



Mackenzie
DISTRICT COUNCIL

Pre-election Report

Mackenzie Local Elections 2022

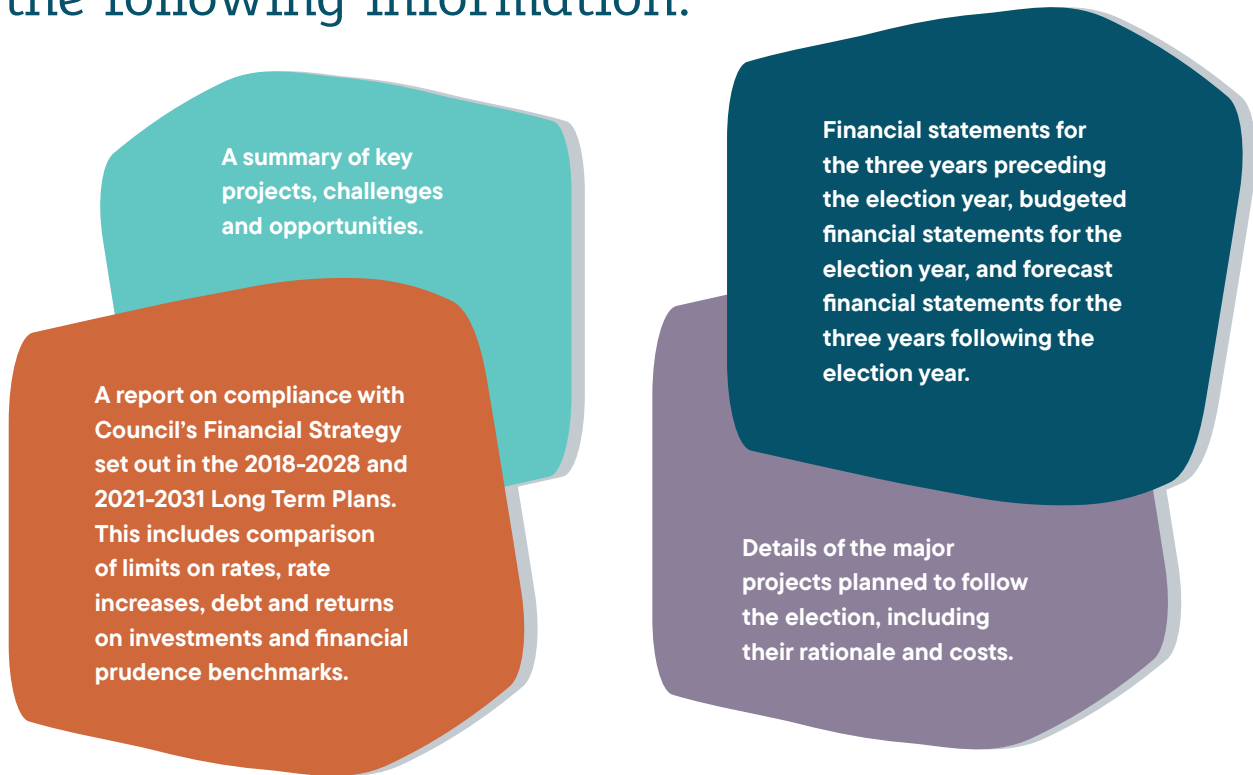
**Information for voters
and potential candidates**

mackenzie.govt.nz



**This 2022
Pre-election Report
provides residents
and ratepayers with
information on the
key challenges and
opportunities facing
our District as we
head toward the
Council tri-annual
elections this October.**

The Pre-election Report contains the following information:



The report is intended to help provide voters with the information they need to make informed decisions at election time. It is also offered as an overview to election candidates, setting out the Council's existing and future challenges and opportunities in a politically neutral context.

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Message from our Chief Executive

Whether you are standing for Council or one of our Community Boards, or preparing to vote, there are some important things to consider ahead of this year's local government elections.

Our district is the envy of many. We have amazing natural landscapes, strong and independent communities, and a rich history. However, the very reasons we cherish the district and choose to call it home, are why we are experiencing challenges.

This document gives you an overview of those challenges and some of our responses, as well as our major projects and our finances. At the end you'll find some links to sources for information for further reading if you wish.

The big challenge facing Mackenzie District Council (MDC) is balancing our small ratepayer base against the pressures of high visitor numbers, increasing government regulation and compliance, and an ongoing push to improve our natural environment for our locals, our visitors and our treaty partners.

Our Council has worked hard in the past to keep rates low, while still providing the services our community requires. Times have changed however, and since 2021 we needed to rethink how we funded what needed to be done. To meet the demands, and to continue to operate in a financially responsible manner, rates had to be increased and from 2021/2022 Council has started to take on external debt.

To compound matters, Central government is continuing to drive a wide reform agenda of water infrastructure, the Resource Management Act (RMA) and a review of Local Government. You can find details of these and our responses on page 8 of this report.

COVID-19 has had a significant impact on tourism in the district, and Council, residents and businesses alike are starting to feel the impact. Our costs to deliver business-as-usual services and capital projects are increasing, and ultimately so are rates.

On page 9 of this document you'll see a summary these and the other major issues facing Council, including Climate Change.

Council is leading our district forwards while facing a great deal of uncertainty and ambiguity which is challenging.

During the past triennium our Council has built a strong, solid relationship with our three local Runaka - Arowhenua, Moeraki and Waihao and we will continue to build on the trust and partnerships developed. We have also made

solid progress on key strategic projects such as three water capital upgrades, Spatial Plans and Te Manahuna Ki Uta Destination Management plan.

