



2013-2014 ANNUAL REPORT SUMMARY

STATEMENT FROM THE MAYOR AND CEO

We are pleased to introduce the Annual Report Summary of the Mackenzie District Council for 2013/2014. Once again it has been a very busy year. The buoyant local economy has driven an increase in demand for services, and our own development projects have also generated a significant workload.

The triennial local body elections were held in October 2013 and this resulted in a significant change around the council table with four new councillors. The process of inducting new members and establishing relationships has been very rewarding. It has created an opportunity for us to take stock of what we do and refresh our wider objectives.

As a result of the election we also said goodbye to four councillors – Graeme Page, Peter Maxwell, Annette Money and John Bishop. We would like to extend our thanks and appreciation to each of you for your service and contribution to the district.

The upgrade of the Twizel Water Supply has been a major focus area for our infrastructure team. The planning and design phase is now well advanced and physical works will begin in the 2014-2015 financial year. The project will provide significant improvements in water quality and a secure water supply for the Twizel community.

Our roading staff have been busy managing a high maintenance and upgrade workload. Storms early in the financial year caused \$600,000 worth of damage to our roads. Once again our contractors performed very well in completing the clearance and repair work. Capital improvement work included sealing approximately 2.2km of Manuka Terrace at Twizel, as well as footpath upgrades at Twizel, Tekapo and Fairlie.

Construction of the new public toilets at Twizel is now nearing completion. This project required some re-design work to ensure that an appropriate building standard could be achieved without excessive cost, and this has caused some delay. However, the project is now well into the construction phase and the final building is a credit to good design. The finished facility will be a significant

asset for the whole district.

Another exciting project that started this year is the repair of the Old Library building in Fairlie. The historic building is being strengthened to 100% of current earthquake standards as well as being completely refurbished following a fire in October 2010. The budget for this work is within the insured value, so the costs will not be a burden on the community.

On the economic development front it has been exciting to be a part of a new contract for delivery of support services to local businesses. Our contract with Aoraki Development Business & Tourism (ADBT) began in January. This service enables local businesses to access specialist support. This service meets a well recognised need to assist economic development in the wider business arena. The feedback we have received from businesses using the ADBT service has been extremely positive.

We have continued to focus on improving our communication throughout the year, particularly in relation to high profile or controversial issues. We have held a number of public meetings to allow face-to-face discussions with the community. These have been very helpful in working through some challenging issues and the process has underscored what a great engaged community we have in the Mackenzie district. Some of the projects we have been progressing, particularly in property development, are controversial and we know we will need to keep doing better at engaging the community on these issues.

As we prepare this Summary for 2013/14, we are very aware that the new financial year is sweeping on and we are continuing to build on the progress noted above. It is a very satisfying to reflect on the achievements of this year as an on-going contribution to our community. We would like to extend a very big thank you to staff and elected members for their tireless efforts and contribution throughout 2013/2014. It has been a big year for us all and there have been some fantastic outcomes for our communities.



Mayor Claire Barlow
&
Chief Executive Officer
Wayne Barnett

20 November 2014



Mackenzie Photo Banner – photos supplied by local residents Ben Dobbs (Aged 17) and Stephen Barlow.

