



44TH MEETING OF THE
MACKENZIE DISTRICT COUNCIL

TO THE MAYOR AND COUNCILLORS OF THE MACKENZIE DISTRICT COUNCIL

Membership of the Council:

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

*Notice is given of an Extraordinary Meeting of the Mackenzie
District Council to be held on Tuesday, March 10, 2015, at
1.00pm.*

VENUE: Council Chambers, Fairlie

BUSINESS: As per the attached agenda.

WAYNE BARNETT
CHIEF EXECUTIVE OFFICER



MACKENZIE DISTRICT COUNCIL

Agenda for Tuesday, March 10, 2015, at 1pm

OPENING AND APOLOGIES

DECLARATIONS OF INTEREST

LONG TERM PLAN REPORTS:

1. Adopt 30 Year Infrastructure Strategy (report attached/full strategy circulated by post)
2. Adopt Activity Management Plan – (report attached/full plan circulated by post)
3. Adopt Activity Management Plan – Regulatory Services (attached)
4. Adopt Activity Management Plan – Community and Township Services (attached)
5. Adopt Long Term Plan Supporting Documents:
 - Draft Community Outcomes (attached)
 - Draft Statement on Development of Maori Capacity to Contribute to Decision Making Processes (attached)
 - Significant Forecasting Assumptions (attached)

PUBLIC EXCLUDED:

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

1. PURCHASE OF TEKAPO MINI GOLF SITE (ATTACHED)
2. SALE OF LAND AT TEKAPO (ATTACHED)

General subject of each matter to be considered	Reason for passing this resolution in relation to each matter	Ground(s) under section 48(1) for the passing of this resolution
Purchase of Tekapo Mini Golf Site	Enable commercial negotiations	48(1)(a)(i)
Sale of Land at Tekapo	Enable commercial negotiations	48(1)(a)(i)

This resolution is made in reliance on Section 48(1)(a)(i) of the Local Government Official Information and Meetings Act 1987 and the particular interest or interests protected by Section 6 or Section 7 of that Act, which would be prejudiced by the holding of the whole or the relevant part of the proceedings of the meeting in public are as follows: *Purchase of Tekapo Mini Golf Site and Sale of Land at Tekapo under section 7(2)(i).*

RESOLUTION TO RESUME OPEN MEETING

The meeting will be followed by a rates workshop for councillors.

MACKENZIE DISTRICT COUNCIL

REPORT TO: MACKENZIE DISTRICT COUNCIL
SUBJECT: 30 YEAR INFRASTRUCTURE STRATEGY
DATE: March 10, 2015
FROM: Bernie Haar, Assets Manager

REASON FOR REPORT

To provide and adopt the Mackenzie District Council Infrastructure Strategy – The Next 30 Years as part of the framework for the 2015-2025 Long Term Plan and consultation document.

RECOMMENDATIONS:

1. That the report be received.
2. That the 'Infrastructure Strategy – The Next 30 Years' be adopted by Council subject to audit changes.

Please note – due to the Infrastructure Strategy being a large document with many pages, the Executive Summary is below and the full report has been circulated to councillors by post.

Executive Summary

1.1 Introduction

This Infrastructure Strategy has been developed to provide Mackenzie District Council with a long term (30 years) strategic document for the effective planning and management of its infrastructure assets. It sets out what issues are currently and likely to impact on those assets and the costs associated with maintaining, operating, renewing and developing the asset.

This Strategic Plan specifically covers the following assets:

Stormwater Disposal

Foul Sewer Disposal

Water Supply

Roads and Footpaths

This information is prepared on information contained within the respective Asset Management Plans for these activities and detailed asset data performance and condition recorded in the Asset Registers. Whilst this strategy covers the next 30 years the first 10 years programmes both operational and capital flow into and will be confirmed by the 2015-25 Long Term Plan.

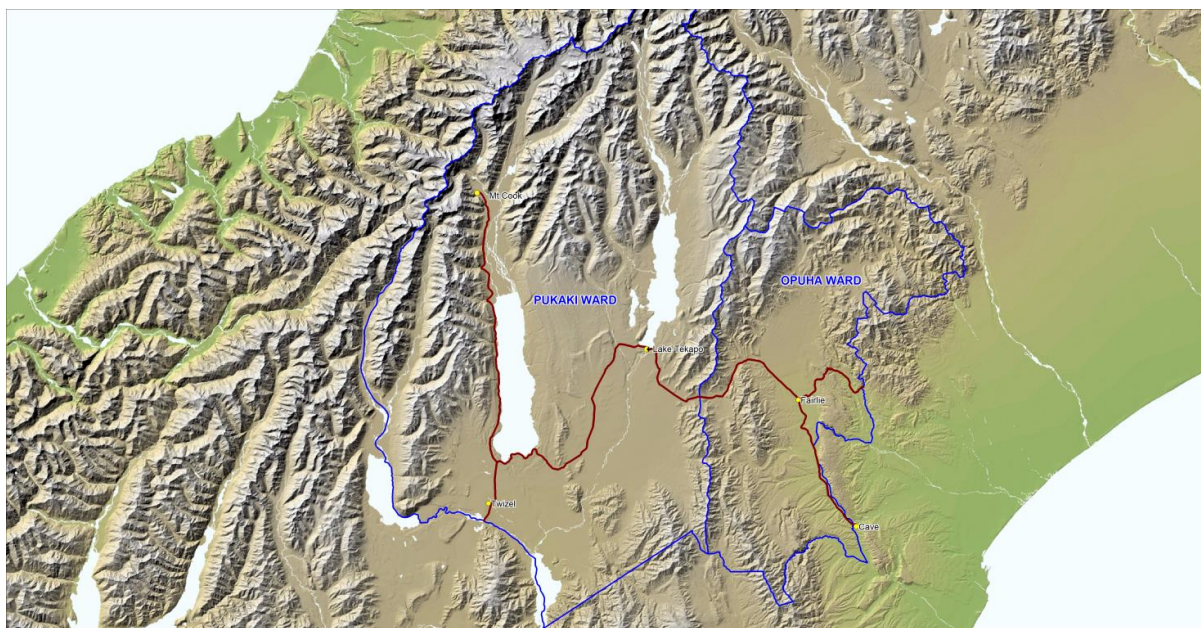
1.2 Background

The Mackenzie District is bounded in the north and east by the Timaru and Waimate Districts, in the south by the Waitaki District and to the West by the Southern Alps/ Westland District boundary. There are two wards: **Pukaki** which in effect takes in the Mackenzie Basin and **Opuha** being the remaining area to the west of a line following the upper reaches of the Hakataramea River through Burkes Pass to Mt Musgrove in the Two Thumb Range.

The land use is predominantly rural with predominately high country farming in the Mackenzie Basin, although this is changing over time as more irrigation becomes available, and more intensive farming and cropping in the Fairlie Basin.

The District has high visitor numbers due to the scenic and recreational opportunities which are generally derived from its outstanding natural features, with people attracted to the lakes, mountains, ski fields, cycle trails and walking tracks.

Figure 1.2 – Map of Mackenzie District



1.3 Purpose of Strategic Planning

The purpose of the infrastructure strategy is to—

- a) “identify significant infrastructure issues for Mackenzie District Council over the next 30 years; and
- b) “identify the principal options for managing those issues and the implications of those options.”

The infrastructure strategy outlines how the Mackenzie District Council intends to manage its infrastructure assets, taking into account the need to—

- a) “renew or replace existing assets; and
- b) “respond to growth or decline in the demand for services reliant on those assets; and
- c) “allow for planned increases or decreases in levels of service provided through those assets; and
- d) “maintain or improve public health and environmental outcomes or mitigate adverse effects on them; and
- e) “provide for the resilience of infrastructure assets by identifying and managing risks relating to natural hazards and by making appropriate financial provision for those risks.

This strategy is a high level document that summarises the issues facing Mackenzie District over the next 30 years. The supporting detail is incorporated within the relevant Activity Management Plans for each of the respective activities.

1.4 Assumptions

This Strategy is prepared on the basis that there will generally be a slight growth in the resident population across the region. That there will be steady growth in Tekapo and Twizel but will not put significant pressure on the current infrastructure. The exception to this being, the need to provide an alternative sewerage effluent disposal area in Tekapo.

It is also assumed that the existing resource consents held by Council can be renewed for those takes and discharges without extra conditions being applied that will add significantly to the management costs and also not require significant upgrades. In Twizel however, the oxidation pond discharge will be consolidated to an in ground disposal system on land yet to be acquired. This will require a new consent for that changed discharge.

In the Transportation area it is assumed that there will continue to be intensification in the agricultural sector over the life of this strategy. As irrigation becomes available it drives that land use intensification and as a consequence puts pressure on the existing infrastructure.

Growth in this area is from the following:

- Dairying
- Forestry
- Grain Production
- Tourism
- Land use Intensification
- Lifestyle

It is also assumed that the co-investment rate from New Zealand Transport Agency will remain at the base rate of 51% following the latest review.

- Changes to transportation practises, driven by NZTA, will have an effect on Councils' current levels of services. Due to the lack of detail at the time of writing this document it has not been possible to factor in any possible changes as a direct result of implementing One Network Road Classification(ONRC)

1.5 Stormwater

Asset Summary

Asset Type	Unit	Quantity
Pipelines	m	16,449
Manholes	each	216
Open Drains	m	5,787
Treatment Area	m ²	22,851

This Strategy is premised on the basis that there will be no significant change expected to the normal operation over most of the stormwater assets. However, Environment Canterbury's Land and Water Regional Plan requires ***that where the discharge is from an existing local authority network, demonstration of a commitment to progressively improve the quality of the discharge as soon as practicable but no later than 2025.*** This will require that some existing stormwater discharges may have to be progressively upgraded to improve discharge quality. There is a requirement to develop a "Stormwater Management Plan" that identifies and plans for progressively upgrading those discharges that deemed to require improvement to that discharge. Development of the plan is programmed for 2017/18.

In Tekapo there will need to be a network and discharge system designed and installed to cater for stormwater coming from the Lakeside Drive area and the Commercial land in front of the existing shops. This will be funded by Council's Real-estate Reserve as part of the commercial development.

1.6 Foul Sewer

Asset Summary

Asset Type	Unit	Quantity
Pipelines	m	78,297
Manholes	each	880
Treatment Plants	each	4

This Strategy is prepared on the basis that there will be no significant change expected to the normal operation over most of the foul sewer assets with some exceptions.

- Tekapo Oxidation Pond discharge – alternative effluent disposal site to be located and developed to allow for growth and changing climatic conditions.
- Twizel Oxidation Pond discharge – disposal system consolidated on rapid infiltration basins immediately to the south of the site. The existing trench will be filled in and abandoned with new in ground sparge pipes laid to dispose the effluent to ground on land to be acquired by Council. An application for Resource Consent to approve this will be lodged in 2015.
- Fairlie and Tekapo sewer network – the original network was laid in 1940 and 1955 respectively, using earthenware pipe that is condition rated between 3 and 5. Allowance has been made to re-inspect those networks to determine their deterioration. It is expected that the rate of deterioration is such that the network will have to be substantially replaced over the life of the plan and funding has been allowed for this.

1.7 Water Supply

Asset Summary

Asset Type	Unit	Quantity
Pipelines	m	237,814
Servicelines	M	11,737
Tobies	each	2,531
Hydrants	each	426
Valves	each	802
Plants - Urban	each	4

OPERATION

This Strategy is prepared on the basis that there will be no significant change expected to the normal operation over most of the water supply assets with some exceptions.

- Fairlie – The water supply is to be upgraded in 2016/17 to comply with the Health (Drinking Water) Amendment Act (2007). The completion of the replacement programme of the concrete water pipes in 2020/21 will see a reduction in maintenance costs associated with pipe failures.
- Tekapo – The treatment was upgraded to comply with Health (Drinking Water) Amendment Act (2007) in 2013 and will not require further work apart from normal renewals of the plant components when they wear out or become obsolete. There are 5895m of Asbestos Cement water pipes that will need investigation as to their

deterioration and then programmed for replacement depending the results of that investigation.

- Twizel – The treatment and pump control is currently being upgraded to modernise the plant and provide water that complies with Health (Drinking Water) Amendment Act (2007). The Reservoir is programmed for relining and covering in 2015/16. Relineing is essential maintenance but covering is not necessary from an operational position but is seen as desirable from Council. The rural residential area known as the The Drive has experienced low pressure during periods of high demand. The solution is to install an in-line booster pump to lift the pressure to an acceptable level. This work is programmed for 2015/16.

