluation of the infrastructure assets resulted in a net overall increase in value by 11% of the following assets as detailed in the following table:

Land	9%
Water	(0)
Wastewater :	12%
Stormwater s	7%
Roading	19%
Buildings	24%
Total	11%

A second revaluation of land was conducted on 30 June 2017 as the increase in the weighted average movement in property values of the District between 1 July 2016 and 30 June 2017 was considered material to the value of the asset base. The assets will be revalued as normal next year.

In summary the operating surplus was stronger than anticipated however much of the positive surplus was either non cash due to the revaluations and vesting of assets or cash received from real estate sales. The cash will generate interest that will be used to offset general rates.

CONSIDERATIONS

Legal

N/A

Financial

There are no direct financial implications beyond existing budgets for printing and publishing.

Other

Local Government Act 2002 Purpose Provisions

The Annual Report for the year ended 30 June 2017 has been prepared under section 98 and Schedule 10 Part 3 of the Local Government Act 2002, which requires a local authority preparing an annual report pursuant to this section to adopt its audited annual report by 31 October of that year.

Council Policies / Plans / Procedures

The Annual Report provides a comparison between planned financial and non-financial performance and the actual performance of Council for the year ended 30 June 2017.

Implementation Plan

An implementation plan is not required for this document.

Consultation and Engagement

Consultation is not required for this document.

Communication

The Annual Report and Summary Annual Report are required to be made publicly available within one month of the report being adopted by Council. A media release will also be issued.

CONCLUSION

That the Annual Report and Annual Report Summary for the year ended 30 June 2017 be adopted.

SUZETTE VAN ASWEGEN

CHIEF EXECUTIVE OFFICER



Photos supplied
by Pla Parichart.

2016-2017 ANNUAL REPORT SUMMARY

INTRODUCTION BY THE MAYOR AND CEO

We are pleased to introduce the Annual Report for the Mackenzie District Council for 2016/17. It has been another very busy year. Economic activity has been strong across the district and this has translated through many Council activities.

The local authority elections heralded a significant change around the Council table. The new Council has been keen to understand all aspects of Council business and to set their own strategy agenda. Great progress has been made in defining a clear strategy and formulating a work plan to achieve it.

A key theme for the year was our relationship with central government. The most visible example of this was in relation to our successful MBIE funding applications which enabled the completion of two new toilet blocks at Tekapo. We have also actively worked behind the scenes to build relationships at political and executive levels to enable us to advance our district objectives at a national level.

Building and Resource Consents activity is continuing at a very strong level. We have needed to increase our internal capacity to accommodate this "new normal". The activity in both Building and Resource Consents has increased in volume and complexity and is showing no sign of abating.

Significant progress has been made through the year in the low profile but important maintenance and replacement works. Our combined road reseal contract with Timaru and Waimate Councils has been highly beneficial. The favourable pricing achieved has allowed all overdue maintenance to be completed. Further progress has also been made on the replacement of asbestos cement water mains at Twizel.

The opening of the Tekapo Four Square supermarket signals achievement of the first part of the ultimate development of the Tekapo Village Centre land. We are aware of advanced planning work being undertaken on the Earth and Sky and YHA sites so we look forward to construction occurring on these properties soon.

One of the most satisfying aspects about being involved in Council activities is the diversity of our work. The examples noted above illustrate some of the year's highlights but there are many more areas where our staff and elected members have toiled hard to ensure that the critical day to day Council responsibilities are met. We would like to extend a very big thank you to staff and Councillors for their tireless efforts.



Graham Smith
Mayor

G. B. Smith



Wayne Barnett
Chief Executive

W. Barnett

SUMMARY STATEMENTS OF SERVICE PROVISION

Governance

Levels of Service	Performance Measure	Targets 2016/17	Results 2016/17	Results 2015/16
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.	Achieved The Annual Report for the 2016 financial year was adopted on 31 Oct 2016. The Audit Opinion was unmodified.	Achieved The Annual Report for the 2015 financial year was adopted on 30 Oct 2015. The Audit Opinion was unmodified.
	The annual plan is prepared within statutory timeframes and with an unmodified audit opinion.	The annual plan is prepared within statutory timeframes and with an unmodified audit opinion.	Achieved The Annual Plan for the 2017/18 year was adopted by Council on 27 June 2017. Annual plans are not required to be audited, therefore no Audit Opinion was issued.	Achieved The Annual Plan for the 2016/17 year was adopted by Council on 10 May 2016. Annual plans are not required to be audited, therefore no Audit Opinion was issued.
Represent and govern the district on behalf of the community	The percentage of residents across the district who say they are satisfied with the performance of the Councillors and Mayor in the annual ratepayer survey.	60% or above	Achieved 86% were satisfied or somewhat satisfied with the performance of Councillors and the Mayor. The result is showing on upward trend.	Achieved 82% were satisfied or somewhat satisfied with the performance of Councillors and the Mayor. The result is showing on upward trend.
Build strong iwi relationships and encourage Māori to contribute to the decision-making process	Number of face-to-face meetings held each year between Council representatives and Papatipu Rūnanga, or Te Rūnanga o Ngai Tahu.	2 or more	Achieved Council met 4 times with Papatipu Rūnanga, or Te Rūnanga o Ngai Tahu during the year	Achieved Council met 6 times with Papatipu Rūnanga, or Te Rūnanga o Ngai Tahu during the year
Provide opportunities for the community to engage with elected members	Number of public forums held each year with communities and groups	40 or more*	Achieved The community boards, committees and Council met 73 times during the year. The Council met 14 times with committees meeting 35 times and the community boards met 24 times.	Achieved The community boards, committees and Council met 66 times during the year. The Council met 14 times with committees meeting 29 times and the community boards met 23 times.

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

Governance



SUMMARY STATEMENTS OF SERVICE PROVISION

Water

Levels of Service	Performance Measure	Targets 2016/17	Results 2016/17	Results 2015/16
Water supplies are available and reliable	The percentage of real water loss from the networked reticulation system.* ¹	Estimated target: <25%	Achieved 23.5% approx. Using Councils SCADA reporting telemetry we are able to identify the minimum night flow over the winter months flow rate in l/sec, assuming that this flow recorded during this time is mostly leakage and then used this information to calculate the leakage result. This result is higher than 2015/16 due to a more accurate method of calculating the water loss.	Achieved 12% approx. Bulk water meters were read at midnight and then at 6:00am. It is assumed that this flow recorded during this time is mostly leakage.
	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: from the time that the Council receives notification to the time that the service personnel reach the site,	2 hours	Achieved The median response time from the time Council received the call to when personnel arrived on site was 0.66 hour.	Not achieved The total call outs for the period was 41. Council collected data for 21. For those 21 the median response time from the time Council received the call to when personnel arrived on site was one hour.
	b) Resolution of urgent call-outs: from the time that the Council receives notification to the time that service personnel confirm resolution of the fault or interruption, c) Attendance for non-urgent call-outs: from the time that the Council receives notification to the time that the service personnel reach the site, and	12 hours 72 hours	Achieved The median response time from the time the call was received until the time the fault was resolved was 2.83 hours. Achieved The median time for attendance of non-urgent call outs from the time the call was received to attendance on site was 59.50 hours.	Not achieved The Council collected data for 21 of the 41 call outs. For the 21 collected the median response time from the time the call was received until the time the fault was resolved was 7 hours. Not achieved The total call outs for the period was 228. Of those, Council collected data for 171. The median time for attendance of non-urgent call outs from the time the call was received to attendance on site was 116.11 hours.

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

SUMMARY STATEMENTS OF SERVICE PROVISION

Levels of Service	Performance Measure	Targets 2016/17	Results 2016/17	Results 2015/16
	d) Resolution of non-urgent call-outs: from the time that the Council receives notification to the time that service personnel confirm resolution of the fault or interruption.*	120 hours	Not achieved The median time for resolution of the fault from the time the call was received was 135.42 hours.	Not achieved The total call out for the period totalled 228. Of those, Council collected data for 171. The median time for resolution of the fault from the time the call was received was 289.48 hours.
	The average consumption of drinking water per day per resident within the District.*	<1.3m ³ per person per day within urban schemes.	Not Achieved 2.41m ³	Not achieved 2.27m ³
Water is safe to drink	The extent to which the drinking water supplies comply with the drinking water standards for protozoal compliance.*	2 of 4 supplies comply Twizel upgrade completed in 2015/16	Not Achieved Twizel and Tekapo water supplies have been upgraded to meet drinking water standards, they do not technically comply as the Ministry of Health has not formally recognised these upgrades yet. The other two supplies do not currently comply.	Achieved 2 of 4 supplies comply
	The extent to which the drinking water supplies comply with the drinking water standards for bacteria compliance*	≥95% compliance for all 4 supplies	Achieved 95.5% – 9 transgressions from 201 samples.	Achieved 98% – 6 transgressions from 312 samples.
Residents are satisfied with the water supply provided	The total number of complaints received about any of the following: a) Drinking water clarity b) Drinking water taste c) Drinking water odour d) Drinking water pressure or flow e) Continuity of supply; and f) Council's response to any of the above, Expressed per 1000 connections to the networked reticulation system. *	Less than 5 complaints per 1000 connections within urban Schemes	Achieved 1 complaint received per 1,000 properties connected. This covers 4 water supplies with 2,542 properties connected and only 1 complaint was received.	Achieved 2.8 complaints received per 1,000 properties connected. This covers 4 water supplies with 2,814 properties connected and only 10 complaints were received.
	% of ratepayers satisfied with the water supply service.	80%	Achieved 90%	Achieved 81%

* Mandatory Performance Measure

Definitions: *Urgent* – no water, major mains break or water leak with potential to effect large numbers of properties.

Non-urgent – applies to all other issues.

Complaint– Second report to Council or its contractors by the same party about the same issue.



SUMMARY STATEMENTS OF SERVICE PROVISION

Sewerage

Levels of Service	Performance Measure	Targets 2016/17	Results 2016/17	Results 2015/16
Sewage is managed without risk to public health	The number of dry weather sewerage overflows from Council's sewerage system, expressed per 1000 sewerage connections to that sewerage system.*	≤5	Achieved There were 0 dry weather sewerage overflows.	Not Achieved 7.2 per 1,000 properties connected. This equates to 18 overflows from the 2,489 properties connected.
Safe discharge of wastewater	Compliance with the Council's resource consents for discharge from its sewerage system measured by the number of: a) abatement notices b) infringement notices c) enforcement orders, and d) convictions Received by the Council in relation those resource consents.*	Nil Nil Nil Nil	Achieved Nil Nil Nil Nil	Achieved Nil Nil Nil Nil
Sewage is able to be disposed of without significant disruption	Where the Council attends to sewerage overflows resulting from a blockage or other fault in the Council's sewerage system, the following median response times measured: a) attendance time: from the time that the territorial authority receives notification to the time that service personnel reach the site, and b) resolution time: from the time that the territorial authority receives notification to the time that service personnel confirm resolution of the blockage or other fault.*	≤1 hour ≤4 hours	Achieved There were no call-outs for the year. Achieved There were no call-outs for the year	Not achieved The median attendance time from notification to arriving onsite was 4.5 hours. There were 18 call-outs for the year. Not achieved The median resolution time from notification to resolution was 8.5 hrs. There were 18 call-outs for the year
Sewage is able to be disposed of without significant disruption	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, and d) the Council's response to issues with its sewerage system. Expressed per 1000 connections to the Council's sewerage system.*	≤50	Achieved 2.7 per 1,000 properties connected. This covers 4 sewerage schemes with 2,566 properties connected and only 7 complaints were received.	Achieved 7.6 per 1,000 properties connected. This covers 4 sewerage schemes with 2,489 properties connected and only 19 complaints were received.
Sewage is managed without risk to public health	Percentage of ratepayers satisfied with the sewage treatment and disposal service.	85%	Achieved 98%	Achieved 100%

* Mandatory Performance Measure

Definitions: *Urgent* – sewerage overflow, sewerage pump failure and blocked drains.

Non-urgent – odours and all other reports.

Complaint – second report to Council or its contractors by the same party about the same issue.

Sewerage



SUMMARY STATEMENTS OF SERVICE PROVISION

Stormwater

Levels of Service	Performance Measure	Targets 2016/17	Results 2016/17	Results 2015/16
System adequacy – the stormwater system is adequately sized and maintained.	The number of flooding events that occur in the district.* For each flooding event, the number of habitable floors affected (per 1000 properties connected to the Council's stormwater system)*	Less than or equal to 2 flooding events. Less than or equal to 2 per flooding event, per 1000 properties connected to the stormwater system.	Achieved 1 event on 16/11/16 in Fairlie Achieved 1 habitable floor effected per 1000 properties.	Achieved Nil – no flooding events occurred during 2015/16 Achieved Nil – no reports of flood water entering houses
Discharge compliance – the stormwater system is managed in accordance with consent conditions.	Compliance with the Council's resource consents for discharge from its stormwater system, measured by the number of abatement notices, infringement notices, enforcement orders, and convictions*	Nil abatement or infringement notices Nil enforcement orders or convictions	Achieved No abatement or infringement notices issued for the period Achieved No enforcement orders or convictions issued for the period	Achieved No abatement or infringement notices issued for the period Achieved No enforcement orders or convictions issued for the period
Response times – flooding events from the stormwater system are promptly attended to.	The median response time to attend a flooding event, measured from the time that the Council receives notification to the time that service personnel reach the site.*	2 hours, including travel time to remote parts of the district.	Achieved Whitestone attended the event on the 16/11/16 prior to any properties being effected	Achieved No flooding events occurred during 2015/16
Customer satisfaction – the stormwater system is managed to an appropriate quality of service.	The number of complaints received by the Council about the performance of its stormwater system, expressed per 1000 properties connected to the stormwater system.*	Less than 5 complaints per 1000 properties connected to the stormwater system.	Achieved 0.6 per 1,000 properties connected.	Achieved No complaints received

* Mandatory Performance Measure

Definitions: *Urgent* – imminent risk to property.

Non-urgent – all other issues.

Note: This service provision relates to the stormwater network that is independent of the road drainage system

Stormwater



SUMMARY STATEMENTS OF SERVICE PROVISION

Roading

Levels of Service	Performance Measure	Targets 2016/17	Results 2016/17	Results 2015/16
Council provides safe, smooth, quality sealed roads in order to reduce travel times and vehicle wear.	The average quality of ride on a sealed local road network, measured by smooth travel exposure.*	90% for rural and 75% for urban roads.	Achieved 98.7% for rural and 96.6% for urban roads.	Achieved 98% for rural and 96% for urban roads.
	The percentage of the sealed local road network that is resurfaced.*	≥4%	Achieved 10.3% (22km resurfaced)	Achieved 10% (21.6km resurfaced)
	The percentage of the unsealed road network renewed using wearing course and stabilisation techniques.	≥2%	Achieved 8.8% (45.6km wearing course)	Achieved 11% (57km wearing course)
	The percentage of road users satisfied with the roading network.	≥80%	Achieved 92%	Achieved 87%
Council provides a safe and efficient roading network.	The change from the previous financial year in the number of fatalities and serious injury crashes on the local road network caused by road conditions, expressed as a number.*	Change from previous financial year = 0 (equates to a total target of ≤2 fatality and serious injury crashes).	Achieved Unchanged	Achieved Unchanged
	The percentage of customer service requests relating to roads and footpaths to which Council responds within the timeframe specified in the LTP.*	≥75% of service requests relating to roads and footpaths will be responded to within 10 working days.	Achieved 100% – 7 service requests were received. All were responded to within the required timeframes	Achieved 75% – 8 service requests were received and 6 were responded to within the required timeframes
Footpaths are maintained in good condition and are fit for purpose	The percentage of footpaths that fall within the level of service or service standard for the condition of footpaths that is set out in the LTP.*	≥75% of the total length of footpaths are at or above the 'average condition rating'. Condition rating will be undertaken at not less than 5 years frequency.	Achieved 95%	Achieved 86%

*Mandatory Performance Measure

Roading



SUMMARY STATEMENTS OF SERVICE PROVISION**Planning and regulatory**

Levels of Service	Performance Measure	Targets 2016/17	Results 2016/17	Results 2015/16
To effectively manage environmental issues within the District.	The percentage of those surveyed that are satisfied by the belief that the Council are adequately managing resource management issues in the District.	≥80% positive feedback to a customer survey.	Not Achieved CINTA Survey 2017 showed 63% satisfaction.	Achieved CINTA Survey 2016 showed 82% satisfaction.
To provide a customer focused service for processing resource consents while achieving our obligations under the Resource Management Act 1991.	Non-notified consents are processed within the statutory timeframe of 20 working days. The percentage of applicants for resource consents that are satisfied with the quality of the service they receive.	≥95% compliance. 80% positive feedback to a customer survey.	Not Achieved 85% of consents were processed within the timeframe. Not Achieved Research First Survey July 2017 showed 61% satisfaction.	Not Achieved 74% of consents were processed within the timeframe. Not Achieved Research First Survey 2016 showed 62% satisfaction.
To provide a customer focussed building control service that achieves our obligations under the Building Act 2004.	Building consents are processed within the statutory timeframe of 20 working days. The percentage of applicants for building consents that are satisfied with the quality of the service they receive.	95% compliance ≥80% positive feedback to a customer survey.	Not Achieved 91% of consents were processed within the timeframe. Not Achieved Research First Survey July 2017 showed 61% satisfaction.	Not Achieved 85% of consents were processed within the timeframe. Not Achieved Research First Survey 2016 showed 62% satisfaction.
To provide a safe environment for dogs and the public to co-exist.	The percentage of those surveyed that believe the Council is adequately managing dog control issues in the District.	≥80% positive feedback to a customer survey.	Achieved CINTA Survey 2017 showed 93% satisfaction.	Achieved CINTA Survey 2016 showed 84% satisfaction.
For the Council to be prepared to respond to a civil defence emergency.	Council staff and volunteers are familiar with their roles and are adequately trained.	Training is attended as required, and the Council will participate in one training exercise per year.	Achieved Council staff participated in Emergency Operations Centre training in November 2016.	Achieved Council staff participated in Emergency Operations Centre training in April 2016.
For the public to be adequately prepared for a civil defence emergency.	The percentage of the community surveyed that believe they are adequately prepared for a civil defence emergency.	≥80% favourable response from a customer survey.	Achieved Community survey 2017 showed 82% satisfaction.	Achieved Community survey 2016 showed 89% satisfaction.

SUMMARY STATEMENTS OF SERVICE PROVISION

Levels of Service	Performance Measure	Targets 2016/17	Results 2016/17	Results 2015/16
To manage fire risk and to be able to provide a ready and capable response to rural fires. **	The Council has capable rural fire response teams across the Mackenzie District.	All volunteer rural fire teams are trained to industry standards.	Achieved Volunteers were successfully trained to industry standards.	Achieved Volunteers were successfully trained to industry standards.
	The percentage of the community surveyed that believe the Council is adequately prepared to respond to rural fires.	≥80% favourable response from a customer survey	Achieved CINTA Survey 2017 showed 86% satisfaction.	Achieved CINTA survey showed 92% satisfaction.

Planning and regulation

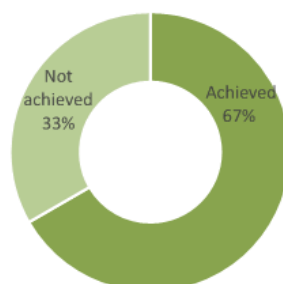


SUMMARY STATEMENTS OF SERVICE PROVISION

Community and township services

Levels of Service	Performance Measure	Targets 2016/17	Results 2016/17	Results 2015/16
Township services and facilities are provided and maintained to an acceptable level	Average customer satisfaction rating for township services and facilities.	84% or above	Achieved 88.71% of those surveyed were satisfied with township services & facilities; the average was down by satisfaction with public toilets. Despite significant ongoing investment in Public toilets. The ratepayer satisfaction level continues to decline. Perhaps this reflects the ratepayer's reluctance to fund services primarily for visitors.	Achieved 90.66% of those surveyed were satisfied with township services & facilities; the averaged was pulled down by satisfaction with public toilets. In both Tekapo & Twizel Council is responding by making changes at Twizel & bought forward replacement toilets in Tekapo
Engage the community to achieve waste reduction	The percentage of solid waste from the district resource recovery diverted from landfills.	>37%	Achieved 39.6%	Achieved 38.2%
Waste is handled hygienically	Compliance with resource consent conditions.	100% compliance	Not Achieved 95% compliant A minor non-compliance was received for the Twizel Clean fill site where a fire box was disposed in the site that did not comply with resource consent conditions, this item was removed and the compliance issue was resolved.	Achieved 100% compliant

Community and township



SUMMARY STATEMENTS OF SERVICE PROVISION

Tourism, Economic development and commercial activities

Levels of Service	Performance Measure	Targets 2016/17	Results 2016/17	Results 2015/16
Investments – The community expects the investments of the Council to be managed wisely.	Council's cash investment portfolio independently reviewed each quarter, and performance of investments against the Bancorp Ltd benchmark portfolio.	Council's cash investment portfolio independently reviewed each quarter and investments outperform the Bancorp Ltd benchmark portfolio.	Not Achieved The Council's investment portfolio outperformed the Bancorp Ltd benchmark in three of the four quarters.	Achieved The Council's investment portfolio outperformed the Bancorp Ltd benchmark in all four quarters.
Real Estate	Council to undertake a review of its real estate and surplus land, including the Tekapo Lakefront Development. This was a new measure in 2013/14 with a review to be completed by 2017/18.	N/A	N/A	N/A
To foster the economic development of the district as a whole.	Percentage of ratepayers satisfied with the Council's tourism promotion and economic development	≥80%	Achieved 86% of respondents were either satisfied or somewhat satisfied with Council's performance. The results of the survey in relation to Economic Development seem to have driven the increase in satisfaction.	Achieved 83% of respondents were either satisfied or somewhat satisfied with Council's performance. The results of the survey in relation to Economic Development seem to have driven the decrease in satisfaction.

Tourism, economic development and commercial



SUMMARY FINANCIAL STATEMENTS

Summary Statement of Comprehensive Revenue and Expense for the year ending 30 June 2017

	2016	2017	
	Actual \$000's	Annual Plan \$000's	Actual \$000's
Total Revenue	20,796	16,926	20,849
Total Expenses	16,173	13,862	16,613
Surplus/(deficit)	4,623	3,064	4,237
Financial assets at fair value through other comprehensive income	1,058	0	536
Gain on infrastructure revaluations	0	0	13,831
NET COMPREHENSIVE REVENUE AND EXPENSE FOR THE YEAR	5,681	3,064	18,604

Summary Statement of Changes in Equity for the year ending 30 June 2017

	2016	2017	
	Actual \$000's	Annual Plan \$000's	Actual \$000's
EQUITY AT START OF THE YEAR	218,909	211,781	224,590
Gains/(losses) on financial assets valuation	1,058	0	536
Gains/(losses) on property valuation	0	0	13,831
Net income/(expense) recognised directly in equity	1,058	0	14,367
Net comprehensive income	4,623	3,064	4,237
TOTAL EQUITY AT END OF THE YEAR	224,590	214,845	243,194

Summary Statement of Financial Position as at 30 June 2017

	2016	2017	
	Actual \$000's	Annual Plan \$000's	Actual \$000's
Total Current Assets	12,310	12,895	16,207
Total Non Current Assets	215,153	205,177	230,823
Total Assets	227,463	218,071	247,030
Total Current Liabilities	2,796	2,085	3,757
Total Non Current Liabilities	77	1,142	79
Total Liabilities	2,873	3,227	3,836
NET ASSETS	224,590	214,845	243,194
Components of equity			
Accumulated funds	104,743	107,885	112,206
Capital reserves	1,500	(438)	(371)
Operating reserves	(485)	(2,745)	(524)
Special funds	5,770	6,097	5,907
Other reserves	46	42	47
Asset revaluation reserves	113,016	104,004	125,929
TOTAL EQUITY	224,590	214,845	243,194

Summary Statement of Cash Flows for the year ending 30 June 2017

	2016	2017	
	Actual \$000's	Annual Plan \$000's	Actual \$000's
Net increase (decrease) in cash and cash equivalents	(4,016)	(384)	3,574
Add cash at start of the year	7,286	7,169	3,270
CASH AND CASH EQUIVALENTS AT END OF THE YEAR	3,270	6,785	6,844
THE CHANGE IN THE CASH BALANCE IS DUE TO:			
Net cash flows from operating activities	2,059	3,639	4,635
Net cash flows from investing activities	(6,075)	(5,102)	(1,061)
Net cash flows from financing activities	0	1,079	0
NET INCREASE (DECREASE) IN CASH HELD	(4,016)	(384)	3,574

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

Disclosures

Summary Notes

Reporting entity

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

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

The Council has designated itself as a public benefit entity (PBEs) for financial reporting purposes. The financial statements of the Council are for the year ended 30 June 2017. The financial statements were authorised for issue by Council on 12 December 2017.

Basis of preparation

The financial statements of Mackenzie District Council on which this summary is based, have been prepared in accordance with the requirements of the Local Government Act 2002: which includes the requirement to comply with New Zealand generally accepted accounting practice (NZ GAAP).

The financial statements have been prepared in accordance with Tier 2 PBE standards with Reduced Disclosure Requirements ("PBE RDR"). The Council qualifies for Tier 2 because it does not have public accountability and is not large under the PBE Standards. These financial statements comply with PBE Standards.

Council confirms that all other statutory requirements relating to the Annual Report have been complied with. This Summary Annual Report has been prepared in accordance with the Public Benefit Entity Financial Reporting Standard 43 (PBE FRS43) Summary Financial Statements.

Measurement base

The financial statements have been prepared on an historical cost basis, modified by the revaluation of land, buildings and certain infrastructural assets, properties identified for disposal and biological assets.

Functional and presentation currency

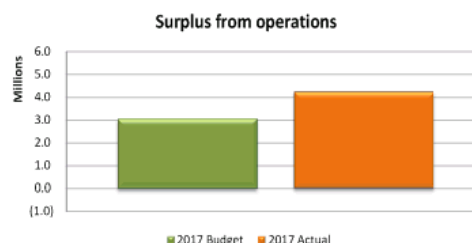
The financial statements are presented in New Zealand dollars and all rounded to the nearest thousand dollars (\$'000). The functional currency of the Council is New Zealand dollars.

Explanations of Major Variances against Budget

Explanations for major variances from Mackenzie District Council's estimated figures for the 2016/2017 year in the Annual Plan 2016-2017 are as follows:

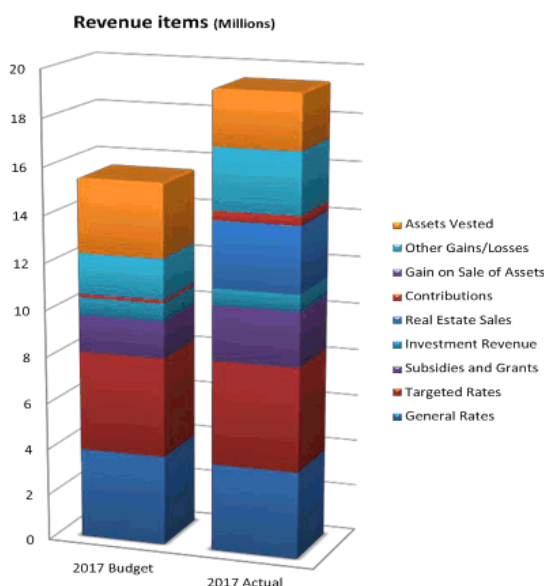
Statement of Comprehensive Revenue and Expense

Surplus from operations



Council's net comprehensive revenue and expense of \$18,604,000 was \$15,540,000 more than the budgeted profit of \$3,064,000. Revenue was \$20,849,000, compared to the budgeted revenue of \$16,926,000. This is due to the net effect of the following variances in revenue and in expenditure as detailed below.

Revenue



Subsidies and grants

Subsidies and grants were \$2,349,000 being \$778,000 above the budget of \$1,571,000.

This is partly due to an extra \$292,000 of NZTA monies received. Subsidies are directly related to the amount of money the Council spends on the Rooding activity, whether capital expenditure or operating expenditure. \$79,000 of petrol tax was also received this year and was not budgeted for. Funding was received from the Ministry of Business, Innovation and Employment of \$405,000 for the construction of two public toilets in Tekapo. The grant was not forecast in the annual plan.

Real estate sales

Revenue from real estate sales was \$2,825,000. This resulted from two Tekapo lakefront lots sold and a further sale in Fairlie. Final settlement was received for four Pukaki Airport properties totalling \$657,000. However, one property sold in a prior year was purchased back.

Contributions

These contributions are generated as a result of developers giving effect to subdivision plans and have contributed \$386,000 (budget \$120,000) in revenue for the year. Contributions are \$266,000 higher than expected due to increased development in the District.

- Other revenue** Other revenue is \$4,004,000; \$808,000 more than the budget of \$3,196,000. This is largely due to:
- the gain realised on 5 residential sections sold in Twizel,
 - carbon credits worth \$275,000 issued to Council during the year, and
 - the forestry revaluation gain of \$527,000, which is \$27,000 higher than anticipated.

Offset against these gains is the loss on disposal value of \$221,000 of the fire response assets. Council transferred ownership of its fire response assets on 30 June 2017 for the formation of Fire and Emergency New Zealand (FENZ).

- Vested assets** Revenue from vested assets totalled \$2,334,000, which is \$811,000 less than the estimated budget of \$3,145,000.

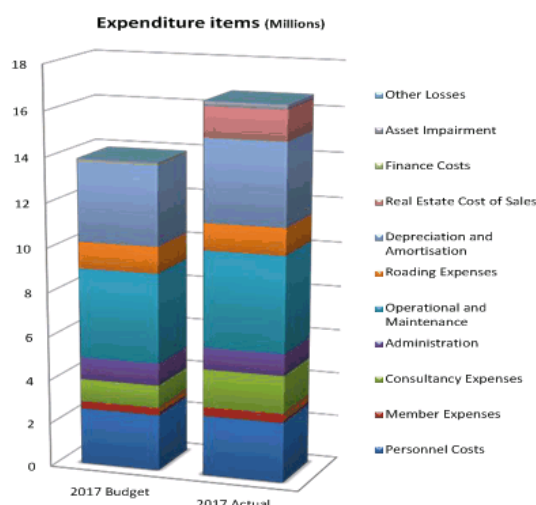
The Lake Tekapo footbridge was vested to Council during the year \$2,333,540. Vested asset revenue is largely dependent on the infrastructural assets that are expected to be vested in Council from developers. They are a non cash item and subject to the number of subdivisions that are completed. Infrastructural assets vested to Council this year from Tekapo developers for \$1,545,000, including water assets \$261,000, sewer assets \$263,000, stormwater assets \$288,000 and roading assets \$733,000 has been restated.

The change in the timing of recognition of vested assets has meant that no revenue has been recognised in this financial year for these infrastructural vested assets and has reallocated the revenue into prior financial years.

- Financial assets at fair value through other comprehensive revenue and expense** The movement for the year was a gain of \$536,000. \$597,000 of this gain relates to the revaluation of the Alpine Energy shares. This gain in value is not a cash transaction. The unrealised gain represents the change in the market value of the shares for the year for accounting purposes only. This gain has been offset by a small decrease in the value of investment stock held totalling \$61,000.

- Property, plant and equipment revaluations** Council undertook the revaluation of its land and buildings and infrastructural assets. The resulting unrealised gain on property, plant and equipment revaluations was \$13,831,000. The revaluation was not budgeted due to the inherent difficulties in forecasting market conditions and changes in technology which affect fair value.

Expenditure



- Personnel costs** Personnel costs were \$2,734,000; being \$176,000 more than the budget of \$2,558,000 due to recruitment costs being higher than expected by \$70,000.

- Depreciation and amortisation** Depreciation of \$3,669,000, being \$118,000 higher than the budget of \$3,551,000. This is due to a higher depreciation charge over the last financial year as a result of the revaluation of Councils infrastructure assets.

- Real estate cost of sales** Real Estate cost of sales was \$1,339,000 was unbudgeted. This relates to the land costs and realisation of revaluation reserves associated with the sections sold.

- Loss on sale and asset impairment** Carbon credits were sold and realised at a value lower than the fair value assessed at the end of the last financial year. This resulted in a loss on sale of the carbon credits for \$215,000.

- Other expenses** Costs for the year are \$8,236,000; \$954,000 more than the budgeted cost of \$7,282,000. The main reasons for this are:

- The operational and maintenance costs for the Twizel water supply and Tekapo reservoir were higher than budget by \$154,000. An explanation for this and other operating expenditure variances are reported in detail by significant activity in the cost of service statements in the Group Activities section,
- Unbudgeted outsourcing of information technology services \$178,000,
- Consultancy costs in the planning activity are \$90,000 above budget relating to Plan Change 13 and District Plan review, and
- Outsourcing the processing of resource consent applications \$265,000 and building consent applications \$116,000.

Events after Balance Date

- Pukaki Airport Board Land Sales** During the year, Pukaki Airport Board entered into five new Sale and Purchase Agreements with a third parties for the disposal of parcels of land held for a total cash consideration of \$1,147,740 (\$2016:\$1,050,390). The initial deposits received for three of the properties totalled \$69,680, which are included in Note 20: Payables and deferred revenue as deposits on land sales as at the end of the financial year. The disposal is expected to be completed by the end of the 2020/2021 financial year. The remaining amounts receivable (including sales from previous years) prior to settlement are collectible as follows:

	2016 Actual \$000's	2017 Actual \$000's
Not later than one year	329,281	251,464
Later than one year, not later than two years	274,771	251,464
Later than two years, not later than five years	274,771	624,080
Total receivable	878,823	1,127,008

- Mackenzie District Council Land Sales** During the year, Council entered into one Sale and Purchase Agreement with a third party for the disposal of a parcel of its land on Lakeside Drive, Tekapo for a cash consideration of \$2,695,000 (2016: \$892,000). The deposit received of \$206,500 is held in escrow until settlement. Settlement is to be within 20 days of the title being issued, which is expected to be completed during the 2017/2018 financial year. The balance of \$1,630,000 for Lot 2 is payable within 25 months of the settlement date of Lot 1. The land sold is currently classified within land in property, plant and equipment with a book value totalling \$409,956. (2016: \$1,350,000).

There have not been any further Twizel properties sold during the financial year with a settlement after the balance sheet date. (2016: \$892,000)

Plan Change 13 On 7 September 2017, the Environment Court released the 12th decision relating to Plan Change 13, which has clarified matters that had been challenged relating to grassland boundaries, pastoral intensification, sub-divisional fencing and ecological aspects of the landscape. There are two matters outstanding matters before the Court that are likely to be finalised by the Environment Court before the end of the year.

New Contract Agreements On 31 July 2017, Council entered into a contract with Timaru District Council and Waimate District Council for road resurfacing work over the next two years. Mackenzie District Councils share totals \$500,000 for the first year with a similar spend expected in the second year however is subject to change.

information in the 30 June 2017 financial statements, have been restated to reflect this change.

The 2016 adjustments are shown in the table below.

	2016 Actual		
	Before adjustments \$000's	Adjustments \$000's	After adjustments \$000's
Revenue			
Vested assets	231	758	989
Non-current Assets			
Property, plant and equipment	184,071	1,545	185,616
Equity			
Reserves	118,302	1,545	119,847

Statutory deadline

Section 98 of the Local Government Act 2002 requires that Council adopts its annual report within four months after the end of the financial year. Council was not able to comply with this requirement for the year ended 30 June 2017 and the annual report was not adopted until 12 December 2017.

Adjustments to the comparative year financial statements

During 2017, Council adjusted its comparative year financial statements for the year ended 30 June 2016 due to a change in the timing of recognition of vested assets.

Vested assets are transferred to Council at nominal or zero cost, usually resulting when a developer has installed assets as part of developing a site and passes them to Council to manage, maintain, and deliver services through.

The fair value of vested assets is determined when they are integrated into Council's asset information system so that they can be appropriately managed. When control of these assets is transferred to Council, Council accounts for vested assets in the financial statements as revenue and property, plant and equipment.

In previous years, vested assets were recognised upon completion of the maintenance period for all the physical works for the asset. Vested assets are now recognised in the year that the relevant s224 certificate is issued. As a consequence, assets will be vested to Council earlier in the process, in conjunction with the revenue and asset accounting entries.

This change in practice meant that vested asset revenue was considered overstated by \$1,545,000 in 2016/2017 and the restatement of vested asset revenue and property, plant and equipment that had been reported in prior years was necessary. However, the closing value of property, plant and equipment and equity for the 2016/2017 financial year has not changed.

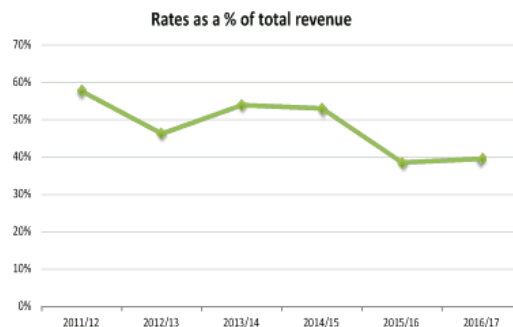
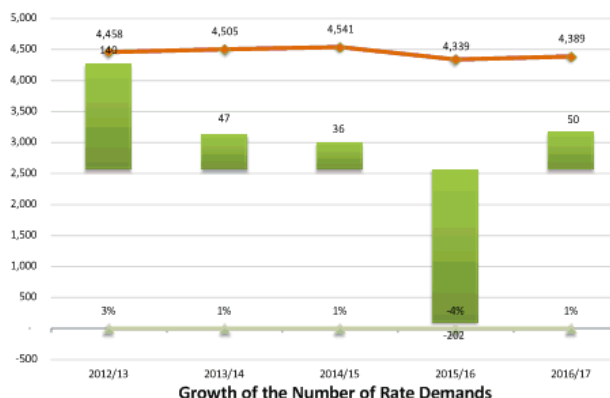
The restatement involved the following:

- \$989,000 of vested assets recognised in 2016, increasing vested asset revenue and property, plant and equipment.
- \$556,000 of vested assets, adjusted the 2015 closing equity property, plant and equipment that becomes the 2016 opening balances, and
- \$ 231,000 has been reallocated from 2016 revenue and restated into 2015 closing equity and incorporated in 2016 opening equity and property, plant and equipment

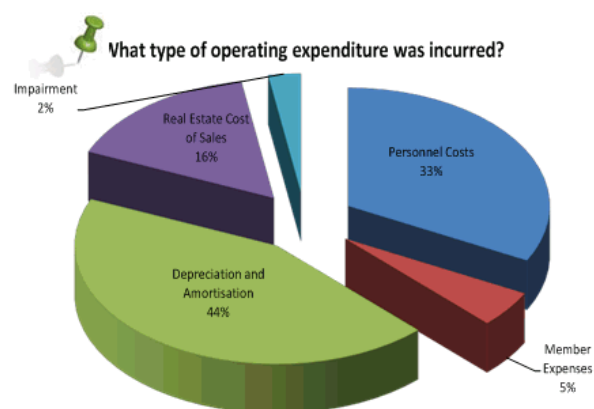
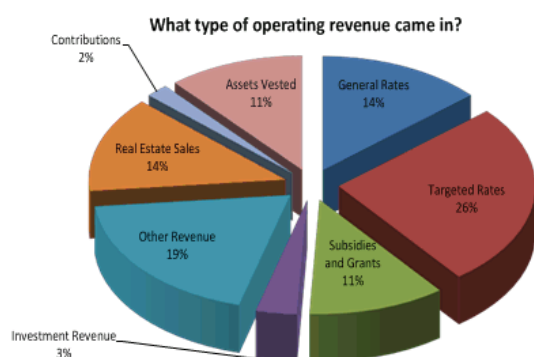
The nature of this change means that the cumulative effect of the restatement impacts on more than one financial year as it occurred before the earliest prior period presented. Council is required to restate published financial information as far back as is practicable. The restatement is limited to the opening balances of the comparative information presented for property, plant and equipment and equity for the 2015 closing which becomes the 2016 opening balances.

