



Mackenzie District Council



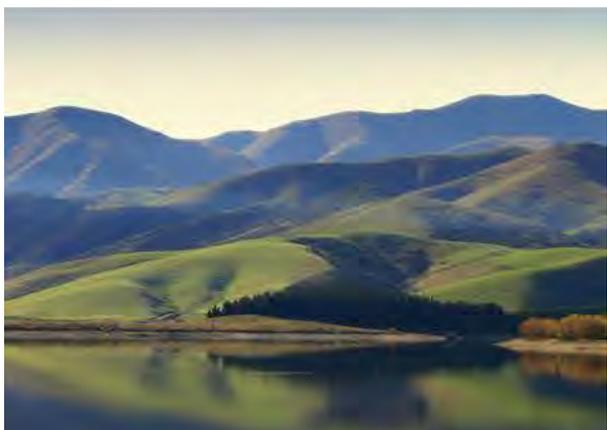
Activity Management Plan



Community and Township Services



2018 – 2028



Contents

1	INTRODUCTION	1
2	ACTIVITY DESCRIPTION	1
2.1	What We Do	1
1.1	Why We Do These Activities	1
3	MAINTENANCE & OPERATION	3
	Pensioner Housing	3
	Medical Centres	3
	Public Toilets	3
	Cemeteries	3
	Grant Funding	4
	Swimming Pools	4
	Halls and Community Centres	4
	Parks, Reserves and Amenity Areas	4
	Libraries.....	4
	Effluent Dump Stations	5
	Solid Waste	5
4	COMMUNITY OUTCOMES, LEVELS OF SERVICE & PERFORMANCE MEASURES	6
5	GROWTH & DEMAND.....	7
5.1	Population Growth.....	7
5.2	Tourism and Visitor Growth	7
5.3	Economic Changes	7
5.4	Household Numbers	8
5.5	Housing and Care for the Elderly	8
5.6	Climate Change	8
6	PLANS FOR THE FUTURE	9
	Twizel	10
	Lake Tekapo	10
	Fairlie.....	11
	District Wide.....	11
7	MANAGEMENT OF THE ACTIVITY.....	12
7.1	Significant Negative Effects.....	12
7.2	Assumptions.....	13
7.3	Risk Management	18
8	SUMMARY OF COST FOR ACTIVITY	19
	Pensioner Housing	19
	Medical Centres	19
	Public Toilets	19
	Cemeteries	19
	Grant Funding	19
	Swimming Pools	19
	Halls and Community Centres.....	19
	Parks, Reserves and Amenity Areas	19
	Libraries.....	20
	Effluent Dump Stations	20
	Solid Waste	20
8.1	Capital Expenditure	20
8.1.1	Proposed Future Capital Works Programme	21
8.2	Annual Net Cost	23
8.2.1	A statement of financial performance	23

1 INTRODUCTION

This Activity Management Plan covers the Community and Township Services activities of Mackenzie District Council. In summary, these activities include:

- Pensioner Housing;
- Medical Centres;
- Public Toilets;
- Cemeteries;
- Grant Funding;
- Swimming Pools;
- Halls and Community Centres;
- Parks, Reserves and Amenity Areas;
- Libraries;
- Effluent Dump Stations;
- Solid Waste.

2 ACTIVITY DESCRIPTION

2.1 What We Do

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

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

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

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

1.1 Why We Do These Activities

Community and Township Services contribute, directly or indirectly, to the following community outcomes:

- An attractive and highly valued natural environment
- A supportive and contributing community
- A fit and healthy community
- Safe, effective and sustainable infrastructure
- A thriving economy

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, offer a range of quality recreational experiences, and that are affordable to the community.

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

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.

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

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

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.

There is a statutory requirement for Councils to provide cemeteries and we have been providing these for over a century. Public toilets are provided because of public expectation or demand, and for public health and safety reasons. We are currently the only economic provider of these facilities.

Table 1: The contribution of Community and Township Services to community outcomes

Outcome	How Community and Township Services contributes
A thriving economy	Providing toilet facilities for visitors and others supports 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, effective and sustainable infrastructure	By providing district cemeteries that meet legal and environmental requirements.
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.

A fit and healthy community	By providing halls, community centres, swimming pools, parks and reserves as venues which can be used for structured and informal exercise. By supporting district libraries which can be used 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.