RENEWALS

The biggest issue facing the three communities in the next thirty years are the Asbestos Cement (AC) water mains. There are 45km of AC pipe in the District, 14km in Fairlie, 5.9km in Tekapo and a further 25km in Twizel. AC pipe is affected by both internal water and external soil conditions. External stresses such as soil conditions, quality of installation, additional loadings, and maintenance, have a significant effect on the useful life of underground assets. The inherent variations in-situ conditions and subsequent rate of deterioration, makes it difficult to accurately formulate a renewals priority programme without a sampling regime.

Twizel in the next 20 years is the deterioration of the Asbestos Cement water mains (24.7km). The recent sampling and testing programme has confirmed the level of deterioration and the associated risk. This strategy recommends a 20 year replacement programme be implemented, starting in 2015/16.

Using lessons learned in Twizel, other AC networks are to be analysed for deterioration. This strategy has allowed for the replacement of the AC water mains in Tekapo and Fairlie during the period of 2036-2045. This may be bought forward depending on the outcome of the proposed sampling programme.

1.8 Transportation Including Footpaths

Asset Summary

Asset Type	Unit	Quantity
Pavement - Sealed	km	205.5
Pavement Unsealed	km	517.3
Footpaths	km	62
Culverts	km	17.75
Bridges	each	93
Signs	each	5711
Streetlights	each	791

Funding will continue to be a challenge to maintain a satisfactory level of service for the users of the Mackenzie's Roding network. There is a significant amount of deferred maintenance on the sealed roading network that requires an injection of funds over the next 7 years to address this. If funds are available then this back log can be managed. If the funds are not available then there are a number of sealed surfaces that are at risk of failure. The level of co-investment by NZTA will determine if this is achievable as a co-funded activity. If NZTA do not provide the levels of funding

requested to maintain the sealed road asset, Council have to consider if they are prepared to complete some of the deferred maintenance un-subsidised or leave some sealed roads to deteriorate over time until the seal has to be removed for safety.

The un sealed roads are surfaced with a modified M/4 AP20 aggregate and constructed to achieve a 4 to 6% cross fall along straights with a maximum 10% super elevation on corners, however many have adverse camber due to the effects of traffic wear and past maintenance.

Analysis of gravel loss surveys at eighteen sites, shows that, for Haldon Road, Lilybank Road and Braemar Road, we lose 17mm off the crown annually, equating to 6,000m³. For the balance of the unsealed network the loss is on average 7mm of the crown, equating to 15,500m³.

To avoid consuming the asset this metal loss needs to be replaced on a regular cycle. At current contract rates the cost to replace 21,600 m³ across the network is \$650,000.00.

NZTA's One Network Road Classification system (ONRC) has not been taken into account when preparing this strategy as they have not provided any certain detail on the levels of service and performance measures proposed. Depending on the detail provided in the future Council may have to review the Transportation section of this strategy.

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The strategy has a modest bridge replacement programme and this is thought to be fundable by Council and NZTA, with the exception of the Cass River Bridge. This structure is expensive to replace due to the location and span of the structure. With the public road ending 800m on the north side of the bridge it is likely to be considered uneconomic by Council and NZTA to replace. Consultation with all parties will be required prior to bridge failure and removal to assess the need and look at options to replace it and as such fund that replacement.

WAYNE BARNETT
CHIEF EXECUTIVE OFFICER

MACKENZIE DISTRICT COUNCIL

REPORT TO: MACKENZIE DISTRICT COUNCIL
SUBJECT: STORMWATER ACTIVITY MANAGEMENT PLAN
DATE: 10TH MARCH 2015
REF: WAS 1/2

REASON FOR REPORT

To adopt the Stormwater Activity Management Plan as the framework for the 2015-25 Long Term Plan.

RECOMMENDATIONS:

1. That the report be received.
2. That the Stormwater Activity Management Plan be adopted as policy for the future direction of that activity, subject to audit changes.

Please note – due to the Stormwater Activity Management Plan being a large document with many pages, the Executive Summary is below and the full report has been circulated to councillors by post.

BERNIE HAAR
ASSET MANAGER

WAYNE BARNETT
CHIEF EXECUTIVE OFFICER

ATTACHMENTS:

Stormwater Activity Management Plan (Executive Summary provided below. Full document sent out to councillors).

BACKGROUND:

As part of its Long Term Plan (LTP) process, the Council puts together activity management plans (AMPs) for each of its groups of activities. AMPs form part of the supporting information during the consultation phase in developing the LTP.

Attached is the Stormwater AMP which describes current activities and levels of service, and identifies future proposals with associated performance measures and targets, and financial information.

The Council is asked to consider and adopt the Community and Township Services AMP as a basis for activities to be included in the Long Term Plan.

POLICY STATUS:

N.A.

OPTIONS:

1. To adopt the Stormwater Activity Management Plan as policy for the future direction of that activity, subject to audit changes.
2. To amend and adopt the Stormwater Activity Management Plan as policy for the future direction of that activity, subject to audit changes.

CONCLUSION:

The Council is required to adopt the supporting information that the Consultation Document relies on, including the AMPs, which are subject to audit. This paper seeks that the Council adopt the Stormwater Activity Management Plan as attached.

1. EXECUTIVE SUMMARY

1.1 INTRODUCTION

This Activity Management Plan for Stormwater (AMP) has been developed to provide the Mackenzie District Council (MDC) with a long term management tool for the Stormwater asset. It sets out the current asset condition, what issues are currently and likely to impact on the asset and the costs associated with maintaining, operating, renewing, developing and disposing of the asset.

In terms of population, the Mackenzie District is the third smallest territorial authority in New Zealand with a normally resident population of approximately 4,000, with limited growth. In contrast to its small population, the area of the District is large, comprising 745,562 hectares. Fairlie, Lake Tekapo and Twizel are the main towns and there are villages at Albury, Kimbell, Burkes Pass and Mount Cook.

1.2 PURPOSE OF STORMWATER ASSET MANAGEMENT PLANNING

The purpose of this AMP is to provide a tool combining management, planning, financial, engineering and technical practices to ensure that the level of service required by customers is provided at the lowest long term cost to the community. The plan is intended to demonstrate to customers that Council is managing the assets responsibly and that they will be regularly consulted over the price/quality trade-offs resulting from alternative levels of service.

1.3 PLAN LEVEL

MDC considers the required sophistication of their plan in the short to medium term need not progress beyond a “**Core**” planning level, as:

- the cost at this time to move to an advanced plan would provide little significant benefit to Council or its’ customers
- the size, complexity and use of the assets is consistent with a rural sparsely populated district
- the risks associated with failure are low

This AMP is one of the Council’s suite of plans that together describe the services and workload that the community sees as important for the Council to provide and sustain. They outline the basic methodologies Council will use to achieve the strategic objectives promoted in the MDC LTP 2015 – 2025 and thus move towards achieving the “outcomes” and the citizens’ “vision” of the society they wish to be a part of.

1.4 SCOPE OF ASSET MANAGEMENT PLAN

This revision provides an update to Version 4 of the AMP produced and adopted by Mackenzie District Council in March 2013. It provides a medium to long term indication of asset management requirements and specific work programmes over the planning period from 1 July 2015 to 30 June 2025.

The plan will continue to be periodically reviewed to incorporate, as appropriate new asset information and improved knowledge of customer expectations. The objective is to optimise life

cycle asset management activities and provide a greater degree of confidence in financial forecasts.

1.5 STORMWATER ASSET MANAGEMENT ACTIVITY

Council is responsible for the management of stormwater assets with an optimised depreciated replacement cost of \$3,480,263 (July 2013 valuation). For 2014/15 Council has budgeted to spend \$92,000 on maintaining, operating and renewing these assets (including staff, overhead costs and depreciation).

The following list summarises the MDC Asset Management activities:

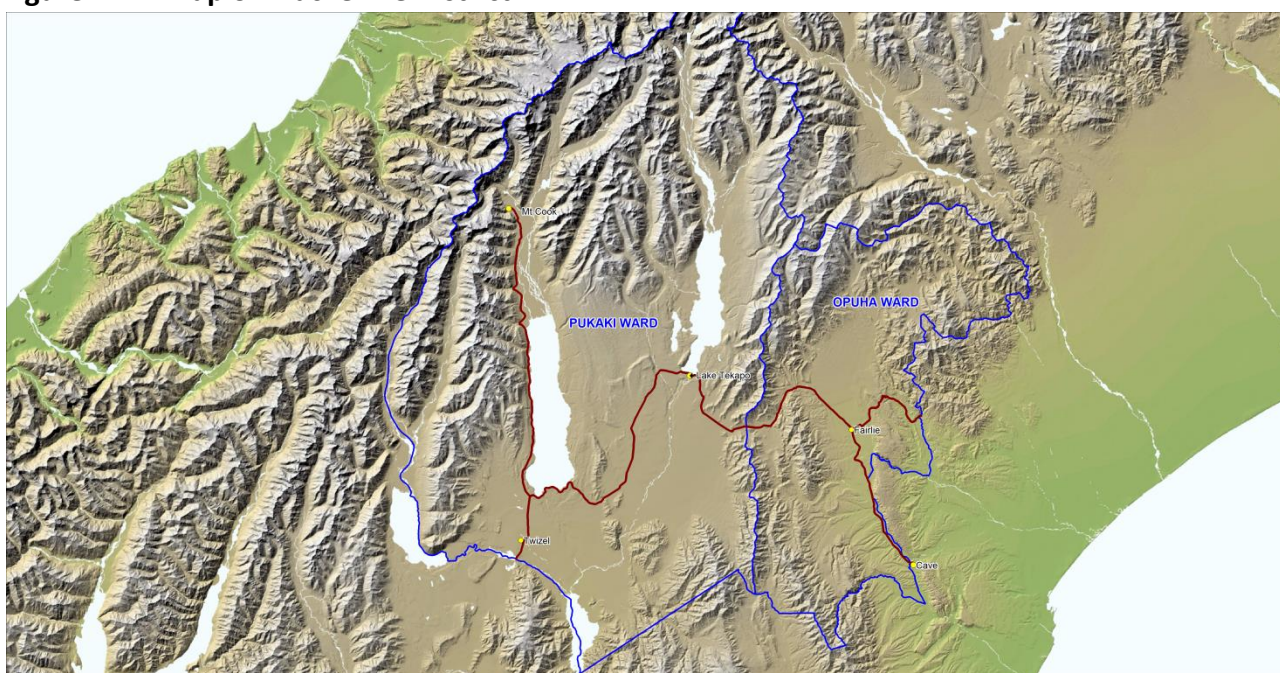
- Asset Management
- Safety Management
- Stormwater Maintenance
- Stormwater Data Management
- Project Management
- Environmental Management
- Network Inspections
- Legislative Compliance Management
- Network Management
- Customer Management

1.6 ASSET DESCRIPTION

1.6.1 LOCATION

Figure 1.1 shows the location of the district within the Canterbury Region

Figure 1.1 – Map of Mackenzie District



The Mackenzie District is bounded in the north and east by the Timaru and Waimate Districts, in the south by the Waitaki District and to the West by the Southern Alps/ Westland District boundary. There are two wards: **Pukaki** which in effect takes in the Mackenzie Basin and **Opuha** being the remaining area to the west of a line following the upper reaches of the Hakataramea River through Burkes Pass to Mt Musgrove in the Two Thumb Range.

The backbone of the roading network in the district is provided by the following State Highways which are the responsibility of the New Zealand Transport Agency (NZTA).

State Highway 8	Timaru - Fairlie - Lake Tekapo - Twizel - Omarama
State Highway 79	Fairlie - Geraldine
State Highway 80	Twizel - Mt Cook Village

The Mackenzie District Stormwater consists of a network of pipes and swales in the towns of Fairlie, Tekapo and Twizel. Stormwater is discharged either to ground or water after being flushed through treatment facilities. These are generally grassed swales or vegetated treatment areas.

1.6.2 THE ASSET

The Stormwater asset includes all Council owned pipelines, manholes open drains and related infrastructure within the District as shown in Table 1.1.

Table 1.1 – Stormwater assets included in this plan

Asset Description	Sub-Asset Description	Quantity
Pipelines		16,449m
Manholes		216
Open Drains		5,787
Treatment Facilities	The treatment facility constructed as part of the Lochinver subdivision has been vested with Council so it is now maintained by Council. The current development on the Domain in Tekapo also includes a Stormwater treatment facility that will require managing and monitoring.	2.2ha

Note

The stormwater network does not include the drainage control assets consist of kerb and channel, surface water channels, catchpits, soakpits, side drains, and culverts of less than 3.4 m² cross sectional area. These are included in the Transportation AMP as Roding Assets.