The financial statements for 2016, which are presented as comparative

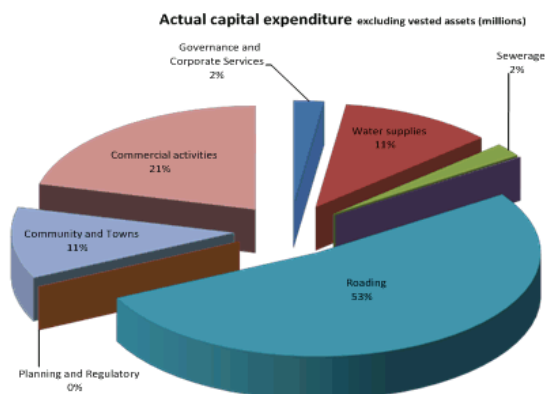
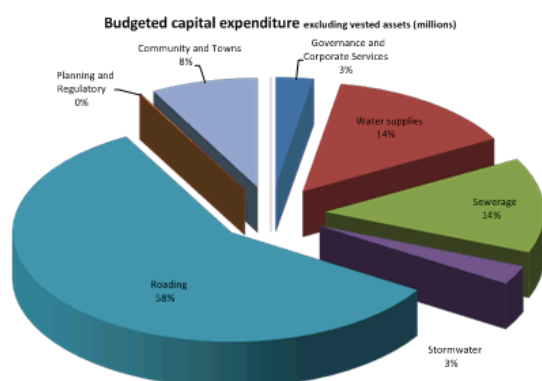
FINANCIAL OVERVIEW



Operational



Capital





Disclaimer

1. The specific disclosures included in the summary financial report have been extracted from the full financial report adopted on XX December 2017. This summary has been prepared in accordance with PBE FRS 43: Summary Financial Statements.
2. The summary annual report cannot be expected to provide as complete an understanding as provided by the full annual report. A copy of the annual report may be obtained from the Council's offices or on the Council's website (www.mackenzie.govt.nz).
3. The summary has been examined for consistency with the full Annual Report and was audited by Audit New Zealand on behalf of the Office of the Auditor-General. The full annual report received an unqualified audit opinion on XX December 2017.
4. The specific disclosures included in this Summary Annual Report have been extracted from the full Annual Report that was authorised for issue by Council's Chief Financial Officer on XX December 2017.

AUDIT NEW ZEALAND
Mana Arotake Aotearoa

**Independent Auditor's Report
To the readers of
Mackenzie District Council's summary annual report
for the year ended 30 June 2017**

8.3 DELEGATION TO ISSUE INFRINGEMENTS UNDER SECTION 363 OF THE BUILDING ACT 2004**File Reference:** PAD 10/4**Author:** Grant Hyde, Building Control Manager**Authoriser:** Suzette van Aswegen, Chief Executive Officer**Attachments:** 1. Section 363  **PURPOSE OF REPORT**

The purpose of this report is to update the delegations register to include section 363 of the Building Act 2004.

STAFF RECOMMENDATIONS

1. That the report be received.
2. That Council approve an update the delegations register to include the following:

<i>Power to be Delegated</i>	<i>Statutory Reference</i>	<i>To whom delegated</i>	<i>Sub delegation allowed</i>
<i>Power to issue infringement notices</i>	<i>Building Act 2004 Section 363</i>	<i>CEO, Building Control Manager, Group Manager Regulations</i>	<i>No</i>

BACKGROUND

The purpose of the report is to update the delegations register to include reference to section 363 of the Building Act 2004 (the Act), and to provide for managers to issue infringement notices under that section and in accordance with Schedule 1 of the Building (Infringement Offences, Fees and Forms) Regulations 2007. This relates to the ability to take infringement action against property owners that allow the public to use buildings prior to receiving Code Compliance Certificate (CCC) or failing to apply for a Certificate of Public Use (CPU) and neglecting to extend an expired CPU within a specified date.

See attached section 363 from the Act. Public buildings must not be used without either a CPU or CCC.

POLICY STATUS

N/A

SIGNIFICANCE OF DECISION

The decision is not considered significant under the Council's significance and engagement policy.

OPTIONS

Option 1: For the Council to approve the amendment to the Delegations Manual to include this delegation to staff.

Option 2: for Council to decline the delegation.

Option 2 would require any decision to issue an infringement notice to come to a meeting of full Council. Council retains the ability to consider any decisions relating to prosecution, but its usual practice is to delegate the issuing of infringement notices to certain staff, for reasons of efficiency.

CONSIDERATIONS**Legal**

Refer to attached section 363.

Financial

N/A

Other

N/A

CONCLUSION

It is important that the Council is able to efficiently implement and enforce the provisions of legislation in fulfilling its statutory responsibilities. This includes the ability to enforce section 363 of the Act.

SUZETTE VAN ASWEGEN
CHIEF EXECUTIVE OFFICER

363 Protecting safety of members of public using premises open to public or intended for public use





- (1) A person who owns, occupies, or controls premises to which [section 362W](#) applies must not use, or permit the use of, any part of the premises that is affected by building work—
- (a) if—
- (i) a building consent is required for the work; but
 - (ii) no building consent has been granted for it; or
- (b) if a building consent has been granted for the work, but—
- (i) no code compliance certificate has been issued for the work; and
 - (ii) no certificate for public use has been issued under [section 363A](#) for the part; or
- (c) if a building consent has been granted for the work, and a certificate for public use has been issued under [section 363A](#) for the part, but—
- (i) no code compliance certificate has been issued for the work; and
 - (ii) the certificate for public use has been issued for the part subject to conditions that have not been complied with.
- (2) For the purposes of subsection (1), a part of premises may be affected by building work—
- (a) whether or not the work has been completed; and
- (b) whether the work is being or has been done to or in, or involves or involved the building of,—
- (i) the part itself; or
 - (ii) some other part of the building that the premises comprise or form part of.
- (3) A person who fails to comply with subsection (1) commits an offence.
- (4) A person who commits an offence under this section is liable on conviction to a fine not exceeding \$200,000 and, in the case of a continuing offence, to a further fine not exceeding \$20,000 for every day or part of a day during which the offence has continued.

Section 363: replaced, on 14 April 2005, by [section 22\(1\)](#) of the Building Amendment Act 2005 (2005 No 31).

Section 363(1): amended, on 1 January 2015, by [section 58](#) of the Building Amendment Act 2013 (2013 No 100).

Section 363(4): amended, on 1 July 2013, by [section 413](#) of the Criminal Procedure Act 2011 (2011 No 81).

8.4 RM170128 - PLACEMENT OF A GARAGE WITHIN BOUNDARY SETBACKS - 19 FRASER CRESENT, TWIZEL**File Reference:** RM170128**Author:** Suzanne Blyth, Resource Management Planner**Authoriser:** Karina Morrow, Planning Manager**Attachments:**

1. RM170128 - Site Location Plan [↓](#) 
2. RM170128 - Aerial Photograph [↓](#) 
3. RM170128 - Site Plan [↓](#) 
4. RM170128 - Hip Roof Plan and Elevations [↓](#) 

PURPOSE OF REPORT

For the Council to consider a request for affected person approval (under Section 95E of the Resource Management Act 1991) concerning a resource consent application from K. A. Marshall for a proposed garage at 19 Fraser Crescent, Twizel.

STAFF RECOMMENDATIONS

1. That the report be received.
2. That affected person approval (under Section 95E of the Resource Management Act 1991) be provided with regard to resource consent application RM170128 to erect a garage with reduced boundary setbacks at 19 Fraser Crescent, Twizel.

BACKGROUND

K. A. Marshall has applied for a resource consent to erect a garage with a reduced boundary setback, within the Residential 1 Zone at 19 Fraser Crescent, Twizel. The proposed garage location and design is shown in the Attachments 1, 2 and 3.

The proposed garage is 9.5 metres wide and 10.999 metres long, a total of 104 metres square metres. The garage has a pitched roof with gables in the north and south elevations, the height of the walls is 2.65 metres and the highest point of the roof is 3.848 metres, there are two sky lights along the western and eastern elevations respectively.

The structure will be clad in iron and coloured with light green walls and a dark green roof.

The proposed location of the garage is adjacent to a park owned and managed by the Mackenzie District Council (See Attachment 2 - Aerial Photograph). The park runs between Cass Crescent and Fraser Crescent, Twizel.

The applicant has proposed a setback of 0.2 metres to the council owned park.

The proposal as described above and shown in the attached plans, requires resource consent for the following matters:

- Boundary Setback: the proposed building will encroach the two metre boundary setback on the North West boundary of the site which adjoins a public walkway administered by Mackenzie District Council. The proposed setback is 0.2 metres (20 centimetres).

Given the above infringements, Council officers have concluded that there will be minor adverse effects on the adjoining land to the north west of the subject site, being a Mackenzie District Council park. As such, Council is considered to be an 'affected person' under Section 95E of the Resource Management Act 1991.

The Applicant, KA Marshall, has requested that Council provide written approval for the proposal. If Council provides written approval, any effects on them will be disregarded. If Council does not provide written approval, the application will need to proceed on a limited notified basis.

As outlined in the 'Roles and Delegations to Community Boards' dated 31 October 2016, Community Boards have delegation to recommend to Council whether or not it should provide or withhold affected person approval in the above situation. As such, at its meeting of 30 October 2017 the Twizel Community Board was asked to consider the application and make a recommendation to Council to either provide or withhold written approval as an affected person. The Twizel Community Board subsequently resolved the following:

"2. That the Twizel Community Board recommend to Council that affected person approval be provided with regard to resource consent application RM170128 to erect a garage with reduced boundary setbacks at 19 Fraser Crescent, Twizel."

Council is now asked to consider the application, and the recommendation from the Twizel Community Board, and either provide or withhold affected persons approval under Section 95E of the Resource Management Act 1991.

POLICY STATUS

Not applicable.

SIGNIFICANCE OF DECISION

This does not trigger Council's Significance and Engagement Policy.

OPTIONS

Option 1: Council provides affected person approval (Under Section 95E of the Resource Management Act 1991) to consent application RM170128, to erect a garage with a reduced boundary setback, at 19 Fraser Crescent, Twizel.

Option 2: Council does not provide affected person approval (Under Section 95E of the Resource Management Act 1991) to resource consent application RM170128, to erect a garage with a reduced boundary setback, at 19 Fraser Crescent, Twizel.

CONSIDERATIONS

Legal

Section 95E of the Resource Management Act 1991 (the Act) states that a person(s) is 'affected' if the adverse effects of an activity on them are 'minor' or 'more than minor' (but not 'less than minor'). In deciding this, section 95E(2) of the Act requires a consent authority to disregard any effects on persons who have provided written approval.

Financial

There are no financial considerations pertaining to this application.

Other

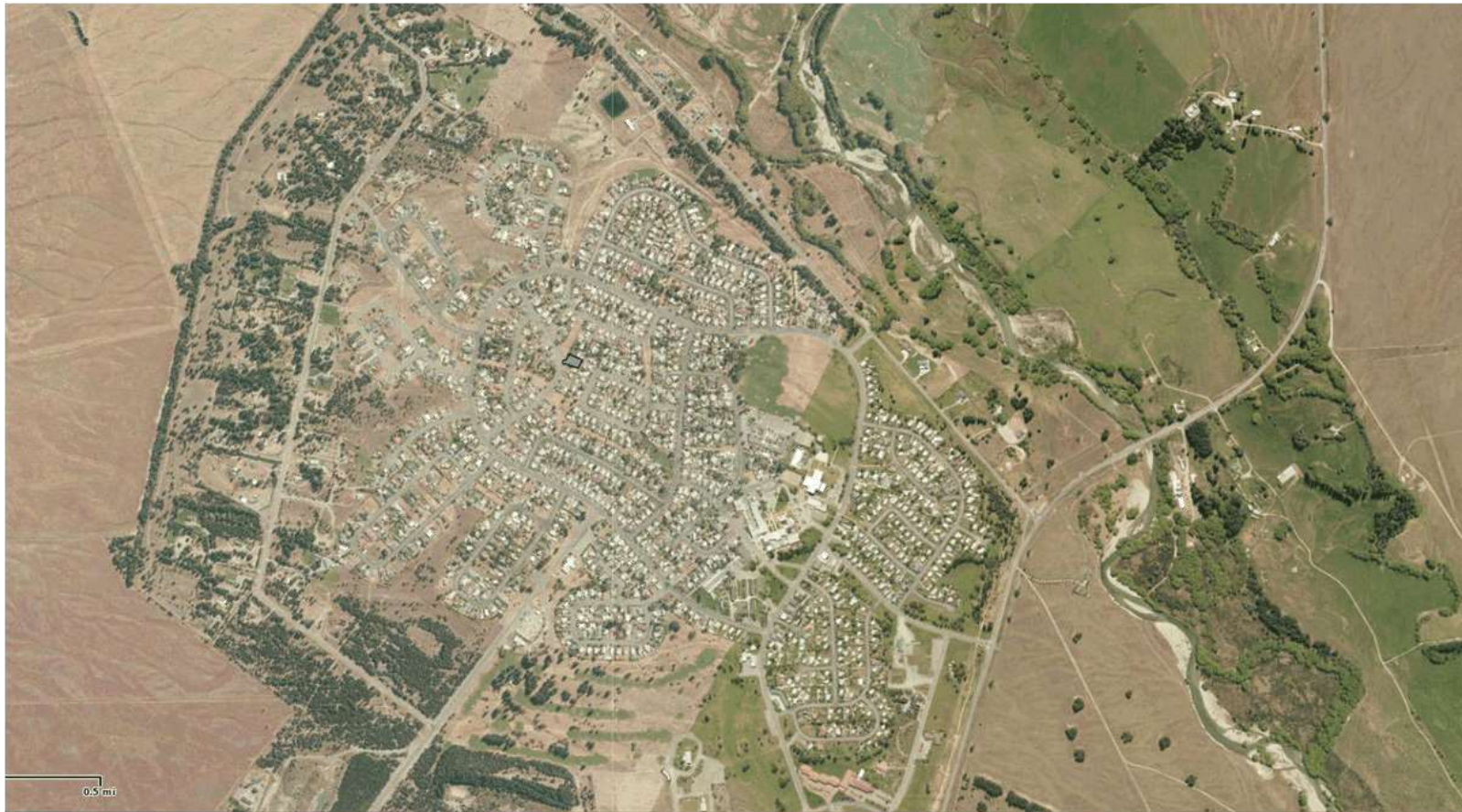
No other matters warrant consideration.

CONCLUSION

Council is asked to either provide or withhold written approval under Section 95E of the Resource Management Act 1991 for the proposed garage at 19 Fraser Crescent, Twizel.

SUZETTE VAN ASWEGEN

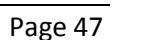
CHEIF EXECUTIVE OFFICER



Site location map for RM170128. The subject land is indicated by the blue box.



Aerial photograph. The subject land is indicated by a blue box.



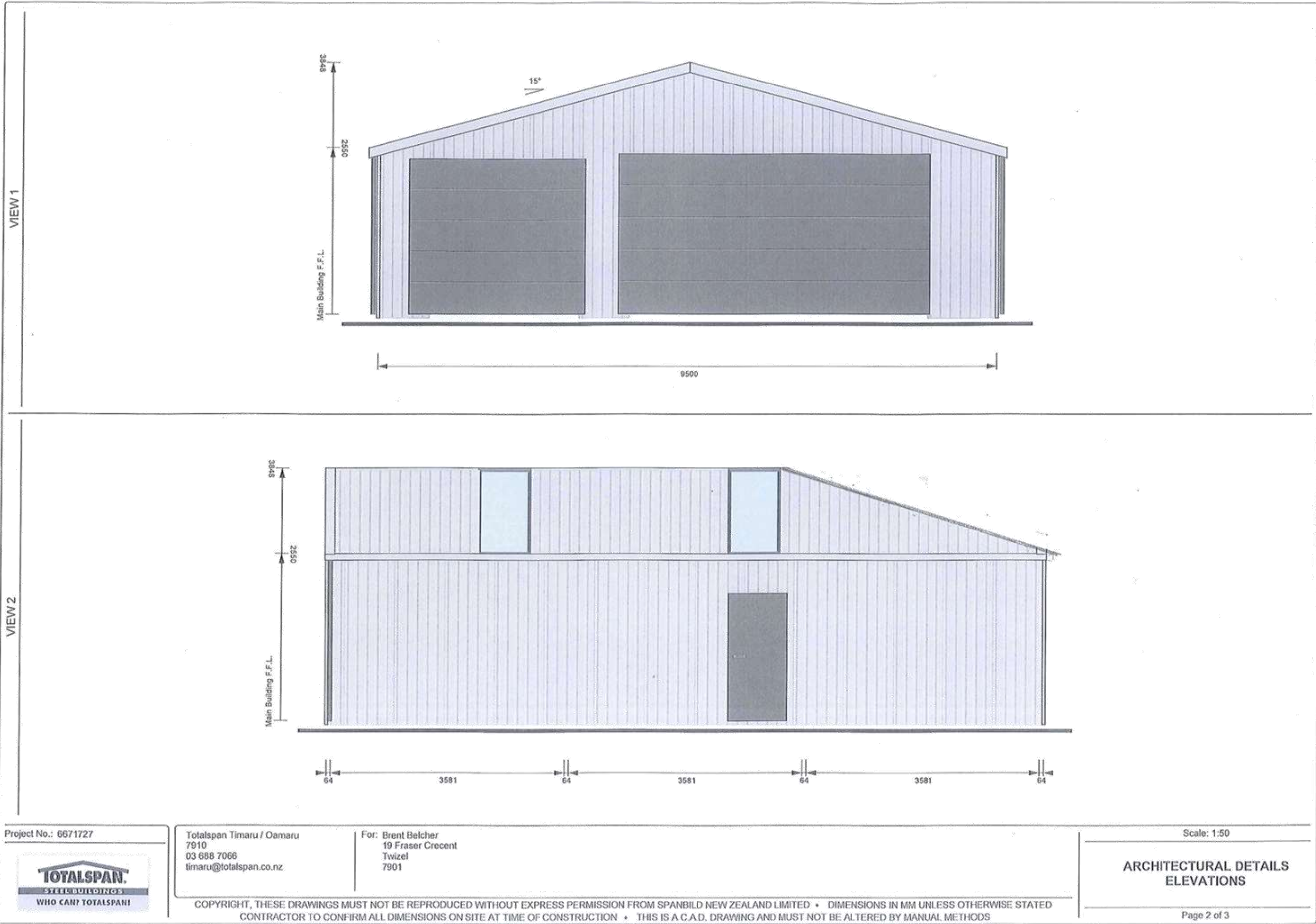


TOTALSPAN.
STEEL BUILDINGS
WHO CAN? TOTALSPAN!

For: Brent Belcher
19 Fraser Crescent
Twizel
7901

ARCHITECTURAL DETAILS
FLOOR PLAN

COPYRIGHT, THESE DRAWINGS MUST NOT BE REPRODUCED WITHOUT EXPRESS PERMISSION FROM SPANBILD NEW ZEALAND LIMITED • DIMENSIONS IN MM UNLESS OTHERWISE STATED
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8.5 OCCUPATIONAL FRAUD AND ABUSE POLICY

File Reference: FIN 10/4

Author: Katherine Hill, Senior Corporate Planner

Authoriser: Paul Morris, Chief Financial Officer

Attachments: 1. Proposed Occupational Fraud and Abuse Policy [↓](#) 

PURPOSE OF REPORT

For Council to adopt the proposed Occupational Fraud and Abuse Policy.

STAFF RECOMMENDATIONS

1. That the report be received.
2. That the Council adopt the proposed Occupational Fraud and Abuse Policy.

BACKGROUND

Council is committed to maintaining the highest professional and ethical standards. To aid this, Council has developed an Occupational Fraud and Abuse Policy to facilitate the development of controls that will aid in the detection and prevention of fraud against Council. The existing policy was adopted in 2011. Since its adoption, Council has sought a review of the policy by Deloitte.

Whilst the existing policy is functional, the review identified areas where clarification would improve its effectiveness. Deloitte's review was provided to the Audit and Risk Committee 22 August 2017 with a proposed policy which addresses the findings of Deloitte.

The Committee recommended that Council adopt the proposed Occupational Fraud and Abuse Policy, with the following amendments to be made:

- a) In paragraph one of the 'Background' section of the Policy, amend the first sentence to read *"The Mackenzie District Council ("The Council") is committed to maintaining the highest professional and ethical standards."*
- b) In paragraph one of the 'Background' section of the Fraud Response Plan, amend the first sentence to read *"The Mackenzie District Council ("The Council") is committed to maintaining the highest professional and ethical standards."*
- c) In the last paragraph of the 'Further Action' section of the Fraud Response Plan, delete the third bullet point referring to the Marketing and Communications Team.
- d) In paragraph one of the 'Employee Interview Requirements' section of the Fraud Response Plan, replace the first brackets with the title 'Manager responsible for Human Resources' and replace the second brackets with the title 'Chief Financial Officer', in the first bullet point.
- e) In paragraph two of the 'Involvement of Law Enforcement Agencies' section of the Fraud Response Plan, replace the brackets with the title 'Chief Financial Officer'.
- f) In paragraph three of the 'Involvement of Law Enforcement Agencies' section of the Fraud Response Plan, replace the brackets with the title 'Chief Financial Officer'.

The attached proposed Occupational Fraud and Abuse Policy has been amended to address the above matters.

POLICY STATUS

Council has an existing Occupational Fraud and Abuse Policy which will remain operative until final decisions have been made on the review and a revised policy has been adopted.

SIGNIFICANCE OF DECISION

The decision is not considered to be significant.

OPTIONS

The options available to Council are to either:

- a) Adopt the proposed Occupational Fraud and Abuse Policy, as attached to this report; or
- b) Instruct staff to make amendments to the Occupational Fraud and Abuse Policy and adopt the Policy subject to those specified changes.

CONSIDERATIONS**Legal**

N/A

Financial

N/A

Other

N/A

CONCLUSION

In light of the review of Council's existing Occupation Fraud and Abuse Policy, Council is asked to considered adopting a revised Policy as attached which addresses the matters raised in the review and recommendations from the Audit and Risk Committee.

SUZETTE VAN ASWEGEN

CHIEF EXECUTIVE OFFICER



Mackenzie District Council

Occupational Fraud and Abuse Policy

Date Adopted

1. BACKGROUND

The Mackenzie District Council ("The Council") is committed to maintaining the highest professional and ethical standards. Our reputation has been built over many years of effort by many people and we are absolutely committed to prevent the occurrence of fraud and corruption and our Firm's 'zero tolerance' attitude aligns well with our values.

All managers, staff and councillors are expected to share this commitment. This Occupational Fraud and Abuse Policy ("fraud policy") has been established to facilitate the development of controls that will aid in the detection and prevention of fraud against the Council. It also reinforces our commitment to protecting staff who may come forward with concerns about serious wrongdoing that could impact the reputation of the firm. The Council is committed to the continuous improvement of fraud prevention and detection techniques as this is the best way to manage fraud risk.

Fraud is defined as dishonestly obtaining a benefit by deception or other means (see also "Actions Constituting Fraud" below).

It is the intent of The Council to promote a counter-fraud culture by providing these guidelines and by assigning responsibility for the development of controls, protection of whistle-blowers, and the conduct of investigations.

2. SCOPE OF POLICY

This policy applies to any fraud, impropriety or dishonesty (suspected or actual), involving Partners, employees, councillors, consultants, vendors, contractors, outside agencies doing business with Partners and employees of such agencies and/or any other parties with a business relationship with The Council.

Any investigative activity required will be conducted without regard to the suspected wrongdoer's length of service, position/title, or relationship to the Council.

3. OCCUPATIONAL FRAUD AND ABUSE POLICY

The Council managers and staff ("The Council Personnel") must have, and be seen to have, the highest standards of honesty, propriety and integrity in the exercise of their duties.

The Council will not tolerate fraud, impropriety or dishonesty and will investigate all instances of suspected fraud, impropriety or dishonesty by The Council Personnel or external parties.

The Council Personnel must not defraud The Council, or other Personnel, clients or contractors of The Council.

The Council will take action – including dismissal and/or criminal prosecution against any member of Personnel defrauding or attempting to defraud The Council or other Personnel, clients or contractors of The Council. In every case The Council will make every effort to gather sufficient reliable evidence to support a prosecution.

The Council will always seek to recover funds or wrongfully obtained assets lost through fraud.

All allegations of suspected Fraud whether anonymous or otherwise, will be investigated.

Any irregularity that is detected or suspected must be reported immediately to the Chief Financial Officer or in his/her absence the Community Facilities Manager.

3.1. Actions Constituting Fraud

The Chief Financial Officer will coordinate all investigations.

The terms fraud, impropriety and dishonesty refer to, but are not limited to:

- Any dishonest or fraudulent act
- Theft
- obtaining property, a financial advantage or any other benefit by deception
- causing a loss, or avoiding or creating a liability by deception
- profiteering as a result of insider knowledge of Council activities or activities of Council Controlled Organisations
- disclosing to other persons securities activities engaged in or contemplated by the Council or any Council Controlled Organisation
- making, using or possessing forged or falsified documents
- bribery, corruption or abuse of office
- accepting or seeking anything of material value from contractors, vendors, or persons providing services/materials to the Council or any Council Controlled Organisation with an exception of gifts less than \$50 in value.
- unlawful use of Council's resources such as computers, telephones and other property or services
- relevant bankruptcy offences
- any offences of a like nature to those listed above
- Destruction, removal or inappropriate use of books, files, records, furniture, fixtures, equipment or any other assets of the Council.
- Any physical or mental abuse of any person including any discrimination on the basis of colour, ethnic race, age or sexual orientation.
- Any failure or breach of Council policy which places the Council at risk of, or causes loss, cost or action being taken by any party or a regulatory agency against the Council.
- Any similar or related irregularity

If there is any question as to whether an action constitutes fraud, contact the Chief Financial Officer for guidance.

3.2. Other Irregularities

Irregularities concerning an employee's moral, ethical, or behavioural conduct, should be resolved by departmental management.

If there is any question as to whether an action constitutes occupational fraud and abuse, contact the Chief Financial Officer for guidance.

3.3. Management Responsibilities

The Councillors are responsible for maintaining a climate of risk awareness by providing firm and visible support for fraud and corruption control management.

The Audit and Risk Committee and Executive Leadership Team ("Management") are responsible for the detection and prevention of fraud, impropriety and dishonesty. Each member of the management team will be familiar with the types of improprieties that might occur within his or her area of responsibility, and be alert for any indication of irregularity.

Management should be alert to the possibility that unusual events may be symptoms of fraud or attempted fraud and that fraud may be highlighted as a result of management checks or be brought to their attention by a third party. They are responsible for:

- Being aware of fraud; and
- Ensuring that an adequate system of internal controls exists within their area of responsibility and that those controls are operating effectively. These controls should include a system for undertaking regular reviews of transactions and activities that may be susceptible to fraud.

3.4. Whistle Blower Protection Responsibilities

The Council is committed to protect individuals who report suspected serious wrongdoing. The responsibility for ensuring confidentiality and overall protection of the individual(s) making disclosures rests with the Chief Financial Officer. Protection is also provided under the Protected Disclosure Act 2000.

In their absence, Council Personnel may contact the Chief Executive Officer or they may prefer to make a disclosure to their manager.

The Protected Disclosures Act 2000 offers Whistle Blower protection. Section 19 covers the Confidentiality of a Protected Disclosure. Section 7 of the Act specifies that employees shall follow internal procedures for disclosing serious wrongdoing. Sections 8, 9 and 10 of that Act outline the specific circumstances in which a disclosure of serious wrongdoing may be made to designated officials.

3.5. Investigation Responsibilities

The Council's Chief Financial Officer has the primary responsibility for the investigation of all suspected fraudulent acts as defined in the policy. This responsibility will include full documentation of the facts and circumstances of the matter. If the investigation substantiates that fraudulent activities have occurred, the Chief Financial Officer will issue reports to appropriate designated Personnel and, if appropriate, to the Audit and Risk Committee.

In the event the Chief Financial Officer is unavailable, the Community Facilities Manager will assume the Chief Financial Officer's responsibilities.

Where there is sufficient reliable evidence to support a prosecution, all instances of Fraud will be referred to an appropriate law enforcement agency for prosecution.

Please refer to the associated Fraud Response Plan for details on steps to be undertaken in the event an alleged fraud is identified or suspected.

3.6. Confidentiality

The Council and its Personnel must take all reasonable steps to protect the identity of the whistle-blower. Maintaining confidentiality of a person known or suspected of having made a disclosure is crucial in ensuring reprisals are not made against a whistle-blower.

The Chief Financial Officer will treat all information received confidentially. Any employee who suspects dishonest or fraudulent activity will notify either individual immediately, and should not attempt to personally conduct investigations or interviews/interrogations related to any suspected fraudulent act (see **Reporting Procedure** section below).

Investigation results will not be disclosed or discussed with anyone other than those who have a legitimate need to know. This is important in order to avoid damaging the reputations of persons suspected but subsequently found innocent of wrongful conduct and to protect The Council from potential civil liability.

Employees have protection under the Protected Disclosures Act 2000. This also ensures confidentiality of the Whistle Blower.

3.7. Communication Responsibilities

The Chief Financial Officer has overall responsibility for leading and the coordinating all communication internally and externally on fraud and corruption matters. Personnel are instructed to direct any communications, from either internal or external sources, to the Chief Financial Officer and are directed not to provide any comment to the other parties.

3.8. Authorisation for Investigating Suspected Fraud

Members of the Investigation Team as appointed by the Chief Financial Officer will have:

- Free and unrestricted access to all records and premises of The Council, whether owned or rented; and
- The authority to examine, copy, and/or remove all or any portion of the contents of files, desks, cabinets, and other storage facilities on the premises without prior knowledge or consent of any individual who might use or have custody of any such items or facilities when it is within the scope of their investigation.

3.9. Reporting Procedures

Great care must be taken in the investigation of suspected improprieties or irregularities so as to avoid mistaken accusations or alerting suspected individuals that an investigation is under way.

An employee who discovers or suspects fraudulent activity will contact either the Chief Financial Officer or the Community Facilities Manager immediately. The employee or other complainant may remain anonymous. All inquiries concerning the activity under investigation from the suspected individual, his or her counsel or representative, or any other inquirer should be directed to the Chief Financial Officer. No information concerning the status of an investigation will be given out.

The reporting individual should be informed of the following:

- Do not contact the suspected individual in an effort to determine facts or demand restitution.
- Do not discuss the case, facts, suspicions, or allegations with anyone unless specifically asked to do so by the Chief Financial Officer or the Community Facilities Manager.

Where a disclosure of serious wrongdoing is made under the Protected Disclosures Act 2000, the person to whom the disclosure is made must use his or her best endeavours not to disclose information that might identify the person who made the protected disclosure. The Act provides some exceptions to this general provision.

Please refer to the associated **Fraud Response Plan** for details on steps to be undertaken in the event an alleged fraud is identified or suspected.

3.10. Termination

If an investigation results in a recommendation to terminate an individual, the recommendation will be reviewed for approval by the Chief Executive Officer and, if necessary, by counsel, before any such action is taken.

4. ADMINISTRATION OF POLICY

The Chief Financial Officer is responsible for the administration, revision, interpretation and application of this policy. The policy will be reviewed annually and revised as needed.

Occupational Fraud and Risk Policy

Adopted by:

Adopted date: **Date**

Review date: **by Date**

MACKENZIE DISTRICT COUNCIL EXAMPLE FRAUD RESPONSE PLAN

1. BACKGROUND AND PURPOSE

The Mackenzie District Council ("The Council") is committed to maintaining the highest professional and ethical standards. Our reputation has been built over many years of effort by many people and we are absolutely committed to prevent the occurrence of fraud and corruption and our 'zero tolerance' attitude aligns well with our values.

This document is intended to provide direction and assistance to all Council managers and staff who may find themselves having to deal with suspected cases of theft, fraud or corruption.

2. ACTIONS CONSTITUTING FRAUD

The terms fraud, impropriety and dishonesty refer to, but are not limited to:

- Any dishonest or fraudulent act
- Theft
- obtaining property, a financial advantage or any other benefit by deception
- causing a loss, or avoiding or creating a liability by deception
- profiteering as a result of insider knowledge of Council activities or activities of Council Controlled Organisations
- disclosing to other persons securities activities engaged in or contemplated by the Council or any Council Controlled Organisation
- making, using or possessing forged or falsified documents
- bribery, corruption or abuse of office
- accepting or seeking anything of material value from contractors, vendors, or persons providing services/materials to the Council or any Council Controlled Organisation with an exception of gifts less than \$50 in value.
- unlawful use of Council's resources such as computers, telephones and other property or services
- relevant bankruptcy offences
- any offences of a like nature to those listed above
- Destruction, removal or inappropriate use of books, files, records, furniture, fixtures, equipment or any other assets of the Council.
- Any physical or mental abuse of any person including any discrimination on the basis of colour, ethnic race, age or sexual orientation.
- Any failure or breach of Council policy which places the Council at risk of, or causes loss, cost or action being taken by any party or a regulatory agency against the Council.
- Any similar or related irregularity

If there is any question as to whether an action constitutes fraud, contact the Chief Financial Officer for guidance.

3. REPORTING A SUSPECTED FRAUD

Great care must be taken in the investigation of suspected improprieties or irregularities so as to avoid mistaken accusations or alerting suspected individuals that an investigation is under way.

An employee who discovers or suspects fraudulent activity will contact either the Chief Financial Officer or the Community Facilities Manager immediately. In the event that either or both of these individuals are implicated in any way, the employee should contact the Chief Executive. The employee or other complainant may elect to remain anonymous. All inquiries concerning the activity under investigation from the suspected

individual, his or her counsel or representative, or any other inquirer should be directed to the Chief Financial Officer. No information concerning the status of an investigation will be provided.

Staff must not do any of the following:

- Contact the suspected individual in an effort to determine facts or demand restitution;
- Discuss the case facts, suspicions, or allegations with anyone outside The Council (including the media) unless specifically asked to do so by either of the individuals set out above;
- Discuss the case with anyone within The Council other than the people listed above;
- Deliberately make false or malicious allegations

4. INVESTIGATION PROCESS

The Chief Financial Officer has responsibility for initiating and overseeing all fraud investigations and for subsequent follow-up work to be completed. They will decide, following consultation with other members of senior management if appropriate:

- If the suspicion is sufficiently serious, or there are other circumstances, to justify calling in the Police immediately;
- Who is the appropriate Senior Manager to undertake an initial enquiry to ascertain the facts;
- What physical evidence will need to be protected from the risk of destruction and safely secured;
- If there are any system loopholes which need closing off immediately;
- If the matter needs to be reported to any third parties at this stage;
- If there is any need to consider any civil action, such as a freezing order; and
- Ensuring the appropriate communication plan is prepared to cater for enquiries from third parties such as the media.

Any necessary investigative activity will be conducted without regard to any person's relationship to The Council, position or length of service.

4.1. Initial Enquiry

The initial enquiry should be carried out as speedily as possible after suspicion has been aroused. Prompt action is essential. The purpose of the initial enquiry is to establish whether there appear to be grounds for the suspicion that warrant further investigation and to identify the evidence that will need to be secured by suitably trained personnel. It may also identify any measures that need to be taken to prevent any ongoing or future fraud.

Those persons conducting the enquiry should have regard to the matters dealt with below under the heading "Conducting an Enquiry or Investigation".

Staff must not attempt to personally conduct any enquiries, investigations or interviews, or question anyone, unless asked to do so by those carrying out the investigation.

The factors which gave rise to the suspicion should be determined and examined to clarify whether a genuine mistake has been made or an irregularity has occurred. An irregularity may include any incident or action, which is not part of the normal operation of the system or the expected course of events. Preliminary examination may involve discreet enquiries of staff, the review of documents or the interrogation of computer systems. It is important for staff to be clear that any irregularity of this type, however apparently innocent, will be analysed.

4.2. Further Action

Following this initial enquiry, the Chief Financial Officer must be informed of the outcome. They will then decide, in consultation with the Chief Executive and other senior staff members as appropriate, whether further action is required.

If the initial enquiry tends to support the suspicion that a fraud has been perpetrated, the Chief Financial Officer should take steps to ensure that all original documentation, other physical evidence and electronic evidence is preserved in a safe place for further examination (See section entitled Securing Evidence below). It is likely that any member of staff who is suspected of being a party to the alleged fraud will be suspended, pending the outcome of a further investigation. Suspension itself does not imply guilt; it is a sensible precaution to take while an investigation is ongoing and a safeguard to prevent the removal or destruction of evidence. (See section entitled Prevention of Further Loss below).

It may be decided that the Internal Auditors or a Senior Manager (possibly one without direct line responsibility) either conduct themselves or alternatively direct a qualified third party forensic investigator to conduct a detailed investigation. If it is decided that a more detailed investigation is required, it is important for objectives and terms of reference to be set so that all those involved in the investigation are clear as to what is required and expected of them.

In addition the following, if not already actioned before the initial enquiry, should be considered:

- The involvement of the Police;
- The involvement of third party forensic investigation experts;
- Reporting the matter to third parties; and
- Any civil actions that might be required (e.g. freezing orders).

5. PREVENTION OF FURTHER LOSS

Where the initial investigation provides reasonable grounds for suspecting a member or members of staff are implicated in a fraud, the Chief Financial Officer will determine the most appropriate measures to deploy to prevent further loss. This may require the suspension, with or without pay, of the employee(s) at the centre of the allegation, or to cease trading with any external third parties who may be involved. It may be necessary to plan the timing of suspension of employees to prevent the individuals concerned from destroying or removing evidence that may be needed to support disciplinary or criminal action.

In these circumstances, the individual(s) should be approached unannounced. They should be supervised at all times before leaving The Council's premises. They should be allowed to collect personal property under supervision, but should not be able to remove any property belonging to The Council. Any security passes and keys to premises, offices and furniture should be returned and the appropriate receipt endorsed by the individual(s).

The Chief Financial Officer should advise on the best means of preventing future access to the Council, including while suspects are suspended. Similarly, the Council's Information Technology providers should be instructed to withdraw access permissions to the Council's computer systems.

The Chief Financial Officer should consider whether or not it is necessary to investigate systems other than that which has given rise to suspicion, through which the individual concerned may have had opportunities to misappropriate The Council's assets.

6. SECURING EVIDENCE

All evidence will be secured according to the guidance set out in Appendix 1C of this Fraud Response Plan.

7. CONDUCTING AN ENQUIRY OR INVESTIGATION

Where any investigation is necessary, it will be carried out with discretion and sensitivity.

Those carrying out the investigation will confine themselves to investigating only those matters that are the subject of, or relevant to, the suspected fraud. Staff must not attempt to personally conduct any enquiries,

investigations or interviews, or question anyone, unless asked to do so by those carrying out the investigation.

7.1. Employee Interview Requirements

Unless the matter is referred to the appropriate law enforcement agency (most likely the Police or the Serious Fraud Office “SFO”), if the individual suspected of fraud is to be interviewed, this should be done by the person conducting the investigation, always in the presence of another member of the Senior Management team and HR. The following requirements must be observed:

- The Manager responsible for Human Resources seeks employment law advice to ensure the Council’s obligations are met, and informs the Chief Financial Officer of that advice;
- The interview is conducted in a manner that will be admissible in civil or criminal proceedings and will survive scrutiny of the courts in terms of approach, questioning and overall fairness to the interviewee;
- The purpose of the questioning, which is to establish facts only, must be clearly explained at the outset;
- The member of staff under investigation has the right to be accompanied by a union representative or by a colleague of their choice;
- Every effort should be made to make a verbatim recording of the interview, which in any event must always be documented and form part of the investigation report.

7.2. Third Party Interviews

The obligations that apply to The Council around employee interviews do not apply to similar interactions with third parties such as suppliers, students and members of the public. A high level of care still needs to be taken as the conduct of the interviewer and the degree of fairness that exists in capturing their version of events will be scrutinized at a subsequent time.

8. REPORTING

8.1. Written Report

At the conclusion of the investigation, a written report will be prepared which outlines the facts discovered by the investigation, together with references to the supporting evidence and copies of the supporting evidence attached to the report. The report should avoid speculation, nor should any statement be made that cannot be supported by the facts. The report should not make any judgment on the guilt or innocence of the individuals named in the report, or on what action should be taken against them. The report should not prejudice the outcome of any possible disciplinary hearing, civil recovery action or criminal prosecution.

The Chief Financial Officer will consider the report and, in consultation with the Chief Executive, Head of HR and other members of Senior Management, as appropriate, will decide what further action, if any, to take. This could include reporting the matter to the police and/or disciplinary proceedings.

Investigation results will not be disclosed to or discussed with anyone other than those who have a legitimate need to know. This is important in order to avoid damaging the reputations of persons suspected, but subsequently found innocent of wrongful conduct, and to protect The Council from potential liability.

In cases where an individual is suspected of fraud which a subsequent investigation does not substantiate, it is important that the potential damage to the individual’s reputation is minimised. Whoever originally reported the suspected fraud or irregularity will be informed that the investigation has revealed no wrongdoing.

On completion of the investigation, a written report shall be submitted to the Audit Committee containing:

- A description of the incident, including the value of any loss, the people involved, the means of perpetrating the fraud, referral to law enforcement, assessment of communications, media commentary and reputational impact;
- The measures taken to prevent a recurrence; and
- Any action needed to strengthen future responses to fraud.

9. COMMUNICATION RESPONSIBILITIES

The Chief Financial Officer has overall responsibility for leading and coordinating all communication internally and externally on fraud and corruption matters. Personnel are instructed to direct any communications, from either internal or external sources, to the Chief Financial Officer and are directed not to provide any comment to any parties internal or external to The Council.

10. INVOLVEMENT OF LAW ENFORCEMENT AGENCIES

If, as a result of the internal investigation, the suspicion of fraud is confirmed, The Council will advise the appropriate law enforcement agency as soon as possible to ensure The Council's planned activity (pre-referral) align with the requirements of the agency.

Where there is prima facie evidence that a fraud has been committed, the Chief Financial Officer following consultation with the Chief Executive, will refer the investigation to the Police or SFO, fully supporting any additional investigation steps the agency needs to take as well as supporting any subsequent criminal prosecution.