3 MAINTENANCE & OPERATION

Pensioner Housing

We have ten pensioner units; seven in Fairlie and three in Twizel. The Fairlie units were built in 2007 and the Twizel units in 1995. We maintain the buildings and grounds, select tenants, review tenancy agreements and rentals, and monitor long term demand for housing and maintenance.

Medical Centres

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

The medical centre and doctor's residences in Twizel have been sold. The proceeds of the sale were invested with the High Country Medical Trust who built and operate the new Twizel Medical Centre. We maintain a financial interest in this building but it is maintained by the High Country Medical Trust.

Public Toilets

There are public toilets located throughout the district and these are cleaned by one contractor across the district. The main public toilets are cleaned daily, the lesser toilets are cleaned less frequently depending on usage.

New toilets and upgrades across the district have lifted levels of service. There has been a significant increase in the use of public toilets in the district which is a trend which is expected to continue.

Cemeteries

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

Grant Funding

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

Swimming Pools

Two swimming pools operate in the district at Fairlie and Twizel. The pools are primarily solar heated and operated only during the summer months from November to mid-March. We employ and train 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 of these facilities are available for public hire.

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

Parks, Reserves and Amenity Areas

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

Council maintains five play areas throughout the district.

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

Libraries

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

Effluent Dump Stations

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

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

Solid Waste

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

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

4 COMMUNITY OUTCOMES, LEVELS OF SERVICE & PERFORMANCE MEASURES

The Community and Township Services provided by Council contribute to the following community outcomes:

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

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

5 GROWTH & DEMAND

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

5.1 Population Growth

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

5.2 Tourism and Visitor Growth

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

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

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

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

The District experiences marked population fluctuations, particularly in Twizel, as a result of temporary residents and tourism, most notably during the summer months and public holidays. This fluctuating occupation results in highly variable levels of waste.

5.3 Economic Changes

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

5.4 Household Numbers

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

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

5.5 Housing and Care for the Elderly

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

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

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

5.6 Climate Change

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

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

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

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

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

6 PLANS FOR THE FUTURE

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

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

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

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

Twizel

Market Place

The Market Place entrance between the Council building and the Armstrong building is due for improvement. These are the remaining sections of Market Place that were not touched by the Market Place upgrade. An upgrade for Market Place between Council offices and the Armstrong Building is proposed for year 2 of this LTP.

Swimming Pool

The Twizel swimming pool was opened in 1973 and is now 44 years old.

In 2017 we replaced the pumping and filtration system with new equipment. Proposals being considered for further upgrades include separate filtration for the learner's pool, converting the toddlers' pool to a splash pad, and lining pools with a synthetic liner. Whilst the upgrades will contribute to an increased level of service, the work is being undertaken to future proof the facility. This work is proposed to take place early in the LTP period.

Twizel Cemetery

Council plans to provide additional lawn beams to maintain the available plots.

Twizel Community Centre

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

Lake Tekapo

Lakeside Domain

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

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

This master plan could include future development of other reserves in the area e.g. Aorangi Crescent, Hamilton Drive Reserve and the possible sports field area on D'Archiac Drive and will be completed within the term of the LTP.

Fairlie

The Fairlie Community Board has an improvement programme identified for upgrades to the Mackenzie Community Centre which includes upgrades to the kitchen and toilet facilities, and hall upgrades to make the facility usable for a wider range of events.

District Wide

Pensioner Housing

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

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

Public Toilets

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

Council has been successful in previous years in obtaining co-funding from central government's Tourism Infrastructure Fund for new toilets. Funding of any new projects will have ongoing rates impacts and is a key issue to be consulted on in the Consultation Document.

While as noted above public toilets across the district received upgrades over the last LTP period, one of the issues we expect to face is the need for increased levels of cleaning. This is provided for over peak periods as part of LTP budgets.

Libraries

Over the course of this LTP there are no plans to change the way library services are funded in the district.

Effluent Dump Stations

The increase in tourism within the district has had a significant impact on use of the dump stations. The number of tourists visiting the district is expected to continue increasing and in order to meet this demand we are currently undertaking upgrades with funding assistance from MBIE to increase capacity and reliability of our existing stations. No other upgrades are planned, but this may be reviewed depending upon the results of consultation on the LTP and if we can attract central government funding or subsidy.

