



COUNCIL ACTIVITIES

Contents

Introduction	14
Governance & Corporate Services	15
Water Supplies	22
Wastewater	31
Stormwater	38
Roading	46
Regulatory Services	57
Community & Township Services	66
Tourism, Economic Development & Commercial Activities	77

Introduction to council activities

This section of the Long Term Plan explains how Council’s activities will contribute towards the achievement of the Community Outcomes identified earlier in the Plan.

Council’s activities and work programmes come out of the priorities identified during the development of Asset Management Plans (AMPs) and the 30 Year Infrastructure Strategy. These documents are reviewed every three years in line with the Long Term Plan cycle. Work programmes change each year in response to outside pressures, budget constraints and new projects being approved.

Council’s activities have been grouped into the following:



The information in each section includes:

- An overview of the activities within the group and the main issues relating to those activities;
- A description of how Council intends to manage the activities;
- An explanation of why Council is involved in these activities;
- A summary of how the activity assists Council’s community outcomes;
- Details of how Council anticipates that it will manage changing demand for any service including population changes and tourism;
- Performance measures which illustrate the level of service Council is aiming to provide for the activities;
- A funding impact statement that demonstrates how the activities will be paid for over the next ten years.

Full details of each council activity are outlined in the respective Asset Management Plans which are available on the council website www.mackenzie.govt.nz or on request.

Governance and Corporate Services

WHAT WE DO

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

Under section 41 of the Local Government Act 2002, a territorial authority must have a governing body consisting of a Mayor and members. That body is responsible and democratically accountable for the decision making of the local authority. In the case of Mackenzie District, the Council comprises a Mayor elected at large and six councillors elected from two wards (three from each ward).

Part 4 of the Local Government Act 2002 provides for the establishment, membership, powers and roles of Community Boards. While Community Boards are not compulsory, the district has been served very well over many years by Community Boards or their equivalents representing Fairlie, Lake Tekapo and Twizel.

Sections 41 and 50 require members of the Council and the Community Boards to be elected under the Local Electoral Act 2001.

WHY WE DO THESE ACTIVITIES

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

Every three years the council carries out elections in accordance with the Local Electoral Act 2001. It also ensures that any vacancies are filled in accordance with the Local Electoral Act 2001. Over the period of this LTP there will be elections in 2019, 2022, and 2025. Every six years Council undertakes review of its representation, the last having been undertaken in 2015.

Corporate Services provides managerial and administrative support for all other activities undertaken by the Council. It is generally not practical for a particular activity to individually manage and administer its affairs, therefore this work is carried out centrally by the Corporate Services Department.

OUR AIM

To provide leadership to the Mackenzie community, to encourage its participation in local government, to speak up on its behalf, and to provide the mechanisms to carry out directions and policies made by Council on behalf of the Mackenzie community.

CURRENT SITUATION

Governance

District Council

The Mackenzie District Council comprises a Mayor elected at large and six Councillors elected from two wards:

- Opuha Ward (3 Councillors); and
- Pukaki Ward (3 Councillors).

Council Meetings

Council meetings are held every six weeks. In addition, extraordinary meetings may be called from time to time to deal with important issues as they arise.

Standing Committees

The Council reviews its committee structures after each triennial election. The Council currently operates the following standing committees:

- Finance Committee;
- Assets and Services Committee;
- Planning and Regulations Committee;
- Strategy Committee;
- Audit and Risk Committee;
- Mackenzie Forestry Committee; and
- Pukaki Airport Board Committee.

Council's main standing committees meet on a six weekly cycle with the exception of the Audit and Risk Committee which meets quarterly. The Mackenzie Forestry Committee and Pukaki Airport Board Committee meet less frequently.

Council also operates several joint committees with other Councils for various functions, including water management and civil defence.

Community Boards

The Mackenzie District has three Community Boards:

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

Each Board comprises of four elected members and one appointed Councillor.

While Community Boards are not compulsory, the District has been served over many years by Community Boards or their equivalents representing Fairlie, Lake Tekapo and Twizel. Community Boards provide representation and advocacy for local communities. The Boards have some delegated decision-making power and provide an important link between communities and Council. Any decision for changes to this structure would need to be undertaken as part of a representation review.

Elections

Under the Local Electoral Act 2001, the District must hold an election for the Mayor, Councillors and Community Board members every three years. If any elected member is unable to complete their term of office (in terms of Part 1 of Schedule 7 of the Local Government Act 2002) it creates an extraordinary vacancy. Most extraordinary vacancies are required to be filled by way of a by-election. An exception is for a Community Board, where the vacancy can be filled by appointment if the vacancy is created within 12 months of the next triennial election.

The Council appoints an Electoral Officer, who is delegated duties and responsibilities under the Local Electoral Act 2001. These include responsibility for conducting the triennial election and any by-elections.

Corporate Services

Administration

The administration section of Council provides a number of services including general administration and reception duties, administrative support for technical sections of Council, records and information management functions, executive support to the Mayor and CEO, policy advice, Long Term and Annual Plan processes, and governance support to elected members, Council, committees and Community Boards.

Finance

The key functions of the finance sub-activity include:

- Preparation of and leading the budgetary process;
- Setting and collection of rates;
- Reporting on financial position and performance to Council, Community Boards and management;

- Leading the commercial arm of the Council;
- Providing key documents to the community as required under legislation, including the Annual Report;
- Preparation and collection of other Council revenue; and
- Management of the Council's investment portfolio.

It is considered most appropriate in terms of efficiency, accountability and effectiveness that these services continue to be delivered and resourced internally.

Council Offices

The provision for Council offices will always be required whilst the District Council remains in existence. Whilst property could be owned by an external party and leased to Council, we feel that the Council owning the property from which it operates is more appropriate, providing security of tenure and continuity of service.

Chief Executive Department

Under Section 42 of the Local Government Act, a local authority must appoint a Chief Executive Officer. As a result, the responsibilities of having a Chief Executive Department cannot be contracted externally.

Information Technology Department

Council has entered into a shared service arrangement with Hurunui District Council to provide Information technology and communication services to Council. This arrangement results in savings and efficiencies for Council in providing IT services to the organisation.

Community Facilities Department

Most of the community facilities and services activities which are managed by the Council are not of the size or scale to warrant dedicated staff. The current Community Facilities Department is considered the most appropriate method for managing this activity.

Engineering Department

The Engineering Department provides oversight of all of Council's infrastructure and solid waste activities. The Engineering Department manages the roading, waste, water, sewerage and stormwater functions and services we provide.

GROWTH AND DEMAND

In planning for the maintenance and operation of our Governance and Corporate Services, Council must consider what effects growth and demand will have, and how issues of sustainability will be addressed.

Population Growth

Mackenzie's population is projected to grow by approximately 13% from 4,300 to 4,880 over the next ten years (2018-2028), based on Statistics New Zealand medium projections. Like much of New Zealand, the proportion of people aged 65 years and older is projected to grow. It is anticipated that projected population growth will not impact significantly on the provision and maintenance of Governance and Corporate services.

Tourism Growth

Mackenzie has experienced unprecedented growth in visitor numbers (both domestic and international) in recent years, as indicated by a range of data. This data includes the Statistics New Zealand Commercial Accommodation Monitor which for the year ended September 2016 compared with the year ended September 2015 reported:

- Guest nights rose 23.1 per cent to 705,316;
- International guest nights rose 19.9 per cent to 489,769;
- Domestic guest nights rose 31.1 per cent to 215,547;
- The average length of stay rose from 1.32 nights to 1.33 nights;
- The overall occupancy rate rose from 44.4 per cent to 50.2 per cent;
- Accommodation capacity, excluding holiday parks, rose 3.1 per cent.

The Commercial Accommodation data is collected from accommodation providers or their representatives monthly via a postal survey. The survey excludes a number of short term accommodation providers including hosted accommodation, and private dwellings. Council recognises the limitations in accurately measuring accommodation nights within the district, and acknowledges that actual numbers will be in excess of the above.

International tourism numbers are expected to continue by a minimum of 5.4 per cent per annum from 2016 until 2022. Based on this, there could be nearly 6 million tourists visiting New Zealand by 2028. Council is assuming average growth in international visitors to the district will be at least equivalent to or greater than the growth in international visitors forecast for NZ. Growth in domestic visitor numbers is also expected to occur at a similar rate.

Although this growth is very positive for the district, it has resulted in the Council experiencing increased activity across almost all of its functions. This includes an increase in administrative and information requirements and increased obligations in terms of demonstrating statutory compliance. Over the last three years the Council has needed to meet these increased demands. Over the upcoming period of the LTP however these predicted increases are not expected to further significantly impact on Council's Governance and Corporate activities.

Economic Changes

Changes in economic factors are unlikely to directly impact the Governance and Corporate Services we provide. However, because Corporate Services supports all of the other activities provided by Council, changes in economic factors will indirectly affect this activity.

Climate Change

The Mackenzie District is likely to be affected by climate change. In preparing the LTP, the Council has reviewed Ministry for the Environment climate reporting¹ and regional projections calculated for the period from now to 2100². The LTP assumes that climate change is happening, and while the impacts are expected to be relatively minor within the period covered by the Plan, they will increase in future.

It is not anticipated that the Governance and Corporate services we provide will be directly affected by climate change in the period of the LTP.

PLANS FOR THE FUTURE

GOVERNANCE

Council's vision for the Mackenzie District, in particular having a democracy which upholds the rights of the individual, will play a key role in plans for Governance services. The Governance function will need to respond to the direction set by our elected members as a result of any strategic or organisational planning.

Triennial Council and Community Board elections will be held in 2019, 2022 and 2025. These are funded out of this activity.

Whilst there have been a significant number of changes to local government legislation in the last few years, the LTP assumes that existing legislation will remain in place and that the structure and responsibilities of Council will remain the same over the period covered by this Plan.

The governance role will be carried out by Council as long as the Council remains in existence. The Council considers that the present Community Board structure serves the townships very well. These structures will be part of the upcoming representation review in 2021, and any changes will be subject to public submissions. It is anticipated that Council will continue its governance roles on the various joint committees over the term of this LTP. Council will also continue to support the work of the water zone committees and notes its support of the Canterbury Water Management Strategy.

CORPORATE SERVICES

The requirements of the Local Government Act place significant administrative requirements on local authorities. Whilst aspects of various legislative requirements may be able to be outsourced, there remains a necessity for the servicing of the

¹ Ministry for the Environment & Stats NZ (2017). New Zealand's Environmental reporting Series: Our atmosphere and climate 2017. Retrieved from www.mfe.govt.nz and www.stats.govt.nz.

² Ministry for the Environment (2016). *Climate change projections for New Zealand: Atmosphere projections based on simulations undertaken for the IPCC 5th assessment*. Retrieved from www.mfe.govt.nz.

District Council to be undertaken by an administration base within the area served by the District Council. Council is moving to strengthen its communications and engagement and its human resource management functions, and has provided minor budget increases in 2018/19 to achieve this.

Corporate Services supports all of the activities carried out by Council and as such, changes in any of these activities may impact upon the level of demand for Corporate Services.

Any increases in staff levels as a result of future demand will be assessed as and when required. It is anticipated that current levels of service will be retained over the period of the LTP.

SIGNIFICANT EFFECTS

Decision making (by Council or Community Boards) is key to Governance and Corporate Services. Sometimes these decisions may have (or be perceived to have) negative effects on different parts of the community. For example, we may need to make decisions on the timing or approval of projects, reductions in levels of services or changes to rates. These decisions may benefit, or be perceived to benefit, one part of the community over another.

However, generally the provision of Governance and Corporate Services is prescribed by legislation and this activity is very much business as usual for the Council.

LEVELS OF SERVICE

Governance and Corporate Services support all activities undertaken by Council and therefore contributes to all six Community Outcomes:

1. An attractive and highly valued natural environment;
2. A thriving economy;
3. A supportive and contributing community;
4. A fit and healthy community;
5. Safe, effective and sustainable infrastructure;
6. A democracy which upholds the rights of the individual.

Levels of service	Performance Measure	Actual 2016/17	Target 2018/19	Target 2019/20	Target 2020/21	Target 2021-2028
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 for the 2016 financial year was adopted on 31 Oct 2016. The Audit Opinion was unmodified.	The annual report is prepared within statutory timeframes with an unmodified audit opinion.	The annual report is prepared within statutory timeframes with an unmodified audit opinion.	The annual report is prepared within statutory timeframes with an unmodified audit opinion.	The annual report is prepared within statutory timeframes with an unmodified audit opinion.
	The annual plan is prepared within statutory timeframes.	The Annual Plan for the 2017/18 year was adopted by Council on 27 June 2017.	The annual plan is prepared within statutory timeframes.	The annual plan is prepared within statutory timeframes.	The annual plan is prepared within statutory timeframes.	The annual plan is prepared within statutory timeframes.
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	86% were satisfied or somewhat satisfied with the performance of Councillors and the Mayor. The result is showing on upward trend.	60% or above	60% or above	60% or above	60% or above

Levels of service	Performance Measure	Actual 2016/17	Target 2018/19	Target 2019/20	Target 2020/21	Target 2021-2028
	annual ratepayer survey.					
Build strong iwi relationships and encourage Maori to contribute to the decision-making process	Number of face-to-face meetings held each year between council representatives and ngā Papatipu Rūnanga, or Te Rūnanga o Ngāi Tahu.	Council met 4 times with Papatipu Rūnanga, or Te Rūnanga o Ngai Tahu during the year.	2 or more	2 or more	2 or more	2 or more
Provide opportunities for the community to engage with elected members	Number of public forums held each year with communities and groups	Council met 14 times, committees meet 35 times & community boards met 24 times.	40 or more*	40 or more*	40 or more*	40 or more*

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

HOW WE WILL FUND THESE ACTIVITES

The services provided by the Governance and Corporate Services arms are mainly funded from general rates. A small proportion of the funding comes from other sources. This includes the following:

- The Twizel, Tekapo and Fairlie townships pay a governance rate to fund the work of the community boards.
- The use of council motor vehicles is charged internally to the departments using the vehicle.
- The council receives payment from Environment Canterbury for collecting regional council rates on their behalf.
- The council recovers some of the costs of the Upper Waitaki Water Zone committee from Environment Canterbury and Waitaki District Council.

COUNCIL ACTIVITIES

Annual Plan	2018/19	2019/20	2020/21	2021/22	2022/23	2023/24	2024/25	2025/26	2026/27	2027/28
General rates, uniform annual general charges, rates penalties	3,213	3,583	3,795	3,836	4,012	4,167	4,229	4,384	4,583	4,678
Targeted rates	32	32	33	34	35	36	37	38	39	40
Subsidies and grants for operating purposes	0	0	0	0	0	0	0	0	0	0
Internal charges and overheads recovered	125	132	160	170	237	243	250	256	263	273
Local authorities fuel tax, fines, infringement fees and other receipts	136	74	76	138	81	83	84	107	111	115
Total operating funding (A)	3,506	3,821	4,064	4,178	4,365	4,529	4,600	4,785	4,996	5,106
Payments to staff and suppliers	3,379	3,524	3,711	3,641	3,797	3,997	3,923	4,089	4,308	4,233
Finance costs	0	0	0	0	0	0	0	0	0	0
Internal charges and overheads applied	101	128	164	156	193	191	188	184	185	186
Total applications of operating funding (B)	3,480	3,652	3,875	3,797	3,990	4,188	4,111	4,273	4,493	4,419
Surplus (deficit) of operating funding (A-B)	(65)	169	189	381	375	341	489	512	503	687
Development and financial contributions	0	0	0	0	0	0	0	0	0	0
Total sources of capital funding (C)	0	0	0	0	0	0	0	0	0	0
Capital expenditure	0	0	0	0	0	0	0	0	0	0
To meet additional demand	0	0	0	0	0	0	0	0	0	0
To improve the level of service	645	261	680	81	252	234	187	261	176	268
To replace existing assets	645	261	680	81	234	188	187	261	176	268
Increase (decrease) in reserves	(710)	(511)	108	129	141	153	302	251	327	419
Total applications of capital funding (D)	(65)	169	189	381	375	341	489	512	503	687
Surplus (deficit) of capital funding (C-D)	65	(26)	(169)	(381)	(375)	(341)	(489)	(512)	(503)	(687)
Funding Balance ((A-B)+(C-D))	0	0	0	0	0	0	0	0	0	0

(thousands)

General rates, uniform annual general charges, rates penalties
Targeted rates
Subsidies and grants for operating purposes
Internal charges and overheads recovered
Local authorities fuel tax, fines, infringement fees and other receipts

Water supplies

WHAT WE DO

The Water Supplies activity aims to provide for the safe and effective treatment, storage and distribution of water to urban and rural parts of the district. It is the largest of the 3 waters¹ activities, with an annual expenditure of approximately \$1.5m in 2016/17.

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

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

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

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

Asset Description	Quantity
Mains	242km
Service lines	15km
Hydrants	449
Meters	258
Valves and Air Valves	863
Plants - Urban	4
Water Races	115km

A key driver in this activity is to provide safe drinking water for our communities with sufficient capacity for future growth. Overall, in the upcoming period of the LTP, the Council will spend \$8.235m upgrading urban water supplies in the district to meet national drinking water standards, and progressively replacing or maintaining its water supply assets.

The district is a very popular tourist destination with tourist and visitors and as a consequence there is a significant influx of people into our townships during peak holiday times. While our water supplies are generally able to cope with present demand, due to our dry climate and the desire for irrigation of lawns and landscaping, some of these supplies are put under pressure during these times and Council has had to impose restrictions to ensure security of supply. The Council will review the management of all its supplies to ensure the communities' needs are able to be met in to the future.

WHY WE DO THESE ACTIVITIES

Safe and reliable drinking water is essential for the health and well-being of communities. The Council's water treatment facilities and the reticulated network contribute to that by providing the treatment and delivery of safe drinking water to communities served by Council-administered systems. Water supply is one of the Council's core functions, as provided by statute.

OUR AIM

To provide safe and sustainable supplies of water that meets the needs of present and future consumers.

¹ '3 Waters' activities are the wastewater, water supplies and stormwater activities.

CURRENT SITUATION

Treatment – Drinking Water Standards

A key challenge for the Council in managing water supplies has been meeting the requirements of the Health (Drinking Water) Amendment Act 2007. The Council is required to take all practicable steps to comply with the Drinking Water Standards for New Zealand (DWS). All of Council's community water supplies have approved Water Safety Plans in place, with the exception of Albury which is being finalised for lodgement with the Ministry of Health.

Water supplies in Tekapo and Twizel have previously had their treatment systems upgraded to comply with the DWS. Over the term of this plan upgrades to both Fairlie and Burkes Pass water supplies will be undertaken to ensure they are able to comply with the DWS. An alternative source is being investigated for Fairlie which, if suitable, could assist in achieving compliance at a lower cost than the current supply. The Council will undertake works in 2018/19 to connect Pukaki Airport to the Twizel water supply, which will safeguard the airport's water supply and ensure it meets the DWS. The Council will retain the bore for other uses.

The Council is aware of and has been taking an active interest in the Havelock North Drinking Water Inquiry. It is expected that the outcome of this enquiry will have a flow on effect on all drinking water suppliers. One of the recommendations made is that the government should mandate universal treatment. This should also include residual disinfection. As five of the Council's water supplies have treatment including chlorination (Fairlie, Lake Tekapo, Twizel, Burkes Pass and Allandale) this will not be a significant issue. Work is underway at present to chlorinate the Albury water supply.

Urban Reticulation

Fairlie's water supply reticulation has been progressively replaced and upgraded since 1998 to replace the old concrete pipe network. This programme is ongoing. Tekapo's reticulated water supply system is generally in good condition, with a small proportion (18%) requiring maintenance to keep it operational. There is 5.8km of asbestos cement water mains that will be sampled to confirm its expected remaining life, and a replacement programme will be developed from that work.

Twizel's reticulated network is also largely in good condition, with the exception of 25.5km of asbestos cement pipe that was installed in the early 1970s. Testing on this pipe has shown that some sections of the water main in Twizel are at risk of imminent failure due to softening of the pipe wall. As a consequence Council developed a 20 year replacement programme, with 2.4km having been replaced since 2016.

Burkes Pass has a low volume restricted supply that is generally reliable.

The water supplies at Fairlie, Tekapo, Twizel and Burkes Pass have current resource consents in place and none are due for renewal over the period of the LTP. If, following investigation, a new source was to be adopted for the Fairlie supply then this would require a new consent.

Rural Water Supplies

The Allandale rural water supply is a restricted supply, serving 524 rural properties in the Allandale and Spur Road area. The treatment plant and pipework is largely in very good condition, with 11% of the pipes requiring maintenance.

The Albury rural water supply is operated and managed by the Albury Water Supply Society, which is made up of all users of the scheme. The Council does not have data on general pipeline condition, although we are aware that as pipelines reach the end of their economic life, they are replaced in modern materials.

The Kimbell scheme is a very small system serving eight rural properties. It is run by a rural water supply subcommittee.

All three rural water supplies are classed as 'Rural Agricultural Drinking Water Supplies'. A Water Safety Plan has been approved for Allandale, and the Albury Water Supply society is aware of the requirement for that scheme to meet the DWS and are working on drafting a Water Safety Plan. The Kimbell scheme, because of its small size, is exempt from the requirement for a Water Safety Plan.

Stock Race Schemes

The stock water race systems at Ashwick Opuha and School Road are open races. They provide a reliable source of stock water, and require minor maintenance from time to time.