We enter the new triennium in a strong financial position to face the future with our forecast performance measuring up well against key benchmarks including debt limits.

Key focus areas for our Council going forwards will be:

- Understanding the risks of climate change and agreeing an adaptation plan.
- Facilitating and supporting community led development, meeting our community needs and improving their social wellbeing, and local placemaking.
- Reviewing our District Plan.
- Developing alternate revenue streams and commercialising our property portfolio.
- Leading emergency management so as a district we can be agile in responding to and recovering from more severe weather events and a potential Alpine Fault 8 event. This includes preparing our communities to be resilient and ensuring our civic buildings, welfare centres and infrastructure are fit for purpose.

This report sets out a strategic context for decision-making in the Mackenzie. It reflects on what has been achieved to date and shares some thoughts on what more could be done.

I encourage potential candidates and eligible voters to make use of this report to fully participate in this year's local government election. It is a rapidly evolving environment but together we can anticipate change and make good decisions to deliver what the Mackenzie District needs.

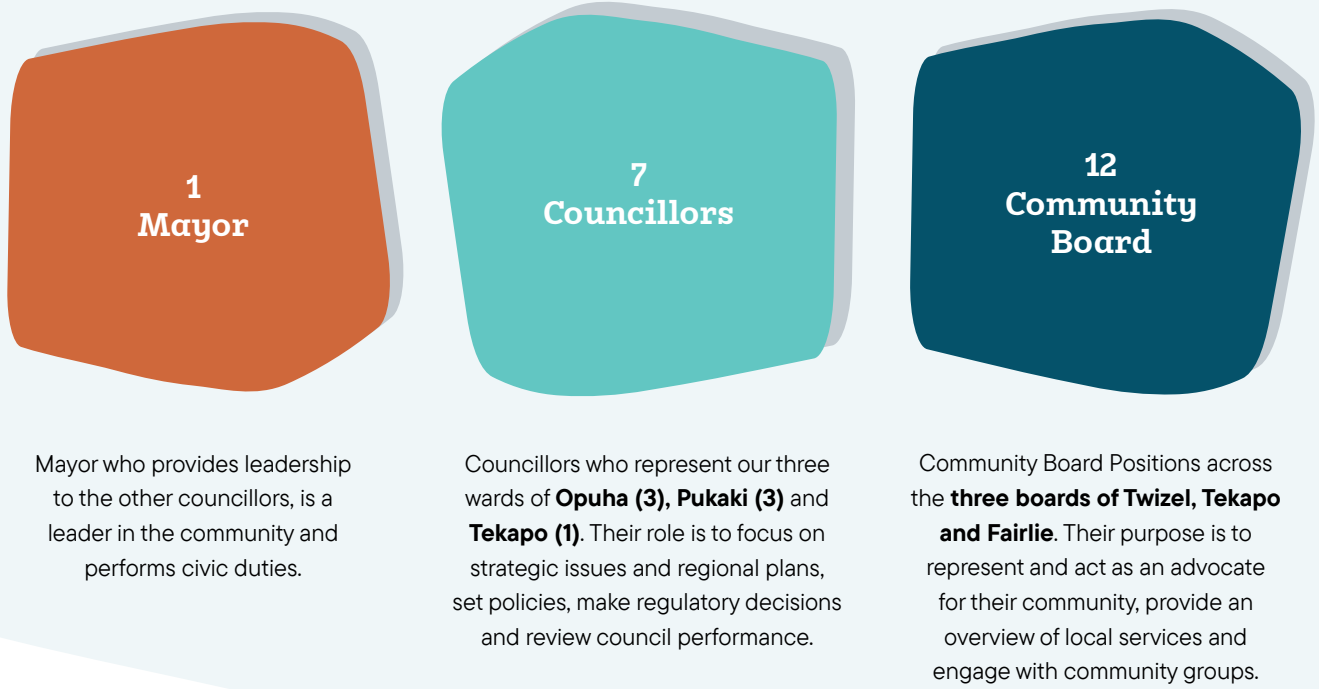
We continue to be focussed on making the right choices for our District – remembering that the hard choices today will be the ones that will create tomorrow's future for the next generation.