SUMMARY STATEMENTS OF SERVICE PROVISION

Governance

Levels of Service	Measure of Service	Target	Result for 2013-2014	Result for 2012-2013
Council meets in accordance with predetermined schedule and in compliance with the Local Government (Official Information and Meetings) Act 1987.	<p>Council and its committees generally meet every six weeks.</p> <p>Meetings comply with the Local Government (Official Information and Meetings) Act 1987.</p>	<p>At least nine meetings of Council held during the year, and 20 meetings of Council committees.</p> <p>No identified breaches of the Local Government (Official Information and Meetings) Act 1987.</p>	<p>Achieved Council continued to meet on a 6 weekly cycle. In 2013/14 there were 14 meetings of the full Council and 25 meetings of Council Committees. A total of 39 for the year.</p> <p>Achieved: There were no identified breaches of the Local Government (Official Information and Meetings) Act during the year.</p>	<p>Achieved Council continued to meet on a 6 weekly cycle. In 2012/13 there were 13 meetings of the full Council and 23 meetings of Council Committees. A total of 36 for the year.</p> <p>Achieved: There were no identified breaches of the Local Government (Official Information and Meetings) Act during the year.</p>
Effective consultation held on Long Term Plan, Annual Plan and other significant issues.	A summary of the Long Term Plan, Annual Plan and Annual Report is sent to all ratepayers within statutory time frames.	There are no breaches of statutory time frames for distribution of summary documents or consultation.	Achieved Council undertook a consultative process for its Annual Plan which was adopted on 10 June 2014. Council also made publicly available its Summary Annual Report within the statutory timeframe.	Achieved Council undertook a consultative process for its Annual Plan which was adopted on 13 June 2013. Council also made publicly available its Summary Annual Report within the statutory timeframe.
The three community boards complement the role of the Council by providing local input and advocacy into Council decision making.	Community boards meet regularly and provide recommendations on local issues to Council.	Each community board meets eight times during the year. Recommendations including budget submissions are forwarded to Council for approval.	<p>Achieved The Community Boards met 27 times during the year as follows: Fairlie 9 Tekapo 9 Twizel 9</p> <p>Achieved All recommendations including budget submissions were forwarded to Council for approval.</p>	<p>Achieved The Community Boards met 24 times during the year as follows: Fairlie 9 Tekapo 8 Twizel 7</p> <p>Achieved All recommendations including budget submissions were forwarded to Council for approval.</p>

Water

Levels of Service	Measure of Service	Target	Result for 2013-2014	Result for 2012-2013
Water supplies are available and reliable	<p>Time for reinstatement of service for on-demand supplies from notification to contractor:</p> <p>During working hours - 6 hours.</p> <p>Outside working hours – 9 hours.</p> <p>For restricted supplies: - 24 hours.</p>	<p>90%</p> <p>90%</p> <p>90%</p>	<p>Achieved 100% of on-demand supplies were reinstated within 6 hours.</p> <p>Achieved There were no shut downs out of work hours.</p> <p>Achieved 100% of restricted supplies were reinstated within 24 hours.</p>	<p>Achieved 95% of on-demand supplies were reinstated within 6 hours.</p> <p>Achieved There were no shut downs out of work hours.</p> <p>Achieved 100% of restricted supplies were reinstated within 24 hours.</p>

SUMMARY STATEMENTS OF SERVICE PROVISION

Water Continued

Levels of Service	Measure of Service	Target	Result for 2013-2014	Result for 2012-2013
Water is safe to drink	<p>No detectible E Coli in water leaving water treatment plants or in the distribution network as identified during scheduled monitoring.</p> <p>Response to any E Coli identified in drinking water leaving the treatment plant (transgression): Take remedial action.</p> <p>Issue "Boil Water" notice if transgression is likely to exceed 24 hours to rectify.</p>	<p>100%</p> <p>100%</p> <p>100%</p>	<p>Not Achieved 6 transgressions. 2 in the Twizel Supply, 2 in Burkes Pass Supply, 1 in Fairlie Supply and 1 in Kimbell.</p> <p>Achieved Re-tests were carried out for each of these transgressions.</p> <p>Achieved 1 "Boil Water" Notices was issued in response to transgressions which were likely to exceed 24 hours.</p>	<p>Not Achieved 7 transgressions. 2 in the Allandale supply, 2 in the Twizel Supply and 3 in the Burkes Pass Supply.</p> <p>Achieved Of the 7 transgressions, all 7 had remedial action but only 6 had follow up testing to confirm water was safe.</p> <p>Achieved 2 "Boil Water" Notices were issued in response to transgressions which were likely to exceed 24 hours. In addition 1 preventative notice was issued.</p>
Water quality is maintained or improved	<p>Time to respond to water demands including low pressure and flow from notification to contractor:</p> <p>During working hours-6 hours</p> <p>Outside working hours-9 hours</p> <p>% of ratepayers satisfied with the water supply service.</p> <p>Upgrading the treatment of the following water supplies to comply with the health requirements of the Drinking Water Standards for New Zealand 2008 in accordance with the Health (Drinking Water) Amendment Act 2007 to provide for growth and ensure continuity of supply</p> <p>Target Upgrade Tekapo water supply by June 2013</p> <p>Target Upgrade Twizel water supply by June 2016</p> <p>Target Upgrade Fairlie water supply by 1 June 2017</p>	<p>100%</p> <p>100%</p> <p>80%</p> <p>Upgrade complete</p> <p>Upgrade complete</p> <p>Upgrade complete</p>	<p>Achieved There were no notifications of low pressure or flow.</p> <p>Achieved There were no notifications of low pressure or flow.</p> <p>Not Achieved 70 % were satisfied.</p> <p>Achieved Completed</p> <p>Information gathering stage.</p> <p>Information gathering stage.</p>	<p>Achieved There were no notifications of low pressure or flow.</p> <p>Achieved There were no notifications of low pressure or flow.</p> <p>Not Achieved 72% were satisfied.</p> <p>Achieved UV plant installed</p> <p>Progressing</p> <p>Progressing</p>