GROWTH AND DEMAND

Population and Household Growth

Mackenzie's population growth is expected to follow the medium projection issued by Statistics NZ in December 2016. It is anticipated that over the next ten years (2018-28) Mackenzie District will have a growth in population of around 13%, from around 4,300 at present to 4,880. Like much of New Zealand, the proportion of people aged 65 years and older will grow within the district.

It is projected that over the next ten years Mackenzie District will have:

- A growth in household numbers consistent with the population growth trajectory;
- Household numbers are projected to increase to 2,200 (+16 per cent) by 2028 (Statistics New Zealand) - the higher percentage increase in households relative to population increase in 2028 reflects a projected increase in single person households;
- With a greater number of older people living alone, a reflection of structural ageing, one-person households are projected to increase by 15 percent by 2028 (Natalie Jackson Demographics Ltd, Sept 2014);
- Future demand in the Mackenzie District will be increasingly driven by one-person households and couples without children, characteristic of population ageing.

Based on this, it is anticipated that projected population and household growth will not impact significantly on the operation and maintenance of our water supplies activity.

Development

Analysis of the future urban and rural residential subdivision over the next 4 years shows an average of 10 sections per year, along with associated infrastructure, to be vested in Tekapo and an average of 46 per year in Twizel.

During 2015-17, 1,950m of water supply network was vested in Council, including valves and hydrants. Whilst developers have to construct this to Councils standard before vesting, the ongoing maintenance and depreciation costs have to be allowed for.

Initially it was assumed that the level of development experienced during 2015-17 would slow down to about a third but this has proved not to be the case. We have modified our projections to allow for this growth.

As development occurs, the developers are required to install their own systems and connect to existing Council systems to provide for domestic use and fire suppression requirements at the time of subdivision.

Tourism

Mackenzie has experienced unprecedented growth in visitor numbers (both domestic and international) in recent years, as indicated by a range of data, including the Statistics New Zealand Commercial Accommodation Monitor, which for the year ended September 2016 compared with the year ended September 2015 reported:

- Guest nights rose 23.1 per cent to 705,316
- International guest nights rose 19.9 per cent to 489,769
- Domestic guest nights rose 31.1 per cent to 215,547
- The average length of stay rose from 1.32 nights to 1.33 nights
- The overall occupancy rate rose from 44.4 per cent to 50.2 per cent
- Accommodation capacity, excluding holiday parks, rose 3.1 per cent

International tourism numbers are expected to continue by 5.4 per cent per annum from 2016 until 2022. Based on this, there could be nearly 6 million tourists visiting New Zealand by 2028. Council is assuming average growth in international visitors to the district will be at least equivalent to or greater than the growth in international visitors forecast for New Zealand. Growth in domestic visitor numbers is also expected to occur at a similar rate.

Both Twizel and Tekapo have significant non-resident populations, and summertime and holiday periods attract a large number of visitors. These visitor numbers are expected to increase over the period of the LTP. While there is adequate capacity at present to cater for demand provided the use of water is prudently managed in peak periods, the Council will monitor increases in demand and usage and adapt its planning for these supplies as necessary.

Climate Change

The Mackenzie District is likely be affected by climate change. In preparing the LTP, the Council has reviewed Ministry for the Environment climate reporting² and regional projections calculated for the period from now to 2100³. The LTP assumes that climate change is happening, and while the impacts are expected to be relatively minor within the period covered by the Plan, they will increase in future.

Influences of climate change on our water supplies activity and possible effects are outlined below.

Function	Affected Assets or Activities	Key Climate Influences	Possible Effects
Water Supply	Water supply sources and infrastructure	<ul style="list-style-type: none"> – Reduced mean annual rainfall – Increased mean annual temperature; – Increased frequency and severity of drought events – Increased frequency & severity of extreme weather events (rainfall) – Reduced snowfall / retreating snowline & resulting reduction in snowmelt (alpine water catchments) 	<p>Reduced security of supply:</p> <ul style="list-style-type: none"> – reduction in reliable availability of water from both groundwater and surface water sources, with the possibility of increasing regulatory restrictions on water abstraction. – Traditional snow-melt catchments will become dependent on rainfall as snow line retreats, which is anticipated to be less reliable and more extreme and will lead to an increase in winter floods and decrease in year-round flow. <p>Contamination of water supply:</p> <ul style="list-style-type: none"> – Increased frequency of extreme weather events may result in infiltration and contamination of water.

Council will take into account the predicted impacts of climate change as part of its infrastructure management processes. This will include design and construction standards, mitigation (such as insurance), and risk-informed management.

PLANS FOR THE FUTURE

Urban Water Supplies

Tekapo

The Council will undertake a strategic study in 2018/19 for each of the three townships, which will include consideration of growth and development for Tekapo. This will enable the Council to plan for future demand and associated infrastructure requirements, including water supply.

No significant change to the operation of this activity is expected, other than normal maintenance over the period of the LTP.

Twizel

As with Tekapo, the strategic study planned for 2018/19 will consider future growth and development in Twizel, and this will allow for long term planning of infrastructure requirements taking in to account the impact of predicted growth in visitor numbers to the district. Managing demand at peak times will continue to be important, including promotion of the efficient use of water and avoiding wastage.

Council’s programme of replacement of the asbestos cement pipe that is at risk of failure that was initiated in 2016/17 for a period of 20 years, will continue. \$220,000 per year each year of the LTP has been budgeted for this work.

² Ministry for the Environment & Stats NZ (2017). New Zealand’s Environmental reporting Series: Our atmosphere and climate 2017. Retrieved from www.mfe.govt.nz and www.stats.govt.nz.

³ Ministry for the Environment (2016). *Climate change projections for New Zealand: Atmosphere projections based on simulations undertaken for the IPCC 5th assessment*. Retrieved from www.mfe.govt.nz.

Fairlie

The construction of a new treatment plant to upgrade Fairlie's drinking water supply is planned for 2018/19 at a budgeted cost of \$900,000. This is a major upgrade and will ensure that the town's supply meets drinking water standards. The installation of a reservoir is planned for 2025/26, at a cost of \$1.5m. This will increase resilience and security of supply for Fairlie residents.

The Council's current programme of replacement of the old concrete pipe network will continue. From 2019/20 to 2022/23, \$120,000 per annum is budgeted for planned water main renewals.

Burkes Pass

There is no significant change expected to the normal operation of this activity over the period of the LTP. Investigations in to upgrading the supply in Burkes Pass will be undertaken in the latter half of the LTP period.

Pukaki Airport

Presently the water supply to Pukaki Airport sections consists of a well, pumps and reticulation. The water supply needs to be upgraded to meet DWS. The most cost-effective way to achieve this is to connect the supply to the Twizel drinking water supply, which has already been upgraded to meet the standards.

Council has budgeted \$250,000 in 2018/19 to complete this upgrade. Provided usage is carefully managed at peak times, there is sufficient capacity within Twizel's water take resource consent limits to cater for supply from the system to Pukaki Airport users.

Rural Water Supplies

No significant changes are expected to the normal operations of these activities. Albury supply's water safety plan is still being drafted and will be lodged with the Ministry of Health for approval once completed.

Stock Water Race Systems

The two stock water race systems in the district will continue to undergo minor maintenance as and when needed.

Water Supplies - General

Water management is likely to remain a significant area of focus for both central and local government in the term of this LTP. The Council's role in this is focussed on the quality and safety of drinking water, demand management, and planning for the impacts of growth.

We have reviewed the Reports of the Havelock North Drinking Water Inquiry, and will continue to monitor and adapt to any outcomes. At this stage Council considers that any increase in national Drinking Water Standards will be able to be met within existing budgeted works or programmed upgrades for all supplies. Additional operational costs, such as increased requirements for staff and contractor training or qualifications, will also be able to be met within LTP budgets.

Management of demand for water supplies at peak times can be a challenge for Council. While existing infrastructure is able to cope with present pressures the majority of the time, it has proved necessary to place restrictions on some supplies at peak periods. Recognising that growth in visitor numbers is predicted over the period of the LTP, as well as promoting prudent and efficient use of water the Council will also consider the following:

Water Metering

At present, the Council does not require all new connections to reticulated water supplies to be metered. The Council recognises the value of water security and increasing community support for user pays approaches in the provision of its services. Investigation work will be undertaken over the first three years of the LTP to explore the practicalities, cost and benefits of water metering.

Rainwater Collection

The Council recognises the correlation between the collection of rainwater and the demand on reticulated water supplies, and the potential for benefits in reducing wastage of treated water, environmental benefits and increased resilience. Council will remain open to considering means of encouraging the uptake of rainwater collection systems throughout the district.

As described earlier, Council will undertake a strategic study in 2018/19 for each of the three townships. This study will include an assessment of, and planning for, future development and growth and will be undertaken in consultation with communities. This will form the basis for long-term infrastructure planning including water supplies.

Fluoridation

Council is aware that central government has transferred the decision making on fluoridation of water supplies from local government to District Health Boards. It is possible that fluoridation may become mandatory for water supplies. The Council understands that the District Health Board has not formulated their position on this issue. This LTP is therefore written on the basis that there will be no fluoride dosing installed at any of the Council’s treatment plants.

SIGNIFICANT EFFECTS

Although water supplies are vital for our communities and provide many important benefits, there are a number of negative effects that could potentially arise from the provision of water supplies.

There is potential for negative public health effects in providing water to some areas that do not meet current drinking water guidelines for biological contaminants. Council currently issues public "boil water" notices when E.coli is detected in the water supply and its cause cannot be corrected immediately. Preservation of the District’s water resources is an important sustainable development issue, and the Council discourages wastage of water.

Council wants ‘an attractive and highly valued natural environment’ for its residents. In the dry summer climate, irrigation of gardens and greenways contributes to this outcome. Unfortunately, costs likely to be incurred for the treatment of drinking water to meet legislative requirements may prohibit the on-going use of some public water supplies for irrigation. The Council is also aware that demand for greater volumes of water has the potential to put pressure on environmental flows in waterways. These matters are managed through the Council’s resource consents and in conjunction with Environment Canterbury.

Financial contributions are being collected to offset negative economic effects on ratepayers of upgrades to infrastructure in the District that are necessary to cater for growth. Such upgrades will help to ensure that the present level of provision of water services is sustainable.

LEVELS OF SERVICE

The water supplies activity provided by Council contributes to the following community outcomes:

1. A thriving economy
2. Safe, effective and sustainable infrastructure
3. A fit and healthy community
4. An attractive and highly valued natural environment

Levels of service	Performance Measure	Actual 2016/17	Target 2018/19	Target 2019/20	Target 2020/21	Target 2021-2028
Water supplies are available and reliable.	The percentage of real water loss from the networked reticulation system.* 4	Achieved 23.5% approx	Estimated target: <25%	Estimated target: <25%	Estimated target: <25%	Estimated target: <25%
	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, and	Achieved 0.66 hours	2 hours	2 hours	2 hours	2 hours

⁴ 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.

* Mandatory Performance Measure

Levels of service	Performance Measure	Actual 2016/17	Target 2018/19	Target 2019/20	Target 2020/21	Target 2021-2028
	b) Resolution of urgent call-outs: from the time that the Council receives notification to the time that service personnel confirm resolution of the fault or interruption, and	Achieved 2.83 hours	12 hours	12 hours	12 hours	12 hours
	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	Achieved 59.50 hours	72 hours	72 hours	72 hours	72 hours
	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.*	Not Achieved The median time for resolution of the fault from the time the call was received was 135.42 hours	120 hours	120 hours	120 hours	120 hours
	The average consumption of drinking water per day per resident within the District.*	Not Achieved 2.41m ³	<1.2m ³ per person per day within urban schemes	<1.2m ³ per person per day within urban schemes	<1.2m ³ per person per day within urban schemes	<1.2m ³ per person per day within urban schemes
Water is safe to drink	The extent to which the drinking water supplies comply with the drinking water standards for protozoal compliance*	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.	1 of 4 supplies receives compliance approval (Twizel)	2 of 4 supplies receives compliance approval (Twizel & Tekapo)	3 of 4 supplies receives compliance approval (Twizel, Tekapo & Fairlie)	4 of 4 supplies receives compliance approval (Twizel, Tekapo, Fairlie & Burkes Pass)
	The extent to which the drinking water supplies comply with the drinking water standards for bacteria compliance*	Achieved 95.5% – 9 transgressions from 201 samples.	≥ 95% compliance for all 4 supplies	≥ 95% compliance for all 4 supplies	≥ 95% compliance for all 4 supplies	≥ 95% compliance for all 4 supplies
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; & f) Council's response to any of the above, Expressed per 1000 connections to the networked reticulation system. *	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.	<5 complaints per 1000 connections within urban schemes.	<5 complaints per 1000 connections within urban schemes.	<5 complaints per 1000 connections within urban schemes.	<5 complaints per 1000 connections within urban schemes.
	% of ratepayers satisfied with the water supply service.	Achieved 90%	80%	80%	80%	80%

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.

HOW WE WILL FUND IT

As identified in the Infrastructure Strategy, the District's urban water supply schemes vary in age and condition and there are some large renewal costs over the next decade. There are also a number of improvement projects planned, including an upgrade to Fairlie's water treatment plant and a new reservoir, and an upgrade of Pukaki Airport's water supply.

The Council will fund large capital spends associated with the upgrades either through internal borrowing from its own cash reserves, or external borrowing. Depreciation and repayment of debt is charged as part of the targeted water rate.

In 2015 Council moved to a system of amalgamated rates for the four urban water supplies across the townships in the district. This means that all users pay the same for the water supply service, regardless of where they are located. It also ensures that each town will continue to be able to upgrade its infrastructure as necessary, to meet required standards and appropriate levels of service. The Council considers that the district is best served by all towns having good quality infrastructure, and that this is made more affordable if funded across all users of the services.

Prior to June 2018, no rates were collected for the supply of water to Pukaki Airport. From 2018/19, Pukaki Airport ratepayers will pay the amalgamated water rate, which will ensure everyone who has access to Council water supply services will be paying the same cost for their drinking water.

Rural Water Supplies are funded from the users of those supplies. All costs are charged equally to consumers. This system has worked well in the past and will continue to apply. Similarly, stock water race systems will continue to be funded as they are at present, from the users of those systems.

Annual Plan	2018/19	2019/20	2020/21	2021/22	2022/23	2023/24	2024/25	2025/26	2026/27	2027/28
	(thousands)									
General Rates, uniform annual general charges, rates penalties	0	0	0	0	0	0	0	0	0	0
Targeted rates	1,183	1,431	1,466	1,434	1,512	1,527	1,559	1,806	1,887	1,898
Internal charges and overheads recovered	5	5	5	5	5	5	5	5	5	5
Local authorities fuel tax, fines, infringement fees and other receipts	193	191	195	200	205	210	216	221	227	233
Total operating funding (A)	1,381	1,627	1,666	1,639	1,722	1,742	1,780	2,032	2,119	2,136
Payments to staff and suppliers	626	692	717	735	789	775	789	868	889	877
Finance costs	19	0	0	0	0	0	0	0	0	0
Internal charges and overheads applied	155	220	190	121	119	104	98	186	177	180
Total applications of operating funding (B)	800	912	907	856	908	879	887	1,054	1,066	1,079
Surplus (deficit) of operating funding (A-B)	581	715	759	783	814	863	893	978	1,053	1,079
Development and financial contributions	342	0	764	0	1,180	0	0	2,441	0	0
Total sources of capital funding (C)	342	0	764	0	1,180	0	0	2,441	0	0
Capital expenditure	0	0	0	0	0	0	0	0	0	0
To meet additional demand	0	0	0	0	0	0	0	1,798	0	0
To improve the level of service	790	889	108	590	584	689	62	330	696	528
To replace existing assets	0	0	0	0	0	0	0	0	0	0
Total applications of capital funding (D)	790	889	108	590	584	689	62	2,128	696	528
Increase (decrease) in reserves	133	(174)	1,415	193	1,410	174	831	1,291	357	551
Total applications of capital funding (D)	923	715	1,523	783	1,994	863	893	3,419	1,053	1,079
Surplus (deficit) of capital funding (C-D)	(581)	(715)	(759)	(783)	(814)	(863)	(893)	(978)	(1,053)	(1,079)
Funding Balance ((A-B)+(C-D))	0	0	0	0	0	0	0	0	0	0

Wastewater

WHAT WE DO

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

There are community sewerage systems in the townships of Fairlie, Burkes Pass, Tekapo and Twizel. In each case, effluent is collected and treated by way of an oxidation pond system and then discharged to ground.

The sewerage asset includes all Council-owned pipelines, manholes, treatment facilities and related infrastructure, as follows:

Asset Description	Sub-Asset Description	Quantity
Lines		83,380m
Manholes		883
Pump Stations		6
Treatment Facilities	Each of the four schemes are treated with oxidation pond wastewater treatment systems	4

The replacement value of treatment plants, pump stations and reticulation is approximately \$25 million (July 2016 valuation). Total operating costs of Council's wastewater systems for 2018/19 are budgeted at \$276,000, which is projected to gradually increase to \$320,000 by 2027/28.

WHY WE DO THESE ACTIVITIES

Appropriate collection and treatment of wastewater is essential for the health and well-being of communities. Wastewater treatment plants, pumping stations and reticulation systems contribute to maintaining public health and environmental quality, by controlling the quality of effluent and minimising the risk of undesirable wastes directly entering the environment. Wastewater is one of the core functions of Council, as provided by statute.

OUR AIM

The principal goal is to meet the outcome desired by the community, which is to have safe, effective and sustainable sewerage systems in place.

CURRENT SITUATION

Fairlie

The Fairlie wastewater system was first constructed in 1938 using earthenware pipes with cement joints. The Initial oxidation ponds were constructed in 1971 and subsequently upgraded in 2002. Five soakage basins were constructed in 2004 to remove the discharge from the Opihi River. Now all effluent either evaporates or discharges to ground.

Extensions of pipelines over the years have been mainly in asbestos cement and uPVC.

There is only one pump station in Fairlie. This collects the effluent from the Camping Ground and pumps it via a rising main into the gravity system.

Generally speaking, all of the systems in Fairlie are in a good state of repair, and if maintained and renewed regularly and at the appropriate times, they can be expected to last indefinitely without significant costs having to be incurred.

Tekapo

The Tekapo wastewater system was first constructed in the 1950s when Lake Tekapo served as a base for the Ministry of Works and New Zealand Electricity Department. Lake Tekapo has become a popular tourist destination, with significant visitor accommodation activity including several resort hotels, hostel and homestay developments, and the camping ground. Recently the Tekapo township has seen a growth in subdivision with significant developments on both sides of the river.

Since the installation of reticulation in Tekapo, a variety of pipe materials have been used in the reticulation. The current oxidation pond was constructed in 1972 and upgraded in 2002 to include two oxidation ponds and three maturation ponds which discharge into two evaporation basins, providing primary, secondary and tertiary treatment.

Raw sewage from Tekapo township gravitates to three pumping stations: one on the shore of Lake Tekapo to the west of the outlet, one at the Lakeside Drive and the main one in Sealy Street on the eastern bank.

As with Fairlie, all of the systems in Tekapo are largely in a good state of repair, and if maintained and renewed regularly at appropriate times, they can be expected to last indefinitely without significant costs having to be incurred.

Twizel

Twizel was a purpose-built town constructed in the late 1960s and early 1970s. The design parameters for the oxidation ponds were for a population in excess of 5,000 people. The original system, in its entirety operated by gravity flow, used asbestos cement pipe extensively for sewers.

There are two pump stations in Twizel, one of which pumps effluent from the Pukaki Airport in to Twizel, whilst the second was built to service the Mackenzie Park subdivision.

The effluent from Twizel flows under gravity across State Highway 8 eastward onto land owned by the Council, and discharges into oxidation ponds. After passing the oxidation ponds, the effluent discharges to ground via a 1700m long disposal trench.

As with the other townships, all of the systems in Twizel are largely in a good state of repair and if they are maintained and renewed regularly and at the appropriate times, they can also be expected to last indefinitely without significant costs having to be incurred.

Burkes Pass

The Burkes Pass wastewater system was built in 1990 to service the existing town, and serves 18 properties. The effluent from Burkes Pass flows under gravity under State Highway 8 eastward into land owned by the Council and discharges into oxidation ponds. After passing the oxidation ponds the effluent discharges to ground. The treatment plant consists of a single oxidation pond, and does not require a pump station.

The Burkes Pass wastewater network performs as designed and has no maintenance issues.

GROWTH AND DEMAND

In planning for the maintenance and operation of our wastewater activity, Council must consider what effects growth and demand will have, and how issues of sustainability will be addressed.

Population and Household Growth

Mackenzie's population growth is expected to follow the medium projection issued by Statistics NZ in December 2016. It is anticipated that over the next ten years (2018-28) Mackenzie District will have a growth in population of around 13%, from around 4,300 at present to 4,880. Like much of New Zealand, the proportion of people aged 65 years and older will grow within the district.

It is projected that over the next ten years Mackenzie District will have:

- A growth in household numbers consistent with the population growth trajectory;
- Household numbers are projected to increase to 2,200 (+16 per cent) by 2028 (Statistics New Zealand) - the higher percentage increase in households relative to population increase in 2028 reflects a projected increased in single person households;

- With a greater number of older people living alone, a reflection of structural ageing, one-person households are projected to increase by 15 percent by 2028 (Natalie Jackson Demographics Ltd, Sept 2014);
- Future demand in the Mackenzie District will be increasingly driven by one-person households and couples without children, characteristic of population ageing.

Based on this, it is anticipated that projected population and household growth will not impact significantly on the operation and maintenance of our wastewater activity.