**ANGELA
OOSTHUIZEN**

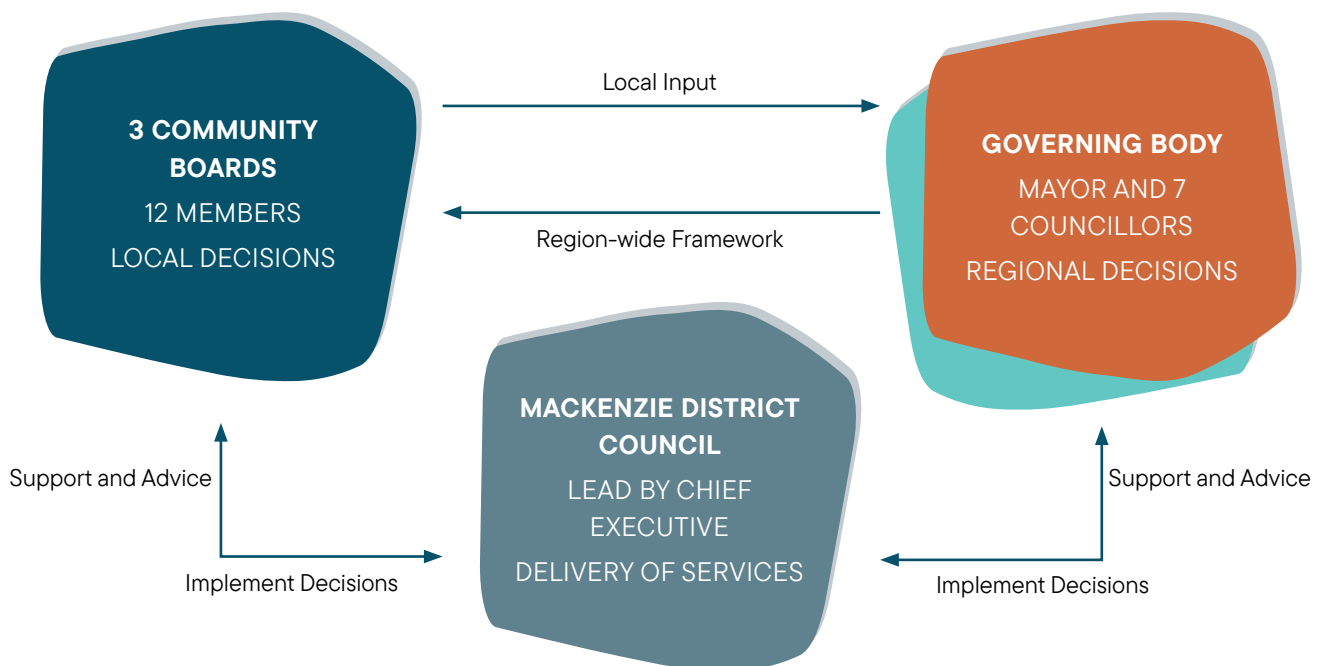
Chief Executive

Mackenzie District Council's Governance Structure



Elected Governance

VISION - STRATEGY - INITIATIVES



Our Strategic Vision

MDC has developed the following strategic vision and outcomes to chart the course and set our direction for the future.

This vision has been developed alongside the community and will help MDC focus our efforts to ensure everything we do remains focussed on improving our communities, our environment and our way of life.

Vision

To empower our communities and treasure our environment

Mission

Strengthening our communities

Guiding Values

Be fair to everyone

Strive for a better future

Dare to be different

Act with respect and trust

Protect our peace and serenity

Our Community Outcomes

A TREASURED ENVIRONMENT

We recognise that our outstanding environment plays a vital role in sustaining our district.

We manage our environment and natural resources sustainably to ensure they can be enjoyed now and by future generations.

We have sustainable, efficient and well-planned infrastructure, services and community facilities.

RESILIENT, SUCCESSFUL COMMUNITIES

Our communities have access to facilities and networks which enable people to enjoy positive, healthy lifestyles.

Our communities are engaged, connected and are given the opportunity to influence local outcomes and decisions.

Our communities have a 'sense of place' that makes people proud to live here.

Our communities are resilient and provide for inter-generational wellbeing through networks that care for all ages.

STRONG AND INNOVATIVE ECONOMY

We value the role that our District's environmental, social and cultural assets play in supporting economic development.

We are a welcoming, enabling and business friendly district that encourages creative local economic development.

We recognise and manage the effects of economic growth and actively support our communities and environment while striving for prosperity.

EMBRACE HERITAGE AND DIVERSITY

We embrace our partnership with ngā rūnanga and support mana whenua traditions and relationships with their ancestral lands, waterways, wāhi tapu and other taonga.

We are proud of and celebrate the heritage and diversity of our District and our people.

We respect each other and what we contribute to the District through our traditions and culture.

Our communities are given the opportunity to celebrate and explore their heritage, identity and creativity.

Mackenzie District Overview

The Mackenzie District has a sparse population over a generous and large land mass. Our wide open spaces, beautiful turquoise lakes, Aoraki–Mt Cook National Park and dazzling starry skies give us a wonderful natural environment to live, work and play.

Our District is rural in nature with three main towns servicing farming, hydroelectric generation and tourism. Electricity generation and agriculture (including aquaculture) are large contributors to our economy. Both these industries will face changes and opportunities in the future as demand for clean energy and sustainable food production continues to increase nationally and globally.

Our tourism numbers and local spend had increased considerably prior to COVID-19. In 2020 our peak daily visitor population was six times our resident population.

Since then, our local tourism and hospitality sector has suffered from the border closures and limits on travel that have been widespread over the last two years. Now as global travel is recovering our local businesses need to re-establish their place in the market and gear-up in terms of staffing and other resources to succeed commercially. Council is contributing to the sector through the Te Manahuna Ki Uta–Destination Mackenzie project, and by investing in parks, community facilities and other supporting infrastructure.

Historically, rates have remained low compared to the rest of the country but the 2021–2031 Long Term Plan signalled the need to increase these to ensure our council can continue to function in a sustainable manner and provide the infrastructure and services our community needs.

Understanding how we are changing and growing as a District is key to ensuring that we are positioned to respond and retain what is important for our district.

Local Government Reform

There are three significant reform and review processes currently in train that will have an impact on local government - Three Waters, Resource Management and the Future for Local Government. They collectively and individually represent the largest reforms to local government and local governance in current history.

What the reforms have in common are that they aim to achieve better outcomes for communities and the environment, efficiency improvements, and give effect to the principles of Te Tiriti of Waitangi. They are however progressing on different timelines and add to an increasingly complex and uncertain operating environment for local government now and following the 2022 elections.

Taken together the reviews and reforms provide considerable opportunity to further the purpose of local government and will fundamentally change the system that local government operates within, including how decisions are made and by whom, what local government does and how it does it, and who local government needs to work with to enable community wellbeing.

