



# Mackenzie District Council

## Activity Management Plan

## Regulatory Activities

2018 – 2028

**Contents**

- 1. INTRODUCTION ..... 1
- 2. ACTIVITY DESCRIPTION ..... 1
  - 2.1 What We Do ..... 1
    - Environmental Management ..... 1
    - Building Control ..... 1
    - Other Regulatory Services..... 2
  - 2.2 Why We Do These Activities ..... 2
    - Environmental Management ..... 2
    - Building Control ..... 3
    - Other Regulatory Activities ..... 3
- 3. MAINTENANCE & OPERATION ..... 3
  - Environmental Management ..... 3
  - Building Control ..... 4
  - Other Regulatory Services..... 4
- 4. COMMUNITY OUTCOMES, LEVELS OF SERVICE & PERFORMANCE MEASURES..... 5
- 5. GROWTH & DEMAND..... 7
  - 5.1 Population Growth..... 7
  - 5.2 Tourism Growth ..... 7
  - 5.3 Demand for Commercial Development & Rental, Short-Term & Visitor Accommodation .... 7
  - 5.4 Townships ..... 8
  - 5.5 Rural Development ..... 8
  - 5.6 Climate Change ..... 8
- 6. PLANS FOR THE FUTURE ..... 9
  - Building Control ..... 10
  - Other regulatory services..... 10
- 7. MANAGEMENT OF THE ACTIVITY ..... 11
  - 7.1 Significant Negative Effects..... 11
  - 7.2 Assumptions..... 12
  - 7.3 Risk Management ..... 17
- 8. SUMMARY OF COST FOR ACTIVITY ..... 18
  - 8.1 Capital Expenditure..... 18
    - 8.1.1 Proposed Future Capital Works Programme ..... 18
  - 8.2 Annual Net Cost ..... 19
    - 8.2.1 A statement of financial performance..... 19

# 1. INTRODUCTION

The purpose of this Activity Management Plan is to outline the Council's approach to delivering Regulatory Services over the period 2018-2028.

The Council's Regulatory Services include:

- Environmental Management (the Planning Department);
- Building Control;
- Animal Control;
- Civil Defence and Emergency Management;
- Public Health; and
- Liquor Licensing

## 2. ACTIVITY DESCRIPTION

### 2.1 What We Do

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

Other resource management functions of the planning department include:

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

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

#### Building Control

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

## Other Regulatory Services

### Animal control

Council administers the Dog Control Act 1996 and relevant bylaws and policies which require that dogs are registered, cared for, and kept under proper control. Dog control activities entail the investigation of complaints about unregistered dogs, nuisances caused by dogs (e.g. barking and aggressive behaviours), and resolving those complaints through education and enforcement where necessary.

Council is also responsible for the administration of the Impounding Act laws to ensure that wandering stock is controlled.

### Civil Defence and Emergency Management

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

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

### Public Health and Liquor Licensing

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

These responsibilities are managed through a long-standing contract with Timaru District Council.

## 2.2 Why We Do These Activities

Overall, our regulatory activities contribute to the following community outcomes:

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

## Environmental Management

**Table 4: The contribution of environmental management activity to community outcomes**

Outcome	How environmental management contributes
An attractive and highly valued natural environment	Keeping the District Plan up to date with the changing pressures that are facing the district will ensure that development which occurs within the district does not pose a detrimental effect 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.

A thriving economy	Enabling appropriately zoned and sustainable development in the district helps to support a thriving economy.
A fit and healthy community	Support for recreational activities through appropriate recreational and special purpose zoning in the District Plan provides opportunities for people to be fit and healthy.

## Building Control

**Table 5: The contribution of building control activity to community outcomes**

This activity contributes to the following components of Council’s vision for the Mackenzie District:

Outcome	How building control contributes
A thriving economy	New buildings and alterations provide economic prosperity for local architects and builders involved in these projects within the district. New buildings also add capital value to the district which is important for growth and helps to encourage other commercial investment opportunities.
Safe, effective and sustainable infrastructure	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.

## Other Regulatory Activities

**Table 6: The contribution of other regulatory activities to community outcomes**

Outcome	How other regulatory activities contribute
A fit and healthy community	Our animal control, civil defence, public health and liquor licensing services help protect the health, safety and general wellbeing of our community

## 3. MAINTENANCE & OPERATION

### Environmental Management

Our planning and policy functions are generally resourced internally with the processing cost recovered from applicants.

