



ATTACHMENTS

UNDER SEPARATE COVER

Audit and Risk Committee Meeting

25 August 2020

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MACKENZIE
DISTRICT COUNCIL

ANNUAL PLAN 2020/21



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Towards a recovered Mackenzie

We are pleased to present the 2020/21 Annual Plan to our Mackenzie community. COVID-19 has dealt us all a blow, leaving our tourism industry decimated, ripping through the heart of our community with many residents left unemployed and suffering extreme hardship.

Despite the impact of COVID-19, we remain confident that we will continue a strong level of service, made possible by smart financial management and sound investments from our past. One-off investment returns and reprioritisation have allowed us to reduce projected rates increase from 8% to 4.48% in a response to extraordinary circumstances.

This Annual Plan represents Year 3 of our Long Term Plan 2018-28 (LTP) and is largely a continuation of our Long Term Plan 2018-28. This year we will continue to maintain and improve our infrastructure while prioritising shovel ready projects to help kick start and stimulate our local economy. Council has identified any differences from the Long Term Plan as a result of changes to the timing of projects, or new projects being introduced. In preparing this Annual Plan, Council reviewed each of these variances, considering the financial impacts and potential changes to the level of service, factoring in known views of our community. Council is satisfied that the plans that we present to you meet legislative requirements, will not negatively impact on levels of service and will support our communities as we work towards a recovered Mackenzie. This plan will be known as our Road to Recovery Annual Plan 2020/21.

In support of our recovery, Council recently adopted the COVID-19 Economic and Community Recovery Action Plan with a number of key priorities. One of these priorities is to establish and empower a community-driven Advisory Group to design our district's recovery, working towards our ambitious recovery vision that "the Mackenzie Community is the most engaged, resilient and flourishing community in New Zealand". This Advisory Group will challenge mind sets, to become more innovative, enable a comprehensive rethink of the district's future economic and social fabric and strengthen the glue that holds our community together. Council will act as facilitator, enabler and advocate. We have also provided \$200,000 of seed money as part of our stimulus package. Our website contains more information about our COVID-19 Economic and Community Recovery Action Plan.

This Annual Plan outlines some of our highlights and aims for the 2020/21 year. We are pleased to confirm that we will continue to invest in our community and township services with a number of exciting projects planned within our communities including a dog park in Fairlie, upgrades to our community centres in Twizel and Fairlie, improving accessibility to the eastern side of Twizel's Market Place and progressing parts of the Tekapo Development Plan including the redevelopment of the Barbara Hay Reserve and the reserve on D'Archiac Drive.

We continue core infrastructure projects highlighted in our LTP, while bringing forward shovel-ready projects as part of our COVID-19 recovery including \$10.66m of water supply projects with \$10.0m of this work being debt-funded. We will complete the Fairlie Water Treatment Plant which commenced in 2019/20 and the associated reservoir, replace water pipes in Twizel and Fairlie and upgrade the Burkes Pass water supply treatment plant. In roading, we have prioritised key shovel ready minor and safety improvement projects, maximising our available NZTA co-funding and low interest rates for Council's 49% share. We are planning several key projects totalling \$1.45m with our share being \$708,100. The majority of these projects will be footpaths and shared-use paths to promote a fit and healthy community.

Considerable changes have been made to our tourism and economic development portfolio, including our Tourism Information Centre in Twizel. A 24-hour self-service kiosks in Market Place to deal with competing demands for service in the Information Centre and to ensure timely service provision to our community. We have also reviewed our service delivery contracts for tourism promotion and economic development with the changes enabling an internal resource to lead more effective and efficient service delivery to our community.

We are also planning for tomorrow's Mackenzie, prioritising our District Plan Review, investing \$1.2m to ensure we can complete this overdue review. The District Plan data projections will inform our future transport planning and our next Long Term Plan. The Destination Mackenzie project, funded largely with Provincial Growth Funding, is underway too. This is an important piece of strategic work which will feed into our next Long Term Plan.

Our thanks to our Mackenzie team's, commitment and passion in service of our community. We will continue to invest in building the capability and capacity within our team, raising the bar and improving the culture of our organisation.

Despite COVID-19, we remain optimistic and will embrace all challenges and adapt to meet all opportunities ahead!

We look forward to sharing this exciting journey with our community.

G. B. Smith



Suzette van Aswegen
Chief Executive

Graham Smith
Mayor



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Your Council

Your Community Boards



Graham Smith
Mayor

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Deputy Mayor

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Anne Munro

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Stuart Barwood

Opuha Ward
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03 685 8411
stuart.barwood@mackenzie.govt.nz

Committees of Council

Commercial & Economic Development Committee

Chair: **Murray Cox**

Engineering & Services Committee

Chair: **Stuart Barwood**

Planning & Regulations Committee

Chair: **Anne Munro**

Strategy Committee

Chair: **James Leslie**

Audit & Risk Committee

Chair: **Bruce Mincham**
(appointed member)



Murray Cox

Opuha Ward
027 685 5650
03 680 6224
murray.cox@mackenzie.govt.nz

The Mackenzie District has three Community Boards:

- Twizel - elected by the electors of the Twizel township;
- Tekapo - elected by the electors of the former Tekapo ward; and
- Fairlie - elected by the electors of the Fairlie community boundary.

Twizel Community Board

Jacqui de Buyzer (Chair)

027 383 5695
jacqui.debuyzer@xtra.co.nz

Amanda Sargeant

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amanda.sargeant@gmail.com

Renee Rowland

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Tracey Gunn

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Emily Bradbury

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Tekapo Community Board

Steve Howes (Chair)

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Sharron Binns

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Chris Scrase

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Caroll Simcox

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Matt Murphy

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Fairlie Community Board

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Angela Habracken

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Damon Smith



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Leaine Rush

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Our mission and vision for our District	Our community outcomes
<h3>Mission Statement - Fostering our Community</h3> <p>In February 2019, Council adopted a Business Strategy identifying operational priorities for the next four years. As part of our Business Strategy, we reviewed our values.</p> <p>Due to the changing nature of the district, Council has also identified a set of new values as reflected below. These values will act as our guide (or guiding light) when considering options and making decisions for the future.</p> <div>  <p>Be fair to everyone A rising tide lifts all boats. No-one in the Mackenzie District should be left behind in the name of 'progress'.</p> </div> <div>  <p>Peace and serenity matters These are the defining, unique, extremely special characteristics of our district - and they need to be protected.</p> </div> <div>  <p>Dare to be different We will look for unique ways to innovate and will not let fear of criticism hold us back from doing the right thing.</p> </div> <div>  <p>Do things with respect and trust We will, in every circumstance, operate with honesty and integrity, enabling mutual respect and trust in our organisation, with our community and with all others.</p> </div> <div>  <p>Leave things better for the future We are here for more than to save the current day - our duty as public servants to the Mackenzie District community creates an obligation that we leave things better for future generations.</p> </div>	<div>  <p>The outstanding natural features of the district need to be preserved, enhanced, accessible and promoted. Anyone who has lived in the Mackenzie District or who has visited, understands that the natural environment is our greatest asset. Council's role in supporting this outcome is as a regulator through its District Plan. This provides a detailed framework for managing the natural and physical resources of the district. Council also provides and funds local reserves, and acts as an advocate for environmental issues. It has also joined other councils in protecting our lakes and streams for generations to come under the Canterbury Water Management Strategy.</p> </div> <div>  <p>Council seeks to foster a supportive and contributing community and encourage people to use their skills for the benefit of the wider community. The supportive nature of the Mackenzie community is one of its unique advantages and is recognised and valued by those who live here. Council plays a supportive role in this area, advocating on behalf of community groups when required and facilitating local initiatives.</p> </div> <div>  <p>Council is the prime provider and funder of essential services including roads, drinking water, sewage treatment, storm water disposal, refuse collection and recycling. This is very much the council's "bread and butter".</p> </div> <div>  <p>The district needs a council that represents its community while respecting the rights of the individual. The Mackenzie District, with an estimated population of 4,300 is represented by 19 elected representatives who continue a long tradition of championing a vigorous local democracy. The role of elected members is to represent the district and their community, make decisions on its behalf, and advocate when required.</p> </div>
<h3>Vision Statement</h3> <p>Mackenzie District will be a district in which:</p> <ul style="list-style-type: none"> • Our natural environment is protected and enhanced in balance with achieving social and commercial objectives. • We foster the unique attributes and strong sense of community that makes the Mackenzie District special. • Safe, effective, sustainable water, waste, communication, energy and transport systems are in place. • A dynamic economy provides employment and investment opportunities consistent with the quality of life aspirations of existing and future generations. • Democracy is respected and equal opportunity and the rights of the individual are upheld. • A variety of sporting, recreational, cultural, spiritual, welfare and educational resources are available to enrich the lives of our people. • People are encouraged to use their skills and talents for the benefit of the community. 	<div>  <p>We need to have a well-balanced economy, providing employment and investment opportunities, and sustaining a full range of support services. Our prosperity is based on farming, hydro-electric power generation and tourism. Council's role in economic development is to provide a regulatory environment that facilitates growth. It also funds the support and promotion of businesses in the district.</p> </div> <div>  <p>We need a variety of sporting, recreational, cultural, spiritual, health, welfare and education resources to help sustain and enrich our lives. Council is one of the major providers of recreational and community facilities such as sports grounds and community halls. It works alongside local clubs and volunteers to help promote a fit and healthy community. It also supports the provision of medical and other social services and will act as an advocate where required on behalf of the community.</p> </div>

How we plan for our district

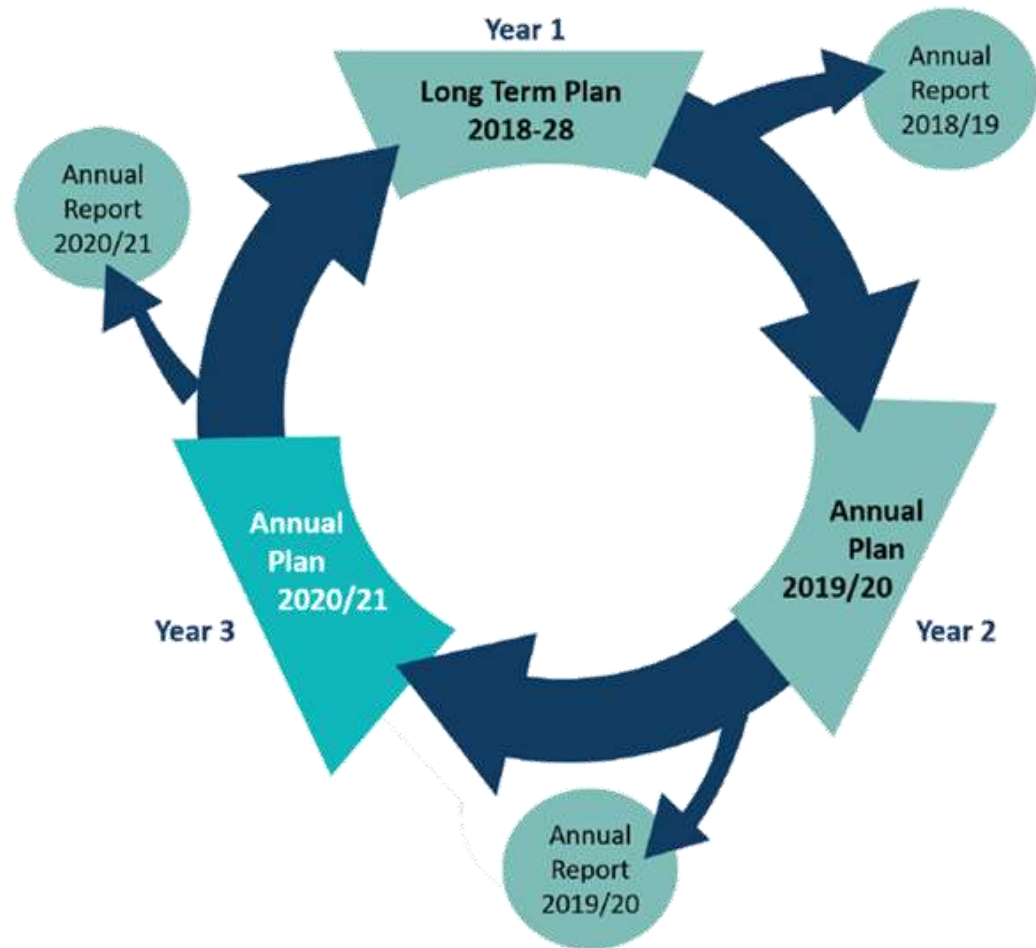
Our activities at a glance

Council's planning process centres on three key documents:

- 1) The **Long Term Plan (LTP)**, prepared every three years, is a strategic planning document which forecasts Council's budgets and project priorities over its ten year life.
- 2) 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.
- 3) 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.

This is our **Year 3 Annual Plan** which shows what we're planning for to achieve together in 2020/21, detailing performance achieved against the target and work programmes detailed in Year 3 of our Long Term Plan 2018-2028.

In June 2018, Council adopted its Long Term Plan (LTP) 2018-2028 which shows what we plan to do for the next 10 years, how much it will cost and what the community will receive. Our LTP is reviewed every three years. You can view the LTP 2018-2028 at www.mackenzie.govt.nz 'Long Term Plan 2018-2028'.



This section of the Annual Plan explains how Council's activities will contribute towards the achievement of the Community Outcomes identified on page 10.