Solid Waste

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

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

Depending on future growth in Lake Tekapo, there may be pressure to shift the location of the Tekapo Resource Recovery Park and Clean Fill site. Further investigation of options will be required.

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

7 MANAGEMENT OF THE ACTIVITY

7.1 Significant Negative Effects

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

These facilities are continually being reviewed to ensure efficiency and effectiveness.

7.2 Assumptions

Assumption	Level of uncertainty (High/Medium/Low)			Risk	Impact of variation to assumption	Management of risk
	H	M	L			
<p>Population Growth</p> <p>It is assumed that growth in the district's population will generally be consistent with the medium projections issued by Statistics NZ in December 2016, which are that the district's population will grow by a little over 4 percent from 2018 to 2028 (from 4680 to 4880 people). It is not expected that this level of population growth will have any significant impact on demand for infrastructure or services.</p>		✓		<p>Population change occurs within the district at a higher or lower rate than predicted.</p>	<p>A significant, consistent decline in population may adversely affect Council's ability to set rates at a level affordable to the community.</p> <p>A significant, consistent increase in population could adversely affect Council's ability to deliver some services to existing service levels.</p>	<p>Council will continue to monitor population measures within the district and respond to meet needs where possible.</p>
<p>Household Changes</p> <p>It is anticipated that changes to household numbers and composition will generally reflect population projections and forecast changes to demographics (that is, an ageing population). This is not expected to create any significant impact on demand for infrastructure and services, given the relatively small increase in total population projected to occur.</p>		✓		<p>Household changes across the district occur at a higher or lower rate than expected.</p>	<p>A slower rate of household growth may mean that some service activities have overinvested in infrastructure (too much capacity too soon).</p>	<p>Council will continue to monitor household changes within the district. Where rapid growth occurs, this is likely to be within existing subdivisions where servicing provision has already been made or, where growth requires additional infrastructure, developers can be required to meet this demand through the payment of financial contributions.</p>
<p>Dwelling Numbers</p> <p>It is assumed that growth in dwelling numbers will primarily be driven by demand for short-stay visitor and holiday accommodation due to year-on-year increases in both domestic and international visitor numbers to the district. Growth in demand for private holiday accommodation is predicted to have an impact on the availability of residential housing.</p>		✓		<p>Dwelling changes across the district occur at a higher or lower rate than expected.</p>	<p>A higher or lower rate of dwelling growth may impact on provision of services, such as the issue of resource and building consents.</p>	<p>Council will continue to monitor dwelling growth in the district and adjust provision of supporting services as required.</p>

Assumption	Level of uncertainty (High/Medium/Low)			Risk	Impact of variation to assumption	Management of risk
	H	M	L			
However, the large proportion of unoccupied dwellings in the district, particularly in Tekapo (75%) and Twizel (66%), is not anticipated to change or increase significantly.						
<p>Tourism Growth It is assumed the average growth in international visitors to Mackenzie District will be at least equivalent to, or greater than, the growth in international visitors forecast for New Zealand over the coming ten years (an average increase of 5.4% per annum). This is based on current data which indicates growth in international visitors to Mackenzie District is occurring at a rate higher than the national average and forecast growth.</p> <p>It is also assumed growth in domestic visitors to Mackenzie District will continue to occur at a rate similar to international visitor numbers. However, there is more uncertainty around this assumption based on the lack of current domestic visitor survey data.</p>		✓		Change to tourism occurs at a rate significantly above or below the growth levels assumed.	Increases in projected visitor numbers may place pressure on supporting services and infrastructure. Conversely, a drop in tourism to the district may mean that service activities have overinvested.	Council will continue to monitor tourism numbers to the country and district and respond to meet needs where possible.
<p>Climate Change It is assumed that climate change is happening, and the Council will take into account the predicted impacts of climate change as it plans, builds and renews its infrastructure.</p> <p>The impacts are expected to be relatively minor within the period covered by the Long Term Plan, but increasing in the future.</p>		✓		There is a risk that climate change will happen more quickly than expected and require changes to the Council's activities.	<p>If climate change happens more quickly, the Council may need to carry out work on its infrastructure assets. Additional costs may be incurred to mitigate impacts.</p> <p>Council's business units may not recognise climate change in the delivery of their services. Decisions made now without these considerations may have</p>	<p>Council activities will build appropriate mitigation responses into resilient infrastructure development.</p> <p>The Council will continue to monitor climate change science and the response of central government and adapt its response where required.</p>