The timeframes for processing of resource consents are governed by legislation, and where those timeframes are not met, we are required to apply a discounting policy.

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

## **Building Control**

Our Building Control function is resourced internally.

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

## **Other Regulatory Services**

### **Animal control**

Council has in place a Dog Control Bylaw and Policy which is enforced by contractors. 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.

### **Civil Defence**

We have internal resource available to assist in meeting our Civil Defence responsibilities. Council staff and volunteers are trained to support Council during civil defence events. Council is currently in a process of review of our CDEM functionality, and for this purpose has employed a full time officer on a two year contract to undertake a review of our systems and processes, and to implement any improvements needed to ensure we are able to respond in the event of an emergency. This includes working with staff and volunteers as well as partnering with external agencies.

### **Public Health and Liquor Licensing**

The Council has entered into a joint local alcohol policy (LAP) with Timaru and Waimate District Councils. The purpose of this joint policy is to provide a consistent approach to how the sale of alcohol is managed in these parts of South Canterbury. All Public Health and Liquor Licensing activities are managed Timaru District Council on behalf of the Mackenzie District Council.

## 4. COMMUNITY OUTCOMES, LEVELS OF SERVICE & PERFORMANCE MEASURES

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

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

Levels of service	Performance Measure	Actual 2016/17	Target 2018/19	Target 2019/20	Target 2020/21	Target 2021-2028
To efficiently manage environmental issues within the District.	The percentage of those surveyed satisfied that the Council are adequately managing resource management issues in the District.	<b>Not Achieved</b> CINTA Survey 2017 showed 63% satisfaction.	≥80% positive feedback to a customer survey.	≥80% positive feedback to a customer survey.	≥80% positive feedback to a customer survey.	≥80% positive feedback to a customer survey.
To provide a customer focused service for processing resource consents while achieving our obligations under the Resource Management Act 1991.	The percentage of non-notified consents which are processed within the 20 working day statutory timeframe.	<b>Not Achieved<sup>1</sup></b> 85% of consents were processed within the timeframe.	≥85% compliance.	≥85% compliance.	≥85% compliance.	≥85% compliance.
	The percentage of resource consent applicants who are satisfied with the quality of the service they receive.	<b>Not Achieved</b> 61% satisfaction	≥80% positive feedback to a customer survey.	≥80% positive feedback to a customer survey.	≥80% positive feedback to a customer survey.	≥80% positive feedback to a customer survey.
To provide a customer focussed building control service that achieves our obligations under the Building Act 2004.	The percentage of building consents which are processed within the 20 working day statutory timeframe.	<b>Not Achieved<sup>2</sup></b> 91% of consents were processed within the timeframe.	100% compliance.	100% compliance.	100% compliance.	100% compliance.

<sup>1</sup> Target for 2016/2017 was ≥95% Compliance

<sup>2</sup> Target for 2016/2017 was 95% Compliance



Levels of service	Performance Measure	Actual 2016/17	Target 2018/19	Target 2019/20	Target 2020/21	Target 2021-2028
	The percentage of applicants for building consents who are satisfied with the quality of the service they receive.	<b>Not Achieved</b> 61% satisfaction.	≥80% positive feedback to a customer survey.	≥80% positive feedback to a customer survey.	≥80% positive feedback to a customer survey.	≥80% positive feedback to a customer survey.
	Retain IANZ accreditation.	New measure	IANZ accreditation is retained	IANZ accreditation is retained	IANZ accreditation is retained	IANZ accreditation is retained
LIMS	The percentage of LIMS which are processed within the 10 working day statutory timeframe.	New measure	≥85% compliance.	≥85% compliance.	≥85% compliance.	≥85% compliance.
To provide a safe environment for dogs and the public to co-exist.	The percentage of those surveyed who believe the Council is adequately managing dog control issues in the District.	<b>Achieved</b> 93% satisfaction.	≥80% positive feedback to a customer survey.	≥80% positive feedback to a customer survey.	≥80% positive feedback to a customer survey.	≥80% positive feedback to a customer survey.
We are prepared to respond to a civil defence emergency.	Council staff and volunteers are familiar with their roles and are adequately trained.	<b>Achieved</b> Council staff participated in Emergency Operations Centre training in November 2016.	Training is attended as required and the Council will participate in one training exercise per year.	Training is attended as required, and the Council will participate in one training exercise per year.	Training is attended as required, and the Council will participate in one training exercise per year.	Training is attended as required, and the Council will participate in one training exercise per year.
The public is adequately prepared for a civil defence emergency.	The percentage of those surveyed who believe the Council is adequately prepared for a civil defence emergency.	<b>Achieved</b> 82% satisfaction.	≥80% positive feedback to a customer survey.	≥80% positive feedback to a customer survey.	≥80% positive feedback to a customer survey.	≥80% positive feedback to a customer survey.