To ensure communications are managed effectively, the Chief Financial Officer will request the Police or SFO to advise The Council, wherever possible, in advance of arresting and or charging any individuals.

The timing of a decision to involve the police will be dependent on facts emerging that justify this course of action. In some cases this will be after any disciplinary hearing is completed, in others it will be when the fraud is discovered, particularly in cases of external involvement.

Once original documents are handed to the police they will not be returned, therefore a copy should be kept of everything that is handed to the police.

11. DEALING WITH MEDIA

Any staff member contacted by the media will refer the media to the Chief Financial Officer

If The Council's internal or external auditors are contacted by the media regarding an alleged fraud or audit investigation, they will consult with the Chief Financial Officer before responding to any media requests for information or interview.

12. FOLLOW UP ACTION

There are lessons to be learnt from every identified incident of fraud. After the investigation and reporting of the fraud has been completed, relevant senior staff will meet to examine the circumstances and conditions which allowed the fraud to occur, with a view to completing a report that details improvements to systems and procedures.

13. ADMINISTRATION

The Chief Financial Officer is responsible for the administration, revision, interpretation and application of this Fraud Response Plan. The plan will be reviewed annually and revised as needed.

Example Fraud Response Plan

Adopted by:

Adopted date: **Date**

Review date: **by Date**

8.6 AUDIT ENGAGEMENT LETTER**File Reference:** PAD 10/3/2 2018-28**Author:** Toni Morrison, Projects & Administration Manager**Authoriser:** Suzette van Aswegen, Chief Executive Officer**Attachments:** 1. Audit Engagement Letter [!\[\]\(c694a3ff3b077d76910920a6a1593ab4_img.jpg\) !\[\]\(42fc53a13f008e5bbf67aee5111990a5_img.jpg\)](#)**PURPOSE OF REPORT**

The purpose of the report is to seek that Council authorise the Mayor to sign the Audit Engagement Letter for the audit of the Consultation Document and Long Term Plan 2018-28.

STAFF RECOMMENDATIONS

1. That the report be received.
2. That the Council authorise the Mayor to sign the Audit Engagement Letter for the audit of the Consultation Document and Long Term Plan 2018-28 dated 27 November 2017.

BACKGROUND

The Council is presently working on developing its Long Term Plan (LTP) for 2018-28. Work is progressing on producing all the supporting information to the draft Plan and the consultation document.

Sections 93C and 94 of the Local Government Act 2002 require that both the consultation document and the LTP contain reports from the Auditor General on whether both documents give effect to their respective statutory purposes, and on the quality of the information and assumptions underlying the information in the documents.

The Auditor-General has appointed Audit NZ to carry out the audit of our consultation document and LTP. Staff have been liaising with John Mackey of Audit NZ regarding the audit process. The attached letter of engagement reflects those discussions. The letter sets out the terms and costs associated with the audit, and contains a timeline for delivery of key documents and information.

POLICY STATUS

N/a.

SIGNIFICANCE OF DECISION

The decision to authorise the Mayor to sign the audit engagement letter is not considered significant under the terms of the Significance and Engagement Policy.

OPTIONS

Option 1: to authorise the Mayor to sign the document without further amendment, for returning to Audit NZ.

Option 2: to seek amendments to the engagement letter and authorise the Mayor to liaise with Audit NZ on those proposed amendments.

Council staff are satisfied with the terms of the letter and have liaised with Audit at a staff level to agree on timeframes for information provision to Audit. For this reason, Option 1 is recommended.

CONSIDERATIONS

Legal

The Council is required under the LGA to include audit opinions in its consultation document and LTP. This letter enables those arrangements to be made.

Financial

Audit NZ costs are allowed for in budgets.

Other

N/a.

CONCLUSION

The Council is asked to authorise the Mayor to sign the attached Audit Engagement Letter for the audit of the consultation document and LTP 2018/28.

SUZETTE VAN ASWEGEN

CHIEF EXECUTIVE OFFICER

27 November 2017

335 Lincoln Road, Addington
PO Box 2, Christchurch 8140

www.auditnz.govt.nz
Fax: 03 961 3059

Graham Smith
Mayor
Mackenzie District Council
PO Box 52
Fairlie 7949

Dear Graham

Audit Engagement Letter: Audit of the consultation document and Long-Term Plan for the period commencing 1 July 2018

This audit engagement letter is sent to you on behalf of the Auditor-General who is the auditor of all "public entities", including Mackenzie District Council (the District Council), under section 14 of the Public Audit Act 2001. The Auditor-General has appointed me, John Mackey, using the staff and resources of Audit New Zealand, under section 32 and 33 of the Public Audit Act 2001, to carry out the audit of the District Council's consultation document and Long-Term Plan (LTP).

This letter outlines:

- the terms of the audit engagement and the respective responsibilities of the governing body (the Council) and me as the appointed auditor;
- the audit scope and objectives;
- the approach taken to complete the audit;
- the areas of audit emphasis;
- the audit logistics; and
- the professional fees.

1 Specific responsibilities of the council for preparing the consultation document and the Long-Term Plan

Our audit will be carried out on the basis that the Council acknowledges that it has responsibility for preparing the consultation document and LTP, by applying its own assumptions, in accordance with the Local Government Act 2002 (the Act) (in particular, the requirements of Part 6 and Schedule 10), and in accordance with generally accepted accounting practice in

A BUSINESS UNIT OF THE CONTROLLER AND AUDITOR-

New Zealand. We assume that elected members are familiar with those responsibilities and, where necessary, have obtained advice about them.

For clarity we note the following statutory responsibilities as set out in the Act:

- Section 93 of the Act requires Council to have an LTP at all times, and Part 1 of Schedule 10 governs the content of the LTP.
- Section 111 aligns the financial information with generally accepted accounting practice.
- Section 83 (with reference to section 93A) sets out the special consultative procedures that the Council is required to follow to adopt the consultation document and LTP.
- Section 93C(4) requires an auditor's report on the consultation document and section 94 requires a separate opinion on the LTP.

Please note that the audit does not relieve the Council of any of its responsibilities.

Other general terms are set out in the relevant sections of this letter and Appendix 1.

2 Our audit scope

The Act requires us to provide two separate reports as follows:

- On the consultation document, a report on:
 - whether the consultation document gives effect to the purpose specified in section 93B; and
 - the quality of the information and assumptions underlying the information in the consultation document.
- On the LTP, a report on:
 - whether the LTP gives effect to the purpose in section 93(6); and
 - the quality of the information and assumptions underlying the forecast information provided in the LTP.

We expect our work to assess the quality of underlying information and assumptions to be a single, continuous process during the entire LTP preparation period.

Our focus for the first limb of each opinion will be to assess whether each document meets its statutory purpose. Given the different purposes of each

document, we will assess the answers to different questions for each opinion.

Our focus for the second limb of each opinion will be to obtain evidence about the quality of the information and assumptions underlying the information contained in the consultation document and LTP. How we obtain this information depends on our judgement, including our assessment of the risks of material misstatement of the information and assumptions underlying the information contained in the consultation document and LTP, whether because of fraud or error.

Our audit opinions do not:

- provide a guarantee of absolute accuracy of the information in the relevant document;
- provide a guarantee that the District Council has complied with all relevant legal obligations;
- express an opinion on the merits of any policy content; or
- include an opinion on whether the forecasts will be achieved.

3 Our approach to this audit

3.1 The content of the consultation document

The Act emphasises the discretion of the Council to decide what is appropriate to include in the consultation document and the associated consultation process. In deciding what to include in the consultation document, the Council must have regard to its significance and engagement policy, and the importance of other matters to the district and its communities.

We will need to understand how the Council has approached the task of applying its significance and engagement policy, and how it has considered the importance of other matters in deciding what to include in the consultation document. This will help inform our assessment of whether the consultation document achieves its statutory purpose.

3.2 Adopting and auditing the underlying information

Before adopting the consultation document, section 93G of the Act requires the Council to prepare and adopt the information that:

- is relied on by the content of the consultation document,
- is necessary to enable the Auditor-General to issue an audit report under section 93C(4), and
- provides the basis for the preparation of the LTP.

The information to be prepared and adopted needs to be enough to enable the District Council to prepare the consultation document.

We consider that local authorities will need to have thought comprehensively about how best to meet the requirements of the Act. Consistent with the guidance of the Society of Local Government Managers' (SOLGM), our view is that core building blocks of an LTP will be needed to support an effective consultation document. This will include, but not be limited to, draft financial and infrastructure strategies and the information that underlies them, including asset management information, assumptions, defined levels of service, funding and financial policies, and a complete set of financial forecasts.

We will work with management to understand the information proposed to be adopted and assess whether it will enable us to issue an audit report under section 93C(4).

In addition, the time frames to consider and adopt the LTP after the consultation process will be tight. From a practical perspective, it will be important that the District Council is well advanced with the preparation of the full LTP when it issues the consultation document. Otherwise you may find it difficult to complete the work and adopt the full LTP before the statutory deadline. The same is true for the audit work. The more audit work that is able to be completed at the first stage of the process, the less pressure there will be on you and the audit team at the end of the process.

3.3 Control environment

The Council is responsible for establishing and maintaining accounting and internal control systems (appropriate to the size of the District Council), supported by written policies and procedures, designed to prepare the consultation document and LTP, and to provide reasonable quality information and assumptions underlying the information contained in these documents.

Our approach to the audit will be to identify, confirm and assess the District Council's key processes and controls over the underlying information and the production of both the consultation document and the LTP. The purpose of this assessment is to enable us to plan the most effective and efficient approach to the audit work needed to provide our two audit opinions. Our assessment is not for the purpose of expressing an opinion on the effectiveness of the District Council's internal controls.

We will carry out a review of the control environment to help us understand the approach taken to develop the consultation document and LTP, develop expectations of what should be included in the consultation document and LTP, and identify areas of potential audit risk. This will involve discussions with elected representatives and selected staff throughout the District Council, review of publicly available information about the District Council, updating our knowledge of the District Council issues developed during recent years, and a review of Council minutes since the last audit review.

Our review of your self-assessment response (see below), and key controls relating to the underlying information and development of the LTP is useful to our initial assessment of audit risk and so the nature and extent of our overall audit work.

3.4 Project management, reporting deadlines, and audit progress

The development of the consultation document and LTP is a significant and complex project and a comprehensive project plan is required for a successful LTP process. It is also essential that there is commitment throughout the organisation for the project, starting with the elected representatives. The involvement of senior management and elected representatives is important in deciding what to include in the consultation document.

The LTP has complex and inter-related information needs and draws together plans, policies, decisions and information from throughout the District Council and its community. We recognise that the District Council will be doing its LTP preparation over an extended period. A more efficient and cost effective audit can be achieved when audit work and feedback is provided in “real time” or on an “auditing as you go” basis as the underlying information is developed.

Consequently, we will discuss with you and your staff the District Council’s approach to preparing and completing the LTP. We expect that the District Council is approaching its preparation on a project basis and recognise that ideally our audit work should “shadow” that project timetable. The success of this “auditing as you go” approach will depend on the District Council’s project management of the overall LTP process which should include time for audit work at appropriate points in the process. We have agreed key milestones in section 6 and a detailed schedule of deliverables in Appendix 3.

3.5 Self-assessment

To assist our audit planning we are using a self-assessment process to assist with our risk assessment process. The self-assessment requires you to reflect on your most significant issues and risks, governance of the LTP project, and the systems and processes you have in place (particularly to meet the purposes in the Act for the consultation document and the LTP), asset management, performance management and reporting, and financial management.

The self-assessment is similar to those used with our audit of previous LTPs. The information provided through the self-assessment will be confirmed with you through discussion after its completion.

The self-assessment was provided to us on 6 October 2017.

4 Our particular areas of audit emphasis¹

4.1 Financial strategy and infrastructure strategy

The Act requires a local authority to prepare two key strategies as part of the LTP: the financial strategy and the infrastructure strategy. The purpose of the financial strategy is to:

- facilitate prudent financial management by the local authority by providing a guide for the local authority to consider proposals for funding and expenditure against; and
- provide a context for consultation on the local authority's proposals for funding and expenditure by making transparent the overall effects of those proposals on the local authority's services, rates, debt, and investments.

The purpose of the infrastructure strategy is to:

- identify significant infrastructure issues for the local authority during the period covered by the strategy; and
- identify the principal options for managing those issues and the implications of those options.

The Act expects close alignment between the two strategies and section 101B(5) allows for them to be combined into a single document.

Although the Act clearly sets the minimum requirements for these strategies, it does not define the only things that can be in a strategy. A good strategy should include what is needed to be a good quality strategic planning document. In the case of the infrastructure strategy the principles of ISO55000 should be considered, particularly where the District Council is seeking to prepare a best practice strategy.

Our focus when reviewing both strategies is to assess whether the District Council has met the purpose outlined in the Act and presented the strategies in a coherent and easily readable manner. Specifically, we will:

- confirm that the two strategies are appropriately aligned; and
- understand the impact of the financial forecasts included in the infrastructure strategy on the prudence of the financial strategy; and
- assess the reasonableness of the prepared forecasts by:
 - understanding how the District Council has applied the effect of its assumptions such as allowing for increased tourists visiting the district, changing demographics, population

¹ Use this section to add any relevant risk/focus areas.

- growth, etc), and levels of service on expenditure decisions, and outlined the implications of these decisions in the strategies;
- reviewing the District Council's relationship between its renewal capital expenditure and depreciation expenditure forecasts; and
- checking that the infrastructure strategy is appropriately inflated.

The District Council's financial modelling is a significant component of the underlying information that supports both the financial strategy and infrastructure strategy. We will place particular emphasis on the integrity and effectiveness of the financial modelling of all local authorities.

An additional role played by these strategies is to facilitate accountability to the community. It is critical that these strategies are presented in such a way that they are engaging and informative, and support the presentation of issues, options and implications presented in the consultation document.

4.2 Assumptions

The quality of the District Council's financial forecasts is significantly affected by whether the assumptions on which they are based are defined and reasonable. The Act recognises this by requiring all local authorities to clearly outline all significant forecasting assumptions and risks underlying the financial estimates in the LTP (Schedule 10, clause 17). *Prospective Financial Statements* (PBE FRS 42) also requires the disclosure of significant assumptions.

For Mackenzie this would include projected tourism numbers and population growth.

We will review the District Council's list of significant forecasting assumptions and confirm that they are materially complete. We will also test the application of selected assumptions in the financial forecasts to check they have been reasonably applied. Finally, we will confirm that:

- all significant forecasting assumptions disclose the level of uncertainty associated with the assumption; and
- for all significant forecasting assumptions that involve a high level of uncertainty, the uncertainty and an estimate of the potential effects of the uncertainty on the financial forecasts are appropriately disclosed in the LTP.

We consider that the significant forecasting assumptions are crucial to the underlying information for the consultation document and will complete our review during our audit of the consultation document.

4.3 Quality of asset-related forecasting information

A significant portion of the District Council's operations relates to the management of its infrastructure: the roading network and the "three-waters" of water supply, sewerage, and stormwater drainage. These activities typically make up over 40% of operational expenditure and 80% of capital expenditure.

The District Council faces significant challenges from both population growth, and the continuing increase in tourists visiting the district, placing extra demands on its infrastructure.

To prepare reasonable quality asset information, the District Council needs to have a comprehensive understanding of its critical assets and the cost of adequately maintaining and renewing them. An important consideration is how well the District Council understands the condition of its assets and how the assets are performing.

In reviewing the reasonableness of the District Council's asset-related forecasting information, we will:

- assess the District Council's asset management planning systems and processes;
- understand what changes the District Council proposes to its forecast levels of service;
- understand the District Council's assessment of the reliability of the asset-related information;
- consider how accurate recently prepared budgets have been; and
- assess how matters such as affordability have been incorporated into the asset-related forecasts prepared.

Depending on what we identify in completing the above, we may have to complete further detailed testing on the District Council's asset-related information.

5 Other matters

5.1 Our independence

It is essential that the audit team and Audit New Zealand remain both economically and attitudinally independent of the District Council (including being independent of management personnel and the Council). This involves being, and appearing to be, free of any interest that might be regarded, whatever its actual effect, as being incompatible with integrity, objectivity and independence.

5.2 Publication of the consultation document and adopted LTP on the District Council's website

The District Council is responsible for the electronic presentation of the consultation document and LTP on its website. This includes ensuring that there are enough security and controls over information on the website to maintain the integrity of the presented data. Please ensure that your project plan allows time for us to examine the final electronic file version of the respective documents, including our audit report, before their inclusion on the website.

We need to do this to ensure consistency with the paper-based documents that have been subject to audit.

6 Audit logistics

6.1 Audit timing²

The key dates in the audit timetable are as follows:

Self-assessment returned to audit team for consideration ³	6 October 2017
First interim visit (initial assessment)	TBC
Second interim visit (see project plan for key dates and number of visits)	TBC
Proposed consultation document available	1 February 2018
Final consultation document audit visit	12 February 2018
Audit opinion on consultation document required	5 March 2018
Draft management report on consultation document engagement	13 March 2018
Finalised management report on consultation document engagement	27 March 2018
Proposed LTP for adoption available	23 May 2018
Audit opinion on adopted LTP required	19 June 2018
Draft management report on LTP engagement	31 July 2018
Finalised management report on LTP engagement	14 August 2018

Should we encounter any significant problems or delays during the audit, we will inform you immediately.

² Amend as necessary. Note that the methodology expects that a management report is issued at the conclusion of the consultation document engagement unless no significant issues were found in the audit work. A management report is not required at the conclusion of the LTP engagement if you reported at the end of the consultation document engagement and no significant issues were identified during the LTP engagement.

³ Include as appropriate depending on how you plan to use the self-assessment.

We have an electronic audit management system. This means that our auditors will complete most of their work on their laptops.

Therefore, please make the following available during our audit:

- A suitable workspace for computer use (in keeping with the health and safety requirements discussed in Appendix 1).
- Electronic copies of key documents.

As noted in section 3.4, our audit work needs to be performed as you develop your underlying information and prepare your consultation document and LTP, to ensure the timely completion of our audit.

To ensure that we meet agreed deadlines, it is essential that the dates agreed are adhered to.

7 Professional fees

Our audit fee, covering both the consultation document and the LTP for the period commencing 1 July 2018, is \$71,500 (excluding GST and disbursements) as outlined in Appendix 2.

The proposed fee is based on the following assumptions:

- Information required to conduct the audit is complete and provided in accordance with the agreed timelines, including the draft consultation document and the full draft financial strategy and draft infrastructure strategy that supports it.
- There will be an appropriate level of assistance from your staff.
- All documentation (consultation document, LTP and all other underlying documentation) provided will be subject to appropriate levels of quality review before submission for audit.
- The consultation document and LTP will include all relevant disclosures.
- We will review, at most, two drafts of each of the consultation document and LTP during our audit.
- We will also review one printer's proof copy of the consultation document and LTP and one copy of the electronic version of the consultation document and LTP (for publication on your website).
- There are no significant changes in the structure or level of operations of the District Council.
- The local authority is preparing forecast financial statements for the "District Council parent" only, rather than including consolidated

forecast financial statements for the District Council and any controlled entities in the adopted LTP.

If the scope and/or amount of work changes significantly (such as a change in direction during the development of the consultation document or between the development of the consultation document and the LTP), we will discuss the issues with you at the time.

If information is not available for the visits as agreed, or the systems and controls the District Council uses to prepare the underlying information and assumptions cannot be relied on, we will seek to recover all additional costs incurred as a result. We will endeavour to inform you as soon as possible should such a situation arise. .

This fee is exclusive of any subsequent amendments the Council might make to the adopted LTP under section 93D.

We wish to interim bill as work progresses. We propose the following billing arrangements:

	\$
January 2018	10,000
February	25,000
April	25,000
July	11,500
Total	\$71,500

8 Personnel

Our personnel involved in the management of the audit are:

John Mackey	Director
To be confirmed	Manager
Hayley Bezuidenhout	Senior Auditor
Jonathan Roylance	Specialist Audit and Assurance Services

We have endeavoured to maintain staff continuity as far as possible.

9 Agreement

Please sign and return the attached copy of this letter to indicate that:

- it is in accordance with your understanding of the arrangements for this audit of the consultation document and LTP for the period commencing 1 July 2018; and

- you accept the terms of the engagement set out in this letter that apply specifically to the audit of the consultation document and LTP and supplement the existing audit engagement letter dated 26 June 2017.

If there are any matters requiring further clarification please do not hesitate to contact me.

Yours sincerely



John Mackey]
Director

cc Suzette van Aswegen, Chief Executive
Paul Morris, Finance Manager
Toni Morrison, Projects and Administration Manager

I acknowledge that this letter is in accordance with my understanding of the arrangements of the audit engagement. I also acknowledge the terms of the engagement that apply specifically to the audit of the consultation document and LTP, and which supplements the existing audit engagement letter dated 26 June 2017.

Signed: _____ Date: _____
Graham Smith
Mayor

Appendix 1: Terms of the engagement that apply specifically to the audit of the consultation document and LTP

Objectives

The objectives of the audit of the consultation document and LTP are:

- to provide independent opinions on the consultation document (under section 93C(4) of the Act) and on the LTP (under section 94(1) of the Act) about:
 - whether each document gives effect to the relevant statutory purpose; and
 - the quality of the information and assumptions underlying the information included in each document; and
- to report on matters relevant to the District Council's planning systems that come to our attention.

Our audit involves performing procedures that examine, on a test basis, evidence supporting assumptions, amounts and other disclosures in the consultation document and LTP, and evaluating the overall adequacy of the presentation of information.

We also review other information associated with the consultation document and LTP to identify whether there are material inconsistencies with the audited consultation document and LTP.

Provision of a management report to the Council

At a minimum, we will report to the Council at the conclusion of the engagement. The management report communicates matters which come to our attention during the engagement and that we think are relevant to the Council. For example, we will report:

- any weaknesses in the District Council's systems; and
- uncorrected misstatements noted during the audit.

Please note that the Auditor-General may refer to matters that are identified in the audit of consultation documents and LTPs in a report to Parliament if it is in the public interest, in keeping with section 20 of the Public Audit Act 2001.

Materiality

Consistent with the annual audit, the audit engagement for the consultation document and LTP adheres to the principles and concepts of materiality during the 10-year period of the LTP and beyond (where relevant).

Materiality is one of the main factors affecting our judgement on the areas to be tested and the nature and extent of our tests and procedures performed during the audit. In planning and performing the audit, we aim to obtain assurance that the consultation document and LTP, and the information and assumptions underlying the information contained in these documents, do not have material misstatements caused by either fraud or error.

Material misstatements are differences or omissions of amounts and disclosures that, in our judgement, are likely to influence a reader's overall understanding of the forecast financial statements and performance information.

Consequently, if we find material misstatements that are not corrected, we will refer to them in the audit opinion. Our preference is for any material misstatement to be corrected, avoiding the need to refer to misstatements in our opinion.

The standards applied when conducting the audit of the consultation document and adopted LTP

Our audit is carried out in accordance with International Standard on Assurance Engagements (New Zealand) 3000 (Revised): *Assurance Engagements Other Than Audits or Reviews of Historical Financial Information*. In meeting the requirements of this standard, we took into account particular elements of the Auditor-General's Auditing Standards and International Standard on Assurance Engagements 3400: *The Examination of Prospective Financial Information* that were consistent with those requirements.

Responsibilities

General responsibilities

The general responsibilities of the Council for preparing and completing the consultation document and LTP are consistent with those for the annual report, as set out in the audit engagement letter dated 26 June 2017 – but noting that the consultation document and LTP include forecast information.

These responsibilities include those set out in Appendices 1 and 2 of that audit engagement letter as detailed below:⁴

- Appendix 1: Respective specific responsibilities of the Council and the Appointed Auditor:

⁴ Appointed auditors will need to check the references to ensure that they are correct for each engagement

- Responsibilities for compliance with laws and regulations.
- Responsibilities to establish and maintain appropriate standards of conduct and personal integrity.

Specific responsibilities

The Council is responsible for:

- maintaining accounting and other records that:
 - correctly record and explain the forecast transactions of the District Council;
 - enable the Council to monitor the resources, activities and entities under its control;
 - enable the District Council's forecast financial position to be determined with reasonable accuracy at any time; and
 - enable the District Council to prepare forecast financial statements and performance information that comply with legislation.
- providing us with:
 - access to all information and assumptions relevant to preparing the consultation document and LTP, such as records, documentation and other matters;
 - additional information that we may request from the District Council for the purpose of the audit;
 - unrestricted access to Council members and employees that we consider necessary; and
 - written confirmation concerning representations made to us in connection with the audit.

Health and safety of audit staff

The Auditor-General and Audit New Zealand take seriously their responsibility to provide a safe working environment for audit staff. Under the Health and Safety at Work Act 2015, we need to make arrangements with you to keep our audit staff safe while they are working at your premises. We expect you to provide a safe work environment for our audit staff. This includes providing adequate lighting and ventilation, suitable desks and chairs, and safety equipment, where required. We also expect you to provide them with all information or training necessary to protect them from any risks they may be exposed to at your premises. This includes advising them of emergency evacuation procedures and how to report any health and safety issues.

Appendix 2: Team mix and hours for the audit of the consultation document and LTP for the 10-year period commencing on 1 July 2018

	Total hours
Appointed Auditor	80
Engagement Quality Review Director	
Sector Specialists	33
Audit Manager	70
Other CA staff	200
Staff not yet CA qualified	105
Other Expert or Specialist Assistance: IS etc	10
Totals	498

Fee calculations

	\$
Net fee	\$71,500
OAG overhead contribution*	NIL
Total fee (including overhead contribution)	71,500
GST	10,725
Audit fee for the LTP for the period commencing 1 July 2018	\$82,225

* No OAG overhead is charged in relation to the audit of the LTP.

We will charge disbursements, including travel, on an actual and reasonable basis.

Appendix 3: Audit's 2018 LTP information and documentation requirements⁵

Information required	Relevance to our audit	Timing considerations	Agreed deliverables	Agreed date
Audit planning phase				
The District Council's timetable	So we can understand and assess the District Council's planning processes and plan our workflows.	As soon as possible so we can populate key sign-off dates and deliverables into the audit arrangements letter. We also need this information to plan our resourcing of the audit given the major impact of LTP audits on our organisation.	LTP timetable	Draft already delivered to audit Please provide us with updated schedule by 13 December 2017
Signed audit engagement letter	To agree expectations, fee and timeframes.	Once timing and deliverables are agreed.	Signed audit engagement letter	13 December 2017
Description of the District Council's higher level planning processes (from self-assessment and/or discussions)	So we can assess the robustness of the District Council's overall LTP preparations processes.	Initial phase of Audit's engagement with the District Council.	Response to self-assessment	Delivered to audit on 6 October 2017

⁵ Amend as appropriate for each LTP audit.

Information required	Relevance to our audit	Timing considerations	Agreed deliverables	Agreed date
Description of the state of progress in updating the District Council's AMPs and in particular a description of the significant issues/ changes that have arisen since 2015	So we can understand the state of the District Council's knowledge of its assets and the robustness of the forecasts that flow from the AMPs.	Initial phase of Audit's engagement with the District Council as the AMPs drive the large and critical service components of the LTP.	Response to self-assessment	Delivered to audit on 6 October 2017
Description of the District Council's processes for preparing its forecasts (including its QA process) for non-asset based activity forecasts	So we can assess the robustness of the District Council's overall financial forecasting processes.	Initial phase of Audit's engagement with the District Council as our audit approach is built on our assessment of the robustness of the District Council's forecasting processes. If they are not sufficiently robust then there will likely be issues for our audit opinion.	Response to self-assessment	Delivered to audit on 6 October 2017
Financial model	We need to understand the functionality and controls in the model which applies the key forecasting assumptions to the raw forecasts from the planning and budgeting and the AMPs.	This could be done at an early stage, potentially even before we commence our work on the consultation document (CD) phase of the audit.	Description of the financial model Instructions sent to budget managers	13 December 2017

Information required	Relevance to our audit	Timing considerations	Agreed deliverables	Agreed date
CD audit phase				
Underlying assumptions	Key assumptions drive the LTP and are important to our assessment and understanding of the District Council's forecasts.	Early advice on the nature (completeness) of assumptions as part of the initial phase of Audit's engagement with the District Council. Support for the assumptions actually applied is required as part of our audit of the CD.	LTP draft supporting information, budget, key issues; Activity Management Plans, assumptions, Infrastructure Strategy and Financial Strategy, other LTP policies	Received significant forecasting assumptions 14 November 2017 Remaining information in this 'deliverables' box by 13 December 2017

Financial Strategy (FS)	<p>To assess how well the FS communicates the District Council's financial strategy in terms of:</p> <ul style="list-style-type: none"> • The financial position the District Council is starting in and what position it is aiming to be in at the end of the LTP period. • The funding approach and implications to achieve the position on key elements of the District Council's financial strategy – particularly investments, debt and rates? • How the District Council has taken into account current and future ratepayers when considering the funding of services and asset purchases. <p>We also assess the financial prudence (including balanced budget) of the financial strategy.</p>	As with the infrastructure strategy, we expect the FS to be available relatively early in the process as it provides the high level, long-term context for the District Council's financial policies and forecasts.	Draft financial strategy	13 December 2017
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Information required	Relevance to our audit	Timing considerations	Agreed deliverables	Agreed date
Infrastructure Strategy (IS)	<p>To assess the IS which provides a long-term perspective on the District Council's infrastructure which is:</p> <ul style="list-style-type: none"> • Visionary – tells the story about where the District Council is, where it expects to be, and how it intends to get there. • Realistic – includes assumptions and disclosures that are relevant and achievable. • Relational – creates the right debate and is credible because it connects to financial strategy and other relevant influences. 	<p>As with the FS, we expect the IS to be available relatively early in the process as it provides the high level, long-term context for the District Council's infrastructural assets which contribute the majority of the District Council's forecast expenditure and deliver core services to the community.</p>	Draft infrastructure strategy	13 December 2017

Information required	Relevance to our audit	Timing considerations	Agreed deliverables	Agreed date
AMPs	<p>The AMPs identify the key issues that drive the District Council's IS and also provide the financial forecasts for the asset based activities. They also provide the underlying information for a large portion of the District Council's financial forecasts.</p> <p>Also provides the underlying information on which the 30 year forecasts in the FS are built.</p>	<p>As with the FS, we expect the updated AMPs to be available relatively early in the process. We use the information in and from the AMPs to understand the key issues facing the District Council and also to assess the proposed levels of service and financial forecasts in both the IS and the LTP.</p>	Draft AMPs	13 December 2017
Full financial forecasts	<p>We need these so we can:</p> <ul style="list-style-type: none"> understand the overall financial context for the CD; and assess the robustness of the financial forecasts in the LTP. 	<p>We require the financial model, populated with full financial forecasts, at least two weeks before sign-off on our CD audit.</p>	Full financial forecasts	13 December 2017







Information required	Relevance to our audit	Timing considerations	Agreed deliverables	Agreed date
Funding and Financial policies	To assess their alignment with the FS and their prudence.	As with the FS, we expect them to be available relatively early in the process as they provide the framework for the District Council's financial forecasts.	Funding and Financial policies	Received the Revenue and Financing, Rates Remission and Postpone, Development and Financial Contributions and Funding needs policies on 24 November 2017 You have advised that the Council will need to undertake a s82 consultation on the Investment and Liability Policies to include reference to the LGFA. Council plans to undertake this concurrently with the special consultative procedure (SCP) for the CD. Therefore, the Investment and Liability policies will not be available in their final form until after that SCP is complete. Please provide the current versions for pre-review by 11 December 2017.

Draft performance framework	<p>We are required to form a view as to whether the District Council has complied with its performance reporting obligations as set out in the Local Government Act 2002.</p> <p>We assess whether the forecast performance report:</p> <ul style="list-style-type: none"> constitutes an adequate performance reporting framework; provides an adequate basis for presenting fairly, in all material respects, the performance of the District Council; and complies with generally accepted accounting practice. <p>For key performance measures we also assess whether the District Council has adequate systems and controls in place to appropriately record and report its performance.</p>	<p>We need a clear understanding of the proposed levels of service (and, in particular, significant proposed changes) in the LTP before we complete our audit of the CD. However, a complete draft performance framework is not required at this stage.</p> <p>It would be helpful, however, to at least have a reasonable understanding of the proposed structure and format of the performance framework at this stage.</p> <p>We will need to have substantially completed our work on the performance framework by the time the Council completes its consideration of submissions.</p>	Draft performance framework	13 December 2017
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Information required	Relevance to our audit	Timing considerations	Agreed deliverables	Agreed date
Significance and engagement policy	We need to understand how the Council has approached the task of applying its significance and engagement policy, and how it has considered the importance of other matters in deciding what to include in the consultation document. This will help inform our assessment of whether the CD achieves its statutory purpose.	We expect this to be available relatively early in the process as it provides the basis for the Council determining the significant issues it wishes to consult on with its community.	Significance and engagement policy	Received on 14 November 2017.
Draft Consultation Document (CD)	Our audit opinion on the CD provides assurance to the community: <ul style="list-style-type: none"> that the CD gives effect to the purpose set out in section 93B; and on the quality of the information and assumptions underlying the information provided in the consultation document. 	At the commencement of our fieldwork we will need a clear understanding of what the Council has identified as the key consultation issues. Where appropriate this should also cover those choices for the community to consider which the Council has identified. We will need a good complete draft CD at least two weeks before we sign off on the CD audit.	Draft Consultation Document (CD)	1 February 2018

Information required	Relevance to our audit	Timing considerations	Agreed deliverables	Agreed date
Final version of (CD)	Our audit opinion on the final version of the CD must be included in the document that goes out for consultation.	The Local Government Act 2002 does not specify that the Council needs to make a formal resolution to adopt the (audited) CD. However, the Council must approve the CD before we can issue our audit opinion.	Final version of CD	23 February 2018
LTP audit phase				
Draft LTP (pre-consultation version)	We need to review a complete draft as soon as possible to avoid last minute issues.	While the LTP document is not a pre-requisite for us to complete our CD audit, ideally we would have cleared much of the draft LTP document at the CD audit phase. In June there will be a compressed timeframe within which most local authorities will be finalising their LTPs after their consultation. This will put significant pressure on our staff resources. Therefore, we will need to have substantially cleared all aspects of our audit work on the draft LTP document prior to the final, post-consultation, version being prepared.	Draft LTP (pre-consultation version)	12 February 2018

Information required	Relevance to our audit	Timing considerations	Agreed deliverables	Agreed date
A schedule of all changes arising from consultation, along with a description as to how and where these have impacted the LTP	So we can follow the changes arising from consultation through to the final version of the LTP.	After the Council has confirmed the changes arising from consultation, if any, and management has flowed these changes through the document. We will need at least one week (depending on the extent of changes) between receipt of this schedule of changes and the final LTP and our sign off on the LTP audit. As noted above, our audit sign off needs to be before the Council formally adopts the LTP.	A schedule of all changes	23 May 2018
Supporting information for changes and how they have impacted the LTP	So we can assess the reasonableness of the changes.	After the Council has confirmed its changes and management has updated the document to fully reflect the effect of these changes.	Supporting documentation for all changes	23 May 2018
Final version of LTP	So we can issue our audit opinion for inclusion as part of the document.	Our audit opinion is issued after the Council has finalised the content of the LTP document but before the Council formally adopts the LTP.	Final version of LTP	30 May 2018

8.7 DELEGATION TO THE MAYOR AND CHAIR OF PLANNING COMMITTEE FOR PLAN CHANGE 13 PROCEEDINGS**File Reference:** REG 6/6/5 PC13**Author:** Toni Morrison, Projects & Administration Manager**Authoriser:** Suzette van Aswegen, Chief Executive Officer**Attachments:**
1. Environment Court Minute 3 November 2017  
2. Environment Court Minute 31 October 2017  
3. Environment Court Minute 13 October 2017  **PURPOSE OF REPORT**

To seek Council's approval for a delegation to the Mayor and Chair of the Planning and Regulations Committee to allow them to consider and make decisions on any amendments to Farm Base Areas on behalf of the Council. This delegation is sought in order to enable Council to comply with the very short timeframes for lodging the required documents with the Environment Court.

STAFF RECOMMENDATIONS

1. That the report be received.
2. That the Council delegate to the Mayor and the Chair of the Planning and Regulations Committee the authority to consider and make decisions on any amendments to Farm Base Areas following consultation, in accordance with amended Order D of the Environment Court Minute dated 3 November 2017.

BACKGROUND

The Council is presently consulting with landowners in relation to the extent and location of Farm Base Areas (FBAs) as part of appeals on its Plan Change 13. This consultation is occurring in accordance with directions from the Environment Court. The required timetable for this work is as follows:

- The Council must conclude consultation with the relevant station owners and all parties by Friday 15 December 2017;
- The Council is required to report to the Court Registrar by Friday 22 December 2017 as to what amended or further FBAs have been agreed to by the Council after consultation.

The Council must advise station owners of the results of the Council's decision on their FBAs as soon as possible after the 15th of December, to allow for those station owners to register any objections with the Court also by 22nd December 2017.

The delegation to consider the results of the consultation presently being carried out and to decide on Council's position on FBAs rests with the Planning and Regulations Committee. However there are no scheduled Planning and Regulations Committee meetings between now and December 22. Further, the timeframes are very tight within which to organise an Extraordinary Meeting of that committee. Staff consider that the most efficient way to progress these decisions in a way that will meet Court schedules is for a delegation to be made by Council to the Mayor and Chair of the Planning Committee.

POLICY STATUS

N/a.

SIGNIFICANCE OF DECISION

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

OPTIONS

Option 1: For Council to approve the delegation as sought.

Option 2: for Council to decline the delegation.

The Court requires the Council to report on its position on individual FBAs by 22 December, following consultation presently being carried out with station owners. Staff consider that, given time is very limited, the most efficient way to comply with the timetable is for Council to delegate this decision. For this reason, Option 1 is recommended.

CONSIDERATIONS**Legal**

The Local Government Act provides for the Council to make the delegation as recommended.

Financial

There are no financial implications.

Other

N/a.

CONCLUSION

The Council is asked to approve a delegation to the Mayor and Chair of the Planning and Regulations Committee to allow them to consider and make decisions on any amendments to Farm Base Areas on behalf of the Council.

SUZETTE VAN ASWEGEN

CHIEF EXECUTIVE OFFICER

BEFORE THE ENVIRONMENT COURT

IN THE MATTER	of the Resource Management Act 1991
AND	of appeals under clause 14(1) of the First Schedule to the Act
BETWEEN	<p>FEDERATED FARMERS OF NEW ZEALAND (INC) MACKENZIE BRANCH (ENV-2009-CHC-193)</p> <p>MOUNT GERALD STATION LIMITED (ENV-2009-CHC-181)</p> <p>MACKENZIE PROPERTIES LIMITED (ENV-2009-CHC-183)</p> <p>MERIDIAN ENERGY LIMITED AND GENESIS ENERGY LIMITED (ENV-2009-CHC-184)</p> <p>THE WOLDS STATION LIMITED (ENV-2009-CHC-187)</p> <p>FOUNTAINBLUE LIMITED & OTHERS (ENV-2009-CHC-190)</p> <p>RHOBOROUGH DOWNS LIMITED AND OTHERS (ENV-2009-CHC-191)</p> <p>HALDON STATION (ENV-2009-CHC-192)</p> <p>Appellants</p>
AND	<p>MACKENZIE DISTRICT COUNCIL</p> <p>Respondent</p>

MINUTE (3 November 2017)

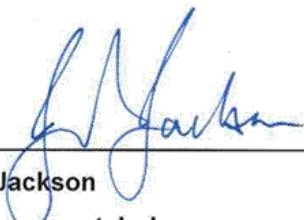
[1] The Registrar has referred to me the memorandum of counsel for the respondent dated 1 November requesting an amendment to Order D (of the court's 13 October minute) regarding farm base areas.



[2] I consider the proposed amendments are sensible so will amend Order D as requested. Accordingly, I direct:

- (1) All consultation on the FBAs referred to in paragraphs 6, 7 and 8 in Appendix A must be concluded by Friday 15 December 2017;
- (2) The Council is to report to the Registrar by Friday 22 December as to what amended or further FBAs have been agreed to by the Council after consultation (any detailed maps can be lodged by 2 February 2018);
- (3) If any of the station owners identified in paragraphs 6, 7 and 8 of Appendix A seek amended or further FBAs but these are disputed by Council or a generator, then they must lodge and serve on all parties an application for the FBA giving precise details including a map of the FBA(s) they seek.

-- By 22 December 2017.