SUMMARY STATEMENTS OF SERVICE PROVISION

Sewerage

Levels of Service	Measure of Service	Target	Result for 2013-2014	Result for 2012-2013
Sewage is managed without risk to public health.	Number of sewage overflows from pump stations.	Nil	Nil	Achieved There were no sewage overflows from pump stations.
	Number of annual blockages per 10km of sewer.	Less than six	Achieved There were 1.3 blockages per 10 kms	Achieved There were 0.07 blockages per 10kms.
	% of ratepayers satisfied with the sewage treatment and disposal service.	85%	Achieved 96% were satisfied.	Achieved 97% were satisfied.
Sewage is able to be disposed of without significant disruption.	% of temporary or permanent repairs completed within 6 hours (during working hours) or 12 hours (outside working hours).	100%	Achieved 100% of repairs were completed within 6 hours.	Achieved 100% of repairs were completed within 6 hours.
	Normal disruption should not exceed 8 hours. Apart from earthquake or flood, no single disruption should exceed 24 hours.	100%	Achieved 100% no disruption exceeded 8 hours. CSR's received 6, 6 completed & 6 completed in time.	Achieved 100% no disruption exceeded 8 hours.
Safe discharge of wastewater	% of notices of non-compliance, issued by Environment Canterbury, for Council's discharge consents actioned within 20 working days.	100%	Not Achieved Only 78% of notices were actioned. Had non-compliance with DO reading at Tekapo and Fairlie Ponds. Not collecting flow data at Fairlie. In correct samples collect or not collected and results sent to ECAN.	Not Achieved Only 86% of notices issued were actioned. Condition 17 of the consent to discharge treated effluent at Lake Tekapo required a soil sample to be taken and analysed during the year. That sample was not taken and it has taken more than the 20 working days since notification to acquire the containers and train the staff to get that sample.

Stormwater

Levels of Service	Measure of Service	Target	Result for 2013-2014	Result for 2012-2013
Council provides a reliable stormwater system which prevents houses from flooding.	Number of reported house flooding incidents in a 1 in 5 year event.	Nil	Achieved	Achieved There were no reports of flood waters entering houses.
Council will respond promptly to reports of flooding and customer requests	% of localised flooding events responded to within 1 hour of notification.	100%	Achieved 100% of events were responded to within 1 hour.	Achieved 100% of events were responded to within 1 hour.
	% of blockages causing minor disruption responded to within 6 hours of notification during working hours or 12 hours outside working hours.	100%	Achieved There were a couple of significant rain events in 2013/14 and the contractor had staff patrolling the district immediately the extent became known to address any issues. Customer Service Request Received 2 Completed 2 Completed in time 2.	Achieved There were a couple of significant rain events in 2011/12 and the contractor had staff patrolling the district immediately the extent became known to address any issues.