## **5. GROWTH & DEMAND**

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

### **5.1 Population Growth**

Mackenzie's population is projected to grow from around 4300 to around 4880 over the next ten years, based on medium projections. Like much of New Zealand, the proportion of people aged 65 years and older will grow within the district. It is anticipated that projected population growth will not impact significantly on the operation and maintenance of our regulatory activity.

### **5.2 Tourism Growth**

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

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

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

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

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

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

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

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

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

## 5.4 Townships

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

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

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

## 5.5 Rural Development

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

## 5.6 Climate Change

The Mackenzie District is likely be affected by climate change. In preparing the LTP, the Council has reviewed Ministry for the Environment climate reporting<sup>3</sup> and regional projections calculated for the period from now to 2100<sup>4</sup>. The LTP assumes that climate change is happening, and while the impacts are expected to be relatively minor within the period covered by the Plan, they will increase in future.

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

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<sup>3</sup> Ministry for the Environment & Stats NZ (2017). New Zealand's Environmental reporting Series: Our atmosphere and *climate 2017*. Retrieved from [www.mfe.govt.nz](http://www.mfe.govt.nz) and [www.stats.govt.nz](http://www.stats.govt.nz).

<sup>4</sup> Ministry for the Environment (2016). *Climate change projections for New Zealand: Atmosphere projections based on simulations undertaken for the IPCC 5<sup>th</sup> assessment*. Retrieved from [www.mfe.govt.nz](http://www.mfe.govt.nz).

Function	Affected Assets or Activities	Key Climate Influences	Possible Effects
Land Use Planning and Policy	Management of development; Expansion of residential activity; Infrastructure planning, planning for land use and natural hazards	<ul style="list-style-type: none"> <li>– Reduced mean annual rainfall</li> <li>– Increased mean annual temperature</li> <li>– Increased frequency and severity of drought events</li> <li>– Increased frequency of extreme wind</li> <li>– Increased frequency &amp; severity of extreme weather events (rainfall)</li> <li>– Reduced number of frost nights</li> <li>– Reduced snowfall / retreating snowline</li> </ul>	<ul style="list-style-type: none"> <li>– Potential for inappropriate location of development and exposure to hazards</li> <li>– Potential for inappropriate or inadequate infrastructure, costly retrofitting of systems</li> </ul>
Building Control	Management of built development	<ul style="list-style-type: none"> <li>– Increased frequency &amp; severity of extreme weather events</li> <li>– Increased frequency of extreme wind</li> </ul>	<p>Building control practices and requirements are likely to be reactive to effects of climate change:</p> <ul style="list-style-type: none"> <li>– Increased extreme rain events (frequency and intensity) will have an impact on flood hazard requirements for building within flood prone areas.</li> <li>– Review/increase in building requirements for wind hazard.</li> </ul>
Civil Defence & Emergency Management	Emergency planning and response, and recovery operations	<ul style="list-style-type: none"> <li>– Increased frequency &amp; severity of extreme weather events (with the exception of the retreating snowline, and decreased likelihood of snowfall events)</li> </ul>	<ul style="list-style-type: none"> <li>– Greater likelihood of damage to properties and infrastructure, and greater risks to public safety</li> <li>– An increased need for resources to manage and respond to emergency events.</li> </ul>

## 6. PLANS FOR THE FUTURE

### Environmental Management

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

The review of the Council's District Plan is a continuing project over the term of this LTP. The District Plan became operative in May 2004 and the Resource Management Act specifies that no parts of a

district plan can be more than 10 years old. Reviewing the District Plan is a significant undertaking. The project work is being undertaken by both staff and consultants, but is being managed internally to achieve our goal of providing a customer-focused outcome.

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

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

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

## **Building Control**

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

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

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

## **Other regulatory services**

### **Animal Control**

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

### **Civil Defence**

Civil defence relies heavily on volunteers to assist the Council in responding to any emergency situation. We intend to continue working with the community to encourage volunteers and to ensure that all volunteers, as well as Council staff, are adequately trained for their roles. There will also be a

focus on community preparedness and resilience, to ensure our communities are prepared for emergency situations and know how to respond and care for themselves in an event.