Assumption	Level of uncertainty (High/Medium/Low)			Risk	Impact of variation to assumption	Management of risk
	H	M	L			
					intergenerational effects on land use decisions, environmental policy and infrastructure decisions e.g. relying on undersized assets and resources in highly vulnerable parts of the district.	
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.		✓		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.	
Waste Minimisation Levy Over the course of the Long Term Plan we will receive levy contributions from central government under the relevant provisions of the Waste Minimisation Act 2008. We will apply these funds to projects and provision of recycling services that meet the criteria set out in the same Act.			✓	That we do not receive the predicted levels of waste levy income.	We utilise the levy income to fund waste minimisation schemes, educational programmes and other such projects as is the intent of the levy. If we do not receive the amount of income predicted, expenditure in these areas may need to be reduced.	
Inflation 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. It is assumed that long term inflation will be consistent with BERL's Local Government Cost Index (LGCI) forecasts.		✓		Inflationary costs in some areas may increase at a rate different to that forecast.		In preparing the LTP, 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.

Assumption	Level of uncertainty (High/Medium/Low)			Risk	Impact of variation to assumption	Management of risk
	H	M	L			
						<p>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 LTP.</p> <p>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.</p>
<p>Asset Revaluations The Council has a policy of revaluing its buildings, land and infrastructural assets on a three yearly basis. The Long Term Plan assumes that the book values of the relevant assets as at the revaluation dates will be increased by inflation rates as per the BERL inflation forecasts as described in the Inflation assumption above.</p>			<p>✓</p>	<p>Inflationary costs in some areas may be different from that forecast.</p> <p>The condition of the assets may be different to that assumed and the value of the asset may differ accordingly.</p>	<p>There may be a higher or lower asset value and a lower or higher depreciation charge.</p>	
<p>Planning Horizons It is assumed that the planning horizon for growth (30-45 years) and asset lifecycles (30 years plus) are sufficient to inform the ten year forecasts included in the LTP.</p>			<p>✓</p>	<p>The planning horizon for growth and asset life services differ from that assumed.</p>		

Assumption	Level of uncertainty (High/Medium/Low)			Risk	Impact of variation to assumption	Management of risk
	H	M	L			
Useful Lives of Assets The useful lives of assets have been assumed as set out in the following table, which matches the depreciation policy under the Statement of Accounting Policies:			✓	Assets last longer than the lives assumed, or assets deteriorate at a faster rate than the lives assumed.		

Operational assets	Depreciation method	Life (years)	Operational assets	Depreciation method	Life (years)
Buildings	Straight line	25-80	Resource recovery parks	Straight line	2-10
Furniture and fittings	Straight line	5-10	Landfills	Straight line	30-50
Heritage assets	Straight line	60-150	Village projects	Straight line	5-80
Land	Not depreciated	-	Alps 2 Ocean cycle-way	Straight line	50
Light plant and machinery	Straight line	5-10	Formation	Not depreciated	-
Plant and machinery	Straight line	5-10	Surfacing	Straight line	0-17

7.3 Risk Management

The table below describes significant risks and control measures as they may impact, influence, or affect our Community and Township Services. Mitigation measures are also recorded for each identified risk.

Risk	Likelihood / Impact	Potential Impact / Mitigation
Facility upgrades can be costly and beyond the ability of the community to pay	Low / Medium	Disappointment from community. Fundraising may be required as a means of seeking alternative funding sources.
Legislative or regulatory changes impacting on usability of community facilities or management of solid waste.	Low / Low	Possible closure of facilities, additional cost in waste management. Council will monitor potential legislative changes to remain aware of proposed changes.
Catastrophic failure of building or equipment causing injury	Low / High	Serious injury or harm. Mitigated measures include effective monitoring through contracts and auditing of contracted work.
Damage to community facilities due to natural disaster	Low / High	Facilities may become unavailable for use. Response and recovery planning will be undertaken which will include building assessments and recovery options.
Emergency events or natural disasters may require temporary changes to waste management eg. collection of large volumes of waste, disruption to kerbside collections and transport of waste, disruption to Resource Recovery Park and Clean Fill sites	Low / High	A planning document is being developed to provide guidance on managing waste during such events.
Contractor collapse/becomes insolvent	Low / Medium	Maintenance standards may fall away with potential to cause reputation upheaval whilst establishing a new contractor. To minimise risk, Council is maintaining relationships with local contractors who can provide backup support in any such event.
Power failure impacting on function of electronic toilets in the Tekapo township	Low / Medium	A short duration power failure will cause issues with cleanliness (inability for toilets to flush). During a long duration power failure, alternative power sources will need to be secured. Contractors in Tekapo will need to provide additional service in such events.