Council activities have been grouped into the following groups of activities:

Groups of Activities	Activities			
GOVERNANCE & CORPORATE SERVICES	• Governance	• Administration	• Community Facilities Department	• Chief Executive Office
	• IT Department	• Finance		• Engineering Department
WATER SUPPLIES	• Water Supply			
WASTEWATER	• Wastewater			
STORMWATER	• Stormwater			
ROADING	• Sealed & Unsealed Roads	• Footpaths	• Drainage & Parking	• Cycleways & Walkways
		• Bridges	• Street lighting	• Traffic services
REGULATORY SERVICES	• Building Control	• Animal Control	• Environmental Health	• Civil Defence & Emergency Management
	• District Planning			
COMMUNITY & TOWNSHIP SERVICES	• Cemeteries	• Halls	• Solid Waste	• Parks & Swimming Pools
	• Toilets	• Libraries	• Medical Centres	• Pensioner Housing
TOURISM, ECONOMIC DEVELOPMENT & COMMERCIAL ACTIVITIES	• Real Estate	• Forestry	• Investments	• Pukaki Airport
	• Economic Development and District Promotion			

Each of Council's groups of activities contribute to our community outcomes as summarised below:

AN ATTRACTIVE AND HIGHLY VALUED NATURAL ENVIRONMENT	✓	✓	✓	✓	✓	✓	✓	✓
A SUPPORTIVE AND CONTRIBUTING COMMUNITY	✓						✓	✓
SAFE, EFFECTIVE AND SUSTAINABLE INFRASTRUCTURE	✓	✓	✓	✓	✓	✓	✓	✓
A DEMOCRACY THAT UPHOLDS THE RIGHTS OF THE INDIVIDUAL	✓							
A THRIVING ECONOMY	✓	✓	✓	✓	✓	✓	✓	✓
A FIT AND HEALTHY COMMUNITY	✓	✓	✓	✓	✓	✓	✓	✓



Towards a recovered Mackenzie

Recognising the impact of COVID-19 on our district, region and nation, we have revised some of our plans and prepared a COVID-19 Economic and Community Recovery Action Plan:



**Immediate
Priorities**

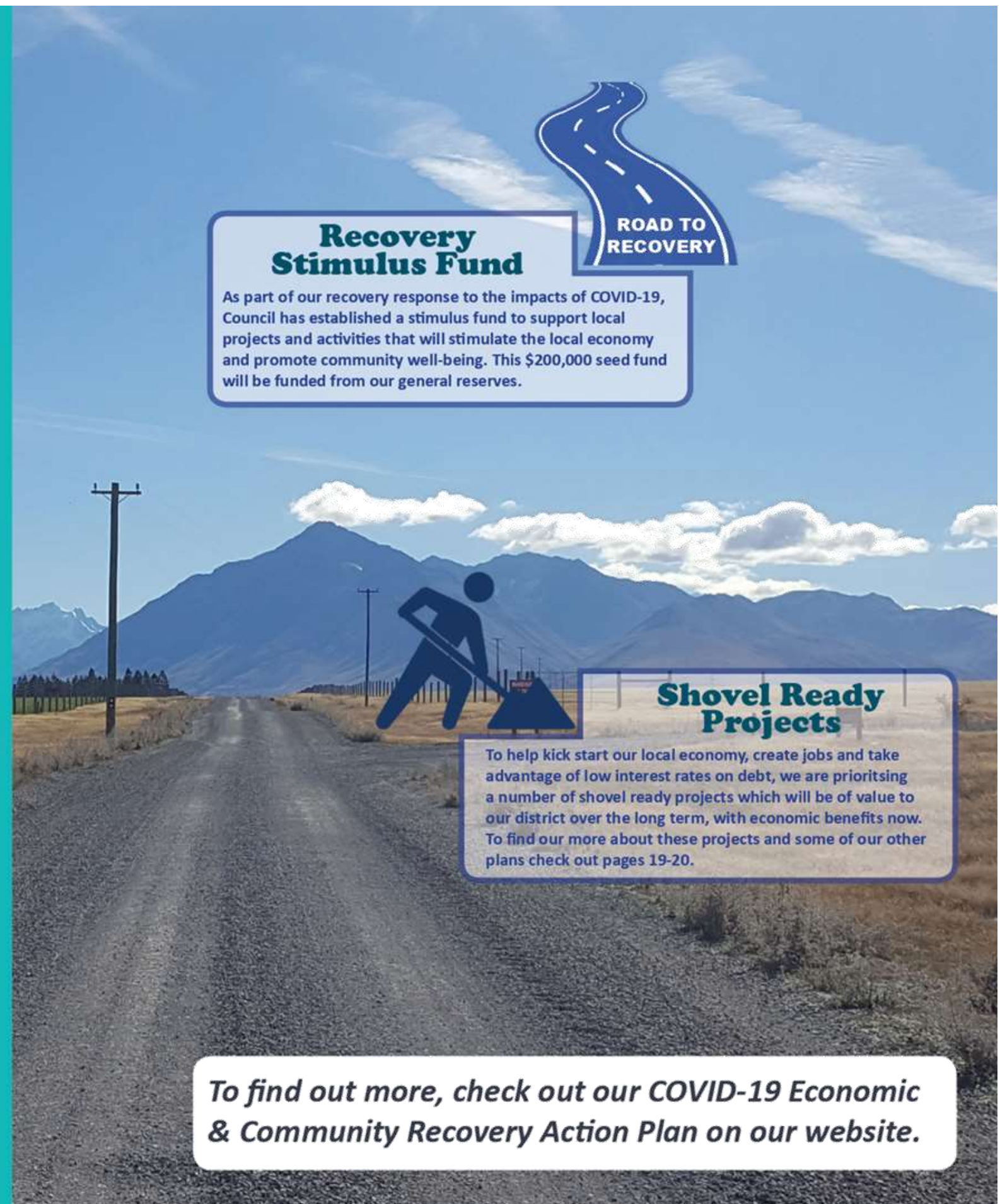


**Short/Medium
Term**



**Long
Term**

As we progress our recovery, further priorities will be identified in collaboration with our community as we strive towards our recovery vision that the **Mackenzie community is the most engaged, resilient and flourishing community in New Zealand.**



Our plans in brief - the numbers

We continue to have to do more with less, and while this is a perennial constraint, it gives us an opportunity to become more innovative and resourceful as we embrace those challenges.

In May 2018 Council completed a CouncilMARK assessment which identified key areas for improvement.

Following this Council adopted a Business Strategy 2018 - 2022 which set out three clearly defined strategic priorities to optimise our chances to succeed. The first priority was to enhance the internal capability of the organisation to manage the impact of change. The second is to protect our environment as a point of difference. The third priority is to ensure that we have sustainable, long-term infrastructure.

On the back of the CouncilMARK recommendations and the first priority of our Business Strategy, we have undergone an organisation change and transformation process which included structural and process changes, as well as a cultural change. This organisation change has encouraged constructive behaviours of our team and enhanced our organisational performance and customer service, better enabling us to serve our communities.

As a result of these prioritisations, Council has reworked the proposed Year 3 budget in the Long Term 2018-28. In addition, we have reviewed our budgets and made some changes to support our community recognising the impact of COVID-19, while maintaining a strong level of service.

You will see these changes in some of our key financials.



Year three of our 2018-28 Long Term Plan:

Our Annual Plan updates the work plans and budgets that we had set through the Long Term Plan (LTP). For the most part, we are continuing what we decided through our LTP 2018-28. The following events occurred after the LTP was developed, requiring adjustments to be made in this Annual Plan:

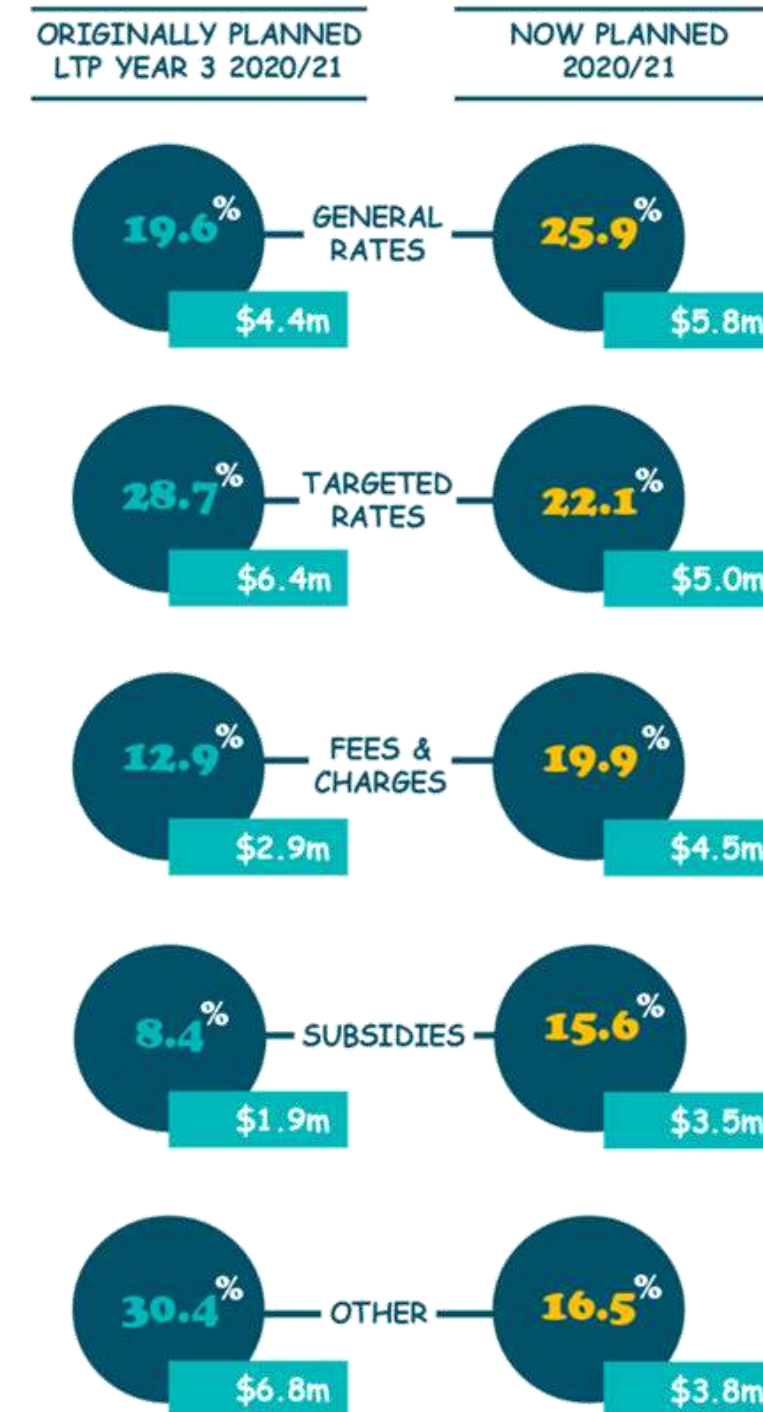
Our Alpine Energy dividend reduced as a result of new Maximum Allowable Revenue (MAR) rules applied to Alpine Energy.

Changes to the market have meant that we delayed our planned timber harvesting. The timber sales we had planned for 2019/20 will now be undertaken in 2020/21 in addition to some harvesting planned for this year.

In light of the financial impacts of COVID-19 on our communities, we have looked for ways to support all of our residents and ratepayers. In doing this we have applied forestry sales, carbon credits and other accounting policies to reduce our planned rates increases, while maintaining our current levels of service.

We have also looked at our projects for this year and some of our longer term projects. Where possible, we have brought forward shovel-ready projects and spread the cost out over time. You can find out more about these projects on pages 19-20.

WHERE THE MONEY COMES FROM:



Our plans in brief - the highlights

The 2020/21 year will see a continuation of our services and activities of fostering our community as set out for Year 3 (2020/21) in our Long Term Plan (LTP) 2018-28.

We plan to maintain current levels of service throughout the year.

Some of our plans for the year have changed since we adopted our LTP. Where projects have been introduced, brought forward or delayed, these will not impact on existing levels of service.

Here are the highlights of what you can expect to see this year.

For full detail of our planned programme of work and how some of our plans for this year compare with our LTP, please see our Long Term Plan 2018-2028 on our website.

Water Supply



Fairlie water treatment plant

The construction of a new treatment plant to upgrade Fairlie's drinking water supply has been deferred from 2019/20. The delays has no impact on the \$900,000 budgeted.

Fairlie water reservoir

In our LTP we had also planned to build a new water reservoir in Fairlie in 2025/26. To prioritise shovel-ready capital works and to complete the upgrade of Fairlie water, we have decided to bring this project forward and to progress this in conjunction with our water treatment plant. The project will be completed within the \$1.5m budgeted for 2025/26, and will be debt funded.

Water pipe replacement in Twizel and Fairlie

In our LTP we planned to progress the replacement of AC pipe in Twizel and concrete pipe in Fairlie over the life of the plan however, to prioritise shovel-ready projects we have brought the project forward with all work to be completed in 2020/21. This will be debt funded with no change to the total cost of \$7.8m, and repayments will be made from the budgeted annual works.

Burkes Pass water supply treatment upgrade

We indicated last year that our planned upgrade the Burkes Pass water supply treatment would be delayed until 2020/21. We are now ready to complete this project with no change to the budgeted \$300,000.

Tourism, Economic Development & Commercial Activities



Forestry harvesting

In 2019/20 we had planned to harvest some of our forestry however the international market and COVID-19 have delayed this. We are now intending to complete this harvesting and some additional areas in 2020/21. Less the cost of sales, we anticipate that this activity will return \$1.3m which we will reinvest in forestry as well as to offset rates requirements.