J R Jackson
Environment Judge



BEFORE THE ENVIRONMENT COURT

IN THE MATTER	of the Resource Management Act 1991
AND	of appeals under clause 14(1) of the First Schedule to the Act
BETWEEN	<p>FEDERATED FARMERS OF NEW ZEALAND (INC) MACKENZIE BRANCH (ENV-2009-CHC-193)</p> <p>MOUNT GERALD STATION LIMITED (ENV-2009-CHC-181)</p> <p>MACKENZIE PROPERTIES LIMITED (ENV-2009-CHC-183)</p> <p>MERIDIAN ENERGY LIMITED AND GENESIS ENERGY LIMITED (ENV-2009-CHC-184)</p> <p>THE WOLDS STATION LIMITED (ENV-2009-CHC-187)</p> <p>FOUNTAINBLUE LIMITED & OTHERS (ENV-2009-CHC-190)</p> <p>RHOBOROUGH DOWNS LIMITED AND OTHERS (ENV-2009-CHC-191)</p> <p>HALDON STATION (ENV-2009-CHC-192)</p> <p>Appellants</p>
AND	<p>MACKENZIE DISTRICT COUNCIL Respondent</p>

MINUTE (31 OCTOBER 2017)

Introduction

[1] The Registrar has referred the memorandum of counsel for The Wolds Station to me.



[2] The Wolds Station seeks two farm base areas but neither is identified in paragraphs 6 and 7 of Appendix A to the court's Minute of 13 October 2017. The Wolds also raises an issue about further notification of Farm Base Areas (FBAs) generally.

The Wolds

[3] In relation to The Wolds' proposed FBAs, the court's Minute¹ left it open for any party to apply for further directions so leave is granted for The Wolds to pursue its FBAs by consultation and (if agreement is not reached between the parties) by calling evidence at a hearing next year.

Further notification?

[4] As for the notification issue, Ms Forward (counsel for The Wolds) is correct that the Ninth Decision contemplates² further notification of FBAs. I overlooked that in making the orders in the Minute of 13 October 2017.

[5] However, time has marched on, and there is now a fuller range of parties before the court representing most relevant aspects of the public interest. I am reluctant to put the Council to the expense of further notification.

[6] Accordingly, on the assumption that the Council consults with all parties about all the potentially contentious FBAs (ie those identified in paragraphs 6 and 7 of Attachment A to the Minute of 13 October 2017), I consider the directions in that Minute can stand.

[7] Any part opposing any contentious FBA will be given an opportunity to call evidence in support of its position when the court sets the timetable in January 2018.

Non-contentious FBAs

[8] The court notes that no opposition has been lodged to the court making an order as contemplated by Order C of the Minute of 13 October 2017 in respect of the FBAs referred to in paragraphs 4 and 5 of Appendix A to that Minute.



¹ Minute 13 October 2017 at Order F(1).

² Ninth Decision [2017] NZEnvC 246 at [27].

[9] The Council is directed to lodge and serve a draft decision giving effect to the previous paragraph by 17 November 2017.

For the court


A handwritten signature in blue ink, appearing to read 'J R Jackson', is written over a horizontal line.

J R Jackson
Environment Judge



BEFORE THE ENVIRONMENT COURT

IN THE MATTER	of the Resource Management Act 1991
AND	of appeals under clause 14(1) of the First Schedule to the Act
BETWEEN	<p>FEDERATED FARMERS OF NEW ZEALAND (INC) MACKENZIE BRANCH (ENV-2009-CHC-193)</p> <p>MOUNT GERALD STATION LIMITED (ENV-2009-CHC-181)</p> <p>MACKENZIE PROPERTIES LIMITED (ENV-2009-CHC-183)</p> <p>MERIDIAN ENERGY LIMITED AND GENESIS ENERGY LIMITED (ENV-2009-CHC-184)</p> <p>THE WOLDS STATION LIMITED (ENV-2009-CHC-187)</p> <p>FOUNTAINBLUE LIMITED & OTHERS (ENV-2009-CHC-190)</p> <p>RHOBOROUGH DOWNS LIMITED AND OTHERS (ENV-2009-CHC-191)</p> <p>HALDON STATION (ENV-2009-CHC-192)</p> <p>Appellants</p>
AND	MACKENZIE DISTRICT COUNCIL Respondent

MINUTE (13 OCTOBER 2017) REGARDING FARM BASE AREAS

(Ex parte) DIRECTIONS



re Farm Base Rules

A. The issues to be resolved in relation to the farm base rules are:

- activity status and standards for non-farm buildings within Farm Base Arenas ("FBAs");
- permitted activity standards for Farm Buildings within FBAs;
- size of farm buildings within FBAs;
- possibility of SONS within the FBAs;
- subdivision within FBAs;
- pastoral intensification within FBAs;
- setbacks of development in FBAs from rivers and wetlands.

B. Under section 279(1) RMA I direct that the following timetable be followed with respect to the FBA rules:

- **3 November** 2017 the Council must lodge and serve:
 - (a) its submissions on the final form of the FBA rules;
 - (b) a copy of the rules in PC13 as notified in 2015 but including all consequential amendments pursuant to the Eleventh and Twelfth Decisions.
- **10 November** 2017 any parties generally supporting the changes suggested by the Council must lodge and serve any further submissions they may wish to make.
- **24 November** 2017 Federated Farmers of New Zealand (Inc), the station owner parties and any other person opposing some or all of the changes must lodge and serve any submissions they may wish to make.
- **6 December** 2017 the Council must lodge and serve its submissions in reply.

Re Farm Base Areas

C. Unless an application is made under Order F (1) by **20 October** 2017, the Court will make orders confirming that the FBAs listed in paragraphs 4 and 5 of Appendix A to this Minute should be included in the Schedule of FBAs in the district plan.

D. The court directs that:



- (1) all consultation on the FBAs referred to in paragraphs 6 and 7 of Appendix A must be concluded by Friday **15 December** 2017;
- (2) the Council is to report to the Registrar by Friday 22 December as to what amended or further FBAs have been agreed to by the Council after consultation (any detailed maps can be lodged by 2 February 2018).
- (3) If any of the station owners identified in paragraphs 6 or 7 of Appendix A seek amended or further FBAs but these are disputed by the Council or a generator, then they must lodge and serve on all parties an application for the FBA giving precise details including a map of the FBA(s) they seek.

— by **22 December** 2017.

E. Leave is reserved for Meridian Energy Ltd and any other generator party to respond by **20 January** 2018.

F. Leave is reserved:

- (1) for any party to apply for further or other directions by Friday **20 October** 2017; and
- (2) FFM to apply on notice to the Registrar by 10 November 2017 for an extension / variation / new FBA as the case may be, specifying the grounds on which the proposed FBA is claimed to be within the scope of PC13.

G. The parties and station owners should note:

- (1) that if a hearing is needed to determine the location and extent of one or more FBAs, a tight timetable will be set (by about 3 February 2018) contemplating a hearing of the evidence on Farm Base Areas in March or early April 2018;
- (2) All potential witnesses must be available to prepare evidence in February and attend a hearing in March or early April 2018.

REASONS



Introduction

[1] The only remaining issues to be resolved in relation to Plan Change 13 ("PC13") to the Mackenzie District Plan relate to Farm Base Areas ("FBAs").

[2] The Registrar has referred to me the memorandum dated 11 October 2017 lodged on behalf of the Mackenzie District Council ("the Council") in relation to FBAs under the Plan Change 13 proceedings. There are two sets of issues:

- (1) resolving the rules for FBAs; and
- (2) Identification of specific FBAs on a station-by-station basis.

Background

[3] The post-consultation version of PC13 ("PC13(pc)") was lodged on 27 May 2016. It included Policy 3B3 (Farm Base Areas) and rules to implement that policy. It did not revisit or re-notify FBA boundaries.

[4] In the Eleventh Decision, the court confirmed Policy 3B3. The FBA boundaries and rules were adjourned.

[5] Council further lodged a memorandum¹ dated 30 June 2017 which:

- addressed the history of FBA locations and boundaries since the First Interim Decision²; and
- updated the court of the consultation that had occurred since the Eleventh Decision³.

[6] Since that memorandum⁴, the court has issued its Twelfth Decision⁵ relating to

¹ Memorandum of counsel for the respondent, 30 June 2017.

² *High Country Rosehip Orchard v Mackenzie District Council* [2011] NZEnvC 387.

³ *Federated Farmers of New Zealand (Inc) Mackenzie Branch v Mackenzie District* [2017] NZEnvC 53 (Eleventh Decision).

⁴ Memorandum of counsel for the respondent, 30 June 2017, at [3] to [11].

⁵ *Federated Farmers of New Zealand (Inc) Mackenzie Branch v Mackenzie District* [2017] NZEnvC 148.



PC13.

[7] Order A of the Twelfth Decision confirms PC13 as lodged with the Registrar on 16 June 2017 (being PC13(PV)), subject to the amendments listed in (1) to (7). Council understands the effect is that FBA areas and rules remain adjourned under Order C:

- C. All issues relating to Farm Base Areas, other than those included in PC13(pc) as amended by Order A, are adjourned.

The rules for FBAs

[8] Council now seeks timetabling directions so the FBA rules can be finalised.

[9] Council submits that there is no need for a further hearing on the FBA rules. Though the main focus of the 2017 hearing was regarding the rules outside of FBAs (ie the majority of the Basin), the rules applying within FBAs were addressed, and refers as examples, to the evidence on the following topics:

- activity status and standards for non-farm buildings within FBAs;
- permitted activity standards for Farm Buildings within FBAs;
- size of farm buildings within FBAs;
- possibility of SONS within the FBAs;
- subdivision within FBAs;
- pastoral intensification within FBAs;
- setbacks of development in FBAs from rivers and wetlands.

[10] Similarly, submissions at the hearing by Council, The Wolds / Mt Gerald, Fountainblue & Ors, Federated Farmers (Mackenzie Branch) (FFM), Meridian Energy Limited and Ngāi Tahu addressed one or more of the above topics.

[11] The Council submitted that any remaining issues can be addressed by further submissions. However, Mr Caldwell adds⁶:

Notwithstanding the above, there may be other landowners/lessees who wish to be heard.
In fairness to those who were not parties to PC13, and who are not represented by FFM,

⁶ Memorandum to the court 11 October 2017 at [12].



Council respectfully considers it would be appropriate they be given an opportunity to be heard.

[12] I consider the Council's suggestion goes too far and that there is no need to give non-parties advice of what are in effect merely consequential changes to the rules notified in November 2015. Any station owners not before the court have missed their opportunity to become parties in relation to the rules (the location and identification of FBAs may be another matter).

[13] The evidence in the rules for FBAs has been read and heard by the court. All that remains is for any further submissions to be lodged and the topics identified by the Council (and any related issues the parties may wish to raise within jurisdiction).

[14] Accordingly, a timetable for lodging of submissions will be set.

Location of Farm Base Areas

[15] Council also makes submissions on the appropriate procedure for FBA location and boundaries. An update on individual properties was supplied in Appendix A to Mr Caldwell and Ms King's memorandum. A copy is annexed to this Minute.

[16] The Council groups the FBAs into the following categories:

- (1) FBAs that were either confirmed, amended or deemed appropriate by the court in the First Interim decision, and do not appear to have any ecological or hazard issues, and the station owner has neither engaged with or requested amendments from Council during consultation (*refer paragraph 4 in Appendix A*).
- (2) FBAs that were agreed outside of the PC13 process (*refer paragraph 5 in Appendix A*).
- (3) FBAs that were either confirmed, amended or deemed appropriate by the court in the First Interim Decision, and;
 - (a) the station owner has requested significant or minor amendment(s) to the FBA (*refer paragraphs 6.1 and 6.2 in Appendix A*).



- (b) the FBA appears to encroach a hazard area and/or may include an ecologically significant feature⁷ (refer paragraph 7 in Appendix A).
- (c) FBAs that were either cancelled, sent back for amendment, or otherwise deemed inappropriate by the court in the First Interim Decision (refer paragraph 8 in Appendix A).

[17] The hazard or ecological concerns identified by Council relate to the 2014 hazard mapping and Mr Harding's February 2016 desktop analysis of the Commissioner-approved FBAs. Council considers those concerns can be progressed with further consultation prior to finalization. Indeed as between the Council, Meridian and Federated Farmers, a proposed consent order was lodged on 16 March 2016.

[18] The Council submits that:

- (1) the FBAs provisionally confirmed by the First Interim Decision, and which do not have remaining ecological or hazard concerns, can be confirmed without any further notification or hearing.
- (2) the same approach is applicable to the agreed FBAs, where the court has previously considered and provisionally confirmed those.

Council seeks an order to confirm the FBAs identified in paragraphs 4 and 5 of Appendix A to this Minute. That does not pose any difficulties that I can see.

[19] The next issue is whether there is scope for station owners to request significant changes to FBAs that were provisionally confirmed (and do not have remaining ecological or hazard concerns). If not, the Council requests the FBAs listed in paragraph 6.1 of Appendix A also be subject to a confirmation order.

[20] Council requests that consultation be allowed to continue for those stations where the FBA(s) were either not approved or were cancelled, or have ecological or hazard issues yet to be determined or have minor adjustment requests (those in paragraphs 6.2, 7 and 8 of Appendix A).

[21] Finally, for the stations with FBAs that were either not approved or cancelled,



7

As identified by Michael Harding, Desktop Analysis of Farm Base Areas, 5 February 2016, as lodged with PC13(pc) 27 May 2016.

Council anticipates that notification and further hearing would likely be required where additional FBAs are sought. In the Council's view that would be a matter for station owners to elect whether they wish to continue to seek additional FBAs through this process, or subsequently via a private plan change.

[22] Counsel records that Council's clear preference is that such requests be addressed outside the PC13 process which will enable this aspect of PC13 to be concluded.

Consideration of FBAs

[23] Directions are clearly needed to push identification of FBAs towards finality.

[24] In the First (Interim) Decision⁸ the court made the following orders in relation to FBAs:

C: Leave is reserved until 30 March 2012 to:

...

(2) any of the owners or lessees of land which contain farm base areas affected by Meridian's flood hazard areas to apply for one or more alternative farm base areas to be approved;

(3) the owners of Ferintosh, Haldon and Mt Gerald Stations or any appellant who sought such relief in their notice of appeal to apply for one or more extra or alternative farm base areas on their lands;

...

D: Under section 293 of the Act the Mackenzie District Council is directed:

(1) to draw up a topographical map or maps ("the 2012 landscape map") incorporating:

...

(d) the farm base areas provisionally confirmed or approved in this interim decision;

...

[25] There are two important points flowing from this:

(a) no leave was ever sought under Order C (2) or (3). All FBA issues have been adjourned since then; and

(b) the First Decision did not leave the location and extent of FBAs open for



⁸

High Country Rosehip Orchards Ltd v Mackenzie District Council [2011] NZEnvC 387.

all farms in the Mackenzie Basin.

[26] In respect of (a) in the previous paragraph, the court is prepared to give a limited amount of time from now for the landowners within the categories in Order C (2) and (3) to consult with the Council and finally either:

- (a) persuade the Council to amend the FBA as sought by the landowner; or
- (b) apply in writing to the court to amend or move the FBA or obtain a new FBA as the case may be

— provided such acts are completed by **22 December** 2018.

[27] My understanding is that proposed order would apply to the stations in paragraphs 6 and 7 of Appendix A.

[28] However, given the restrictions in the First Decision, the farms referred to in paragraph 8 of Appendix A seem to be consulting with the Council about relief which is beyond scope. That is important because no relief could be granted in the court's preliminary view, without further notification. Accordingly, I will direct that the FBAs in paragraph 8 of Appendix 8 not be pursued unless:

- (a) the landowner is represented by FFM; and
- (b) FFM applies on notice to the Registrar by **10 November** 2017 for an extension / variation / new FBA as the case may be, specifying the grounds on which the proposed FBA is claimed to be within the scope of PC13.

For the court



J R Jackson
Environment Judge



Attachment:
Appendix "A"

APPENDIX A - Current status of Farm Base Area locations and boundaries

- 1 Council summarises the status of the boundaries and locations of the Station FBAs in the paragraphs that follow.
- 2 All paragraph references are to the First Interim Decision unless stated otherwise.

FBAs provisionally confirmed

- 3 There are a number of FBAs that were either confirmed, amended or deemed appropriate by the Court in the First Interim Decision.
- 4 The following is a list of provisionally confirmed FBAs that do not appear to have any ecological or hazard issues, and the Station owners have neither engaged with or requested amendments from Council during consultation since the Eleventh Decision:
 - 4.1 *Curraghmore* [327] – The FBA was provisionally confirmed by the Court in the First Interim Decision. Council is yet to hear from the Station owner. Mr Hole will contact them further.
 - 4.2 *Glenrock* [339] - The Court approved the FBA in the First Interim Decision. Council has contacted the Station manager (Glenrock is in joint ownership with Holbrook Station), further to confirm or otherwise the FBA. Mr Hole will contact them further.
 - 4.3 *Glenmore* [341] The Court considered the FBA was appropriate in the First Interim Decision. The Station owner has previously indicated they do not wish to seek amendment, however they have yet to confirm that. Mr Hole will contact them further.
 - 4.4 *Holbrook* [360] - The Court approved the FBA in the First Interim Decision. Council is yet to hear from the Station manager (Holbrook is in joint ownership with Glenrock Station) to confirm or otherwise the FBA. Mr Hole will contact them further.
 - 4.5 *Rhoborough Downs* [391] – The FBA was approved by the Court in the First Interim Decision, but the extension sought by the Station owner at the time was declined. The current Station owner has confirmed they are happy with the approved FBA and do not seek any changes. No further consultation required.



- 4.6 *Richmond* [393] – The FBA was approved by the Court in the First Interim Decision. Council is yet to hear from the Station owner and Mr Hole has been unable to contact them to date. Consultation efforts to continue.
- 4.7 *Streamlands* [406] – The FBA was approved by the Court in the First Interim Decision. Council is yet to hear from the Station owner and Mr Hole has been unable to contact them further. Consultation efforts to continue.

FBA's otherwise agreed

- 5 The following FBA's have been agreed between the generators, the landowner/lessee/FFM, and Council:
- 5.1 *Maryburn* - The FBA was deemed inappropriate in the First Interim Decision [369]. An altered Maryburn FBA was proposed by FFM and was agreed as between Maryburn, Council and the generators²². The Court indicated it was happy with that proposal at the 12 November 2014 teleconference²³.
- 5.2 *Pukaki Downs* [387] – The FBA at Pukaki Downs Station has been agreed as recorded by memorandum dated 3 August 2010.²⁴

Provisionally confirmed: Station owner has requested amendment

- 6 The following is a list of the provisionally confirmed FBA's that the Station owners have, during the consultation process, requested:
- 6.1 significant amendments to:
- (a) *Balmoral* [314] – The FBA was provisionally confirmed by the Court in the First Interim Decision. Mr Simpson has requested a significant extension to the confirmed FBA boundary. Consultation to continue.
- (b) *Grampians* [344] – The Court held the FBA was acceptable in the First Interim Decision. Grampians has requested a significant extension to the FBA, however Graham Densem has expressed his reservation as to the proposed extension. Consultation to continue.



²² Joint Memorandum of Counsel dated 20 August 2014.

²³ Record of Teleconference 12 November 2014, at [7].

²⁴ Agreed Memorandum dated 3 August 2010.

- (c) *Grays Hill* [347] – The FBA was provisionally confirmed by the Court in the First Interim Decision. The Station owner has advised Council that the existing FBA is unsuitable due to flooding and seeks amendments to it. The Station owner has also requested an additional FBA to service the 40km-long station. This is a significant change. Consultation is continuing.
- (d) *Lilybank* [368] – The Court approved the FBA in the First Interim Decision. The Station owner has requested a significant extension to the Lilybank FBA. The Station owner has also requested additional FBA areas for two separate properties purchased from Mt Gerald Station (Macaulay Station and Macaulay Homestead). Consultation is continuing.
- (e) *Simons Pass* [402] – The FBA was approved by the Court in the First Interim Decision. Simons Pass has requested additional FBAs on the station to service areas identified in resource consent application for dairy farm operations. Consultation to continue.

6.2 minor amendments to:

- (a) *Braemar* [325] – The Court confirmed the FBA in the First Interim Decision. Braemar has requested a minor extension to the FBA to extend it to the north and to the east to include an additional paddock. Consultation to continue.
- (b) *Simons Hill* [399] – The FBA was approved by the Court in the First Interim Decision. The Station Owner has advised that the FBA is acceptable, however has suggested to Council that some minor adjustments might be suitable to align the FBA with a property boundary adjustment that was completed in 2010. Consultation to continue.
- (c) *Tasman Downs* [408] – The FBA was approved by the Court in the First Interim Decision. The Station owner has advised that they would request a minor extension of the FBA towards the lake, if there is opportunity to do so.



Provisionally confirmed; ecological or hazard issues identified

- 7 The following is a list of the provisionally confirmed FBAs that appear to encroach a hazard area and/or include ecologically significant feature:
- 7.1 *Ben Ohau* [322] – The Ben Ohau FBA was incorporated into the District Plan by Variation 1 to PC13. Ben Ohau have signed a side agreement with Meridian.
- (a) Counsel understands part of the FBA is within the updated Inundation Hazard Area. Mr Cameron has advised he wishes to amend the FBA because of that. Council is of the view that Mr Cameron would be required to apply for a private plan change in order to do so.
- 7.2 *Black Forest* [323] - The FBA was confirmed by the Court in the First Interim Decision. Parts of the FBA are within the Inundation Hazard Area and the Station owner has previously indicated they wish to seek significant extensions as a result. Consultation is continuing.
- 7.3 *Ferintosh* [337] – The Court confirmed two FBAs, subject to the implementation of a "building line" for Ferintosh 1 and an access easement for Ferintosh 2. Leave was also reserved at [336] for Ferintosh to seek two further small FBAs to enable limited development on the basis noted in that paragraph. The Station owner has advised Mr Hole that they will not seek changes to those FBAs or further FBAs. Mr Harding's analysis indicates there may be areas of seepage wetland in the southern area of the FBA and recommends these are field checked. Consultation to continue.
- 7.4 *Glen Lyon* [338] - The Court approved the FBA in the First Interim Decision. Mr Harding's analysis indicates there may be a small tarn in the FBA and recommends this is field checked. Council understands the Station owner wishes to propose amendments to the FBA, but has not yet identified the particular amendments sought. Mr Hole will contact them further.
- 7.5 *Godley Peaks* [343] - The Court deemed the FBA as appropriate in the First Interim Decision. Mr Harding's analysis indicates the FBA boundary may overlap with a SONS boundary and may include a moraine area. The Station owner has provided a new FBA boundary to exclude those ecological features, however also seeks a significant



extension to the north part of the FBA to provide areas for new building development. Consultation is continuing.

- 7.6 *Guide Hill* [350] - The Court confirmed the FBA in the First Interim Decision. Mr Harding's analysis indicates the FBA boundary may overlap with a SONS boundary and recommends a field check. Mr Vivian has identified the minor amendment required to exclude the SONS area. No further consultation is required.
- 7.7 *Haldon* [358] – The Court confirmed the FBA in the First Interim Decision, but reserved leave for Haldon Station to apply for FBAs elsewhere. Mr Harding's analysis indicates the FBA should be re-mapped to exclude Stony Stream. The Station Owner has requested Stony Stream be excluded, in exchange for additional areas to be included in the FBA however those areas have not been identified. Consultation to continue.
- 7.8 *Irishman Creek* [364] The Court deemed the FBA appropriate in the First Interim Decision, subject to an amendment to exclude the Meridian Hazard area. Mr Harding's analysis indicates the FBA should be re-mapped to exclude Irishman Creek. The Station owner wishes to discuss changes to the FBA in light of the Inundation Hazard Area issue. Consultation to continue.
- 7.9 *Mt Gerald* [374] – The Court deemed the homestead FBA as appropriate in the First Interim Decision, with leave reserved for further application. Mr Harding's analysis indicates there may be an ephemeral tarn at the northwest corner of the FBA and recommends a field check. Mt Gerald has advised Council it has no issue with the FBA as previously approved by the Court, and that the tarn is an operational part of the FBA and would not be practical to remove. The Station owner has previously advised that if the FBA is to be decreased for any reason (ie to exclude the tarn) Mt Gerald may seek an additional FBA to support its farm operations. Consultation to continue.
- 7.10 *Mt Hay* [382] – The Court approved the FBA in the First Interim Decision. Mr Harding's analysis indicates there are areas of wetland pasture in the west and north-east parts of the FBA and recommends a field check. The Station Owner has advised they do not want those areas removed from the FBA. Mr Hole will contact them further.



- 7.11 *Sawdon* [395] – The Court approved the FBAs in the First Interim Decision, subject to amendment regarding Sawdon 1. Mr Harding's analysis indicates there are wetlands in the north and northeast parts of the FBA and recommends the FBA is re-mapped to exclude them. Sawdon Station disagrees there is a wetland area. Consultation to continue.

FBAs not confirmed

- 8 The following FBAs were either cancelled, sent back for amendment, or otherwise deemed inappropriate:

- 8.1 *Bendrose* [317] – The FBA was not approved by the Court. Bendrose has proposed a new FBA site and this was previously agreed with Council and Meridian. Meridian has since indicated the alternative FBA is not acceptable to them as it is within a high hazard area from a potential Pukaki Dam break. Much of the Bendrose Station is within the high hazard area, however Council understands there are some areas that are medium or low that could be explored as being suitable as a FBA. Consultation is continuing.
- 8.2 *Glentanner* [342] – The Court considered the FBA should be amended. The Station owner wishes to keep the initial FBA, and has requested a further FBA for a separate 484ha farm at the southern end of Lake Pukaki (known as Catherine Fields).
- 8.3 *Mt Cook* [372] – The Court did not approve the FBA and directed Council consult with Mt Cook regarding the awkward shape of the FBA. Mr Harding's analysis indicates there may be an ephemeral tarn at the northern end of the FBA and recommends a field check. The Public Trust has been consulted and is unsure of how to proceed with this matter until the Mt Cook High Court proceedings are concluded.
- 8.4 *Omahau Downs* [384] – The Court did not approve the FBA, and indicated an FBA might be situated on the Hill Block. Omahau Downs proposed a new FBA which was agreed by Meridian and Council, however Meridian has indicated that the alternative FBA is not acceptable to them as it is within a high hazard area from a potential Pukaki Dam break. Council understands there may be areas of medium and low hazard that may be suitable for a FBA. Meridian has indicated that on this property it would be impracticable to exclude all high hazard areas from the FBA. Consultation is continuing.



8.5 *The Wolds* [410] – The Court did not approve the homestead or 'Windy Ridges' FBAs, and indicated two other sites may be suitable for FBAs. The Wolds has previously advised Council that those two alternative sites are unworkable as FBAs, largely for the same reasons identified by the Court in the First Decision [411]. The Wolds have requested:

- (a) Homestead FBA – The Wolds wish to retain the Homestead FBA. In response to consultation, The Wolds confirmed Meridian and Genesis do not oppose the extent of the homestead FBA that is within the Inundation Hazard area. Council understands The Wolds would like to add two additional paddocks to the FBA (a minor extension to the east). Consultation is continuing.
- (b) 'Windy Ridges' FBA – In response to consultation, The Wolds indicated it would like to pursue the Windy Ridges FBA as put forward by Graham Densem in evidence to the Environment Court in 2010²⁵. Consultation is continuing.



²⁵ Evidence of Graham Densem, dated 13 May 2010, at [7.10]-[7.16] and Map 7 (FBA shown as two pink areas).

8.8 AMENDMENTS TO COUNCIL MEETINGS SCHEDULE FOR 2018**File Reference:** PAD 3/1**Author:** Toni Morrison, Projects & Administration Manager**Authoriser:** Suzette van Aswegen, Chief Executive Officer**Attachments:****PURPOSE OF REPORT**

To seek the Council's approval of a revised schedule of Council committee meetings for 2018.

STAFF RECOMMENDATIONS

1. That the report be received.
2. That the Council adopt the attached Revised Meeting Schedule for 2018.

BACKGROUND

At the Mayor's request staff have re-looked at the committee meeting schedule for 2018 and suggested some amendments to improve efficiencies and certainty for those attending. Committee meeting days are often very full and the practice in 2017 was to have those committees that meet quarterly (Forestry, Audit and Risk, and Strategy Committees) all meet on the same day along with the three standing committees.

Staff propose that the committee days be rescheduled as attached, so that the Audit and Risk Committee meets on a different (alternate) committee meeting day than the Forestry and Strategy Committees.

Staff further propose that the order of meetings be amended so that on the relevant days the Audit and Risk Committee meets first, at 9:30am, ensuring that the independent member of that committee has certainty as to the meeting start time of that committee. The standing committees would then follow the conclusion of that meeting.

POLICY STATUS

N/a.

SIGNIFICANCE OF DECISION

The decision is not considered significant under the terms of the Significance and Engagement Policy. The meeting days and times will still be publicly advertised and available.

OPTIONS

Option 1: to adopt the amended Council meeting schedule.

Option 2: to not adopt the amended Council meeting schedule.

Option 2 would not address the issues of inefficiencies for members of the committees and would continue to result in extended committee days on those days where all committees meet.

CONSIDERATIONS

Legal

N/a. There are no legal implications.

Financial

None.

Other

N/a.

CONCLUSION

The Council is asked to consider a revised meeting schedule to aid efficiencies in the running of Council committees.

SUZETTE VAN ASWEGEN
CHIEF EXECUTIVE OFFICER

Mackenzie District Council Meeting Schedule 2018

All committee meetings are held in the Fairlie Council Chambers, Pukaki Airport Board is held at the St Johns Rooms in Twizel. Council meetings are held in either Twizel or Fairlie, and Tekapo Property Group meetings are held in the Tekapo Community Hall, Lake Tekapo. Fairlie Community Board meets in the Council Chambers. Tekapo Community Board meets in the Tekapo Community Hall, and the Twizel Community Board meets in the St John Rooms, Twizel.

Mackenzie District Council *(Starting at 9:30am)*

Tuesday 13 February (Fairlie)
 Tuesday 27 March (Fairlie)
 Tuesday 8 May (Twizel)
 Tuesday 19 June (Fairlie)
 Tuesday 14 August (Fairlie)
 Tuesday 25 September (Twizel)
 Tuesday 6 November (Fairlie)
 Tuesday 11 December (Fairlie)

Mackenzie Forestry Board *(Starting at 9:00am)*

Tuesday 27 February	Thursday 1 March - Reserve Day
Tuesday 22 May	Thursday 24 May - Reserve Day
Tuesday 28 August	Thursday 30 August - Reserve Day
Tuesday 20 November	Thursday 22 November - Reserve Day

Finance Committee

Tuesday 16 January	<i>(Following Audit and Risk)</i>	Thursday 18 January - Reserve Day
Tuesday 27 February	<i>(Following Forestry)</i>	Thursday 1 March - Reserve Day
Tuesday 10 April	<i>(Following Audit and Risk)</i>	Thursday 12 April – Reserve Day
Tuesday 22 May	<i>(Following Forestry)</i>	Thursday 24 May - Reserve Day
Tuesday 3 July	<i>(Following Audit and Risk)</i>	Thursday 5 July – Reserve Day
Tuesday 28 August	<i>(Following Forestry)</i>	Thursday 30 August - Reserve Day
Tuesday 9 October	<i>(Following Audit and Risk)</i>	Thursday 11 October – Reserve Day
Tuesday 20 November	<i>(Following Forestry)</i>	Thursday 22 November - Reserve Day

Asset and Services Committee *(Following Finance Committee)*

Tuesday 16 January	Thursday 18 January - Reserve Day
Tuesday 27 February	Thursday 1 March - Reserve Day
Tuesday 10 April	Thursday 12 April – Reserve Day
Tuesday 22 May	Thursday 24 May - Reserve Day
Tuesday 3 July	Thursday 5 July – Reserve Day
Tuesday 28 August	Thursday 30 August - Reserve Day
Tuesday 9 October	Thursday 11 October – Reserve Day
Tuesday 20 November	Thursday 22 November - Reserve Day

Planning and Regulations Committee *(Following Asset and Services Committee)*

Tuesday 16 January	Thursday 18 January - Reserve Day
Tuesday 27 February	Thursday 1 March - Reserve Day
Tuesday 10 April	Thursday 12 April – Reserve Day
Tuesday 22 May	Thursday 24 May - Reserve Day
Tuesday 3 July	Thursday 5 July – Reserve Day
Tuesday 28 August	Thursday 30 August - Reserve Day
Tuesday 9 October	Thursday 11 October – Reserve Day
Tuesday 20 November	Thursday 22 November - Reserve Day

Audit and Risk Committee *(Starting at 9:30am)*

Tuesday 16 January	Thursday 18 January - Reserve Day
Tuesday 10 April	Thursday 12 April - Reserve Day
Tuesday 3 July	Thursday 5 July - Reserve Day
Tuesday 9 October	Thursday 11 October - Reserve Day

Strategy Committee *(Following Planning and Regulations Committee)*

Tuesday 27 February	Thursday 1 March - Reserve Day
Tuesday 22 May	Thursday 24 May - Reserve Day
Tuesday 28 August	Thursday 30 August - Reserve Day
Tuesday 20 November	Thursday 22 November - Reserve Day

PUKAKI AIRPORT COMMITTEE *(Starting at 10:30am)*

Wednesday 14 February
Wednesday 16 May

Wednesday 22 August

Wednesday 14 November

Tekapo Property Group (Starting at 9:30am)

Tuesday 20 February

Tuesday 03 April

Tuesday 15 May

Tuesday 26 June

Tuesday 21 August

Tuesday 02 October

Tuesday 13 November

Twizel Community Board (Starting at 5:00pm) Public Forum from 5:30pm

Monday 29 January

Monday 12 March

Monday 23 April

Monday 11 June (to observe Queens Birthday)

Monday 30 July

Monday 10 September

Monday 29 October (to observe Labour Day)

Monday 3 December

Tekapo Community Board (Starting at 4:00pm) Public Forum from 4:00pm

Wednesday 31 January

Wednesday 14 March

Tuesday 24 April (to observe ANZAC DAY)

Wednesday 06 June

Wednesday 01 August

Wednesday 12 September

Wednesday 24 October

Wednesday 05 December

Fairlie Community Board (Starting at 4.30 pm) Public Forum from 4:30pm

Thursday 01 February

Thursday 15 March

Thursday 26 April

Thursday 07 June

Thursday 02 August

Thursday 13 September

Thursday 25 October

Thursday 06 December

8.9 LONG TERM PLAN 2018-28 CONSULTATION DOCUMENT AND KEY ISSUES**File Reference:** PAD 10/3/2**Author:** Katherine Hill, Senior Corporate Planner**Authoriser:** Toni Morrison, Projects & Administration Manager**Attachments:** 1. Key Issues and CD Content Outline [↓](#) **PURPOSE OF REPORT**

To decide on the Council's key issues and preferred options for inclusion the draft Long Term Plan 2018-28 Consultation Document.

STAFF RECOMMENDATIONS

1. That the report be received.
2. That Council considers the funding of roading infrastructure to be a key issue to be included in the Consultation Document for the Long Term Plan 2018-28.
3. That Council resolves to consult with the public on the funding of roading infrastructure.
4. That Council confirms that option 1 of the three options outlined below is its preferred option to address the issue of funding roading infrastructure:
 - Option 1: Allocate a maximum of \$300,000 per year to Low Cost Low Risk roading improvement programmes and borrow to fund Council's 49% share.
 - Option 2: Budget for all identified Low Cost Low Risk roading improvement programmes that attract NZTA co-funding, and borrow to fund Council's 49% share.
 - Option 3: Borrow for all identified Low Cost Low Risk roading improvement programmes whether the projects are co-funded or not.
5. That Council considers the co-funding of infrastructure projects which support tourism to be a key issue to be included in the Consultation Document for the Long Term Plan 2018-28.
6. That Council resolves to consult with the public on the co-funding of infrastructure projects which support tourism.
7. That Council confirms that option 1 of the two options outlined below is its preferred option for the co-funding of infrastructure projects which support tourism:
 - Option 1: Do not allocate any budget to co-fund Council's share of tourism infrastructure projects that may attract government subsidy.
 - Option 2: Include a budget for co-funding tourism infrastructure projects that attract government subsidy, and borrow to fund our share of those projects.
8. That Council note the draft Consultation Document structure outlined in the attachment to this report (Proposed Structure of the Consultation Document).

BACKGROUND

The Local Government Act 2002 requires local authorities to develop a Consultation Document as the primary vehicle for public consultation on their proposed Long Term Plan (LTP). The Consultation Document and supporting information are audited by Audit New Zealand before final adoption for public consultation.

The purpose of the Consultation Document is to provide an effective basis for public participation in the LTP decision-making process. It must be easily understood and contain:

- A description of the significant issues facing the district over the 10 years of the plan;
- Options for addressing each of these issues, the preferred option (if any) and the implications of each option;
- Consideration of the consequences for rates, debt and service levels;
- An overview of the Financial Strategy; and
- An overview of the Infrastructure Strategy.

It also provides information on how members of the public can engage in the process and will include a submission form and directions as to how online submissions can be made.

Background to the Key Issues

The Council has reviewed work programmers, budgets and rates implications in a series of workshops as part of developing its LTP. In drafting the budgets the Council has had to consider a number of competing demands and make choices about what can be funded. Key drivers have been to ensure that key infrastructure is maintained and that rates rises remain stable.

Programmes outlined in the Activity Management Plans and the Infrastructure Strategy show a significant programme of work to renew and upgrade roads, community facilities, wastewater, stormwater and water supply systems. These works are considered necessary to ensure the district's infrastructure continues to provide quality services and meet required standards.

In addition, Council has reviewed the opportunities that presently exist to take up additional funding from central government, for tourism infrastructure through the MBIE Tourism Infrastructure Fund and for additional roading improvement programmes with New Zealand Transport Agency (NZTA) co-funding. This additional funding would help the Council to address issues of growth and pressure in the district. However, to take up these subsidies would require Council to borrow to co-fund its share, with a consequent increase in rates to repay debt.

While the Council is keen to take up these subsidies, it is mindful of the impacts on ratepayers and aware that these issues are significant for its communities. Council should therefore seek feedback from the community on whether to provide for these additional projects.

The Council considered these matters and the options available to it, and indicated option 1 of each of the options outlined was its preferred option on both matters. The supporting documents and budgets have been built around those options. Council is asked to determine the key issues to be included in the Consultation Document, and confirm its preferred option for addressing those issues. These will then be consulted on with the community, before Council makes decisions on what will be included in the LTP.

Other matters

As well as the key issues, the Consultation Document will also include information on the following 'other matters' in the upcoming LTP:

- Key challenges:
 - maintaining current levels of service and operations whilst keeping rates affordable
 - maximising the benefits of tourism growth whilst managing increasing demands on infrastructure
 - QV valuations and their impact on rates
- Strategic study of three townships to inform infrastructure and planning programmes
- Continued funding of tourism promotion at the current level
- Fairlie water supply upgrade
- Connecting Pukaki Airport to the Twizel water supply
- Stormwater treatment facilities in Twizel, Tekapo and Fairlie
- Twizel Swimming Pool upgrade
- Twizel Market Place landscaping and upgrade
- Twizel Community Centre upgrade works
- Tekapo Domain landscaping and upgrade works
- Alps2Ocean off-roading of the cycle trail
- Upgrade of Mackenzie Community Centre, Fairlie
- Solid waste
- Council's approach to Pensioner Housing
- Council's approach to Workers Accommodation

Process

Once Council has identified the key issues, the Consultation Document will be drafted and provided to Councillors for review over the Christmas period. The draft Consultation Document will be adopted at the end of January 2018 and forwarded to Audit New Zealand for their formal review.

The final consultation document will include an opinion from Audit New Zealand. The Consultation Document will then be considered by Council for adoption at the end of February 2018.

It is proposed that the public consultation period will run from 2 March until 3 April 2018. Copies of the Consultation Document will be made available at multiple locations throughout the district and on Council's website.

Public drop-in sessions are also planned for Twizel, Tekapo and Fairlie.

POLICY STATUS

The Council's Significance and Engagement Policy is relevant in assessing key matters for inclusion in the Consultation Document.

SIGNIFICANCE OF DECISION

In accordance with Council's Significance and Engagement Policy, this matter has been assessed as significant because the decision relates to the process for consulting with the public on matters that will be included in the Long Term Plan 2018-28. The decisions made will inform the Consultation Document which will undergo public consultation in March 2018.

OPTIONS

The options available to Council are to either:

1. Approve the draft structure and content of the Consultation Document including the key issues as detailed in this report, subject to audit changes, or
2. Specify changes to be made to the draft structure and/or content of the Consultation Document, subject to audit changes.

As identified in Option 2 above, Councillors may wish to make amendments to the suggested content of the Consultation Document. Any amendments proposed must fit within the parameters set by the Local Government Act to provide a fair representation of the matters proposed for inclusion within the LTP.

CONSIDERATIONS

Legal

This process is guided by the Local Government Act.

Financial

None. The Long Term Plan process is provided for within budgets.

Other

Not applicable.

CONCLUSION

Council must consider and decide what key issues it will consult the community on, in the preparation of its Long Term Plan. It has the option of adding to, deleting or changing the key issues and options that are proposed for consultation, along with the other matters presented in this report. Any changes need to take into account the provisions of the Local Government Act and Council's own Significance and Engagement Policy.

When selecting Council's preferred option on each key issue identified, Council has full discretion. Choosing a preferred option for publication in the Consultation Document does not commit Council to that option in the final LTP. It is expected that, prior to adopting the LTP in June 2018, Council will consider outcomes of the public consultation undertaken.