SUMMARY STATEMENTS OF SERVICE PROVISION

Roading

Levels of Service	Measure of Service	Target	Result for 2013-2014	Result for 2012-2013
Council provides safe, smooth, quality sealed roads in order to reduce travel times and vehicle wear.	Smoothness of urban and rural sealed roads as compared with rest of New Zealand.	Smoothness higher than national average.	Achieved Mackenzie DC smoothness rating is 97% (completed May 2014). Compared to the national average of 91% (2012/13). This is a biennial measure.	Achieved Mackenzie DC smoothness rating is 95% (completed May 2012). Compared to the national average of 85.73% (2011/12). This is a biennial measure.
	The average roughness of urban roads as measured by NAASRA counts.	Average <100 counts with less than 10% exceeding 150 counts.	Achieved Average of 86 counts (completed May 2014) Trending Downwards, last count 88 May 2012 3.3% counts exceeding 150 (completed May 2014) Trending upwards last measure May 2012: 2.6%. This is a biennial measure as per NZTA requirements.	Achieved Average of 88 counts (completed May 2012) Trending upwards - last measure November 2008: 83 Counts. A minor change, not any noticeable change in ride to the road user. 2.6% counts exceeding 150 (completed May 2012) Trending upwards last measure November 2008: 0%. This is a biennial measure as per NZTA requirements.
	The average roughness of rural roads as measured by NAASRA counts.	Average <80 counts with less than 10% exceeding 110 counts.	Achieved Average of 66 counts (completed May 2014). 5.9% of counts exceeding 110. This is a biennial measure	Achieved Average of 68 counts (completed May 2012). NAASRA has not provided information for us to calculate percentage of counts exceeding 110. Report shows 0.4% exceed 140 counts. This is a biennial measure
	% of road users are satisfied with the roading network.	85%	Achieved 88% were satisfied.	Achieved 85% were satisfied.
Council provides a safe and efficient roading network.	Minor improvements to the network identified that will benefit the road user and programmed for completion.	Two projects completed each year.	Achieved Manuka Terrace Seal Extension was completed. Market Place Contract 1212 was completed this financial year.	Achieved - 4 Projects Completed Lilybank Road Curve Re-alignment Plantation Road Curve Re-alignment Grey Street Fairlie Widening Aorangi Crescent Safety footpath. Market Place Contract 1212 (\$73,773.31) has been delayed this financial year due to the contractor offering a saving if completion date could be extended to 30 th November 2013
	Number of fatal accidents due solely to road factors.	Nil.	Achieved There were no fatal accidents on local roads in the district caused solely by road conditions	Achieved There were no fatal accidents on local roads in the district caused solely by road conditions See below link; http://www.nzta.govt.nz/resources/crash-analysis-reports/statistical-statements.html

SUMMARY STATEMENTS OF SERVICE PROVISION

Roading continued

Levels of Service	Measure of Service	Target	Result for 2013-2014	Result for 2012-2013
Ready access is provided around the District except in extreme weather conditions.	The roading network is trafficable and contracted emergency response times are met – on site within 1.5 hours to begin reinstatement	100%.	Not Achieved 92%. We did not achieve this measure as we had four callouts that exceeded 1.5 hours. One was for a hole in a privately owned car park, a further for a fallen tree on Plantation Road, and another was a blocked ford on Glen Lyon Road. All were attended to the day of reported incident.	Not Achieved 96%. We did not achieve this measure as we had two callouts that exceeded 1.5 hours. One was installation of signs due to a hazard caused by high lake levels (Meridians issue to remedy, but our contractor attended within 2 hours) The other was a tree down partially obscuring road and was attended within 2 hours
Footpaths are maintained in good condition and are fit for purpose	% of footpaths defects made safe within 48 hours. % of road users satisfied with the condition of Council footpaths.	95% 70% with improving trend	Achieved 100%. Six faults deemed as a trip hazard and were programmed to be remedied within 48 hours Not Achieved 81% were satisfied, which is a drop on 2012/2013 so the trend is not currently improving.	Achieved 100%. Three faults deemed as a trip hazard and were remedied within 48 hours Achieved 83% were satisfied.