REFORM

Three Waters Reform

Resource Management

Future for Local Government

DESCRIPTION

Central government has established a new water regulator, Taumata Arowai, and has begun the creation of 4 new regional entities to deliver three water services, and manage these infrastructure assets independent of local councils. The Water Services Entity Bill is before Select Committee and submissions are due by 22 July 2022.

Mackenzie District Council opposes this centralisation of local service delivery and asset management and has joined the Communities 4 Local Democracy group that has proposed an alternative model.

The government is undertaking comprehensive reform of the resource management system. The Natural and Built Environments and Strategic Planning Bills will be introduced first. These bills will replace the current Resource Management Act 1991.

The government will consult on the Climate Adaption Bill and National Adaption Plan in 2022, with the bill being introduced in 2023.

Central government is undertaking a fundamental review of the purpose, function and operation of local government.

COUNCIL ROLE

Under the proposed legislation Council will need to facilitate the transfer of the associated assets, staff and contracts to a new water entity.

The scale of reform is substantial and council will consider the local impact and make a formal submission on the bills when they are introduced.

The council will need to contribute to this work, consider the findings of this review, and then work with central government to implement any changes that emerge.

Key Issues for our District

CLIMATE CHANGE

Climate change is expected to change the frequency and intensity of weather-related events (drought, wildfire, floods and other storms). It is also likely to introduce some long-term shifts in climate patterns both locally and across the country.

Increased severe weather events cause more regular flooding which can lead to extensive road, bridge and infrastructure damage costing in addition to the impact on private property, business assets and the displacement of residents.

Within Council's 2021–31 Long Term Plan we plan for climate change by investing in the improved resilience of our region's infrastructure, particularly our three waters and transportation assets, and our emergency management (Civil Defence) activities.

Mackenzie is also a member of the Canterbury Regional Climate Change Working Group which aims to develop a regional climate action document.

COVID-19

The wide-spread impact of Covid-19 includes capacity constraints within our economy, an almost complete loss of international tourism, and adverse effects on the wellbeing of our community members.

A focus on district economic development and programmes to support the resilience and success of our local businesses is important to achieve our goal of a thriving, prosperous and inclusive District.

MANAGING TOURISM

Before COVID-19 dramatically reduced our visitor numbers, tourism was increasing at an unprecedented rate. While this was good for our economy, it placed considerable pressure on our district, communities, and infrastructure – even when factoring in Central Government funding for tourism infrastructure projects.

We are taking the opportunity provided by a lull in visitor numbers to prepare a destination management plan that maps out the future of tourism across the district. This is being developed in conjunction with mana whenua and other partners to ensure regional tourism benefits our communities, environment and economy in a sustainable way. We are well advanced with Te Manahuna Ki Uta – Destination Mackenzie to set the direction for our future as a destination.

BIG DISTRICT, SMALL POPULATION

One of the main challenges facing the Mackenzie District Council is that we have a small population base dispersed across a wide geographic location. We have also been affected by the impacts of tourism, particularly in terms of our population size compared to the number of visitors we receive.

All councils are required to comply with the same Central Government standards, regardless of their size and population. This means that the cost of providing services for Mackenzie is higher per ratepayer.

The dispersed nature of our communities also adds costs to our service delivery compared to councils who have larger population densities confined largely to one area.

Shared services, outsourcing opportunities and collaboration with other councils are ways we already reduce operational costs.



OUR DISTRICT PLAN REVIEW

The Mackenzie District Plan was last reviewed in 2004. Although we have completed a number of important plan changes and revisions since then, the majority of the Plan needs updating to ensure it reflects the needs of our community, our environment, and the values of our treaty partners.