SUZETTE VAN ASWEGEN

CHIEF EXECUTIVE OFFICER

KEY ISSUES AND OPTIONS RECOMMENDED FOR INCLUSION IN THE CONSULTATION DOCUMENT

These matters are considered to be of significance due to their degree of impact on the community and also meet most of the criteria under Council's Significance and Engagement Policy.

ISSUE 1: Funding of roading infrastructure

Summary of the issue	Options for considerations
<p>Our local roading network is of crucial importance to our economy and in maintaining community connectedness.</p> <p>Council invests considerably in maintaining and improving our roads wherever possible. The NZ Transport Agency provides co-funding to assist us in doing so. Council proposes to continue to match NZTA co-funding for maintenance of our roads, as this is essential to ensure we can maintain our levels of service and avoid expensive repairs in future.</p> <p>However, our Infrastructure Strategy identifies that there are a number of areas where the district is experiencing growth and subsequent pressure on the roading network. Council has the option of undertaking additional localised projects to address this. However, Council is also aware of maintaining rates affordability, so must consider how to balance this with the need to keep our district connected and prospering.</p> <p>Council is consulting on this to ascertain the community's appetite for larger rates increases in order to undertake these improvements to the roading network.</p>	<p>Option 1: Allocate a maximum of \$300,000 per year to Low Cost Low Risk roading improvement programmes, and borrow to fund Council's 49% share.</p> <p>Option 2: Budget for all identified Low Cost Low Risk roading improvement programmes that attract NZTA co-funding, and borrow to fund Council's 49% share. Estimated costs to fund these projects vary each year, with the maximum potentially being \$1.05m in year 2 of the LTP.</p> <p>Option 3: Borrow for all identified improvements to the network whether work programmes are co-funded or not.</p>

ISSUE 2: Funding of infrastructure projects that support tourism

Summary of the issue	Options for considerations
<p>Increasing tourism numbers have contributed significantly to the economic growth of the Mackenzie District, particularly in recent years. However, increasing numbers also puts greater pressure on local infrastructure – such as public toilets.</p> <p>The Government co-funds some tourism infrastructure projects, and Council has successfully attained this funding in the past.</p> <p>Council would like to consider future co-funded projects, however, there are immediate and ongoing costs for ratepayers that need to be taken into consideration.</p>	<p>Option 1: Do not allocate any budget to co-fund Council's share of tourism infrastructure projects that may attract government subsidy.</p> <p>Option 2: Include a budget for co-funding tourism infrastructure projects that attract government subsidy, and borrow to fund our share of those projects.</p>

PROPOSED STRUCTURE OF THE CONSULTATION DOCUMENT












The following table outlines the planned content and structure of the Consultation Document. Note this may be subject to some variation during the process of writing and laying out the document.

Page	Title/s	Content summary
Cover page	'Today's Choices, Tomorrow's Mackenzie'	Name of document Council name and logo
2	Contents What's a long term plan? Our vision and outcomes	Summary of the contents in the document A brief description of what the LTP is Council's vision and community outcomes
3	A word from the Mayor Where to find more information What to chat with us?	What's special about Mackenzie District, what's been achieved since the last LTP, an overview of the challenges and opportunities, a summary of what Council wants to achieve How readers can find more information about the LTP Information about opportunities for face-to-face discussions with staff and elected members
4-5	Key challenges and how we plan to meet them	Benefits and challenges of tourism Maintaining services and managing risk – why operating budgets for some activities must be increased Keeping rates affordable – prudent budgeting
6	Key issue 1: How much should we invest in roads?	Options and Council's preference for addressing this issue
7	Key issue 2: Do we budget to co-fund infrastructure projects which support tourism?	Options and Council's preference for addressing this issue
8-9	Our Infrastructure Strategy	Summary of the key issues and planned projects from the strategy
10-11	Our Financial Strategy	Summary of the Financial Strategy Graphs illustrating projected revenue and expenditure, and other key financial information Rates examples for different areas/values Reference to policies open for consultation (Investment and Liability Policies and RMA Fees and Charges) Information about impact of QV valuations
12-15	Key projects and activities for the coming ten years	
16	Where do your rates go?	A graph illustrating the activities Council spends rates revenue on and the proportion for each activity

Page	Title/s	Content summary
17	Audit Opinion	To be provided by Audit NZ
18	How to make a submission	Where to send the form How to make an online submission Hearing date and process
19-20 Last page, both sides	Submission form	Key Questions Privacy waiver

8.10 LONG TERM PLAN FINANCIAL INFORMATION**File Reference:** PAD 10/3/2**Author:** Paul Morris, Chief Financial Officer**Authoriser:** Suzette van Aswegen, Chief Executive Officer

Attachments:

1. **Forecast Statement of Comprehensive Income** [↓](#) 
2. **Forecast Statement of Financial Position** [↓](#) 
3. **Forecast Statement of Cash Flows** [↓](#) 
4. **Forecast Summary of Capital Expenditure** [↓](#) 
5. **Forecast Summary of Deprecation** [↓](#) 
6. **Statement of Reserves Movement** [↓](#) 
7. **Funding Impact Statement (Whole of Council)** [↓](#) 
8. **Notes to the Financial Statements** [↓](#) 
9. **Financial Prudence Benchmarks and Indicators** [↓](#) 
10. **Projected Number of Rating Units** [↓](#) 
11. **Rating Impact on Sample Properties** [↓](#) 

PURPOSE OF REPORT

The purpose of this report is for the Council to adopt the financial information for the 2018-2028 Long Term Plan, to be sent to audit. The financial information forms part of the supporting information to the Council's Consultation Document.

STAFF RECOMMENDATIONS

1. That the report be received.
2. That the Council adopt the following financial information as supporting information for the Long Term Plan 2018-28, for audit:
 - a) Forecast Statement of Comprehensive Income;
 - b) Forecast Statement of Financial Position;
 - c) Forecast Statement of Cashflows;
 - d) Forecast Summary of Capital Expenditure;
 - e) Forecast Summary of Depreciation;
 - f) Statement of Reserves Movement;
 - g) Funding Impact Statement (Whole of Council);
 - h) Notes to the Financial Statements;
 - i) Financial Prudence Benchmark and Indicators;
 - j) Projected Number of Rating Units;
 - k) Rating Impact on Sample Properties.

BACKGROUND

The Local Government Act 2002 (LGA) requires that a Long Term Plan (LTP) include certain financial information. This includes the financial position of Council, capital expenditure and rating information for the period of the LTP. All supporting information including financial information must be adopted by Council prior to adopting the Consultation Document.

Section 93C of the LGA requires that the Consultation Document contains a report from the Auditor General on whether it gives effect to its statutory purpose, and on the quality of the information and assumptions underlying the information in the document. Audit NZ has been engaged for this purpose. The next step is to make the financial information and all other supporting documents available to audit.

The following components form the attached supporting information:

- a) Forecast Statement of Comprehensive Income
- b) Forecast Statement of Financial Position
- c) Forecast Statement of Cashflows
- d) Forecast Summary of Capital Expenditure
- e) Forecast Summary of Depreciation
- f) Statement of Reserves Movement
- g) Funding Impact Statement (Whole of Council)
- h) Notes to the Financial Statements
- i) Financial Prudence Benchmark and Indicators
- j) Projected Number of Rating Units
- k) Rating Impact on Sample Properties

POLICY STATUS

N/A

SIGNIFICANCE OF DECISION

In accordance with Council's Significance and Engagement Policy, these matters have been assessed as significant because the decisions relate to supporting information for the Consultation Document and the Long Term Plan 2018/28. The financial information adopted will form part of the supporting information to the Consultation Document which will undergo public consultation in March 2018.

OPTIONS

The options available to Council are to either:

- 1) Adopt the financial information as specified in recommendation 2; or
- 2) Instruct staff to amend the financial information, and adopt the amended information for audit.

CONSIDERATIONS**Legal**

This process is guided by the Local Government Act 2002.

Financial

N/A

Other

N/A

CONCLUSION

Council is required to have adopted all supporting information for the Consultation Document prior to adopting the Consultation Document itself. This paper seeks the adoption of the financial information identified above, in order that it can be sent for audit.

SUZETTE VAN ASWEGEN

CHIEF EXECUTIVE OFFICER

A forecast for the ten years
ending 30 June 2028

FORECAST STATEMENT OF COMPREHENSIVE INCOME

	Annual Plan 2017/18	Y1 - 2019	Y2 - 2020	Y3 - 2021	Y4 - 2022	Long Term Plan Budget					
						Y5 - 2023	Y6 - 2024	Y7 - 2025	Y8 - 2026	Y9 - 2027	Y10 - 2028
REVENUE											
Rates	8,603	9,291	10,034	10,837	11,703	12,522	13,399	14,337	15,340	16,414	16,937
Subsidies and Grants	1,845	1,811	1,837	1,890	2,010	1,940	1,985	2,007	2,035	2,096	2,107
Investment Income	838	717	756	839	939	998	1,084	1,187	1,275	1,433	1,608
Other Income	2,625	3,032	3,148	2,922	3,054	3,171	3,280	3,392	3,510	3,637	3,771
Contributions	854	150	154	1,507	342	350	2,297	175	180	4,278	189
Other Gains and Losses	372	265	204	153	0	0	0	0	0	0	0
Gain on Sale - Assets	8	0	0	0	0	0	0	0	0	0	0
Vested Assets	1,645	3,687	3,017	1,274	0	6,889	0	0	8,566	0	0
TOTAL REVENUE	16,790	18,954	19,150	19,422	18,048	25,871	22,045	21,099	30,906	27,857	24,612
EXPENDITURE											
Employment Expenses	3,106	3,440	3,500	3,588	3,677	3,769	3,865	3,961	4,060	4,166	4,275
Members Expenses	381	404	473	424	434	509	456	468	548	492	505
Consultancy Expenses	1,160	1,093	1,050	1,090	929	820	934	831	862	974	900
Administration Expenses	1,202	842	888	1,026	946	972	1,113	1,028	1,057	1,210	1,121
Operational and Maintenance	4,288	4,388	4,567	5,012	4,967	5,163	5,337	5,772	5,767	6,017	6,192
Finance Expense	88	115	244	306	328	330	324	308	383	363	344
Roading	1,220	1,403	1,437	1,473	1,510	1,548	1,587	1,626	1,667	1,710	1,755
Depreciation	3,916	3,883	4,227	4,540	3,937	4,287	4,703	4,993	5,257	5,788	6,077
TOTAL EXPENDITURE	15,361	15,567	16,383	17,458	16,729	17,399	18,320	18,987	19,601	20,720	21,169
 Net Surplus/(Deficit) After Taxation	 1,429	 3,387	 2,767	 1,964	 1,319	 8,472	 3,726	 2,112	 11,305	 7,137	 3,443
OTHER COMPREHENSIVE REVENUE AND EXPENSE											
Item that will not be reclassified to surplus/(deficit)											
Gain on infrastructural revaluations	0	0	0	8,132	0	0	12,253	0	0	13,194	0
Total Other Comprehensive Revenue and Expense	0	0	0	8,132	0	0	12,253	0	0	13,194	0
TOTAL COMPREHENSIVE REVENUE AND EXPENSE	1,429	3,387	2,767	10,096	1,319	8,472	15,978	2,112	11,305	20,332	3,443

. forecast for the ten years
ending 30 June 2028

PROSPECTIVE STATEMENT OF FINANCIAL POSITION

	Annual Plan		LTP Budget								
	2017/18	Y1 - 2019	Y2 - 2020	Y3 - 2021	Y4 - 2022	Y5 - 2023	Y6 - 2024	Y7 - 2025	Y8 - 2026	Y9 - 2027	Y10 - 2028
SSETS											
Current Assets											
Cash and Cash Equivalents	3,414	679	313	3,539	5,022	7,356	11,501	15,526	19,527	28,500	34,148
Receivables and prepayments	2,142	203	207	211	216	220	226	232	237	244	251
Inventories	4,922	5,252	5,253	5,253	5,254	5,254	5,255	5,256	5,256	5,257	5,258
Other Financial assets	121	1,526	1,526	1,526	1,526	1,526	1,526	1,526	1,526	1,526	1,526
TOTAL CURRENT ASSETS	10,600	7,660	7,299	10,530	12,017	14,357	18,508	22,540	26,546	35,527	41,182
Non-Current Assets											
Other Financial assets	22,820	20,924	21,392	21,911	22,443	23,011	23,615	24,237	24,898	25,626	26,401
Intangible assets	2,037	216	437	664	897	1,136	1,382	1,635	1,897	2,167	2,446
Forestry assets	4,905	5,432	5,562	5,840	6,284	6,932	7,840	9,086	10,794	13,158	16,461
Property, plant and equipment	205,144	217,880	229,935	228,989	229,179	250,759	250,646	248,837	275,885	274,131	272,028
TOTAL NON-CURRENT ASSETS	234,906	244,452	257,326	257,404	258,803	281,837	283,482	283,795	313,474	315,082	317,336
otal Assets	245,506	252,112	264,625	267,934	270,820	296,194	301,990	306,335	340,020	350,609	358,518
LIABILITIES											
Current Liabilities											
Payables and accruals	2,429	183	187	192	197	202	206	211	216	222	228
Employee entitlements	97	1,505	1,504	1,504	1,503	1,502	1,502	1,501	1,501	1,500	1,499
Provisions	3										
Borrowings	-										
TOTAL CURRENT ASSETS	2,529	1,688	1,692	1,696	1,700	1,704	1,708	1,712	1,717	1,722	1,727
Non-Current Liabilities											
Employee entitlements	19	22	22	23	23	24	24	25	25	26	27
Provisions	55	57	58	60	61	63	65	66	68	70	73
Borrowings	266	2,816.70	5,214	6,139	6,354	6,457	6,503	6,288	7,659	7,301	6,901
TOTAL NON-CURRENT LIABILITIES	340	2,895	5,295	6,221	6,438	6,543	6,592	6,379	7,753	7,397	7,001
otal Liabilities	2,869	4,125	6,554	7,512	7,761	7,899	7,985	7,810	9,219	8,909	8,560
NET ASSETS	242,637	247,987	258,071	260,422	263,059	288,295	294,005	298,525	330,800	341,700	349,958
EQUITY											
Accumulated Funds	117,555	121,116	124,739	128,874	129,329	142,439	146,653	148,865	167,899	179,307	171,587
Capital Reserves	- 3,334 -	- 4,454 -	- 6,442 -	- 9,035 -	- 7,514 -	- 7,387 -	- 6,921 -	- 5,483 -	- 4,504 -	- 6,321 -	- 8,204 -
Operating Reserves	- 216 -	- 421 -	- 350 -	- 219 -	- 253 -	- 39 -	- 216 -	- 289 -	- 634 -	- 1,030 -	- 1,523 -
Special Funds	5,935	5,807	5,961	6,119	6,282	6,448	6,619	6,794	6,974	7,159	7,345
Other Reserves	46	47	47	47	47	47	47	47	47	47	47
Property Revaluation Reserves	122,651	125,891	134,116	134,635	135,168	146,787	147,391	148,012	159,750	160,478	161,252
TOTAL EQUITY	242,637	247,987	258,071	260,422	263,059	288,295	294,005	298,525	330,800	341,700	349,958

A forecast for the ten years
ending 30 June 2028

PROSPECTIVE STATEMENT OF CASH FLOWS

	Annual Plan		LTP Budget										
	2017/18	Y1 - 2019	Y2 - 2020	Y3 - 2021	Y4 - 2022	Y5 - 2023	Y6 - 2024	Y7 - 2025	Y8 - 2026	Y9 - 2027	Y10 - 2028		
CASH FLOWS FROM OPERATING ACTIVITIES													
Cash was provided from:													
Receipts from rates revenue	8,603	9,291	10,034	10,837	11,703	12,522	13,399	14,337	15,340	16,414	16,937		
Subsidies and grants received	1,845	1,811	1,837	1,890	2,010	1,940	1,985	2,007	2,035	2,096	2,107		
Receipts from other revenue	3,479	3,182	3,302	4,429	3,396	3,522	5,577	3,567	3,690	7,914	3,960		
Interest received	838	717	756	839	939	998	1,084	1,187	1,275	1,433	1,608		
Property sales	1,500												
Goods and services tax (GST) received	-	-	-	-	-	-	-	-	-	-	-		
	16,265	15,002	15,929	17,995	18,048	18,983	22,045	21,099	22,340	27,857	24,612		
Cash was applied to:													
Payments to suppliers and employees	11,357	11,570	11,913	12,612	12,463	12,781	13,293	13,686	13,961	14,569	14,748		
Net goods and services tax (GST) paid	-	-	-	-	-	-	-	-	-	-	-		
Finance costs	88	115	244	306	328	330	324	308	383	363	344		
	11,445	11,684	12,156	12,918	12,791	13,111	13,617	13,993	14,344	14,932	15,092		
Net cashflow from operating activities	4,820	3,318	3,772	5,077	5,256	5,871	8,428	7,105	7,996	12,925	9,520		
CASH FLOWS FROM INVESTING ACTIVITIES													
Purchase of property, plant and equipment	7,065	5,840	6,536	2,776	3,989	3,640	4,330	2,864	5,368	3,593	3,474		
	7,065	5,840	6,536	2,776	3,989	3,640	4,330	2,864	5,368	3,593	3,474		
Net cashflow from investing activities	-	7,065	-	5,840	-	6,536	-	2,776	-	3,989	-	3,640	
CASH FLOWS FROM FINANCING ACTIVITIES													
Cash was provided from:													
Proceeds from borrowings	266	3,160	2,746	2,869	1,055	801	268	142	1,799	1,668	5		
Cash was applied to:													
Repayment of borrowings	-	343	348	1,945	840	699	221	358	427	2,027	404		
Net cashflow from financing activities	266	2,817	2,398	924	215	103	47	216	1,372	359	399		
Net Cashflows from operating activities	4,820	3,318	3,772	5,077	5,256	5,871	8,428	7,105	7,996	12,925	9,520		
Net Cashflows from investing activities	-	7,065	-	5,840	-	6,536	-	4,330	-	5,368	-	3,474	
Net Cashflows from financing activities	266	2,817	2,398	924	215	103	47	216	1,372	359	399		
Net decrease in cash, cash equivalents and bank overdrafts	-	1,979	294	-	366	3,226	1,483	2,334	4,145	4,026	4,000	8,973	5,648
Cash, cash equivalents and bank overdrafts at the beginning of the year	5,393	385	679	313	3,539	5,022	7,356	11,501	15,526	19,527	28,500		
Cash, cash equivalents and bank overdrafts at the end of the year	3,414	679	313	3,539	5,022	7,356	11,501	15,526	19,527	28,500	34,148		

A forecast for the ten years
ending 30 June 2028

FORECAST SUMMARY OF CAPITAL EXPENDITURE

	Annual Plan	LTP Budget									
	2017/18	Y1 - 2019	Y2 - 2020	Y3 - 2021	Y4 - 2022	Y5 - 2023	Y6 - 2024	Y7 - 2025	Y8 - 2026	Y9 - 2027	Y10 - 2028
Governance and Corporate Services	645	261	680	81	252	234	188	187	261	176	268
Water supplies	1,315	2,613	1,629	529	590	2,027	689	62	3,927	696	528
Sewerage	1,850	1,234	2,266	631	-	2,098	631	292	3,225	299	168
Stormwater	784	1,016	544	141	-	2,239	17	-	2,686	18	-
Roading	2,520	2,731	2,719	2,219	2,719	3,760	2,623	2,209	3,734	2,325	2,380
Planning and Regulatory	46	39	36	-	5	6	-	-	24	-	-
Community and Township Services	913	1,093	1,125	449	422	164	181	113	77	79	131
Commercial Activities	637	540	555	-	-	-	-	-	-	-	-
Total Capital Expenditure	8,710	9,527	9,553	4,051	3,989	10,528	4,330	2,864	13,934	3,593	3,474

A forecast for the ten years
ending 30 June 2028

FORECAST SUMMARY OF DEPRICIATION

	Annual Plan	LTP Budget									
	2017/18	Y1 - 2019	Y2 - 2020	Y3 - 2021	Y4 - 2022	Y5 - 2023	Y6 - 2024	Y7 - 2025	Y8 - 2026	Y9 - 2027	Y10 - 2028
Governance and Corporate Services	186	218	232	300	291	346	349	337	336	379	366
Water supplies	580	607	680	722	749	779	826	856	881	957	984
Sewerage	358	344	370	417	436	447	485	506	523	584	613
Stormwater	87	64	77	85	87	88	117	119	121	157	160
Roading	2,184	2180	2354	2449	1786	2013	2295	2522	2724	3021	3244
Planning and Regulatory	56	5	7	9	9	8	6	6	7	8	8
Community and Township Services	375	390	421	459	478	503	519	540	557	572	590
Commercial Activities	90	74	86	99	100	102	105	106	108	111	113
Total Capital Expenditure	3,916	3,883	4,227	4,540	3,937	4,287	4,703	4,993	5,257	5,788	6,077

For the period ending
30 June 2028

STATEMENT OF RESERVES

			Opening balance 1 July 2018	Movement into Reserve	Movement out of reserve	Closing balance 30 June 2028
Accumulated funds			110852	60735		171587
Total accumulated funds			110852	60735		171587
Special fund reserves						
Albury water fund	Communities and Towns	To fund Albury Water	40		0	40
Ashwick/Opuha water fund	Communities and Towns	To fund Ashwick/Opuha Water	-40		0	-40
Building maintenance	Communities and Towns	To fund repairs and maintenance of certain council amenity assets	0		0	0
Housing replacement	Communities and Towns	To fund district housing	7		0	7
Insurance reserve	Governance and Corporate	To fund disaster cover	200		0	200
Land subdivision	Communities and Towns	To fund district wide projects	1330		1540	2870
Pensioner housing amenities	Communities and Towns	To fund pensioner housing amenities	2		0	2
Watertight building reserve	Governance and Corporate	Held to cover increased insurance costs of Riskpool	44		0	44
Mackenzie County Scholarship Trust	Governance and Corporate	Held on behalf of Mackenzie County Scholarship Trust	85		0	85
Masonic Lodge Scholarship Fund	Governance and Corporate	Held on behalf of Masonic Scholarship Fund	22		0	22
Real estate investment	Commercial	Accumulate operating results from Councils Real Estate activities	4114		0	4114
Strathconan pool capital	Communities and Towns	To fund Strathconan pool capital	1		0	1
Total special funds reserves			5805	0	1540	7345
Other reserves						
Albury war memorial	Communities and Towns	Funding of maintenance of the districts war memorials	4		0	4
Ashwick/Allandale war memorial	Communities and Towns	Funding of maintenance of the districts war memorials	5		0	5
Davidson bequest: cemetery	Communities and Towns	Bequests for cemetery maintenance	1		0	1
Gillingham bequest: library	Communities and Towns	Bequests for library books	0		0	0
Gould bequest: cemetery	Communities and Towns	Bequests for cemetery maintenance	2		0	2
Paterson ponds	Communities and Towns	Funding of maintenance at Paterson Ponds	10		0	10
Enid Hutt Fairlie beautifying fund	Communities and Towns	To fund expenditure in the Fairlie township	25		0	25
Total other reserves			47	0	0	47
Asset revaluation reserves						
Share revaluation reserve	Commercial	Accumulate changes in value of Councils Share investments	16087	5477	0	21564
Investment revaluation reserve	Commercial	Accumulate movements in Councils long term investments	145	0	0	145
Infrastructural assets revaluation reserve	Infrastructural assets revaluation reserves			0	0	
Land	Governance and Corporate	Accumulate changes in value of Councils land holdings	31436	4107	0	35543
Water supplies	Water	Accumulate changes in value of Councils water infrastructure	13449	1723	0	15172
Wastewater schemes	Sewerage	Accumulate changes in value of Councils wastewater infrastructure	7349	1601	0	8950
Stormwater schemes	Stormwater	Accumulate changes in value of Councils stormwater infrastructure	2641	23	0	2664
Roading	Roading	Accumulate changes in value of Councils roading infrastructure	45252	19490	0	64742

For the period ending
30 June 2028

STATEMENT OF RESERVES

			Opening balance 1 July 2018	Movement into Reserve	Movement out of reserve	Closing balance 30 June 2028
Plant	Communities and Towns	Accumulate changes in value of Councils plant assets	35	0	0	35
Buildings	Governance and Corporate	Accumulate changes in value of Councils buildings	9642	2795	0	12437
Total revaluation reserves			126036	35216	0	161252
Capital reserves						
Administration	Governance and Corporate	To fund capital replacements of Administration Assets	-50	23	0	-27
Allandale water	Water	To fund debt repayment of the Allandale Water Scheme construction and to fund its eventual replacement.	-313	308	419	-424
Animal control	Regulatory	To fund capital requirements of animal control	-22	2		-20
Ashwick/Opuha water	Water	To fund capital requirements of the Ashwick/Opuha Water scheme	76	0	108	-32
Burkes Pass sewer	Sewerage	To fund sewer capital works in Burkes Pass				0
Burkes Pass water	Water	To fund capital requirements of the Burkes Pass Water scheme				0
Civil defence	Regulatory	To fund capital requirements of Civil Defence	22	63	110	-25
Community facilities	Communities and Towns	To fund capital requirements of community facilities				
District Council	Governance and Corporate	To fund capital requirements of the Governance Activity	-2			-2
Council building: Fairlie	Governance and Corporate	To fund replacement of Councils Administration Building in Fairlie	-160	1039	-625	254
Council building: Twizel	Governance and Corporate	To fund replacement of Councils Administration Building in Twizel	14	212	18	208
District general	Communities and Towns	To fund capital requirements of the District	-7	11	0	4
District wide roading	Roading	To fund roading capital works district wide.	-2162	23921	23259	-1500
Downlands water	Water	Councils share of a Joint Venture to fund the capital requirements of the Downlands Water Scheme	93			93
Eversley sewer	Sewerage	To fund capital requirements of the Eversley water scheme				0
Fairlie medical centre	Communities and Towns	To fund replacement of medical facilities in Fairlie	28	53		81
Fairlie pensioner housing	Communities and Towns	To fund the eventual replacement of the pensioner housing stock in Fairlie	109	120	56	173
Fairlie roading	Roading	To fund roading projects in Fairlie				0
Fairlie resource recovery park	Communities and Towns	To fund capital upgrades and replacement for Fairlie Recovery Park				0
Fairlie sewer	Sewerage	To fund sewer capital works in Fairlie				0
Fairlie stormwater	Stormwater	To fund stormwater capital works in Fairlie				0
Fairlie township	Communities and Towns	To fund capital works in the Fairlie Township	0		107	-107
Fairlie water	Water	To fund capital requirements of the Fairlie Water scheme				0
Forestry	Commercial	To fund the operations of Councils Forestry Assets	5370	229	0	5599
Hardfill sites	Communities and Towns	To fund costs arising from operations of the Councils Hardfill sites				0
Inspectorate	Regulatory	Fund the capital requirements of the inspectorate department	0			0
Information technology department	Governance and Corporate	To fund capital replacement of Councils IT assets	-353	915	699	-137
Kimbell water	Water	To fund capital requirements of the Kimbell Water scheme	19	15	0	34
Lake Tekapo community hall	Communities and Towns	To fund replacement of the Tekapo Community Hall	-41	67	21	5
Lake Tekapo township	Communities and Towns	To fund capital works in the Tekapo Township	0	238	-916	-678

For the period ending
30 June 2028

STATEMENT OF RESERVES

			Opening balance 1 July 2018	Movement into Reserve	Movement out of reserve	Closing balance 30 June 2028
Mackenzie community centre	Communities and Towns	To fund the capital works at the Fairlie community centre	50	281	145	186
Plant account	Governance and Corporate	To fund capital replacement of Councils Motor Vehicle assets	76	996	1246	-174
Public Toilets	Communities and Towns	To fund replacement of Public Toilets within the district	-1625	770	-69	-924
Pukaki airport board	Commercial	To fund the operations of Councils Airport Assets	-111		0	-111
Real estate	Commercial	To fund subdivision of Councils real estate assets	-1603		-151	-1754
Resource planning	Regulatory	To fund capital requirements of the Resource Planning Business unit	-2163	1448	0	-715
Roading professional business unit	Roading	To fund capital requirements of the Roding Business unit	-20	34	13	1
Rural fire control	Regulatory	To fund capital requirements of Rural fire			0	
Rural roading	Roading	To fund roading projects in Rural area			0	
School Road water	Water	To fund capital requirements of the School Road Water scheme	16	7	0	23
Sherwood Downs hall	Communities and Towns	To fund capital requirements of the Sherwood Downs Reserves	19		0	19
Sherwood Downs recreation reserve	Communities and Towns	To fund capital requirements of the Sherwood Downs Hall	37	8	0	45
Spur Road water	Water	To fund Spur Road capital debt	-3	1	0	-2
Swimming pool: Strathconan	Communities and Towns	To fund replacement of the Fairlie swimming pool	11	85	96	0
Swimming pool: Twizel	Communities and Towns	To fund replacement of the Twizel swimming pool	-204	456	531	-279
Tourism and Economic Development			0	135	1095	-960
Twizel community centre	Communities and Towns	To fund replacement of the Twizel Events Centre	211	618	243	586
Twizel medical centre	Communities and Towns	To fund replacement of medical facilities in Twizel			0	
Twizel pensioner housing	Communities and Towns	To fund the eventual replacement of the pensioner housing stock in Twizel	34	72	30	76
Twizel township	Communities and Towns	To fund capital works in the Twizel Township	-331	876	-1234	-689
Urban sewerage	Sewerage	To fund District sewer capital works	851	6878	3310	4419
Urban stormwater	Stormwater	To fund District stormwater capital works	614	1986	-113	2487
Urban water	Water	To fund District water capital works	-2316	21778	16710	2752
Waste Management	Communities and Towns	To fund District Solid Waste capital works	-641	360	0	-281
Total capital reserves			-4477	64005	45108	8204
Operating reserves						
Albury hall	Communities and Towns	To fund operations at the Albury Hall	17		0	17
Albury community refuse collection	Communities and Towns	Council's refuse collection operations	3	0	0	3
Albury water supply	Water	Accumulate surpluses/deficits from General Rate funded operations	185	0	0	185
Allandale water supply	Water		0	863	726	137
District general	Communities and Towns	Accumulate surpluses/deficits from General Rate funded operations	-1088		0	-1088
Downlands water supply	Water	Accumulate surpluses/deficits from General Rate funded operations	82	0	0	82
Eversley/Punaroa water races	Water	Accumulate surpluses/deficits to fund Eversley/Puneroa operating activities	-1	0	0	-1
Finance	Governance and Corporate		0	818	0	818

For the period ending
30 June 2028

STATEMENT OF RESERVES

			Opening balance 1 July 2018	Movement into Reserve	Movement out of reserve	Closing balance 30 June 2028
Fairlie community refuse collection	Communities and Towns	Council's refuse collection operations	0	0	0	0
Fairlie works and services	Communities and Towns	Accumulate surpluses/deficits from Fairlie Works and Services Rate funded operations	90		0	90
Investment	Commercial		-528			-528
Lake Alexandrina refuse collection	Communities and Towns	Council's refuse collection operations	1	0	0	1
Lake Tekapo community refuse collection	Communities and Towns	Council's refuse collection operations	10	0	0	10
Lake Tekapo works and services	Communities and Towns	Accumulate surpluses/deficits from Tekapo Works and Services Rate funded operations	425	211	0	636
Other reserves	Communities and Towns	Accumulate surpluses from Lake Alexandrina rental receipts	335	286	0	621
Pukaki airport board	Commercial	To fund the operations of Councils Airport Assets	493	135	0	628
Roading professional services business	Roading	Accumulate operating results of Councils Roading Business Unit	-174	164	47	-57
Real estate	Commercial	Holds returns from real estate transactions	0	0	0	0
Resource management	Regulatory	Deficit from Plan Change 13	0	3438	2875	563
Rural works and services	Communities and Towns	Accumulate surpluses/deficits from Rural Works and Services Rate funded operations	-78	0	0	-78
Tourism and development	Commercial	Accumulate operating results from ownership of the Pukaki Visitors Centre	-339	838	1230	-731
Twizel community refuse collection	Communities and Towns	Councils refuse collection operations	2	0	0	2
Twizel visitors centre	Communities and Towns	Accumulate surpluses/deficits from Twizel visitor centre operations	0	0	0	0
Twizel works and services	Communities and Towns	Accumulate surpluses/deficits from Twizel Works and Services Rate funded operations	144	160	0	304
Waste management	Communities and Towns	Accumulate surpluses/(deficits) from Council's Solid Waste operation	0	269	360	-91
Total operating reserves			-421	7182	5238	1523

For the period ending
30 June 2028

PERSPECTIVE FUNDING IMPACT STATEMENT - WHOLE OF COUNCIL

	Annual Plan	LTP Budget									
	2017/18	Y1 - 2019	Y2 - 2020	Y3 - 2021	Y4 - 2022	Y5 - 2023	Y6 - 2024	Y7 - 2025	Y8 - 2026	Y9 - 2027	Y10 - 2028
Sources of Operating Funding											
General rates, uniform annual general charge, rates penalties	3,110	3,411	3,524	4,395	4,181	4,563	5,094	5,516	6,081	6,624	6,783
Targeted rates	5,543	5,880	6,510	6,442	7,522	7,959	8,305	8,821	9,259	9,790	10,154
Subsidies and grants for operating purposes	790	873	878	901	1,070	1,082	1,110	910	916	941	930
Interest and dividend from investments	772	716	754	833	926	985	1,072	1,170	1,253	1,407	1,576
Local authorities fuel tax, fines, infringement fees and other receipts	3,413	2,979	3,094	2,866	2,997	3,113	3,220	3,331	3,447	3,572	3,705
Total Sources of Operating Funding (A)	13,628	13,859	14,760	15,437	16,696	17,702	18,801	19,748	20,956	22,334	23,148
Applications of Operating Funding											
Payments to staff and suppliers	11,356	11,570	11,913	12,612	12,463	12,781	13,293	13,686	13,961	14,569	14,748
Finance costs	88	115	244	306	328	330	324	308	383	363	344
Other operating funding applications	659										
Total Applications of Operating Funding (B)	11,444	11,685	12,157	12,918	12,791	13,111	13,617	13,994	14,344	14,932	15,092
Sources of Capital Funding											
Subsidies and grants for capital expenditure	1,055	938	958	989	1,120	1,042	1,063	1,097	1,119	1,154	1,178
Development and financial contributions	854	150	154	1,507	162	167	2,109	175	180	4,278	189
Increase (decrease) in debt		2,817	2,398	924	215	103	47	216	1,372	359	399
Gross proceeds from sale of assets	1,500	1,500	717	735	-	-	-	-	-	-	-
Total Sources of Capital Funding (C)	3,409	5,405	4,227	4,155	1,497	1,312	3,219	1,056	2,671	5,073	968
Application of Capital Funding											
To meet additional demand	321										
To improve levels of service	526	1,150	924			78	17		1,798	18	
To replace existing assets	2,301	4,690	5,612	2,776	3,989	3,562	4,313	2,864	3,570	3,575	3,474
Total Application of Capital Funding (D)	2,301	4,690	5,612	2,776	3,989	3,562	4,313	2,864	3,570	3,575	3,474
Increase/(decrease) in reserves	3,292	2,889	1,218	3,898	1,413	2,341	4,090	3,946	5,713	8,900	5,550
Funding Balance ((A_B)+(C-D))	-	-	-	-	-	-	-	-	-	-	-

NOTES TO THE FINANCIAL STATEMENTS

for the ten years ending 30 June 2028

NOTE 1 – Statement of accounting policies for prospective financial statements

REPORTING ENTITY

Mackenzie District Council (Council) is a territorial local authority governed by the Local Government Act 2002 and is domiciled and operates in New Zealand.

The principal activity of Mackenzie District Council is the provision of local authority services, including resource management, water, storm water, waste water and roading services, hazard management, recreation and cultural services and building control to ratepayers and other residents of the District.

The prospective financial statements of the Council for the ten years ending 30 June 2028 were authorised for issue by the Council on xxxxxxxx.

STATEMENT OF COMPLIANCE AND BASIS OF PREPARATION

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 prospective financial statements and other required disclosures.

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

Statement of Compliance

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

As the primary objective of Council is to provide goods or services for the community or social benefit rather than making a financial return, the Council and Group are public benefit entities for the purpose of financial reporting.

The Council is adopting the PBE Standards for the first time. The prospective financial statements of the Council incorporated within the ten year plan comply with Public Benefit Entity Standards (PBE Standards) and have been prepared in compliance with 'Financial Reporting Standards PBE FRS 42: *Prospective Financial Statements*.

The financial statements have been prepared in accordance with Tier 2 PBE standards with Reduced Disclosure Requirements ("PBE RDR"). The Council qualifies for Tier 2 as it does not have public accountability and is not large according to the PBE Standards.

Measurement Base

The forecast financial statements have been prepared on the basis of assumptions as to future events the Council reasonably expects to occur associated with actions the Council expects to take. They have been prepared in accordance with current accounting policies in this plan. Actual results up until June 2014 have been taken into account in preparation of these prospective financial statements.

The prospective financial statements have been prepared on a historical cost basis, modified by the revaluation of land and buildings, certain infrastructure assets, investment property, forestry, assets and financial assets, which have been measured at fair value.

Functional and Presentation Currency

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

Judgement and Estimations

The preparation of prospective financial statements in conformity with PBE IPSAS requires management to make judgments, estimates and assumptions that affect the application of policies and reported amounts of assets and liabilities, income and expenses. The estimates and associated assumptions are based on historical experience and various other factors that are

Long Term Plan 2018-2028 Financial and Rates

believed to be reasonable under the circumstances, the results of which form the basis of making the judgments about carrying values of assets and liabilities that are not readily apparent from other sources. Actual results may differ from these estimates.

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

Cautionary Note

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

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

Changes in Accounting Policies

There have been no other changes in accounting policy.

Assumptions Underlying Prospective Financial Information

The financial information contained within these policies and documents is prospective financial information in terms of PBE FRS 42 *Prospective Financial Statements*. The purpose for which it has been prepared is to enable the public to participate in the decision making processes as to the services to be provided by the Council over the financial years from 1 July 2018 to 30 June 2028, and to provide a broad accountability mechanism of the Council to the Community.

Basis of Consolidation

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

Subsidiaries

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

Joint Venture

A joint venture is a contractual agreement whereby two or more parties undertake an economic activity that is subject to joint control. For jointly controlled assets, the Council recognises in its financial statements the assets it controls, the liabilities and expenses it incurs, and the share of income that it earns from the joint venture.

Council has a 4% interest in a jointly controlled asset called the Downlands Water Supply and accounts for its interest in this entity using the equity-method of accounting.

SIGNIFICANT ACCOUNTING POLICIES

1. Goods and Services Tax (GST)

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

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

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

Commitments and contingencies are disclosed exclusive of GST

2. Revenue Recognition

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

Rates revenue

Rates are set annually by a resolution from Council and relate to a financial year. All ratepayers are invoiced within the financial year to which the rates have been set. Rates revenue is recognised when the "taxable event" occurs and the asset recognition criteria are met in accordance with PBE IPSAS 23 *Non-exchange Revenue*. The "taxable event" is the event that Government, legislation or other authority has determined will be subject to taxation.

Revenue from water by volume rates is recognised on an accrual basis. Excess water charges are recognised based on the volumes.

Government grants

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

Sales of goods

Sales of goods are recognised when the significant risks and rewards of ownership of the assets have been transferred to the buyer which is usually when the goods are delivered and title has passed.

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.

Dividends are recognised when the right to receive payment has been established.

Development and financial contributions

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

Provision of 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.

Vested assets

Where a physical asset is acquired for nil or nominal consideration, the fair value of the asset received is recognised as revenue. Fair value of a vested asset is determined as follows:

- For new assets, fair value is usually determined by reference to the retail price of the same or similar assets at the time the asset was received.
- For used assets, fair value is usually determined by reference to market information for assets of a similar type, condition, and age.

Assets vested in Council are recognised as revenue when control over the asset is obtained.

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

Rental revenue

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

3. Equity

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

These components of equity are:

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

Operating Reserves

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

Capital Reserves

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

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

Property Revaluation Reserves

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

Other Reserves & Special Funds Reserves

Other reserves

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

Restricted reserves

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

Council-created reserves

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

Accumulated General Funds

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

4. Cash and Cash Equivalents

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

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

5. Trade and Other Receivables

Debtors are amounts due from ratepayers and other customers. If collection is expected in one year or less, they are classified as current assets. If not, they are presented as non-current assets.

Trade receivables are stated at their amortised cost which approximates their nominal value as reduced by appropriate allowances for estimated irrecoverable amounts. As there are statutory remedies to recover unpaid rates, penalties and water meter charges, no provision has been made for doubtful debts in respect of rates receivables.

6. Other financial assets

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

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

Council classifies its financial assets into the following three categories:

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

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

Financial assets at fair value through surplus or deficit

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

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

Loans and receivables

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

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

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

Fair value through other comprehensive revenue and expenses

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

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

Council includes in this category:

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

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

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

Impairment of financial assets

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

Impairment losses are recognised in the prospective surplus or deficit.