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

As outlined above, the Council will have in place a full time officer for year 1 of the LTP as part of increased resource in this area, to complete the review and put in place processes and systems to ensure we can fulfil our CDEM responsibilities. Once these systems are in place this is expected to reduce to a part time role, but will still be an increase in staffing from that previously provided in this area. At present there is a central government review of CDEM taking place, and the outcome of this is expected to be known during Year 1 of the LTP.

#### **Public Health & Liquor Licensing**

We intend to continue with our contract with Timaru District Council to provide health and liquor services as this has been successful.

## **7. MANAGEMENT OF THE ACTIVITY**

### **7.1 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. Regulatory activities can impose compliance costs and restrict individual freedoms to promote a greater public good. However, we do not believe that these effects are significant or outweigh the benefits provided for the public good.

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

## 7.2 Assumptions

Assumption	Level of uncertainty (High/Medium/Low)			Risk	Impact of variation to assumption	Management of risk
	H	M	L			
<p><b>Population Growth</b></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><b>Demographic Changes</b></p> <p>Most population growth within the Mackenzie District is expected to be at older ages (55+ years), with the proportion of over 65s living in the district projected to be slightly higher than the NZ average.</p> <p>Twizel and Fairlie have a higher proportion of older people (65+) than other areas in the district and this is not expected to change over the life of the plan.</p>		✓		<p>Demographic changes occur at a higher or lower rate than expected.</p>	<p>Changes to the projected demographics may place pressure on some Council services due to increasing demand, which may lead to a lower level of service in these areas or a requirement for additional investment.</p>	<p>Council will continue to monitor demographic changes within the district and respond to meet needs where possible.</p>
<p><b>Household Changes</b></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>

Assumption	Level of uncertainty (High/Medium/Low)			Risk	Impact of variation to assumption	Management of risk
	H	M	L			
<p><b>Dwelling Numbers</b></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. 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>		✓		Dwelling changes across the district occur at a higher or lower rate than expected.	A higher or lower rate of dwelling growth may impact on provision of services, such as the issue of resource and building consents.	Council will continue to monitor dwelling growth in the district and adjust provision of supporting services as required.
<p><b>Tourism Growth</b></p> <p>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><b>Climate Change</b></p> <p>It is assumed that climate change is happening, and the Council will take into account the predicted</p>		✓		There is a risk that climate change will happen more quickly	If climate change happens more quickly, the Council may need to carry out work on its infrastructure	Council activities will build appropriate mitigation



Assumption	Level of uncertainty (High/Medium/Low)			Risk	Impact of variation to assumption	Management of risk
	H	M	L			
<p>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>				<p>than expected and require changes to the Council's activities.</p>	<p>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 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.</p>	<p>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>
<p><b>Natural Hazards / Local Natural Disasters</b></p> <p>It assumed that there will be no major adverse events during the period covered by this Long Term Plan.</p> <p><i>Note: the district is at risk from natural hazards such as flooding, earthquake, and storms. These events can occur at any time, without warning.</i></p> <p>While events may occur at any time, Council's planning will focus on operational resilience and Emergency Management.</p>	✓			<p>A major adverse event occurs resulting in a significant impact on the district and Council's services.</p>	<p>A disaster has the potential to cause significant, unbudgeted impact on the Council and the community.</p> <p>In the event of a major disaster, Council has assumed additional central government support will be forthcoming. Council would need to borrow additional funds to make repairs and meet the costs of restoration.</p>	<p>The Council seeks to mitigate this risk through its Civil Defence, Risk Management and Insurance Policies.</p> <p>Council keeps appropriate levels of cash reserves (\$3.0m) and sufficient head room in its borrowings to enable it to undertake any repairs on its underground assets.</p> <p>Central government has a role in disaster recovery after a natural disaster.</p>
<p><b>New Technologies</b></p> <p>There will be no new technologies deployed within the period covered by the Long Term Plan that will</p>			✓	<p>Technologies may become available which significantly</p>	<p>Inefficient of ineffective provision of services in the traditional manner</p>	<p>Council will regularly monitor existing and proposed</p>