Tourism Growth

Mackenzie has experienced unprecedented growth in visitor numbers (both domestic and international) in recent years, as indicated by a range of data, including the Statistics New Zealand Commercial Accommodation Monitor, which for the year ended September 2016 compared with the year ended September 2015 reported:

- Guest nights rose 23.1 per cent to 705,316
- International guest nights rose 19.9 per cent to 489,769
- Domestic guest nights rose 31.1 per cent to 215,547
- The average length of stay rose from 1.32 nights to 1.33 nights
- The overall occupancy rate rose from 44.4 per cent to 50.2 per cent
- Accommodation capacity, excluding holiday parks, rose 3.1 per cent

The Commercial Accommodation data is collected from accommodation providers or their representatives monthly via a postal survey. The survey excludes a number of short term accommodation providers including hosted accommodation, and private dwellings. Council recognises the limitations in accurately measuring accommodation nights within the district, and acknowledges that actual numbers will be in excess of the above.

International tourism numbers are expected to continue to increase by a minimum of 5.4 per cent per annum from 2016 until 2022. Based on this, there could be nearly 6 million tourists visiting New Zealand by 2028.

Continued growth is anticipated in the district, particularly in Tekapo and Twizel. Our current systems have generally coped with the present level of growth, but there is a need to plan for increased pressure on infrastructure from future development and predicted increases in visitor numbers. Council will undertake a significant strategic study in 2018/19 for each of our townships which will review pressures and address growth issues. This will enable appropriate planning for infrastructure needs, to ensure our systems are able to meet future demand.

Development

Analysis of the future urban and rural residential subdivision over the next 4 years shows an average of 10 sections per year, along with associated infrastructure, to be vested in Tekapo and an average of 46 per year in Twizel.

During 2015-2017, 2355m of wastewater network, including sumps and manholes, was vested in Council. Whilst developers have to construct this to Councils standard before vesting, the ongoing maintenance and depreciation costs have to be allowed for by Council.

Initially it is assumed that the level of development experienced during 2015-2018 would slow down to about a third of this but this has proved not to be the case.

Climate Change

The Mackenzie District is likely be affected by climate change. In preparing the LTP, the Council has reviewed Ministry for the Environment climate reporting¹ and regional projections calculated for the period from now to 2100². The LTP assumes that climate change is happening, and while the impacts are expected to be relatively minor within the period covered by the Plan, they will increase in future.

Influences of climate change on our wastewater activity and possible effects are outlined below.

¹ Ministry for the Environment & Stats NZ (2017). New Zealand's Environmental reporting Series: Our atmosphere and climate 2017. Retrieved from www.mfe.govt.nz and www.stats.govt.nz.

² Ministry for the Environment (2016). *Climate change projections for New Zealand: Atmosphere projections based on simulations undertaken for the IPCC 5th assessment*. Retrieved from www.mfe.govt.nz.

Function	Affected Assets or Activities	Key Climate Influences	Possible Effects
Wastewater	Infrastructure	<ul style="list-style-type: none"> – Reduced mean annual rainfall – Increased mean annual temperature – Increased frequency & severity of extreme weather events (rainfall) 	<ul style="list-style-type: none"> – More intense rainfall (extreme events) will cause increased inflow and infiltration into the wastewater network. – Wet weather overflow events will increase in frequency and volume. – Longer dry spells will increase the likelihood of blockages and related dry-weather overflows.

Council will take into account the predicted impacts of climate change as part of its infrastructure management processes. This will include design and construction standards, mitigation (such as insurance), and risk-informed management.

PLANS FOR THE FUTURE

Fairlie

There is no significant change expected for the operation of this activity.

Council will undertake a review of the Fairlie sewer mains over the next three years. If this CCTV inspection confirms that there is deterioration, then 7100m of pipe will have to be replaced. To allow for this, a replacement programme is planned for 2017/18, with completion by 2027, with approximately 1200m being replaced every second year.

Scada telemetry will be installed at the oxidation pond in 2018/19 to allow better monitoring of flows.

Tekapo

Council is presently undertaking works to relocate the disposal field and pump effluent to a higher elevation and discharge on a face above the oxidation ponds. However, continued growth is anticipated in the district, particularly in Tekapo. The current works are considered to provide a medium-term solution only (5-10 years).

There is a need to plan for increased pressure on infrastructure from future development and predicted increases in visitor numbers. Council will undertake a significant strategic study in 2018/19 for each of our townships which will review pressures and address growth issues. This will enable appropriate planning for infrastructure needs, to ensure our systems are able to meet future demand.

To deal with this growth, a more permanent location with in-ground disposal may need to be identified and that site designated, particularly if the strategic work planned for 2018/19 supports growth in the area to the south of Tekapo. It will be important to monitor the annual outflow to the disposal field to anticipate when it is nearing capacity and plan for its replacement.

The Council will also undertake a review of the Tekapo sewer mains over the next two years, and then develop a replacement programme from that re-inspection. Any replacements would not be undertaken in this LTP period.

The aerators are programmed for replacement in 2020/21 at an estimated cost of \$78,000. The installation of Scada telemetry at four sites is also programmed within the LTP period.

Twizel

An effluent disposal system consisting of rapid infiltration basins for the Twizel oxidation pond discharge will be developed immediately to the south of the site. The existing disposal trench will be decommissioned. Council has an agreement to acquire land adjacent to the oxidation ponds and construct the rapid infiltration basins and consolidate the disposal in them. This project has been accelerated and is planned for completion by 2019/20.

An application for resource consent to approve this was lodged in 2015 but subsequently put on hold until Council had acquired the necessary land to allow construction of those basins. This required land is in final stages of being acquired and the application has been re-activated. The budget for these works, including the resource consent and the physical works, is \$924,000 allocated for 2019/20.

Modelling of the network is programmed for 2018/19. This will enable the Council to be better able to predict when pipes need to be upsized or aeration installed at the oxidation ponds to improve treatment and when a new rising main will have to be constructed directly to the oxidation ponds from the pump station in Mackenzie Park. Improvements will only be made if demand puts pressure on the current systems to the point they cannot cope.

The installation of Scada telemetry at four sites is also programmed within the LTP period.

Burkes Pass

No significant change is expected to the normal operation of this activity. It is intended to install Scada telemetry in 2018/19 at an estimated cost of \$17,000, to allow monitoring of flows and dissolved oxygen.

SIGNIFICANT EFFECTS

There is potential for significant negative effects to the environment, people and animals from this activity, if it is not managed well. The disposal of treated effluent to land carries physical, cultural and health risks, although these are minimised by ensuring that the reticulation and disposal systems comply with approved resource consents. All facilities are based around pond treatment, which means any overflow or failure at these locations will involve release of treated or partially treated material to the environment.

LEVELS OF SERVICE

The wastewater management provided by Council contributes to the following community outcomes:

1. An attractive and highly valued natural environment;
2. A thriving economy;
3. A fit and healthy community;
4. Safe, efficient and sustainable infrastructure.

Levels of service	Performance Measure	Actual 2016/17	Target 2018/19	Target 2019/20	Target 2020/21	Target 2021-28
Sewage is managed without risk to public health.	The number of dry weather sewerage overflows from Council's wastewater system, expressed per 1000 sewerage connections to that system.*	Achieved There were 0 dry weather sewerage overflows	≥2 dry weather sewerage overflows per 1000 sewerage connections	≥2 dry weather sewerage overflows per 1000 sewerage connections	≥2 dry weather sewerage overflows per 1000 sewerage connections	≥2 dry weather sewerage overflows per 1000 sewerage connections
	Compliance with consent conditions measured by the number of abatement notices.*	Achieved No abatement notices	Nil abatement notices	Nil abatement notices	Nil abatement notices	Nil abatement notices
Safe discharge of wastewater.	Compliance with consent conditions measured by the number of infringement notices.*	Achieved No infringement notices	Nil infringement notices	Nil infringement notices	Nil infringement notices	Nil infringement notices
	Compliance with consent conditions measured by the number of enforcement orders.*	Achieved No enforcement orders	Nil enforcement orders	Nil enforcement orders	Nil enforcement orders	Nil enforcement orders
	Compliance with consent conditions measured by the number of convictions.*	Achieved No convictions	Nil convictions	Nil convictions	Nil convictions	Nil convictions

Levels of service	Performance Measure	Actual 2016/17	Target 2018/19	Target 2019/20	Target 2020/21	Target 2021-28
Sewerage 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 wastewater system, the attendance time from the time that the territorial authority receives notification to the time that service personnel reach the site.*	Achieved There were no callouts for the year	≤1 hour	≤1 hour	≤1 hour	≤1 hour
	Where the Council attends to sewerage overflows resulting from a blockage or other fault in the wastewater system, the 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.*	Achieved There were no callouts for the year	≤4 hours	≤4 hours	≤4 hours	≤4 hours
Sewage is able to be disposed of without significant disruption.	The total number of complaints received by the Council about any of the following: <ul style="list-style-type: none"> • Sewage odour • Wastewater system faults • Wastewater system blockages • Council's response to issues with its wastewater system. Expressed per 1000 connections to Council's wastewater system.*	Achieved 2.7 per 1,000	≤50	≤50	≤50	≤50
Sewage is managed without risk to public health.	Percentage of ratepayers satisfied with the wastewater treatment and disposal system.	Achieved 98%	≥85%	≥85%	≥85%	≥85%

* Mandatory performance measure.

HOW WE WILL FUND IT

Council's wastewater activity is funded through a targeted sewerage rate from those who receive the service.

This follows a previous Council decision to amalgamate the rates for the four urban sewerage systems across the townships. This means that all users pay the same for the sewerage service, regardless of where they are located. It also ensures that each town will continue to be able to upgrade its infrastructure as necessary, to meet required standards and appropriate levels of service. Council considers that the district is best served by all towns having good quality infrastructure, and that this is better enabled through allowing for centralised planning and funding.

COUNCIL ACTIVITIES

Annual Plan	2018/19	2019/20	2020/21	2021/22	2022/23	2023/24	2024/25	2025/26	2026/27	2027/28
	(thousands)									
General Rates, uniform annual general charges, rates penalties	0	0	0	0	0	0	0	0	0	0
Targeted rates	639	726	774	810	863	922	1,041	1,035	1,130	1,205
Subsidies and grants for operating purposes	0	0	0	0	0	0	0	0	0	0
Internal charges and overheads recovered	0	0	0	0	0	0	0	0	0	0
Local authorities fuel tax, fines, infringement fees and other receipts	10	10	11	11	11	11	12	12	12	13
Total operating funding (A)	649	736	785	821	874	933	1,053	1,047	1,142	1,218
Payments to staff and suppliers	276	335	471	275	295	290	475	317	312	320
Finance costs	0	0	0	0	0	0	0	0	0	0
Internal charges and overheads applied	6	6	6	6	6	6	6	6	6	6
Total applications of operating funding (B)	282	341	477	281	301	296	471	323	318	326
Surplus (deficit) of operating funding (A-B)	367	395	308	540	573	637	572	724	824	892
Development and financial contributions	0	0	248	0	552	0	0	1,142	0	0
Total sources of capital funding (C)	0	0	248	0	552	0	0	1,142	0	0
Capital expenditure										
To meet additional demand	0	0	0	0	0	0	0	0	0	0
To improve the level of service	1,511	0	0	0	0	0	0	0	0	0
To replace existing assets	0	84	273	15	0	631	292	623	299	168
1,511	84	1,197	15	0	0	631	292	623	299	168
(940)	283	(802)	751	540	1,125	6	280	1,243	525	724
Total applications of capital funding (D)	571	367	766	540	1,125	637	572	1,866	824	892
Surplus (deficit) of capital funding (C-D)	(366)	(367)	(308)	(540)	(573)	(637)	(572)	(724)	(824)	(892)
Funding Balance ((A-B)+(C-D))	0	0	0	0	0	0	0	0	0	0

Stormwater

WHAT WE DO

Council is responsible for the management of stormwater within the district. Stormwater management is the smallest of the 3 Waters activities (water, wastewater and stormwater). The replacement value of the stormwater treatment plants and reticulation is approximately \$5.5 million (July 2016 valuation). The stormwater network provides drainage away from the road corridor and homes to minimise the incidence of flooding.

Council manages stormwater networks in Fairlie, Tekapo and Twizel. Each of these schemes are subject to resource consent conditions imposed by Environment Canterbury Regional Council. Our networks discharge to ground or to water after flowing through some form of treatment facility such as a swale or larger vegetated treatment area. All of the stormwater reticulation is via gravity with pipes ranging from 150mm to 1,050mm in diameter.

The Council’s stormwater asset is made up of the following components:

Asset Type	Unit	Quantity
Pipelines	m	18,176m
Manholes	each	248
Open Drains	m	6,180m
Sumps	each	290
Treatment Area	m ²	22,851m ²

The stormwater network does not include the drainage control assets consisting of kerb and channel, surface water channels, catch pits, soak pits, side drains, and culverts of less than 3.4 m² cross sectional area. These are included in roading assets.

WHY WE DO THESE ACTIVITIES

Council provides a safe, effective and sustainable stormwater system to:

- Provide and maintain adequate stormwater systems that protect public health and property.
- Ensure there is no detrimental impact on the environment from the disposal of stormwater in Twizel, Tekapo and Fairlie.

OUR AIM

The principal goal is to provide an effective, efficient, accountable and sustainable range of services that meet the actual needs of the residents. The stormwater assets are fundamental to Council’s aim for conserving public health and to enhance the quality of life of residents within the district. The over-riding management strategy is that the stormwater infrastructure, as it presently exists, will be maintained in the same state in perpetuity.

CURRENT SITUATION

Fairlie

The Fairlie stormwater system has developed over a number of years. The historic diversion of Fairlie Creek away from the town was the first major effort to divert flows away from Fairlie. The majority of open races have, over the years, been piped or partly diverted away from Fairlie. A number of the original drainage swales have been built over or partly filled in, and this contributes to surface flooding at times.

Stormwater discharge outlets are either piped or open drains. There are three outlets adjacent to Denmark Street, two in the Camping Ground area and one adjacent to Talbot Road. Apart from these formal discharge points, overland flow contributes to a high proportion of the discharge. All discharge ultimately reaches the Opihi River.

Fairlie stormwater is not formally treated before discharging into the Opihi River, but is collected by and discharges via vegetated swales which provide a measure of primary treatment.

A number of pipes require maintenance to return to an acceptable level of service. These are regularly monitored and maintained as required, including visual inspection and sampling. This gives the Council the information to decide on replacement time frames. Some pipelines will be inspected by CCTV to gauge their remaining useful life. Depending on the outcome of that inspection, they may require replacement within the term of this plan.

The stormwater system is adequate for the 1 in 5 year event. In a 1 in 10 year event, some surface ponding can be expected to affect some areas of the town, resulting in some inconvenience to the public. Over winter, problems can occur with snow or hail blocking stormwater drains and sump inlets, causing localised flooding and ice hazards. The Council's contractors take all practical steps to rectify these situations when they occur.

Tekapo

Tekapo, being located on rolling country, does not experience the same stormwater disposal issues as Fairlie. The majority of the stormwater system is less than 30 years old and has been well planned.

On hill sections, should sumps become blocked, this can cause local concentrations of flow on steep slopes. In new subdivisions stormwater disposal is well planned to modern engineering standards with a design life of 100 years.

Council has recently constructed significant stormwater treatment facilities in Tekapo to collect and treat stormwater originating from the new commercial development and Lakeside Drive.

Stormwater on the eastern side of the Lake Tekapo Dam discharges via grass swales to Lake Tekapo. The exception is a small area of Murray Place which is discharged into the Tekapo River. From the Lochinver development, stormwater disposal is via a disposal treatment area and discharge point to the lake. The Aorangi Crescent area on the western side of Lake Tekapo Dam discharges into the Tekapo River. The remainder of developed land on the western side discharges into the lake.

Both the Lochinver subdivision and stages 1 to 3 of the west Tekapo subdivision, known as The Cairns, have dedicated stormwater disposal systems using a dry pond, detention areas and wetlands that require specific maintenance to operate as designed.

Twizel

Twizel is fortunate in having a stormwater system which was designed as a one-off for the whole town. However, a shortcoming with the Twizel stormwater system is the localised ponding that can occur at siphon-type sumps. During winter this sometimes causes ice. Twizel's stormwater system is adequate for a 1 in 20 year storm event.

The whole of the town has two outlet points for stormwater discharge which are located near Glen Lyon Road. All stormwater from the Glen Lyon Road outlets discharge into the Twizel River. New subdivisions discharge stormwater to ground via grassed swales and specifically designed sumps.

There will always be instances when stormwater systems may not be able to cope with the rainfall run off due to its intensity or fast snow melt. In this respect, the roading network has been designed, where possible, to act as a secondary flow path.

GROWTH AND DEMAND

In planning for the maintenance and operation of our stormwater activity, Council must consider what effects growth and demand will have, and how issues of sustainability will be addressed.

Population and Household Growth

Mackenzie's population growth is expected to follow the medium projection issued by Statistics NZ in December 2016. It is anticipated that over the next ten years (2018-28) Mackenzie District will have a growth in population of around 13%, from around 4,300 at present to 4,880. Like much of New Zealand, the proportion of people aged 65 years and older will grow within the district.

It is projected that over the next ten years Mackenzie District will have:

- A growth in household numbers consistent with the population growth trajectory;
- Household numbers are projected to increase to 2,200 (+16 per cent) by 2028 (Statistics New Zealand) - the higher percentage increase in households relative to population increase in 2028 reflects a projected increase in single person households;
- With a greater number of older people living alone, a reflection of structural ageing, one-person households are projected to increase by 15 percent by 2028 (Natalie Jackson Demographics Ltd, Sept 2014);
- Future demand in the Mackenzie District will be increasingly driven by one-person households and couples without children, characteristic of population ageing.

Based on this, it is not anticipated that projected population and household growth will impact significantly on the operation and maintenance of our stormwater activity.

Tourism Growth

Mackenzie has experienced unprecedented growth in visitor numbers (both domestic and international) in recent years. However tourism growth is not expected to impact on Council's stormwater activity. The influx of domestic holiday-makers into the district has little impact on the stormwater network. As development occurs, developers are required to design appropriate stormwater systems to manage any expected increase in run-off.

Development

Analysis of the future urban and rural residential subdivision over the next 4 years shows an average of 10 sections per year, along with associated infrastructure, to be vested in Tekapo and an average of 46 per year in Twizel.

During 2015-2017, 843m of stormwater network, including sumps and manholes, was vested in Council. Whilst developers have to construct this to Councils standard before vesting, the ongoing maintenance and depreciation costs have to be allowed for by Council.

Initially it is assumed that the level of development experienced during 2015-2018 would slow down to about a third of this but this has proved not to be the case.

Changes in Land Use, Practices and Resource Use

Rural change can take several different dimensions, which might include:

- Land cover (e.g. grass, indigenous vegetation)
- Land use (e.g. development)

The change in land cover will not adversely affect run off in the district as the stormwater catchments in feeding the three towns are already grazed.

Development is likely to have some impact on stormwater runoff with increased hard stand and roof areas. Care is taken to ensure overland flow paths for run-off are not obstructed by development.

Climate Change

The Mackenzie District is likely to be affected by climate change. In preparing the LTP, the Council has reviewed Ministry for the Environment climate reporting¹ and regional projections calculated for the period from now to 2100². The LTP assumes that climate change is happening, and while the impacts are expected to be relatively minor within the period covered by the Plan, they will increase in future.

Influences of climate change on our stormwater activity and possible effects are outlined below.

¹ Ministry for the Environment & Stats NZ (2017). New Zealand's Environmental reporting Series: Our atmosphere and climate 2017. Retrieved from www.mfe.govt.nz and www.stats.govt.nz.

² Ministry for the Environment (2016). *Climate change projections for New Zealand: Atmosphere projections based on simulations undertaken for the IPCC 5th assessment*. Retrieved from www.mfe.govt.nz.

Function	Affected Assets or Activities	Key Climate Influences	Possible Effects
Stormwater	Infrastructure	– Increased frequency & severity of extreme weather events (rainfall)	<ul style="list-style-type: none"> – Increased frequency and/or volume of system flooding, increased surface flooding and stormwater flows. – Increased peak flows in streams and related erosion – These events, coupled with increasingly frequent winter floods will result in changes in flood plains and a greater likelihood of damage to properties and infrastructure.

Council will take into account the predicted impacts of climate change as part of its infrastructure management processes. This will include design and construction standards, mitigation (such as insurance), and risk-informed management. The Council will also retain an ability to respond to unexpected events such as unanticipated failure of assets or natural events; and to respond to opportunities.

PLANS FOR THE FUTURE

Council plans to maintain current levels of service for the life of this plan unless legislation, consent conditions, or community expectations change. Over the next ten years Council plans to:

- Continue to collect, treat, and dispose of stormwater;
- Implement a Stormwater Management Plan for the district’s three townships;
- Plan for future development and needs;
- Consult with the community as necessary on issues such as health and legislative compliance issues.

Significant projects and their funding sources are summarised in the following table and chart:

Project Description	Year	Amount
New Capital works -		
Implement Stormwater Management Plans	2019/20	\$12,000
Treatment solutions – Tekapo (Humeceptor)	2022/23	\$30,000
Treatment solutions – Fairlie (Humeceptor)	2027/28	\$15,000
Total		\$72,000

Project Description	Year	Amount
Renewals		
CCTV Inspection for pipe renewals – Fairlie (Regent Street)	2018/19	\$15,000
Revegetation & Valuation	2019/20	\$30,751
Replace timber systems (Fairlie) & Valuation	2022/23	\$60,751
Valuation	2025/26	\$20,751
Total		\$127,253

Environment Canterbury’s Land and Water Regional Plan requires our urban networks to have a Stormwater Management Plan. This is currently being completed for each town, and will be lodged with Environment Canterbury for approval. It is likely that this process will identify the need for improvement in the discharge quality on the small non-consented discharges particularly in Fairlie and Tekapo. These small discharges are typically 150mm diameter pipes which discharge water from a

road sump onto land or into a water course. The improvement works have been budgeted for in the period 2022-2029. A budget of \$45,000 has been allocated for this work, however until the Stormwater Management Plan is completed and approved, Council cannot confirm the extent of the works required. This work will also necessitate an operational increase in maintenance and compliance monitoring.