1.7 KEY STAKEHOLDERS AND CUSTOMERS

Key Stakeholders

The Council as the ultimate owner of assets. Other key stakeholders of the stormwater network include:

- Regional council
- Owners and operators of inter-connecting or separate stormwater networks, specifically those owned and managed by Lake Tekapo Enterprises Ltd.

Funding Partners

Funding is provided by several parties and in particular the following are significant contributors:

- Ratepayers – Rates provide funding for maintenance and operation of the networks
- Developers – By constructing infrastructure and vesting it in the Council plus providing the required financial contributions

Customer Groups

MDC's customers fall into three different groups: associated service providers, users and the wider community. These are detailed in Table 1.2.

Table 1.2 – MDC Stormwater Customer Groups

Customer Group	Description	Customers
Associated Service Providers	These are other service providers who rely on the stormwater network	<ul style="list-style-type: none"> • Contractors
Users	Those who directly benefit from the service	<ul style="list-style-type: none"> • Ratepayers • Drivers • Pedestrians and cyclists
The Wider Community	Non-users that are affected if the service is not provided	<ul style="list-style-type: none"> • Citizens • Tourists • Residents who live in the three towns • Local businesses – to control stormwater from entering their business and allow customer access

Other Parties

Other parties with an interest in MDC's AMP include Council employees, consultants and contractors who manage and work on the asset.

1.8 LEVEL OF SERVICE

Council's current and target levels of service as defined in the 2012-2022 LTP are summarised in Table 4.1 and are summarised below.

- Council provides a reliable stormwater system which prevents houses from flooding
- Council will respond promptly to reports of flooding and customer requests

These show how levels of service contribute to the community outcomes and provide a technical measure that enables Council to monitor current levels of service against target levels of service.

The current LOS are documented as a combination of:

- LTP LOS documentation based on real or perceived customer feedback
- Contract processes which describe the contractor's response to events such as system blockages in stormwater systems or flooding events.

The current LOS can be improved by:

- Augmentation of existing information e.g. clearer reporting response to events and the expected results and their associated costs.

- Utilisation of a LOS model defining quality, quantity, location, and timeframe. This would accurately record over time events that cause disruption to property and then look to solutions to minimise that disruption taking into account the risk of leaving the LOS as it is.

1.9 FUTURE DEMAND

The Mackenzie District Stormwater network caters for the three towns of Fairlie, Tekapo and Twizel. The districts population of approximately 4,000 is low and the growth at approximately 9.3% (since the 2006 census) this is a significant change from the 2001-2006 period where the population grew by a modest 2.3%.

Future demand on the network will be driven by residential subdivision and commercial development.

These areas sustained considerable growth during the period 2003-2009, but since then have slowed down significantly. That period of growth created a large number of sections in Twizel that will take some time to develop. As Twizel's infrastructure was designed for the total population when the town was at its height in the 1970's there is more than adequate capacity to cater for the growth expected.

In Tekapo planning during that period catered for large areas to be developed and infrastructure was designed and installed to cater for that. Resource consents were also obtained for that growth area. The area in front of the Commercial centre is under development and this includes a treatment facility that will cater for the whole domain area. The area of potential development is off Lakeside Drive. This plan recommends planning for Stormwater collection, treatment and disposal in that area to be planned for soon.

1.10 RISK MANAGEMENT

Risk management is "the systematic application of management policies, procedures and practices to the task of identifying, analysing, evaluating, treating and monitoring those risks that could prevent a Local Authority from achieving its strategic or operational objectives or plans, or from complying with its legal obligations".

There is currently no formal Risk Management process being implemented for the stormwater activity within council. This in itself is a significant risk. A risk management strategy has been described in Section 8 of this AMP. The use of this strategy as outlined in the Improvement Plan should be completed with high priority. In particular issues surrounding emergency management and insurance require full review and inclusion in this plan.

1.11 LIFE CYCLE MANAGEMENT PLANS

Life cycle management plans outline what is work planned to keep the assets operating at the current levels of service defined in Section 4 while optimising lifecycle costs. The overall objective of the Life Cycle Management Plan is:

To maintain performance measures to ensure that the current strategies do not consume the asset leading to an unexpected increase in maintenance/renewal expenditure in the future.

In this AMP the lifecycle management plan has been separated into asset groups. Each Lifecycle Management plan covers the following:

- **Background Data** including current capacity and performance, current condition and historical data including costs.
- **Operations and Maintenance Plan** covering planning for on-going day to day operation and maintenance to keep assets serviceable and prevent premature deterioration or failure.
- **Renewal/Replacement Plan** covering Major work which restores an existing asset to its original capacity or its required condition (e.g. pipeline replacement, replanting treatment facilities).
- **Asset Development Plan** covering the creation of new assets (including those created through subdivision and other development) or works which upgrade or improve an existing asset beyond its existing capacity or performance in response to changes in usage or customer expectations.
- **Disposal Plan** covering activities associated with the disposal of a decommissioned asset.

1.11.1 ASSET CONDITION AND PERFORMANCE

The basis of the lifecycle management plans is the current condition and performance of the asset. This allows comparison with the prescribed level of service, and from this a gap analysis can be completed to determine future work requirements.

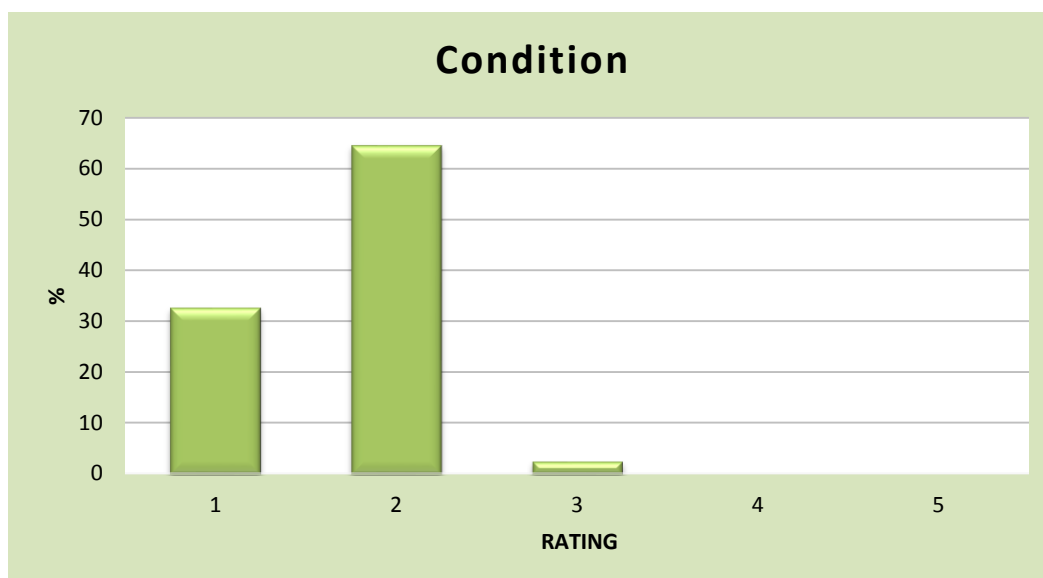
Currently MDC undertakes some condition and performance analysis of the network relying on internal CCTV inspections and the practical experience and knowledge of the engineering staff to provide a gauge of the networks overall performance. This knowledge is used extensively for planning purposes. Although adequate for the purpose, it would be useful to extend the new Asset Register in ArcGIS and Asset Finda to record and analyse the condition and performance of the network to be more objective in its planning methodology.

Ongoing condition surveys of the asset components are undertaken and results recorded within the Asset Register. Council needs to keep up the internal CCTV inspection programme so that the sample results can be extrapolated out across the other similar pipe networks. Intermediate and long term planning of asset renewal is then based on the results of these surveys, the performances obtained compared to that desired, the remaining expected life of the asset component and the decision making processes outlined (see appendix VI) within this plan.

1.11.1.1 Asset Condition

Specific condition for each asset is not currently measured but internal inspections of representative sections of the network are carried out and the results extrapolated across the network. There is good condition information for Stormwater assets with no assets having a rating of 4 or greater. The majority (65%) have a condition rating of "Good"

Figure 1.2 – Condition Data for Stormwater Assets



- Notes: 1 = **Very Good Condition** - Only normal maintenance required
 2 = **Minor Defects Only** - Minor maintenance required (5%)
 3 = **Maintenance Required to Return to Accepted Level of service** - Significant maintenance required (10-20%)
 4 = **Requires Renewal** - Significant renewal/upgrade required (20-40%)
 5 = **Asset Unserviceable** - Over 50% of asset requires replacement

There are no pipelines that are graded as requiring renewal and only a small section, graded three (1500m) in Fairlie that requires monitoring as to the amount of deterioration and possible replacement. These pipes may need replacement in 2025/30.

1.11.2 ROUTINE MAINTENANCE PLAN

Current practice is to apply a combination of “reactive” condition driven and network lifecycle depreciation techniques to determine the work necessary to maintain the network within pre-determined financial constraints (see charts in Appendix VI). The majority of maintenance is reactive so budgets have been based on historical expenditure. Increases to costs for some asset groups are projected in future due to vested assets from developers.

1.11.3 RENEWAL/REPLACEMENT PLAN

It is planned to internally inspect the Regent/Sloane Street storm water pipe in year 1 of the LTP. Depending on the results of that inspection it may be necessary to programme replacement sometime in the next 10 years.

1.11.4 ASSET DEVELOPMENT PLAN

Environment Canterbury’s Land and Water Plan, recently given effect to, requires every “local authority network, demonstration of a commitment to progressively improve the quality of the discharge to meet condition (c) as soon as practicable but no later than 2025.”

This plan is recommending the development of the required Stormwater Management Plan to determine the future direction of Stormwater treatment and disposal to comply with the Land and Water Plan rules. It is likely that there will be a need to install improvements on the non-consented discharges in 2022/23.

1.11.5 ASSET DISPOSAL PLAN

In general Council has no specific plans for disposal of components of the stormwater asset.

1.12 FUNDING IMPACT STATEMENT

As at 1 July 2013 the total optimised replacement cost of the Stormwater Infrastructure was assessed to be \$5,983,103. The total optimised depreciated replacement cost was assessed to be \$3,480,263. The annual depreciation to be funded to allow to replace the asset when required is \$59,627 per annum.

	Forecast 2015/16 (\$000)	Forecast 2016/17 (\$000)	Forecast 2017/18 (\$000)	Forecast 2018/19 (\$000)	Forecast 2019/20 (\$000)	Forecast 2020/21 (\$000)	Forecast 2021/22 (\$000)	Forecast 2022/23 (\$000)	Forecast 2023/24 (\$000)	Forecast 2024/25 (\$000)
OPERATING FUNDING										
Administration	3	3	3	3	3	3	3	3	3	3
Consultancy Expenses	0	6	100	0	6	0	0	6	0	0
Operational & Maintenance	30	32	32	34	44	44	34	34	34	46
Total operating funding	33	41	135	37	53	47	37	43	37	49
CAPITAL FUNDING										
Capital Expenses	0	0	300	15	0	0	0	45	15	0
Total Capital Funding	0	0	300	15	0	0	0	45	15	0

The forecast total Mackenzie District Community Board expenditure stormwater for 2015/16 for operations, maintenance renewals and development totals \$92,000 (inclusive of all administration costs and professional service fees). 36% (\$33,000) of budgeted expenditure is to be spent on maintenance and operation with 0% to be spent on renewals. The remaining 67% is used to fund depreciation and administration costs. The full budget and forecast are shown in Appendix III.

A check of the annual renewal expenditure against the Annual Depreciation (AD) for each asset component gives an indication whether the renewal expenditure is appropriate for the age and condition of the network. For asset components nearing the end of their expected lives a figure greater than the depreciated costs would be expected to be spent. For situations where the asset component is new or only partially through the expected life the budgeted expenditure would be expected to be less than the AD with the balance banked so as funding will be available when required. Table 1.3 shows the 2015/16 forecast renewal expenditure compared to the AD.

Table 1.3 – Comparison between Forecast Expenditure and Annual Depreciation

Asset Type	2014/15 Renewals Forecast	Annual Depreciation Cost
Pipelines	\$0	\$59,627

1.13 ASSET MANAGEMENT PRACTICES

MDC employs an Asset Manager, a Utilities Manager and an Engineering Technician who are responsible for the management of the stormwater asset.

Management planning is actioned in-house generally based on the knowledge of the Asset Manager/Utilities Manager assisted by the council's contractors and by such planning tools as the ArcGIS Asset Register software and Asset Finda (asset management software)

Occasionally elements of the management of the network may be competitively tendered to consultancy services.

Routine maintenance is undertaken through a competitively tendered contract of normally 3 to 5 year duration.