Forestry carbon credits

Our forestry estate qualifies for carbon credit allocations. As in 2019/20, we are planning to apply carbon credits to offset rates in 2020/21. We are intending to increase the offset by an additional \$435,500 (17,420 carbon credits at a value of \$25/unit) from the \$400,000 offset in 2019/20.

Changes to tourism information services, Twizel

In September 2020, we intend to install 24-hour self-service kiosks in Market Place to provide information services for visitors to the area. In light of this change, the current Information Centre will return to being a postal centre and Council office, ensuring that the needs of our communities can be met without competing demands on access and staff.

Tourism Promotion and Economic Development

We have reviewed our contracts for tourism promotion and economic development and plan to make some changes to the way we provide these services to our communities. While we will continue to contract some services from our current providers, we are moving to be able to support our communities with internal staff. The net cost of this change is \$58,000.

Community & Township Services



Mackenzie Community Centre, Fairlie

We are continuing to make improvements to our Community Centre to increase its usability. This year we will focus on upgrading the kitchen, safety improvements to the theatre and other minor improvements. A kind donation by the Jack and Enid Hutt Trust, allows us to also upgrade the kitchenette and making aesthetic improvements to the Jack and Enid Hutt Lounge.

Tekapo Development Plan

We are continuing to progress the Tekapo Development Plan while ensuring that works are subsequent to and complementary of the Motuariki Lane development. This year we will focus on redevelopment of Barbara Hay Reserve, the reserve on D'Archiac Drive, and instating a lakefront footpath. We will also be planning the wider development of the lakefront, in consultation with our community, which will incorporate outcomes of the District Plan Review and transportation planning.

Fairlie Dog Park

The Fairlie Community Board is planning on establishing a dog park on Allandale Road. This will be a multiyear project, with the Community Board committing available funds to make continuous improvements to this space.

Twizel Events Centre

We are continuing the improvement we have made over the last two years. In 2020/21 we will be focussing on upgrading the kitchen, providing additional storage, resurfacing the sports hall floor, making security and access improvements and other minor improvements to this community asset.

Market Place upgrade

We are completing the accessibility improvements to the eastern side of Market Place this year, with changes being made to the access stairs and ramp.

Planning & Regulatory Services



District Plan Review (DPR)

We have made good progress on our DPR in 2019/20 and plan to complete the project this year. To do this we have refocused our planning team to work on DPR as well as using consultants where needed. The District Plan, when completed will inform our transportation planning and the longer term look of our district. We have budgeted \$1m for this project.

Roading







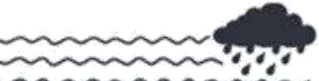











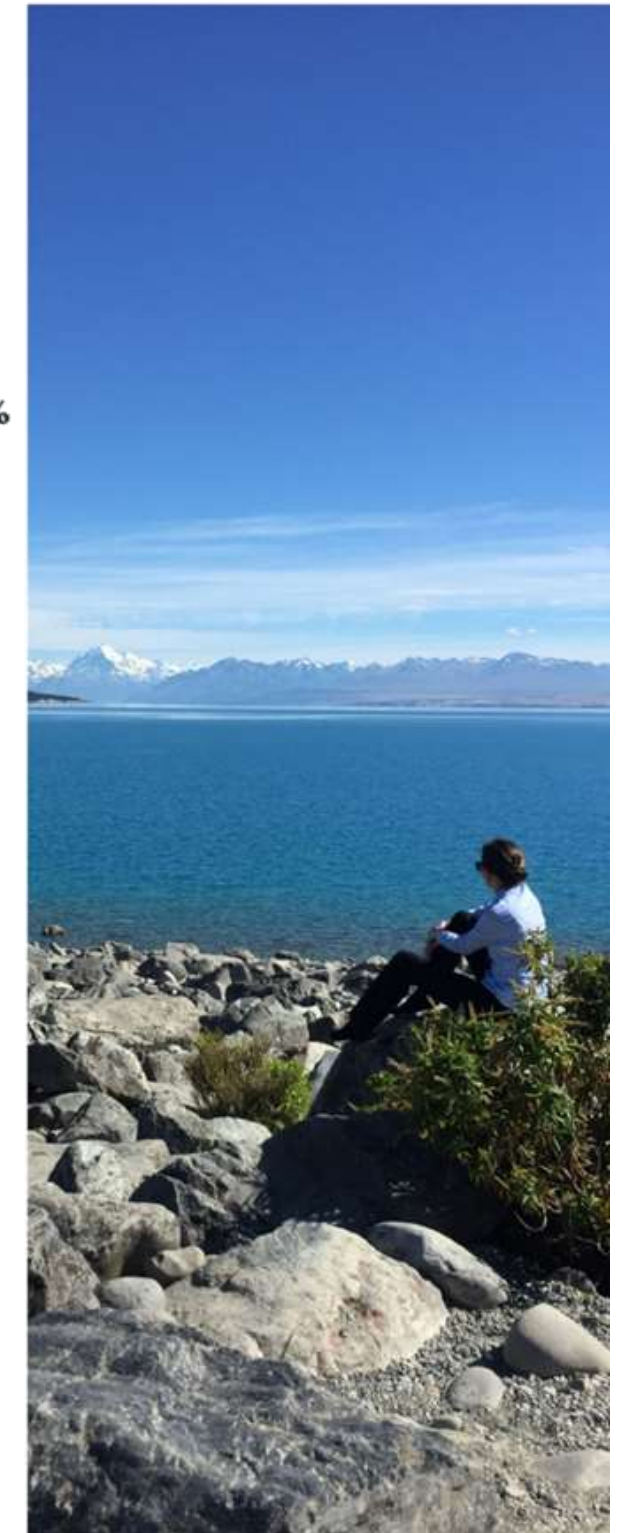
Minor improvements and safety improvements

In response to COVID-19, we have prioritised key shovel-ready projects with a safety stimulus package. Within roading, we have focussed on projects where we can maximise our available NZTA co-funding and low interest rates. Our 49% share will be debt funded with the rates impact limited to the repayment of debt. This spreads the costs of these projects. We are planning a number of projects totalling \$1.445m, (Council share \$708,100) with the majority being new footpaths to provide safe shared-use paths throughout our townships.



Funding overview

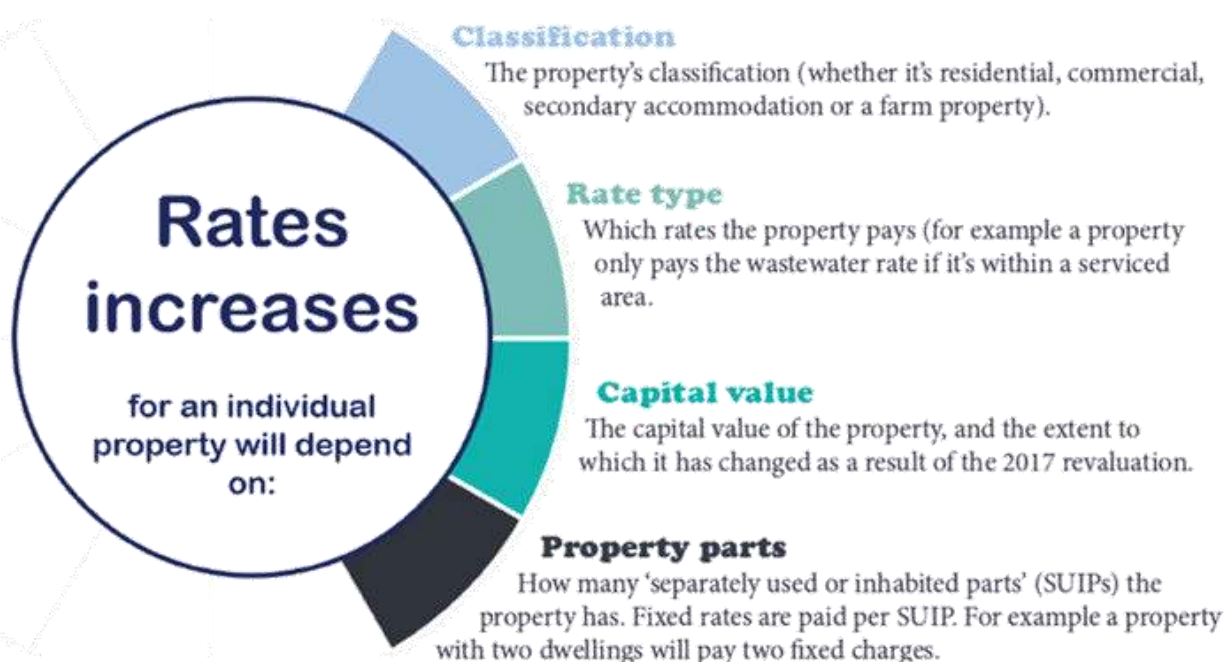
Area of spend	Capital spend (excl. vested assets)	Operating spend	How costs are funded
 GOVERNANCE & CORPORATE SERVICES	\$ 202,100	\$ 5.862m	
 WATER SUPPLY	\$ 10.665m	\$ 1.627m	
 WASTEWATER	\$ 631,300	\$ 881,500	
 STORMWATER	\$ 141,200	\$ 124,700	
 ROADING	\$ 3.261m	\$ 4.194m	
 PLANNING & REGULATORY SERVICES	\$ 300	\$ 3.335m	
 COMMUNITY & TOWNSHIP SERVICES	\$ 522,300	\$ 3.492m	
 TOURISM, ECONOMIC DEVELOPMENT & COMMERCIAL ACTIVITIES	\$ 80,000	\$ 1.585m	



Rating impact on sample properties

The proposed average rates rise for 2020-21 across all ratepayers (including households, business and rural properties) is **4.48%**

These increases relate to Mackenzie District Council rates, not to Environment Canterbury (ECAN) rates. You will see ECAN's rates on your rates invoice as we collect these on their behalf. For more information about ECAN and their rates for 2020/21 visit www.ecan.govt.nz



Sample Rates



Similar properties with different capital values will experience slightly different rates increases. The next table illustrates this. The selected sample properties have a single dwelling (one SUIP).

	\$215,000	\$265,000	\$315,000	\$215,000	\$265,000	\$315,000	CV
	\$1,805.57	\$2,060.90	\$2,228.16	\$3,964.68	\$2,961.19	\$2,105.64	Rate
	\$1.69	\$1.88	\$2.03	\$4.77	\$4.23	\$2.20	\$/wk

	\$580,000	\$730,000	\$980,000	\$4,000,000	\$750,000	\$750,000	CV
	\$2,156.76	\$2,380.22	\$2,752.65	\$10,663.42	\$2,721.23	\$2,694.79	Rate
	\$1.34	\$1.45	\$1.64	\$12.76	\$3.86	\$2.60	\$/wk

	\$345,000	\$390,000	\$520,000	\$4,000,000	\$750,000	\$750,000	CV
	\$1,840.60	\$1,925.31	\$2,170.04	\$12,133.05	\$2,914.24	\$2,887.80	Rate
	\$0.17	\$0.11	-\$0.07	\$3.96	\$2.00	\$0.74	\$/wk

	\$570,000	CV
	\$849.65	Rate
	\$0.36	\$/wk

To find out more about rates in 2020/21, refer to pages 51-56.

CV: Capital value
Rate: 2020/21 rate
\$/wk: weekly increase

	\$1,010,000	\$2,090,000	\$3,010,000	\$3,880,000	\$5,050,000	CV
	\$2,357.80	\$2,674.17	\$3,778.48	\$4,822.78	\$6,227.18	Rate
	\$3.85	\$0.99	\$1.37	\$1.73	\$2.21	\$/wk

	\$5,750,000	\$7,000,000	\$7,800,000	\$10,300,000	\$13,100,000	CV
	\$7,067.42	\$8,567.84	\$9,528.12	\$12,528.97	\$17,004.54	Rate
	\$2.50	\$3.01	\$3.34	\$4.37	\$5.92	\$/wk



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Forecast statement of comprehensive revenue & expenditure

	2019/20	2020/21	
	Annual Plan	Long Term Plan	Annual Plan
	\$000's	\$000's	\$000's
REVENUE			
Rates	10,223	10,837	10,829
Subsidies and grants	2,609	1,890	3,523
Investment income	862	847	940
Other income	3,975	2,903	4,477
Contributions	1,832	1,507	1,507
Other gains and losses	0	153	0
Gain on sale - assets	0	0	0
Vested assets	2,363	4,291	1,274
TOTAL REVENUE	21,864	22,428	22,550
EXPENDITURE			
Employment expenses	4,143	3,588	5,037
Member expenses	452	424	393
Consultancy expenses	1,608	1,091	3,188
Administration expenses	1,356	982	1,422
Operational and Maintenance	5,536	5,113	5,128
Finance expense	114	306	151
Roading	1,326	1,473	1,344
Depreciation	4,093	4,539	4,438
TOTAL EXPENDITURE	18,627	17,515	21,101
Net Surplus/(Deficit) After Taxation	3,236	4,913	1,449
OTHER COMPREHENSIVE REVENUE AND EXPENDITURE			
Items that will not be reclassified to surplus/(deficit)	0	0	0
Gain on infrastructural revaluations	8,600	519	519
TOTAL EXPENDITURE	8,600	519	519
TOTAL COMPREHENSIVE REVENUE AND EXPENDITURE	11,836	5,432	1,968