Fairlie

No significant change is expected to the normal operation of this activity, however there will be cyclic maintenance on some treatment facilities.

It is planned to internally inspect the Regent/Sloane Street storm water pipe in year one of the LTP. As this is an old timber lined drain running through the rear of the Kindergarten section, there is a risk that it could collapse leaving an accessible opening. With the higher than normal risk associated with this section of pipe budget has been allowed of \$61,000 to replace it. The results of CCTV inspection will determine if and/or when this work will proceed.

Tekapo

No significant change is expected to the normal operation of this activity, however there will be cyclic maintenance on some treatment facilities.

Lochinver Discharge

Every five years, depending on the results of soil tests, any bare areas will be re-vegetated and contaminated soils replaced at a cost of \$10,000 each time. An annual extra cost of \$500 also provided for increased maintenance and compliance monitoring.

Town Centre Discharge

This treatment facility was constructed in 2014/15 and requires regular maintenance to ensure it performs as designed. Allowance has been made to re-vegetate bare areas and replace contaminated soils every five years. This cost is likely to be \$10,000 per cycle.

An annual extra cost of \$2000 has been provided for increased maintenance and compliance monitoring.

Lakeside Drive Discharge

This treatment facility was constructed in 2016/17 and requires regular maintenance to ensure it performs as designed. An annual extra operating cost of \$2000 has been allowed for increased maintenance and compliance monitoring from 2018/19.

Every five years, depending on the results of soil tests, any bare areas will be re-vegetated and contaminated soils replaced at a cost of \$10,000 each time.

Twizel

No significant change is expected to the normal operation of this activity, however there will be cyclic maintenance on some treatment facilities.

SIGNIFICANT EFFECTS

Although the stormwater network provides many important benefits to the community, there are a number of negative effects which could potentially arise. There is a potential for property damage resulting from blocked or undersized stormwater drains during high rainfall events. Regular maintenance of stormwater drains and systems is carried out to minimise this risk. There is also the potential for adverse effects on the environment due to the presence of chemicals and debris in the water runoff during high rainfall events. This could have negative effects on the aquatic environment. In preparing its Stormwater Management Plan and undertaking resulting works, the Council will be seeking to avoid or mitigate the effects of stormwater discharge on water quality.

LEVELS OF SERVICE

The stormwater management provided by Council contributes to the following community outcomes:

1. An attractive and highly valued natural environment;
2. A thriving economy;
3. A fit and healthy community;
4. Safe, efficient and sustainable infrastructure.

Levels of service	Performance Measure	Actual 2016/17	Target 2018/19	Target 2019/20	Target 2020/21	Target 2021-28
System adequacy – the stormwater system is adequately sized and maintained.	The number of flooding events that occur in the district.*	Achieved 1 event on 16/11/16 in Fairlie	≥2 flooding events	≥2 flooding events	≥2 flooding events	≥2 flooding events
	For each flooding event, the number of habitable floors affected (per 1000 properties connected to the Council’s stormwater system.*	Achieved 1 habitable floor affected per 1000 properties	≥2 per flooding event (per 1000 properties connected to the stormwater system	≥2 per flooding event (per 1000 properties connected to the stormwater system	≥2 per flooding event (per 1000 properties connected to the stormwater system	≥2 per flooding event (per 1000 properties connected to the stormwater system
Discharge compliance – the stormwater system is managed in accordance with consent conditions.	Compliance with consent conditions measured by the number of abatement notices or infringement notices.*	Achieved No abatement or infringement notices	Nil abatement or infringement notices	Nil abatement or infringement notices	Nil abatement or infringement notices	Nil abatement or infringement notices
	Compliance with consent conditions measured by the number of enforcement orders or convictions.*	Achieved No enforcement orders or convictions	Nil enforcement orders or convictions	Nil enforcement orders or convictions	Nil enforcement orders or convictions	Nil enforcement orders or convictions
Response times – flooding events from the stormwater system are promptly attended to.	The median response time to attend a flooding event, measured from the time that the Council receives notification to the time that service personnel reach the site.*	Achieved Whitestone attended the event on 16/11/16 prior to any properties being affected.	2 hours, including travel time to remote parts of the district	2 hours, including travel time to remote parts of the district	2 hours, including travel time to remote parts of the district	2 hours, including travel time to remote parts of the district
Customer satisfaction – the stormwater system is managed to an appropriate quality of service.	The number of complaints received by the Council about the performance of its stormwater system expressed per 1000 properties connected to the stormwater system.*	Achieved 0.6 per 1000 connected properties	<5 complaints per 1000 properties connected to the stormwater system	<5 complaints per 1000 properties connected to the stormwater system	<5 complaints per 1000 properties connected to the stormwater system	<5 complaints per 1000 properties connected to the stormwater system

* Mandatory performance measure.

HOW WE WILL FUND IT

As identified in the Infrastructure Strategy, the district's urban stormwater schemes vary in age and condition and there are some renewal costs over the next decade. An increase in costs to meet environmental planning and discharge quality requirements is also planned.

Stormwater management is funded through a targeted rate for all those in the three urban areas that receive this service. This means that all users pay the same for the stormwater service, regardless of where they are located. It also ensures that each town will continue to be able to upgrade its infrastructure as necessary, to meet required standards and appropriate levels of service.

Annual Plan	2018/19	2019/20	2020/21	2021/22	2022/23	2023/24	2024/25	2025/26	2026/27	2027/28
	(thousands)									
Targeted rates	126	141	139	143	158	177	180	197	222	227
Internal charges and overheads recovered	0	0	0	0	0	0	0	0	0	0
Total operating funding (A)	126	141	139	143	158	177	180	197	222	227
Payments to staff and suppliers	35	48	37	38	51	40	41	55	43	44
Internal charges and overheads applied	14	14	14	13	13	12	11	11	10	9
Total applications of operating funding (B)	49	62	51	51	64	52	52	66	53	53
Surplus (deficit) of operating funding (A-B)	77	79	88	92	94	125	128	131	169	174
Development and financial contributions	57	0	128	0	206	0	0	509	0	0
Total sources of capital funding (C)	57	0	128	0	206	0	0	509	0	0
Capital expenditure										
To meet additional demand	321	0	0	0	0	0	0	0	0	0
To improve the level of service	0	0	0	0	78	17	0	0	18	0
To replace existing assets	0	0	0	0	0	0	0	0	0	0
321	0	0	0	0	78	17	0	0	18	0
Increase (decrease) in reserves	(177)	77	216	92	222	108	128	640	151	174
Total applications of capital funding (D)	144	77	216	92	300	125	128	640	169	174
Surplus (deficit) of capital funding (C-D)	(87)	(77)	(88)	(92)	(94)	(125)	(128)	(131)	(169)	(174)
Funding Balance ((A-B)+(C-D))	0	0	0	0	0	0	0	0	0	0

Roading

WHAT WE DO

Our district's roading network is considered vital infrastructure by the Council, underpinning the district's economic wellbeing and supporting significant activities such as farming, tourism and development. The provision of roading services is the biggest single cost item for the Council, making up 16.22% of Council's expenditure in 2016/17 (excluding depreciation and vested assets).

Council owns and maintains 732 kilometres of local roads within the district. This is made up of 213 kilometres of sealed and 519km of unsealed roads. That is all the roads in the district except for state highways, which are managed by the New Zealand Transport Agency (NZTA), and roading within Mt Cook Village which is administered by the Department of Conservation.

Rural roads make up 92% of our network and are an important part of the export supply chain with the main rural land uses in the District being pastoral farming, dairy farming and forestry. Roading also provides the key tourist routes throughout the District.

The roading assets administered by the Council include more than just roads. There are also footpaths, bridges, streetlights, signage and other assets associated with transportation. The total replacement cost for Council's roading assets is \$94.07 million (July 2016 valuation).

WHY WE DO THESE ACTIVITIES

The roading network links areas, connects people with each other and essential services, underpins the District's iconic tourism economy, enables businesses to access resources and markets, and provides people with social, cultural, recreational and employment opportunities. The Council plans to continue to own, control and manage the district's entire roading network as one of its core activities. As a result our first priority is to maintain, operate and protect the existing roading network.

OUR AIM

To ensure all roading assets are managed to provide the desired level of service and safety in the most cost effective and achievable manner for existing and future customers.

CURRENT SITUATION

Roads

Unsealed Roads

The unsealed road network in the Mackenzie District comprises 71% of the roading asset and carries approximately half of the total vehicles travelling on the network. The condition of our unsealed roads is constantly changing, and depends on factors such as traffic use, weather, and position in its maintenance cycle. Road condition is monitored through routine contractor patrols and Council roading inspections.

Our maintenance programme seeks to ensure that current levels of service are maintained. Factors such as weather and fluctuations in traffic volume affect the condition and maintenance requirements for many of our unsealed roads. One example of this is the ski traffic in winter on Lilybank Road, which has seen increased traffic movements of up to 600 vehicle movements per day on a road historically formed to take a normal loading of 80 vehicles per day. Other examples include Defence Force exercises and rural activities (such as logging operations) impacting on Braemar Road; summer visitors and campers along Haldon Road; and tourist traffic on Godley Peaks Road.

Over the last several years staff have carried out regular gravel loss surveys at different sites on the network. This work is ongoing, with other sites added as necessary. This has provided good data on how our gravel roads perform over time.

This monitoring has shown that the majority of roads are losing an average of 17mm off the crown on average annually. For the balance of the unsealed network, on our short no-exit roads, the loss is on average 7mm off the crown. To avoid consuming the asset this metal loss needs to be replaced on a regular cycle. Analysis of the results of gravel loss surveys has indicated that to maintain current service levels on the unsealed road network, Council needs to apply approximately 25,000m³ of wearing course and maintenance metal to its unsealed roads annually.

Council continues to undertake local source material trials on sections of our network that typically have either high heavy vehicle usage resulting in accelerated gravel loss, high dust generation and/or associated complaints, or inadequate subgrade strength. So far these trials have proved very successful and have resulted in reduced grading schedules, no deflection due to heavy vehicle loading, little to no metal loss and very low dust generation. Staff check these sites regularly and record set cross sections to monitor gravel loss, asset performance and maintenance expenditure.

While it is too early to consider rolling this construction practice out over an extended area of the unsealed road network, preliminary results show potential for significantly lower lifecycle maintenance costs.

Sealed Roads

The district's sealed roads are generally in good condition. They are experiencing the same types of issues as our unsealed roads, with pressure on the network due to tourism and visitor growth and an increase in Heavy Commercial Vehicles (HCVs) from land use change and development in the district.

In terms of maintenance requirements for our sealed roads, a target average annual reseal length of approximately 8% could be regarded as the average annual need. Actual resurfacing over previous years had been less than this amount, to fit in within approved budgets. As part of the last LTP (2015-25) the Council provided additional funding on top of the approved NZTA budget to address the backlog. As a result of this funding injection and favourable contract rates for resurfacing, the backlog has now largely been eliminated.

Historically, sealed road pavement rehabilitation has been as a result of damage caused by winter freeze/thaw conditions. Godley Peaks Road, Braemar Road, Lilybank Road and Haldon Road have been the most at-risk roads in the district, but this may also occur on other roads depending on the season. The Council has made substantial improvements to drainage in sections that are known to cause issues. This has abated the need somewhat, but there is still a general requirement to carry out rehabilitation on sections of these roads affected by frost heave.

Bridges

There are 99 bridges in the District, including eight culverts which due to their size are classified as 'bridges'. These bridges have a combined length of 1986m. They range from small, simple timber bridges to multi-span modern steel and concrete structures. Generally these bridges are in good order. They are regularly inspected for defects by the maintenance contractor; they are also structurally inspected by a structural engineer over a three yearly cycle.

The bridges are managed in accordance with the Council's Bridge Replacement Strategy (2010-2050). This strategy details which bridges are due for replacement or complete removal.

Footpaths, Streetlights and Drainage Assets

Council manages 58.1 kilometres of permanent footpaths on the transportation network. These are principally designed for and used by pedestrians. The majority (36.7km) of the footpath is within the Twizel Township urban area. A lesser amount (16.4km) is in Fairlie area with 9.2km in Tekapo. Footpaths on State Highways are included in this asset as they are the maintenance responsibility of the Council. The quantity of footpaths managed by Council is increasing through new assets being vested with the Council following subdivision and development.

Council administers the maintenance and power consumption of 1145 streetlights throughout the district. There is an on-going inspection and maintenance regime under the routine maintenance contract.

Council is committed to supporting the Aoraki Mackenzie International Dark Sky Reserve which extends over the Mackenzie Basin and Aoraki / Mount Cook National Park. Council's District Plan restricts outdoor lighting within this area to limit light pollution. The majority of Council's streetlight fittings are low pressure sodium (LPS), which met the requirements of the District Plan. Council is presently working on reviewing suitable options for the replacement of all of these light fittings, to take advantage of an NZTA subsidy that is currently available – refer 'plans for the future' below. The continued protection of the gold status for the Dark Sky Reserve is a priority for Council in managing its street lighting network.

Within the district, Council also operates drainage assets such as kerb and channel drains, swale drains, culverts, and soak pits associated with roading. These assets are all in good condition.

General

On a day to day basis the roading network is managed in-house by staff, with some assistance from consultants. Maintenance of the network is through a competitively tendered, multi-year contract compiled by a collaboration of Ashburton, Timaru, Waimate and Mackenzie District Councils. This collaboration is known as the Aoraki Roding Collaboration (ARC). Other maintenance works such as resealing and large renewal projects are let as competitively priced contracts. These may also be managed as combined contracts with neighbouring councils as part of the collaboration.

Our annual residents' survey indicates there is a high level of satisfaction with our roading network overall.

GROWTH AND DEMAND

The Mackenzie District roading network predominantly carries low volume rural traffic on unsealed roads. Only 55.19km of the total 732km in the network is urban. Predominantly the growth the district is experiencing in traffic volumes is due to increasing tourist numbers and economic development following irrigation and changes in farm practices. Future demand on the network will continue to be driven by tourism and visitor growth, and land use change and intensification, rather than population growth.

Population and Household Growth

Mackenzie's population growth is expected to follow the medium projection issued by Statistics NZ in December 2016. It is anticipated that over the next ten years (2018-28) Mackenzie District will have a growth in population of around 13%, from around 4,300 at present to 4,880. Like much of New Zealand, the proportion of people aged 65 years and older will grow within the district.

It is projected that over the next ten years Mackenzie District will have:

- A growth in household numbers consistent with the population growth trajectory;
- Household numbers are projected to increase to 2,200 (+16 per cent) by 2028 (Statistics New Zealand) - the higher percentage increase in households relative to population increase in 2028 reflects a projected increased in single person households;
- With a greater number of older people living alone, a reflection of structural ageing, one-person households are projected to increase by 15 percent by 2028 (Natalie Jackson Demographics Ltd, Sept 2014);
- Future demand in the Mackenzie District will be increasingly driven by one-person households and couples without children, characteristic of population ageing.

Based on this, it is anticipated that projected population and household growth will not impact significantly on the operation and maintenance of our roading activity.

Development

Analysis of future urban and rural residential subdivision over the next 4 years shows an average of 10 sections per year, along with associated infrastructure, to be vested in Tekapo and an average of 46 per year in Twizel.

During 2015-17, 5km of sealed road and 4.8km of unsealed road was vested in Council. While developers have to construct this to Council's standard before vesting, the ongoing maintenance costs have to be allowed for. Initially it was assumed that the level of development experienced during 2015-17 would slow down to about a third of this but this has proved not to be the case. We have modified our projections to allow for this growth.

Change in Land Use

Change in land use is ongoing throughout the district and has resulted in intensification of land use practices in our rural areas. Over the last decade, the Mackenzie District has seen a change from pastoral farming to more intensive practices, in particular dairy conversions, cropping and stock rearing/ finishing. Forestry harvesting operations are also anticipated to increase over the coming years.

This intensification of land use impacts on the road network in terms of increased heavy vehicle volumes. As an example, the average annual daily traffic on Clayton Road has almost doubled in the last 12 years from 289 to 419, with the percentage of HCVs remaining constant at 24%. Thus the number of HCVs has also almost doubled.

Each dairy conversion adds at least four heavy truck and trailer movements on the adjacent roading network a day. Some of those roads are narrow gravel roads with limited structural strength.

Changes in intensification are likely to be impacted by planning restrictions within the Mackenzie Basin, water availability, and rural economic drivers. There is difficulty in predicting where this demand might be over the next 10 years. It is therefore important to monitor usage, development and trends, and plan for these as early as knowledge becomes available and effects are better understood.

Tourism and Visitor Growth

Mackenzie has experienced unprecedented growth in visitor numbers (both domestic and international) in recent years. This is indicated by a range of data including the Statistics New Zealand Commercial Accommodation Monitor, which for the year ended September 2016 compared with the year ended September 2015 reported:

- Guest nights rose 23.1 per cent to 705,316
- International guest nights rose 19.9 per cent to 489,769
- Domestic guest nights rose 31.1 per cent to 215,547
- The average length of stay rose from 1.32 nights to 1.33 nights
- The overall occupancy rate rose from 44.4 per cent to 50.2 per cent
- Accommodation capacity, excluding holiday parks, rose 3.1 per cent

The Commercial Accommodation data is collected from accommodation providers or their representatives monthly via a postal survey. The survey excludes a number of short term accommodation providers including hosted accommodation, and private dwellings. Council recognises the limitations in accurately measuring accommodation nights within the district, and acknowledges that actual numbers will be in excess of the above.

International tourism numbers are expected to continue to increase by 5.4 per cent per annum from 2016 until 2022. Based on this, there could be nearly 6 million tourists visiting New Zealand by 2028. Council is assuming average growth in international visitors to the district will be at least equivalent to or greater than the growth in international visitors forecast for New Zealand. Growth in domestic visitor numbers is also expected to occur at a similar rate.

Tourism makes up a large component of transportation demand within the district. The Mackenzie has experienced increasing numbers of free independent travellers, with fewer tourists opting for commercial tour groups. Where previously commercial tourism groups favoured the State Highway network, free independent travellers are increasingly using the local roading network.

Many international tourists are accustomed to travelling on the right-hand side of the road. On unsealed roads there is no centreline to provide visible orientation. In addition, the majority of the unsealed roading network is operated at open road speed limits.

The influx of domestic holiday-makers into the district, particularly the Mackenzie Basin, has a significant impact on roading. On some unsealed roads summer traffic volumes double or treble, at a time when the roads are extremely dry and particularly sensitive to wear. The route from State Highway 8 at Albury over the Mackenzie Pass to Lake Benmore is an example of this traffic loading.

The growth in visitor numbers results in pressures on the network in our townships at peak times. In 2016 Council commissioned a Transportation Strategy for the townships of Fairlie, Twizel and Tekapo. The strategy identifies similar themes across the three township communities:

- 1) Access from the state highway;
- 2) Local access;
- 3) Parking; and
- 4) Traffic circulation.

Council is presently working on implementing the strategy and will use it to guide future programmes.

Climate Change

The Mackenzie District is likely be affected by climate change. In preparing the LTP, the Council has reviewed Ministry for the Environment climate reporting¹ and regional projections calculated for the period from now to 2100². The LTP assumes that climate change is happening, and while the impacts are expected to be relatively minor within the period covered by the Plan, they will increase in future.

Influences of climate change on our roading activity and possible effects are outlined below.

Function	Affected Assets or Activities	Key Climate Influences	Possible Effects
Roading	Road network	<ul style="list-style-type: none"> - Reduced mean annual rainfall - Increased mean annual temperature - Increased frequency and severity of drought events - Increased frequency of extreme wind - Increased frequency & severity of extreme weather events (rainfall) - Reduced number of frost nights - Reduced snowfall / retreating snowline 	<ul style="list-style-type: none"> - Increased gravel loss from metalled roads, due to an increase in the frequency and severity of drought events and increased frequency and severity of wind events. - Flood damage to roads and bridges from extreme weather events. - Impacts on road safety from flooding of infrastructure or from increased extreme wind events, particularly to high sided vehicles. - Reduced damage to roads from frost heave due to a decreased number of frost nights. - More frequent tar melt from increased temperatures. - Adjustments to culverts etc. to allow for peak flows during extreme weather events.

Council will take into account the predicted impacts of climate change as part of its infrastructure management processes. This will include design and construction standards, mitigation (such as insurance), and risk-informed management. The Council will also retain an ability to respond to unexpected events such as unanticipated failure of assets or natural events; and to respond to opportunities. This will be done through the establishment of a roading reserve and through retention of capacity to borrow.

PLANS FOR THE FUTURE

Roads

The Council continues to view maintenance of its roading network as a priority. This is a core activity for Council which underpins the district economy and keeps our communities safe and prosperous. For these reasons Council considers it essential that current levels of service are maintained. To do this in the context of growing pressures on our network means that careful choices have to be made about maintenance and improvements, and funding of those. Council also continually looks for efficiencies in all aspects of its roading management.