Assumption	Level of uncertainty (High/Medium/Low)			Risk	Impact of variation to assumption	Management of risk
	H	M	L			
significantly change the demand for or provision of services.				change the demand for or provision of services.	when other alternatives maybe available.	technologies as they relate to service provision.
<p><b>Service Delivery Modes &amp; Contracts</b></p> <p>It is assumed that there will be no significant changes to current modes of service delivery for each service area or variations in terms of contract prices (above inflation and inventory adjustments) for current operations and maintenance contracts.</p> <p>Council will continue to consider collaboration opportunities and assess changes to service delivery on a case by case basis.</p>		✓		Maintenance contracts may be re-tendered during the plan period. If maintenance and service contracts are consolidated and/or re-tendered there is a possibility contract prices will be higher than anticipated.	This would require Council to either increase rates and/or operating revenue if efficiencies cannot be found or it may consider reducing levels of service.	
<p><b>Planning Horizons</b></p> <p>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>			✓	The planning horizon for growth and asset life services differ from that assumed.		
<p><b>Legislative Demands</b></p> <p>As an organisation that is created and derives its powers from statute, changes to legislation have a direct impact on the way we conduct our business. The speed and scale of review of legislation depends largely on the policy direction and priorities of the government of the day.</p> <p>While we anticipate changes to the Resource Management Act 1991 and Local Government Act 2002 during the life of this Long Term Plan, we have assumed that these and any other changes to</p>			✓	<p>The impact of government legislation is more or less than expected.</p> <p>New legislation is enacted that alters the activities Council undertakes or provides.</p>	<p>Unrealised impacts of legislative changes may create greater impacts on Council operations, including operating budgets, workloads, time and resource availability. These pressures may lead to additional costs for ratepayers.</p> <p>Where legislative changes require Council to provide additional services or increased levels of services, this may impact fees and charges for cost-recovery activities.</p>	<p>Most changes to legislation are known in advance, giving councils the ability to prepare for implementation. Council will monitor existing and potential legislative changes as they move through parliamentary process. Where appropriate, Council will submit on legislation to encourage reduced or improved impacts on Council operations and limit costs to ratepayers.</p>

Assumption	Level of uncertainty (High/Medium/Low)			Risk	Impact of variation to assumption	Management of risk
	H	M	L			
<p>legislation will not have a significant effect on our business.</p> <p>The LTP 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.</p> <p>It also assumes the Council will remain an independent unit of local government during the next 10 years.</p> <p>The Council sees merit in continuing with shared services where this allows more efficient use of skills and resources.</p>						Historical trends have been for services transferred from central government to local government. The cost and impact on our activities as a result of future legislative changes cannot be quantified at this stage as it would be dependent on the specific services affected by the legislative change. Financial uncertainty in this area would generally impact the cost of introducing changes, and the mechanisms required to fund any new services.
<p><b>Legislation Change – Development Contributions</b> It is recognised that the ability to levy financial contributions under the Resource Management Act 1991 will be revoked, effective from 18 April 2022. Council will then recover development contributions. For financial forecasting purposes the Council has assumed that development contributions will provide a similar level of funding and outcomes to financial contributions when this change occurs.</p>			✓	The ability to levy development contributions is not comparable to existing financial contribution provisions.	Council does not recoup costs associated with meeting infrastructure demands of development.	Council will review its Development Contributions and Financial Contributions policy prior 18 April 2022. This work will involve clearly determining the demand for services and the costs of meeting that demand.
<p><b>Earthquake Prone Building Legislation</b> That any changes to the Building Act regarding earthquake prone buildings will be able to be addressed within normal resources.</p>		✓		There is a risk that the legislative requirements will be more onerous than expected.	Council will require additional resources to undertake inspections; or will be required to upgrade buildings where upgrades were not forecast.	. Council will monitor existing and potential legislative changes as they move through parliamentary process.

## 7.3 Risk Management

The table below describes significant risks and control measures as they may impact, influence, or affect the regulatory activities of Council. Mitigation measures are also recorded for each identified risk.

Risk	Likelihood/Impact	Potential Impact/Mitigation
Attracting and retaining volunteers for CDEM. Volunteers are an important resource for Welfare Centres. There are competing demands on volunteers' time.	Medium/High	Recruitment drives will be undertaken as necessary. Current volunteer teams will be supported, including providing ongoing training.
Lack of community facilities suitable for CDEM purposes.	Low/High	Council owns or has access to a network of buildings and halls, with the main EOC building being the Council chambers in Fairlie. The suitability of various buildings for CDEM is undergoing review at present and Council will continue this work.
Attracting and retaining skilled and experienced Regulatory Services staff	Medium/High	It is extremely difficult to attract senior staff in the planning and building control areas. With a heavy work load and performing within restrictive timeframes, this is a risk to Council. Outsourcing to external consultants will be undertaken as and when required.
IANZ accreditation	Medium/High	Council is an IANZ accredited building control authority with the responsibility of providing a high standard of building control and staying abreast of changes in this industry. Council's ability to perform this function is independently assessed from time to time and non-compliance could lead to Council losing its accreditation. Ongoing training and self-auditing is in place as a mitigation measure.