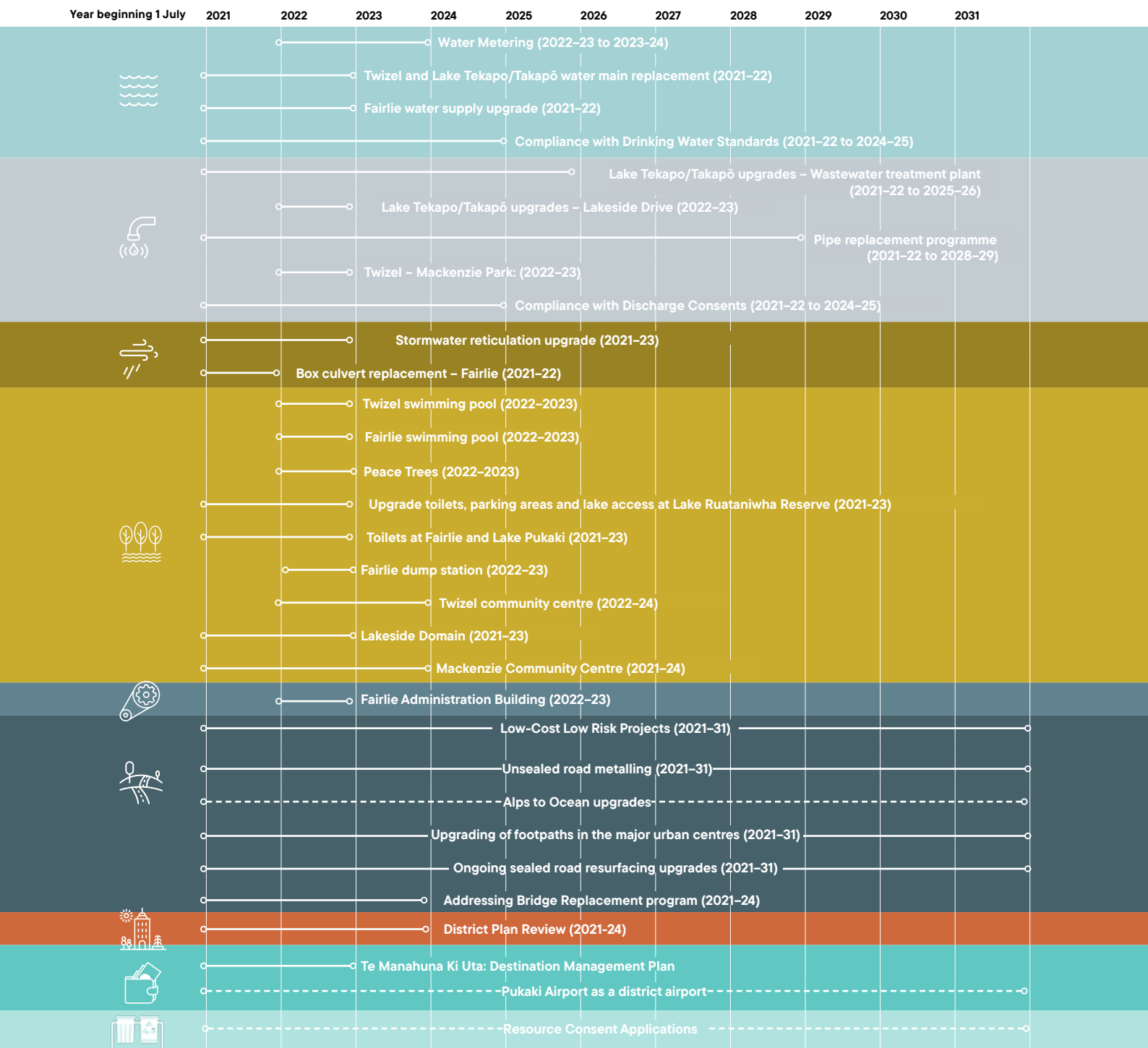
We have finalised the Mackenzie Spatial Plans, which outline the zoning for our main towns and rural settlements, mapping our 30-year vision for how each area can grow.

The next step is to review the Mackenzie District Plan and ensure it is fit for purpose. This is a significant project and is expected to commence in early 2023.

Major District Projects

Council has an ongoing program of investment across the district to improve, replace, and construct the necessary infrastructure and facilities to service our community. This includes a number of key projects outlined in our Long Term Plan 2021–31 and updates detailed in our Annual Plan 2022–23.

During the last triennium we have made solid progress in the delivery and planning of key strategic projects



The investment in Three Waters and Transportation is guided by the 30 Year Infrastructure Strategy (2021-50) published within our Long Term Plan. Council is also investing in facilities and reserves across the District. Of particular focus within this strategy are:

- Renewal and replacement of aging infrastructure,
- Responding to increased standards and changing priorities, and
- Delivering sustainable infrastructure to a growing population.



WATER SUPPLIES

Water Metering (2022-23 to 2023-24): Install universal water metering of properties connected to urban water supplies, beginning in Twizel. (\$1,000,000)

Twizel and Lake Tekapo/Takapō water main replacement (2021-22): Replace asbestos cement, cast iron and galvanised steel water mains as part of an accelerated renewal programme under the COVID 19 recovery stimulus. (\$13.8 million)

Fairlie water supply upgrade (2022-23): The largest water project is the Fairlie Water Treatment Plant which is scheduled for completion by June 2024. This involves the construction of a new plant capable of managing the current source water quality fluctuations to meet New Zealand Drinking Water Standards.

The upgrade also involves the construction of two new supply reservoirs. (\$74 million)

Compliance with Drinking Water Standards (2021-22 to 2024-25): Based on Councils recently completed Water Safety Plans work is progressing across all supplies to minimise risk and lift compliance. Work is progressing on backflow prevention, catchment security, improved monitoring, better record keeping systems and onsite instrumentation.



WASTEWATER

Lake Tekapo/Takapō upgrades – Wastewater treatment plant (2021-22 to 2025-26): An upgrade of the wastewater treatment plant is required to cater growth including the Station Bay subdivision.

This is likely to include the establishment of a new treatment plant, a new discharge site, additional storage and pump replacements. An options paper has been prepared and this will be used as the basis of consultation with the public and stakeholders.

Lake Tekapo/Takapō upgrades – Lakeside Drive (2022-23): Refurbishment of the lakeside pump station including installation of additional monitoring equipment. (\$50,000)

Pipe replacement programme (2021-22 to 2028-29): Council continues with its scheduled pipe replacement programme removing pipes from the network that have reached the end of their life due to condition, age or capacity.

Pipe replacement priorities have been set following extensive CCTV investigations.

Twizel – Mackenzie Park: (2022-23): A new rising main and pumping station is programmed from Mackenzie Park to the Twizel oxidation ponds to improve the treatment and manage growth. (\$1.005m)

Compliance with Discharge Consents (2021-22 to 2024-25): Work at all Wastewater Treatment Plants is ongoing with new inlet works programmed for Twizel, Fairlie and Tekapo.

This will help to ensure compliance with Resource Consents as well as slow down the build-up of inert materials in the bottom of the recently desludged sewage treatment ponds.





COMMUNITY FACILITIES

Peace Trees (2022–23): The Fairlie Peace Trees currently consists of up to 500 deciduous trees, planted to commemorate the end of the First World War.