MDC accounts for revenue and expenditure on an accrual basis. All works are identified through a job cost ledger with appropriate breakdown level to be able to monitor and report on revenues and expenditure. All external reports are prepared in compliance with Generally Accepted Accounting Principles.

1.13.1 ASSET MANAGEMENT PROCESSES

Council uses the LTP process to identify community concerns and issues which are incorporated into levels of service that are expressed by performance measures written into the professional services and physical works contracts. The satisfactory execution of these performance measures result in levels of service compliance that ensures the MDC's outcomes are achieved and the community vision of a district they wish to live in is accomplished.

Well documented standards and processes exist for an on-going inspection programme.

Maintenance and renewal costs are recorded in the general ledger.

There is no formal risk management process.

1.13.2 ASSET MANAGEMENT SYSTEMS

The ArcGis Geographic Information System database is used as the inventory management system and should be the depository for all the available asset data.

Council also uses Asset Finda (linked to ArcGis) which is a complete system for designing and managing solutions through the application of geographic knowledge. Data can be manipulated within Asset Finda, ArcGIS or exported to excel to assist in the decision making process for Stormwater network management.

Other systems operated by the Council are:

- NCS Corporate financial management system
- NCS electronic plan record system
- Hardcopy plan filing systems

The Council is moved its GIS platform from MapInfo to ArcGis from 24th October 2011. This continues to provide a good Asset Register.

1.14 PLAN IMPROVEMENT AND MONITORING

This AMP has previously been reviewed and updates incorporated including improvements to move towards “Core” level Asset Management. Council is committed to a continual improvement as outlined in Section 10. A key objective is to dovetail the asset management planning process with the other key planning processes particularly the Community Plan (LTP).

1.15 KEY ASSUMPTIONS AND CONFIDENCE LEVEL

There are a number of significant assumptions that have been made in the development of this AMP as outlined below.

1.15.1 ASSET DATA

In preparing the plan, data in the ArcGis database has been taken as the verified network asset. As a result of the recent revaluation and the move to ArcGis, significant validation checks were carried out on the data.

Table 9.1 gives the assessed data confidence quality of the MDC asset register as described in the 2013 Water, Wastewater, Stormwater and Solid Waste Assets “Mackenzie District Infrastructure Revaluation” report.

1.15.2 LEVELS OF SERVICE

These have been based on Levels of Service (LOS) outlined in the 2012-2022 LTCCP and updated in the 2011/12 Annual Plan. It is assumed that customer consultation completed as part of the LTP process has been taken into account in the development of these LOS.

Changes in government requirements in future may affect future LOS.

1.15.3 DEMAND

Although the population remains generally static within the district, other demand factors are based on limited information. No specific consultation or research has been completed to determine future demand on the network. There is a moderate level of confidence in future demand based on limited input information.

1.15.4 LIFE CYCLE MANAGEMENT

The knowledge of the practitioners directly providing this activity, both on a day-to-day basis and historically, has been relied upon. These practitioners include Council’s staff, Council’s consultants and staff of the various physical works contractors.

1.15.5 FINANCIAL FORECASTS

Key assumptions made in the financial forecasts are as follows:
(Inflation figures have been provided by Business and Economic Research Limited.)

Table 3: Adjustors: % per annum change

Road	Property	Water	Energy	Staff	Other	Earthmoving	Pipelines	Private
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	Sector Wages								
Year Ending	% pa change								
Jun 12	5.2	3.3	6.0	15.4	2.3	1.4	4.7	3.1	2.1
Jun 13	1.1	1.7	-2.8	-1.8	2.1	2.9	2.1	-2.7	1.9
Jun 14	0.7	1.9	-2.1	1.3	1.9	1.8	2.8	-2.5	1.7
Jun 15	0.4	1.9	4.7	4.2	1.6	1.5	1.7	1.8	1.7
Jun 16	1.2	2.2	5.2	3.5	1.8	2.3	1.8	2.1	1.7
Jun 17	1.4	2.4	3.8	3.8	1.9	2.5	2.6	2.5	1.8
Jun 18	2.2	2.5	3.0	3.9	2.0	2.6	2.4	2.6	1.9
Jun 19	2.4	2.6	3.2	4.1	2.1	2.7	2.0	2.8	2.0
Jun 20	2.5	2.8	3.3	4.3	2.2	2.9	2.1	2.9	2.1
Jun 21	2.7	2.9	3.5	4.5	2.3	3.0	2.3	3.1	2.1
Jun 22	2.8	3.0	3.7	4.7	2.4	3.1	2.4	3.2	2.2
Jun 23	3.0	3.2	3.8	4.9	2.5	3.3	2.5	3.4	2.3
Jun 24	3.1	3.3	4.0	5.1	2.6	3.4	2.9	3.5	2.4
Jun 25	3.3	3.4	4.2	5.3	2.7	3.6	3.1	3.6	2.5
20-year avge %pa	3.2	2.9	3.5	4.7	2.4	3.0	3.0	3.0	2.2

- Council will continue to fund the level of service currently set out in this AMP
- The dollar values shown in this Plan are October 2014 dollars adjusted for inflation applicable to this Activity.
- Some renewal costs are rough order of cost estimates based on length and types of components using replacement costs from the recent revaluation exercise. These estimates will need to be further refined as projects develop.
- No account has been taken of the impacts related to the development, acceptance and implementation of the Risk Management Plan
- Assumptions made on Total Useful Life and Residual Useful Lives of the assets in relation to the asset valuation.
- The asset data is considered to be reliable and fit for the purpose for developing the long term financial forecasts.
- Any other specific assumptions

MACKENZIE DISTRICT COUNCIL

REPORT TO: MACKENZIE DISTRICT COUNCIL
SUBJECT: REGULATORY SERVICES ACTIVITY MANAGEMENT PLAN
DATE: March 10, 2015
FROM: Nathan Hole, Planning and Regulations Manager

REASON FOR REPORT

To provide and adopt the Regulatory Services Activity Management Plan as the framework for the 2015-2025 Long Term Plan and consultation document.

RECOMMENDATIONS:

1. That the report be received.
2. That the Regulatory Services Activity Management Plan be adopted as policy for the future direction of that activity, subject to audit changes.

WAYNE BARNETT
CHIEF EXECUTIVE OFFICER

ATTACHMENTS:

Activity Management Plan for Regulatory Services 2015 - 2025.

BACKGROUND:

As part of its Long Term Plan (LTP) process, the Council puts together activity management plans (AMPs) for each of its groups of activities. AMPs form part of the supporting information during the consultation phase in developing the LTP.

Attached is the Regulatory Services AMP which describes current activities and levels of service, outlines upcoming operational matters, and identifies performance measures and targets, and financial information.

The Regulatory Services AMP largely provides for a continuation of current activities and levels of service. Two important activities in the District Planning area will continue to be advanced, these being the progress of Plan Change 13 through the Environment Court (with the potential for further legal proceedings noted), and the District Plan review programme. Other regulatory activities such as building control and dog control are proposed to continue at current levels of service to meet demand. The AMP also provides that the Council continue its current agreement with Timaru District Council for the provision of health and liquor regulatory services. No changes are proposed in respect of the Council's civil defence functions. In relation to the Council's rural fire functions, Capital expenditure for the replacement of two tankers in 2015/16 and 2017/18 is proposed.

The Council is asked to consider and adopt the Regulatory Services AMP as a basis for activities to be included in the Long Term Plan.

POLICY STATUS:

N.A.

OPTIONS:

1. To adopt the Regulatory Services Activity Management Plan as policy for the future direction of that activity, subject to audit changes.
2. To amend and adopt the Regulatory Services Activity Management Plan as policy for the future direction of that activity, subject to audit changes.

ASSESSMENT OF OPTIONS:

Option 1 is recommended. No significant changes to activities or levels of service are proposed in the Regulatory Services Activity Management Plan. The AMPs form part of the supporting information in developing the LTP, and are therefore publicly available during the consultation phase of the Consultation Document.

CONCLUSION:

The Council is required to adopt the supporting information that the Consultation Document relies on, including the AMPs, which are subject to audit. This paper seeks that the Council adopt the Regulatory Services Activity Management Plan as attached.



MACKENZIE DISTRICT COUNCIL

Activity Management Plan For Regulatory Services 2015-2025

February 2015

1. INTRODUCTION

1.1 Background

Environmental Management

The planning department is responsible for administering the council's functions under the Resource Management Act 1991. The key planning document is the District Plan, which sets out the issues facing the district and then manages the effects of those issues by setting objectives, policies and rules to achieve the purpose of the Resource Management Act, enabling sustainable management of the district's natural and physical resources.

Other 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

Building Control

The 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.

The council is an accredited Building Consent Authority.

Other Regulatory Services

The council has responsibilities under the Dog Control Act 1996 to manage dog control. Responding to and investigating dog complaints and incidents is contracted, but the administration of dog control is managed by staff.

The council is responsible under the Civil Defence Emergency Management Act 2002 to ensure the council and community are prepared and able to respond in the event of a civil defence emergency.

The council has responsibilities under the Food Act 2014 and Sale and Supply of Alcohol Act 2012 which is managed by a contract with Timaru District Council.

The council also has responsibilities under the Forest and Rural Fires Act 1977. Mackenzie District Council is part of the South Canterbury Rural District, an enlarged rural fire authority that is a joint venture between Mackenzie, Timaru and Waimate district councils, in conjunction with a forestry owners group, the Department of Conservation, and the New Zealand Fire Service.

1.2 Community outcomes to which the Activity Contributes

- An attractive and highly valued natural environment.
- A thriving economy
- A fit and healthy community.
- A safe, effective and sustainable infrastructure

Keeping the District Plan up to date with the changing pressures that are facing the district will ensure that development that occurs in the district does not have a detrimental impact on the amenity of the district. Managing the effects of activities through resource consents and monitoring activities within the district also contribute to this. Well planned and managed development is seen by the community as an important outcome.

Support for recreational activities through appropriate recreational and special purpose zoning in the District Plan will also support these outcomes.

New building and alterations provide economic prosperity for local architects and builders involved in these projects within the district. New building also adds capital value to the district which is important for growth and helps to encourage other commercial investment opportunities.

Inspection of building work will ensure that builders comply with the building plans provided to, and approved by Council, and that safety and sanitary standards specified in the Building Code are met.

Controlling the nuisance effects of dogs will ensure that people who use footpaths and recreation areas for health/fitness and general enjoyment will be safe and will be able to continue with their personal fitness and wellbeing.

Maintaining our readiness and volunteer groups for civil defence and rural fire events will ensure that our communities are prepared and if necessary evacuated during an event.

Ensuring that food is prepared safely and that alcohol is sold responsibly, helps provide for a safe and vibrant community.

1.3 Activity Goals

- To enhance the safety of those who live in and visit the Mackenzie District by undertaking a range of regulatory activities.
- 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.
- To ensure that all new buildings and alterations in the district are constructed in a manner which promotes the health, safety and wellbeing of the community, and which complies with all relevant statutes and codes.

1.4 Principal Objectives

Resource Management

To provide a customer focused approach to resource management planning.

Building Control

To provide a customer focussed building control service

Animal Control

To effectively manage dog control.

Civil Defence

For the Council and the community to be prepared to respond to a civil defence emergency.

Rural Fire

To provide a capable response to rural fires.

Health and Liquor

To ensure that food sold is safe to consume, and that alcohol is sold responsibly.

2. PERFORMANCE MEASURES

Level of Service	Measure of Service	Target
To effectively manage environmental issues within the District.	80% or greater of those surveyed are satisfied by the belief that the Council are adequately managing resource management issues in the District.	80% positive feedback to a customer survey.
To provide a customer focused service for processing resource consents while achieving our obligations under the Resource Management Act 1991.	Non-notified consents are processed within the statutory timeframe of 20 working days. 80% or greater of those applying for resource consents are satisfied with the quality of the service they receive.	95% compliance. 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 are processed within the statutory timeframe of 20 working days. 80% or greater of those applying for building consents are satisfied with the quality of the service they receive.	95% compliance 80% positive feedback to a customer survey.
To provide a safe environment for dogs and the public to co-exist.	80% or greater of those surveyed believe the Council is adequately managing dog control issues in the District.	80% positive feedback to a customer survey.
For the Council to be prepared to respond to a civil defence emergency.	Council staff and volunteers are familiar with their roles and are adequately trained.	Training is attended as required, and the Council will participate in one training exercise per year.
For the public to be adequately prepared for a civil defence emergency.	80% or greater of the community surveyed believe that they are adequately prepared for a civil defence emergency.	80% favourable response from a customer survey.