Forecast statement of changes in equity

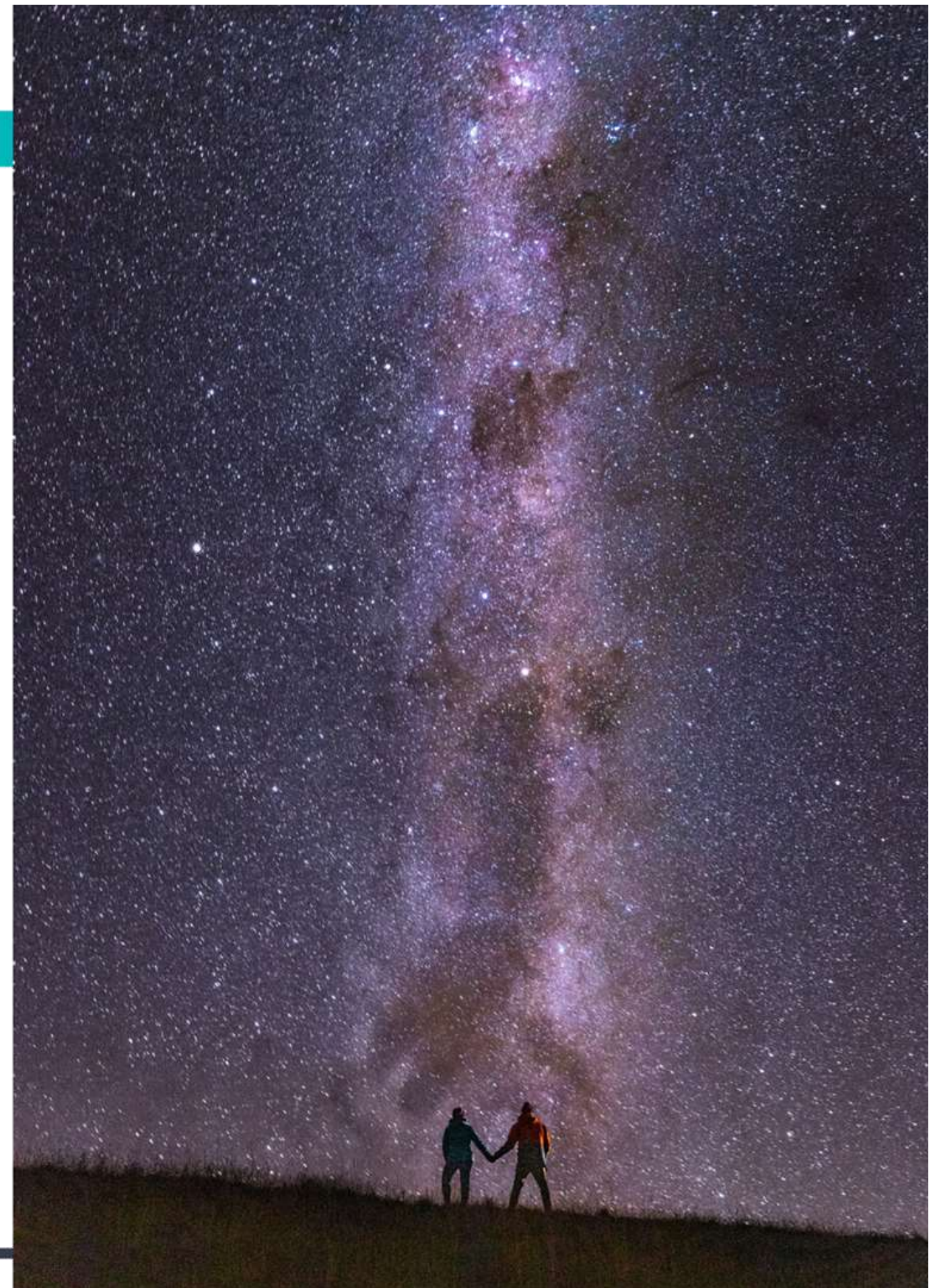
	Notes	2019/20	2020/21	
		Annual Plan	Long Term Plan	Annual Plan
		\$000's	\$000's	\$000's
EQUITY AT THE START OF THE YEAR		240,854	257,991	258,980
Gains/(losses) on financial assets valuation		468	519	519
Gains/(losses) on property valuation		8,132	-	-
Surplus/(deficit) after taxation		3,236	4,913	1,449
TOTAL COMPREHENSIVE REVENUE AND EXPENDITURE FOR THE YEAR		11,836	5,432	1,968
TOTAL EQUITY AT THE END OF THE YEAR		252,690	263,423	260,948

Notes to comprehensive revenue and expenditure

Expenditure has increased from that anticipated in the Long Term Plan 2018-28 (LTP) for Year 3. This is partly due to the increased costs of District Plan Review which has been brought forward for completion in 2020/21 resulting in an increase to consultancy expenses. The organisational change and transformation was not anticipated in the LTP and associated costs which were included in the 2019/20 Annual Plan, appear as an increase from the LTP. Vested assets forecast revenue was only provided once every three years in the LTP. More accurate projections can now be made for the 2020/21 year. Forestry harvesting, including that delayed from 2019/21, which is now planned for 2020/21 has increased 'other income'. In light of COVID-19, we have brought forward shovel ready capital projects including increased NZTA subsidy. Other grants have been included for the Responsible Camping work and Destination Mackenzie which were not anticipated at the time of the LTP. The grant for Destination Mackenzie is offset by an increase in consultancy expenses to complete the study. As well as the changes to the organisation structure resulting from our organisational change and transformation programme, employment expenses have also increased from LTP as we bring in-house key roles previously undertaken by contractors including IT support.

Forecast statement of financial position

Notes	2019/20	2020/21	
	Annual Plan	Long Term Plan	Annual Plan
	\$'000's	\$'000's	\$'000's
ASSETS			
Current Assets			
Cash and cash equivalents	3,341	6,080	7,249
Other financial assets	1,526	1,526	1,526
Receivables and prepayments	2,516	2,699	2,670
Inventories	2,449	2,922	2,282
Total Current Assets	9,832	13,228	13,727
Non-Current Assets			
Other financial assets	14,133	21,911	12,349
Forestry assets	5,557	5,568	6,557
Property, plant and equipment	231,346	228,443	242,449
Total Non-Current Assets	251,036	255,922	261,355
TOTAL ASSETS	260,868	269,150	275,082
LIABILITIES			
Current Liabilities			
Employee entitlements	320	320	329
Payables and accruals	1,834	1,715	3,231
Total Current Liabilities	2,154	2,035	3,560
Non-Current Liabilities			
Employee entitlements	22	22	22
Provisions	58	58	52
Borrowings	5,944	4,948	10,500
Total Non-Current Liabilities	6,024	5,029	10,574
TOTAL LIABILITIES	8,178	7,064	14,134
NET ASSETS	252,690	262,086	260,948
EQUITY			
Accumulated funds	118,167	125,014	124,290
Capital reserves	4,072	(6,493)	5,750
Operating reserves	(831)	(562)	(2,601)
Special funds	7,145	5,961	9,372
Other reserves	50	47	50
Asset revaluation reserves	124,087	134,023	124,087
TOTAL EQUITY	252,690	257,991	260,948



Forecast statement of cash flows

Notes	2019/20	2020/21	
	Annual Plan	Long Term Plan	Annual Plan
	\$000's	\$000's	\$000's
CASH FLOWS FROM OPERATING ACTIVITIES			
<i>Cash was provided from:</i>			
Receipts from rates revenue	10,223	10,837	10,829
Receipts from other revenue	5,807	4,410	5,984
Subsidies and grants received	2,609	1,890	3,523
Interest received	862	847	940
Goods and services tax (GST) received	-	-	-
Property sales	-	735	-
	19,500	18,719	21,276
<i>Cash was applied to:</i>			
Payments to suppliers and employees	14,068	12,714	16,160
Net goods and services tax (GST) paid	-	-	-
Finance costs	114	306	151
	14,182	13,020	16,311
NET CASHFLOW FROM OPERATING ACTIVITIES	5,318	5,699	4,965
CASH FLOW FROM INVESTING ACTIVITIES			
<i>Cash was applied to:</i>			
Purchase of property, plant & equipment	5,684	2,776	15,541
	5,684	2,776	15,541
NET CASHFLOW FROM INVESTING ACTIVITIES	(5,684)	(2,776)	(15,541)

Notes	2019/20	2020/21	
	Annual Plan	Long Term Plan	Annual Plan
	\$000's	\$000's	\$000's
CASH FLOWS FROM FINANCING ACTIVITIES			
<i>Cash was provided from:</i>			
Proceeds from borrowings	2,369	2,869	10,500
	2,369	2,869	10,500
<i>Cash was applied to:</i>			
Repayment of borrowings	288	1,945	-
	288	1,945	-
NET CASHFLOWS FROM FINANCING ACTIVITIES	2,081	924	10,500
Net Cashflows from <i>operating activities</i>	5,318	5,699	4,965
Net Cashflows from <i>investing activities</i>	(5,684)	(2,776)	(15,541)
Net Cashflows from <i>financing activities</i>	2,081	924	10,500
Net increase/(decrease) in cash, cash equivalents & bank overdrafts	1,715	3,848	(76)
<i>Cash, cash equivalents & bank overdrafts at the start of the year</i>	1,626	2,232	7,325
CASH, CASH EQUIVALENTS & BANK OVERDRAFTS AT THE END OF THE YEAR	3,341	6,080	7,249

Forecast capital expenditure

	2019/20	2020/21	
	Annual Plan	Long Term Plan	Annual Plan
	\$'000's	\$'000's	\$'000's
Governance and Corporate Services	955	81	202
Water supplies	1,809	1,268	10,665
Wastewater	542	1,714	631
Stormwater	321	686	141
Roading	3,096	2,884	3,299
Planning and Regulatory services	41	-	-
Community and Township services	729	449	523
Tourism, Economic Development and Commercial Activities	555	-	80
TOTAL CAPITAL EXPENDITURE	8,047	7,082	15,541

GOVERNANCE AND CORPORATE SERVICES

Council Building - Fairlie

Building renovations	514	-	-
Furniture and fittings - other	20	5	-

Council Building - Twizel

Furniture and fittings - other	-	2	2
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Information Technology

Network infrastructure	231	32	-
Software	70	11	75
Projects	-	-	90
Plant and equipment	5	5	-

Plant Operations

Vehicles	115	26	35
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TOTAL GOVERNANCE AND CORPORATE SERVICES CAPITAL EXPENDITURE	955	81	202
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	2019/20	2020/21	
	Annual Plan	Long Term Plan	Annual Plan
	\$'000's	\$'000's	\$'000's
WATER SUPPLIES			
Allandale Water Supply			
Community assets - water supply	70	-	-
Ashwick/Opuha Water Supply			
Community assets - water supply	51	-	-
Urban Water Supply			
Vested assets	379	1,161	422
Reticulation	409	86	7,822
Treatment - new	900	21	2,421
TOTAL WATER SUPPLY CAPITAL EXPENDITURE	1,809	1,268	10,655

WASTEWATER

Urban Wastewater

Vested assets	542	1,699	616
Sewer reticulation - new	-	15	15

TOTAL WASTEWATER CAPITAL EXPENDITURE	542	1,714	631
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STORMWATER

Urban Stormwater

Vested assets	321	686	141
		686	141

TOTAL STORMWATER CAPITAL EXPENDITURE	321	686	141
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	2019/20	2020/21	
	Annual Plan	Long Term Plan	Annual Plan
	\$'000's	\$'000's	\$'000's
COMMUNITY AND TOWNSHIP SERVICES			
Waste Management			
Resource consent	31	-	-
Fairlie Township			
Playground upgrade	30	-	-
Tekapo Township			
Implementation of development plan	226	232	232
Twizel Township			
Implementation of development plan	66	67	68
Community asset - public amenities	114	-	-
Fairlie Domain			
Adventure playground	31	-	-
Mackenzie Community Centre			
Furniture and fittings - other	92	-	-
Community assets - buildings	-	32	32
Twizel Community Centre			
Furniture and fittings - other	51	-	-
Community assets - buildings	41	106	105
Public Toilets			
Buildings	-	-	62
Twizel Swimming Pool			
Plant and equipment	31	-	-
Fairlie Pensioner Housing			
Buildings - housing	7	7	7
Twizel Pensioner Housing			
Furniture and fittings - other	9	-	-
Fairlie Medical Centre			
Furniture and fittings	-	5	-
District General (township maintenance)			
District wide projects	-	-	1
Cemeteries			
Land improvements	-	-	16
TOTAL COMMUNITY AND TOWNSHIP SERVICES CAPITAL EXPENDITURE	729	449	523

	2019/20	2020/21	
	Annual Plan	Long Term Plan	Annual Plan
	\$'000's	\$'000's	\$'000's
ROADING			
Roading Professional Services			
Plant and equipment	3	-	3
District Roading			
Vested assets	1,122	760	95
Unsealed road metalling	650	685	685
Sealed road resurfacing	475	527	475
Drainage renewal	72	74	74
Sealed road pavement rehabilitation	190	211	211
Structures component replacement - bridges	50	53	53
Structures component replacement - cattlestops	-	10	11
Traffic services renewals	60	63	63
Footpaths - surfacing	31	32	31
Minor improvements	300	316	445
New footpaths	-	-	1,000
Sealing past houses	144	153	153
TOTAL ROADING CAPITAL EXPENDITURE	3,096	2,884	3,299
PLANNING AND REGULATORY SERVICES			
Civil Defence			
Plant and equipment	41	-	-
TOTAL PLANNING AND REGULATORY SERVICES CAPITAL EXPENDITURE	41	-	-
TOURISM, ECONOMIC DEVELOPMENT AND COMMERCIAL ACTIVITIES			
Tourism and Economic Development			
Alps2Ocean offroad Hayman Road section	555	-	-
Computers	-	-	80
TOTAL TOURISM, ECONOMIC DEVELOPMENT AND COMMERCIAL ACTIVITIES CAPITAL EXPENDITURE	555	-	80
TOTAL CAPITAL EXPENDITURE			
Total capital expenditure	8,047	7,082	15,541