A recent survey of the trees has identified deferred maintenance works that are required to ensure the continued health and wellbeing of the trees and safety of the road users. (\$180,000)

Twizel swimming pool (2022–23): Improvements to the pool's heating are planned (\$250,000)

Fairlie swimming pool (2022–23): Improvements to the heating and the filtration systems planned. (\$280,000)

Twizel community centre (2022–23 to 2023–24): Centre improvements including the upgrading to current Building warrant of Fitness Standard including fire ratings, ventilation and water tightness. (\$257,000)

As funding allows, we will address issues such as the kitchen upgrades, cladding and structural upgrading.

Upgrade toilets, parking areas and lake access at Lake Ruataniwha Reserve (2021–22 to 2022–23): 88% of this work is funded from the Tourism and Infrastructure Fund. (\$761,500 total)

Lakeside Domain (2021–22 to 2022–23): Work is underway to develop a master plan for the Tekapo waterfront that incorporates the upgrading and extension of walkways, facilities and proposed development to ensure that upcoming projects and existing amenities work together.

Toilets at Fairlie and Lake Pukaki (2021–22 to 2022–23): Funded 85% and 84% respectively from the Tourism and Infrastructure Fund. (\$1.7 million total)

Mackenzie Community Centre (2021–22 to 2023–24): The Fairlie Community Board has an improvement programme identified for upgrades to the Mackenzie Community Centre which includes modernisation of the kitchen and toilet facilities, and hall improvements to make the facility usable for a wider range of events. (\$144,000)

Fairlie dump station (2022–23): Improvement works funded 78% from the Tourism and Infrastructure Fund. (\$95,000 total)



TRANSPORTATION

Low-Cost Low Risk Projects (2021–22 to 2030–31): This includes a range of safety focused projects including surface improvements, speed management, travel management demand, kerb and channel improvements and intersection improvements. (\$10.9 million)

Unsealed road metalling (2021–22 to 2030–31): Road metalling will continue, particularly on high risk and high trafficked roads like Lilybank and Braemar Road. An investigation will be undertaken in 2021–22 to assess the viability of seal extensions along these roads. (\$9 million)

Ongoing sealed road resurfacing upgrades (2021–22 to 2030–31): Resurfacing of sealed roads is programmed to respond to the need to improve the condition of roads across the district. (\$6.4 million)

Addressing Bridge Replacement program (2021–22 to 2023–24): Council will work with the community and stakeholders to understand and implement a bridge replacement program based on age and criticality, including discussions on bridge ownership models.

Upgrading of footpaths in the major urban centres (2021–22 to 2030–31): Footpaths will be upgraded in all major towns in response to the increasing focus on walking and cycling and reducing carbon emissions. (2.4 million)

Alps to Ocean upgrades (dependent on external funding): Plans in place to take the Alps to Ocean great ride fully off-road to improve safety and increase the attractiveness of the trail for users. (\$465,000)



Waste Management and Minimisation

Resource consent applications:

The resource consents for the clean fill sites in Tekapo, Fairlie and Twizel expired in November 2019, with a new application being lodged with Environment Canterbury in early 2019. The sites can continue operating while the application is being processed.





GOVERNANCE AND CORPORATE SERVICES

Fairlie Administration Building (2022–23): Scheduled upgrades to this building to meet appropriate standards (\$1.0 million)



REGULATORY SERVICES

District Plan Review (2021–22 to 2023–24): A budget amount of \$2.2 million over the next three years is proposed to meet the cost of the District Plan Review.



STORMWATER

Stormwater reticulation investigation and upgrade (2021/23)

Stormwater management control investigation followed by the design and construction of upgraded reticulation for Alloway Street in Fairlie. (\$789,000)

Box culvert replacement – Fairlie (2021–22):

Replacement of the Sloane Street stormwater box culvert, pending investigation. (\$34,670)



TOURISM, ECONOMIC DEVELOPMENT AND COMMERCIAL

Te Manahuna Ki Uta: Destination Management Plan: The release of the final Destination Management Plan (DMP) is expected in July 2022. The DMP will set a vision for Te Manahuna and a direction for tourism going forwards.

Phase 2 will commence in 2022–23 including work to:

- Explore priority projects identified,
- Seek to identify funding opportunities and
- Undertake feasibility studies where required.

Pukaki Airport as a district airport: The growth of Pukaki Airport will depend on economic factors such as a rebound in visitor growth, but also the ability to attract aviation technology or a limited number of commercial flights. A Pukaki Airport Master Plan is being developed to provide the methods to achieve this.



Performance Against Our Financial Strategy

Council’s financial strategy outlines how we will manage our finances. It sets out our general approach and the principles that we will follow and provides a guide to assess spending proposals.

The Strategy includes limits on rates levels, rates rises and borrowing, and aims to promote financial stability and affordability over the short, medium and long-term.

This section outlines how Council is tracking against this financial strategy and the preceding strategy outlined in the 2018-2028 Long Term Plan. The key strategy measures for local government are prescribed by the Local Government (Financial Reporting and Prudence) Regulations 2014.

The table below shows Councils actual performance across the three years preceding this year’s election for these key financial measures. Overall, Mackenzie has performed well against these targets with the underspend on network assets in 2019-20 recovered in the following year and rates increases averaging 8.6% over defined limits.

Mackenzie District Council’s current financial strategy, as set out in our 2021-2031 Long Term Plan Part 4, aims to ensure Council remains financially stable, while financing key priorities.