<p>To manage fire risk and to be able to provide a ready and capable response to rural fires.</p>	<p>The Council has a capable and well equipped rural fire response teams across the Mackenzie District.</p> <p>80% or greater of the community surveyed believe that the Council is adequately prepared to respond to rural fires.</p>	<p>All volunteer rural fire teams are trained to industry standards.</p> <p>80% favourable response from a customer survey.</p>
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3. THE EXISTING SITUATION DESCRIBED

Resource Management

Policy planning in relation to the District Plan and other policy documents is managed by a part-time senior policy planning position, as well as a fixed term full-time policy position. Where necessary the council uses external consultants to support this role, but where possible this work is undertaken internally in order to provide a more efficient service to the community.

The same applies to processing resource consents. The council has one full-time planning position dedicated to resource consent processing. The timeframes for processing of resource consents are governed by legislation, and where those timeframes are not met, the council is now required to apply a discounting policy. In order to provide a customer focused service the council endeavours to process resource consents internally, but where work load or complexity does not enable it to do so, external consultants are used.

Building Control

The council is an accredited building control authority and employs three full-time building control officers, one acting as manager, as well as a full-time building administrator.

The timeframe for processing building consent applications is set by legislation. Building consents are processed internally, but can be contracted out where required. Building inspections are also undertaken by staff, maintaining a sound customer relationship with the building industry, as well as minimising costs to the customer.

Regulatory Services

The council has two dog control contractors, one based in Twizel, and the other based in Fairlie. While at times resources are stretched when responding to dog control incidents, the council's aim is to respond to all complaints within a timely manner.

With regard to health and liquor services, the council has a long standing contract with Timaru District Council. The council has entered into 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.

4. MAINTENANCE AND OPERATING

4.1 Operational Matters and Issues.

Resource Management

The continuing project over the term of this LTP is the review of the Council's District Plan. The 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 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.

Resource consent processing is very much business as usual. The Council may adapt its processing depending on work load and any legislative processes during the term of the LTP.

Plan changes are funded over a ten year period. The costs are met from the general reserve, and are repaid over a ten 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. Plan changes have a life of 10 years by statute, and this is the reason for rate funding the costs over that period.

Council is yet to complete Plan Change 13. This is currently before the Environment Court and is potentially subject to an appeal to the Court of Appeal. Once all the matters are back before the Environment Court council hopes to complete the plan change within the next three years. A budget of \$400,000 over the next three years is proposed to meet the costs of this, however we do not know what the final amount will be.

Building Control

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 the council is able to adapt to those changes as they occur in order to provide an effective service to the local community.

The council continues 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. It is likely that over the term of the LTP we will see the amalgamation of some building control authorities, or a greater focus on collaboration. However, regardless of that outcome, the council's focus is to provide a customer based service by retaining its own building control officers that can undertake all necessary building inspections during construction work.

Regulatory Services

Dog control is always a challenge and is a balance between providing a suitable level of service and the cost to the council. The intention is to continue using contractors to provide this service with council staff acting as backup where necessary.

Civil defence relies heavily on volunteers to assist the council in responding to any emergency situation. The council intends 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.

The council's ability to fight rural fires depends on its equipment and volunteers. A capital works programme is in place to ensure that ageing equipment is replaced in an organised and affordable manner. Being part of an enlarged rural fire district has huge benefits for this council in that the cost of employing a highly qualified principal rural fire officer is spread across four organisations, enabling more funds to be dedicated to equipment such as tankers.

The maintenance cost for rural fire tankers is funded annually through the rural works and services rate.

The council intends to continue with its contract with Timaru District Council to provide health and liquor services.

5. FUTURE DEMAND

It is not anticipated that there will be a significant change in demand over the term of the LTP. Population growth has increased slightly over the term of the previous LTP and this is not expected to change.

The biggest demand is in building control with building activity increasing over the period of the previous LTP. High demand in this area is expected to continue for the next three years, although further increases are not expected. We expect a continuation of the current elevated level of building activity.

6. CAPITAL EXPENDITURE

6.1 Proposed Future Capital Works Programme.

Only rural fire activity has capital expenditure proposed. This is for two new replacement tankers. Fairlie (2015/16) and Twizel (2017/18).

6.2 Funding of Capital Works

Funded through depreciation.

Capital Expenditure Report		Annual Plan	LTP	LTP	LTP	LTP	LTP	LTP	LTP	LTP	LTP	LTP
For the 30 Years to 30 June 2045		Budget	Yr 1	Yr 2	Yr 3	Yr 4	Yr 5	Yr 6	Yr 7	Yr 8	Yr 9	Yr 10
		2015	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
		(000)	(000)	(000)	(000)	(000)	(000)	(000)	(000)	(000)	(000)	(000)
Regulatory												
Regulatory												
Capex												
	0108925. Plant and Equipment	2	25	-	-	-	-	-	-	-	-	-
	0108999. Transfer to Assets	-	-	-	-	-	-	-	-	-	-	-
	0698925. Plant and Equipment	-	-	-	-	-	-	-	-	-	-	-
	0698999. Transfer to Assets	-	-	-	-	-	-	-	-	-	-	-
	0838925. Plant and Equipment	-	6	8	8	9	9	9	9	10	10	10
	0838930. Vehicles	20	55	-	58	-	-	-	-	-	-	-
	0838999. Transfer to Assets	-	-	-	-	-	-	-	-	-	-	-
	Total Capex	22	86	8	66	9	9	9	9	10	10	10
	Total Regulatory	22	86	8	66	9	9	9	9	10	10	10
	Total Regulatory	22	86	8	66	9	9	9	9	10	10	10

7. FUNDING THE ANNUAL NET COST

7.1 A statement of financial performance

Planning and Regulatory Services:

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.

7.2 Council's funding policy

Council Policy for funding regulatory services is broken down as follows:

Resource Management

- Resource consent processing 100% through fees and charges
- District planning 100% general rate levied on capital value

Building Control

- 75% through fees and charges
- 25% general rate levied on capital value

Dog Control

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

Civil Defence

- 100% general rate levied on capital value.

Rural Fire

- 100% levied through rural works and services rate.

Sale of Liquor and Environmental Health

- 75% through fees and charges; and
- 25% general rate levied on capital value;

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

8. SIGNIFICANT NEGATIVE EFFECTS

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. Previously in the Mackenzie Basin the council had uncontrolled development of rural land which was causing a negative impact. However, measures introduced to better manage that development still have the potential to have a negative impact by introducing tighter controls that inhibit development and introduce additional compliance costs to the council. Resource management planning straddles a fine line.

However, generally the provision of regulatory services is prescribed by legislation and this activity is very much business as usual for the council.

9. SIGNIFICANT FORECASTING ASSUMPTIONS, UNCERTAINTIES AND RISK MANAGEMENT

9.1 Assumptions and Uncertainties

The assumptions used in the preparation of the Activity Management Plan for regulatory services are as follows:

Price Changes/Inflation

In preparing the budget for the 2015-2025 period the Council has used price change adjustors, as developed by Business and Economic Research Limited (BERL), to account for the effect of inflation. As the BERL figures are based on best estimates there is a risk that these predicted figures may change over the term of the Plan.

9.2 Risk Management

The Council's judgement is that no risk management plan for regulatory services is required.

10. OTHER LEGISLATION

Civil Defence and Emergency Management Act 2002

Dog Control Act 1996

Health Act 1956

Food Act 2014

Sale and Supply of Alcohol Act 2012

Forest and Rural Fires Act 1977

Gambling Act 2003

11. PLAN REVIEW / PUBLIC CONSULTATION

Consultation will occur as part of the LTP process.

12. FUNDING IMPACT STATEMENT

Mackenzie District Council											
Funding Impact Statement for 10 Years to 30 June 2025 for Planning and Regulation											
	Annual Plan	LTP Year 1	LTP Year 2	LTP Year 3	LTP Year 4	LTP Year 5	LTP Year 6	LTP Year 7	LTP Year 8	LTP Year 9	LTP Year 10
	2014/15	2015/16	2016/17	2017/18	2018/19	2019/20	2020/21	2021/22	2022/23	2023/24	2024/25
	(\$000)	(\$000)	(\$000)	(\$000)	(\$000)	(\$000)	(\$000)	(\$000)	(\$000)	(\$000)	(\$000)
Sources of operating funding											
General rates, uniform annual general charges, rates penalties	40	36	37	34	31	29	26	23	21	17	24
Targeted rates (other than a targeted rate for water supply)	155	212	221	206	209	212	211	216	223	226	232
Subsidies and grants for operating purposes	-	-	-	-	-	-	-	-	-	-	-
Fees, charges, and targeted rates for water supply	-	-	-	-	-	-	-	-	-	-	-
Internal charges and overheads recovered	1	1	0	0	1	1	1	1	1	1	1
Local authorities fuel tax, fines, infringement fees, and other receipts	435	489	501	514	528	543	560	577	596	616	638
Total operating funding (A)	631	738	760	754	768	784	798	817	840	860	847
Applications of operating funding											
Payments to staff and suppliers	572	616	630	644	660	677	694	713	734	756	743
Finance costs	-	-	-	-	-	-	-	-	-	-	-
Internal charges and overheads applied	47	31	32	33	33	33	33	33	33	33	33
Other operating funding applications	-	-	-	-	-	-	-	-	-	-	-
Total applications of operating funding (B)	619	647	662	677	693	710	727	746	767	789	776
Surplus (deficit) of operating funding (A - B)	12	91	98	77	75	74	71	71	73	71	71
Sources of capital funding											
Subsidies and grants for capital expenditure	-	-	-	-	-	-	-	-	-	-	-
Development and financial contributions	-	-	-	-	-	-	-	-	-	-	-
Increase (decrease) in debt	-	-	-	-	-	-	-	-	-	-	-
Gross proceeds from sale of assets	-	-	-	-	-	-	-	-	-	-	-
Lump sum contributions	-	-	-	-	-	-	-	-	-	-	-
Total sources of capital funding (C)	-	-	-	-	-	-	-	-	-	-	-
Applications of capital funding											
Capital expenditure											
to meet additional demand	22	86	8	66	9	9	9	9	10	10	10
to improve the level of service	-	-	-	-	-	-	-	-	-	-	-
to replace existing assets	-	-	-	-	-	-	-	-	-	-	-
Income/decrease in reserves	-10	5	90	11	66	65	62	62	63	61	61
Income/decrease in investments	-	-	-	-	-	-	-	-	-	-	-
Total applications of capital funding (D)	12	91	98	77	75	74	71	71	73	71	71
Surplus (deficit) of capital funding (C - D)	-12	-91	-98	-77	-75	-74	-71	-71	-73	-71	-71
Funding balance ((A - B) + (C - D))	-	-	-	-	-	-	-	-	-	-	-

MACKENZIE DISTRICT COUNCIL

REPORT TO: MACKENZIE DISTRICT COUNCIL

SUBJECT: COMMUNITY AND TOWNSHIP SERVICES ACTIVITY MANAGEMENT PLAN

DATE: March 10, 2015

FROM: Garth Nixon, Community Facilities Manager

REASON FOR REPORT

To provide and adopt the Community and Township Services Activity Management Plan as the framework for the 2015-2025 Long Term Plan and consultation document.

RECOMMENDATIONS:

1. That the report be received.
2. That the Community and Township Services Activity Management Plan be adopted as policy for the future direction of that activity, subject to audit changes.

WAYNE BARNETT
CHIEF EXECUTIVE OFFICER

ATTACHMENTS:

Community and Township Services Activity Management Plan.

BACKGROUND:

As part of its Long Term Plan (LTP) process, the Council puts together activity management plans (AMPs) for each of its groups of activities. AMPs form part of the supporting information during the consultation phase in developing the LTP.

Attached is the Community and Township Services AMP which describes current activities and levels of service, and identifies future proposals with associated performance measures and targets, and financial information.

The Community and Township Services AMP largely provides for a continuation of current activities and levels of service. The AMP includes initial investigations in to future requirements for some of the townships cemeteries, swimming pools, and pensioner housing in response to the potential for upcoming changes in demand, and the finalising of a master plan for the development of the Tekapo foreshore area. Also included is reallocation of the present level of funding of the Alps to Ocean activity over time, to provide for works such as the Hayman Road improvement works.

No significant changes to activities or levels of service are identified in the AMP.

The Council is asked to consider and adopt the Community and Township Services AMP as a basis for activities to be included in the Long Term Plan.

POLICY STATUS:

N.A.

OPTIONS:

1. To adopt the Community and Township Services Activity Management Plan as policy for the future direction of that activity, subject to audit changes.
2. To amend and adopt the Community and Township Services Activity Management Plan as policy for the future direction of that activity, subject to audit changes.