## 8. SUMMARY OF COST FOR ACTIVITY

### 8.1 Capital Expenditure

#### 8.1.1 Proposed Future Capital Works Programme

Apart from the necessary fleet vehicles required to perform this service, any other proposed future capital works for the Regulatory Services area is not expected.

In the CDEM sub-activity area, capital expenditure is proposed in Year 1 of the LTP for additional communications equipment and works to improve resilience for the welfare centres in Tekapo and Twizel. There is also funding in following years for upgrades to equipment.

REGULATORY 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)										
<b>Civil Defence</b>										
0108925 Plant and Equipment	39	36	0	5	6	0	0	24	0	0
<b>Total Regulatory Services Capital Expenditure</b>	<b>39</b>	<b>36</b>	<b>0</b>	<b>5</b>	<b>6</b>	<b>0</b>	<b>0</b>	<b>24</b>	<b>0</b>	<b>0</b>

## 8.2 Annual Net Cost

### 8.2.1 A statement of financial performance

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.

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	597	830	799	969	1018	872	934	930	961	997	1033
Targeted rates	0	0	0	0	0	0	0	0	0	0	0
Subsidies and grants for operating purposes	0	0	0	0	0	0	0	0	0	0	0
Internal charges and overheads recovered	0	0	0	0	0	0	0	0	0	0	0
Local authorities fuel tax, fines, infringement fees and other receipts	1010	1276	1309	1350	1387	1438	1476	1515	1556	1599	1643
<b>Total operating funding (A)</b>	<b>1607</b>	<b>2106</b>	<b>2108</b>	<b>2319</b>	<b>2405</b>	<b>2310</b>	<b>2410</b>	<b>2445</b>	<b>2517</b>	<b>2596</b>	<b>2676</b>
Payments to staff and suppliers	1731	1980	1917	1997	2015	1900	1982	1996	2046	2099	2155
Internal charges and overheads applied	93	208	199	198	190	203	201	200	198	197	196
<b>Total applications of operating funding (B)</b>	<b>1824</b>	<b>2188</b>	<b>2116</b>	<b>2195</b>	<b>2205</b>	<b>2103</b>	<b>2183</b>	<b>2196</b>	<b>2244</b>	<b>2296</b>	<b>2351</b>
<b>Surplus (deficit) of operating funding (A-B)</b>	<b>-217</b>	<b>-82</b>	<b>-8</b>	<b>124</b>	<b>200</b>	<b>207</b>	<b>227</b>	<b>249</b>	<b>273</b>	<b>300</b>	<b>325</b>

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>										
Development and financial contributions	250	150	154	158	162	167	171	175	180	185	189
<b>Total sources of capital funding (C)</b>	<b>250</b>	<b>150</b>	<b>154</b>	<b>158</b>	<b>162</b>	<b>167</b>	<b>171</b>	<b>175</b>	<b>180</b>	<b>185</b>	<b>189</b>
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	46	39	36	0	5	6	0	0	24	0	0
	<b>46</b>	<b>39</b>	<b>36</b>	<b>0</b>	<b>5</b>	<b>6</b>	<b>0</b>	<b>0</b>	<b>24</b>	<b>0</b>	<b>0</b>
Increase (decrease) in reserves	-13	29	110	282	357	368	398	424	429	485	514
<b>Total applications of capital funding (D)</b>	<b>33</b>	<b>68</b>	<b>146</b>	<b>282</b>	<b>362</b>	<b>374</b>	<b>398</b>	<b>424</b>	<b>453</b>	<b>485</b>	<b>514</b>
<b>Surplus (deficit) of capital funding (C-D)</b>	<b>217</b>	<b>82</b>	<b>8</b>	<b>-124</b>	<b>-200</b>	<b>-207</b>	<b>-227</b>	<b>-249</b>	<b>-273</b>	<b>-300</b>	<b>-325</b>
<b>Funding Balance ((A-B)+(C-D))</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>