KEY FUNDING AND FINANCIAL PARAMETERS		ANNUAL REPORT		FORECAST
		2019-20	2020-21	2021-22
Rates income (\$million)	Limit	\$15.18	\$15.58	\$20.33
2019-2021 as a % of capital value (CV)	Actual	\$10.50	\$11.05	\$12.36
2021/2022 as a % of total revenue (TR)	Achieved	✓	✓	✓
Rates increases	Limit	8.00%	5.30%	12.70%
2019-2021 6% + inflation (LGCI)*	Actual	9.05%	5.60%	13.58%
2021-2022 9% + inflation (LGCI)	Achieved	✗	✗	✗
Borrowing	Limit	2.00	2.00	1.75
2019-2021 debt to rates income ratio	Actual	-	-	0.37
2021-2022 debt to total revenue ratio	Achieved	✓	✓	✓
Balanced Budget	Limit	100%	100%	100%
Revenue is equal to or greater than expenditure**	Actual	102%	102%	108%
	Achieved	✓	✓	✓
Essential Services	Limit	100%	100%	100%
Capital expenditure to depreciation ratio	Actual	83%	138%	513%
	Achieved	✗	✓	✓
Debt servicing benchmark	Limit	10%	10%	10%
Borrowing costs are equal or less than 10% of revenue**	Actual	0%	0%	0%
	Achieved	✓	✓	✓

* LGCI is the Local Government Cost Index.

** Revenue and expenditure as defined in the Local Government (Financial Reporting and Prudence) Regulations 2014.



Projections to 30 June 2026 show the rates increase for the 2022–23 financial year exceeds the target, as signalled in the long term plan. The balanced budget provisions of the Local Government Act 2002 (s100) allow a council to not fully fund all expenditure (including depreciation) provided it can demonstrate that it is financially prudent to do so. We have previously decided not to fully cash fund the depreciation cost of various assets where we believe funds will be available from third parties (e.g. Waka Kohati NZ Transport) or we do not expect to renew or replace an asset at the end of its useful life.

KEY FUNDING AND FINANCIAL PARAMETERS		ANNUAL PLAN	LONG TERM PLAN FORECASTS		
		2022–23	2023–24	2024–25	2025–26
Rates increases	Limit	11.98%	11.50%	11.50%	11.60%
9% + inflation (LGCI)*	Actual	17.00%	10.20%	10.00%	8.00%
	Achieved	✘	✔	✔	✔
Borrowing	Limit	1.75	1.75	1.75	1.75
Debt to total revenue ratio	Actual	0.54	0.58	0.64	0.72
	Achieved	✔	✔	✔	✔
Balanced Budget	Limit	100%	100%	100%	100%
Revenue is equal to or greater than expenditure**	Actual	89%	93%	101%	102%
	Achieved	✘	✘	✔	✔
Essential Services	Limit	100%	100%	100%	100%
Capital expenditure to depreciation ratio	Actual	268%	101%	319%	293%
	Achieved	✔	✔	✔	✔
Debt servicing benchmark	Limit	10%	10%	10%	10%
Borrowing costs are equal or less than 10% of revenue**	Actual	1%	2%	2%	2%
	Achieved	✔		✔	✔

* LGCI is the Local Government Cost Index.

** Revenue and expenditure as defined in the Local Government (Financial Reporting and Prudence) Regulations 2014.

Note: The requirement to set limits on rates income was removed from legislation in 2019.

Our Finances

The following pages summarise some key financial information about Mackenzie District Council including actual financial results for the two financial years ending 30 June 2020 and 2021; and forecast performance for the following five years through to 30 June 2026.

1. FUNDING IMPACT STATEMENT

Rates continue to be the largest contributor to Council's operating income in future forecasts.

Subsidies and grants are major contributors to capital funding however debt is drawn down from the 2021–22 financial year as major projects to replace and upgrade three waters infrastructure commence.

Funding Impact Statements for the years ended 30 June 2020-2026	Annual Report		Forecast	Budget	10-year Budget 2021-2031		
\$000	2019-20	2020-21	2021-22	2022-23	2023-24	2024-25	2025-26
Sources of operating funding							
General rates, uniform annual general charge, rates penalties	4,756	4,983	6,080	6,860	7,607	8,069	8,345
Targeted rates	5,747	6,063	6,285	7,605	8,365	9,498	10,623
Subsidies and grants for operating purposes	1,433	2,201	4,019	1,221	1,340	1,359	1,394
Fees and charges	-	1,927	1,907	1,827	2,129	2,237	2,342
Local authorities fuel tax, fines, infringement fees, and other receipts	1,011	549	247	321	310	389	393
Interest and dividends from investments	4,771	810	2,683	1,576	1,608	1,582	1,422
Total operating funding	17,718	16,533	21,221	19,410	21,359	23,134	24,519
Applications of operating funding							
Payments to staff and suppliers	15,044	19,472	20,313	19,347	18,750	18,951	19,390
Finance costs	-	2	76	215	405	491	595
Other operating funding applications	-	-	-	-	-	-	-
Total applications of operating funding	15,044	19,474	20,389	19,562	19,155	19,442	19,985
Surplus (deficit) of operating funding	2,674	(2,941)	832	(151)	2,204	3,692	4,534
Sources of capital funding							
Subsidies and grants for capital expenditure	1,017	1,963	5,497	1,815	1,224	1,685	1,728
Development and financial contributions	3,186	1,006	1,684	2,122	2,293	4,235	3,462
Increase (decrease) in debt	-	-	17,080	6,318	(587)	5,168	5,367
Gross proceeds from sale of assets	608	2,928	-	523	-	-	-
Lump sum contributions	-	-	-	-	-	-	-
Other dedicated capital funding	-	-	-	-	-	-	-
Total sources of capital funding	4,811	5,897	24,261	10,778	2,930	11,088	10,557
Applications of capital funding							
Capital expenditure							
- to meet additional demand	-	-	1,477	1,282	822	8,197	9,557
- to replace existing assets	40	651	16,148	9,233	1,427	3,064	1,971
- to improve the level of service	4,787	5,606	6,992	3,437	2,892	3,528	3,572
Increase (decrease) in reserves	2,658	(3,301)	(169)	(3,325)	-	-	-
Increase (decrease) in investments	-	-	646	-	(8)	(9)	(9)
Total applications of capital funding	7,485	2,956	25,094	(10,627)	5,133	14,780	15,091
Surplus (deficit) of capital funding	(2,674)	2,941	(833)	151	(2,203)	(3,692)	(4,534)
FUNDING BALANCE	-	-	-	-	-	-	-