ASSESSMENT OF OPTIONS:

Option 1 is recommended. No significant changes to activities or levels of service are proposed in the Community and Township Services Activity Management Plan. The AMPs form part of the supporting information in developing the LTP, and are therefore publicly available during the consultation phase of the Consultation Document.

CONCLUSION:

The Council is required to adopt the supporting information that the Consultation Document relies on, including the AMPs, which are subject to audit. This paper seeks that the Council adopt the Community and Township Services Activity Management Plan as attached.



MACKENZIE DISTRICT COUNCIL

Activity Management Plan

For Community and Township Services

February 2015

Community and Township Services

Community and Township Services includes the following ten activities:

- Activity 1: Pensioner Housing
- Activity 2: Medical Centres
- Activity 3: Public Toilets
- Activity 4: Cemeteries
- Activity 5: Grants
- Activity 6: Swimming Pools
- Activity 7: Halls and Community Centres
- Activity 8: Parks, Reserves and Amenity Areas
- Activity 9: Libraries
- Activity 10: Solid Waste

Our Aims:

We aim to meet the needs and aspirations of the community by providing a range of recreational facilities and open spaces that are safe, well maintained and offer a range of quality recreational experiences, and that are affordable to the community.

We aim 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.

We aim to minimise residual waste that is disposed of to landfill through the reduction, reuse and recycling of waste.

Why is the Council involved?

Council supports a range of community services in the Mackenzie District that would not otherwise be viable. In order to support the health and welfare of the community it provides or helps finance medical centres, pensioner housing, social and information centres, and makes grants to various community organisations.

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. Council at this point is the only economical provider of these facilities.

Council provides recreational facilities as it believes that they contribute to several positive community outcomes as listed below. This is coupled with the community's expectation that these assets will continue to be provided as they always have been. Some of the facilities were originally built by the community and then gifted to Council in the expectation that they would be maintained.

Effective solid waste management benefits the community through protecting public health and the environment from solid waste. The Council currently provides a

kerbside collection to township and limited rural areas, and operates Resource Recovery Parks and cleanfill sites in Fairlie, Tekapo and Twizel to enable the appropriate disposal of waste.

Background

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

We also provide a range of services which include pensioner housing, cemeteries, doctors rooms, public toilets and grants to the Resource Centres in Fairlie and Twizel. Council also administers and distributes grants from Sport New Zealand and Creative New Zealand.

The council has historically provided solid waste collection services and operated a number landfills. All landfills in the district have now been closed. A new kerbside wheelie bin service was introduced in 2011 to replace the previous bag system. The kerbside collection and operation of the three Resource Recovery Parks are now managed by contractors.

Community Outcomes

These activities contribute to:

- “A thriving economy.”
By providing toilet facilities for visitors and others, in support of a key part of our local economy.
By having a range of facilities at their doorsteps, people are encouraged to live in the district. The facilities also provide space for commercial activities or events that encourage visitors to the district.
By handling, sorting and processing solid waste in an affordable manner and in a way that maximises returns from recovered material.
- “Safe efficient and sustainable infrastructure.”
By providing district cemeteries to meet legal and environmental requirements.
- “A fit and healthy community.”
By providing halls, community centres, swimming pools, parks and reserves as venues for structured and informal exercise. By contributing to district libraries as places for recreational reading and research.
By providing medical centres and targeted grants for art and recreation.
- “A supportive and contributing community.”
By providing halls and community centres as focal points for the community and centres for celebrations and cultural activities. These activities are generally driven by volunteers and are well supported by the community.

By providing subsidised housing for the elderly and supporting the work of the resource centres.

- “An attractive and highly valued natural environment.”
By providing parks, reserves, amenity areas and walkways which maintain, protect and enhance the environment.
By providing waste collection services, Resource Recovery Parks and Cleanfill sites to allow the public to dispose of waste appropriately and by using methods of safe waste handling, transport and final disposal to protect public health and the environment.

Current Situation

Swimming Pools

Two swimming pools operate in the district at Fairlie and Twizel. The pools are primarily solar heated and operated only during the summer months from late October 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 proving to be a popular venue for functions and meetings.

All 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

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.

Parks and Reserves

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

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 and the medical centre and doctor's residences in Twizel. The buildings are maintained in line with the building maintenance programme.

Public Toilets

The public toilets are located throughout the district and are cleaned by locally based contractors in their respective areas. The main public toilets are cleaned daily. The lesser toilets are cleaned at a lesser frequency depending on usage.

Effluent Dump Stations

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

Cemeteries

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

Solid waste

A three bin kerbside waste collection is operated in the township areas and limited rural locations. Three Resource Recovery Parks and Cleanfill sites are located in Fairlie, Tekapo and Twizel for waste disposal. Waste services are currently contracted out.

Plans for the Future

TWIZEL

Market Place

With the new public toilet complete, the original toilet site becomes surplus to requirements. The community board have supported the sale of this site and it is currently on council's list of surplus land. The site is zoned 'Village Centre' so could be redeveloped into additional retail space.

The Market Place entrance between the council building and the Armstrong building are overdue for improvement, being the remaining sections of Market place that were not touched by the Market place upgrade.

Swimming Pool

The pool was opened in 1973 and is now 41 years old.

Investigation over the period of the last plan revealed a substantial leak in the pump chamber which was resolved by relining the chamber. Pool expansion joints will require work along biannual paint of the pool. The pumping and filtration equipment has been upgraded and replaced over time, as has the solar heating system.

Investigation is required into options for the pool to determine future spending and likely costs. We need to look at whether replacement is in order or relining and re plumbing is an option. This work is proposed to take place early in the plan period to determine a future direction for this facility.

Reserves

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

Twizel Cemetery

We are planning further development of off-street parking within the green area next to the current cemetery, to provide safer access to users. There is also the provision of additional lawn beams to maintain the available plots.

LAKE TEKAPO

The Tekapo community has recently reviewed future options for community facilities in Tekapo.

There are a number of projects under way and these include the footbridge, sundial and solar system, play area and an upgrade of the Tekapo Hall site to include car parking and a possible squash court complex. The Tekapo Community Board has pledged on-going support for these projects.

Toilets

In Tekapo the community expressed a desire for new toilets alongside a transport centre. There is a belief that this option could be developed in conjunction with a commercial operator, possibly alongside their facility. Suggestions include lifting the level of service to include pay toilets with a possible inclusion of showers and laundry services as well. This work is programmed for year two of the Long Term Plan so it should coincide with lakefront developments and new infrastructure.

Tekapo Domain and Play Area Reserves

The public play equipment in Tekapo is dated and tired and due for replacement. A community group has been undertaking some work in this area and have raised funds for equipment. The equipment in the vicinity of the camp ground at Lakeside Drive should either be replaced with modern equipment or removed when the new equipment is installed towards the town centre.

Consideration needs to be given to better supporting the existing playground community group to achieve their goals.

Along with this and other developments in the domain – (footbridge town centre expansion and solar system) the town needs to consider how all this hangs together, and 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 master plan could include future development of other reserves in the area e.g. Aorangi Crescent, Hamilton Drive Reserve and the possible sports field area on D'Archiac Drive.

FAIRLIE

Fairlie Village Green

Further work is proposed for the Fairlie Village Green which will include additional play equipment and parking.

Cemetery

Earlier forecasts indicated that council needed to purchase land for expansion of the Fairlie Cemetery by 2013. This prediction did not take into account pre-purchased plots and double depth burials. That aside, before 2022 council will need to purchase additional land for the Fairlie Cemetery. Council needs to be alert to possibilities and opportunities for expansion or a new site for the Fairlie Cemetery.

SH 79 Entrance to Fairlie

Work has commenced this year with the tidying up of this entrance to Fairlie.

The Community Board's proposal will aim to enhance this entrance to Fairlie with a higher level of maintenance, regular grass cutting and new planting extending from the camping ground out to the base of the hill. The work will include enhancement of the old sawmill site and entry to the Fairlie - Kimbell walkway.

Walkways

Over time various volunteer groups have helped establish walkways around the town and of particular note, the Fairlie to Kimbell walkway was recently established by the Fairlie Lions Group. The walkways are a real asset to the town and need an appropriate level of maintenance. Council regularly maintains one of these and plans to progressively raise the standard of the other walkways by increasing the resource in these areas.

DISTRICT WIDE

Housing

Communities in Twizel and Tekapo have suggested a need for additional housing for the elderly, along with worker type accommodation needed in Lake Tekapo.

In order to determine future demand, council plans to commission a small research project to determine the likely future need for additional council type housing across the district.

Alps2Ocean Cycleway

The Alps2Ocean Cycleway has been constructed through the district on existing roads and partly off-road - extending from Mount Cook to Lake Ohau. The long term maintenance of this track will be shared between the Mackenzie and Waitaki District Councils and work will be required on track and signage maintenance, as well as the maintenance and cleaning of facilities along the way.

Initial proposals suggest that this work will be funded by the users of the trails. That said, there will be a continued requirement for on-going improvements. Council is

currently investigating off-roading sections of Hayman Road to address significant safety concerns. The estimated cost of this portion of work is approximately \$1.5 million. It is expected that two thirds of the required funding will come from sources external to council.

Council currently allocates \$50,000 per annum to the upkeep of this project, as well as sharing an additional \$100,000 in marketing and promotional costs. It is anticipated that the cost associated with councils contribution to the Hayman Road improvement works will be funded from the reallocation of the above funding as the Alps2Ocean Cycleway becomes self-sustaining.

Funding

- **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 what tenants receive from national superannuation.
- **Medical Centres** are funded in part by rentals and in part by rates.
- **Public Toilets** are completely funded through general rates.
- **Cemeteries** are 70 % funded by user charges 30% funded by rates.
- **Grant** funding comes partly from outside organisations like Creative New Zealand, and partly from the ratepayers in the township that benefits from the project or organisation receiving the grant.
- **Swimming Pools** are funded by community rates and aim to cover 25% of costs through user charges.
- **Halls and Community Centres** are funded by local community rate which is off set by user charges.
- **Parks, Reserves and Amenity Areas** are funded through a combination of community and general rates. Some reserve costs are offset by income from reserve leases.
- **Libraries** is funded from general rates.
- **Solid Waste** is funded from general and targeted rates.

Maintenance and Operation

Swimming pools are supervised and maintained by council staff. Parks and reserves, cemeteries and township maintenance are predominantly carried out by council's contractors, with specialist contractors engaged from time to time for specific one-off work. Library services in both Fairlie and Twizel are contracted to the local College and Area School. Solid waste services are currently managed by council contractors.

Negative Effects

There are no significant negative effects associated with the Community and Township Services activity.

Assumptions

Depreciation - Depreciation on halls in Fairlie, Tekapo and Twizel and the two public swimming pools is funded at 50 %. The assumption is that if they are ever required to be rebuilt, the community and fund raising will meet 50% of the costs associated with these facilities. Council does not fund depreciation for the Albury and Sherwood Halls on the assumption that they are unlikely to be replaced if they were ever lost.

Ageing Population - Census data indicates an ageing population across the district. However, it does not identify significant growth. Council has identified the need for additional elderly housing in Twizel. All previous pensioner housing has been part funded by central government. The assumption is that any further pensioner housing will be part funded in the same way.

Low Population Growth - Indications are that Mackenzie District will not have significant population growth in its resident population. Over the next 10 years the assumption is that resident population growth will not significantly change enough to warrant the replacement of any community facilities or assets other than what is already planned.

Tourism - Tourism is a driver worth watching to ensure public toilets are up to speed to cope with likely growth in this area.

Demand Forecast

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.

Affordability will always be an issue with a smaller rating base and this needs to be balanced against the needs and wants of the communities.

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

Population growth in the next ten years is projected to be minimal with more movement toward the metropolitan areas . The Mackenzie District needs to cope with a variable population that increases significantly through the holiday periods.

The salmon farming and agriculture industry is continuing to grow, as is tourism. All of these will generate extra solid waste in some form.

Demand Impact on Assets

Facilities provided by the district have varying demand on them and this is determined by usage. For example the halls and community centres have relatively low usage due to a low resident population and the public toilet facilities have very high usage due to the high visitor numbers travelling into and through the district.

The solid waste facilities are currently coping with demand placed on them. There is space at all three Resource Recovery Parks to accommodate increased demand.