In relation to the maintenance programme, the Council proposes to maintain the budget similar to present levels over the next ten years, to ensure our roading network continues to meet required standards. Prudent management of the asset and continual review for efficiencies will enable Council to achieve this within the proposed budget levels.

The previous LTP 2015-25 provided additional funding for a backlog of required resealing to be undertaken. This has largely been completed and the plan now is to ensure adequate and appropriate maintenance is undertaken at required intervals over the next ten years. As long as low tender rates can be achieved by leveraging off the Aoraki Roads collaboration (a collaboration between Mackenzie, Timaru, Waimate, and Ashburton District Councils) Council should be able to meet its resurfacing programmes over the next ten years with an annual allocation of \$500,000. Where failures do occur, Council will request funding from NZTA for remediation.

¹ Ministry for the Environment & Stats NZ (2017). New Zealand’s Environmental reporting Series: Our atmosphere and climate 2017. Retrieved from www.mfe.govt.nz and www.stats.govt.nz.

² Ministry for the Environment (2016). *Climate change projections for New Zealand: Atmosphere projections based on simulations undertaken for the IPCC 5th assessment*. Retrieved from www.mfe.govt.nz.

While Council will undertake required maintenance of the existing sealed network, there are no specific plans for major additional seal extensions (new seals) during the LTP period. However given the pressures in particular areas at peak times, some may prove uneconomic to maintain as unsealed roads going forward. This applies to Lilybank Road, which has seen increase in traffic of up to 600 vehicle movements per day during the opening season of Roundhill Skifield. This is during winter months when surfaces are at their most vulnerable, and on a road that was historically formed to take a normal loading of 80 vehicles per day. On the 25 kilometres of road to the ski area turnoff, a minimum of 2,100m³ of running/wearing course is required annually, which over the long term is considered uneconomic. The Council would like to consider a seal extension programme to seal this portion of the road. However this will depend on funding levels. Council is presently seeking community views on how much it should spend on roading programmes, and at what level, given that funding such works will have an impact on rates.

Minor localised seal extensions, for example for dust mitigation purposes, may be considered on a case by case basis.

In addition to reseals, there are sections of road requiring pavement rehabilitation. The LTP includes a programme to address pavement deterioration, with such rehabilitation works being done on the basis of most need. However if extreme winter conditions are experienced in various locations over this time, other works may take priority. The Council has provided for ongoing rehabilitation requirements in each year of the LTP, at a cost of approximately \$200,000 per annum.

To maintain current service levels on its unsealed roads, the Council needs to apply approximately 25,000m³ of wearing course and maintenance metal annually over the term of the LTP. The Council has budgeted \$650,000 per year to achieve this.

In 2016 Council commissioned a Transportation Strategy to address issues on the roading network in each of the three main towns. Council is presently working on implementing the strategy and will use it to guide future programmes. The strategy identifies objectives and actions to manage pressures such as parking and traffic flows.

The Infrastructure Strategy identifies that there are a number of areas where the district is experiencing growth and subsequent pressure on the roading network in both urban and rural areas. To address these, Council has a number of improvement projects it could undertake in the 'low cost low risk' category which would attract NZTA funding of 51%. These projects include car parking, and intersection and safety improvements.

In setting the budget the Council has had to make choices about what it can fund, to ensure that rates rises remain stable and that our communities can afford this key infrastructure. One of the key issues identified for consultation with the community was the level of roading funding that should be provided. As a result of that consultation, the Council has budgeted an amount of \$300,000 per annum to fund 'low cost low risk' roading projects. Provision of \$300,000 each year in the budgets is prudent in that it avoids significant rates rises over the period of the LTP. It does mean that some projects have to be prioritised and some may be delayed. However it appropriately manages the impact on ratepayers in terms of funding the improvements.

Bridges

There are four bridges in the district which will reach the end of their remaining useful life in the period of the LTP. Of these, three bridges will be replaced and one will be disposed of.

The following bridges will be replaced during the term of this LTP:

Bridge No	Bridge Name	Replacement Timeframe	RUL (Years)	Costing Parameters			Cost	Replacement Year
				Length	Width	Rate/m2		
1	Otama Road	3 - 10	8	6	2.7	\$5,403.00	\$77,400	2023
13	Coal Pit Rd No 2	10 - 15	10	12	4	\$3,910.00	\$208,000	2025
58	Single Hill	3 - 10	5	12	2.6	\$3,910.00	\$143,100	2020

The Council currently maintains Goodmans Bridge, at the end of Nixons Road in the Opuha Ward which will not be replaced when it reaches the end of its useful life in 2020. This bridge does not have high public use, and there is an alternative access available via a ford. Council proposes that whilst Goodmans Bridge will not be replaced, the structure will remain to provide emergency access. Until 2020, Goodmans Bridge will continue to undergo an annual inspection and the condition of the bridge will be reported to Council.

Single Hill Bridge is on private land rather than road reserve. Any discussions regarding its future will be held directly with the affected landowner.

Overall, current levels of service provided by this sub-activity will be maintained. The exception to this would be the replacement of the three weight restricted bridges. When renewed they will all be able to take Class 1 traffic loading, which is an improved level of service.

Footpaths, Streetlights and Drainage Assets

As outlined in the following Water Supplies chapter, Council will be carrying out watermain replacement programmes in the townships over the term of the LTP. As these works are done, the footpaths in the affected streets will be substantially rebuilt and are likely to be reconstructed in asphalt or concrete at that time where trenching is completed.

Council also plans to develop and implement a walking and cycling strategy as part of the Transportation Strategy during this LTP. The Council supports the development of pedestrian and cycle friendly urban areas including provision of linkages as part of new developments.

The Council is committed to considering any impacts on the Aoraki Mackenzie Dark Sky Reserve when managing its assets, including its street lighting programme.

Over the last 10 years, urban development has added an additional 34% lights to the network and it is assumed that there will be an ongoing increase in these assets. The existing street lights have a remaining life of between 2 years and 20 years. NZTA has provided a special subsidy rate for the replacement of standard luminaires with LED fittings, and Council is presently working on reviewing suitable options for the replacement of all current light fittings to take advantage of the subsidy. The District Plan has specific provisions that are designed to protect the night sky in the Mackenzie Basin. The replacement fittings will comply with District Plan requirements. In addition to the benefits for the night sky, this replacement programme will result in energy savings and reduce maintenance costs due to the extended life of the LED fittings. There are no plans to add additional lighting other than that vested to Council from various developments within the district.

The majority of drainage maintenance is reactive and budgets have traditionally been based on historical expenditure. However, in an effort to reduce maintenance costs for repairing premature pavement failure in sealed and unsealed roads, the Council has adopted a strategy to improve substandard drainage along specific roads. Council proposes an increase from previous years in this LTP for drainage works, due to more regular large scale storm events and greater loadings on older infrastructure. For 2018/19 the total maintenance cost budgeted is \$100,000, and it is expected that this maintenance cost requirement will carry on into the future.

Other than those outlined above, no significant changes are expected to the normal operations of these activities.

SIGNIFICANT EFFECTS

The roading network provides many important benefits to the community and is vital to enable economic development, commerce, tourism, and personal travel. However there is potential for a number of negative effects to arise from both construction and maintenance activities within the road corridor and its use by vehicles.

Traffic Hazards/Accidents

Traffic hazards and crashes occur on our network. Hazards are monitored and addressed through the implementation of safety projects, road safety coordination, crash studies, as well as provision of signage, pavement marking and safety structures such as guardrails. Council will also install traffic calming devices to reduce speed where appropriate.

Dust Nuisance

There is a large proportion and length of unsealed roads on our network. Dust can be a significant nuisance to dwellings situated near roads, to following or passing vehicles, and for adjacent land uses. Council does not use dust suppression agents as these are costly, short lived and require regular reapplications. Council has introduced silty/clay bound wearing course for unsealed roads which has helped to mitigate dust to some extent. Trials have been undertaken with locally sourced pit weathered rock materials ("rotten rock") over the past 4 – 5 years. This is showing significant dust suppression qualities and reductions in routine maintenance costs. This material has progressed to being used as a wearing course where close proximity sources allow, or to mitigate dust or maintenance issues. It is not intended to roll this out to entire road lengths. Trials are still continuing, with the performance of various source materials being monitored on an ongoing basis.

The Council has a current policy for sealing past houses where a significant dust nuisance is identified. Since 2002, Council has placed a dust nuisance warning on all LIM and PIM reports relating to unsealed roads. For houses built or relocated after 2002, applications under this policy will not qualify for cost sharing, with the applicant required to fully fund their project. Any proposal must also receive Council approval. For houses which were built or relocated prior 2002 the landowner may qualify for a 50/50 cost share, with a maximum Council contribution of \$10,000 and a maximum length of 200m for any one request. On-going maintenance of the sealed road is carried out by the Council.

Environmental Effects

Roading maintenance activities generally do not have major adverse environmental effects. The control of dust and water pollution at work sites is carried out under the contractors’ quality and environmental management plans. Work in riverbeds requires resource consent from Environment Canterbury Regional Council. The only long term impact on the environment is the creation of borrow pits for the extraction of aggregate for unsealed road maintenance. Both the Council and contractors take care in how these are managed and rehabilitated after use. Council is seeking to limit where possible the use of borrow pits on road reserve, in favour of exploring other sources.

LEVELS OF SERVICE

The roading activity provided by Council contributes to the following community outcomes:

1. A thriving economy
2. Safe, effective and sustainable infrastructure
3. A fit and healthy community
4. An attractive and highly valued natural environment

Levels of service	Performance Measure	Actual 2016/17	Target 2018/19	Target 2019/20	Target 2020/21	Target 2021-2028
To provide 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.*	Achieved 98.7% for rural and 96.6% for urban roads	90% for rural and 75% for urban roads	90% for rural and 75% for urban roads	90% for rural and 75% for urban roads	90% for rural and 75% for urban roads
	The percentage of the sealed local road network that is resurfaced.*	Achieved 10.3% (22km resurfaced)	≥4%	≥4%	≥4%	≥4%
	The percentage of the unsealed road network renewed using wearing course and stabilisation techniques.	Achieved 8.8% (45.6km wearing course)	≥2%	≥2%	≥2%	≥2%
	The percentage of road users are satisfied with the roading network.	Achieved 92%	≥85%	≥85%	≥85%	≥85%
To provide a safe and efficient roading network.	The change from the previous year in number of fatalities and serious crashes on the local road network, expressed as a number.	Achieved Unchanged	Change from each previous financial year= 0 (Equates to a total target of ≤2 fatality and serious injury crashes)	Change from each previous financial year= 0 (Equates to a total target of ≤2 fatality and serious injury crashes)	Change from each previous financial year= 0 (Equates to a total target of ≤2 fatality and serious injury crashes)	Change from each previous financial year= 0 (Equates to a total target of ≤2 fatality and serious injury crashes)
	The percentage of customer service requests relating to roads and footpaths to which Council responds within the	Achieved 100% - 7 service requests were received. All were responded to within	≥75% of service requests relating to roads	≥75% of service requests relating to roads	≥75% of service requests relating to roads	≥75% of service requests relating to roads

Levels of service	Performance Measure	Actual 2016/17	Target 2018/19	Target 2019/20	Target 2020/21	Target 2021-2028
	timeframe specified in the LTP	the required timeframes	and footpaths will be responded to within 10 working days	and footpaths will be responded to within 10 working days	and footpaths will be responded to within 10 working days	and footpaths will be responded to within 10 working days
To maintain footpaths in good condition and ensure that they 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.*	Achieved 95%	≥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	≥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	≥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	≥75% of the total length of footpaths are at or above the 'average condition rating'. Condition rating will be undertaken at not less than 5 years frequency

*Mandatory performance measure

HOW WE WILL FUND IT

For funding purposes there are two types of roading work, each with two categories. These are:

Subsidised work:

- a) Subsidised capital work – funded through a district wide targeted rate, borrowing and co-investment by NZTA (this is further explained below). Work in this category includes sealed road pavement rehabilitation, drainage renewals, traffic service renewals and minor improvements (low cost low risk) including bridges.
- b) Subsidised maintenance work – funded through a district wide targeted rate with co-investment by NZTA. Included in this category is pavement maintenance, traffic services maintenance and the like.

Unsubsidised work:

- c) Unsubsidised capital work – funded through a district wide targeted rate and borrowing. There is no co-investment by NZTA. This may include any work that Council considers to be a priority but does not meet NZTA's required funding level. Work that falls within this category is sealing past houses (for dust suppression) and footpath surfacing.
- d) Unsubscribed maintenance work – funded through a district wide targeted rate. There is no co-investment by NZTA. This may include any work that Council considers to be a priority but does not meet NZTA's required funding level, along with the maintenance of footpaths.

For subsidised works, our roading programme is co-funded with a contribution from government through the NZTA. NZTA has set Council's funding assistance rate (FAR) at 51%. It is assumed that NZTA subsidy will remain at that rate for the whole of the LTP period.

In terms of maintenance of our roads, the Council plans to match what NZTA will co-fund to undertake required maintenance to maintain current levels of service. The maintenance budget is largely 'business as usual' with no major increases above previous years. Council considers it essential to maintain our roads to current standards. This approach ensures our roads do not require costly rebuilding if allowed to deteriorate, thereby avoiding increased costs in future.

As set out in the Infrastructure Strategy, there are localised pressures from growth on our roading network which could be addressed through Council undertaking a number of roading improvement projects. While these projects attract the 51% co-funding rate from NZTA, our share of these projects is funded through the district-wide targeted roading rate. Council sees value in undertaking the improvements, but fully funding all identified projects would require an increased level of borrowing, with a consequent impact on rates.

Therefore for reasons of fiscal responsibility and prudence, and after consultation with ratepayers, Council has allocated an annual budget of \$300,000 for these projects (\$144,000 being our share). This means some projects have to be prioritised and some may be delayed. However it appropriately manages the impact on ratepayers in terms of funding the improvements.

With respect to depreciation, the Council considers it is not appropriate to fund depreciation on the portion of assets that is funded by NZTA. Council fully funds the remainder through rates.

Annual Plan	2018/19	2019/20	2020/21	2021/22	2022/23	2023/24	2024/25	2025/26	2026/27	2027/28
	(thousands)									
Targeted rates	1,590	1,799	1,517	2,495	2,693	2,886	3,202	3,437	3,733	4,080
Subsidies and grants for operating purposes	851	857	878	867	874	897	885	890	916	902
Internal charges and overheads recovered	0	0	0	0	0	0	0	0	0	10
Local authorities fuel tax, fines, infringement fees and other receipts	28	29	29	30	31	32	32	33	34	35
Total operating funding (A)	2,469	2,685	2,424	3,392	3,598	3,815	4,119	4,360	4,684	5,027
Payments to staff and suppliers	1,751	1,793	1,870	1,884	1,931	2,014	2,029	2,080	2,171	2,191
Finance costs	0	0	0	0	0	0	0	0	0	0
Internal charges and overheads applied	180	196	231	250	246	248	238	219	201	192
Total applications of operating funding (B)	1,931	1,989	2,101	2,134	2,177	2,262	2,267	2,299	2,372	2,383
Surplus (deficit) of operating funding (A-B)	538	696	323	1,258	1,421	1,553	1,852	2,061	2,312	2,644
Finance costs	0	0	0	0	0	0	0	0	0	0
Subsidies and grants for capital expenditure	938	958	989	1,120	1,042	1,063	1,097	1,119	1,154	1,178
Development and financial contributions	0	0	0	0	0	0	0	0	0	0
Total sources of capital funding (C)	938	958	989	1,120	1,042	1,063	1,097	1,119	1,154	1,178
Capital expenditure										
To meet additional demand	0	0	0	0	0	0	0	0	0	0
To improve the level of service	0	0	0	0	0	0	0	0	0	0
To replace existing assets	2,010	2,054	2,124	2,719	2,574	2,623	2,209	2,254	2,325	2,380
Increase (decrease) in reserves	(534)	(400)	(812)	(341)	(111)	(7)	740	926	1,141	1,442
Total applications of capital funding (D)	1,476	1,654	1,312	2,378	2,463	2,616	2,949	3,180	3,466	3,822
Surplus (deficit) of capital funding (C-D)	(538)	(696)	(323)	(1,258)	(1,421)	(1,553)	(1,852)	(2,061)	(2,312)	(2,644)
Funding Balance ((A-B)+(C-D))	0	0	0	0	0	0	0	0	0	0

Regulatory services

WHAT WE DO

The Council's Regulatory Services group of activities includes resource management (the planning department), building control, animal control, civil defence and emergency management, and public health and liquor licensing.

WHY WE DO THESE ACTIVITIES

The Council undertakes a range of regulatory activities to enhance the safety of those who live in and visit the Mackenzie District. It also aims to protect and enhance the natural environment by regulating development in a manner that is environmentally sensitive, well planned and positively contributes to the maintenance and enhancement of the district's natural and scenic landscape. Council also ensures that all new buildings and alterations in the district are constructed in a manner that promotes the health, safety and wellbeing of the community, and complies with all the relevant statutes and codes.

OUR AIM

Council's regulatory aims are:

- To provide a customer focused approach to resource management planning;
- To provide a customer focused building control service;
- To effectively manage dog control;
- For the Council and the community to be prepared to respond to a civil defence emergency;
- To ensure that food sold is safe to consume, and that alcohol is sold responsibly.

CURRENT SITUATION

Resource Management

The planning department is responsible for administering the Council's functions under the Resource Management Act 1991. The purpose of the Resource Management Act is to enable sustainable management of the district's natural and physical resources. Council's key planning document under this Act is the District Plan, which identifies the issues facing the district and seeks to manage the effects of those issues by setting objectives, policies and rules to achieve the purpose of the Act.

Other resource management functions of the planning department include:

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

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

Much of the District Plan is due for review under the RMA, and in 2014/15 the Council initiated background work on progressing the review of the District Plan. The Council is also presently involved in court proceedings and appeals on its Plan Change 13, a plan change which was notified in 2007 to manage landscape in the Mackenzie Basin. The Council has followed a process set out by the Environment Court to progress that plan change and this process is now largely complete. Only a number of minor issues remain outstanding and it is anticipated that these will be concluded in 2018/19 at the latest.

Other functions of the planning department include processing of resource consents, and monitoring and enforcement of resource consents and activities permitted by the District Plan. In 2016/17 the Council processed 182 resource consents and 7 certificates for existing use or permitted activities. The timeframes for processing of resource consents and certificates are governed by legislation, and where those timeframes are not met, Council applies a discounting policy.

Council seeks to undertake most of its resource management functions internally in order to provide the most cost effective and efficient service to the community. At times of high work load, or in cases involving a high level of complexity or conflict of interest, external consultants are used to assist and the actual cost associated with these functions are recovered from the applicant.

Building Control

The Council is an accredited Building Consent Authority. Council's building control department is responsible for administering the Council's functions under the Building Act 2004. This involves processing building consent applications, monitoring the construction of buildings, and issuing code compliance certificates upon the completion of building work. In 2016/17 the Council processed 332 building consents.

The timeframe for processing building consent applications is set by legislation. Building consents are processed internally, but where workloads are expended they are contracted to consultants. Building inspections are also undertaken by staff, which helps to maintain a sound customer relationship with the building industry, as well as minimising costs to the customer.

As a territorial authority, Council is also responsible for enforcement under the Building Act 2004 relating to breaches including dangerous and/or insanitary buildings, auditing of swimming pools and undertaking building warrant of fitness checks.

Animal Control

The Council has responsibilities under the Dog Control Act 1996 to manage dog control and animal control responsibilities under the Impounding Act 1955.

Council administers the relevant bylaws and policies which require that dogs are registered, cared for, and kept under proper control. Dog control activities entail the investigation of complaints about unregistered dogs, nuisances caused by dogs (e.g. barking and aggressive behaviours), and resolving those complaints through education and enforcement where necessary. Council renewed its Dog Control Policy and Bylaw in 2014. During the 2016/17 there were 1591 registered dogs in the district. In the same period, Council responded to 47 dog related complaints.

Council is also responsible for the administration of the Impounding Act laws to ensure that wandering stock is controlled. General animal control functions are undertaken where necessary.

Civil Defence and Emergency Management

The Council is responsible, under the Civil Defence Emergency Management Act 2002, to ensure that the Council and community are prepared and able to respond in the event of a civil defence emergency. The main elements of this activity are:

- An integrated, and community focused approach following the 4Rs of emergency management (reduction, readiness, response, and recovery);
- Increasing the level of awareness and understanding of the risks from hazards and improving individual, community and business preparedness through public education and community engagement; and
- Ensuring Council's ability to be prepared for and manage civil defence emergencies through CDEM planning, development of staff and our volunteers, working with our partner agencies, and provision of facilities and resources as appropriate.

Council's civil defence activity relies heavily on volunteers in responding to any emergency, and the Council seeks to ensure that all staff and volunteers are adequately trained for their roles. Council staff and volunteers are trained to support Council during civil defence events. Council is currently in a process of review of our CDEM functionality, and for this purpose has employed a full time officer on a two year contract to undertake a review of our systems and processes, and to implement any improvements needed to ensure we are able to respond in the event of an emergency. This includes working with staff and volunteers as well as partnering with external agencies.

Public Health and Liquor Licensing

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

The Council's functions of licensing and monitoring premises under the Food Act 2014 and Sale and Supply of Alcohol Act 2012 are managed through a contract with Timaru District Council, who carry out these services on the Council's behalf. Within the 2016/17 year, there were 52 liquor licences and 63 licensed food premises in the district, which are renewed annually. In 2014 the Council prepared a joint local alcohol policy (LAP) with Timaru and Waimate District Councils, providing a consistent approach to how the sale of alcohol is managed in these parts of South Canterbury.