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

Loans and receivables, and held-to-maturity investments

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

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

Financial assets at fair value through other comprehensive revenue and expense

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

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

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

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

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

7. Forestry

Forests were valued as at 30 June 2014, by Terry O'Neill (Bachelor of Forestry Science) Forester, Ashburton District Council in accordance with PBE IPSAS 27 *Agriculture*. All forests have been valued at 'fair value' less costs to sell at the point of harvest. Fair value is determined based on the present value of expected net cash flows discounted at a current market determined pre-tax rate of 8% (2013 the discount rate was 8%).

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

8. Inventories

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

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

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

9. Non-current assets held for sale

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

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

10. Property, Plant and Equipment and Depreciation

Property, plant and equipment consist of::

Operational Assets:

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

Restricted Assets:

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

Infrastructure assets

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

Recognition and measurement

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

Initial recognition

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

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

Subsequent measurement

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

Revaluation

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

Valuation

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

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

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

Accounting for revaluations

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

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

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

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

Additions

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

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

Disposals

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

Subsequent costs

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

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

Vested Assets

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

Depreciation

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

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

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

Infrastructural assets	Depreciation method	Life (years)
Box culverts	Straight line	100
Manholes	Straight line	100
Water supplies		
Piping mains	Straight line	60-80
Pumps	Straight line	15
Service lines	Straight line	80-100
Hydrants	Straight line	100
Valves and air valves	Straight line	80
Meters	Straight line	25
Reservoirs	Straight line	80

Unformed or paper roads

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

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

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

9. Intangible Assets

Software

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

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

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

Carbon Credits

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

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

Easements

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

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

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

Resource Consents

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

Amortisation

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

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

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

10. Impairment of property plant and equipment and intangible assets

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

Non-cash-generating assets

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

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

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

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

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

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

11. Creditors and other payables

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

12. Employee Entitlements

Short-term employee entitlements

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

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

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

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

Long-term employee entitlements

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

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

Presentation of employee entitlements

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

13. Superannuation schemes

Defined contribution schemes

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

Defined benefit schemes

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

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

14. Leases

Finance Leases

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

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

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

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

Operating Leases

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

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

15. Borrowings

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

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

16. Borrowing costs

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

17. Grant expenditure

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

Discretionary grants are those grants where Council has no obligation to award on receipt of the grant application and are recognised as expenditure when approved by Council and the approval has been communicated to the applicant.

18. Income tax

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

19. Statement of Cash Flows

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

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

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

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

20. Cost Allocation

The Council has derived the net cost of service for each significant activity of the Council using the cost allocation system outlined below.

Cost Allocation Policy

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

Criteria for Direct and Indirect Costs

Direct costs: are those costs directly attributable to a significant activity.

Indirect costs: are those costs, which cannot be identified in an economically feasible manner with a specific significant activity.

FINANCIAL PRUDENCE BENCHMARKS AND INDICATORS

LONG TERM PLAN DISCLOSURE STATEMENT FOR PERIOD COMMENCING 1 JULY, 2018

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 long-term plan in accordance with the Local Government (Financial Reporting and Prudence) Regulations 2014 (the regulations). Refer to the regulations for more information, including definitions of some of the terms used in this statement.

Rates affordability benchmark

The council meets the rates affordability benchmark if—

- its planned rates income equals or is less than each quantified limit on rates; and
- its planned rates increases equal or are less than each quantified limit on rates increases.

Rates (income) affordability

The following graph compares the council's planned rates increases with a quantified limit on rates increases contained in the financial strategy included in this long-term plan. The quantified limit is Council's quantified limit on rates is that total rates will not exceed 0.35% of the total capital value of the district.

Rates (income) affordability benchmark



Long Term Plan 2018-2028 Financial and Rates

Rates (increases) affordability

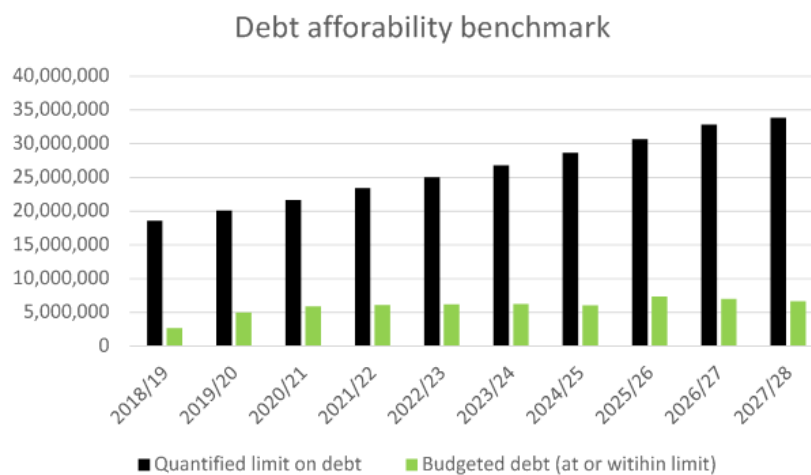
The following graph compares the council's actual rates increases with a quantified limit on rates increases included in the financial strategy included in the council's long-term plan. The quantified limit is 6.75% for the first year of the plan, 6% for the subsequent 5 years and 5% + LGCI for the remainder of the plan.



Debt affordability benchmark

The council meets the debt affordability benchmark if its planned borrowing is within each quantified limit on borrowing. The following graphs compares the council's planned debt with quantified limits on borrowing contained in the financial strategy included in this long-term plan. The quantified limit is

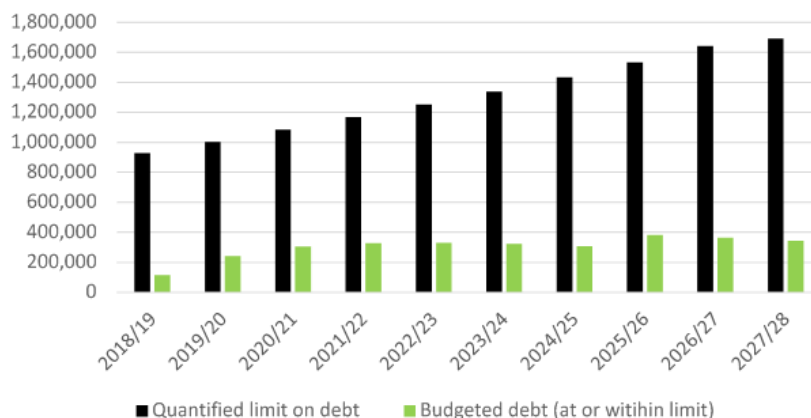
Council has two debt affordability limits the first being that debt will not be more than two times councils rates income.



Long Term Plan 2018-2028 Financial and Rates

The second is that financing costs will not be more than 10% of total rate income .

Finance costs % of rates income

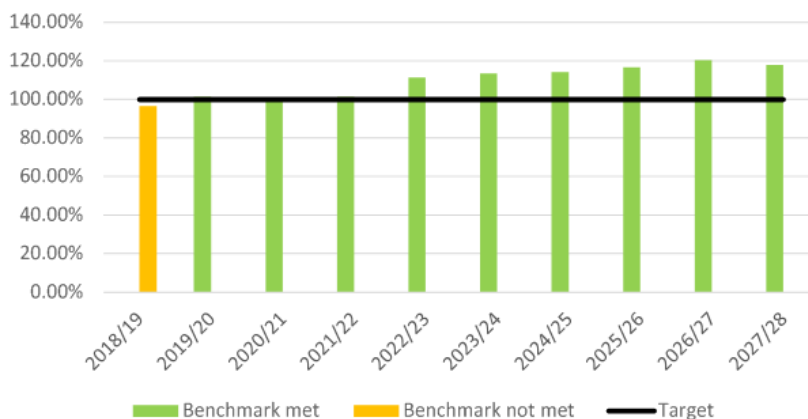


Balanced budget benchmark

The following graph displays the council's planned revenue (excluding development contributions, financial contributions, vested assets, gains on derivative financial instruments, and revaluations of property, plant, or equipment) as a proportion of planned operating expenses (excluding losses on derivative financial instruments and revaluations of property, plant, or equipment).

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

Balanced budget benchmark

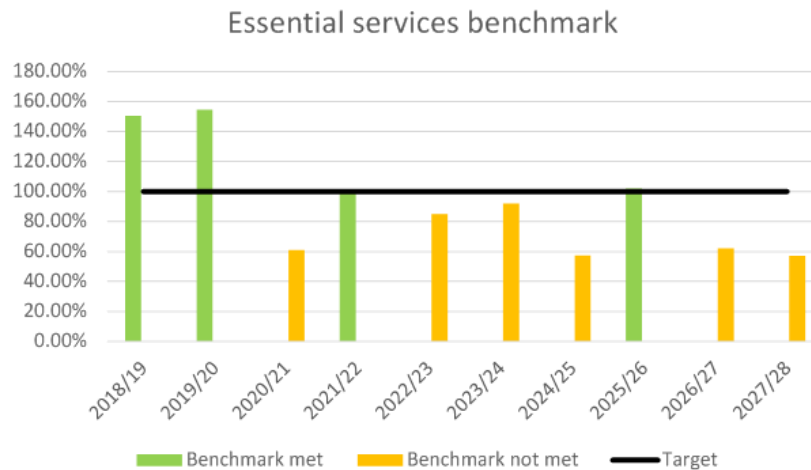


The balanced budget provisions of the Local Government Act 2002 (s100) allow a council to not fully fund all expenditure (which includes depreciation) provided it can demonstrate that it is financially prudent to do so. This is described in more detail in the *Balanced Budget Statement* at the start of Part 4 of this document. Our decision to do this contributes to the situation above. Factors affecting the balancing of the budget are receipt of capital income, funding of planning costs, and forestry expenditure and income. Another key factor is the use of the Resource Management Act financial contributions to fund some development costs included in operating expenditure. This includes spending on the development of sports grounds and reserves which is an allowed use of the contributions collected. Based on this we are not concerned about noncompliance given the short term and narrow focus of this measure.

Essential services benchmark

The following graph displays the council's planned capital expenditure on network services as a proportion of expected depreciation on network services.

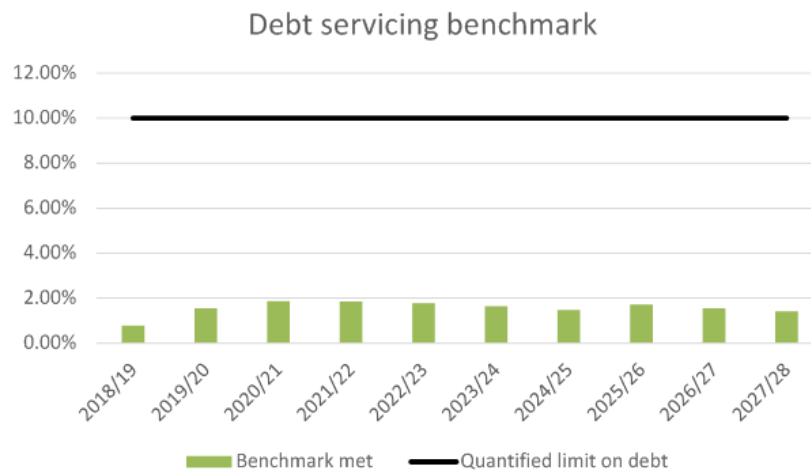
The council meets the essential services benchmark if its planned capital expenditure on network services equals or is greater than expected depreciation on network services.



Debt servicing benchmark

The following graph displays the council's planned borrowing costs as a proportion of planned revenue (excluding development contributions, financial contributions, vested assets, gains on derivative financial instruments, and revaluations of property, plant, or equipment).

Because Statistics New Zealand projects the council's population will grow as fast as the national population is projected to grow, it meets the debt servicing benchmark if it's planned borrowing costs equal or are less than 10% of its planned revenue.



A forecast for the ten years
ending 30 June 2028

PERSPECTIVE FUNDING IMPACT STATEMENT - WHOLE OF COUNCIL











	Y1 - 2019	Y2 - 2020	Y3 - 2021	Y4 - 2022	Y5 - 2023	Y6 - 2024	Y7 - 2025	Y8 - 2026	Y9 - 2027	Y10 - 2028
Projected Rating Units	4860	4900	4940	4980	5020	5060	5100	5140	5180	5220

RATING IMPACT ON SAMPLE PROPERTIES FOR 2018-2019 YEAR

	2017/2018		Year 1 LTP: 2018/2019	
	Capital Value	Rates	Rates increase based on pre-revaluation CV	Rates increase based on post-revaluation CV
FAIRLIE				
Section	\$ 55,000.00	\$ 918.01	\$ 978.39	\$ 1,119.85
Lower Value House	\$ 175,000.00	\$ 1,824.36	\$ 1,840.32	\$ 1,937.88
Mid Value House	\$ 210,000.00	\$ 1,953.36	\$ 1,961.08	\$ 2,078.16
Upper Value House	\$ 250,000.00	\$ 2,100.79	\$ 2,099.09	\$ 2,238.47
High Value House	\$ 315,000.00	\$ 2,340.37	\$ 2,323.37	\$ 2,498.99
TEKAPO				
Section	\$ 185,000.00	\$ 1,144.78	\$ 1,183.17	\$ 1,411.95
Lower Value House	\$ 280,000.00	\$ 1,780.19	\$ 1,795.30	\$ 1,958.74
Mid Value House	\$ 390,000.00	\$ 1,978.59	\$ 1,973.90	\$ 2,201.55
Upper Value House	\$ 580,000.00	\$ 2,321.28	\$ 2,282.39	\$ 2,620.95
High Value House	\$ 760,000.00	\$ 2,645.93	\$ 2,574.65	\$ 3,018.27
TWIZEL				
Section	\$ 89,000.00	\$ 986.06	\$ 997.03	\$ 1,189.75
Lower Value House	\$ 175,000.00	\$ 1,640.80	\$ 1,640.43	\$ 1,781.85
Mid Value House	\$ 215,000.00	\$ 1,737.87	\$ 1,726.71	\$ 1,900.46
Upper Value House	\$ 350,000.00	\$ 2,065.46	\$ 2,017.92	\$ 2,300.77
High Value House	\$ 445,000.00	\$ 2,295.99	\$ 2,222.85	\$ 2,582.46
RURAL				
Section	\$ 110,000.00	\$ 266.91	\$ 313.07	\$ 295.07
Lifestyle	\$ 400,000.00	\$ 604.18	\$ 675.41	\$ 609.96
Farm Property	\$ 1,000,000.00	\$ 1,301.97	\$ 1,425.08	\$ 1,261.47
Farm Property	\$ 2,000,000.00	\$ 2,464.95	\$ 2,674.54	\$ 2,347.31
Farm Property	\$ 3,000,000.00	\$ 3,627.94	\$ 3,923.99	\$ 3,433.14
Farm Property	\$ 4,000,000.00	\$ 4,790.93	\$ 5,173.45	\$ 4,518.98
Farm Property	\$ 5,000,000.00	\$ 5,953.91	\$ 6,422.90	\$ 5,604.82
Farm Property	\$ 6,000,000.00	\$ 7,116.90	\$ 7,672.36	\$ 6,690.66
Farm Property	\$ 7,000,000.00	\$ 8,279.88	\$ 8,921.82	\$ 7,776.50
Farm Property	\$ 8,000,000.00	\$ 9,442.87	\$ 10,171.27	\$ 8,862.34
Farm Property	\$ 9,000,000.00	\$ 10,605.86	\$ 11,420.73	\$ 9,948.18
Farm Property	\$ 10,000,000.00	\$ 11,768.84	\$ 12,670.18	\$ 11,034.02

8.11 LONG TERM PLAN SUPPORTING DOCUMENTS**File Reference:** PAD 10/3/2**Author:** Katherine Hill, Senior Corporate Planner**Authoriser:** Toni Morrison, Projects & Administration Manager

Attachments:

1. Community and Township Services AMP (under separate cover) 
2. Governance and Corporate Services AMP (under separate cover) 
3. Regulatory Services AMP (under separate cover) 
4. Stormwater AMP (under separate cover) 
5. Tourism, Economic Development and Commercial Activities AMP (under separate cover) 
6. Transportation AMP (under separate cover) 
7. Wastewater AMP (under separate cover) 
8. Water AMP (under separate cover) 
9. Financial Strategy (under separate cover) 
10. Infrastructure Strategy (under separate cover) 

PURPOSE OF REPORT

To seek that Council adopt a number of supporting documents to the 2018-2028 Long Term Plan, to be sent to audit.

STAFF RECOMMENDATIONS

1. That the report be received.
2. That the Council adopt the attached Financial Strategy as supporting information for the Consultation Document and Long Term Plan, subject to audit changes.
3. That the Council adopt the attached Infrastructure Strategy as supporting information for the Consultation Document and Long Term Plan, subject to audit changes.
4. That the Council adopt the attached Regulatory Services Activity Management Plan as supporting information for the Consultation Document and Long Term Plan, subject to audit changes.
5. That the Council adopt the attached Community and Township Services Activity Management Plan as supporting information for the Consultation Document and Long Term Plan, subject to audit changes.
6. That the Council adopt the attached Governance and Corporate Services Activity Management Plan as supporting information for the Consultation Document and Long Term Plan, subject to audit changes.
7. That the Council adopt the attached Tourism, Economic Development and Commercial Activities Activity Management Plan as supporting information for the Consultation Document and Long Term Plan, subject to audit changes.
8. That the Council adopt the attached Water Supplies Activity Management Plan as supporting information for the Consultation Document and Long Term Plan, subject to audit changes.

9. That the Council adopt the attached Wastewater Activity Management Plan as supporting information for the Consultation Document and Long Term Plan, subject to audit changes.
10. That the Council adopt the attached Stormwater Activity Management Plan as supporting information for the Consultation Document and Long Term Plan, subject to audit changes.
11. That the Council adopt the attached Transportation Activity Management Plan as supporting information for the Consultation Document and Long Term Plan, subject to audit changes.

BACKGROUND

Activity Management Plans

As part of Council Long Term Plan (LTP) process, Council develops Activity Management Plans (AMPs) for each of its groups of activities.

Schedule 10 of the Local Government Act 2002 (LGA) requires that certain information is provided on groups of activities in the LTP. This includes:

- (a) identifying the activities within the group of activities;
- (b) identifying the rationale for delivery of the group of activities (including the community outcomes to which the group of activities primarily contributes);
- (c) outlining any significant negative effects that any activity within the group of activities may have on the local community;
- (d) including a statement of the intended levels of service provision, any performance measures and performance targets set by the Council for each performance measure, and any intended changes to levels of service;
- (e) including a funding impact statement in relation to each group of activities.

This information is contained within each of the eight AMPs attached.

Financial and Infrastructure Strategies

The Financial Strategy and the Infrastructure Strategy are mandatory documents under sections 101A and 101B of the LGA.

Process Requirements

Section 93G of the LGA requires that this supporting information is adopted prior to the adoption of the consultation document:

93G Information to be adopted by local authority in relation to long-term plan and consultation document

Before adopting a consultation document under [section 93A](#), the local authority must prepare and adopt the information that—

- (a) is relied on by the content of the consultation document adopted under [section 93A](#); and*
- (b) is necessary to enable the Auditor-General to give the reports required by [sections 93C\(4\)](#) and [93D\(4\)](#); and*

(c) provides the basis for the preparation or amendment of the long-term plan.

Council is therefore asked to adopt these documents at the meeting. Following the meeting, the documents will be sent to Audit NZ. Over the next few weeks staff will compile an initial draft of the LTP document as well as continuing to progress the consultation document.

The Council will also be asked to adopt the financial information that supports the consultation document and forms the basis for the LTP audit. This is covered in a separate agenda item.

POLICY STATUS

N/a.

SIGNIFICANCE OF DECISION

In accordance with Council's Significance and Engagement Policy, these matters have been assessed as significant because the decisions relate to supporting information for the Consultation Document and the Long Term Plan 2018/28. The information adopted will form part of the supporting information to the Consultation Document which will undergo public consultation in March 2018.

OPTIONS

Option 1: that the Council adopt the supporting information as attached, for providing to audit.

Option 2: that the Council specify any amendments to the supporting information and adopt the documents as amended, for providing to audit.

The Council has held a number of workshops and meetings on the LTP, including consideration of budgets, priorities, and key issues. The AMPs and the Infrastructure and Financial Strategies reflect the outcomes of those workshops and meetings. In a related agenda item Council is asked to approve the audit engagement letter for the formal audit of the consultation document and LTP. That letter contains timeframes within which we must make the supporting information available to audit, to allow a timely audit process. If the supporting documents were not to be adopted at this meeting then audit timeframes may not be met.

CONSIDERATIONS

Legal

The LGA states that the Council must adopt all supporting information prior to adopting the Consultation Document. The Council is asked to adopt these documents which will then be made available to audit.

Financial

N/a. The LTP process is provided for within existing budgets.

Other

N/a.

CONCLUSION

Council is asked to adopt the Activity Management Plans and Financial and Infrastructure Strategies as supporting documents to the LTP. This will then enable the next steps in the LTP process to be undertaken.

SUZETTE VAN ASWEGEN
CHIEF EXECUTIVE OFFICER

9 COMMUNITY BOARD RECOMMENDATIONS

9.1 MINUTES OF TEKAPO COMMUNITY BOARD MEETING - 1 NOVEMBER 2017

File Reference: PAD

Author: Arlene Goss, Committee Administrator (Temp) Arlene Goss

Authoriser:

Attachments: 1. Minutes of Tekapo Community Board Meeting - 1 November 2017

RECOMMENDATION

1. That the Minutes of the Tekapo Community Board Meeting held on Wednesday 1 November 2017 be received and the recommendations therein be adopted.

TEKAPO COMMUNITY HALL FEES AND CHARGES:

That Council **notes** the resolution made by the Tekapo Community Board regarding the Tekapo Community Hall Fees and Charges.

COMMUNITY BOARD RESOLUTION TKCB/2017/1

Moved: Chair

Seconded: Lyn Martin

1. That the report be received. (The Community Board agreed fees and charges for hall hire remain the same with no change.)

CARRIED



MINUTES

Tekapo Community Board Meeting

1 November 2017

**MINUTES OF MACKENZIE DISTRICT COUNCIL
TEKAPO COMMUNITY BOARD MEETING
HELD AT THE TEKAPO COMMUNITY HALL LOUNGE, LAKE TEKAPO
ON WEDNESDAY, 1 NOVEMBER 2017 AT 4:00PM**

PRESENT: Steve Howes (Community Board Member), Lyn Martin (Community Board Member), Caroll Simcox (Community Board Member), Stella Sweney (Community Board Member) (Chair), Cr Russell Armstrong (Councillor)

IN ATTENDANCE: Suzette van Aswegen (Planning and Regulations Manager) Garth Nixon (Community Facilities Manager) Scott McKenzie (Roading Manager) Keri-Ann Andrews (Committee Administrator) Joanne Bradley (Three River Lodge) and Andrew McDonald (Church of the Good Shepherd) Murray Cox (Tekapo Project Manager) 15 members of the public

1 OPENING

The Chair welcomed everyone to the meeting.

2 APOLOGIES

APOLOGY
<p>COMMUNITY BOARD RESOLUTION TKCB/2017/84</p> <p>Moved: Cr Russell Armstrong Seconded: Caroll Simcox</p> <p>That apologies be received from Cr Anne Munro, Cr James Leslie, Cr Paul Hannagan, Mayor Graham Smith and the Chief Executive Officer be accepted.</p> <p style="text-align: right;">CARRIED</p>

3 PUBLIC FORUM

The Chair noted concern had been expressed regarding the number of visitors staying in Residential 1 Zones.

Ms van Aswegen spoke to the public regarding Council regulations and the targeted tourism rate. She added the implications of non-registered accommodation providers requires managing and Council are reviewing current protocols highlighting enforcement.

The Chair invited Mrs Bradley to address the Community Board regarding visitor numbers in Residential 1 Zones.

Mrs Bradley said she had concerns regarding the current process and overcrowding, homes were being overloaded by booking agents and visitors themselves. She asks for the Council to apply

stricter and consistent policing and ongoing communication and education with accommodation providers.

The Chair suggested a workshop with the Community to discuss issues further.

Ms van Aswegen added Council had budgeted for a enforcement officer within next year's budget and Council were currently reviewing the District Plan.

Mrs Simcox spoke as an accommodation provider, she said education would be key both for property managers and visitors and could be a 12 month process. She said she had encouraged property owners to apply for resource consents.

Murray Cox said the delay regarding the District Plan review had caused several problems. He said the District Plan review is essential to deal with all the issues. He added a community consultation and agreement would be required.

Ms van Aswegen reported the District Plan had been placed hold due to impending National Housing Standards, Government would announce. She said the plan review had continued as much as possible but expressed concern regarding spending \$500,000 of ratepayers money on a District Plan review that would require updating when the new standards were adopted.

Sarah Fastier from Simons Hill Station spoke to the Community Board on behalf of the farming community. She highlighted that the rural communities of the Mackenzie were excluded from the Community Board area. She noted this was a time when the community needed to be resilient and combined.

The Chair welcomed Mr McDonald to the meeting regarding the Church of the Good Shepherd protection plans and parking improvements.

Mr McDonald spoke to the Church's presentation.

Questions and answers followed Mr McDonald's presentations. He invited the Community to attend the Church of the Good Shepherd meetings.

Sharron Binns reported the St John service were desperate for volunteers and there were no experienced volunteers in Tekapo currently. She asked the Community Board for any assistance they could provide.

At 5:21pm the public forum concluded.

4 VISITORS

Murray Cox spoke to agenda item 7.5 in general business regarding the viewshaft project and Lakeside Drive project completion.

5 DECLARATIONS OF INTEREST

There were no declarations of interest.

6 REPORTS**7.1 MINUTES OF TEKAPO COMMUNITY BOARD MEETING - 20 SEPTEMBER 2017****COMMUNITY BOARD RESOLUTION TKCB/2017/85**

Moved: Caroll Simcox

Seconded: Lyn Martin

1. That the Minutes of the Tekapo Community Board Meeting held on Wednesday 20 September 2017 be received and adopted as a true and accurate record of the meeting.

CARRIED**7.2 TEKAPO COMMUNITY BOARD MATTERS UNDER ACTION****COMMUNITY BOARD RESOLUTION TKCB/2017/86**

Moved: Lyn Martin

Seconded: Caroll Simcox

That the information be noted.

CARRIED

Date	Target Date	Subject	Actioned Required By
26 April 17	7 June 2017	Tekapo Squash Club: The Mayor reported no change regarding the Squash Club. The Chair asked for a summary report for the next meeting.	Mr Barnett
26 April 17	Submitted applications close 12 April	<p>Town Projects:</p> <ol style="list-style-type: none"> 1. Upgrade of Hamilton Drive – Mr Nixon reported NZMCA had offered to contribute to the upgrade required, new compacting rubbish bins were being installed. He said work had commenced on the dump station and delivery scheduled before Christmas. 2. Lakeside Drive: The Chair reported works would start in 2018. 3. Tekapo Development Projects List: Scope of projects confirmed by the Finance Committee include: <ul style="list-style-type: none"> <i>Funding Effectively Confirmed For:</i> <ol style="list-style-type: none"> a. Funding for domain finishing b. Public Green c. Landscaping within viewing shafts d. Boat Ramp access from Lakeside Drive e. Playground – Mr Cox reported the playground is progressing. <i>Remaining Projects:</i> <ol style="list-style-type: none"> f. East and Western Carparks g. Long Vehicle Overflow Carpark <p><i>A to G had been accepted by the Finance Committee as part of the development project. G will be placed on the Long Term Plan.</i></p>	Mr Nixon/ Mr Barnett

		Mr Nixon reported an MBIE application regarding the Church of Good Shepherd carpark area had been submitted. He added the plans would be available for public view.	
26 April 17	Urgent	60km Speed Limit Extension: The Chair reported photographs had been forwarded to David Scarlett. The Chair welcomed further photographs to be received. Mr McKenzie reported he had met with NZTA on Tuesday and they had discussed the speed limit extension concerns. He said it would be likely the 60kmh may be extended to Mantra and discussions to extend further were ongoing.	David Scarlett - NZTA
8 June 16	Ongoing	Civil Defence: The Chair reported Mr Mackay had met with Emergency Event Teams.	Ms Morrison/ Mr Barnett
26 April 17	Ongoing	Solar System Project: The Chair reported stage 2 had almost been completed. She said there were ongoing questions regarding stage 3. Mr Nixon confirmed broken tiles required replacement. This item can now be removed.	Mr Nixon
26 April 17	April	Town Gardener: Mr Nixon reported interviewing applicants would continue. He said in the meantime Whitestone were extending their service.	Mr Nixon
26 April 17	Ongoing	Matters from Previous Meetings: <ul style="list-style-type: none"> Request to stop or close the section of Sealy Street within Murray Park – <i>Application had not been received by Council from the applicants.</i> The Chair reported a conflict of interest may exist regarding the Mantra's Lawyer and previous engagement with Council. Church of the Good Shepherd Road Access and Parking – <i>Mr McDonald presented to the Board.</i> Residential 1 Zone visitor accommodation. 	
20 September 17	November	The Community Board agreed fees and charges for hall hire remain the same with no change.	Mr Nixon

7.3 TEKAPO COMMUNITY BOARD FINANCIAL REPORT SEPTEMBER 2017

COMMUNITY BOARD RESOLUTION TKCB/2017/87

Moved: Cr Russell Armstrong

Seconded: Lyn Martin

That the report be received and the information noted.

CARRIED

Mr Nixon spoke to the report.

7.4 TEKAPO COMMUNITY HALL FEES AND CHARGES**COMMUNITY BOARD RESOLUTION TKCB/2017/88**

Moved: Chair

Seconded: Lyn Martin

1. That the report be received.

CARRIED

Mr Nixon reported the Community Board had expressed concerns regarding hall usage in relation to the current fees and charges. He asked if the Community Board felt a further review would be required.

Mr Nixon suggested advertising of the current fees and charges to the community.

The Community Board agreed fees and charges for hall hire remain the same with no change.

7.5 GENERAL BUSINESS**COMMUNITY BOARD RESOLUTION TKCB/2017/89**

Moved: Caroll Simcox

Seconded: Steve Howes

That the information be noted.

CARRIED

Mr Nixon spoke to the general items. Mr Cox updated the board regarding the viewshaft project and Lakeside Drive project completion.

1. Pay-wave payment facility – Bridge Toilets.

Mr Nixon reported an issue had occurred during Labour Weekend. He said when the problem had been identified an Electrician had been dispatched and the problem resolved. He said the toilet had received two or three pay-wave transactions per day.

2. Murray Cox, Tekapo Project Manager will update regarding the viewshaft project and Lakeside Drive project completion.

Mr Cox reported the viewshaft by Mackenzie's Bar and Grill was well underway and delays could occur regarding concreting. He said five or the mature trees had been maintained, wooden decking erected and lighting installed around the stone walls would shine through the concrete. He estimated works would be completed at the end of November.

Mr Cox said the main Lakeside Drive contract had been completed and further maintenance remained and would be completed. He said as part of the project Lakeside Drive had been extended on the left-hand side. He added an upgraded sewer had been installed and improvement works received to Domain Road. He noted further tidy up works would be required at the corner of the Squash Club with the removal of trees.

7.6 MEETING SCHEDULE 2018
PURPOSE OF REPORT To adopt the Tekapo Community Board 2018 meeting schedule.
COMMUNITY BOARD RESOLUTION TKCB/2017/90 Moved: Steve Howes Seconded: Caroll Simcox 1. That the report be received. CARRIED
COMMITTEE RESOLUTION TKCB/2017/91 Moved: Steve Howes Seconded: Caroll Simcox 2. That the Tekapo Community Board 2018 meeting schedule be adopted. CARRIED

7.7 WARD MEMBERS REPORT/ REPORT FROM MEMBERS OF THE BOARD
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Cr Armstrong reported Jason Menard had joined the ChristchurchNZ team and presented to a Council meeting yesterday.

Mrs Martin said Brightstars Kindergarten had been accredited and was operating and would require ongoing fundraising to continue operations in the future.

Mr Nixon reported he had received correspondence from a Tekapo Resident who neighbours the Community Centre grounds and indicated a boundary fence would require replacement. He added the Community Board would be required to pay for half of the new fence works.

The Meeting closed at 6:00PM.

The minutes of this meeting were confirmed at the Tekapo Community Board Meeting held on 13 December 2017.

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CHAIRPERSON

9.2 MINUTES OF FAIRLIE COMMUNITY BOARD MEETING - 2 NOVEMBER 2017**File Reference:** PAD**Author:** Arlene Goss, Committee Administrator (Temp)**Authoriser:** Toni Morrison, Projects & Administration Manager**Attachments:** 1. Minutes of Fairlie Community Board Meeting - 2 November 2017**RECOMMENDATION**

1. That the Minutes of the Fairlie Community Board Meeting held on Thursday 2 November 2017 be received and the recommendations therein be adopted.

That Council **notes** the resolution made by the Fairlie Community Board regarding the application for a mobile shop and trader permit.

PURPOSE OF REPORT

For the Committee to make a recommendation as to whether a Mobile Shop and Trader Permit to the applicant (James Rennie) under the Mackenzie District Council Mobile Shop and Traders Bylaw 2014 be issued.

COMMUNITY BOARD RESOLUTION FCB/2017/1

Moved: Pauline Jackson

Seconded: Chair

2. That the Fairlie Community Board recommends that a Mobile Shop and Trader Permit be issued to the applicant providing the applicant meets Council's conditions .

In Favour: Chair, Pauline Jackson and Cr Chris Clarke

Against: Nil

Abstained: Carolyn Coakley

CARRIED



MINUTES

Fairlie Community Board Meeting

2 November 2017

**MINUTES OF MACKENZIE DISTRICT COUNCIL
FAIRLIE COMMUNITY BOARD MEETING
HELD AT THE COUNCIL CHAMBERS, FAIRLIE
ON THURSDAY, 2 NOVEMBER 2017 AT 4:30PM**

PRESENT: Les Blacklock (Chair), Carolyn Coakley, Pauline Jackson, Cr Chris Clarke (Councillor)

IN ATTENDANCE: Suzette van Aswegen (Planning and Regulations Manager) Garth Nixon (Community Facilities Manager) Mayor Graham Smith, Cr Anne Munro and Keri-Ann Andrews (Committee Administrator) Suzanne Bylth (Resource Consent Planner) 5:30pm-5:48pm Karina Morrow (Planning Manager) 5:30-5:48pm Anne Thomson (Heartlands Fairlie) 4:30pm to 4:45pm

1 OPENING

The Chair welcomed everyone to the meeting.

2 APOLOGIES

APOLOGY

COMMUNITY BOARD RESOLUTION FCB/2017/50

Moved: Carolyn Coakley

Seconded: Pauline Jackson

That apologies be received from Damon Smith, Cr Stuart Barwood and the Chief Executive Officer.

CARRIED

3 PUBLIC FORUM

The Chair welcomed Anne Thomson to the meeting. She reported the Community Enhancement Board had gained funding for a Community Development Worker in Fairlie and Twizel. She noted Tekapo would receive the same delivery of service.

Mrs Thomson also reported:

- Incredible Eatables were growing well and encouraged the Community to use the resources.
- Fairlie Lions had purchased a house next to Moreh Home to offer a day care service for persons with dementia or neurological problems. The volunteer service would be available for a maximum of five patients at one time.
- The Skatepark had raised \$8,000 towards designs and a building quote. Once these plans and quote had been accepted investigation for external funding sources would begin.
- Seats from the Council building courtyard area would be removed and placed outside Pinewood Motel, Sloane Street, the Swimming Pool area and the Show Grounds entrance.
- Heritage Market had been a success.

- Christmas Parade and New Year's Day Parade had been organised.

The Chair thanked Mrs Thomson for her report and contribution to the community.

4 VISITORS

There were no visitors.

5 DECLARATIONS OF INTEREST

There were no declarations of interest.

6 REPORTS

7.1 MINUTES OF FAIRLIE COMMUNITY BOARD MEETING - 21 SEPTEMBER 2017
<p>COMMUNITY BOARD FCB/2017/51</p> <p>Moved: Cr Clarke Seconded: Pauline Jackson</p> <p>1. That the Minutes of the Fairlie Community Board Meeting held on Thursday 21 September 2017 be received and adopted as a true and accurate record of the meeting.</p> <p style="text-align: right;">CARRIED</p>

7.2 FAIRLIE COMMUNITY BOARD MATTERS UNDER ACTION
<p>STAFF RECOMMENDATIONS</p> <p>That the information be noted.</p>

FAIRLIE COMMUNITY BOARD MATTERS UNDER ACTION:

- 1. Regent Street:** The Community Board resolved that the Fairlie Community Board recommend to Council that the full width of Regent Street be sealed from Main Street to the first intersection in year one of the long term plan 2018-2028. The Mayor said the resolution had been received by Council and a report by the Roading Department would be submitted to the next Asset and Services Committee meeting.
- 2. Gray Street:** Mr McKenzie reported he had met with Mr Guiney regarding the possibility of a walkway. Mr Guiney had directed Mr McKenzie to speak with Mr Wieldraayer regarding securing the required land for a walk way. Mr McKenzie would endeavour to draw a draft plan before the next Community Board meeting.

The Community Board asked for urgent action. Cr Clarke expressed his frustration regarding the lack of works entering into the holiday period.

3. **Proposed Electric Car Station:** Mr Nixon reported all cables were connected and functioning. He added final road marking would be required.
4. **Bus Stop Shelter:** Mr Nixon reported NZTA had approved the bus shelter and funding would be supplied through the Heartlands Resource Centre.
5. **Broadband Options:** Cr Clarke reported The Government had announced an extension of 450 households in Fairlie would receive fibre connections before the end of 2022. He added Rural Broadband providers had also received funding. He noted Albury would receive a new transmission tower within the next five years, servicing the Limestone Valley and Albury to Cave areas and if funding increases Burkes Pass could possibly receive a transmission tower. He reported Chorus would hold a public meeting with Ashwick Flat residence and attend a meeting at Council to discuss problems that occurred last year with phone line outages. He added a phone line at Ashwick Flat would be replaced when the weather and river levels permitted.
6. **Fairlie Skateboard and Scooter Park:** The Skatepark had raised \$8,000 towards designs and a building quote. Once these plans and quote had been accepted investigation for external funding sources would begin.
7. **Drinking Fountain and Cigarette Butt Receptacle:** Cr Clarke reported removal of earth from planter boxes would allow for the installation of the drinking fountain.
8. **War Memorial Maintenance:** Mr Nixon had followed up with the Contractor and works would begin in December 2017.
9. **Town Works Update and Priority Works:** The Community Board requested information updates regarding works being carried out around Town regularly, this would enable Board members to keep the Community informed when new works were started.

Cr Clarke asked for a priority of works list for the Board's information.

10. **Abley Transportation Strategy:** Mr McKenzie would liaise with Mr Noon to set a date for a casual workshop including a walk around Town to discuss transportation needs. He added a way finding study had taken place for Fairlie.

The Community Board expressed frustration in the time taken to process Roading and Parking requests and works.

11. **Seating around Fairlie Township:** Cr Clarke reported three locations would receive seating over summer on a trial basis. Mr Nixon reported new seating had been installed at Allandale Bridge, he said the Community Board had painted all seats in the Community and asked the Community Board would to consider replacing some old seats at McLean Park.

The Chair felt the condition of tables and chairs on Denmark Street required attention. He added bench seating on the Main Street also could be an option.

The Community Board agreed Denmark Street would be a preferred option and agreed the current trial of Town seats would require new seating be arranged for the Council Courtyard area.

12. Village Green History Panel: Mrs Thomson recommended an information panel be displayed on the Village Green detailing the Village Greens rich history. She noted Mr Sutherland would provide the historical information.

13. Street Lighting: Mr Haar said an application had been submitted to NZTA to update the Districts Street lighting. He added new locations for lights would be investigated and dark spots improved. The Community Board were asked to provide feedback to Mr Haar regarding dark spots and high need areas around Fairlie. The Chair suggested feedback requested from the community via the Accessible regarding faulty streetlights.

7.3 FAIRLIE COMMUNITY BOARD FINANCIAL REPORT SEPTEMBER 2017
COMMUNITY BOARD RESOLUTION FCB/2017/52 Moved: Pauline Jackson Seconded: Cr Chris Clarke That the report be received and the information noted. <div style="text-align: right;">CARRIED</div>

Mr Nixon spoke to the report.

The Swimming Pool would open for the season on Saturday 4 November 2017.

7.4 APPLICATION FOR MOBILE SHOP AND TRADER PERMIT
PURPOSE OF REPORT For the Committee to make a recommendation as to whether a Mobile Shop and Trader Permit to the applicant (James Rennie) under the Mackenzie District Council Mobile Shop and Traders Bylaw 2014 be issued.
COMMUNITY BOARD RESOLUTION FCB/2017/53 Moved: Pauline Jackson Seconded: Cr Chris Clarke That the report be received. <u>In Favour:</u> Chair, Pauline Jackson and Cr Chris Clarke <u>Against:</u> Nil <u>Abstained:</u> Carolyn Coakley CARRIED
COMMUNITY BOARD RESOLUTION FCB/2017/54 Moved: Pauline Jackson Seconded: Chair 2. That the Fairlie Community Board recommends that a Mobile Shop and Trader Permit be issued to the applicant providing the applicant meets Council's conditions . <u>In Favour:</u> Chair, Pauline Jackson and Cr Chris Clarke <u>Against:</u> Nil <u>Abstained:</u> Carolyn Coakley CARRIED

Carolyn Coakley expressed a conflict of interest as a business owner and had abstained from the vote.