Major Projects Valued at More Than \$20,000 Over the 10 Year Period

Project	Amount	Year
Tekapo Public Toilets	400,000	2015/16
Twizel Medical Centre	100,000	2015/16
Fairlie Cemetery Expansion	100,000	2016/17
Twizel Township projects	100,000	2015--- 2025
Tekapo Township Projects	250,000	2015--- 2025

Statement of Service Provision

Levels of Service	Measure of Service	Target
Township services and facilities are provided and maintained to an acceptable level	Maintain or improve average customer satisfaction rating for Township Services and Facilities (currently 84%)	84% or above
		90%
The majority of Mackenzie waste is recycled rather than landfilled.	The percentage of solid waste from the District Resource Recovery Parks diverted from landfills. (2011 64% diversion)	70% diverted with an expectation of 80% by 2019.
Waste is handled hygienically	Compliance with resource consent conditions. (Minor issue with Fairlie and Twizel Landfills in 2011)	100% compliance.

- The bench marking for the first performance measure is the customer satisfaction survey undertaken by Cinta in October 2011. The 84 % represents the total combined average level of satisfaction for township services and facilities areas surveyed.
- The Intention is to re survey on an annual basis

MACKENZIE DISTRICT COUNCIL

REPORT TO: MACKENZIE DISTRICT COUNCIL
SUBJECT: LTP 2015-25 SUPPORTING DOCUMENTS
DATE: March 10, 2015
FROM: Paul Morris, Manager Finance and Administration

REASON FOR REPORT

To adopt supporting material for inclusion in the 2015-25 Long Term Plan and consultation document.

RECOMMENDATIONS:

1. That the report be received.
2. That Council adopt the following supporting information for the Long-Term Plan 2015-25, subject to audit changes:
 - Draft Community Outcomes
 - Draft Statement on Development of Maori Capacity to Contribute to Decision Making Processes
 - Significant Forecasting Assumptions

WAYNE BARNETT
CHIEF EXECUTIVE OFFICER

Suggested Text for Consultation Document –

Our Community Outcomes

Since our last Long Term Plan the legislation related to Community Outcomes has changed. Section 10 of the Local Government Act now says the purpose of Council is to:

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

In 2012 Council endorsed the following six outcomes as representing the aspirations of the community. We would like you to tell us if these outcomes remain the same or have changed.

1. **AN ATTRACTIVE AND HIGHLY VALUED NATURAL ENVIRONMENT** - The outstanding natural features of the district need to be preserved, enhanced, accessible and promoted.

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

2. **A THRIVING ECONOMY** - We need to have a well-balanced economy, providing employment and investment opportunities, and sustaining a full range of support services.

Our prosperity is based on farming, hydro-electric power generation and tourism. Council's role in economic development is to provide a regulatory environment that facilitates growth. Council has also contracted with Aoraki Business and Development Trust to promote and encourage economic growth in the district, and with Christchurch and Canterbury Tourism to market the district's attractions to both overseas visitors and New Zealanders.

3. **A DEMOCRACY THAT UPHOLDS THE RIGHTS OF THE INDIVIDUAL** - The district needs a council which represents its community and champions the rights of the individual.

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

4. **A FIT AND HEALTHY COMMUNITY** - We need a variety of sporting, recreational, cultural, spiritual, health, welfare and education resources available to help sustain and enrich our lives.

Council is one of the major providers of recreational and community facilities such as sports grounds and community halls. It works alongside local clubs and volunteers to help promote a fit and healthy community. It also supports the provision of medical and other social services and will act as an advocate where required on behalf of the community.

5. **SAFE, EFFECTIVE AND SUSTAINABLE INFRASTRUCTURE** – Council will be the prime provider and funder of essential services including roads, drinking water, sewage treatment, storm water disposal, refuse collection and recycling.

This is very much the council's "bread and butter".

6. **A SUPPORTIVE AND CONTRIBUTING COMMUNITY** - Council seeks to foster this and encourage people to continue to use their skills for the benefit of the wider community.

The supportive nature of the Mackenzie community is one of its unique advantages and is recognised and valued by those who live here. Council plays mainly a supportive role in this area, advocating on behalf of community groups when required and facilitating local initiatives.

What do you think?

- **Have we got our Community Outcomes right?**
- **Are we missing something, or focusing on something we shouldn't be?**

Suggested Statement for Long-Term Plan

Development of Maori Capacity to Contribute to Decision Making Processes

Section 81 of the Local Government Act 2002 requires all local authorities to establish and maintain processes to provide opportunities for Maori to contribute to Council's decision-making processes.

It also requires Councils to consider ways to foster the development of Maori capacity to contribute to these processes and to provide Maori with relevant information about the above.

Papatipu Rūnanga

There are three Papatipu Rūnanga that have an interest in the Mackenzie District: Te Rūnanga o Arowhenua based at Arowhenua, Temuka, Te Rūnanga o Waihao based just north of the Waitaki River, South Canterbury, and Te Runanga O Moeraki based at Moeraki. The Council considers it important to better establish relationships with these Rūnanga, as these are seen as key relationships in terms of the contribution of Maori to the decision-making process. The Council will endeavour to extend and promote opportunities for involvement as far as practicable, and as available resources allow.

Council will provide copies of all plans, including the long term plans and annual plans, with opportunities for the Runanga to make submissions on any issues deemed appropriate. Early consultation on resource management plans and policies will also be undertaken, and opportunities considered for appointments on planning and resource consent hearing committees. Council staff will continue to directly consult and liaise with Maori where decisions involve and are relevant to Maori.

The Council will seek to meet with the Runanga at least twice a year to discuss matters of common interest.

Te Runanga O Ngai Tahu

Te Rūnanga o Ngāi Tahu is the governing tribal council of Ngai Tahu and is based in Christchurch. At present the Council engages with Te Runanga O Ngai Tahu on a case by case basis, on individual matters. Closer liaison will be sought as appropriate, to maintain an ongoing and active relationship.

These opportunities will be promoted and others explored to meet the obligations under this section of the Act.

Significant Forecasting Assumptions

ASSESSMENT OF ASSUMPTIONS

The assumptions listed in this section have been prepared based on current information available to Council.

It has been assessed by Council that all of the assumptions have between a low to medium level of uncertainty.

Council has assumed modest growth over the period of the plan. We have assessed various factors such as historical information and projected future subdivision work.

We see the following trend occurring in the 4 years leading up to the commencement of the plan.

Year Prior to	Increase in Rates Assessments	Increase in Capital Value
1 July 2012	43	\$27.1m
2012/13	30	\$24.1m
2013/14	39	\$148.7m
2014/15	31	\$33.9m
	=====	=====
TOTAL	143	\$233.8m

We have assessed the likely future growth in each of our main urban areas covered by this plan based on the number of subdivision consents currently on Council's books.

	Years 1-3	Years 4-6	Years 7-10
Fairlie	13	2	-
Tekapo	12	51	-
Twizel	0	50	-
	=====	=====	=====
	25	103	-

We have used the average of the 4 years leading up to the LTP and will increase the number of rates assessments by 36 from years 4 to 10. We will also increase the capital value by \$58.2m. Both metrics will be apportioned on the basis of actual subdivisions for years 1 to 3.

FINANCIAL CONTRIBUTIONS

These are charged to developers to connect new sections to the infrastructure of the relevant urban area. As at 1 July 2014 these contributions excluding GST were set as follows:

Township	Water Contribution	Sewer Contribution	Stormwater Contribution
Fairlie	\$5,365.00	\$2,654.00	\$1,257.67
Tekapo	\$7,131.00	\$6,690.00	\$1,614.32
Twizel	\$2,861.00	\$5,263.00	\$1,072.52

LAND SUBDIVISION RESERVE CONTRIBUTIONS

Again Council wishes to make a conservative approach in assessing these contributions.

Developers make a contribution towards development and maintenance of reserves of 5% of the value of the land value of the sections created. In rural residential developments the value is based on an area of 1,500m² not the whole block. Payment is made just before the developer decides to seek title for the sections created. The plan allows for the creation of one hundred and twenty eight sections.

The average value of sections created is estimated to be \$66,660. This translates into \$3,333 of reserves contributions per section created.

Risks and Uncertainties:

There is considerable uncertainty in predicting the level of development likely to occur in the District over the period of this plan, particularly after the first three years.

Council has experienced considerable growth in recent times and it is likely this will continue over the first three years of this plan.

Its predictions while conservative incorporate this growth.

The impact upon individual ratepayers is not thought to be significant.

Council's infrastructure and planned capital works will be adequate to cope with this level of subdivision.

INFLATION

In preparing the long-term plan, the Council is required to use *best estimates* in determining the level of costs to be budgeted in the future. As a result, Council is required to account for the effect of price changes or inflation that is expected to occur over the ten year period.

To develop a consistent approach for local government to account for inflation, the Society of Local Government Managers (SOLGM) contracted Business and Economic Research Limited (BERL) to construct forecasts for inflation.

Council has endorsed the rates produced by BERL and has used these rates as the assumption for accounting for inflation for the preparation of the long-term plan.

	Jun 16	Jun 17	Jun 18	Jun 19	Jun 20	Jun 21	Jun 22	Jun 23	Jun 24	Jun 25
Road	1000	1014	1036	1061	1088	1117	1148	1185	1217	1260
Property	1000	1024	1050	1077	1107	1139	1175	1211	1251	1260
Water	1000	1038	1019	1103	1140	1180	1223	1270	1321	1376
Energy	1000	1038	1078	1123	1171	1224	1281	1344	1413	1487
Staff	1000	1019	1039	1061	1085	1109	1136	1165	1195	1227
Other	1000	1025	1052	1080	1111	1145	1180	1219	1261	1306
Earthmoving	1000	1026	1051	1072	1094	1119	1146	1175	1209	1246
Pipelines	1000	1025	1052	1081	1112	1147	1184	1224	1267	1312

The table above represents the inflation rate increase relative to the base year of June 2015.

Risk and Uncertainties:

Inflationary costs in some areas may increase at a rate different to that forecast. Some types of costs (eg roading and transport costs) have been subject to fluctuations in recent years, so it

is inherently difficult to predict trends with accuracy. However, these costs will be mitigated through the annual plan process where the annual adjustment can be made.

NEW ZEALAND TRANSPORT AGENCY SUBSIDIES

To fund roading operational and capital expenditure, the Council receives a percentage of the cost as a subsidy from New Zealand Transport Agency (NZTA). The co-investment rate is based on recent review of the New Zealand Transport Agency Funding Assistance Rates.

The Council has been informed by NZTA that the new Co-investment Rate will be as follows

	Jun 16	Jun 17	Jun 18	Jun 19	Jun 20	Jun 21	Jun 22	Jun 23	Jun 24	Jun 25
Maintenance, Operational and Renewal Expenditure	54%	53%	52%	51%	51%	51%	51%	51%	51%	51%
Minor Improvement	54%	53%	52%	51%	51%	51%	51%	51%	51%	51%

The roading programme could be reduced from what is shown in the draft due to limitations on the amount of work NZTA is prepared to financially support. Confirmation of the full programme for the first three years of this Plan will not be available from NZTA until June 2015. Council may partly compensate for any reduction by increasing the amount of unsubsidised work it undertakes.

Risk and Uncertainties

Council's risk is the roading programme may contract due to two factors, the first being the reduction in subsidy rates and/or size of the programme in years 4-10. This plan assumes Council will maintain or expand its spend through additional unsubsidised work.

The second being that the full NZTA programme is not finalised until August 2015, which means that the level of rates may not be sufficient to meet any short fall in NZTA co-funding.

INTEREST RATES

The movement in interest rates has a wide ranging effect on the Council. The Council's cash investments have derived interest at the market rates and the Council's internal financing policy bases the interest paid to or charged to individual communities on the Official Cash Rate.

The level of works and services rates levied is dependent in part on the interest rate used in Council's internal funding policy.

Council assumptions on interest rates are based on the Official Cash Rate (OCR). That rate will be used for calculating interest rates in the table below and will be adjusted annually.

%	Jun 16	Jun 17	Jun 18	Jun 19	Jun 20	Jun 21	Jun 22	Jun 23	Jun 24	Jun 25
OCR Pre 30 June 2012 internal	4.75	5.0	5.25	5.5	5.75	6.0	6.0	6.0	6.0	6.0
Capital reserves in funds	3.5	3.75	4.0	4.25	4.5	4.75	4.75	4.75	4.75	4.75
Post 30 June 2012 Capital Reserves deficits	5.0	5.0	5.0	5.0	5.0	5.0	5.0	5.0	5.0	5.0

Risks and Uncertainties:

Council is setting its internal funding interest rate six months in advance and holding it stable for the next twelve months. There is a risk its estimates may not correlate with external interest movements which may mean Council is not optimising its returns. However, Council believes that is outweighed by the certainty of internal return it can give to the capital reserves over the financial year.