GROWTH AND DEMAND

In planning for the maintenance and operation of our regulatory activities, Council must consider what effects growth and demand will have, and how issues of sustainability will be addressed.

Population Growth

Mackenzie's population is projected to grow by approximately 13% from 4,300 to 4,880 over the next ten years (2018-2028), based on medium projections. Like much of New Zealand, the proportion of people aged 65 years and older will grow within the district. It is anticipated that projected population growth will not impact significantly on the operation and maintenance of our regulatory activity.

Tourism Growth

Mackenzie has experienced unprecedented growth in visitor numbers (both domestic and international) in recent years, as indicated by a range of data, including the Statistics New Zealand Commercial Accommodation Monitor, which for the year ended September 2016 compared with the year ended September 2015 reported:

- Guest nights rose 23.1 per cent to 705,316
- International guest nights rose 19.9 per cent to 489,769
- Domestic guest nights rose 31.1 per cent to 215,547
- The average length of stay rose from 1.32 nights to 1.33 nights
- The overall occupancy rate rose from 44.4 per cent to 50.2 per cent
- Accommodation capacity, excluding holiday parks, rose 3.1 per cent

The Commercial Accommodation data is collected from accommodation providers or their representatives monthly via a postal survey. The survey excludes a number of short term accommodation providers including hosted accommodation, and private dwellings. Council recognises the limitations in accurately measuring accommodation nights within the district, and acknowledges that actual numbers will be in excess of the above.

International tourism numbers are expected to continue to increase by a minimum of 5.4 per cent per annum from 2016 until 2022. Based on this, there could be nearly 6 million tourists visiting New Zealand by 2028.

Tourism growth is expected to impact significantly on a number of Council's regulatory activities. A growing tourism industry may lead to an increase in demand for food safety and liquor licensing functions to support this growth, however, it is unlikely to be enough to significantly impact on this regulatory activity. Building and resource consents are expected to increase, both in number and value, in particular in the holiday home sector in Lake Tekapo and Twizel and the commercial sector in Lake Tekapo as a result of the commercial land having been made available by Council in the previous period. Holiday homes unlawfully being rented out as visitor accommodation may result in an increase in the need for regulatory services, and in particular enforcement action. An increase in tourists may also lead to an increase in the requirement for monitoring under the Freedom Camping Bylaw and the management of abandoned vehicles. Increased visitor numbers are also expected to impact on the Council's civil defence coordination.

Demand for Commercial Development & Rental, Short-Term & Visitor Accommodation

Increasing visitor numbers and more workers coming into the district has seen demand for short-stay accommodation, long-term rental accommodation and affordable housing increase. Demand for commercial consents has also increased.

In the past 5 years, the number of building consent applications received has increased as follows:

- 2012 – 301 applications – value \$26.3M
- 2013 – 318 applications – value \$31.3M
- 2014 – 326 applications – value \$27.1M
- 2015 – 351 applications – value \$44.8M
- 2016 – 375 applications – value \$54.8M

The large increase in value from 2015 was the result of commercial projects, as well as a further increase in 2016. Over the next ten years it is expected that the value of building work and the number of consents will continue to grow.

Townships

It is anticipated that there will be a growth of residential sections across the district:

- Tekapo: approximately 25 residential sections per year are expected to be created by subdivision in years 1-3 of the LTP;
- Twizel: It is expected that approximately 50 sections per year will be created by subdivision in years 1-3 of the LTP.
- Fairlie: It is anticipated there will be around 10-15 residential or lifestyle sections created by subdivision per year in years 1-3.

It is also anticipated that commercial growth will be seen in Tekapo in Years 1-3 of the LTP with a mix of accommodation and retail with some office space. Major refurbishments of existing commercial buildings are also expected.

Rural Development

The pace of irrigation works in the District is expected to slow from that experienced over recent years, given regional and district planning frameworks are now taking effect. Further development may also depend on water availability in the District. The emphasis may shift from development to enforcement as the more restrictive planning framework put into place through Plan Change 13 takes effect. The District Plan review planned for this period may result in further changes to rural development.

Climate Change

The Mackenzie District is likely be affected by climate change. In preparing the LTP, the Council has reviewed Ministry for the Environment climate reporting¹ and regional projections calculated for the period from now to 2100². The LTP assumes that climate change is happening, and while the impacts are expected to be relatively minor within the period covered by the Plan, they will increase in future.

The Council is responsible for a range of functions that may be affected by climate, including natural hazards and resource management, land-use planning, and building control. There are a number of aspects of Regulatory Services which are likely to be affected by climate change in future.

Function	Affected Assets or Activities	Key Climate Influences	Possible Effects
Land Use Planning and Policy	Management of development; Expansion of residential activity; Infrastructure planning, planning for land use and natural hazards	<ul style="list-style-type: none"> – Reduced mean annual rainfall – Increased mean annual temperature – Increased frequency and severity of drought events – Increased frequency of extreme wind – Increased frequency & severity of extreme weather events (rainfall) – Reduced number of frost nights – Reduced snowfall / retreating snowline 	<ul style="list-style-type: none"> – Potential for inappropriate location of development and exposure to hazards – Potential for inappropriate or inadequate infrastructure, costly retrofitting of systems
Building Control	Management of built development	<ul style="list-style-type: none"> – Increased frequency & severity of extreme weather events – Increased frequency of extreme wind 	Building control practices and requirements are likely to be reactive to effects of climate change:

¹ Ministry for the Environment & Stats NZ (2017). New Zealand’s Environmental reporting Series: Our atmosphere and climate 2017. Retrieved from www.mfe.govt.nz and www.stats.govt.nz.

² Ministry for the Environment (2016). *Climate change projections for New Zealand: Atmosphere projections based on simulations undertaken for the IPCC 5th assessment*. Retrieved from www.mfe.govt.nz.

Function	Affected Assets or Activities	Key Climate Influences	Possible Effects
			<ul style="list-style-type: none"> Increased extreme rain events (frequency and intensity) will have an impact on flood hazard requirements for building within flood prone areas. Review/increase in building requirements for wind hazard.
Civil Defence & Emergency Management	Emergency planning and response, and recovery operations	<ul style="list-style-type: none"> Increased frequency & severity of extreme weather events (with the exception of the retreating snowline, and decreased likelihood of snowfall events) 	<ul style="list-style-type: none"> Greater likelihood of damage to properties and infrastructure, and greater risks to public safety An increased need for resources to manage and respond to emergency events.

PLANS FOR THE FUTURE

Resource Management

Resource consent processing is expected to be business as usual. The Council may need to adapt our resourcing and processing depending on work load and any legislative processes during the term of the LTP.

The review of the Council’s District Plan is a continuing project over the term of this LTP. The District Plan became operative in May 2004 and the Resource Management Act specifies that no parts of a district plan can be more than 10 years old. Reviewing the District Plan is a significant undertaking. The project work is being undertaken by both staff and consultants, but is being managed internally to achieve our goal of providing a customer-focused outcome.

District Plan changes are funded over a ten year period. The costs are met from the general rate, and are repaid over a 25 year period. This is to smooth the burden, as significant plan changes can be costly and would have a significant rating impact if the costs were met by rates in the year that the costs were incurred. District Plan changes have a life of 10 years by statute, and this is the reason for rate funding the costs over that period. Given the uncertain nature of potential appeals to the Proposed District Plan, it is difficult to make any assumptions as to the anticipated costs involved during the term of this LTP. A budget amount of \$400 000 over Years 1-4 of the LTP is proposed to meet the cost of the District Plan review.

A further \$130,000 is budgeted in Year 1 of the LTP for strategic planning work in the townships of Lake Tekapo, Twizel and Fairlie which will inform the District Plan Review process.

Ongoing amendments to the Resource Management Act and the introduction of National Planning Standards in 2019 are expected to result in an increased compliance cost to the Council. The full impact of these changes are unknown at this stage. The proposed District Plan Review process and timeline has been adapted to align with that of the Planning Standards.

Building Control

Building consent processing is expected to be business as usual. The Council may need to adapt our resourcing and processing depending on work load and any legislative processes during the term of the LTP.

It is likely that, over the term of the LTP, the Government will continue to amend the Building Act 2004 and make changes to the Building Code. It is important that we are able to adapt to those changes as they occur in order to provide an effective service to the local community.

We continue to work closely with other building control authorities. In particular the Council is part of a Southern Building Control Group, made up of eleven South Island Councils with the emphasis on collaboration. However, regardless of that outcome, our focus is to provide a customer based service by retaining our own building control officers that can undertake all necessary building inspections during construction work. Council is an IANZ accredited building control authority with the responsibility of providing a high standard of building control and staying abreast of changes in this industry. As a result, training requirements are ongoing with significant associated cost.

responsibility of providing a high standard of building control and staying abreast of changes in this industry. As a result, training requirements are ongoing with significant associated cost.

Animal Control

Dog control is a balance between providing a suitable level of service and managing the cost to the Council which can be challenging. Our intention is to continue using contractors to provide this service with Council staff providing the associated administrative responsibility and acting as backup where necessary.

Civil Defence and Emergency Management

Civil defence relies heavily on volunteers to assist the Council in responding to any emergency situation. We intend to continue working with the community to encourage volunteers and to ensure that all volunteers, as well as Council staff, are adequately trained for their roles. There will also be a focus on community preparedness and resilience, to ensure our communities are prepared for emergency situations and know how to respond and care for themselves in an event.

Council will also continue to work with partner agencies in understanding of the risks from hazards, for use in our CDEM planning.

The Council will have in place a full time officer for year 1 of the LTP as part of increased resource in this area, to complete the review of Civil Defence and Emergency Management and put in place processes and systems to ensure we can fulfil our CDEM responsibilities. Once these systems are in place this may reduce to a part time role, but this would still be an increase in staffing from that previously provided in this area. We will continue to monitor and respond to any regional or central reviews of Civil Defence and Emergency Management.

Public Health and Liquor Licensing

Council intends to continue with our contract with Timaru District Council to provide health and liquor services as this has been successfully managed to date.

SIGNIFICANT EFFECTS

Apart from the time and cost to applicants and the community arising from planning, consultation, and regulation, there are no negative effects arising from environmental services activity.

Providing for sustainable management under the Resource Management Act is a balancing act between providing for community wellbeing through growth and development while managing the state of the environment. Regulatory activities can impose compliance costs and restrict individual freedoms to promote a greater public good. However, we do not believe that these effects are significant or outweigh the benefits provided for the public good.

Generally the provision of regulatory services is a core function prescribed by legislation and this activity is very much business as usual for the Council.

LEVELS OF SERVICE

The Regulatory services provided by Council contribute to the following community outcomes:

1. An attractive and highly valued natural environment;
2. A thriving economy;
3. A fit and healthy community;
4. Safe, efficient and sustainable infrastructure.

Levels of service	Performance Measure	Actual 2016/17	Target 2018/19	Target 2019/20	Target 2020/21	Target 2021-2028
To efficiently manage environmental issues within the District.	Resource management issues are adequately managed.	Not Achieved CINTA Survey 2017 showed 63% satisfaction	≥80% positive feedback to a customer survey	≥80% positive feedback to a customer survey	≥80% positive feedback to a customer survey	≥80% positive feedback to a customer survey
To provide a customer focused service for processing resource consents while achieving our obligations under the Resource Management Act 1991.	Non-notified consents are processed within the 20 working day statutory timeframe.	Not Achieved ³ 85% processed within timeframes	≥85% compliance	≥85% compliance	≥85% compliance	≥85% compliance
	Resource consent applicants are satisfied with the quality of the service received.	Not Achieved 61% satisfaction	≥80% positive feedback to a customer survey	≥80% positive feedback to a customer survey	≥80% positive feedback to a customer survey	≥80% positive feedback to a customer survey
To provide a customer focussed building control service that achieves our obligations under the Building Act 2004.	Building consents which are processed within the 20 working day statutory timeframe.	Not Achieved ⁴ 91% processed within timeframes	100% compliance	100% compliance	100% compliance	100% compliance
	Applicants for building consents are satisfied with the quality of the service received.	Not Achieved 61% satisfaction	≥80% positive feedback to a customer survey	≥80% positive feedback to a customer survey	≥80% positive feedback to a customer survey	≥80% positive feedback to a customer survey
	Retain IANZ accreditation.	New measure	Accreditation is retained	Accreditation is retained	Accreditation is retained	Accreditation is retained
LIMS	LIMS which are processed within the 10 working day statutory timeframe.	New measure	≥85% compliance	≥85% compliance	≥85% compliance	≥85% compliance
To provide a safe environment for dogs and the public to co-exist.	Dog control issues are adequately managed.	Achieved 93% satisfaction	≥80% positive feedback to a customer survey	≥80% positive feedback to a customer survey	≥80% positive feedback to a customer survey	≥80% positive feedback to a customer survey
We are prepared to respond to a civil defence emergency.	Council staff and volunteers are familiar with their roles and are adequately trained.	Achieved Emergency Operations Centre training was run Nov 2016	Training is attended as required and one exercise is participated in per year	Training is attended as required and one exercise is participated in per year	Training is attended as required and one exercise is participated in per year	Training is attended as required and one exercise is participated in per year
The public is adequately prepared for a civil defence emergency.	Council is adequately prepared for a civil defence emergency.	Achieved 82% satisfaction.	≥80% positive feedback to a customer survey.	≥80% positive feedback to a customer survey.	≥80% positive feedback to a customer survey.	≥80% positive feedback to a customer survey.

³ Target for 2016/2017 was ≥95% Compliance

⁴ Target for 2016/2017 was 95% Compliance

HOW WE WILL FUND THESE ACTIVITIES

Council sets a range of fees and charges to meet the proportion of the total costs of these services that it believes should be funded from the user of the service provided. However, it is not always able to determine accurately its level of cost recovery for a couple for reasons. The maximum fee may be set by statute and the number of licenses or permits issued may vary from year to year. An example of this is the liquor licence fees which are set by statute.

The Council's District Plan Review programme, and any Council initiated plan changes, are funded over a ten year period. The costs are met from the general rate and are repaid over a 25 year period. This is to smooth the burden, as plan changes can be costly and would have a significant rating impact if the costs were met by rates in the year that the costs were incurred. Plan changes have a life of 10 years by statute, and this is the reason for rate funding the costs over that period.

Resource consent processing and monitoring is considered to be of 100% private benefit and is funded by consent applicants. The Council's civil defence function is funded by 100% general rate levied on capital value.

For its other regulatory activities, the Council sets a range of fees and charges to meet the proportion of the total costs of these services that it believes should be funded by the user. However, it is not always able to determine accurately its level of cost recovery for a couple for reasons; the maximum fee may be set by statute and the number of licences or permits issued may vary from year to year. An example of this is the liquor licence fees which are set by statute.

Council Policy for funding these regulatory services is as follows:

Building Control

- 100% through fees and charges

Dog Control

- 90% through fees and charges; and
- 10% general rate levied on capital value;

Sale of Alcohol and Environmental Health

- 100% through fees and charges

The funding split between user charges and rate funding reflects the Council's judgements on how much the user should fund an activity versus the public good which is rate funded.

COUNCIL ACTIVITIES

Annual Plan	2018/19	2019/20	2020/21	2021/22	2022/23	2023/24	2024/25	2025/26	2026/27	2027/28
	(thousands)									
General rates, uniform annual general charges, rates penalties	830	799	969	1,018	872	934	930	961	997	1,033
Targeted rates	0	0	0	0	0	0	0	0	0	0
Subsidies and grants for operating purposes	0	0	0	0	0	0	0	0	0	0
Internal charges and overheads recovered	0	0	0	0	0	0	0	0	0	0
Local authorities fuel tax, fines, infringement fees and other receipts	1,276	1,309	1,350	1,387	1,438	1,476	1,515	1,556	1,599	1,643
Total operating funding (A)	2,106	2,108	2,319	2,405	2,310	2,410	2,445	2,517	2,596	2,676
Payments to staff and suppliers	1,980	1,917	1,997	2,015	1,900	1,982	1,996	2,046	2,099	2,155
Internal charges and overheads applied	88	87	96	100	113	111	1120	108	107	106
Total applications of operating funding (B)	2,068	2,004	2,093	2,115	2,013	2,093	2,106	2,154	2,206	2,261
Surplus (deficit) of operating funding (A-B)	38	104	226	290	297	317	339	363	390	415
Development and financial contributions	150	154	158	162	167	171	175	180	185	189
Total sources of capital funding (C)	150	154	158	162	167	171	175	180	185	189
Capital expenditure										
To meet additional demand	0	0	0	0	0	0	0	0	0	0
To improve the level of service	0	0	0	0	0	0	0	0	0	0
To replace existing assets	39	36	0	5	6	0	0	24	0	0
	46	39	0	5	6	0	0	24	0	0
Increase (decrease) in reserves	149	222	384	447	458	488	514	519	575	604
Total applications of capital funding (D)	33	258	384	452	464	488	514	543	575	604
Surplus (deficit) of capital funding (C-D)	217	(38)	(104)	(290)	(297)	(317)	(339)	(363)	(390)	(415)
Funding Balance ((A-B)+(C-D))	0	0	0	0	0	0	0	0	0	0

Community and Township Services

WHAT WE DO

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

It also provides a range of services including pensioner housing, cemeteries, public toilets, grants to the Resource Centres in Fairlie and Twizel, and support for the medical centres in Fairlie and Twizel.

Council also administers and distributes grants from Sport New Zealand and Creative New Zealand.

The Council provides solid waste collection services and operates three Resource Recovery Parks.

WHY WE DO THESE ACTIVITIES

Council aims to meet the needs and aspirations of the community through the provision of a range of recreational facilities and open spaces which are safe, well maintained, offer a range of quality recreational experiences, and are affordable to the community.

There is also an expectation from the community that these assets will continue to be provided as they always have been. Some of the facilities were originally built by the community and gifted to Council in the expectation that they would be maintained.

Council supports a range of Community and Township Services within the Mackenzie District that would not otherwise be viable. In order to support the health and welfare of the community, Council provides or helps finance medical centres, pensioner housing, social and community support, and information.

We aim to protect public health and the environment through the provision of appropriate services for the disposal of residual waste, and to minimise the volume of residual waste disposed of to landfill through the promotion and provision of reduction, reuse and recycling services.

There is a statutory requirement for Councils to provide cemeteries and we have been providing these for over a century.

Public toilets are provided because of public expectation or demand, and for public health and safety reasons. We are currently the only economic provider of these facilities.

OUR AIM

Our aims in Community and Township Services are:

- To meet the needs and aspirations of the community by providing a range of recreational facilities and open spaces which are safe, well maintained and offer a range of quality recreational experiences which are affordable to the community.
- To provide services that would not otherwise be provided in smaller centres such as ours, and to maintain cemeteries and public toilets at an appropriate level.
- To minimise residual waste that is disposed of to landfill through the reduction, reuse and recycling of solid waste.

CURRENT SITUATION

Pensioner Housing

Council has ten pensioner units; seven in Fairlie and three in Twizel. The Fairlie units were built in 2007 and the Twizel units in 1995. Council maintains the buildings and grounds, selects tenants, reviews tenancy agreements and rentals, and monitors long term demand for housing and maintenance.

Medical Centres

Council owns and maintains the medical centre in Fairlie. The building is maintained in line with our building maintenance programme.

Council provided financial support to the recent development of the Twizel Medical Centre, which was built and is operated by the High Country Medical Trust. We maintain a financial interest in the building but it is maintained by the High Country Medical Trust.

Public Toilets

There are public toilets located throughout the district with all toilets across the district being cleaned by a single contractor. The main public toilets are cleaned daily. Other public toilets are cleaned less frequently depending upon their usage.

Recent installations of new toilets and upgrades of existing facilities across the district have lifted levels of service. There has been a significant increase in the use of public toilets within the district, a trend which is expected to continue.

Cemeteries

Council currently operates cemeteries in Albury, Fairlie, Burkes Pass, Tekapo and Twizel. All cemetery services are provided under contract through a single Township Maintenance Contract.

Grant Funding

Council administers grants for Spark Rural Travel Fund and Creative Communities. Council also makes annual grants towards Heartlands Resource Centres in Fairlie and Twizel. Additional one-off grants are provided from time to time for specific projects.

Swimming Pools

Two swimming pools operate within the district at Fairlie and Twizel. The pool in Fairlie is covered while the Twizel pool is open. The pools are primarily solar heated and operated only during the summer months from November to mid-March. Council employs and trains staff for life guarding and cleaning duties.

Halls and Community Centres

The Twizel Events Centre includes a sports hall, climbing walls, gymnasium, squash courts, community rooms, theatre and catering kitchen.

Mackenzie Community Centre includes a sports hall, theatre, community room and catering kitchen.

Tekapo Community Hall is a smaller hall which underwent a significant renovation in 2013. The hall is a popular venue for functions and meetings.

All of these facilities are available for public hire.

The rural community halls at Sherwood and Albury are managed by local committees with rates, insurance and electricity paid by the Council and funded through local rates.

Parks, Reserves and Amenity Areas

The Council maintains and owns a host of reserves (urban and rural), domains, parks and walkways throughout the district. Some reserves are leased for grazing purposes while others provide open spaces for recreation, beautification, the enjoyment of visitors and residents and civic pride.

Council maintains five play areas throughout the district.

This activity extends into passive non-reserve areas which include street front plantings, mowing and beautification areas, as well as amenity tree plantings within the townships.

Libraries

The Council 'purchases' library services from the Twizel Area School and Mackenzie College. Council provides 52% of the funding for these services with the remainder provided by the schools. The libraries are open 5 ½ days per week.