8 SUMMARY OF COST FOR ACTIVITY

Pensioner Housing

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

Medical Centres

Medical Centres are funded in part by rentals and in part by general rates.

Public Toilets

Public Toilets - operation and maintenance is completely funded through general rates, with some minor income from user pays through the new pay toilets at Tekapo.

Cemeteries

Cemeteries – operation and maintenance are 70% funded by user charges 30% funded by general rates.

Grant Funding

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

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

Halls and Community Centres

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

Parks, Reserves and Amenity Areas

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

Libraries

Libraries are funded from general rates.

Effluent Dump Stations

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

Solid Waste

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

8.1 Capital Expenditure

Over the upcoming period of this LTP, considerable expenditure is required on some of our Community Facilities. This is required to maintain these important community assets and continue to provide quality services and facilities to users. Council is proposing a number of capital works programmes for its community facilities including:

Activity	Cost	Date programmed
Upgrade of the Twizel Swimming Pool	\$ 500,000	2018/19
Market Place Landscaping and Upgrade, Twizel	\$ 513,500	2019/20
Tekapo Domain Landscaping and Upgrade	\$ 916,000	Spread over 4 years, completed in 2022
Upgrade of Mackenzie Community Centre, Fairlie	\$228,000	Spread over 3 years, completed in 2021

Details of these, and other proposed works are detailed in section 6 – Plans for the Future of this Activity Management Plan.

In setting the budget the Council has had to make choices about what it can fund, to ensure that rates rises remain stable and that our communities can afford their key infrastructure, including expenditure on community facilities. This Activity Management Plan does not include provision for new tourism infrastructure that may attract subsidy from central government, such as additional public toilets or dump stations.

To take up this subsidy would require Council to borrow to co-fund our share, with a consequent increase in rates to repay debt. It would also increase operating costs over the life of the asset to provide for depreciation and ongoing maintenance of any new facilities. The Council is keen to take up the opportunity of funding presently available from central government to help provide quality services for our visitors. However due to the impact on rates and for reasons of fiscal responsibility and prudence it is seeking feedback from the community before considering inclusion of any further tourism infrastructure projects.

8.1.1 Proposed Future Capital Works Programme

COMMUNITY AND TOWNSHIP SERVICES	LTP									
	Budget Yr									
	1	2	3	4	5	6	7	8	9	10
	2019	2020	2021	2022	2023	2024	2025	2026	2027	2028
(thousands)										
Waste Management										
0358807 Resource Consent	90	31	0	11	0	0	0	0	0	13
0358925 Plant and Equipment	60	0	0	0	67	0	0	0	0	0
Fairlie Township										
0528965. Community Assets - Public Amenities	50	0	0	0	0	0	0	0	0	0
0528977. Playground Upgrade	50	0	0	0	0	57	0	0	0	0
Tekapo Township										
0548516. Implement of Development Plan	220	226	232	238	0	0	0	0	0	0
Twizel Township										
0558516. Implement of Development Plan	64	66	67	69	71	73	75	77	79	81
0558965. Community Assets - Public Amenities	0	514	0	0	0	0	0	0	0	0
Fairlie Domain	0	31	0	0	0	0	0	0	0	0
0958953. Adventure Playground										
Mackenzie Community Centre	0	92	0	0	0	0	0	0	0	0
1228940. Furniture & Fittings - Other	20	0	32	0	0	0	0	0	0	0
1228950. Community Assets - Buildings										
Tekapo Community Hall	0	0	0	0	0	17	4	0	0	0
1248940. Furniture & Fittings - Other										