REVALUATION OF RATING VALUES OF THE MACKENZIE DISTRICT

The Rating Valuations Regulations require the Council to undertake a full revaluation of the rating values of District every three years. Council contracts QV Rating to perform this task for it. The last full valuation was effective from July 2014 and the rates for the 2014/2015 year will be levied on these 2014 values, with the appropriate adjustments for new sections and capital improvement work.

Over the ten year period of the long-term plan, there will be further revaluations in July 2017, July 2020 and July 2023.

The uncertainties in trying to predict such changes are simply too great. In addition, revaluations do not fundamentally impact upon the overall costs incurred by the Council, although they may impact on the relative rating load carried by individuals.

Risks and Uncertainties:

Under the Rating Valuation Regulations, each district requires a full revaluation for rating purposes every three years. The result of the revaluation may increase or decrease the value of the District at a rate different to assumptions. Unanticipated surges in development may increase the rating base to a material extent. This will not impact the total rates required but may impact the levels of rates paid by individual ratepayers.

REVALUATION OF THE COUNCIL'S NON-CURRENT ASSETS

The Council has a policy of revaluing its buildings, land and infrastructural assets on a three yearly basis. The revaluation process is important as it regularly updates the replacement cost of these assets and accordingly, revises the appropriate level of depreciation that should be charged on these assets.

The depreciation charge is generally rated for and funds are deposited into individual capital reserves, which are used to fund any capital expenditure, so the revaluation process ensures that the depreciation charge keeps pace with inflation.

The last revaluation of the Council's buildings and infrastructural assets was effective from 1 July 2013; therefore the next revaluation will take effect from 1 July 2016, with the resulting depreciation charges accounted for in the 2016/2017 expenditure. Further revaluations take effect from 1 July 2019 and 1 July 2022.

The Council has made the assumption that the book values of the relevant assets as at the revaluation dates will be increased by the inflation rates as per the BERL inflation forecasts as described in the assumption for inflation. The revaluation in 2017 will use the inflationary increase from the 2013/14 as the base year and the subsequent revaluations will be increased by the cumulative inflationary factors for the three year period. Due to the difficulty in calculating a meaningful remaining useful life, it is assumed this will remain constant and depreciation calculated will be inflated by the same BERL rates as the fixed assets.

These increases, along with any increases on capital purchases made in the intervening years have been applied to the existing values to arrive at the revalued amount for each asset.

Risks and Uncertainties:

Inflationary costs in some areas may increase at a rate different to that forecast. Some types of costs (e.g. roading and transport costs) have been subject to fluctuations in recent years, so it is inherently difficult to predict trends with accuracy. In addition, the condition of the assets revalued may be different to that assumed and the value of the asset may differ accordingly.

FORESTRY ASSETS

The Council revalues its forestry assets so that the carrying value is maintained at fair value. It is assumed that the value of the investment will be maintained at its current value.

Risks and Uncertainties:

There is a risk that the value of the forestry asset may change. This would change the Council's financial performance in the year it occurs. It will not have a direct impact on the level of rates or expenditure.

EFFECT OF ASSETS VESTED TO COUNCIL

When a developer carries out a subdivision, they are required to vest various assets to Council. These assets include any new roads, water mains, sewer mains, stormwater systems, footpaths, street lighting and landscaped areas. The Council is then responsible for the maintenance and future replacement of those assets.

It is Council policy to accept the vesting of the assets in the year that the Council is able to rate the individual sections created.

To determine the value of the assets to be vested, the Council made assumptions based on an analysis of the costs of recent subdivisions in the District. The average costs were assumed as follows:

Roading (incl Footpaths)	\$5,406 per section
Sewer	\$8,300 per section
Stormwater	\$3,120 per section
Water	\$5,500 per section

These amounts will be applicable to all three townships and the amounts will be multiplied by the numbers of urban sections created in each year to arrive at the total assets to be added to the Council's asset register. This will also be inflation-adjusted each year according to the BERL inflation forecasts as described in the assumption for inflation. Each addition to the asset register will be depreciated by any appropriate depreciation charge. No vested assets will be applied to rural sections.

To balance the books, the introduction of the asset value needs to be reflected in income, therefore, there will be a corresponding income line called "Vested Assets Income". This income will be treated the same as financial contributions as it is deemed to be capital income rather than operational income. The amount of this income plus the amount of the vested asset will be accounted for in the capital reserve of each asset.

Risks and Uncertainties:

The assumption has based the level of assets vested to Council on an analysis of recent major subdivisions carried out in the District. Some subdivisions may not result in any further assets to be vested in the Council as there has already been adequate capacity provided for the new sections and some subdivisions may have a greater amount of assets vested into Council as there may be a greater per property costs associated with the subdivision.

DIVIDENDS RECEIVED

Alpine Energy Limited:

It has been forecast that the dividend flow from Alpine Energy will be set at \$416,000 for the first year of the long-term plan, rising to \$501,000 by year 10 of the plan. This has been based on the historical performance of the company, and indications from the company as to levels of dividends it is likely to pay.

Risks and Uncertainties:

The actual dividend flow from any of the Council's equity investments is subject to a number of external factors, which the Council may or may not have the ability to influence. As a result, the dividends received may be different to those assumed in the forecast financial statements and will impact the level of rates required as dividends from Alpine Energy Ltd are used to offset the General Rate.

INVESTMENTS

Funding Of Asset Replacement

All future capital expenditure is to be funded by way of the Council's internal financing policy or external borrowing. The policy provides for the use of capital reserves as the basis for funding capital expenditure. Income from funded depreciation and financial contributions are deposited into the capital reserves.

The components of interest will either receive or be charged interest based on the assumption in the 'Interest' section.

Risk and Uncertainties:

As the interest component of the policy is based on the Official Cash Rate, and estimates of future bond and term deposit rates, there is inherent uncertainty with regards the movements in the rate and external debt.

Property Sales and Land Development

This plan assumes that land held by Council considered to be surplus to requirement will be disposed of. Council assumes that any costs of development that may arise will be funded from those sales. The sales income where appropriate has been based on independent valuation.

Risk and Uncertainties:

Council may not attract interested parties willing to purchase or lease land it has for sale.

There is also a risk that the value may vary from that assumed for this plan. Since we have relied on external valuations to quantify the values included, we consider this to be low. However, should the land values fall, Council will postpone sales meaning costs of development and sales will be moved into future years.

FUNDING OF CAPITAL PROGRAMME

The capital base over the next ten years is expanding; this is due to assets vested in Council by developers, and capital projects. The capital projects will be funded by existing or future cash reserves, funded depreciation accumulated over a ten year period and external borrowings. Subsidies will be available for most roading projects.

Risks and Uncertainties

Council is required to produce a 30 year infrastructure plan on for its capital expenditure. The first ten years has been incorporated into this plan. Years 1 and 2 of the plan have a reasonable degree of certainty as to the level of expenditure required. Beyond this period since detailed costing or design have not occurred there is potential for these estimates to be inaccurate.

USEFUL LIVES OF ASSETS

The useful lives of assets have been assumed as follows, which matches the depreciation policy under the Statement of Accounting Policies:

Land

Land has an enduring life.

Motor Vehicles

Motor vehicles are deemed to have a five year life.

Infrastructural Assets and Buildings

The estimated useful lives of the assets are as follows:

Roading/Bridge Network

▪ Land under roads	Enduring Life
▪ Formation	Enduring Life
▪ Sub base	Enduring Life
▪ Base Course	75 - 100 years
▪ Surfacing	0 - 18 years
▪ Kerb & Channelling	10 - 100 years
▪ Street Signs	13 years
▪ Street Lighting	20 - 40 years
▪ Bridges	80 years
▪ Box Culverts	100 years

Water Network

▪ Mains	20 - 80 years
▪ Pumps	25 years
▪ Service lines	80 - 100 years
▪ Hydrants	80 years
▪ Valves and Air Valves	80 years
▪ Meters	25 years
▪ Reservoirs	80 years
▪ Electrical Controls	20 years

Sewerage Network

▪ Mains	60 - 80 years
▪ Pumps	15 years
▪ Oxidation Ponds	100 years
▪ Manholes	80 years
▪ Electrical Controls	20 years

Stormwater Network

▪ Lines	150 years
▪ Manholes	150 years
▪ Open Drains	Enduring Life

Buildings

▪ Structure	80 years
▪ Services	45 years
▪ Internal Fitout	25 years

Other Assets

The expected useful lives of major classes of assets are as follows:

▪ Light Plant & Machinery	5-10 years
▪ Office Equipment	2-10 years
▪ Furniture & Fittings	5-10 years
▪ Computer Equipment	3-5 years
▪ Computer Network Cabling	10 years

▪ Heritage Assets	60-150 years
▪ Village Projects	5-80 years
▪ Landfills	33-50 years
▪ Resource Recovery Parks:	
- Formation/Site Development	35 years
- Surfacing/Metalling	15 years
- Signage, Plant & Equipment	5-10 years

Risks and Uncertainties:

The useful lives are based on historical information. Some assets may last longer than the lives stated above because of differing factors and conversely, some assets may deteriorate at a faster rate than the lives stated above.

RESOURCE CONSENTS

It is assumed that the condition of resource consents held by the Council will not be changed significantly and that the Council will be able to renew and obtain the necessary resource consents for planned projects.

Risks and Uncertainties:

There is a risk that the consent conditions will change or that consents will not be obtained for Council projects. If these situations occur, then expenditure may increase to comply with the conditions and this may have an impact on rate levels. If consents cannot be obtained for planned projects, the project may be delayed or may not go ahead.

CLIMATE CHANGE

It is assumed that climate change is happening but that there will be no significant impact on the Council's activities within the period covered by the long term plan. However, the Council will take into account the impacts of climate change as it plans, builds and renews its infrastructure.

As has been seen in the first two years of the previous LTP (2012-22) changing weather patterns are having a negative effect on our Roding network. There has been approximately \$1.8m spent on emergency works recovery on the roading network. The increased rainfall events of a medium to high intensity have caused many wash outs, slips and scouring throughout areas not usually subjected to such issues. Works have been completed in an attempt to ensure network resilience on key access roads, yet on other roads, where there is suitable alternative access, the level of service has dropped to heavy four-wheel drive access only. Future restrictions on available emergency works funding from NZTA will mean larger Roding Reserves will be required to ensure adequate funding is available to reinstate roads following an emergency flooding or snow fall event.

LEGISLATION AND LOCAL GOVERNMENT REFORM

The Mackenzie District long-term plan assumes that existing legislation will remain in place and that the structure and responsibilities of the Council will remain the same over the period covered by the plan. It also assumes it will remain an independent unit of local government during the next 10 years. The Council sees merit in pursuing the sharing of services with its neighbours to allow more efficient use of skills and resources.

Risks and Uncertainties:

There is a likelihood that legislative change may affect responsibilities of Council. This may impact upon the delivery of building control functions, roading and water supply. Until Government policy intentions are clearer, accurate predictions of these changes upon Council during the period of the Plan cannot be made.

COMMITMENTS AND CONTINGENCIES

It has been assumed that the level and nature of commitments and contingencies as stated in the Council annual report for the year ended 30 June 2014 will remain unchanged over the period covered by the long-term plan.

Commitments

The commitments include contracts entered into but obligations or considerations yet to be delivered. The principal contracts in this category are the contributions that the Council makes to the Mackenzie Community Library and the Twizel Community Library.

As at 30 June 2014, there was also a list of non-cancellable contracts that had a number of years to completion. While some of these contracts will be renewed or re-let over the period of the long-term plan, the level and nature of commitments are not expected to significantly change.

Contingencies

It has been assumed that there will be no contingencies to be reported over the period of the long-term plan.

Risks and Uncertainties

It should be noted that circumstances can change throughout the ten year period and that the level and nature of commitments and contingencies is subject to change.

NATURAL DISASTERS

Council has assumed no natural disasters will occur during the period of this plan. Council has, in this plan, accepted that it will keep appropriate levels of cash reserves (\$3.0m) and sufficient head room in its borrowings to enable it to undertake any repairs on its underground asset. In event of a major disaster, Council has assumed additional central government support will be forthcoming plus it will need to borrow additional funds to make repairs and meet the costs of restoration. More work needs to be done in terms of mitigating the risks Council faces from natural disasters.

Risk and Uncertainties

It is difficult to assess the level of impact natural disasters may have on the District. Council will use the strength of its balance sheet to fund its share of repair/reinstatement costs.

PROPERTY SALES

The development at Lake Tekapo has commenced year 2014/15. Council's forecast levels of surpluses are dependent on remaining sales occurring. There is a risk that the sales will not occur in the years portrayed in the plan. Council will not undertake any development without securing sales beforehand. Council may also sell other land as surplus to its requirements. These have been included in future years of the Long Term Plan and again may not occur in the years portrayed in the Plan.