2. SUMMARY BALANCE SHEET

Council's balance sheet remains strong during this period with Council debt expected to remain less than 10% of the total asset value.

Summary Statement Of Financial Position as at 30 June 2020-2026	Annual Report		Forecast	Budget	10-year Budget 2021-2031		
	2019-20	2020-21	2021-22	2022-23	2023-24	2024-25	2025-26
\$000							
Assets							
Financial Assets	30,043	32,675	31,217	26,747	32,132	32,615	33,117
Plant, property and equipment	247,552	252,084	286,613	298,782	299,120	331,215	342,972
Intangible assets	34	809	896	946	896	896	896
Investment Property	4,073	4,319	4,319	4,319	4,340	4,349	4,359
Investment in CCOs and other similar entities	-	-	91	-	74	66	57
Other Assets	12,180	12,088	12,403	12,372	12,626	12,732	12,840
Total Assets	293,882	301,975	335,539	343,166	349,188	381,873	394,241
Liabilities							
Council Debt	-	-	17,080	20,628	22,791	27,959	33,326
Other Liabilities	4,141	7,592	5,613	6,174	5,826	5,929	6,033
Total Liabilities	4,141	7,592	22,693	26,802	28,617	33,888	39,359
Ratepayer Equity	289,741	294,383	312,846	316,364	320,570	347,985	354,882

BASIS OF PREPARATION

- Financials for 2019-2020 and 2020-2021 are taken from the audited financial statements included in the Mackenzie District Council annual reports.
- Financial information for 2021-2022 and the three years following the election are taken from the audited financial statements included in the Mackenzie District Council 2021-2031 Long Term Plan.
- Financial information for 2022-2023 are taken from the financial statements included in the Mackenzie District Council 2022-2023 Annual Plan.

Note: Subsequent to the issue of the 2021-2031 Long Term Plan, central government has decided to proceed with its Three Waters Reform programme to change the governance and management of water activity across New Zealand. This includes water supply, wastewater management and disposal, and stormwater management. This will result in significant changes to the council's revenues, assets, liabilities and the services we provide. However, there is not enough certainty about the specific impacts to incorporate into our forward budget projections.





Key Election Dates

Candidate nominations open	15 July 2022
Candidate nominations close at 12 noon	12 August 2022
Candidates announced	17 August 2022
Final Electoral roll certified by electoral officer	12 September 2022
Voting papers sent to enrolled voters	16 – 21 September 2022
Voting opens	16 September – 8 October 2022
Voting closes at 12 noon	8 October 2022
Progress and preliminary results published	8 October 2022
Final results announced	14 – 19 October 2022

Further Information

The Long Term Plan 2021 – 2031

www.mackenzie.govt.nz > council > strategies plans and reports > long term plan 2021-2031

The Long Term Plan, prepared every three years, is a strategic planning document which forecasts Council's budgets and project priorities over its ten year life.

The 2021 Annual Report

www.mackenzie.govt.nz > council > strategies plans and reports > Annual Report 2021-22

The Annual Report is prepared every year to report on how the Council performed against its targeted budget and work programme for the year and to report any variations.

The 2022–23 Annual Plan

www.mackenzie.govt.nz > council > strategies plans and reports > Annual Plan 2022-23

The Annual Plan is produced in the years when we do not produce a Long Term Plan. The Annual Plan updates the work programme and budget in detail for the year the plan covers

Economic Development Strategy 2021 – 2025

www.mackenzie.govt.nz > council > strategies plans and reports > Economic Development Strategy

This Economic Development Strategy document sets out the criteria that Council used to guide decision making relating to the District's economic and business sector development.

Mackenzie Spatial Plans

www.mackenzie.govt.nz > council > strategies plans and reports > Your Town, Your Future – The Mackenzie Spatial Plans

The Mackenzie Spatial Plans will chart the future of the district's townships and rural settlements, ensuring growth can occur in a positive, sustainable way.

Parks and Amenities Strategy

Following public consultation the final version of this strategy will be adopted by Council in August 2022.

However, the draft is available at:

<https://www.mackenzie.govt.nz> > public-notice-2021 > draft-parks-and-amenities-strategy

Three Waters Reform

<https://threewaters.govt.nz/>

Central government's rationale and proposal for new organisations to deliver water supply, wastewater and stormwater services independent of local councils

Resource Management Act Reforms

<https://environment.govt.nz> > what-government-is-doing > areas-of-work > rma > resource-management-system-reform

Information about the legislation to be introduced to create a new resource management system to replace the current Resource Management Act.

Future for Local Government

www.futureforlocalgovernment.govt.nz

This independent Ministerial review is an opportunity to create a new system of local governance and democracy that will effectively respond to a changing New Zealand and create conditions for communities to thrive.



Mackenzie
DISTRICT COUNCIL