Ms Blyth spoke to the report.

Cr Clarke asked if other traders using the area over summer held permits. He expressed concern regarding traffic speed and availability for accessing the highly congested area. He noted the permit would only be for a six month period. He highlighted rubbish removal would be essential.

The Mayor noted the speed limit had been raised to 60 kilometres per hour.

Mrs Morrow added discussion would be required regarding long term arrangements and permit issuing in the area. She said Council had concerns regarding traffic management and signage would be required. She said the permit could be granted with restrictions, signage and distance from the

road. She noted Mr McKenzie had recommended a traffic management plan could be required to help address traffic concerns and no mobile trader can operate within 200 metres of any shop for the sale of similar goods.

The Chair felt the cart could supply vibrancy to the Town, noting all conditions applied to the consent would be required to be met.

Mr Nixon added the caravan would be required to accommodate the mowing of the green. He added Twizel had charged a fee because traders operated within a commercial area.

Cr Clarke felt residence on Denmark Street could possibly be consulted and felt the Bylaw should be reviewed.

Ms van Aswegen said the Bylaw had a presumption for this activity with restrictions that could be applied.

7.5 MEETING SCHEDULE 2018
PURPOSE OF REPORT To adopt the Fairlie Community Board 2018 meeting schedule.
COMMUNITY BOARD RESOLUTION FCB/2017/55 Moved: Cr Chris Clarke Seconded: Carolyn Coakley 1. That the report be received. CARRIED
COMMUNITY BOARD RESOLUTION FCB/2017/56 Moved: Cr Chris Clarke Seconded: Carolyn Coakley 2. That the Fairlie Community Board 2018 meeting schedule be adopted. CARRIED

7.6 WARD MEMBERS REPORT/ REPORT FROM MEMBERS OF THE BOARD

Cr Clarke highlighted the appointment of a new Chief Executive Officer. He reported on 17 December 2017 Council would hold a Christmas Party for all Staff and Elected Members. He noted work continued on the Long Term Plan. The Orari Temuka Opihi Pareora Zone Water Management Committee had been working towards a strategic plan and would begin public consultation, he expressed the importance of engagement from the Community.

Cr Clarke reported Annabelle Bray had returned to ChristchurchNZ and the employment of Jason Menard would assist with the information technology sector of ChristchurchNZ primarily the Mackenzie region.

The Meeting closed at 5:57PM.

The minutes of this meeting were confirmed at the Fairlie Community Board Meeting held on 7 December 2017.

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CHAIRPERSON

9.3 MINUTES OF TWIZEL COMMUNITY BOARD MEETING - 30 OCTOBER 2017**File Reference:** PAD 5**Author:** Arlene Goss, Committee Administrator (Temp)**Authoriser:** Toni Morrison, Projects & Administration Manager**Attachments:** 1. Minutes of Twizel Community Board Meeting - 30 October 2017**RECOMMENDATION**

1. That the Minutes of the Twizel Community Board Meeting held on Monday 30 October 2017 be received and the recommendations therein be adopted.

PLAYGROUND EQUIPMENT:

That Council **notes and considers** the resolutions made by the Twizel Community Board regarding playground equipment in Twizel.

COMMUNITY BOARD RESOLUTION TWCB/2017/1

Moved: Mr Luke Paardekooper

Seconded: Cr Paul Hannagan

That the Twizel Community Board ask Council to pay the \$3,300 from the reserve fund account to pay for playground equipment.

CARRIED**AFFECTED PERSON APPROVAL:**

That Council **notes** the Twizel Community Board resolution regarding a request for affected person approval (under Section 95E of the Resource Management Act 1991).

PURPOSE OF REPORT

For the Community Board to consider a request for affected person approval (under Section 95E of the Resource Management Act 1991) concerning a resource consent application from K. A. Marshall for a proposed garage at 19 Fraser Crescent, Twizel.

COMMUNITY BOARD RESOLUTION TWCB/2017/2

Moved: Chair

Seconded: Cr Paul Hannagan

2. That the Twizel Community Board recommend to Council that affected person approval be provided with regard to resource consent application RM170128 to erect a garage with reduced boundary setbacks at 19 Fraser Crescent, Twizel.

CARRIED



MINUTES

Twizel Community Board Meeting

30 October 2017

**MINUTES OF MACKENZIE DISTRICT COUNCIL
TWIZEL COMMUNITY BOARD MEETING
HELD AT THE TWIZEL ST JOHN'S ROOMS, TWIZEL
ON MONDAY, 30 OCTOBER 2017 AT 3:00PM**

PRESENT: Jacqui de Buyzer (Chair), Norman Geary, Luke Paardekooper, Pat Shuker, Cr Paul Hannagan (Councillor)

IN ATTENDANCE: Garth Nixon (Community Facilities Manager) Keri-Ann Andrews (Committee Administrator), Karina Morrow (Planning Manager) from 3:07pm-4:57pm, Suzanne Blyth (Resource Management Planner – Consents) from 3:07pm-4:57pm, Mayor Graham Smith from 3:45pm, Cr Anne Munro, Cr James Leslie, Cr Russell Armstrong, Angie Taylor (Solid Waste Manager and Twizel Town Manager) and 9 members of the public.

1 OPENING

The Chair welcomed everyone to the meeting.

2 APOLOGIES

APOLOGY
<p>COMMUNITY BOARD RESOLUTION TWCB/2017/112</p> <p>Moved: Chair Seconded: Norman Geary</p> <p>That an apology be received from Mayor Graham Smith for lateness.</p> <p style="text-align: right;">CARRIED</p>

3 PUBLIC FORUM

The Chair invited the public to speak.

Rick Ramsay and Colin McKinney Chairman of the Twizel Heritage Trail updated the Board on two heritage trails, noticeboards and photos guiding and showcasing the rich hydro history of Twizel. Mr Ramsay said a brochure had also been planned including instructions and maps. He added in addition three plinths would be erected in the Twizel Market Place highlighting original shops and businesses.

Mr Ramsay asked for approval from the Community Board and Council regarding the positions of the noticeboard plinths within the Market Place.

The Community Board supported the placement of plinths within the Market Place.

Shaun Norman informed the Community Board of proposed plans to erect a plain table at the top of Man Made Hill to indicate the visible Mountain Peaks. He said the outer Heritage Trail would comprise of a 100 kilometre round trip.

Judy Norman expressed her disappointment on the recent removal of tussock garden opposite the Council Offices and Information Centre. She asked why plans for the upgrade to the area were not displayed for public viewing.

The Chair replied that the plans had been displayed and that further discussion and consultation would take place before works began.

Frank Hocken addressed the Community Board expressing his frustration regarding Council Staff and previous Chief Executive Officers. He asked how the growth in the District would be catered for and if Council infrastructure improvement and expansion had been planned. He noted the appointment of a District Nurse for Twizel.

Shaun Norman highlighted the tree felling on the corner of North West Arch and Ohau Road and asked when the public walkway would be repaired.

Mr Nixon replied when the felling had been completed the track would be reinstated.

Shaun Norman asked when the cycle path up Ohau Road and onto Ostler Road would receive maintenance. He said the track is not suitable for cyclists due to the large gravel material.

The Community Board agreed the track required maintenance and asked for works to be completed before early December to accommodate cyclist for the busy holiday period and Maadi Cup Rowing Regatta.

4 VISITORS

There were no visitors.

5 DECLARATIONS OF INTEREST

There were no declarations of interest.

6 REPORTS

7.1 CORRESPONDENCE - TWIZEL AREA SCHOOL BOARD OF TRUSTEES

COMMUNITY BOARD RECOMMENDATION

Moved: Chair

Seconded: Luke Paardekooper

That the information be noted.

Mr Geary spoke to the Board regarding the publicly accessible Wi-Fi location currently at the Community Library.

Cr Leslie said that National Library required all public libraries to provide free Wi-Fi. Mr Geary asked if restrictions could be applied to Wi-Fi availability within the Library and free Wi-Fi be supplied within the Market Place.

Cr Leslie felt the school had to be responsible for who was on the school premises. He noted free Wi-Fi was already available at the Market Place.

Cr Hannagan felt the tree shade encouraged people to congregate around the school grounds. He suggested notices be erected and the school encourage people to move on.

The Community Board acknowledge the issue and expressed an interest in working with the school to resolve the problem.

7.2 CORRESPONDENCE - THANK YOU CARD FROM MACKENZIE WARBLERS

COMMUNITY BOARD RESOLUTION TWCB/2017/113

Moved: Norman Geary

Seconded: Pat Shuker

That the information be noted.

CARRIED

The Chair noted the thank you card received from the Mackenzie Warblers.

7.3 MINUTES OF TWIZEL COMMUNITY BOARD MEETING - 18 SEPTEMBER 2017

COMMUNITY BOARD RESOLUTION TWCB/2017/114

Moved: Cr Paul Hannagan

Seconded: Norman Geary

1. That the Minutes of the Twizel Community Board Meeting held on Monday 18 September 2017 be received and adopted as a true and accurate record of the meeting, including such parts taken with the public excluded.

CARRIED

7.4 TWIZEL COMMUNITY BOARD MATTERS UNDER ACTION**COMMUNITY BOARD RESOLUTION TWCB/2017/115**

Moved: Norman Geary

Seconded: Pat Shuker

That the information be noted.

CARRIED

Date	Target Date	Subject	Actioned Required By
6 June		Manmade Hill Gate: The Community Board agreed a gate would be required and a key from the Council office to gain access. A pathway would be constructed for disabled persons.	Mr Nixon
6 June	Works approved	Astroturfing Tennis Courts: Mr Nixon said works would be completed before the 14 th of November, weather allowing. Mr Nixon said options were being discussed regarding fencing.	Mr Nixon
6 June	Ongoing	Town Projects List: <ul style="list-style-type: none"> • Market Place Completion – Cr Hannagan felt the cost of \$400,000 was extravagant. Mr Nixon said this had been a costing only and required feedback. Mr Paardekooper suggested Community Board members and Business Owners discuss other options. Mr Geary asked for an itemised quote to investigate possible options. The Board asked that the wheelchair access be made a priority and temporary options discussed. • Water of Sports Fields – Cr Hannagan spoke to BOT Chairman he said a cost of \$200,000 had been expected if sinking of a bore and watering would be required. Mr Paardekooper noted the School had paid \$15,000 on water rates and he would like to speak with School. The Town Manager would liaise with BOT and Board members to discuss further. • Tennis Court Resurfacing. • Theatre Seats – A report would be provided for the next Community Board meeting regarding seating options and costings. • Swimming Pool Upgrade – Mr Nixon reported the upgrade was progressing. Whitestone's were cleaning the pool and 	Mr Nixon

		<p>filters would be installed. Mr Nixon reported 14 November would be the planned opening day for the season.</p> <ul style="list-style-type: none"> Removal of dead trees around the School would be undertaken. 	
6 June	Ongoing	<p>Correspondence Follow up From Previous Meeting:</p> <p>Update required regarding:</p> <ul style="list-style-type: none"> Policing Rules and Regulations – Freedom Camping. Mr Nixon reported interviews were taking place. Twizel Skate Park – Mr Nixon would write to Mr Power confirming the Community Board’s support and the corporation’s plans. Pensioner Housing upkeep is ongoing. Waiting list is in place. 	Mr Nixon
6 June	ongoing	<p>Town Clock: Town Temperature Clock to be installed in Market Place; Ms Taylor reported the favoured option was not viable and that another clock had been ordered costing \$650.</p>	Ms Taylor
6 June	Ongoing	<p>Whitestone Grant: The Community board agreed the \$5,000 grant received from Whitestone Contracting limited would be spent on Man Made Hill improvements, signage, seats or replanting work. Mr Nixon will provide a report to the next Community Board meeting outlining options.</p>	Community Board
1 May	7 August	<p>Future of Wood Chipper: The Community Board sought clarification regarding sale of the Chipper and a tender process if required.</p> <p>The Mayor reported a tender process would be required.</p> <p>Mrs Shuker reported a Worksafe certificate would not be required for use.</p> <p>The Chair asked for a report regarding wood chipper options.</p>	Mr Nixon
7 August 2017		<p>Twizel Planning Documents: A meeting would take place on 21 November 2017 at 5:00pm.</p>	
		<p>Market Place Litter Bins: Ms Taylor reported bin removal had been successful and signage had been ordered.</p>	
		<p>Dust Suppressants Trial/ Ben Ohau Road: The Mayor reported the item would be discussed at Council meeting on 31 October 2017.</p>	

		Town Water Supply: Mr Nixon reported he would ask the Asset Department to provide the Information required regarding water pump usage via email.	
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7.5 TWIZEL COMMUNITY BOARD FINANCIAL REPORT SEPTEMBER 2017**COMMUNITY BOARD RESOLUTION TWCB/2017/116**

Moved: Norman Geary

Seconded: Pat Shuker

That the report be received and information noted.

CARRIED

Mr Nixon spoke to the report.

MOTION**COMMUNITY BOARD RESOLUTION TWCB/2017/117**

Moved: Mr Luke Paardekooper

Seconded: Cr Paul Hannagan

That the Twizel Community Board ask Council to pay the \$3,300 from the reserve fund account to pay for playground equipment.

CARRIED

The Community Board asked if Council would consider payment for the replacement of a spinner bowl for the playground at a total cost of \$3,300.00.

The Community Board asked for further information regarding itinerant trader's fee charges. The Chair asked for a report for the next Community Board meeting.

7.6 RM170128 - PLACEMENT OF A GARAGE WITHIN BOUNDARY SETBACKS - 19 FRASER CRESENT, TWIZEL**PURPOSE OF REPORT**

For the Community Board to consider a request for affected person approval (under Section 95E of the Resource Management Act 1991) concerning a resource consent application from K. A. Marshall for a proposed garage at 19 Fraser Crescent, Twizel.

COMMUNITY BOARD RESOLUTION TWCB/2017/118

Moved: Chair

Seconded: Luke Paardekooper

1. That the report be received.

CARRIED

COMMUNITY BOARD RESOLUTION TWCB/2017/119

Moved: Chair

Seconded: Cr Paul Hannagan

2. That the Twizel Community Board recommend to Council that affected person approval be provided with regard to resource consent application RM170128 to erect a garage with reduced boundary setbacks at 19 Fraser Crescent, Twizel.

CARRIED

Ms Blyth spoke to the report.

7.7 TWIZEL COMMUNITY BOARD MEETING SCHEDULE 2018
<p>PURPOSE OF REPORT</p> <p>For the Twizel Community Board to adopt the Twizel Community Board meeting schedule for 2018.</p>
<p>COMMUNITY BOARD RECOMMENDATION</p> <p>Moved: Chair Seconded: Luke Paardekooper</p> <p>1. That the report be received.</p> <p>COMMUNITY BOARD RESOLUTION TWCB/2017/120</p> <p>Moved: Chair Seconded: Pat Shuker</p> <p>2. That the Twizel Community Board 2018 meeting schedule be adopted.</p> <p style="text-align: right;">CARRIED</p>

TWIZEL COMMUNITY BOARD MEETING SCHEDULE 2018

Monday 29 January 2018 – Start time 5:00pm **public forum 5:00pm**

Monday 12 March 2018 - Start time 5:00pm **public forum 5:00pm**

Monday 23 April 2018 - Start time 5:00pm **public forum 5:00pm**

Monday 11 June 2018 (Monday 4 June is Queens Birthday) – time to be confirmed

Monday 30 July 2018 – time to be confirmed

Monday 10 September 2018 – time to be confirmed

Monday 29 October 2018 (Monday 22 October is Labour Day) – time to be confirmed

Monday 3 December 2018 – time to be confirmed

INFORMATION TO NOTE:

The Twizel Community Board requests a three month trial period of a 5:00pm meeting start time with the public forum starting at 5:00pm, this has been indicated above.

7.8 GENERAL BUSINESS/ INFORMATION UPDATE**COMMUNITY BOARD RESOLUTION TWCB/2017/121**

Moved: Chair

Seconded: Pat Shuker

That the information be noted.

CARRIED

The Twizel Community Board had requested an update on the following matters.

1. Water pooling/ stone barrier carpark area by the Mackenzie Four Square and Mackenzie District Council Office and Information Centre.

Mr Nixon reported work would be completed before Christmas. The Community Board asked that a breakdown of work be explained and if works could not be completed before 1 December 2017, then deferred to the New Year.

2. Twizel Tidy up – Any property to be removed from outside property boundaries and cleared, no property to be left on Community land i.e. alley ways, green ways and outside fences.

Mr Nixon highlighted the Council's Reserve policy. He said he would carry out positive correspondence, notifications and enforcement on the issues raised if required.

Mr Paardekooper asked for a reminder to residence regarding the mowing of empty sections be distributed. He asked that the orange cones be removed from around the waste station and a permanent structure be erected.

3. Wi-Fi in Market place – follow up discussion from correspondence.

The Twizel Community Board agreed to review options in regards to supplying Wi-Fi to the market place and to explore costs with a commercial entity.

Cr Hannagan said further investigations would be required and could be too complex for Council. He suggested receiving buy in from the School and businesses regarding free Wi-Fi and a positive step forward. Cr Hannagan said he would speak to the school and business owners to gauge interest.

4. North West Arch fence vegetation problem.

Mrs Shuker reported a hedge had grown through a joint fence line boundary with Council and a Residence.

Mr Nixon noted it would be the neighbour's responsibility to mitigate the problem and asked if discussions with the neighbour had occurred.

Mrs Shuker confirmed the neighbour had not been approached regarding the overgrown hedge.

Mr Nixon would confirm the property owner and discuss hedge cutting.

5. Low Boulevard type lighting when replacing old poles within Twizel.

Mr Paardekooper reported Council had a requirement for low lighting to accommodate the dark sky. He asked if the LED replacement had been compliant with the dark sky regulations and if discussion with the Dark Sky Board had taken place.

Cr Munro confirmed regulations regarding lighting requirements had been discussed with Council and all Twizel lights comply with regulations.

Mr Nixon reported he would discuss requirements with the Asset Team.

Mr Nixon said replacing old poles within Twizel with the low boulevard type lighting would not be possible. He said there is no in ground street light circuit to attach to, no kerb to protect from vehicles and double up of the lights from those on poles would be required.

6. Rata Road and Totara Drive Undeveloped Greenway Dumping:

Mrs Shuker provided a picture of slash that had been left on an undeveloped greenway. Mr Nixon replied the slash had been moved to the area and discussion of options of removal were being discussed.

7. Riverwalk Way:

Mr Nixon said he would investigate Mrs Shuker concerns regarding a dirt fill blocking the river channel. He noted the fill had been Environment Canterbury works.

8. Fill on Farmers Land:

Mrs Shuker reported dirt fill had been dumped down the bank into the canals.

The Chair recommended an ad in the Update to notify people of the clean fill dump available at the Recovery Park.

9. Two Thumb Drive Parking:

The Chair had asked Mr Bayliss from Meridian Energy to attend an interim meeting to discuss Meridian Energy staff parking in the public car parks.

The Chair suggested no stopping lines outside the Mobile Service Station next to the post office mailbox.

10. Spraying Required:

The Community Board had asked spraying to take place in several areas. Mr Nixon replied spraying was underway.

Mr Nixon said the spraying is underway.

11. Signage for Long Vehicle Parking:

The Board noted long vehicle parking signage needed to be clearer to direct visitors to the appropriate parking.

Ms Taylor would investigate options.

7.9 WARD MEMBERS REPORT/ REPORT FROM MEMBERS OF THE BOARD

Cr Hannagan reported on the last Council meeting, Planning and LTP workshops. He noted he had met with several residents to discuss several issues. He noted the dates for free dumping of tree limbs would be on the 18th and 25th of November.

The Chair reported she was a member of the Community Care Trust. She noted the Trust had recently interviewed for a new Community Care Worker.

The Meeting closed at 5:48PM.

The minutes of this meeting were confirmed at the Twizel Community Board Meeting held on 4 December 2017.

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CHAIRPERSON

10 RECEIVE COMMITTEE MINUTES

10.1 MINUTES OF FINANCE COMMITTEE MEETING - 9 NOVEMBER 2017

File Reference: PAD

Author: Arlene Goss, Committee Administrator (Temp)

Authoriser: Toni Morrison, Projects & Administration Manager

Attachments: 1. Minutes of Finance Committee Meeting - 9 November 2017

RECOMMENDATION

1. That the Minutes of the Finance Committee Meeting held on Thursday 9 November 2017 be received.



MINUTES

Extraordinary Finance Committee Meeting

9 November 2017

**MINUTES OF MACKENZIE DISTRICT COUNCIL
EXTRAORDINARY FINANCE COMMITTEE MEETING
HELD AT THE COUNCIL CHAMBERS, FAIRLIE
ON THURSDAY, 9 NOVEMBER 2017 AT 9:36AM**

PRESENT: Cr Russell Armstrong (Councillor), Cr Stuart Barwood (Councillor), Cr Chris Clarke (Councillor), Cr James Leslie (Councillor)(Deputy Mayor), Mayor Graham Smith (Mayor) (Chair)

IN ATTENDANCE: Suzette van Aswegen (Planning and Regulations Manager) Toni Morrison (Projects and Administration Manager) Katherine Hill (Senior Policy Planner) Paul Morris (Chief Financial Officer) Ryan O’Sullivan, Greg Anderson, Bruce Anderson, Maureen McColl, Andrew Anderson

1 OPENING

The Mayor welcomed everyone to the meeting. He said the meeting would be informal but a structure would be required, ten minutes would be allowed for each submitter and question time would be to seek clarification only, no debate or discussion would be permitted. He added deliberations and decision making would be conducted at a meeting on the 23rd of November 2017.

2 APOLOGIES

APOLOGY
<p>COMMITTEE RESOLUTION FIN/2017/44</p> <p>Moved: Cr Stuart Barwood Seconded: Cr Chris Clarke</p> <p>That apologies be received from the Chief Executive Officer, Cr Anne Munro and Cr Paul Hannagan be accepted.</p> <p style="text-align: right;">CARRIED</p>

3 DECLARATIONS OF INTEREST

The Mayor declared an interest as member of the Fairlie Golf Club.

Cr Barwood declared an interest as a member of the Fairlie Golf Club and Fairlie Bowling Club.

4 REPORTS**4.1 SUBMISSIONS TO PROPOSED FINANCIAL POLICIES****PURPOSE OF REPORT**

To receive and hear submissions to the proposed Policy on Development Contributions and Financial Contributions, proposed Revenue and Financing Policy, and the Proposed Rates Remission and Rates Postponement Policies.

COMMITTEE RESOLUTION FIN/2017/45

Moved: Mayor Graham Smith

Seconded: Cr Stuart Barwood

1. That the report be received.

CARRIED

COMMITTEE RESOLUTION FIN/2017/46

Moved: Mayor Graham Smith

Seconded: Cr Chris Clarke

2. That Council receives the following submissions to the proposed Policy on Development Contributions and Financial Contributions:
 - (a) S. Sweney;
 - (b) L. Martin;
 - (c) M. Cox; and
 - (d) W. & Z. Speck.
3. That Council receives the submission to the proposed Revenue and Financing Policy from W. & Z. Speck.
4. That Council receives the following submissions to the Proposed Rates Remission and Rates Postponement Policies:
 - (a) G. Anderson;
 - (b) B. Anderson; and
 - (c) A. Anderson.
5. That Council hears from those submitters who wish to speak to their submissions on the above.

CARRIED

Mackenzie Rugby Football Club – Proposed Rates Remission and Postponement Policies:

The Mayor welcomed Greg Anderson and Ryan O’Sullivan.

Mr Anderson spoke to his submission on behalf of the Mackenzie Rugby Football Club and the proposed rates remission and postponement policies. Mr Anderson’s submission was number 1 of the submissions on proposed policies handout.

Mr Anderson added Touch, the Rugby Club, Squash Club and Cricket Club all used the Park. He noted the Netball Club had also participated in use of the Facility for a combined prizegiving and break up with the Rugby Club. Mr Anderson reported Forsyth Bar Stadium in Dunedin received a 90% dispensation on rates from the Dunedin City Council.

Mr O’Sullivan distributed a recent statement of the Clubs finances and noted bar takings over the last four years had declined. He said extra income received via fundraising events held had been spent on improving the experience and costs of holding such events. He noted electricity costs, repairs and maintenance and insurance for players had also increased and if trends continued to grow, he questioned the future viability of the Club.

Mr O’Sullivan said the liquor licence had not created a substantial income and that player subs were already high, the Club did not want to approach players or sponsors for a higher contribution. He noted sponsors already contributed via rating of their private homes, businesses and farms while providing sponsorship.

Questions:

Cr Barwood highlighted Council pay for the upkeep and mowing of Strathconan Park.

Mr O’Sullivan said the upkeep and mowing of the Park would be something the Club would be happy to discuss. He added the Club relied on volunteer work and the Club could investigate how upkeep and mowing could be completed at a cheaper rate. He did state that the Park was a community asset and used by the Community not just the Rugby Club.

Mr O’Sullivan added the valuation of \$780,000 received first had included the whole complex and changing rooms. He noted this had been reassessed and updated.

Cr Clarke said Council must be consistent and fair. He asked Mr O’Sullivan for clarification if the Club felt the exemption should be made for all sporting Clubs or only Clubs relying on volunteers.

Mr Anderson replied a different structure should be implemented for Clubs that are not the landowners.

Mr Anderson reported the rating of licence premises areas had been adopted for City Clubs that use their bar as a Hotel.

Fairlie Bowling Club – Proposed Rates Remission and Postponement Policies:

The Mayor welcomed Bruce Anderson to the meeting. Mr Anderson's submission was number 2 of the submissions on proposed policies handout.

Mr Anderson read his submission. He added the current rates bill was \$1697.00 a year which included Environment Canterbury rates. He noted a high majority of current Fairlie Bowling Club members were already ratepayers.

Mr Anderson reported the matter had remained unresolved for two years and he would expect a resolution soon. He felt dissatisfied an invitation to attend discussions with the whole council during workshops had not been extended to the Fairlie Bowling Club committee members.

The Mayor replied workshop discussion had resulted in the review of the rate, a consultation process occurring and today's hearing being held.

Fairlie Golf Club – Proposed Rates Remission and Postponement Policies:

The Mayor welcomed Andrew Anderson to the meeting. Mr Anderson's submission was number 3 within the proposed policies handout.

He reported the Fairlie Golf Club supported the submissions of both the Mackenzie Rugby Club and the Fairlie Bowling Club.

He added the Fairlie Golf Club land could not be sold for profit, the proceeds would be required for donation or establishment of a likewise organisation.

Mr Anderson reported the Club had 200 full members which was made up of 28 Farmers each paying over \$100,000 in property rates, 50 house owners each paying in excess of \$75,000 of rates. He noted 10% of the sub paid by members already contributed to rates, with a 50% rebate on non licence portion.

Mr Anderson reported the Club currently paid \$3000 annually in rates or \$4100.00 if a full rate would be required. He added Farms generating a \$200,000 gross income were charged \$3300.00 in rates annually.

He highlighted the Club contributed to a water race the Club could not use, it was charged for stormwater discharge which was discharged onto the Golf Course itself, the Club did intend to construct a dam for irrigation to relieve pressure from the Town supply. He confirmed the Club mowed Talbot Street Road sides with no cost to Council.

Mr Anderson stated The Fairlie Golf Club requests Council to assess the amount charged to Sports Clubs.

Questions:

Cr Barwood asked if the Club felt it fair to charge businesses higher rates to cover less rate charges for Clubs.

Mr Anderson replied if sporting body's were charged to heavily, then members would be effectivley paying rates twice.

Walter and Zita Speck – Proposed Development Contributions and Financial Contributions Policy; and Proposed Revenue and Financing Policy:

The Mayor welcome Walter Speck to the meeting and invited him to address Council. Mr Speck's submission was number 4 in the submissions on proposed policies document.

Mr Speck read his submission.

Questions:

The Mayor asked if Council moved away from capital value rating to non capital value rating would that result in only land value and improvements being the source of rating valuation.

Mr Speck noted it was currently too hard for a Family to purchase a home in Tekapo and therefore the Community had been excluded from the Town.

At 10:20 a.m., Cr Russell Armstrong left the meeting.

At 10:28 a.m., Cr Russell Armstrong returned to the meeting.

5 ADJOURNMENTS

There were no adjournments.

The Meeting closed at 10:30AM.

The minutes of this meeting were confirmed at the Finance Committee Meeting held on 23 November 2017.

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CHAIRPERSON

10.2 MINUTES OF FINANCE COMMITTEE MEETING - 23 NOVEMBER 2017

File Reference: PAD

Author: Arlene Goss, Committee Administrator (Temp)

Authoriser: Toni Morrison, Projects & Administration Manager

Attachments: 1. Minutes of Finance Committee Meeting - 23 November 2017

RECOMMENDATION

1. That the Minutes of the Finance Committee Meeting held on Thursday 23 November 2017 be received.



MINUTES

Finance Committee Meeting

23 November 2017

**MINUTES OF MACKENZIE DISTRICT COUNCIL
FINANCE COMMITTEE MEETING
HELD AT THE COUNCIL CHAMBERS, FAIRLIE
ON THURSDAY, 23 NOVEMBER 2017 AT 9:54AM**

PRESENT: Cr Russell Armstrong (Councillor), Cr Stuart Barwood (Councillor), Cr Chris Clarke (Councillor), Cr Paul Hannagan (Councillor), Cr James Leslie (Deputy Mayor), Cr Anne Munro (Councillor), Mayor Graham Smith (Mayor)

IN ATTENDANCE: Suzette van Aswegen (Chief Executive Officer) Paul Morris (Chief Financial Officer) Toni Morrison (Projects and Administration Manager) Kate Grant (Committee Administrator) Katherine Hill (Senior Corporate Planner), Megan Sutherland (Timaru Herald Reporter) Garth Nixon (Community Facilities Manager) Jason Gaskill (Alps to Ocean)

1 OPENING

The Mayor welcomed everyone to the meeting.

2 APOLOGIES

There were no apologies.

3 DECLARATIONS OF INTEREST

Cr Clarke declared a conflict of interest regarding agenda item 6.3 and abstained from voting.

4 VISITORS

Jason Gaskill (Alps to Ocean)

Mr Gaskill explained that he is stepping down from his role with Alps to Ocean but there will be no major change to the original business plan. Jason advised that current financial agreements with councils end at the end of this financial year. Jason expressed that Alps to Ocean wish to keep lines of communication open to address arising issues.

The Mayor thanked Mr Gaskill for his work.

5 REPORTS**6.1 RATES REMISSION AND POSTPONEMENT POLICIES****PURPOSE OF REPORT**

To consider submissions to the proposed Rates Remission and Rates Postponement Policies, make any changes resulting from deliberations and adopt the Rates Remission and Rates Postponement Policies.

COMMITTEE RESOLUTION FIN/2017/47

Moved: Cr Stuart Barwood

Seconded: Cr Anne Munro

1. That the report be received.

CARRIED

COMMITTEE RESOLUTION FIN/2017/48

Moved: Cr Stuart Barwood

Seconded: Cr Chris Clarke

2. That the Committee accept the submissions received to the proposed Rates Remission and Rates Postponement Policies, and instruct staff to change sub-clause 1 of clause 1 of the Rates Remission Policy to remove the wording "excluding clubs holding licences for the purposes of the sale of liquor".

CARRIED

COMMITTEE RESOLUTION FIN/2017/49

Moved: Cr Chris Clarke

Seconded: Cr Paul Hannagan

3. That the Committee adopt the Rates Remission and Rates Postponement Policies, subject to the change outlined in resolution 2.

CARRIED

COMMITTEE RESOLUTION FIN/2017/50

Moved: Cr Stuart Barwood

Seconded: Cr Chris Clarke

4. That the Committee set up a workshop with submitters regarding Strathconan Park.

CARRIED

Ms Morrison spoke to the report.

Cr Barwood expressed his support for the submissions received and stated that it is important for the community to keep these clubs alive.

At 09:59 a.m., Cr Russell Armstrong left the meeting.

At 10:03 a.m., Cr Russell Armstrong returned to the meeting.

6.2 DEVELOPMENT CONTRIBUTIONS AND FINANCIAL CONTRIBUTIONS POLICY

PURPOSE OF REPORT

To consider and deliberate on submissions to the proposed Policy on Development Contributions and Financial Contributions, and adopt the Policy on Development Contributions and Financial Contributions.

COMMITTEE RESOLUTION FIN/2017/51

Moved: Cr Anne Munro

Seconded: Cr Chris Clarke

1. That the report be received.

CARRIED

COMMITTEE RESOLUTION FIN/2017/52

Moved: Cr Chris Clarke

Seconded: Cr Anne Munro

2. That the Committee does not accept submissions received to the proposed Policy on Development Contributions and Financial Contributions.

CARRIED

COMMITTEE RESOLUTION FIN/2017/53

Moved: Cr Chris Clarke

Seconded: Cr Anne Munro

3. That the Committee adopt the Policy on Development Contributions and Financial Contributions without amendment.

CARRIED

Ms Hill spoke to the report.

The Mayor asked if Council should move to the Development Contribution system before it needed to be implemented in year 2020. Ms Hill stated that we need to undertake research before we adopt the new system so that we ensure we are implementing it properly.

Council is to write to the submitter to thank them for their submission and to explain the reason that the Committee cannot amend the policy as sought.

6.3 TWIZEL VEHICLE TRUST GARAGES REQUEST FOR ADDITIONAL FUNDING**PURPOSE OF REPORT**

To consider a request from the Twizel Tekapo Communities Vehicle Trust Garage Project.

COMMITTEE RESOLUTION FIN/2017/54

Moved: Cr Anne Munro

Seconded: Cr Stuart Barwood

1. That the report be received.

CARRIED**COMMITTEE RESOLUTION FIN/2017/55**

2. That Council seek further information from the trust to come to some other funding arrangement.

In Favour: Crs Stuart Barwood, Paul Hannagan, Anne Munro and Graham Smith

Against: Cr James Leslie

Abstained: Crs Russell Armstrong and Chris Clarke

CARRIED

Mr Nixon spoke to the report.

Cr Munro questioned how the trust planned to fund the overspend if Council were to decline their request for additional funding. Mr Nixon explained that they were not willing to disclose that when asked.

Cr Clarke declared a conflict of interest and stated that he will abstain from the vote.

6.4 REVENUE AND FINANCING POLICY

PURPOSE OF REPORT

To consider and deliberate on submissions to the proposed Revenue and Financing Policy, make any changes resulting from deliberations and adopt the Revenue and Financing Policy subject to any required changes being made, should they be considered appropriate.

COMMITTEE RESOLUTION FIN/2017/56

Moved: Cr Anne Munro

Seconded: Cr Russell Armstrong

1. That the report be received.

CARRIED

COMMITTEE RESOLUTION FIN/2017/57

Moved: Cr Paul Hannagan

Seconded: Cr James Leslie

2. That the Committee receive the submission and adopt the Revenue and Financing Policy without change.

CARRIED

Ms Morrison spoke to the report.

Mr Morris stated that moving to land value rating would have a big impact on larger land owners. Mr Morris also stated that capital value rating is the most practical system to administer.

Council is to write to the submitter to thank them for their input and to explain that while the Committee is not changing the policy, the submission raised many interesting matters.

The Mayor asked staff to congratulate the submitters on their excellent submission and presentation.

6.5 FINANCIAL REPORT SEPTEMBER 2017**PURPOSE OF REPORT**

The Financial report for Council for the period ending September 2017.

COMMITTEE RESOLUTION FIN/2017/58

Moved: Cr Stuart Barwood

Seconded: Cr Russell Armstrong

1. That the report be received and information noted.

CARRIED

Mr Morris spoke to the report.

At 10:52 a.m., Cr Russell Armstrong left the meeting.

At 10:56 a.m., Cr Russell Armstrong returned to the meeting.

6.6 MINUTES OF TEKAPO PROPERTY GROUP SUBCOMMITTEE MEETING - 24 OCTOBER 2017**COMMITTEE RESOLUTION FIN/2017/59**

Moved: Cr James Leslie

Seconded: Cr Stuart Barwood

1. That the Minutes of the Tekapo Property Group Subcommittee Meeting held on Tuesday 24 October 2017 be received.

CARRIED**6.7 MINUTES OF EXTRAORDINARY FINANCE COMMITTEE MEETING - 9 NOVEMBER 2017****COMMITTEE RESOLUTION FIN/2017/60**

Moved: Cr James Leslie

Seconded: Cr Stuart Barwood

1. That the Minutes of the Extraordinary Finance Committee Meeting held on Thursday 9 November 2017 be received and adopted as a true and accurate record of the meeting.

CARRIED

6.8 MINUTES OF FINANCE COMMITTEE MEETING - 3 OCTOBER 2017**COMMITTEE RESOLUTION FIN/2017/61**

Moved: Cr James Leslie

Seconded: Cr Stuart Barwood

1. That the Minutes of the Finance Committee Meeting held on Tuesday 3 October 2017 be received and adopted as a true and accurate record of the meeting.

CARRIED

4 ADJOURNMENTS

There were no adjournments.

5 PUBLIC EXCLUDED**RESOLUTION TO EXCLUDE THE PUBLIC****COMMITTEE RESOLUTION FIN/2017/62**

Moved: Cr Anne Munro

Seconded: Cr Paul Hannagan

That the public be excluded from the following parts of the proceedings of this meeting.

The general subject matter of each matter to be considered while the public is excluded, the reason for passing this resolution in relation to each matter, and the specific grounds under section 48 of the Local Government Official Information and Meetings Act 1987 for the passing of this resolution are as follows:

General subject of each matter to be considered	Reason for passing this resolution in relation to each matter	Ground(s) under section 48 for the passing of this resolution
8.1 - Minutes of Public Excluded Tekapo Property Group Subcommittee Meeting - 24 October 2017	<p>s7(2)(b)(ii) - the withholding of the information is necessary to protect information where the making available of the information would be likely unreasonably to prejudice the commercial position of the person who supplied or who is the subject of the information</p> <p>s7(2)(h) - the withholding of the information is necessary to enable Council to carry out, without prejudice or disadvantage, commercial activities</p>	s48(1)(a)(i) - the public conduct of the relevant part of the proceedings of the meeting would be likely to result in the disclosure of information for which good reason for withholding would exist under section 6 or section 7

CARRIED

COMMITTEE RECOMMENDATION

Moved: Cr Anne Munro

Seconded: Cr James Leslie

That Council moves out of Closed Council into Open Council.

The Meeting closed at 11:10am.

The minutes of this meeting were confirmed at the Finance Committee Meeting held on 16 January 2018.

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CHAIRPERSON

10.3 MINUTES OF ASSETS AND SERVICES COMMITTEE MEETING - 23 NOVEMBER 2017

File Reference: PAD

Author: Arlene Goss, Committee Administrator (Temp)

Authoriser: Toni Morrison, Projects & Administration Manager

Attachments: 1. Minutes of Assets and Services Committee Meeting - 23 November 2017

RECOMMENDATION

1. That the Minutes of the Assets and Services Committee Meeting held on Thursday 23 November 2017 be received.



MINUTES

Assets and Services Committee Meeting

23 November 2017

**MINUTES OF MACKENZIE DISTRICT COUNCIL
ASSETS AND SERVICES COMMITTEE MEETING
HELD AT THE COUNCIL CHAMBERS, FAIRLIE
ON THURSDAY, 23 NOVEMBER 2017 AT 11:32AM**

PRESENT: Cr Russell Armstrong (Councillor), Cr Barwood Stuart Barwood (Councillor), Cr Chris Clarke (Councillor), Cr Paul Hannagan (Councillor), Cr James Leslie (Deputy Mayor), Cr Anne Munro (Councillor), Cr Graham Smith (Mayor)

IN ATTENDANCE: Suzette van Aswegen (Chief Executive Officer) Bernie Haar (Asset Manager) Toni Morrison (Projects and Administration Manager) Scott McKenzie (Roading Manager) Geoff Horler (Utilities Manager) Angie Taylor (Solid Waste Manager) Kate Grant (Committee Administrator) Megan Sutherland (Timaru Herald Reporter) Rob Young and Bruce Mincham

1 OPENING

Chair Cr Barwood welcomed everyone to the meeting.

2 APOLOGIES

There were no apologies

3 DECLARATIONS OF INTEREST

There were no declarations of interest.

4 VISITORS

Rob Young and agenda items 6.4 and 6.5.

5 MATTERS ARISING

Cr Munro noted that the Lake Tekapo Waste Disposal costing figures were in the previous minutes as requiring a report to this meeting, but no such report had been provided. Mr Haar added that they weren't making progress with their consultant Beca therefore Mr Horler has ended their contract. Mr Horler is now driving the project and work is well underway. Mr Horler added that the pump purchased cost approximately \$5,000.00 but there are no current costings on earthworks and pipeline at this stage. Mr Horler advised that they are working hard to keep the costs down while ensuring that the works are still fit for purpose.