Effluent Dump Stations

Effluent dump stations are located in Lake Tekapo and Twizel, and provide for waste disposal by motor homes and campers. They are made of a concrete apron with grate and connection to the main sewer, and a water supply for wash-down.

The increase in tourism within the district has had a significant impact on use of the dump stations. Recent upgrades to these facilities have improved levels of service by increasing the capacity and provision of paid waste disposal.

Solid Waste

The Council has historically provided solid waste collection services and operated a number landfills. All landfills in the district have now been closed. A kerbside wheelie bin service was introduced in 2011 to replace the previous bag system.

The kerbside waste collection is provided to the main township areas and limited rural properties close to the collection route. The current kerbside collection consists of three bins, providing for collection of rubbish, mixed recycling and glass. Waste disposal is also available at the three Resource Recovery Parks and Clean Fill sites located in the district's main centres of Fairlie, Tekapo and Twizel.

While the Council has a governance role over the solid waste activity and involvement in waste minimisation projects, it has a contract for delivery of the solid waste services, including kerbside collections and the operation of the Resource Recovery Parks. The current contract is held by EnviroWaste Services Limited with a term of 10 years and is due to be renewed in 2021.

GROWTH AND DEMAND

In planning for the maintenance and operation of our Community and Township Services, Council must consider what effects growth and demand will have, and how issues of sustainability will be addressed.

Population Growth

Mackenzie's population is projected to grow by approximately 13% from 4,300 to 4,880 over the next ten years (2018-2028), based on Statistics New Zealand medium projections. Population growth has the potential to impact Community and Township Services, including increased use of parks and reserves and increased production of solid waste. It is not anticipated that the level of the projected growth will have a significant impact on Council activities within the life of the LTP, as it is expected that increasing demand will be able to be catered for within existing levels of service.

Tourism and Visitor Growth

Mackenzie has experienced unprecedented growth in visitor numbers (both domestic and international) in recent years, as indicated by a range of data, including the Statistics New Zealand Commercial Accommodation Monitor, which for the year ended September 2016 compared with the year ended September 2015 reported:

- Guest nights rose 23.1 per cent to 705,316
- International guest nights rose 19.9 per cent to 489,769
- Domestic guest nights rose 31.1 per cent to 215,547

- The average length of stay rose from 1.32 nights to 1.33 nights
- The overall occupancy rate rose from 44.4 per cent to 50.2 per cent
- Accommodation capacity, excluding holiday parks, rose 3.1 per cent

The Commercial Accommodation data is collected from accommodation providers or their representatives monthly via a postal survey. The survey excludes a number of short term accommodation providers including hosted accommodation, and private dwellings. Council recognises the limitations in accurately measuring accommodation nights within the district, and acknowledges that actual numbers will be in excess of the above.

International tourism numbers are expected to continue by a minimum of 5.4 per cent per annum from 2016 until 2022. Based on this, there could be nearly 6 million tourists visiting New Zealand by 2028.

Tourism growth is likely to increase demand for Community and Township Services in a number of ways including increased use of parks and reserves, public toilets, and dump stations.

Both Twizel and Tekapo have significant non-resident populations, and summertime and holiday periods attract a large number of visitors. These visitor numbers are expected to increase over the period of the LTP. This fluctuating occupation results in highly variable levels of waste. The Council will continue to monitor this.

Economic Changes

While changes in economic factors could have some impact on the Community and Township Services provided by Council (for example an increase in incomes could lead to an increase in tourism), these changes are not expected to have a significant impact on the provision of Community and Township Services.

Household Numbers

It is projected that over the next ten years Mackenzie District will have:

- A growth in household numbers consistent with the population growth trajectory;
- Household numbers are projected to increase to 2,200 (+16 per cent) by 2028 (Statistics New Zealand) - the higher percentage increase in households relative to population increase in 2028 reflects a projected increased in single person households;
- With a greater number of older people living alone, a reflection of structural ageing, one-person households are projected to increase by 15 percent by 2028 (Natalie Jackson Demographics Ltd, Sept 2014);
- Future demand in the Mackenzie District will be increasingly driven by one-person households and couples without children, characteristic of population ageing.

Housing and Care for the Elderly

Like much of New Zealand, the proportion of people aged 65 years and older will grow within the district. The Mackenzie District has a higher proportion of people aged over 65 years than the national average, with an increasing proportion of population growth at 55 years and above. Population projections show this change in population structure continuing, with 21.7% of the district population projected to be in excess of 65 years of age by 2028 as compared to the projected national level of 19.4% (Statistics New Zealand). Twizel and Fairlie are significantly above the national average for people aged 65 and over.

Council-owned pensioner housing in the Mackenzie District accounts for 0.3 per cent of the district's total housing stock of 3,300. With the exception of one Fairlie dwelling owned by Housing New Zealand (HNZ), the Council is the only provider of any kind of social housing. There are no private retirement complexes, rest homes or hospitals in the Mackenzie District (except for Moreh Home, which does not offer full nursing care).

The projected increase in the older population within the district could lead over time to an increase in demand for pensioner housing and aged residential care facilities. Given Council's current involvement in this area there may be an expectation from the community that we meet this increased demand.

Climate Change

The Mackenzie District is likely to be affected by climate change. In preparing the LTP, the Council has reviewed Ministry for the Environment climate reporting¹ and regional projections calculated for the period from now to 2100². The LTP assumes that climate change is happening, and while the impacts are expected to be relatively minor within the period covered by the Plan, they will increase in future.

The Council is responsible for a range of functions that may be affected by climate, including management of parks, reserves and amenity areas, and the provision of solid waste.

Function	Affected Assets or Activities	Key Climate Influences	Possible Effects
Parks, Reserves and Amenity Areas	Planning and management of parks, sports fields and open spaces	<ul style="list-style-type: none"> – Reduced mean annual rainfall – Increased mean annual temperature – Increased frequency & severity of extreme weather events 	<ul style="list-style-type: none"> – Diminished precipitation impacting on the duration of irrigation seasons and the quantity of water available for irrigation, and on the choice of landscaping suitable for parks, reserves and amenity areas. – Changes in type/distribution of pest species. – Storm damage as a result of an increase in the frequency and severity of extreme weather events.
Solid Waste	Waste collection, Resource Recovery Parks and cleanfill sites	<ul style="list-style-type: none"> – Increased frequency & severity of extreme weather events (with associated flood damage and inflow and infiltration areas) – Increased mean annual temperature 	<ul style="list-style-type: none"> – Potential for disruptions to waste collection/management services. – Waste sites may be subject to increased surface flooding risk and changes to groundwater level/leaching. – Future climate change legislation and policies may have an impact on levels of service as they relate to the reduction of greenhouse gas emissions.

Council will take into account the predicted impacts of climate change as part of its waste, parks and reserves, and community facilities management processes. This will include design and construction standards, mitigation (such as insurance), and risk-informed management. The Council will also retain an ability to respond to unexpected events such as unanticipated failure of assets or natural events; and to respond to opportunities.

PLANS FOR THE FUTURE

The continued growth in tourism is likely to have a significant impact on our future plans in Community and Township Services. In Tekapo there is a focus on the development of the Lakeside Domain to protect view shafts and provide opportunity for movement around the lakefront. Other activities that will be impacted by increased visitor numbers are the management of solid waste and public toilet facilities. These are further explained below.

Whilst annual surveys show that there is a relatively high level of satisfaction with township services and facilities, it is expected that public expectation will continue to grow. As facilities and services improve over time, along with comparable facilities in other districts, demand will grow for facilities that are considered to be of an acceptable standard.

As a district with a smaller rating base we need to balance the needs and wants of the community with what is affordable.

Compliance with legislation and changes to standards may further impact on the cost of and the ability to provide these services.

¹ Ministry for the Environment & Stats NZ (2017). New Zealand’s Environmental reporting Series: Our atmosphere and climate 2017. Retrieved from www.mfe.govt.nz and www.stats.govt.nz.

² Ministry for the Environment (2016). *Climate change projections for New Zealand: Atmosphere projections based on simulations undertaken for the IPCC 5th assessment*. Retrieved from www.mfe.govt.nz.

Twizel

Market Place

The Market Place entrance between the Council building and the adjacent retail building on the south side of Market Place is due for improvement. These are the remaining sections of Market Place that were not included in the previous Market Place upgrade. In developing this LTP, the Council consulted on its plans to upgrade Market Place based on estimated expenditure of \$513,500. Through submissions Council received a clear signal from the community that it should reduce the level of expenditure and consider other options for the upgrade. Council has therefore budgeted \$100,000 for this work, to be completed in 2018/19. Further consultation with the community will be undertaken on the upgrade works.

Swimming Pool

The Twizel swimming pool was opened in 1973 and is now 44 years old. In 2017 we replaced the pumping and filtration system with new equipment. Proposals being considered for further upgrades include separate filtration for the learner's pool, converting the toddlers' pool to a splash pad, lining the pools with a synthetic liner, and the possibility of supplementary heating. The upgrades will not only contribute to an increased level of service, they will also future proof the facility. This work will take place early in the LTP period at a cost of \$500,000.

Twizel Community Centre

Council plans to make improvements to the Twizel Community Centre, including the upgrading of the kitchen, recladding of the gym, replacement of the sprung hall floor, and construction of additional storage areas. These works will be progressed over years 1-3 of the LTP. There are also plans to upgrade theatre seats in the Community Centre. Partial contribution from the Council's land subdivision reserve fund may be sought to assist funding this.

Lake Tekapo

Lakeside Domain

The Tekapo community has recently been developing plans for the domain and lake frontage from Lakeside Drive through to Pioneer Drive, including developments around the Church of the Good Shepherd.

Much of this development hinges on the development of the surrounding areas and the impacts of neighbouring construction on these projects. Work is underway to develop a master plan for the Tekapo water front that incorporates existing walkways, facilities and proposed development to ensure that these developments and facilities work together. This planning work is programmed to be completed within Year 1 of the LTP.

This master plan could include future development of other reserves in the area such as Aorangi Crescent, Hamilton Drive Reserve and the possible sports field area on D'Archiac Drive. Development work will be completed within the term of the LTP. \$916,000 has been budgeted to complete this work over 4 years, starting from 2018/19.

Fairlie

Mackenzie Community Centre

The Fairlie Community Board has an improvement programme identified for upgrades to the Mackenzie Community Centre which includes modernisation of the kitchen and toilet facilities, and hall improvements to make the facility usable for a wider range of events. A budget of \$144,000 has been provided for this work which is to be spread over years 1 -3.

Skate Park

The Fairlie Community Board has expressed support for a Skate Park to be constructed on the northern end of the Fairlie Village Green. This project is being driven by a community group. Whilst no specific budget has been provided for this project, the proposal for a recreational facility such as the skate park may qualify for a contribution from the land subdivision reserve. Council would consider this should an application for funding be made.

District Wide

Pensioner Housing

In November 2016 Council commissioned a report to assess pensioner housing activity in the district. As a result of the review, Council is of the view that the current stock in Fairlie is likely to meet demand. Although there are no units in Tekapo, there has not been a significant demand for Council to provide units there, as only approximately 13% of the Tekapo population is over 65 years in age. Whilst Twizel's stock meets current demand, this will remain under review given the longer term projections for population and demographic changes in Twizel.

The Council proposes to maintain its current pensioner housing activity in the term of this LTP. It will not make provision for any direct involvement in the construction or operation of additional pensioner housing units within the district, but will remain open to opportunities for potential partnering or other agreements with private or community providers where subsidies may become available or as part of other Council processes and activities.

Council also recognises that the district has a growing ageing community, and that it has a role in ensuring the needs and values of this community are considered in the provision of its services. Methods Council will consider include a set of principles such as enabling planning applications for elderly support services through the District Plan, or consideration of the needs of this sector of the community at the time recreational facilities (parks and reserves) or infrastructure such as footpaths are designed.

Workers Accommodation

Anecdotal evidence and feedback from the community suggests that there is a shortfall in the quantity of accommodation available to house the influx of seasonal workers the district experiences each year. This is particularly noticeable in Tekapo. This issue is compounded by the increasing house prices in Tekapo, limiting the availability of properties for workers accommodation. The growing demand for short term accommodation for visitors to the district, and a change in delivery from solely commercial accommodation providers to an increasing use of private dwellings as visitor accommodation, is causing housing stock available for longer term rentals to be diminished in addition to driving inflated rental prices.

In considering this issue, Council has reviewed a number of options. These included full involvement in constructing and operating workers accommodation within the district, through to enabling private provision of workers accommodation by ensuring appropriate zoning of land through the District Plan. Council has taken the view that the provision of workers accommodation is not 'core business', especially in the context of other upcoming priorities such as roading and infrastructure requirements.

Council does not therefore plan to become directly involved in the development or provision of workers accommodation but will more actively look at other opportunities to support workers accommodation being developed within the district. Such options may include the provision of appropriate zoning through the District Plan. When considering the sale, lease or development of land, Council may also take the opportunity to review the mechanisms available to enable or support workers accommodation, as part of considering any proposals. Council will also look at more closely engaging with other local authorities, organisations and private sector groups on the issue, and reviewing other models for enabling or facilitating low-cost housing such as the Queenstown Lakes Community Housing Trust.

Public Toilets

Over the last two years, Council has upgraded its public toilets or provided new facilities in Tekapo, Twizel, Lake Wardell, Lake Pukaki and Lake Ruataniwha. Plans are underway for additional toilets at Burkes Pass and in Tekapo.

Council has been successful in previous years in obtaining co-funding from central government's Tourism Infrastructure Fund for new toilets.

The increase in levels of service provided by new and upgraded facilities results in a requirement for increased levels of cleaning. This increase during peak periods has been provided for in LTP budgets.

Libraries

The Council has two agreements in place for the provisions of library services in the district; one with Mackenzie College for the Fairlie Community Library and the other with the Twizel Area School Management Committee for the Twizel library services. These agreements have served the community very well. The initial agreements date from 1 January 2011 and 18 November 1988 respectively and Council will review those with the relevant parties and stakeholders, to ensure that they

reflect current needs and that the valuable community services the libraries provide can continue to be delivered in to the future. At this stage, no additional funding for library services has been allocated.

Effluent Dump Stations

The increase in tourism within the district has had a significant impact on use of Council's dump stations. The number of tourists visiting the district is expected to continue to increase and, in order to meet this demand, we are currently undertaking upgrades to increase capacity and reliability of our existing stations, with funding assistance from MBIE. Over the LTP period, routine maintenance will be undertaken.

Solid Waste

The demand for solid waste services is expected to increase due to further residential development and increased tourist numbers visiting the district. It is anticipated that these factors will lead to an increase in the volume of waste that will need to be managed. There may also be a need to extend kerbside collection areas and provide new types of waste collection facilities, particularly facilities aimed at managing tourist waste. Council has planned for a small increase in resourcing in this area to make adequate provision for handling predicted increases in waste volumes.

Council is continually seeking ways to reduce waste being sent to landfills. New or improved waste management methods to achieve these goals will be assessed as they arise for suitability within the Mackenzie. Examples of future changes may include a food waste kerbside collection or recycling of additional types of waste.

Depending on future growth in Tekapo, there may be a need to review the location of the Tekapo Resource Recovery Park and clean fill site. Further investigation of options will be required prior to any decisions regarding this. Council's strategic study, planned for Year 1 of the LTP, will include consideration of any requirement for this.

Council's Waste Management and Minimisation Plan (WMMP) is due for review. In preparation for this work, a Waste Assessment has been prepared. Consultation on the reviewed WMMP will be completed by October 2018.

Smokefree policy

Council recognises the government's goal of Smokefree 2025 and will continue to work towards smokefree public areas across the district. Support for this in terms of education and promotion will come from existing budgets. The Council will develop a smokefree policy and strategy by Year 2 of the Long Term Plan, with subsequent 3-yearly reviews of the Policy.

SIGNIFICANT EFFECTS

One negative effect associated with Community and Township Services is the level of ratepayer funding for community facilities. However, these facilities have a high social and cultural value to the community and have an important role to play in achieving our vision for the Mackenzie District.

Council's community and township services and facilities are continually being reviewed to ensure efficiency and effectiveness.

LEVELS OF SERVICE

Governance and Corporate Services support all activities undertaken by Council and therefore contributes to all six Community Outcomes:

1. An attractive and highly valued natural environment;
2. A thriving economy;
3. A supportive and contributing community;
4. A fit and healthy community;
5. Safe, effective and sustainable infrastructure;

Levels of service	Performance Measure	Actual 2016/17	Target 2018/19	Target 2019/20	Target 2020/21	Target 2021-2028
Township services and facilities are provided and maintained to an acceptable level	Average customer satisfaction rating for township services and facilities.	88.7% positive feedback to a customer survey.	84% or above	84% or above	84% or above	84% or above
Engage the community to achieve waste reduction	The percentage of solid waste from the district resource recovery diverted from landfills.	39.6% of waste diverted.	37% or above	37% or above	37% or above	37% or above
Waste is handled hygienically	Compliance with resource consent conditions.	95% compliant	100% compliance	100% compliance	100% compliance	100% compliance
Rubbish collection and recycling and recovery parks are provided and maintained to an acceptable level.	The percentage of residents satisfied with the rubbish collection and recycling and recovery park.	77% positive feedback to a customer survey.	80% or above	80% or above	80% or above	80% or above

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

HOW WE WILL FUND THESE ACTIVITIES

Pensioner Housing

Pensioner Housing is funded by rental income. Council subsidises rentals by setting the cost at market price less 20%, and by charging no more than one third of the amount tenants receive from national superannuation.

Fairlie Medical Centre

The Medical Centre is funded in part by rentals and in part by general rates.

Public Toilets

Operation and maintenance of public toilets is entirely funded through general rates, with some minor income from user charges through the pay toilets at Tekapo.

Cemeteries

The operation and maintenance of cemeteries within the district is 70% funded by user charges and 30% funded by general rates.

Grant Funding

Grant funding comes partly from external organisations such as Creative New Zealand, and partly from the ratepayers within the township which serves to benefit from the project or organisation receiving the grant.

Swimming Pools

Swimming Pools are funded by the township Works and Services targeted rates, with an aim to cover 25% of costs through user charges.

Halls and Community Centres

Halls and Community Centres are funded by the township Works and Services targeted rate which is offset by user charges.

Parks, Reserves and Amenity Areas

Parks, Reserves and Amenity Areas are funded through a combination of township Works and Services targeted rates and general rates. Some reserve costs are offset by income from reserve leases.

Libraries

Council funds 52% of towards the provision of library services within the district, with the remainder being paid for by the school in which the library operates. Council's contribution is funded from general rates.

Effluent Dump Stations

Effluent Dump Stations are funded from the township Works and Services targeted rate.

Solid Waste

Solid Waste is funded from general rates, targeted rates and user charges.

Annual Plan	2018/19	2019/20	2020/21	2021/22	2022/23	2023/24	2024/25	2025/26	2026/27	2027/28
	(thousands)									
General rates, uniform annual general charges, rates penalties	699	615	1,027	590	1,186	1,460	1,873	2,401	2,895	3,273
Targeted rates	1,947	2,080	2,207	2,303	2,402	2,477	2,576	2,593	2,691	2,781
Subsidies and grants for operating purposes	22	22	23	23	24	25	25	26	26	27
Internal charges and overheads recovered	8	8	7	8	10	12	15	18	20	23
Local authorities fuel tax, fines, infringement fees and other receipts	553	581	633	694	724	755	786	819	854	890
Total operating funding (A)	3,292	3,331	3,897	3,618	4,346	4,729	5,275	5,875	6,486	6,994
Payments to staff and suppliers	2,293	2,885	3,027	3,175	3,322	3,457	3,618	3,734	3,959	4,120
Finance costs	0	0	0	0	0	0	0	0	0	0
Internal charges and overheads applied	90	155	198	183	185	178	174	168	162	157
Total applications of operating funding (B)	2,930	3,081	3,225	3,358	3,507	3,635	3,792	3,902	4,121	4,277
Surplus (deficit) of operating funding (A-B)	279	250	672	260	839	1,094	1,483	1,955	2,365	2,717
Development and financial contributions	0	0	0	0	0	0	0	0	0	0
Total sources of capital funding (C)	0	0	0	0	0	0	0	0	0	0
Capital expenditure										
To meet additional demand	0	0	0	0	0	0	0	0	0	0
To improve the level of service	0	0	0	0	0	0	0	0	0	0
To replace existing assets	913	1,093	711	449	422	164	113	77	79	131
	913	1,093	449	422	164	181	113	77	79	131
Increase (decrease) in reserves	(634)	(766)	(461)	(162)	675	913	1,370	1,878	2,286	2,586
Total applications of capital funding (D)	279	327	672	260	839	1,094	1,483	1,955	2,365	2,717
Surplus (deficit) of capital funding (C-D)	(279)	(327)	(672)	(260)	(839)	(1,094)	(1,483)	(1,955)	(2,365)	(2,717)
Funding Balance ((A-B)+(C-D))	0	0	0	0	0	0	0	0	0	0

Tourism, Economic Development and Commercial Activities

WHAT WE DO

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

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

The Council's commercial activities are:

- Cash & equity investments;
- Forestry investments;
- Real estate;
- Rental properties;
- Pukaki Airport.

WHY WE DO THESE ACTIVITIES

Tourism and Economic Development

The Council is involved in tourism and economic development because it considers the economic wellbeing of the district to be of fundamental importance. The Council has a role in promoting sustainable development for tourism and business.