COMMUNITY AND TOWNSHIP SERVICES	LTP	LTP	LTP	LTP	LTP	LTP	LTP	LTP	LTP	LTP
	Budget Yr	Budget Yr	Budget Yr	Budget Yr	Budget Yr	Budget Yr	Budget Yr	Budget Yr	Budget Yr	Budget Yr
	1	2	3	4	5	6	7	8	9	10
	2019	2020	2021	2022	2023	2024	2025	2026	2027	2028
	(thousands)									
Twizel Community Hall	0	0	0	0	0	0	0	0	0	15
1268925. Plant and Equipment	0	51	0	0	0	0	0	0	0	0
1268940. Furniture & Fittings - Other	30	41	105	0	0	0	0	0	0	0
1268950. Community Assets - Buildings	0	31	0	0	0	0	0	0	0	0
Fairlie Swimming Pool										
1408925. Plant and Equipment	0	26	0	70	0	0	0	0	0	0
Twizel Swimming Pool										
1428925. Plant and Equipment	0	31	0	0	0	0	0	0	0	0
1428965. Community Assets - Public Amenities	500	0	0	0	0	0	0	0	0	0
Public Toilets										
1518916. Buildings	0	0	0	0	0	34	35	0	0	0
Fairlie Medical Centre										
1608940. Furniture & Fittings - Other	0	0	5	0	11	0	0	0	0	19
Fairlie Pensioner Housing										
1908920. Buildings - Housing	0	7	7	26	16	0	0	0	0	0
Twizel Pensioner Housing										
1918920. Buildings - Housing	0	0	0	8	0	0	0	0	0	0
1918940. Furniture & Fittings - Other	9	9	0	0	0	0	0	0	0	4
Total Community and Township Services Capital Expenditure	1,093	1,125	449	422	164	181	113	77	79	131

8.2 Annual Net Cost

8.2.1 A statement of financial performance

Annual Plan	Long-term Plan	Long-term Plan	Long-term Plan	Long-term Plan	Long-term Plan	Long-term Plan	Long-term Plan	Long-term Plan	Long-term Plan	Long-term Plan	
2017/18	2018/19	2019/20	2020/21	2021/22	2022/23	2023/24	2024/25	2025/26	2026/27	2027/28	
<i>(thousands)</i>											
General Rates, uniform annual general charges, rates penalties	691	699	725	740	723	751	777	808	850	869	899
Targeted rates	2020	1935	2080	2207	2303	2402	2477	2576	2593	2691	2781
Subsidies and grants for operating purposes	19	22	22	23	23	24	25	25	26	26	27
Internal charges and overheads recovered	9	8	8	8	8	10	12	15	18	20	23
Local authorities fuel tax, fines, infringement fees and other receipts	553	581	606	633	694	724	755	786	819	854	890
Total operating funding (A)	3293	3245	3441	3611	3751	3911	4046	4210	4296	4460	4620
Payments to staff and suppliers	2923	2775	2885	3027	3175	3322	3457	3618	3734	3959	4120
Finance costs	0	0	0	0	0	0	0	0	0	0	0
Internal charges and overheads applied	90	145	189	188	169	165	156	150	141	133	124
Total applications of operating funding (B)	3013	2920	3074	3215	3344	3487	3613	3768	3875	4092	4244
Surplus (deficit) of operating funding (A-B)	279	325	367	396	407	424	433	442	421	368	376
Total sources of capital funding (C)	0	0									
Capital expenditure											
To meet additional demand	0	0	0	0	0	0	0	0	0	0	0
To improve the level of service	0	0	0	0	0	0	0	0	0	0	0
To replace existing assets	913	1093	1125	449	422	164	181	113	77	79	131
913	1093	1125	449	422	164	181	113	77	79	131	

Annual Plan	Long-term Plan	Long-term Plan	Long-term Plan	Long-term Plan	Long-term Plan	Long-term Plan	Long-term Plan	Long-term Plan	Long-term Plan	Long-term Plan	
2017/18	2018/19	2019/20	2020/21	2021/22	2022/23	2023/24	2024/25	2025/26	2026/27	2027/28	
<i>(thousands)</i>											
Increase (decrease) in reserves	-634	-768	-758	-53	-15	260	252	329	344	289	245
Total applications of capital funding (D)	279	325	367	396	407	424	433	442	421	368	376
Surplus (deficit) of capital funding (C-D)	-279	-325	-367	-396	-407	-424	-433	-442	-421	-368	-376
Funding Balance ((A-B)+(C-D))	0	0									