The Mayor expressed concerns about time and money wasted on the consultants when we could have managed it in-house from the start.

6 REPORTS**6.1 MINUTES OF ASSETS AND SERVICES COMMITTEE MEETING - 3 OCTOBER 2017****COMMITTEE RESOLUTION ASC/2017/39**

Moved: Cr Graham Smith

Seconded: Cr Anne Munro

1. That the Minutes of the Assets and Services Committee Meeting held on Tuesday 3 October 2017 be received and adopted a true and accurate record of the meeting.

CARRIED

6.2 ASSET MANAGER'S MONTHLY REPORT**COMMITTEE RESOLUTION ASC/2017/40**

Moved: Cr Chris Clarke

Seconded: Cr Russell Armstrong

1. That the information be noted.

CARRIED

Mr Haar spoke to the report.

Mr Haar stated that the submission period for the Notice of Requirement application for the Twizel Waste Water Treatment Plant upgrade had closed with one submission being received which was neutral. This should result in the decision being issued shortly which will allow for work to begin early 2018.

Cr Barwood questioned the stormwater infiltration issues. Mr Horler stated that they have completed a smoke testing survey at Lake Tekapo which revealed broken laterals and gully traps which is what is allowing storm water into the systems. Mr Horler added that a solution is yet to be decided.

Cr Clarke asked about the ongoing issues regarding the Twizel water supply. Mr Horler responded that the recent failure relating to the new equipment was unfortunate and unforeseen and that this equipment is working well otherwise. The other recent failures were due to old existing equipment failing which has been rectified and lessons have been learnt.

Cr Hannagan asked that Whitestone be thanked for their prompt response to the recent water supply interruption in Twizel. He expressed concern that there was a delay in advising people on Councils Facebook page and that Council needs to reassure people and provide prompt information.

The Mayor expressed frustration in the delay from New Zealand Transport Agency in responding to their visit and questions to them from the Mayor.

Mr McKenzie stated that they have installed five culverts along Mt Cook Station Road to prevent further erosion damage to the road.

Cr Leslie requested a summary of submissions received regarding the transport consultation which closes 1st December 2017. Mr Haar responded advising that Abley consultants will be making a presentation on the results to the Tekapo Community Board on 13th December 2017 and that he would provide information to Council as a part of that.

Cr Hannagan asked if there has been a change in water pressure for the Twizel scheme. Mr Horler explained that the pressure is being affected by high usage rates.

Cr Munro requested temporary signage to be displayed around the temporary walkway at Lake Tekapo to warn motorists of pedestrians.

The Mayor questioned whether or not the rotten rock trial has been completed. Mr Haar confirmed that the various rock sources are still being trialled. He added that the Aorangi Downs source is performing very well but they have had a few issues with the Clayton Station material.

Mr McKenzie indicated that they have found a possible rotten rock source up country which they are still investigating.

Ms Taylor provided an update on Solid Waste. Cr Clarke raised issues regarding inconsistent charge rates at Council waste sites. Ms Taylor confirmed that staff have been provided further training to rectify this issue.

6.3 ROADING REPORT

PURPOSE OF REPORT

Unsealed shoulders on the section of Regent Street from Main Street (State Highway 8) to Bank Street, Fairlie was raised as an issue by the Fairlie Community Board and a resolution was put to Council recommending to seal these to provide additional parking for the town as well as to limit dust nuisance for the residents along this section. The existing seal is approximately 5.6m wide.

COMMITTEE RESOLUTION ASC/2017/41

Moved: Cr Russell Armstrong

Seconded: Cr Chris Clarke

1. That the report be received.

CARRIED

COMMITTEE RESOLUTION ASC/2017/42

Moved: Cr Chris Clarke

Seconded: Cr Anne Munro

4. That the Committee decline the Community Board's resolution and leave the road as is, but the Committee will progress angle parking on Grey Street in consultation with the Community Board and residents as a matter of urgency.

CARRIED

Mr McKenzie spoke to the report.

Cr Clarke stated that Council need to decide what the long term use for parking in the Fairlie township will be used for and how it should look but stated that the community is getting frustrated that nothing is being done about addressing the lack of parking.

Cr Munro felt that the Committee should acknowledge the Community Boards frustration and noted that an action should come out of this Committee meeting.

6.4 ALPS TO OCEAN EAST PUKAKI PRESENTATION

COMMITTEE RESOLUTION ASC/2017/43

Moved: Cr Paul Hannagan

Seconded: Cr Anne Munro

1. That the report be received.

CARRIED

Mr Young spoke to and provided a presentation on the Eastern Section of the Alps to Ocean cycle trail.

6.5 LAKE ALEXANDRINA MANAGEMENT PLAN OPTIONS

PURPOSE OF REPORT

For Council to consider how to progress matters surrounding the future management planning around Lake Alexandrina.

COMMITTEE RESOLUTION ASC/2017/44

Moved: Cr Russell Armstrong

Seconded: Cr Chris Clarke

1. That the report be received.

CARRIED

COMMITTEE RESOLUTION ASC/2017/45

Moved: Cr Russell Armstrong

Seconded: Cr Paul Hannagan

2. That the Committee proceed with Option 3 – A Summary of Issues and an Action Plan – Limited Consultation for Information Gathering only.

CARRIED

Mr Young and Mr Nixon spoke to the report.

Mr Young suggested Option 3 would be the best way forward. He stated that a management plan isn't necessarily required and will take time and money due to consultation and it may not produce a different result to what will come out of Option 3.

Mr Young was asked about timing for delivering the report. He indicated due to other workload it may be the middle of 2018.

4 ADJOURNMENTS

5 PUBLIC EXCLUDED

RESOLUTION TO EXCLUDE THE PUBLIC

COMMITTEE RESOLUTION ASC/2017/46

Moved: Cr Russell Armstrong

Seconded: Cr Anne Munro

That the public be excluded from the following parts of the proceedings of this meeting.

The general subject matter of each matter to be considered while the public is excluded, the reason for passing this resolution in relation to each matter, and the specific grounds under section 48 of the Local Government Official Information and Meetings Act 1987 for the passing of this resolution are as follows:

General subject of each matter to be considered	Reason for passing this resolution in relation to each matter	Ground(s) under section 48 for the passing of this resolution
8.1 - Twizel Water Main Renewal 2017/18	s7(2)(h) - the withholding of the information is necessary to enable Council to carry out, without prejudice or disadvantage, commercial activities	s48(1)(a)(i) - the public conduct of the relevant part of the proceedings of the meeting would be likely to result in the disclosure of information for which good reason for withholding would exist under section 6 or section 7
8.2 - Fairlie Water Main Renewal 2017/18	s7(2)(h) - the withholding of the information is necessary to enable Council to carry out, without prejudice or	s48(1)(a)(i) - the public conduct of the relevant part of the proceedings of the meeting would be likely to result in the disclosure of information for

	disadvantage, commercial activities	which good reason for withholding would exist under section 6 or section 7
CARRIED		

COMMITTEE RESOLUTION ASC/2017/47

Moved: Cr Anne Munro

Seconded: Cr Russell Armstrong

That Council moves out of Closed Council into Open Council.

CARRIED**The Meeting closed at 1:25pm.****The minutes of this meeting were confirmed at the Assets and Services Committee Meeting held on 16 January 2018.**

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CHAIRPERSON

10.4 MINUTES OF PLANNING AND REGULATIONS COMMITTEE MEETING - 23 NOVEMBER 2017

File Reference: PAD

Author: Arlene Goss, Committee Administrator (Temp)

Authoriser: Toni Morrison, Projects & Administration Manager

Attachments: 1. Minutes of Planning and Regulations Committee Meeting - 23 November 2017

RECOMMENDATION

1. That the Minutes of the Planning and Regulations Committee Meeting held on Thursday 23 November 2017 be received.



MINUTES

Planning and Regulations Committee Meeting

23 November 2017

**MINUTES OF MACKENZIE DISTRICT COUNCIL
PLANNING AND REGULATIONS COMMITTEE MEETING
HELD AT THE COUNCIL CHAMBERS, FAIRLIE
ON THURSDAY, 23 NOVEMBER 2017 AT 1:45PM**

PRESENT: Cr Russell Armstrong (Councillor), Cr Stuart Barwood (Councillor), Cr Chris Clarke (Councillor), Cr Paul Hannagan (Councillor), Cr James Leslie (Deputy Mayor), Cr Anne Munro (Councillor), Mayor Graham Smith (Mayor)

IN ATTENDANCE: Suzette van Aswegen (Chief Executive Officer) Karina Morrow (Planning Manager) Toni Morrison (Projects and Administration Manager) Kate Grant (Committee Administrator) Megan Sutherland (Timaru Herald Reporter) Phil Mackay (Emergency Management Officer)

1 OPENING

Chair Cr Munro welcomed everyone to the meeting.

2 APOLOGIES

There were no apologies.

3 DECLARATIONS OF INTEREST

There were no declarations of interest.

4 VISITORS

There were no visitors.

5 REPORTS

6.1 PLAN CHANGE 13 UPDATE

PURPOSE OF REPORT

To provide the Committee with an update as to the status of Proposed Plan Change 13 including the 11th and 12th decisions and the application for declaration as to the effect of Plan Change 13 provisions.

COMMITTEE RESOLUTION PRC/2017/37

Moved: Cr Russell Armstrong

Seconded: Cr Chris Clarke

1. That the report be received.

CARRIED

Ms Morrow spoke to the report.

The Mayor asked what the issues going forward will be. Ms Morrow stated there are a few minor issues to work through which are the rules around farm base areas and hazard inundation areas.

6.2 MINUTES OF PLANNING AND REGULATIONS COMMITTEE MEETING - 3 OCTOBER 2017

COMMITTEE RESOLUTION PRC/2017/38

Moved: Cr Chris Clarke

Seconded: Mayor Graham Smith

1. That the Minutes of the Planning and Regulations Committee Meeting held on Tuesday 3 October 2017 be received and adopted as a true and accurate record of the meeting.

CARRIED

6.3 CIVIL DEFENCE & EMERGENCY MANAGEMENT REPORT

COMMITTEE RESOLUTION PRC/2017/39

Moved: Cr Chris Clarke

Seconded: Cr James Leslie

That the information be noted.

CARRIED

Ms Morrison spoke to the report.

Ms Morrison stated that there are three main priorities over the next twelve months which are Council Readiness, Community Awareness and Resilience and assessing the Community Response Plan.

Ms Morrison added that regular reports will be provided to the committee on Civil Defence Emergency Management.

The Meeting closed at 2:05pm.

The minutes of this meeting will be confirmed at the next Planning and Regulations Committee Meeting.

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CHAIRPERSON

10.5 MINUTES OF AUDIT AND RISK SUBCOMMITTEE MEETING - 23 NOVEMBER 2017

File Reference: NA

Author: Toni Morrison, Projects & Administration Manager

Attachments: 1. Minutes of Audit and Risk Subcommittee Meeting - 23 November 2017

RECOMMENDATION

1. That the Minutes of the Audit and Risk Subcommittee Meeting held on Thursday 23 November 2017 be received.



MINUTES

Audit and Risk Committee Meeting

23 November 2017

**MINUTES OF MACKENZIE DISTRICT COUNCIL
AUDIT AND RISK COMMITTEE MEETING
HELD AT THE COUNCIL CHAMBERS, FAIRLIE
ON THURSDAY, 23 NOVEMBER 2017 AT 2:07PM**

PRESENT: Cr Russell Armstrong (Councillor), Cr Stuart Barwood (Councillor), Cr Chris Clarke (Councillor), Cr Paul Hannagan (Councillor), Cr Leslie James Leslie (Deputy Mayor), Cr Anne Munro (Councillor), Cr Graham Smith (Mayor)

IN ATTENDANCE: Suzette van Aswegen (Chief Executive Officer) Paul Morris (Chief Financial Officer) Toni Morrison (Projects and Administration Manager) Kate Grant (Committee Administrator) Bruce Mincham (Independent Member)

1 OPENING

Chair Cr Leslie welcomed everyone to the meeting including new committee member Bruce Mincham.

2 APOLOGIES

There were no apologies.

3 DECLARATIONS OF INTEREST

There were no declarations of interest.

4 VISITORS

There were no visitors.

5 REPORTS

6.1 MINUTES OF AUDIT AND RISK SUBCOMMITTEE MEETING - 22 AUGUST 2017

COMMITTEE RESOLUTION AUD/2017/13

Moved: Cr Russell Armstrong

Seconded: Cr Stuart Barwood

1. That the Minutes of the Audit and Risk Subcommittee Meeting held on Tuesday 22 August 2017 be received adopted as a true and accurate record of the meeting.

CARRIED

6.2 HEALTH AND SAFETY REPORT**COMMITTEE RESOLUTION AUD/2017/14**

Moved: Cr Chris Clarke

Seconded: Cr Stuart Barwood

That the information be noted.

CARRIED

Ms Morrison spoke to the report.

Ms Morrison stated that Council has purchased a software package to document all Health and Safety information.

In response from Cr Leslie, Ms Morrison noted that the staff on the Health and Safety Committee recently met with all staff to provide information on the Employee Assistance Programme, so she believed there was good organisational awareness of that service offered by the Council.

4 ADJOURNMENTS**5 PUBLIC EXCLUDED****RESOLUTION TO EXCLUDE THE PUBLIC****COMMITTEE RESOLUTION AUD/2017/15**

Moved: Cr Anne Munro

Seconded: Cr Chris Clarke

That the public be excluded from the following parts of the proceedings of this meeting.

The general subject matter of each matter to be considered while the public is excluded, the reason for passing this resolution in relation to each matter, and the specific grounds under section 48 of the Local Government Official Information and Meetings Act 1987 for the passing of this resolution are as follows:

General subject of each matter to be considered	Reason for passing this resolution in relation to each matter	Ground(s) under section 48 for the passing of this resolution
8.1 - Minutes of Public Excluded Audit and Risk Committee Meeting - 22 August 2017	s7(2)(a) - the withholding of the information is necessary to protect the privacy of natural persons, including that of deceased natural persons s7(2)(b)(ii) - the withholding of the information is necessary to protect information where the making available of the	s48(1)(a)(i) - the public conduct of the relevant part of the proceedings of the meeting would be likely to result in the disclosure of information for which good reason for withholding would exist under section 6 or section 7

	information would be likely unreasonably to prejudice the commercial position of the person who supplied or who is the subject of the information s7(2)(h) - the withholding of the information is necessary to enable Council to carry out, without prejudice or disadvantage, commercial activities	
8.2 - Audit of the 2016/17 Annual Report	s7(2)(c)(i) - the withholding of the information is necessary to protect information which is subject to an obligation of confidence or which any person has been or could be compelled to provide under the authority of any enactment, where the making available of the information would be likely to prejudice the supply of similar information, or information from the same source, and it is in the public interest that such information should continue to be supplied	s48(1)(a)(i) - the public conduct of the relevant part of the proceedings of the meeting would be likely to result in the disclosure of information for which good reason for withholding would exist under section 6 or section 7
CARRIED		

<p>COMMITTEE RESOLUTION AUD/2017/16</p> <p>Moved: Cr Graham Smith</p> <p>Seconded: Cr Stuart Barwood</p> <p>That Council moves out of Closed Council into Open Council.</p> <p style="text-align: right;">CARRIED</p>

The Meeting closed at 3:04pm.

The minutes of this meeting were confirmed at the Audit and Risk Committee Meeting held on .

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CHAIRPERSON

10.6 MINUTES OF STRATEGY COMMITTEE MEETING - 23 NOVEMBER 2017

File Reference: NA

Author: Toni Morrison, Projects & Administration Manager

Attachments: 1. Minutes of Strategy Committee Meeting - 23 November 2017

RECOMMENDATION

1. That the Minutes of the Strategy Committee Meeting held on Thursday 23 November 2017 be received.



MINUTES

Strategy Committee Meeting

23 November 2017

**MINUTES OF MACKENZIE DISTRICT COUNCIL
STRATEGY COMMITTEE MEETING
HELD AT THE COUNCIL CHAMBERS, FAIRLIE
ON THURSDAY, 23 NOVEMBER 2017 AT 3:06PM**

PRESENT: Cr Russell Armstrong (Councillor), Cr Stuart Barwood (Councillor), Cr Chris Clarke (Councillor), Cr Paul Hannagan (Councillor), Cr James Leslie (Deputy Mayor), Cr Anne Munro (Councillor), Mayor Graham Smith (Mayor)

IN ATTENDANCE: Suzette van Aswegen (Chief Executive Officer) Toni Morrison (Projects and Administration Manager) and Kate Grant (Committee Administrator) Bruce Mincham until 3:18

1 OPENING

Chair Cr Leslie welcomed everyone to the meeting.

2 APOLOGIES

There were no apologies.

3 DECLARATIONS OF INTEREST

There were no declarations of interest.

4 VISITORS

There were no visitors.

5 MATTERS ARISING

Cr Munro gained the permission of Chair Cr Leslie to table the Ageing Together Policy from Christchurch City Council which is to be discussed and considered at the next committee meeting.

6 REPORTS

6.1 MINUTES OF STRATEGY COMMITTEE MEETING - 22 AUGUST 2017

COMMITTEE RESOLUTION STR/2017/11

Moved: Mayor Graham Smith

Seconded: Cr Paul Hannagan

1. That the Minutes of the Strategy Committee Meeting held on Tuesday 22 August 2017 be received and adopted as a true and accurate record of the meeting.

CARRIED

6.2 LONG TERM PLAN PROGRAMME PROGRESS REPORT**COMMITTEE RESOLUTION STR/2017/12**

Moved: Cr Stuart Barwood

Seconded: Cr Chris Clarke

That the information be noted.

CARRIED

Ms Morrison spoke to the report.

Cr Leslie asked Ms Morrison if she is anticipating any difficulties collating the information needed to meet deadlines. Ms Morrison said staff have been working very hard on supplying the required information.

The Mayor thanked Ms Morrison for all her work on this project so far.

Cr Munro requested that staff be informed of how much Councillors are appreciating their hard work on this project.

At 3:05 p.m., Cr Russell Armstrong left the meeting.

At 3:08 p.m., Cr Russell Armstrong returned to the meeting.

4 ADJOURNMENTS

The Meeting closed at 3:20pm.

The minutes of this meeting were confirmed at the Strategy Committee Meeting held on .

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CHAIRPERSON

10.7 MINUTES OF MACKENZIE FORESTRY BOARD MEETING - 23 NOVEMBER 2017

File Reference: NA

Author: Toni Morrison, Projects & Administration Manager

Attachments: 1. Minutes of Mackenzie Forestry Board Meeting - 23 November 2017

RECOMMENDATION

1. That the Minutes of the Mackenzie Forestry Board Meeting held on Thursday 23 November 2017 be received.



MINUTES

Mackenzie Forestry Board Meeting

23 November 2017

**MINUTES OF MACKENZIE DISTRICT COUNCIL
MACKENZIE FORESTRY BOARD MEETING
HELD AT THE FAIRLIE COMMUNITY CENTRE LOUNGE, FAIRLIE
ON THURSDAY, 23 NOVEMBER 2017 AT 9:00AM**

PRESENT: Cr Stuart Barwood (Councillor), Cr Chris Clarke (Councillor), Cr Anne Munro (Councillor), Mayor Graham Smith (Mayor)

IN ATTENDANCE: Suzette van Aswegen (Chief Executive Officer) Paul Morris (Chief Financial Officer) from 9:02am Toni Morrison (Projects and Administration Manager) Kate Grant (Committee Administrator) Kevin O'Neill (Forest Manager) and Terry O'Neill (District Forester) from 9:17am

1 OPENING

The Mayor welcomed everyone to the meeting.

2 APOLOGIES

There were no apologies.

3 DECLARATIONS OF INTEREST

There were no declarations of interest.

4 VISITORS

There were no visitors.

5 REPORTS

6.1 MINUTES OF MACKENZIE FORESTRY BOARD MEETING - 22 AUGUST 2017

COMMITTEE RESOLUTION MFB/2017/22

Moved: Cr Chris Clarke

Seconded: Cr Stuart Barwood

1. That the Minutes of the Mackenzie Forestry Board Meeting held on Tuesday 22 August 2017 be received and adopted as a true and accurate record of the meeting.

CARRIED

Cr Munro thanked the board for the forestry tour which was beneficial.

6.2 FORESTRY MANAGER'S REPORT AUGUST AND SEPTEMBER 2017**COMMITTEE RESOLUTION MFB/2017/23**

Moved: Cr Anne Munro

Seconded: Cr Chris Clarke

That the information be noted.

CARRIED

Kevin O'Neill spoke to his report.

Kevin O'Neill noted that there are possums present in the forestry doing some damage but numbers are low therefore they will undertake trapping next winter.

Kevin O'Neill stated that trees have been thinned back from the tracks allowing them to be accessible again which will prevent further damage. Kevin also added that it's worth considering putting gravel in the track ruts to prevent damage further. He will confirm costs before commissioning any work.

Kevin O'Neill confirmed that they are 50% through carbon dating.

6.3 UPDATE ON LOGGING AND THINNING OPERATIONS**COMMITTEE RESOLUTION MFB/2017/24**

Moved: Cr Anne Munro

Seconded: Cr Stuart Barwood

1. That the information be noted.

CARRIED

COMMITTEE RESOLUTION MFB/2017/25

Moved: Cr Anne Munro

Seconded: Cr Stuart Barwood

2. That the two tabled reports Simons Hill 2017 Harvest Update and Silvicultural Costs Report be received.

CARRIED

Terry O'Neill provided an update on the Simons Hill forestry block. Terry added that good financial gain has been due to the low figures used in original estimates, improved exchanged rates and lower shipping costs.

Terry O'Neill confirmed that approximately 50% of the plantation has been cut and that work should be completed within approximately two months into the new year which will exceed expectations.

The Mayor raised concerns regarding the thinning budget. Terry O'Neill explained that they are using \$600.00 per ha for thinning where only \$550.00 per ha was budgeted. This is due to difficulties in accessing the area. Mr Morris stated that if extra funding is required for thinning that rates will not be affected.

Terry O'Neill to review the broom issue at the Cave block.

6.4 FORESTRY BOARD FINANCIAL REPORT SEPTEMBER 2017

PURPOSE OF REPORT

The Financial Report for the Mackenzie Forestry Board for the period ending September 2017.

COMMITTEE RESOLUTION MFB/2017/26

Moved: Cr Stuart Barwood

Seconded: Cr Anne Munro

1. That the report be received and information noted.

CARRIED

Mr Morris spoke to the report.

The Mayor questioned why lease rental figures were under budget. Mr Morris to investigate but believed it could be due to the timing of Sam Bell's lease and getting the agreement signed.

Mr Morris added that the equity balance has increased from the last financial year.

Cr Clarke asked when we will receive the Simons Hill forestry block payout. Kevin O'Neill responded stating that partial payments are being received at the end of each month.

The Mayor added that he wants to see Council's forests maintained to a high standard and that it is important that thinning is done.

Cr Clarke asked for clarification around where the contribution back to Council is noted within the financial report. Mr Morris added that it sits within other income as a deficit. Committee members request for it to sit within a separate line for clarity.

7 ADJOURNMENTS

There were no adjournments.

8 PUBLIC EXCLUDED**RESOLUTION TO EXCLUDE THE PUBLIC****COMMITTEE RESOLUTION MFB/2017/27**

Moved: Cr Anne Munro

Seconded: Cr Chris Clarke

That the public be excluded from the following parts of the proceedings of this meeting.

The general subject matter of each matter to be considered while the public is excluded, the reason for passing this resolution in relation to each matter, and the specific grounds under section 48 of the Local Government Official Information and Meetings Act 1987 for the passing of this resolution are as follows:

General subject of each matter to be considered	Reason for passing this resolution in relation to each matter	Ground(s) under section 48 for the passing of this resolution
8.1 - Minutes of Public Excluded Mackenzie Forestry Board Meeting - 22 August 2017	s7(2)(b)(ii) - the withholding of the information is necessary to protect information where the making available of the information would be likely unreasonably to prejudice the commercial position of the person who supplied or who is the subject of the information s7(2)(h) - the withholding of the information is necessary to enable Council to carry out, without prejudice or disadvantage, commercial activities	s48(1)(a)(i) - the public conduct of the relevant part of the proceedings of the meeting would be likely to result in the disclosure of information for which good reason for withholding would exist under section 6 or section 7

CARRIED

COMMITTEE RECOMMENDATION

Moved: Cr Chris Clarke

Seconded: Cr Anne Munro

That Council moves out of Closed Council into Open Council.

The Meeting closed at 9:34am.

The minutes of this meeting were confirmed at the Mackenzie Forestry Board Meeting held on 27 February 2018.

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CHAIRPERSON

11 CONFIRM COUNCIL MINUTES

11.1 MINUTES OF COUNCIL MEETING - 31 OCTOBER 2017

File Reference: PAD

Author: Arlene Goss, Committee Administrator (Temp)

Authoriser: Toni Morrison, Projects & Administration Manager

Attachments: 1. Minutes of Council Meeting - 31 October 2017

RECOMMENDATION

1. That the Minutes of the Council Meeting held on Tuesday 31 October 2017 be received and the recommendations therein be adopted.



MINUTES

Ordinary Council Meeting

31 October 2017

**MINUTES OF MACKENZIE DISTRICT COUNCIL
ORDINARY COUNCIL MEETING
HELD AT THE COUNCIL CHAMBERS, FAIRLIE
ON TUESDAY, 31 OCTOBER 2017 AT 9:40AM**

PRESENT: Mayor Graham Smith (Mayor), Deputy Mayor James Leslie (Deputy Mayor), Cr Russell Armstrong (Councillor), Cr Anne Munro (Councillor), Cr Stuart Barwood (Councillor), Cr Chris Clarke (Councillor), Cr Paul Hannagan (Councillor)

IN ATTENDANCE: Wayne Barnett (Chief Executive Officer) Suzette van Aswegen (Planning and Regulations Manager) Paul Morris (Chief Financial Officer) 12:17pm-12:25pm Toni Morrison (Administration and Projects Manager) Katherine Hill (Senior Policy Planner) 12:17pm-12:25pm, Keri-Ann Andrews (Committee Administrator) Scott Mackenzie (Roading Manager) 11:38am-12:17pm Annabelle Bray, Jason Menard, Rowan Worner (ChristchurchNZ) from 10:09am to 11:04am, Barb Gilchrist (ECan Facilitator) from 11:05am to 11:38am, Megan Sutherland (Timaru Herald Reporter) left the meeting at 12:35pm

1 OPENING

The Mayor welcomed everyone to the final Council meeting for current Chief Executive Officer Wayne Barnett.

The Mayor reported agenda item 8.4 Annual Report would be withdrawn from the agenda coincidentally the Skype meeting scheduled with John Mackey Audit Director would be cancelled. He added the Audit for the Annual Report was still processing.

The Mayor noted Bruce Mincham the newly appointed independent member of the Audit and Risk Committee would join Council for Morning Tea.

2 APOLOGIES

There were no apologies.

3 VISITORS

10:00am Annabelle Bray, Mackenzie Marketing Executive; Jason Menard, Mackenzie Digital Executive; Rowan Worner, ChristchurchNZ GM Marketing;

10:45am Barb Gilchrist, Zone Facilitator Orari Temuka Opihi Pareora Zone Water Management Committee

4 DECLARATIONS OF INTEREST

There were no declarations of interest.

5 BEREAVEMENTS

The Mayor noted the recent deaths of James Hastie, David Scott and Anne Scott.

6 MAYOR'S REPORT

6.1 MAYORAL ACTIVITIES REPORT
<p>RESOLUTION 2017/90</p> <p>Moved: Cr Anne Munro Seconded: Cr Russell Armstrong</p> <p>That the report be received.</p> <p style="text-align: right;">CARRIED</p>

This report from the Mayor detailed recent meetings and events of note from the 20th of September to the 20th of October 2017.

The Mayor reported the recent Zone 5 and 6 meeting he had attended with Cr Barwood provided discussion regarding the remuneration authority for elected members, tourist infrastructure and a freedom camping nationwide common policy.

7 REPORTS

8.1 CHIEF EXECUTIVE OFFICER ACTIVITIES REPORT
<p>RESOLUTION 2017/91</p> <p>Moved: Cr Chris Clarke Seconded: Cr James Leslie</p> <p>That the report be received.</p> <p style="text-align: right;">CARRIED</p>

Mr Barnett spoke to his report and noted four new staff appointments had occurred since the last Council meeting.

8.5 COUNCILMARK LOCAL GOVERNMENT EXCELLENT PROGRAMME 2017/18
PURPOSE OF REPORT To seek approval for the Mackenzie District Council to participate in the CouncilMARK™ Local Government Excellence Programme (Programme).
RESOLUTION 2017/92 Moved: Cr Chris Clarke Seconded: Cr Anne Munro 1. That the report be received. CARRIED
RESOLUTION 2017/93 Moved: Cr Chris Clarke Seconded: Cr James Leslie 2. That Council approves Mackenzie District Council's registration of interest in the CouncilMARK™ Local Government Excellence Programme for Year 2 and 3. 3. That Council approves the unbudgeted expenditure of \$15,000 excluding GST and disbursements, for the CouncilMARK™ Excellence Programme for Year 2 and 3. CARRIED

The Mayor reported he had instigated the inclusion of this report into today's agenda.

Ms van Aswegen spoke to the report.

Cr Clarke expressed his support for the programme and added the information gained would be valuable for improving the organisation.

Cr Munro asked if staff acceptance had been sought.

Ms van Aswegen replied she had received acceptance of the programme from Senior Managers and would include further staff when appropriate.

Cr Leslie noted feedback received from staff had indicated staff workloads were high and questioned resourcing to complete the review.

Ms van Aswegen acknowledged the high level of work required but added the information provided would be valuable to Council.

8.2 CHRISTCHURCHNZ MACKENZIE TOURISM QUARTERLY MARKETING REPORT JULY 2017-SEPTEMBER 2017**RESOLUTION 2017/94**

Moved: Cr Paul Hannagan

Seconded: Cr Chris Clarke

That the information be noted.

CARRIED

The Mayor Annabelle Bray, Mackenzie Marketing Executive; Jason Menard, Mackenzie Digital Executive; Rowan Worner, ChristchurchNZ GM Marketing; Aleisha Duncan, ChristchurchNZ Online Manager to the meeting.

8.3 ORARI TEMUKA OPIHI PAREORA ZONE WATER MANAGEMENT COMMITTEE ZIPA UPDATE**RESOLUTION 2017/95**

Moved: Cr Anne Munro

Seconded: Cr Stuart Barwood

That the information be noted.

CARRIED

The Mayor welcomed Ms Gilchrist to the meeting.

Ms Gilchrist explained the interim report and complications experienced regarding protecting waterways and the importance of water for the economic health of the District.

Ms Gilchrist highlighted the proposed timeline included on page 19 of the agenda.

8.1 BEN OHAU ROAD DUST NUISANCE - LATE ITEM
RESOLUTION 2017/96 Moved: Cr Russell Armstrong Seconded: Cr James Leslie That the late item Ben Ohau Road dust nuisance be accepted and the report be received. CARRIED
RESOLUTION 2017/97 Moved: Cr James Leslie Seconded: Cr Paul Hannagan That Council proceed to apply a maintenance dressing of Rotten Rock and clay mix on the Ben Ohau Road as far as the Cheese Factory. <u>In Favour:</u> Mayor Graham Smith, Crs James Leslie, Russell Armstrong, Stuart Barwood, Chris Clarke and Paul Hannagan <u>Against:</u> Cr Anne Munro CARRIED

Mr McKenzie spoke to the report. He added if exception was made laying Rotten Rock Material would be the recommended choice of action.

Cr Clarke asked what implications would occur if Council diverted from the policy.

Mr McKenzie replied Ben Oahu Road was a rural road and similar to further rural areas in the District. He noted there had been a significant level of development on Ben Ohau Road however diverting from the policy could result in other rural residents raising issues.

The Mayor reported Ben Ohau Road had experience a large increase in traffic volumes. He suggested the road maintenance schedule be brought forward and adding a clay mix to distribution would alleviate the dust problem. He noted several Fairlie Rural Roads had received treatment for dust nuisance. He added the road was close to Town with the potential for 13 homes being constructed.

Cr Leslie said a policy had been set regarding certain circumstances, however those circumstances had changed. He added there was now a Skyscape business and Cheese Factory down Ben Ohau Road acting as a tourist destination.

Cr Munro felt disappointed only one resident attended the meeting held with the Mayor to discuss the dust nuisance problem. She said rural roads during summer did experience high traffic volumes and Ben Ohau Road was no different than other rural roads. She noted Rotten Rock would be muddy and leave vehicles messy in the winter. She expressed concern that this may create a precedence.

Cr Barwood reported Ben Ohau Road had been developed as a track for a Forestry operation. He asked why developers selling sections were not asked to contribute, he added it was disappointing

current residence were not prepared to contribute. He said other residents in the District would contribute to upgrades of rural roads if the opportunity arose.

Mr Barnett replied contributions could not be sought retrospectively. He noted no contribution had been received from the Developer on Ben Ohau Road. He added contributions had been paid by a Developer of Manuka Terrace and this contribution had provided sealing of a section of Manuka Terrace.

Cr Clarke said reasoning for diverting from the policy must be clear. He felt Council could not change circumstances to fit policies or procedures and further residents on other rural properties were worse off.

Cr Armstrong highlighted the growth of Twizel and added no other dust nuisance complaints had been received from other rural roads.

Mr McKenzie confirmed if the maintenance was brought forward a subsidy could be applied for. He added funding for sealing would not be available. He said there had been a large increase of homestays, Alps2Ocean accommodation providers and Lodges on rural roads.

Cr Clarke asked if tourists using rural roads would qualify Council for MBE funding. Cr Barwood agreed and suggested applying to NZTA for dust nuisance relief.

The Mayor asked for works to take place immediately.

8.6 TOURISM PROMOTION RATE
PURPOSE OF REPORT For Council to confirm whether it seeks to continue its role in tourism promotion of the Mackenzie District.
RESOLUTION 2017/98 Moved: Cr Russell Armstrong Seconded: Cr Paul Hannagan 1. That the report be received. <div style="text-align: right;">CARRIED</div> RESOLUTION 2017/99 Moved: Cr Chris Clarke Seconded: Cr James Leslie <div style="text-align: right;">CARRIED</div>

Miss Hill spoke to the report.

8.7 SIGNIFICANT FORECASTING ASSUMPTIONS**PURPOSE OF REPORT**

The purpose of this report is to seek that Council adopt the significant forecasting assumptions for the purpose of developing the draft 2018-1028 LTP and associated documents.

RESOLUTION 2017/100

Moved: Cr Chris Clarke

Seconded: Cr Anne Munro

1. That the report be received.

CARRIED

RESOLUTION 2017/101

Moved: Cr Anne Munro

Seconded: Cr Chris Clarke

2. That the attached significant forecasting assumptions be adopted for the 2018-28 Long Term Plan process.

CARRIED

Ms Morrison spoke to the report.

8.8 COUNCIL, COMMITTEE AND COMMUNITY BOARDS MEETING SCHEDULE 2018
PURPOSE OF REPORT For Council to adopt the attached meeting schedule for 2018.
RESOLUTION 2017/102 Moved: Cr Chris Clarke Seconded: Cr Stuart Barwood 1. That the report be received. CARRIED
RESOLUTION 2017/103 Moved: Cr Chris Clarke Seconded: Cr Stuart Barwood 2. That Council adopt the Council, Committee and Community Boards meeting schedule for 2018. CARRIED

8 COMMUNITY BOARD RECOMMENDATIONS

9.1 MINUTES OF TWIZEL COMMUNITY BOARD MEETING - 18 SEPTEMBER 2017
MOTION Moved: Cr Chris Clarke Seconded: Cr Stuart Barwood 1. That the Minutes of the Twizel Community Board Meeting held on Monday 18 September 2017 be received and the recommendations therein be adopted.
9.2 MINUTES OF TEKAPO COMMUNITY BOARD MEETING - 20 SEPTEMBER 2017
RESOLUTION 2017/104 Moved: Cr Chris Clarke Seconded: Cr Stuart Barwood 1. That the Minutes of the Tekapo Community Board Meeting held on Wednesday 20 September 2017 be received and the recommendations therein be adopted. CARRIED

9.3 MINUTES OF FAIRLIE COMMUNITY BOARD MEETING - 21 SEPTEMBER 2017**RESOLUTION 2017/105**

Moved: Cr Chris Clarke

Seconded: Cr Stuart Barwood

1. That the Minutes of the Fairlie Community Board Meeting held on Thursday 21 September 2017 be received and the recommendations therein be adopted.

CARRIED**9 RECEIVE COMMITTEE MINUTES****10.1 MINUTES OF FINANCE COMMITTEE MEETING - 3 OCTOBER 2017****RESOLUTION 2017/106**

Moved: Cr Chris Clarke

Seconded: Cr Anne Munro

1. That the Minutes of the Finance Committee Meeting held on Tuesday 3 October 2017 be received.

CARRIED**10.2 MINUTES OF ASSETS AND SERVICES COMMITTEE MEETING - 3 OCTOBER 2017****RESOLUTION 2017/107**

Moved: Cr Chris Clarke

Seconded: Cr Anne Munro

1. That the Minutes of the Assets and Services Committee Meeting held on Tuesday 3 October 2017 be received.

CARRIED**10.3 MINUTES OF PLANNING AND REGULATIONS COMMITTEE MEETING - 3 OCTOBER 2017****RESOLUTION 2017/108**

Moved: Cr Chris Clarke

Seconded: Cr Anne Munro

1. That the Minutes of the Planning and Regulations Committee Meeting held on Tuesday 3 October 2017 be received.

CARRIED

10 CONFIRM COUNCIL MINUTES**11.1 MINUTES OF COUNCIL MEETING - 19 SEPTEMBER 2017****RESOLUTION 2017/109**

Moved: Cr James Leslie

Seconded: Cr Stuart Barwood

1. That the Minutes of the Council Meeting held on Tuesday 19 September 2017 be adopted as a true and accurate record of the meeting, including such parts taken with the public excluded.

CARRIED

11 ADJOURNMENTS

The meeting adjourned at 11:12am and reconvened at 11:38am for morning tea.

12 PUBLIC EXCLUDED**RESOLUTION TO EXCLUDE THE PUBLIC****RESOLUTION 2017/110**

Moved: Cr James Leslie

Seconded: Cr Chris Clarke

That the public be excluded from the following parts of the proceedings of this meeting.

The general subject matter of each matter to be considered while the public is excluded, the reason for passing this resolution in relation to each matter, and the specific grounds under section 48 of the Local Government Official Information and Meetings Act 1987 for the passing of this resolution are as follows:

General subject of each matter to be considered	Reason for passing this resolution in relation to each matter	Ground(s) under section 48 for the passing of this resolution
13.1 - Minutes of Public Excluded Council Meeting - 19 September 2017	s7(2)(b)(ii) - the withholding of the information is necessary to protect information where the making available of the information would be likely unreasonably to prejudice the commercial position of the person who supplied or who is the subject of the information s7(2)(h) - the withholding of the information is necessary to enable Council to carry out,	s48(1)(a)(i) - the public conduct of the relevant part of the proceedings of the meeting would be likely to result in the disclosure of information for which good reason for withholding would exist under section 6 or section 7

	without prejudice or disadvantage, commercial activities	
13.2 - Proposal to Rationalise Land Holdings	<p>s7(2)(b)(ii) - the withholding of the information is necessary to protect information where the making available of the information would be likely unreasonably to prejudice the commercial position of the person who supplied or who is the subject of the information</p> <p>s7(2)(h) - the withholding of the information is necessary to enable Council to carry out, without prejudice or disadvantage, commercial activities</p>	s48(1)(a)(i) - the public conduct of the relevant part of the proceedings of the meeting would be likely to result in the disclosure of information for which good reason for withholding would exist under section 6 or section 7
13.3 - Twizel Property Development	<p>s7(2)(a) - the withholding of the information is necessary to protect the privacy of natural persons, including that of deceased natural persons</p> <p>s7(2)(b)(ii) - the withholding of the information is necessary to protect information where the making available of the information would be likely unreasonably to prejudice the commercial position of the person who supplied or who is the subject of the information</p>	s48(1)(a)(i) - the public conduct of the relevant part of the proceedings of the meeting would be likely to result in the disclosure of information for which good reason for withholding would exist under section 6 or section 7
CARRIED		
<p>RESOLUTION 2017/111</p> <p>Moved: Cr James Leslie</p> <p>Seconded: Cr Russell Armstrong</p> <p>That Council moves out of Closed Council into Open Council.</p> <p style="text-align: right;">CARRIED</p>		

The Meeting closed at 1:13pm.

The minutes of this meeting were confirmed at the Ordinary Council Meeting held on 12 December 2017.

.....
CHAIRPERSON

12 ADJOURNMENTS

13 PUBLIC EXCLUDED

Nil