Forecast summary of depreciation

	2019/20	2020/21	
	Annual Plan \$000's	Long Term Plan \$000's	Annual Plan \$000's
Governance and Corporate Services	192	284	221
Water supplies	668	722	718
Wastewater	343	417	405
Stormwater	63	85	88
Roading	2,279	2,449	2,405
Planning and Regulatory Services	6	9	10
Community and Township Services	456	459	483
Tourism, Economic Development and Commercial Activities	86	114	109
TOTAL DEPRECIATION	4,093	4,539	4,438

Forecast funding impact statement
(whole of Council)

	2019/20	2020/21	
	Annual Plan \$000's	Long Term Plan \$000's	Annual Plan \$000's
Sources of Operating Funding			
General rates, uniform annual general charges, rates penalties	4,669	4,452	4,900
Targeted rates	5,610	6,441	5,989
Subsidies and grants for operating purposes	878	901	1,993
Interest and dividends from investments	862	847	940
Local authorities fuel tax, fines, infringement fees and other receipts	4,007	2,847	4,417
TOTAL OPERATING FUNDING (A)	16,026	15,488	18,239
Application of Operating Funding			
Payments to staff and suppliers	13,658	12,680	16,512
Finance costs	114	306	151
TOTAL APPLICATIONS OF OPERATING FUNDING (B)	13,772	12,986	16,663
SURPLUS (DEFICIT) OF OPERATING FUNDING (A-B)	2,254	2,502	1,576
Sources of Capital Funding			
Subsidies and grants for capital expenditure	931	989	1,530
Development and financial contributions	1,832	1,508	1,507
Increase (decrease) in debt	2,081	924	10,500
Gross proceeds from sale of assets	-	735	-
TOTAL SOURCES OF CAPITAL FUNDING (C)	4,844	4,156	13,537
Application of Capital Funding			
Capital expenditure:			
- To meet additional demand	-	-	-
- To improve the level of service	-	-	3,421
- To replace existing assets	5,684	2,777	10,846
Increase (decrease) in reserves	1,414	3,881	846
TOTAL APPLICATIONS OF CAPITAL FUNDING (D)	7,098	6,658	15,113
SURPLUS (DEFICIT) OF CAPITAL FUNDING (C-D)	(2,254)	(2,502)	(1,576)
FUNDING BALANCE ((A-B)+(C-D))	-	-	-



Forecast statement of reserve movements

Forecast Opening Balance at 1 July 2020	2020/21		Forecast Closing Balance at 1 July 2021
	Forecast Movements into Reserve 2020/21	Forecast Movements from Reserve 2020/21	
\$000's			\$000's

Reserves

Activity to which the fund relates

Purpose

ACCUMULATED FUNDS

TOTAL ACCUMULATED FUNDS	122,841	1,449	-	124,290
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SPECIAL RESERVE FUNDS

Albury water fund	Communities and Township Services	Fund Albury water	40	-	-	40
Ashwick/Opuha water fund	Communities and Township Services	Fund Ashwick/Opuha water	(40)	-	-	(40)
Building maintenance	Communities and Township Services	Fund repairs & maintenance of certain Council amenity assets	-	-	-	-
Housing replacement	Communities and Township Services	Fund district housing	7	-	-	7
Insurance	Governance and Corporate Services	Fund disaster cover	200	-	-	200
Land subdivision	Communities and Township Services	Fund district wide projects	4,716	163	-	4,879
Pensioner housing amenities	Communities and Township Services	Fund pensioner housing amenities	2	-	-	2
Watertight building	Governance and Corporate Services	Held to over increased insurance costs of Riskpool	44	-	-	44
Mackenzie County Scholarship Trust	Governance and Corporate Services	Held on behalf of the Mackenzie County Scholarship Trust	86	-	-	86
Masonic Lodge Scholarship	Governance and Corporate Services	Held on behalf of the Masonic Scholarship Fund	37	-	-	37
Real estate investment	Tourism, Economic Development & Commercial	Accumulate operating results from Council's real estate activities	4,115	-	-	4,115
Strathconan pool capital	Communities and Township Services	Fund Strathconan Pool capital	2	-	-	2
TOTAL SPECIAL RESERVE FUNDS MOVEMENT			9,209	163	-	9,372

OTHER RESERVES

Albury war memorial	Communities and Township Services	Fund maintenance of war memorials	4	-	-	4
Ashwick/Allandale war memorial	Communities and Township Services	Fund maintenance of war memorials	5	-	-	5
Davidson bequest: cemetery	Communities and Township Services	Bequest for cemetery maintenance	2	-	-	2
Gillingham bequest: library	Communities and Township Services	Bequest for library books	-	-	-	-
Gould bequest: cemetery	Communities and Township Services	Bequest for cemetery maintenance	2	-	-	2
Paterson ponds	Communities and Township Services	Fund maintenance at Paterson Ponds	10	-	-	10
Enid Hutt Fairlie beautifying fund	Communities and Township Services	Fund expenditure in the Fairlie township	27	-	-	27
TOTAL OTHER RESERVES			50	-	-	50



			2020/21			
			Forecast Opening Balance at 1 July 2020	Forecast Movements into Reserve 2020/21	Forecast Movements from Reserve 2020/21	Forecast Closing Balance at 1 July 2021
Reserves	Activity to which the fund relates	Purpose	\$000's		\$000's	\$000's
ASSET REVALUATION RESERVES						
Share revaluation	Tourism, Economic Development & Commercial	Accumulate changes in share investments value	6,214	-	-	6,214
Investment revaluation	Tourism, Economic Development & Commercial	Accumulate movements in long-term investments	61	-	-	61
Total Non-Current Liabilities						
- Land	Governance and Corporate Services	Accumulate changes in value of land holdings	30,406	-	-	30,406
- Water supplies	Water supplies	Accumulate value of changes in water infrastructure	15,085	-	-	15,085
- Wastewater schemes	Wastewater	Accumulate changes in value of wastewater infrastructure	8,237	-	-	8,237
- Stormwater schemes	Stormwater	Accumulate changes in value of stormwater infrastructure	2,953	-	-	2,953
- Roading	Roading	Accumulate changes in value of roading infrastructure	50,588	-	-	50,588
- Plant	Communities and Township Services	Accumulate changes in value of plant assets	35	-	-	35
- Buildings	Governance and Corporate Services	Accumulate changes in value of buildings	10,508	-	-	10,508
TOTAL REVALUATION RESERVES			124,087	-	-	124,087
CAPITAL RESERVES						
Administration	Governance and Corporate Services	Fund capital replacement of administration assets	(43)	-	-	(43)
Allandale water	Water supplies	Fund debt repayment of the Allandale Water Scheme construction and to fund its eventual replacement	(351)	40	-	(311)
Animal control	Planning and Regulatory Services	Fund capital requirements of animal control	-	-	-	-
Ashwick/Opuha water	Water supplies	Fund capital requirements of Ashwick/Opuha Water scheme	2	-	-	2
Asset management	Governance and Corporate Services	Fund capital requirements of asset management	-	-	-	-
Burkes Pass sewer	Wastewater	Fund sewer capital works in Burkes Pass	-	-	-	-
Burkes Pass water	Water supplies	Fund capital requirements of Burkes Pass Water scheme	-	-	-	-
CEO department	Governance and Corporate Services	Fund capital requirements of CE department	-	-	-	-
Civil defence	Planning and Regulatory Services	Fund capital requirements of Civil Defence	(53)	10	-	(43)
Community facilities	Communities and Township Services	Fund capital requirements of community facilities	-	-	-	-
District Council	Governance and Corporate Services	Fund capital requirements of Governance activities	(2)	-	-	(2)
Council building: Fairlie	Governance and Corporate Services	Fund replacement of Council's administration office in Fairlie	(332)	87	-	(245)
Council building: Twizel	Governance and Corporate Services	Fund replacement of Council's administration office in Twizel	56	21	(2)	75
District general	Communities and Township Services	Fund capital requirements of the district	(197)	3	-	(194)
District wide roading	Roading	Fund roading capital works district-wide	(1,095)	2,559	(2,290)	(826)

			2020/21			
			Forecast Opening Balance at 1 July 2020	Forecast Movements into Reserve 2020/21	Forecast Movements from Reserve 2020/21	Forecast Closing Balance at 1 July 2021
Reserves	Activity to which the fund relates	Purpose	\$'000's		\$'000's	\$'000's
Downlands water	Water supplies	Council's share of a joint venture to fund the capital requirements of the Downlands Water Scheme	-	-	-	-
Fairlie Medical Centre	Communities and Township Services	Fund replacement of medical facilities in Fairlie	37	4	-	41
Fairlie pensioner housing	Communities and Township Services	Fund eventual replacement of pensioner housing stock in Fairlie	130	11	(8)	133
Fairlie roading	Roading	Fund roading projects in Fairlie	-	-	-	-
Fairlie Resource Recovery Park	Communities and Township Services	Fund capital upgrades & replacement of Fairlie Recovery Park	-	-	-	-
Fairlie sewer	Wastewater	Fund wastewater capital works in Fairlie	-	-	-	-
Fairlie stormwater	Stormwater	Fund stormwater capital works in Fairlie	-	-	-	-
Fairlie township	Communities and Township Services	Fund capital works in the Fairlie township	(22)	-	-	(22)
Fairlie water	Water supplies	Fund water capital works in Fairlie	-	-	-	-
Forestry	Tourism, Economic Development & Commercial	Fund operations of Council's forestry assets	7,135	-	-	7,135
Hardfill sites	Communities and Township Services	Fund costs arising from operations at Council's hardfill sites	-	-	-	-
Inspectorate	Planning and Regulatory Services	Fund capital requirements of inspectorate department	-	-	-	-
Information technology department	Governance and Corporate Services	Fund capital replacement of IT assets	(266)	70	(165)	(361)
Kimbell water	Water supplies	Fund capital requirements of the Kimbell water scheme	22	1	-	23
Lake Tekapo Community Hall	Communities and Township Services	Fund replacement of Tekapo Community Hall	(26)	6	-	(20)
Lake Tekapo roading	Roading	Fund roading projects in Tekapo	-	-	-	-
Lake Tekapo Resource Recovery Park	Communities and Township Services	Fund capital upgrades & replacements for Tekapo Recovery Park	-	-	-	-
Lake Tekapo sewer	Wastewater	Fund capital wastewater works in Tekapo	-	-	-	-
Lake Tekapo stormwater	Stormwater	Fund capital stormwater works in Tekapo	-	-	-	-
Lake Tekapo township	Communities and Township Services	Fund capital works in Tekapo township	(226)	31	(232)	(427)
Lake Tekapo water	Water supplies	Fund water capital works in Tekapo	-	-	-	-
Mackenzie Community Centre	Communities and Township Services	Fund capital works at Mackenzie Community Centre	85	26	(32)	79
Manuka Terrace water	Water supplies	Fund investigation and construction of a new water supply for Manuka Terrace	-	-	-	-
Plant account	Governance and Corporate Services	Fund capital replacement of Council's motor vehicle assets	(65)	106	(95)	(54)
Public toilets	Communities and Township Services	Fund replacement of public toilets	(300)	69	-	(231)
Pukaki Airport Board	Tourism, Economic Development & Commercial	Fund operations of Council's airport assets	-	-	-	-
Real estate	Tourism, Economic Development & Commercial	Fund subdivision of Council's real estate assets	156	-	(139)	17
Resource planning	Planning and Regulatory Services	Fund capital requirements of the Resource Planning business unit	(2,687)	89	(722)	(3,320)
Roading professional business unit	Roading	Fund capital requirements of the Roding business unit	(9)	5	-	(4)
Rural roading	Roading	Fund roading projects in Rural area	-	-	-	-
School Road water	Water supplies	Fund capital requirements of the School Road water scheme	23	-	-	23