Economic growth creates employment and assists business prosperity, which in turn allows a wider range of social, cultural and recreational facilities, and spreads the rating requirement across a wider base.

Tourism is a significant contributor to the district's economy. The district is presently experiencing significant growth in tourist and visitor numbers. Council believes that it is important to continue to promote the Mackenzie for the long term, to ensure these benefits are maintained. At the same time, the Council recognises that it is important to also plan for managing the effects of increased visitor numbers in the district.

We are well-placed to provide support for the cohesive promotion of the district as a whole to both national and international visitors. Support for Council's involvement in tourism promotion activity was confirmed in 2017 through a survey of those ratepayers that pay targeted tourism rates, with the overwhelming response being support for Council's ongoing investment in this activity.

Having a range of diverse and sustainable businesses is also essential to the district's economic wellbeing. Council wants existing and developing businesses to have access to information, advice and support they need to thrive and grow. For this reason, Council considers that it has a role in supporting economic development within the district.

Commercial Activities

The Council is involved in commercial activities to ensure maximum commercial returns are generated for the benefit of Mackenzie's ratepayers and residents. These returns are used to minimise rates and to provide a catalyst for growth and economic development within the district.

Our definition of a thriving economy includes providing employment and investment opportunities, and the ability to sustain a full range of services. By using assets to facilitate opportunities for investment and employment, Council is contributing to a thriving economy.

By generating returns on our investments and using these returns to offset rates, we can keep rates at an affordable level for households and business while still providing the types of services, infrastructure and facilities that make the Mackenzie District a desirable place to live, work and visit.

In addition, Council operates Pukaki Airport as a public airport, acting as an important gateway to the district and serving and promoting a range of aviation and tourism operations.

OUR AIM

To foster the economic development of the district as a whole, to provide a strong marketing strategy and a focus on district promotion and branding.

To manage our commercial activities and investments wisely by securing the best economic returns on our investments.

CURRENT SITUATION

Tourism and Economic Development

Council supports tourism and economic development by contracting other specialist organisations to deliver a range of services and activities. The contracted organisations report back to Council committees, whose role it is to monitor the performance of the organisations when carrying out their delegated functions.

We also support growth by providing necessary infrastructure and other services, and promoting sustainable development for tourism and businesses within the Mackenzie District through our regulatory functions.

Promotion of the Mackenzie District as a tourist destination

Tourism is a crucial industry for the Mackenzie District, which is why we view supporting the attraction of national and international visitors to the district as a core activity. Council provides this support through a contract with ChristchurchNZ who actively promote the district and report to us on current and forecasted tourism activity and trends.

Alps 2 Ocean

Council also supports tourism within the Mackenzie District through the maintenance and promotion of the Alps 2 Ocean Cycle Trail. This trail has been constructed throughout the district on existing roads and off-road, extending from Mount Cook to Lake Ohau. Within the Waitaki District, the trail continues to Oamaru. Responsibility for maintenance of the cycleway is shared between the Mackenzie and Waitaki District Councils.

The trail attracts multiple-night visitors to the district as well as providing a quality recreational facility for local communities. Promotion of the trail and development of associated business opportunities is undertaken through a contract for service with Tourism Waitaki.

Council currently allocates \$50,000 per annum to the maintenance of this project, as well as an additional \$50,000 in marketing and promotional costs through a contract with Tourism Waitaki. Council contributes a further \$50,000 per annum to a capital reserve to fund the Hayman Road off-roading improvements.

Economic Development

To provide general support for economic development across the district, we have a contractual arrangement with the South Canterbury Chamber of Commerce (SCCC). The key objective of the contractual agreement with SCCC is to facilitate and support smart sustainable business development in the Mackenzie District, contributing to individual business, regional and national growth. This organisation provides business advice and support to new, developing and established businesses within the district.

Commercial Activities

The commercial activities of Council, including managing the real estate portfolio, rental properties, and cash and equity investments, do not have dedicated staff. These activities are managed through either full Council or the Finance or Assets and Services Committees, depending on the matter being dealt with, and subject to each Committee's Terms of Reference. The Council and committees are supported by management and administration staff, with consultants and advisors used as required.

Investments

Council holds cash and equity investments which provide interest and dividend returns which are used to offset the rate requirement. Our current policy is that between 40-50% of the total general rate requirement can be funded through the application of investment income.

Council holds equity investments in Alpine Energy Ltd of which we have a 4.96% shareholding.

There is an expectation from the community that we will manage our investments wisely. To set the ground rules for investments, we have adopted an Investment Policy, which schedules the policies for borrowing (both internal and external) and investments. Compliance with the provisions of the Investment Policy provides assurance that we are managing our investments wisely.

Forestry

The Council has a total of 987 hectares of planted forests in its forestry estate, as at July 2017. The Council sees its forestry estate as an important long term asset.

In 1996, the Council formed the Mackenzie Forestry Board whose purpose was to actively manage and grow the Council's Forestry Estate as a commercial operation. The Board is now a committee of Council.

The forestry operation pays a rent to the Council for the freehold land that it occupies, which is used to offset the rate requirement. The Committee has a forestry advisors and manager for its operations. It is supported through the corporate and administration services of Council. Because of the longevity of forestry assets, surplus funds from operations such as milling and carbon sales are held in reserve for those years where costs exceed revenues. When the majority of the forestry estate reaches maturity, Council will receive its return.

The Committee is required to operate and administer the Mackenzie District Council's forestry estate as a successful business. As such, the Committee is responsible for:

- Implementation and review of the long-term forestry strategy;
- Providing recommendations for the sale/purchase of land to meet the strategy;
- Approval of planting and harvesting programmes;
- Approval of annual financial budgets and physical targets;
- Approval of wood sale contracts;
- Approval of the annual operating programme.

Council's role in forestry activities was consulted on in preparation of the 2015-2025 Long Term Plan, with a clear mandate to retain existing forestry activities being obtained.

Real Estate

The council is a significant land owner in the district. Much of the land has potential for development for commercial, residential and agricultural purposes. The Council holds this land to develop, sell or lease as it sees fit, to provide the best possible return for the district as a whole. Given current market conditions, there is potential for real estate to provide the council an income stream that will allow the cash reserves to build up over time.

Rental Properties

Council owns land and buildings that we lease on a commercial basis. The rental received from these leases is used to offset rate requirements.

Pukaki Airport

Council operates Pukaki Airport which is governed by Pukaki Airport Board, a committee of Council. The committee undertakes the Council's strategy to provide an airport facility for the district. The Pukaki Airport Board, while a committee of Council, has a contracted accountant and provides its own administration.

The Board is required to develop and operate a successful airport operation. To achieve this, the Board is responsible for:

- Developing and selling land around the airfield;
- Constructing airport facilities;

- Operating a successful airport facility;
- Ensuring the airport operation is self-funded through landing fees etc. and interest income from investments derived from the land sale proceeds

GROWTH AND DEMAND

In planning for the maintenance and operation of these activities, Council must consider what effects growth and demand will have, and how issues of sustainability will be addressed.

Population Growth

Mackenzie's population is projected to grow by approximately 13% from 4,300 to 4,880 over the next ten years (2018-2028), based on Statistics New Zealand medium projections. Like much of New Zealand, the proportion of people aged 65 years and older is projected to grow. It is anticipated that projected population growth will not impact significantly on the operation and maintenance of Council's Tourism, Economic Development and Commercial Activities.

Tourism Growth

Mackenzie has experienced unprecedented growth in visitor numbers (both domestic and international) in recent years, as indicated by a range of data, including the Statistics New Zealand Commercial Accommodation Monitor, which for the year ended September 2016 compared with the year ended September 2015 reported:

- Guest nights rose 23.1 per cent to 705,316
- International guest nights rose 19.9 per cent to 489,769
- Domestic guest nights rose 31.1 per cent to 215,547
- The average length of stay rose from 1.32 nights to 1.33 nights
- The overall occupancy rate rose from 44.4 per cent to 50.2 per cent
- Accommodation capacity, excluding holiday parks, rose 3.1 per cent

The Commercial Accommodation data is collected from accommodation providers or their representatives monthly via a postal survey. The survey excludes a number of short term accommodation providers including hosted accommodation, and private dwellings. Council recognises the limitations in accurately measuring accommodation nights within the district, and acknowledges that actual numbers will be in excess of the above.

International tourism numbers are expected to continue by a minimum of 5.4 per cent per annum from 2016 until 2022. Based on this, there could be nearly 6 million tourists visiting New Zealand by 2028.

While Council considers tourism is significant in underpinning the district economy, we recognise that managing the effects of this growth will be important. Council plans to undertake a strategic study of each of our three townships which considers the future impacts of this growth, where development may occur, and how it will be managed.

Elsewhere in this LTP Council has considered the impacts of tourism growth on its other activities, and has shown how it is planning to manage the effects of this growth.

Climate Change

The Mackenzie District is likely to be affected by climate change. In preparing the LTP, the Council has reviewed Ministry for the Environment climate reporting¹ and regional projections calculated for the period from now to 2100². The LTP assumes that climate change is happening, and while the impacts are expected to be relatively minor within the period covered by the Plan, they will increase in future.

The Council is responsible for a range of functions that may be affected by climate. These include the potential for impacts on forestry operations in terms of increased growth of pests and weeds, changes in water availability and storm damage. Increased storm events may impact on assets such as the Alps2Ocean cycle trail and result in increased maintenance and

¹ Ministry for the Environment & Stats NZ (2017). New Zealand's Environmental reporting Series: Our atmosphere and climate 2017. Retrieved from www.mfe.govt.nz and www.stats.govt.nz.

² Ministry for the Environment (2016). *Climate change projections for New Zealand: Atmosphere projections based on simulations undertaken for the IPCC 5th assessment*. Retrieved from www.mfe.govt.nz.

repair costs. Overall however it is not anticipated that climate change will significantly impact Council's Tourism, Economic Development and Commercial Activities in the LTP period.

PLANS FOR THE FUTURE

Tourism and Economic Development

Promotion of the Mackenzie District as a tourist destination

In 2017 Council undertook consultation with those ratepayers who pay the targeted rates for its tourism promotion activity. The results of the survey clearly confirmed Council's mandate to continue the promotion of the district as tourism destination, and confirmed that the present level of funding of this activity was appropriate.

Council plans to continue its promotion of the Mackenzie District as a tourism destination at its present level over the period of the LTP. Although the district is presently experiencing significant growth in tourist and visitor numbers, Council believes that it is important to continue to promote the Mackenzie for the long term benefit of the district. At the same time, the Council recognises that it is important to also plan for managing the effects of increased visitor numbers in the district. This planning is outlined in the 'Key Issues' section of this LTP.

Council's current contract with ChristchurchNZ for tourism promotion of the Mackenzie District ends on 30 June 2019.

The funding and how it is spent will be reviewed when the current contract comes up for renewal in 2019. Council will also be undertaking a review of its rating and funding approach early in the LTP period, which will include looking at how it funds tourism promotion and infrastructure which benefits tourism providers.

Alps 2 Ocean Cycle Trail

The long term maintenance of the Alps 2 Ocean track will continue to be shared between the Mackenzie and Waitaki District Councils. In the LTP period, work will be required on track and signage maintenance, as well as the maintenance and cleaning of facilities along the way.

Council is currently working toward off-roading sections of Hayman Road. The off-roading of this section is required to address significant safety concerns, and will result in an increased level of service for users of the trail. The estimated cost of this portion of work is approximately \$1.1 million. It is expected that two thirds of the required funding will come from sources external to Council, such as from grants.

Council will continue to allocate \$50,000 per annum to the maintenance of the trail, as well as an additional \$50,000 in marketing and promotional costs which is presently provided through a contract with Tourism Waitaki. Council plans to contribute a further \$50,000 per annum to a capital reserve to fund the Hayman Road improvement works.

Economic Development

Support for businesses and enterprises is also proposed to remain at its present level. Any increases in demand for this activity will be assessed on an ongoing basis and responded to accordingly.

Council's current contract with SCCC ends 30th June 2018. Council will review the form in which economic development support is given when the contract is due for renewal.

Commercial Activities

Investments

It is anticipated that Council's cash reserves will grow over time, due to the effect of developer's financial contributions³ and funds accumulated for future capital works. In order to obtain the best possible return from the cash reserves, it is essential that we invest in longer-term investments. The problem Council foresees, at least in the next three to five years, is that the current economic situation has resulted in extremely low longer-term interest rates. Council has taken the view that it is

³ The ability for Council to levy financial contributions will be removed in 2022, under the RMA. Council has assumed for financial forecasting purposes that development contributions will provide a similar level of funding when this change occurs.

better to accept lower short term returns than lock investments in over a longer term at a marginally higher investment rate. The short-term option offers the ability to move quickly when longer term rates begin to rise.

Changes in the economy may affect the actual dividend flow from any of Council's equity investments, meaning the dividends received may be different from those assumed in the forecast financial statements. However, the cash flow forecasts of Council over the ten-year period show the level of cash reserves will steadily increase, allowing us to maintain our continued support of the general ratepayer and to reinvest surplus cash into long term investments which derive a higher rate of return. It is expected that as a result, the investment function of Council will continue to grow.

Over the term of the LTP, Council will continue to reinvest surplus cash into long term deposits in accordance with our Investment Policy.

Forestry

Changes to the economy and demand for forestry products may affect returns from Council's forestry estate. However, this estate is seen as an important long-term investment, which is expected to withstand fluctuations over time.

Because of the longevity of forestry assets, surplus funds from operations such as milling are held in reserve for those years where costs exceed revenues. When the majority of the forestry estate reaches maturity, Council will receive its return. Council will continue to retain areas of forestry and to ensure there are the appropriate areas of land to plant.

Whilst no significant logging of Council forestry is planned, it is anticipated that the council will retain its forestry activities over the ten year period of the LTP.

With the continued additions of carbon credits and a more buoyant market for these, it is expected that the forestry activity will contribute positively to Council's financial position.

The Council as a responsible landowner considers it is important to ensure its operations are not contributing to wilding tree spread as a result of its forestry activities. It has provided new budget to control wilding trees and other pests associated with Council's commercial forestry activity. A budget of \$50,000 has been provided for Years 1 and 2, with a budget of \$30,000 annually thereafter.

Real Estate

Fluctuations in demand for land and economic changes may affect the level and timing of Council's income from real estate sales. Over the longer term, real estate will continue to provide us with an income stream that will allow the cash reserves to build up over time.

The LTP assumes no income from new property sales. Council is undertaking a strategic review of each township in Year 1 of the LTP. Once this work has been completed, Council will review its surplus land portfolio. Therefore, no land sales are provided for, pending the completion of that work.

For any piece of land which has previously, or will be subsequently identified for disposal (excluding land at Pukaki Airport which is managed separately), Council will consider the most appropriate method of dealing with the land that would meet its objectives.

Rental Properties

Demand and occupancy rates may be affected over time by changes in the economy. Council views the management of rental properties as a long-term investment which will withstand economic fluctuations. It is anticipated that we will retain ownership of the commercial properties and continue to lease them over the ten-year period. The Council will ensure that the relevant conditions placed upon commercial lease agreements are adhered to. All lease agreements are reviewed on a regular basis.

Pukaki Airport

Council will continue to own and maintain Pukaki Airport as a district airport. The Pukaki Airport Board Committee will continue to govern the airport's maintenance and operation. Growth of Pukaki Airport will be dependent upon economic factors such as increased demand for airport land and activities in response to visitor growth.

We intend to fund the development of the airport through land sales. The ongoing operation of the airport will be funded through a combination of commercial returns and income from investment derived from land sales.

SIGNIFICANT EFFECTS

The promotion of the Mackenzie District as a shoulder season and high-end tourism destination may result in increased tourists at peak times. While this brings significant benefits to the local, regional and national economy, it is recognised as potentially having a significant effect on our residents and ratepayers. The Council is planning to undertake work to ensure growth is provided for in our facilities, infrastructure and services and that the wellbeing of our local communities is maintained. The Council also continues to lobby for Central Government support in managing the effects of tourism.

The commercial development of land may result in significant negative effects on the community including those associated with construction or subsequent land use. Controls within the District Plan will mitigate adverse effects associated with these activities.

LEVELS OF SERVICE

The Tourism, Economic Development and Commercial Activities provided by Council contribute to the following community outcomes:

1. A thriving economy;
2. Safe, efficient and sustainable infrastructure;
3. An attractive and highly valued natural environment;
4. A supportive and contributing economy;
5. A fit and healthy community.

Levels of service	Performance Measure	Actual 2016/17	Target 2018/19	Target 2019/20	Target 2020/21	Target 2021-2028
Economic development is fostered for the district as a whole	Percentage of ratepayers satisfied with the Council's tourism promotion and economic development	Achieved 86% of respondents were either satisfied or somewhat satisfied.	≥80%	≥80%	≥80%	≥80%
Investments – Council's investments are managed wisely in accordance with community expectations	Council's cash investment portfolio independently reviewed each quarter, and performance of investments against the Bancorp Ltd benchmark portfolio	Achieved The Council's investment portfolio outperformed the Bancorp Ltd benchmark in all four quarters	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 performance of investments against the Bancorp Ltd benchmark portfolio.	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 performance of investments against the Bancorp Ltd benchmark portfolio.

HOW WE WILL FUND THESE ACTIVITES

Tourism and Economic Development

Promotion of the Mackenzie District as a tourist destination

10 percent of the cost of tourism promotion are met by a fixed charge across the district. 30 percent of the costs of tourism promotion is broken down into two components – a \$100 fixed charge on industrial ratepayers, with the remaining amount charged to tourism businesses based on capital value. 60 percent of the costs of tourism promotion are met by commercial accommodation providers, with a 60 percent differential on secondary accommodation providers to recognise that they live in the premises and the primary use of their property is not accommodation.

The Council plans to review its rating and funding approach early in the LTP period, which will include looking at how it funds tourism promotion and infrastructure which benefits tourism providers. Consultation with affected stakeholders will be undertaken as part of this review.

Alps 2 Ocean Cycle Trail

Council will continue to allocate \$50,000 per annum to the maintenance of the trail, as well as an additional \$50,000 in marketing and promotional costs which is presently provided through a contract with Tourism Waitaki. Council plans to contribute a further \$50,000 per annum to a capital reserve to fund the Hayman Road improvement works. The remaining two-thirds of the costs of the off-roading will be contributed from external sources.

Council considers this cycleway to have a district-wide benefit and, on this basis, funds it partially from the general rate and partially from a uniform targeted rate. \$50,000 of Alps2Ocean costs are charged across the district through the general rate. This money is spent on the upkeep of the cycle trail and trail assets. All ratepayers in the district also pay a fixed charge to pay for the balance of the costs of Alps2Ocean. This is for the promotion and marketing of the cycleway and the funding of the upgrading of the track on Hayman Road.

Economic Development

Council believes that economic development services should be funded by commercial and industrial businesses because they receive the most benefit from such activities. A fixed charge of 10 percent of the rate, or \$10, whichever is higher is charged across the district. 90 percent of the costs of economic development are met by commercial and industrial properties based on capital value. This will also be subject to the review of our rating and funding approach, early in the LTP period.

Commercial Activities

Council's investments, real estate, rental properties, forestry operations and the Pukaki Airport are funded from the sale of land or commercial operation of the asset.

COUNCIL ACTIVITIES

Annual Plan	2018/19	2019/20	2020/21	2021/22	2022/23	2023/24	2024/25	2025/26	2026/27	2027/28
	(thousands)									
General rates, uniform annual general charges, rates penalties	(1,391)	(1,415)	(1,339)	(1,323)	(1,589)	(1,580)	(1,700)	(1,937)	(2,206)	(2,575)
Targeted rates	290	297	305	312	320	328	337	345	354	363
Internal charges and overheads recovered	784	882	882	812	832	864	940	1,109	1,204	1,470
Local authorities fuel tax, fines, infringement fees and other receipts	1,498	1,656	1,400	1,519	1,666	1,778	1,840	2,178	2,362	2,585
Total operating funding (A)	1,201	1,420	1,248	1,320	1,229	1,391	1,417	1,695	1,714	1,843
Payments to staff and suppliers	870	846	850	761	761	795	872	827	841	860
Finance costs	-	244	306	328	330	324	308	383	363	344
Internal charges and overheads applied	206	180	155	166	209	275	385	506	645	946
Total applications of operating funding (B)	1,076	1,270	1,311	1,255	1,300	1,394	1,565	1,716	1,849	2,150
Surplus (deficit) of operating funding (A-B)	125	150	(63)	65	(71)	(3)	(148)	(21)	(135)	(307)
Increase (decrease) in debt	0	148	924	215	103	47	(216)	1,372	(359)	(399)
Development and financial contributions	0	0	0	0	0	0	0	0	0	0
Gross proceeds from sale of assets	1,500	717	735	0	600	0	0	0	0	0
Total sources of capital funding (C)	1,500	2,701	1,659	215	703	47	(216)	1,372	(359)	(399)
Capital expenditure										
To meet additional demand	526	0	0	0	0	0	0	0	0	0
To improve the level of service	0	0	0	0	0	0	0	0	0	0
To replace existing assets	111	540	555	0	0	0	0	0	0	0
637	540	555	0	0	0	0	0	0	0	0
Increase (decrease) in reserves	988	2,296	1,596	280	632	44	(364)	1,351	(494)	(706)
Total applications of capital funding (D)	1,625	2,851	1,596	280	632	44	(364)	1,351	(494)	(706)
Surplus (deficit) of capital funding (C-D)	(125)	(150)	63	(65)	71	3	148	21	135	307
Funding Balance ((A-B)+(C-D))	0	0	0	0	0	0	0	0	0	0