			2020/21			
			Forecast Opening Balance at 1 July 2020	Forecast Movements into Reserve 2020/21	Forecast Movements from Reserve 2020/21	Forecast Closing Balance at 1 July 2021
Reserves	Activity to which the fund relates	Purpose	\$'000's		\$'000's	\$'000's
Sherwood Downs hall	Communities and Township Services	Fund capital requirements of Sherwood Downs Hall	31	-	-	31
Sherwood Downs recreation reserve	Communities and Township Services	Fund capital requirements of Sherwood Downs reserves	37	1	-	38
Spur Road water	Water supplies	Fund Spur Road capital debt	-	-	-	-
Swimming Pool: Strathconan	Communities and Township Services	Fund replacement of Fairlie swimming pool	39	9	-	48
Swimming Pool: Twizel	Communities and Township Services	Fund replacement of Twizel swimming pool	(492)	20	-	(472)
Tourism and Economic Development	Tourism, Economic Development & Commercial		(555)	14	-	(541)
Treatment of organic waste	Communities and Township Services	Fund treatment of organic waste	-	-	-	-
Twizel Community Centre	Communities and Township Services	Fund replacement of Twizel Events Centre	240	54	(105)	189
Twizel Medical Centre	Communities and Township Services	Fund replacement of Twizel medical facilities	-	-	-	-
Twizel pensioner housing	Communities and Township Services	Fund eventual replacement of pensioner housing stock in Twizel	41	7	-	48
Twizel roading	Roading	Fund roading projects in Twizel	-	-	-	-
Twizel Resource Recovery Park	Communities and Township Services	Fund capital upgrades & replacements for Twizel Recovery Park	-	-	-	-
Twizel sewer	Wastewater	Fund wastewater capital works in Twizel	-	-	-	-
Twizel stormwater	Stormwater	Fund stormwater capital works in Twizel	-	-	-	-
Twizel township	Communities and Township Services	Fund capital works in the Twizel township	(201)	31	(67)	(237)
Twizel water	Water supplies	Fund water capital works in Twizel	-	-	-	-
Urban wastewater	Wastewater	Fund district wastewater capital works	3,420	1,479	(631)	4,268
Urban stormwater	Stormwater	Fund district stormwater capital works	971	216	-	1,187
Urban water	Water	Fund district water capital works	(1,418)	1,425	(165)	(158)
Waste management	Communities and Township Services	Fund district solid waste capital works	(110)	34	-	(76)
TOTAL CAPITAL RESERVES			3,975	6,428	(4,653)	5,750
OPERATING RESERVES						
Albury hall	Communities and Township Services	Fund operations at Albury Hall	-	-	-	-
Albury community refuse collection	Communities and Township Services	Fund Council's refuse collection operations	-	-	-	-
Albury water supply	Water supplies		-	-	-	-
District general	Governance and Corporate Services	Accumulate surpluses/deficits from General Rate funded operations	(3,873)	-	-	(3,873)
Downlands Water supply	Water supplies		-	-	-	-
Eversley/Punaroa water races	Water supplies	Accumulate surpluses/deficits to fund Eversley/Punaroa operating activities	(1)	-	-	(1)
Fairlie community refuse collection	Communities and Township Services	Fund Council's refuse collection operations	-	-	-	-
Fairlie works and services	Communities and Township Services	Accumulate surpluses/deficits from Fairlie Works & Services rate funded operations	-	-	-	-
Lake Alexandrina refuse collection	Communities and Township Services	Fund Council's refuse collection operations	-	-	-	-
Lake Tekapo community refuse collection	Communities and Township Services	Fund Council's refuse collection operations	-	-	-	-
Lake Tekapo works and services	Communities and Township Services	Accumulate surpluses/deficits from Fairlie Works & Services rate funded operations	-	-	-	-
Other reserves	Communities and Township Services	Accumulate surpluses from Lake Alexandrina rental receipts	475	40	-	515
Pukaki Airport Board	Tourism, Economic Development & Commercial	Fund operations of Council's airport assets	1,202	-	-	1,202

			2020/21			
			Forecast Opening Balance at 1 July 2020	Forecast Movements into Reserve 2020/21	Forecast Movements from Reserve 2020/21	Forecast Closing Balance at 1 July 2021
Reserves	Activity to which the fund relates	Purpose	\$'000's		\$'000's	\$'000's
Roading professional services business unit	Roading	Accumulate operating results of Council's roading business unit	(205)	54	-	(151)
Real estate	Tourism, Economic Development & Commercial	Hold returns from real estate transactions	-	-	-	-
Resource management	Planning and Regulatory Services	Defecit from Plan Change 13	-	-	-	-
Rural works and services	Communities and Township Services	Accumulate surpluses/deficits from Rural Works & Services rate funded operations	-	-	-	-
Tourism and development	Tourism, Economic Development & Commercial	Accumulate operating results from the ownership of the Pukaki Visitor Centre	(343)	50	-	(293)
Twizel community refuse collection	Communities and Township Services	Fund Council's refuse collection operations	-	-	-	-
Twizel visitors centre	Tourism, Economic Development & Commercial	Accumulate surpluses/deficits from Twizel visitor centre operations	-	-	-	-
Twizel works and services	Communities and Township Services	Accumulate surpluses/deficits from Twizel Works & Services rate funded operations	-	-	-	-
Waste management	Communities and Township Services	Accumulate surpluses/deficits from Council's solid waste operations	-	-	-	-
TOTAL OPERATING RESERVES			(2,745)	144	-	(2,601)
TOTAL EQUITY			257,417	8,184	(4,653)	260,948





Rating definitions

GENERAL RATE

A general rate will be set on capital value under section 13 of the Local Government (Rating) Act 2002 on all rateable land. The general rate will be set differentially using the following categories based on the use and location of the land:

- Tekapo A
- Ohau A
- Tekapo B
- All other properties.

These categories are defined as follows:

Tekapo A	All rating units in the former Tekapo ward, used for hydro electric power generation (as more particularly defined on valuation roll number 25300 15901).
Ohau A	All rating units in the former Twizel ward used for hydro electric power generation (as more particularly defined on valuation roll number 25320 00701A).
Tekapo B	All rating units in the former Tekapo ward, used for hydro electric power generation (as more particularly defined in valuation roll number 25300 18400).
All other properties	All rating units in the Mackenzie District other than Ohau A, Tekapo A and Tekapo B.

The relationship between the rates set in the differential categories is as follows:

Category	Factor
Tekapo A	10% of the total rate requirement
Ohau A	10% of the total rate requirement
Tekapo B	10% of the total rate requirement
All other properties	70% of the total rate requirement

UNIFORM ANNUAL GENERAL CHARGE (UAGC)

A uniform annual general charge will be set under section 15 of the Local Government (Rating) Act 2002 as a fixed amount per separately used or inhabited part of a rating unit (SUIP). Its level is designed to obtain a balance between flat charges and rates on capital value that is acceptable to Council. It is not used to fund any special portion of the general expenditure of Council. The general rate and uniform annual general charge are used to fund the general activities of Council, including but not limited to the following:

- Administrative, technical and regulatory activities and associated overhead costs
- Civil defence
- Planning
- Cemeteries
- Public toilets
- Part of the solid waste management costs
- Part of the Alps to Ocean Activity
- Other general expenses.

TARGETED RATES

Sections 16-19 of the Local Government (Rating) Act 2002 authorise Council to set targeted rates to fund functions that are identified in its Long Term Plan as being functions for which targeted rates may be set. Schedule three of the Local Government (Rating) Act 2002 lists factors that may be used to calculate the liability of targeted rates and section 18 provides that rates may be set per rating unit. The Council may select one or more of these factors for each targeted rate. If differential rating is being used, the Council must use the matters contained in Schedule two of the Local Government (Rating) Act 2002 to define the differential categories.

Lump Sum Contributions - Except in respect of the Eversley reserve sewerage rate, the Council does not accept lump sum contributions for any targeted rates.

Works and Services Targeted Rates

Twizel Works and Services Rate

This targeted rate will be assessed on every rating unit in the Twizel community area of benefit (as defined on a map held by Council) and will be:

- A fixed amount per separately used or inhabited part (SUIP) of a rating unit to fund an annually defined percentage of the targeted rate requirement (excluding capital improvement work in the Twizel community area of benefit which is funded by Twizel Improvement rate); and
- A rate in the dollar based on the capital value of the land to fund the balance of the targeted rate requirement (excluding capital improvement work in the Twizel community area of benefit which is funded by Twizel Improvement rate).

Currently the 2020/21 split of the rate requirement is 10% fixed charges and 90% rate in the dollar of capital value.

Fairlie Works and Services Rate

This targeted rate will be assessed on every rating unit in the Fairlie community (as defined on a map held by Council) and will be:

- A fixed amount per separately used or inhabited part (SUIP) of a rating unit to fund an annually defined percentage of the targeted rate requirement; and
- A rate in the dollar based on the capital value of the land to fund the balance of the targeted rate requirement.

Currently the 2020/21 split of the rate requirement is 10% fixed charge and 90% rate in the dollar based on capital value.

Lake Tekapo Works and Services Rate

This targeted rate will be assessed on every rating unit in the Lake Tekapo community (as defined on a map held by Council) and will be:

- A fixed amount per separately used or inhabited part (SUIP) of a rating unit to fund an annually defined percentage of the targeted rate requirement; and
- A rate based on the capital value of the land to fund the balance of the targeted rate requirement.

Currently the 2020/21 split of the rate requirement is 48% fixed charge and 52% rate in the dollar based on capital value.

Rural Works and Services Rate

This targeted rate will be assessed on every rating unit in the rural community (as defined on a map held by Council, excluding Mount Cook Village) and will be:

- A fixed amount per separately used or inhabited part (SUIP) of a rating unit to fund an annually defined percentage of the targeted rate requirement; and
- A rate based on the capital value of the land to fund the balance of the targeted rate requirement, set differentially using the following categories based on the use and location of the land:

Tekapo A	All rating units in the former Tekapo ward, used for hydro electric power generation (as more particularly defined on valuation roll number 25300 15901).
Ohau A	All rating units in the former Twizel ward used for hydro electric power generation (as more particularly defined on valuation roll number 25320 00701A).
Tekapo B	All rating units in the former Tekapo ward, used for hydro electric power generation (as more particularly defined in valuation roll number 25300 18400).
All other properties	All rating units in the Mackenzie District other than Ohau A, Tekapo A and Tekapo B and Mt Cook village.

Rural area is defined as the area of the District excluding the community areas of benefit of Twizel, Tekapo, Fairlie and Mount Cook Village (as defined on a plan held by Council).

The relationship between the rates set in the differential categories is as follows:

Category	Factor
Tekapo A	20% of the total rate requirement
Ohau A	20% of the total rate requirement
Tekapo B	20% of the total rate requirement
All other properties	40% of the total rate requirement

Currently the 2020/21 split of the rate requirement is 49% fixed charge and 51% rate in the dollar based on capital value.

Urban Sewerage Rates**Sewage Treatment Rate**

A targeted rate will be assessed under section 16 of the Local Government (Rating) Act 2002 on rating units located in the Fairlie, Twizel (including land encompassing and known as Pukaki Airport), Lake Tekapo and Burkes Pass communities to fund the cost of sewage treatment. (as defined on maps held by Council)

The targeted rate will be:

- A fixed amount per separately used or inhabited part (SUIP) of a rating unit which is connected to a community sewerage scheme.
- An additional targeted rate will be assessed on every rating unit which is connected of a fixed amount per water closet or urinal after the first (rating units comprising a single household are treated as having one water closet or urinal). This rate will be set at 25% of the fixed amount.

Notes: For the purposes of the targeted rates for sewage treatment:

- The sewerage service is treated as being provided if the rating unit is connected to a public sewerage drain;
- A rating unit used primarily as a residence for one household is treated as having not more than one water closet or urinal.

Sewage Infrastructure Rate

A targeted rate will be assessed under section 16 of the Local Government (Rating) Act 2002 on rating units located in the Fairlie, Twizel (including land encompassing and known as Pukaki Airport), Lake Tekapo and Burkes Pass communities to fund the Council's sewerage infrastructure services. This includes sewer maintenance, depreciation and the servicing of loans. (as defined on maps held by Council).

The targeted rate will be:

- A fixed amount per separately used or inhabited part (SUIP) of a rating unit which is connected or capable of being connected to a community sewerage scheme
- An additional targeted rate will be assessed on every rating unit connected to a community sewerage scheme of a fixed amount per water closet or urinal after the first (rating units comprising a single household treated as having one water closet or urinal). This rate will be set at 25% of the fixed amount).

Notes: For the purposes of the targeted rate for sewerage infrastructure:

- The sewerage infrastructure service is treated as being provided if the rating unit is connected to or able to be connected to a public sewerage drain and is within 30 metres of such a drain;
- A rating unit used primarily as a residence for one household is treated as having not more than one water closet or urinal.

Eversley Reserve Sewage Rate

A targeted rate will be assessed under section 16 of the Local Government (Rating) Act 2002 to repay a loan made by council to Eversley Reserve ratepayers to fund on-property sewerage infrastructure for rating units in the Eversley Reserve area of benefit(excluding those rating units that opted to pay a lump sum contribution).

The targeted rate will be a fixed amount per rating unit in the Eversley Reserve (excluding those rating units which have opted to pay the lump sum contribution). (as defined on a map held by Council).

Urban Stormwater Rate

A targeted rate will be assessed under section 16 of the Local Government (Rating) Act 2002 on rating units located in the Fairlie, Twizel and Lake Tekapo communities to fund the costs of Council's urban stormwater reticulation (as defined on maps held by Council)

The targeted rate will be a fixed amount per separately used or inhabited part (SUIP) of a rating unit which is within the communities of Fairlie, Twizel and Lake Tekapo.

Urban Water Supply Rates**Water Treatment Rate**

A targeted rate will be assessed under section 16 of the Local Government (Rating) Act 2002 on rating units located in the Fairlie, Twizel (including land encompassing and known as Pukaki Airport), Lake Tekapo and Burkes Pass communities to fund the costs of Council's urban water treatment. (as defined on maps held by Council).

The targeted rate will be a fixed amount per separately used or inhabited part (SUIP) of a rating unit which are connected to a council community water supply (except those rating units receiving a metered water supply).

Water Infrastructure Rate

A targeted rate will be assessed under section 16 of the Local Government (Rating) Act 2002 on rating units located in the Fairlie, Twizel (including land encompassing and known as Pukaki Airport), Lake Tekapo and Burkes Pass communities to fund the Council's urban water supply infrastructure services. This includes maintenance, depreciation and the servicing of loans (as defined on maps held by Council)

- The targeted rate will be a fixed amount per separately used or inhabited part (SUIP) of a rating unit which is connected or capable of connection to a council community water supply (except those rating units receiving a metered water supply).

Note: Any rating unit to which water can be, but is not supplied (being a property situated within 100 metres of any part of an urban communities' waterworks) is treated as being capable of connection.

Metered Water Rate

A targeted rate under section 16 of the Local Government (Rating) Act 2002 will be assessed on every rating unit in each of the following communities where water is supplied and measured by meter.

- Fairlie Community
- Twizel Community
- Lake Tekapo Community
- Burkes Pass Community
- Rural Community

The targeted rate will be a fixed amount per metered supply to any rating unit which is serviced by a council water meter.

Note: Rating units are considered to be serviced if rating unit receives a water supply.

Rural Water Supply Rates

The following targeted rates will be assessed under the Local Government (Rating) Act 2002 to fund the rural water supplies.

Note: Rating units are considered to be supplied if the rating unit receives a water supply, or any part of the rating unit lies within the defined area of benefit for that supply (as defined on maps held by council).

Allandale Water Supply

A targeted rate for water supply under section 19 of the Local Government (Rating) Act 2002 assessed on every rating unit supplied with water by the Allandale rural water supply to fund the costs of maintenance, depreciation and the servicing of loans.

The targeted rate will be a fixed amount per unit of water supplied.

Ashwick/Opuha Water Supply

A targeted rate for water supply under section 16 of the Local Government (Rating) Act 2002 assessed on every rating unit within the defined area of benefit for the Ashwick/Opuha rural water supply to fund the costs of maintenance, depreciation and the servicing of loans.

The targeted rate will be a fixed amount per rating unit.

Fairlie Water Race

A targeted rate for a water supply under section 16 of the Local Government (Rating) Act 2002 assessed on every rating unit within the defined area of benefit for the Fairlie water race to partly fund the costs of maintenance, depreciation and the servicing of loans.

- A targeted rate will be assessed on every rating unit as a fixed amount per rating unit
- An additional targeted rate will be a fixed amount per hectare within the rating unit.

Spur Road Water Supply

A targeted rate for water supply under section 19 of the Local Government (Rating) Act 2002 assessed on every rating unit supplied with water by the Spur Road rural water supply to fund the costs of maintenance, depreciation and the servicing of loans.

The targeted rate will be a fixed amount per unit of water supplied.

Note: For the purposes of the Allandale and Spur Road rural water supplies, a unit of water allows for a supply of 1,820 litres per day.

Downlands Water Supply

A targeted rate for water supply under section 16 of the Local Government (Rating) Act 2002 on every rating unit serviced by Downlands water supply within the Mackenzie District to fund the costs of maintenance, depreciation and the servicing of loans.

The targeted rate will be a fixed amount per rating unit.

A targeted rate for water supply under section 19 of the Local Government (Rating) Act 2002 assessed on every rating unit serviced by Downlands water supply within the Mackenzie District to fund the costs of maintenance, depreciation and the servicing of loans.

The targeted rate will be a fixed amount per unit of water.

Note: For the purposes of the Downlands water supply, a unit of water allows for a supply of 1,000 litres per day.

District Roding Rate

A targeted rate will be assessed under Section 16 of the Local Government (Rating) Act 2002 to fund the costs of all roading in the Mackenzie District, both subsidised and non-subsidised.

The targeted rate will be assessed on every rating unit in the Mackenzie District (excluding Mount Cook Village) and will be made up of two components:

- A fixed amount per separately used or inhabited part (SUIP) of a rating unit to fund an annually defined percentage of the targeted rate requirement; and
- A rate based on the capital value of the land to fund the balance of the targeted rate requirement, set differentially using the following categories based on the use and location of the land:
 - Ohau A;
 - Tekapo A;
 - Tekapo B;
 - All other district properties.

These categories are defined as follows:

Tekapo A	All rating units in the former Tekapo ward, used for hydro electric power generation (as more particularly defined on valuation roll number 25300 15901).
Ohau A	All rating units in the former Twizel ward used for hydro electric power generation (as more particularly defined on valuation roll number 25320 00701A).
Tekapo B	All rating units in the former Tekapo ward, used for hydro electric power generation (as more particularly defined in valuation roll number 25300 18400).
All other properties	All rating units in the Mackenzie District other than Ohau A, Tekapo A and Tekapo B and Mt Cook village.

The relationship between the rates set in the differential categories is as follows:

Category	Factor
Tekapo A	10% of the total rate requirement
Ohau A	10% of the total rate requirement
Tekapo B	10% of the total rate requirement
All other properties	70% of the total rate requirement

Currently the 2020/21 split of the rate requirement is 35% fixed charges and 65% rate in the dollar based on capital value.

Twizel Improvement Rate

A targeted rate will be assessed under section 16 of the Local Government (Rating) Act 2002 to fund capitalised improvement work in the Twizel community area of benefit.

The targeted rate will be a fixed amount per separately used or inhabited part (SUIP) of a rating unit.

Solid Waste Rate

Urban Solid Waste Rate

A targeted rate will be assessed under section 16 of the Local Government (Rating) Act 2002 to partly fund the cost of all solid waste activity undertaken by Council. It will be assessed on every rating unit in each of the following waste collection areas:

- Twizel waste collection area
 - Lake Tekapo waste collection area
 - Fairlie waste collection area
- (as defined on maps held by Council)

And on those rating units within one kilometre of the collection route on State Highway 8 from Cave in the east to Twizel in the west that have opted to receive the service.

The targeted rate will be a fixed amount per separately used and inhabited part (SUIP) of a rating unit to which the Council provides the service.

Tourism and Promotion Rate

Targeted rates will be assessed under section 16 of the Local Government (Rating) Act 2002 to fund the costs of Mackenzie District tourism and promotion activities.

Fixed Amount

The first targeted rate will be assessed as a fixed amount per separately used and inhabited part (SUIP) of a rating unit on every rating unit in the Mackenzie District.

Differential Rate

The second targeted rate will be assessed on rating units in the following categories (defined on the basis of the use to which the land is put), and set differentially:

The Categories for the rate are:

Group A

- Commercial businesses
- Industrial land properties

Group B

- Commercial accommodation business
- Secondary accommodation properties

Definitions Used

All properties	All rateable properties in the Mackenzie District
Group A:	
Commercial Businesses	All rating units within the Mackenzie District identified as where the principal user of the land is identified as being a trading entity engaged in commercial business activities (excluding commercial accommodation providers)
Industrial Land Properties	All rating units within the Mackenzie District with a property land use code beginning with I in the Council's Rating Information Database
Group B:	
Commercial Accommodation Businesses	All rating units within the Mackenzie District identified as accommodation providers for short term (less than 30 consecutive days occupancy by the same occupier) paying guests and where the principal use of the land is commercial accommodation business.
Secondary Accommodation Businesses	All other rating units within the Mackenzie District identified as accommodation providers for short term (less than 30 consecutive days occupancy by the same occupier) paying guests, but where the principal use of the land is not commercial accommodation business.
Property land use codes:	
<ul style="list-style-type: none"> • Each rating assessment has a property land use code that broadly describes the nature of this property. • The property land use code is based on the highest and best use or the use for which the property would be sold given current economic conditions. • This differs from Land Use Data which is based on current actual use and zoning. • The coding is alpha-numeric and has two six characters. • Property land use codes are maintained by Council's current valuation service provider "Quotable Value Ltd". 	

The targeted rate will be:

Group A	Commercial business - A rate on the rateable capital value of the land of all Commercial business properties (excluding commercial accommodation businesses and secondary accommodation properties)
	Industrial land - A fixed amount per rating unit for Industrial land properties (excluding commercial businesses, commercial accommodation businesses and secondary accommodation properties).
Group B	Commercial accommodation businesses - A rate on the rateable capital value of the land of all commercial accommodation businesses (excluding commercial business properties and industrial land properties).
	Secondary accommodation properties - A rate on the rateable capital value of the land of all secondary accommodation properties (excluding commercial business and industrial land properties).

The amount per dollar of capital value for secondary accommodation properties is half of that for commercial accommodation properties.

The relationship between the rates set in the differential categories is as follows:

Category	Factor
All properties	10% of the total rate requirement
Group A	30% of the total rate requirement set as follows: <ul style="list-style-type: none"> • 2.95% Industrial Land properties • 27.05% Commercial Businesses
Group B	60% of the total rate requirement set differentially as follows: <ul style="list-style-type: none"> 20.97% Commercial Accommodation businesses 39.03% Secondary Accommodation properties

Currently the 2020/21 split of the rate requirement is 12.95% fixed charges and 87.05% rate in the dollar based on capital value.

Economic Development Rate

A targeted rate will be assessed under section 16 of the Local Government (Rating) Act 2002 to fund the cost of economic development activities undertaken by Council.

The targeted rate will be assessed on every rating unit in the District and will be made up of two components:

- A fixed amount per separately used or inhabited part (SUIP) of a rating unit to fund an annually defined percentage of the targeted rate requirement; and
- A rate based on the land use on the rateable capital value of the land to fund the balance of the targeted rate requirement, on rating units in the commercial business, industrial land properties as defined below.

Categories

- Commercial Businesses
- Industrial land properties

Currently the 2020/21 split of the rate requirement is 70.37% fixed charges and 29.64% rate in the dollar based on capital value.

Alps to Ocean Rate

A targeted rate will be assessed under section 16 of the Local Government (Rating) Act 2002 to partly fund the cost of Alps to Ocean activity. It will be assessed on every rating unit in the Mackenzie District:

The targeted rate will be a fixed amount per separately used or inhabited part (SUIP) of a rating unit.

Rural Cattle Stop Maintenance Rate

A targeted rate will be assessed under Section 16 of the Local Government (Rating) Act 2002 to fund the cost of the maintenance and upgrade costs of cattle stop structures and approaches (10 meters either side of the transverse centre line running through the middle of the cattlestop) on council road and the outer boundary of a rating unit.

The targeted rate will be a fixed amount per cattle stop, or part thereof on those rating units units benefitting if the cattle stop encroaches more than one rating unit.

DEFINITIONS USED

Separately Used or Inhabited Part of a Rating Unit (SUIP)

Where uniform annual general charges and targeted rates are assessed on each separately used or inhabited part of a rating unit, the following definition will apply.

A separately used or inhabited part of a rating unit includes any part of a rating unit that is used or inhabited by any person, other than the ratepayer, having a right to use or inhabit that part by virtue of a tenancy, lease, licence, or other agreement, or any part or parts of a rating unit that can be separately used or inhabited by the ratepayer. This definition includes separately used parts, whether or not actually inhabited at any particular time, which are provided by the owner for rental (or some other form of occupation) on an occasional or long term basis by someone other than the owner.

For the purposes of this definition, vacant land and vacant premises offered or intended for use or habitation by a person other than by the owner and usually used as such are defined "used". For the avoidance of doubt, a rating unit that has a single use or occupation is treated as having one separately used or inhabited part.

Examples of separately used or inhabited parts include:

- Residential property that contains two or more units that can be separately inhabited, including flats or houses each of which is or can be separately inhabited;
- Commercial or other non-residential property containing separate residential accommodation;
- Commercial premises that contain separate shops, kiosks or other retail or wholesale outlets, each of which is operated as a separate business or is capable of operation as a separate business;
- Farm property with more than one dwelling;
- Council property with more than one lessee.

Council has recognised that there are certain instances where the above situations will occur, but in circumstances that do not give rise to separate uses or inhabitations. These specific instances are:

- Where a residential property contains not more than one additional separately inhabited part and where members of the owner's family inhabit the separate part on a rent-free basis.
- Individual storage garages/partitioned areas of a warehouse.
- Bed and breakfast home stays

Rating for 2020/21 year

The revenue and financing mechanisms to be used to cover the estimated expenses of the Council are covered in the Council's Revenue and Financing Policy. The method and impact of both general and targeted rates are covered in the Funding Impact Statement on **page 38**.

To find out more about rates and the definitions, check out pages 51-60.

GENERAL RATES		
	Factor	Value
General Rate		
Tekapo A	0.0157634 per dollar of capital value	\$543,837.30
Ohau A	0.0018280 per dollar of capital value	\$543,837.30
Tekapo B	0.0027745 per dollar of capital value	\$543,837.30
All other properties	0.0010466 per dollar of capital value	\$3,806,861.00
Total Expected Rates (including GST)		\$5,438,372.89
Total Expected Rates (excluding GST)		\$4,729,019.90
General Rate		
Fixed Charge		\$127,598.00
Total Expected Rates (excluding GST)	\$24.63 per SUIP	\$110,954.78

TARGETED RATES - Works and Services		
	Factor	Value
Twizel Works and Services Rate		
Fixed Charge	\$31.72 per SUIP	\$65,944.57
Capital Value Rate	0.0006889 per dollar of capital value	\$593,501.09
Total Expected Rates (including GST)		\$659,445.65
Total Expected Rates (excluding GST)		\$573,431.00
Fairlie Works and Services Rate		
Fixed Charge	\$65.88 per SUIP	\$38,412.88
Capital Value Rate	0.0021516 per dollar of capital value	\$345,715.88
Total Expected Rates (including GST)		\$384,128.75
Total Expected Rates (excluding GST)		\$334,025.00
Lake Tekapo Works and Services Rate		
Fixed Charge	\$184.21 per SUIP	\$169,199.04
Capital Value Rate	0.0002961 per dollar of capital value	\$183,298.96
Total Expected Rates (including GST)		\$352,498.00
Total Expected Rates (excluding GST)		\$306,520.00

TARGETED RATES - Works and Services		
	Factor	Value
Rural Works and Services Rate		
Fixed Charge	\$20.83 per SUIP	\$31,642.22
Tekapo A	0.0001909 per dollar of capital value	\$6,586.74
Ohau A	0.0000221 per dollar of capital value	\$6,586.74
Tekapo B	0.0000336 per dollar of capital value	\$6,586.74
All other rural properties	0.0000067 per dollar of capital value	\$13,173.49
Total Expected Rates (including GST)		\$64,575.93
Total Expected Rates (excluding GST)		\$56,152.98

TARGETED RATES - Urban Sewer		
	Factor	Value
Sewage Treatment Rate		
Fixed Charge	\$40.60 per connected SUIP	\$117,741.81
Additional Charge	\$10.15 for each additional water closet	\$7,972.94
Total Expected Rates (including GST)		\$125,714.75
Total Expected Rates (excluding GST)		\$109,317.17

Sewerage Infrastructure Rate		
	Factor	Value
Fixed Charge	\$180.06 per connectable SUIP	\$650,302.12
Additional Charge	\$45.01 for each additional water closet	\$35,360.12
Total Expected Rates (including GST)		\$685,662.24
Total Expected Rates (excluding GST)		\$596,228.03

Eversley Reserve Sewerage Rate		
	Factor	Value
Fixed Charge	\$938.28 per rating unit	\$11,259.36
Total Expected Rates (excluding GST)		\$9,790.74

TARGETED RATES - Urban Stormwater		
	Factor	Value
Stormwater Rate		
Fixed Charge	\$38.08 per SUIP	\$135,891.00
Total Expected Rates (excluding GST)		\$118,166.08

TARGETED RATES - Urban Water		
	Factor	Value
Water Treatment Rate		
Fixed Charge	\$47.75 per connectable SUIP	\$137,217.56
Total Expected Rates (excluding GST)		\$119,319.61
Water Infrastructure Rate		
Fixed Charge	\$361.53 per connectable SUIP	\$1,294,108.11
Total Expected Rates (excluding GST)		\$1,125,311.40
Water Meter Rate		
Fixed Charge	\$409.28 per metered supply	\$83,494.34
Total Expected Rates (excluding GST)		\$72,603.77

TARGETED RATES - Rural Water Supply		
	Factor	Value
Allandale Water Supply		
Fixed Charge	\$273.61 per unit	\$150,212.00
Total Expected Rates (excluding GST)		\$130,619.13
Ashwick/Opuha Water Race		
Fixed Charge	\$225.00 per rating unit	\$10,125.00
Total Expected Rates (excluding GST)		\$8,804.34
Spur Road Water Supply		
Fixed Charge	\$187.43 per unit	\$12,558.00
Total Expected Rates (excluding GST)		\$10,920.00
Downlands Water Supply Rates		
Fixed Charge	\$544.00 per serviced rating unit	\$30,464.02
Total Expected Rates (excluding GST)		\$26,490.45
Downlands Water Supply		
Fixed Charge	\$218.00 per unit	\$46,870.55
Total Expected Rates (excluding GST)		\$40,757.00

TARGETED RATES - Rural Water Supply		
	Factor	Value
Fairlie Water Race - per rating unit		
Fixed Charge	\$30.00 per rating unit	\$870.03
Total Expected Rates (excluding GST)		\$756.54
Fairlie Water Race - per hectare		
Fixed Charge	\$2.77 per hectare	\$1,927.06
Total Expected Rates (excluding GST)		\$1,675.70

TARGETED RATES - Rooding		
	Factor	Value
District Rooding Rate		
Fixed Charge	\$79.18 per SUIP	\$402,925.60
Tekapo A	\$0.0021689 per dollar of capital value	\$74,829.04
Ohau A	\$0.0002515 per dollar of capital value	\$74,829.04
Tekapo B	\$0.0003817 per dollar of capital value	\$74,829.04
All other district properties	\$0.0001463 per dollar of capital value	\$523,803.00
Total Expected Rates (including GST)		\$1,151,215.72
Total Expected Rates (excluding GST)		\$1,001,057.14

TARGETED RATES - Other		
	Factor	Value
Twizel Improvement Rate		
Fixed Charge		\$105,627.50
Total Expected Rates (excluding GST)	\$50.89 per SUIP	\$91,850.00
Solid Waste Rate		
Fixed Charge	\$279.80 per serviced SUIP	\$805,413.00
Total Expected Rates (excluding GST)		\$700,359.13
Tourism and Promotion Rate		
Fixed Charge	\$8.23 per SUIP	\$42,658.79
Fixed Charge: Industrial Land Properties	\$100.00 per rating unit	\$12,600.00
Fixed Charge: Commercial Business	\$0.0009041 per dollar of capital value	\$115,376.36
Fixed Charge: Commercial Accommodation	\$0.0007349 per dollar of capital value	\$89,458.73
Fixed Charge: Secondary Accommodation	\$0.0003674 per dollar of capital value	\$166,494.00
Total Expected Rates (including GST)		\$426,587.89
Total Expected Rates (excluding GST)		\$370,945.99

Sample rates for the 2020/21 year

TARGETED RATES - Other		Factor	Value
Economic Development Rate			
Fixed Charge		\$10.00 per SUIP	\$51,790.00
Capital Value Rate		0.0000878 per dollar of capital value	\$21,821.00
Total Expected Rates (including GST)			\$73,600.00
Total Expected Rates (excluding GST)			\$64,000.00
Alps to Ocean Rate			
Fixed Charge		\$22.20 per SUIP	\$115,000.00
Total Expected Rates (excluding GST)			\$100,000.00
Rural Cattle Stop Maintenance Rate			
Fixed Charge		\$108.69 per cattle stop	\$5,000.00
Total Expected Rates (excluding GST)			\$4,347.82



	\$215,000	\$265,000	\$315,000	\$215,000	\$265,000	\$315,000	CV
	\$1,805.57	\$1,963.39	\$2,121.20	\$3,716.62	\$2,741.26	\$1,991.42	2019/20
	\$1,05.57	\$2,060.90	\$2,228.16	\$3,964.68	\$2,961.19	\$2,105.64	2020/21

	\$580,000	\$730,000	\$980,000	\$4,000,000	\$750,000	\$750,000	CV
	\$2,087.07	\$2,304.62	\$2,667.19	\$9,999.69	\$2,520.54	\$2,559.75	2019/20
	\$2,156.76	\$2,380.22	\$2,752.65	\$10,663.42	\$2,721.23	\$2,694.79	2020/21

	\$345,000	\$390,000	\$520,000	\$4,000,000	\$750,000	\$750,000	CV
	\$1,831.79	\$1,919.70	\$2,173.74	\$11,926.95	\$2,810.13	\$2,849.34	2019/20
	\$1,840.60	\$1,925.31	\$2,170.04	\$12,133.05	\$2,914.24	\$2,887.80	2020/21

	\$570,000	CV
	\$830.80	2019/20
	\$849.65	2020/21

	\$1,010,000	\$2,090,000	\$3,010,000	\$3,880,000	\$5,050,000	CV
	\$2,157.52	\$2,622.73	\$3,707.32	\$4,732.96	\$6,112.28	2019/20
	\$2,357.80	\$2,674.17	\$3,778.48	\$4,822.78	\$6,227.18	2020/21

	\$5,750,000	\$7,000,000	\$7,800,000	\$10,300,000	\$13,100,000	CV
	\$6,937.51	\$8,411.13	\$9,354.25	\$12,301.50	\$16,696.86	2019/20
	\$7,067.42	\$8,567.84	\$9,528.12	\$12,528.97	\$17,004.54	2020/21

Note: the above sample properties have been selected as properties with a single dwelling with indicative rates shown



Other information

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Annual Plan disclosure statement

Rating base information

Schedule 10 of the Local Government Act 2002 requires the Council to state the projected number of rating units within the district at the end of the preceding financial year.

For the purposes of the 2020/21 Annual Plan, the Council is projecting a total of **4,854** rating units with a rateable land value of **\$2,164,008,000** and rateable capital value of **\$4,171,849,800** as at 30 June 2020.

Disclosure statement

Annual plan disclosure statement for the year ending 30 June 2021

What is the purpose of this statement?

The purpose of this statement is to disclose the council's planned financial performance in relation to various benchmarks to enable the assessment of whether the council is prudently managing its revenues, expenses, assets, liabilities, and general financial dealings.

The council is required to include this statement in its annual plan in accordance with the Local Government (Financial Reporting and Prudence) Regulations 2014 (the regulations). Refer to the regulations for more information, including definitions of some of the terms used in this statement.

For the year ending 30 June 2021

	Limit	Planned	Met?
BENCHMARK			
Rates affordability benchmark			
Income	\$14.602m	\$10.829m	✓
Increases	8.30%	4.48%	✓
Debt affordability benchmark			
External debt to rates revenue	\$21.658m	\$10.500m	✓
Finance costs to rates revenue	\$1.022m	\$0.151m	✓
Balanced budget benchmark	100%	93.69%	✗
Essential services benchmark	100%	407.52%	✓
Debt servicing benchmark	10%	0.76%	✓

Notes

Rates affordability benchmark

For this benchmark:

- the council's planned rates income for the year is compared with a quantified limit on rates contained in the financial strategy included in the council's long-term plan; and
- the council's planned rates increases for the year are compared with a quantified limit on rates increases for the year contained in the financial strategy included in the council's long-term plan.

The council meets the rates affordability benchmark if:

- its planned rates income for the year equals or is less than each quantified limit on rates; and
- its planned rates increases for the year equal or are less than each quantified limit on rates increases.

Debt affordability benchmark

For this benchmark, the council's planned borrowing is compared with a quantified limit on borrowing contained in the financial strategy included in the council's long-term plan.

The council meets the debt affordability benchmark if its planned borrowing is within each quantified limit on borrowing.

Balanced budget benchmark

For this benchmark, the council's planned revenue (excluding development contributions, vested assets, financial contributions, gains on derivative financial instruments, and revaluations of property, plant, or equipment) is presented as a proportion of its planned operating expenses (excluding losses on derivative financial instruments and revaluations of property, plant, or equipment).

The council meets the balanced budget benchmark if its revenue equals or is greater than its operating expenses.

Essential services benchmark

For this benchmark, the council's planned capital expenditure on network services is presented as a proportion of expected depreciation on network services.

The council meets the essential services benchmark if its planned capital expenditure on network services equals or is greater than expected depreciation on network services.

Debt servicing benchmark

For this benchmark, the council's planned borrowing costs are presented as a proportion of planned revenue (excluding development contributions, financial contributions, vested assets, gains on derivative financial instruments, and revaluations of property, plant, or equipment).

Because Statistics New Zealand projects that the council's population will grow slower than the national population growth rate, it meets the debt servicing benchmark if its planned borrowing costs equal or are less than 10% of its planned revenue.

Glossary	
Activity	Services provided by Council
Annual Plan	A document produced annually by Council to inform stakeholders of our intended activities, performance, income and expenditure for the financial year
Annual Report	A document produced annually that reports performance against the Annual Plan or Long Term Plan, including significant differences from what was planned
Asset	An item of value, usually of physical nature, that Council owns on behalf of the people of the Mackenzie - that has a useful life of more than 12 months and creates future economic benefits over a period of time, such as roads, drains, parks and buildings
Activity Management Plan	A plan developed for the management of each of Council's groups of activities
Capital Expenditure	What we spend on capital projects
Depreciation	Assets lose their value over time as a result of wear and tear, age or obsolescence (in other words, they depreciate) and must be replaced once the end of their useful life is reached. Depreciation is an accounting method to spread the replacement cost of items over their useful lives
District Plan	A plan under the Resource Management Act 1991 that manages through objectives, policies and rules, the adverse impact of land uses on the environment of the District. The Mackenzie District Plan became operative in 2004
Environment Canterbury Regional Council (ECAN)	The authority responsible for protecting the Canterbury region's air, soil and water resources from pollution and ensuring their sustainable use
Expenditure	The outflow of resources (usually cash) in return for goods and/or services
Fees and charges	What a user pays for a service (e.g pool entrance fee)
Financial contributions	Contributions from developers collected under the District Plan for developing public facilities. Contributions might be in cash or in the form of land
General rate	A levy by Council to fund its general services, but not services funded by targeted rates, fees or charges
Interest	Interest payable on bank overdrafts and debt
Local Government Act 2002	The primary legislation governing Council's operations and actions
Long Term Plan (LTP)	A ten year plan which sets out what Council will do over the ensuing decade, how it will be funded and what level of service the community can expect to receive
Operation expenditure	Expenditure through Council's activities on such items as salaries, materials and electricity
Operating revenue	Money earned through activities in return for a service provided, or by way of a grant or subsidy to ensure particular services or goods are provided. Examples include NZTA subsidies, rental income, permits and fees
Operating surplus (deficit)	Accounting terms meaning the excess of income over expenditure and the excess of expenditure over income (deficit). It includes non-cash items such as income and expenditure owing by not paid (debtors and creditors) and depreciation.
Rates	A property tax to fund Local Government activities. The amount of rates varies between properties because of difference in capital values and differences in services provided. Property valuation changes, which Council has no control over, will also affect the rates paid
Revenue	Income received by the Council to fund its services. Sources include rates, fees and charges, and grants and subsidies
Subcommittee	Formed by the elected Council or standing committee as needs arise, such as for major projects
Targeted rate	Paid by a specific group who receive a specific service
To improve levels of service	Capital projects that upgrade existing assets (e.g upgrading pipes to perform better)
To meet additional demands	Capital projects that are predominately to enable new growth (e.g new reservoir)
To replace existing assets	Capital projects that replace an asset with a like-for-like item

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Annual Plan 2020/21





Today's,
choices,
tomorrow's
Mackenzie



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DISTRICT COUNCIL

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