Planning and Regulation

Level of Service	Measure of Service	Target	Result for 2013-2014	Result for 2012-2013
To maintain an up to date District Plan that enables a vibrant community while sustainably managing the District's resources.	To review the provisions of the District Plan within 10 years of those parts of the Plan becoming operative. 80% or greater of those surveyed are satisfied by the belief that the Council is adequately managing resource management issues in the District.	To have initiated a review of the District Plan and publicly notified proposed changes by 30 April 2014. 80% positive feedback to a customer survey.	Not Achieved The Council has initiated its review of the District Plan and is working through this process. Not Achieved CINTA Survey October 2014 showed 69% satisfaction.	Achieved The Council has initiated its review of the District Plan and is working through this process. Not Achieved CINTA Survey October 2013 showed 50% satisfaction.
To provide a technically sound but customer focused service when processing resource consents while achieving our obligations under the Resource Management Act.	Non-notified and notified resource consents are processed within the statutory timeframe of 20 and 70 working days respectively. 80% or greater of those applying for resource consents are satisfied with the quality of the service they receive.	100% compliance 80% positive feedback to a customer survey.	Not Achieved 99% of consents were processed within the timeframe. Not Achieved CINTA Survey October 2014 showed 61% satisfaction. Note: This survey was conducted with a sample of the entire population not just those that were applying for consents.	Not Achieved 92% of consents were processed within the timeframe. Not Achieved CINTA Survey October 2013 showed 72% satisfaction. Note: This survey was conducted with a sample of the entire population not just those that were applying for consents.

SUMMARY STATEMENTS OF SERVICE PROVISION

Planning and regulation continued

Level of Service	Measure of Service	Target	Result for 2013-2014	Result for 2012-2013
To provide a customer focussed building control service that is efficient and cost effective while achieving our obligations under the Building Act 2004.	Building consents are processed within the statutory timeframe of 20 working days.	100% compliance	Not Achieved 95% of consents were processed within the timeframe.	Not Achieved 94% of consents were processed within the timeframe.
	Land Information Memoranda (LIMs) and Property Information Memoranda (PIMs) are processed within the statutory timeframes of 10 and 20 working days respectively.	100% compliance	Not Achieved 99% of LIMs & 100% of PIMs were processed within the timeframe.	Not Achieved 99% of LIMs & 100% of PIMs were processed within the timeframe.
	80% or greater of those applying for building consents are satisfied with the quality of the service they receive.	80% positive feedback to a customer survey.	Not Achieved CINTA Survey October 2014 showed 72% satisfaction. Note: This survey was conducted with a sample of the entire population not just those that were applying for consents.	Achieved CINTA Survey October 2013 showed 81% satisfaction. Note: This survey was conducted with a sample of the entire population not just those that were applying for consents.
To provide a safe environment for dogs and the public to co-exist.	Maintain a record of all dogs in the District by ensuring that they are registered.	100% registration for all recorded dogs.	Not Achieved At year end there were approximately 117 dogs unregistered.	Not Achieved At year end there were approximately 135 dogs unregistered.
	Respond to all complaints relating to dogs within 12 hours.	100%	Not Achieved Due to the contractor not being available at all times.	Not Achieved Due to the contractor not being available at all times.
	80% or greater of those surveyed believe the Council is adequately managing dog control issues in the District.	80% positive feedback to a customer survey.	Achieved CINTA survey October 2014 showed 86% were satisfied.	Achieved CINTA survey October 2013 showed 81% were satisfied.
For the Council and the community to be prepared to respond to a civil defence emergency.	Council staff and volunteers are familiar with their roles and are adequately trained.	Training is attended as required, and the Council will participate in one training exercise per year.	Achieved The Council participated in Exercise Te Ripahapa – a South Island wide Civil Defence exercise.	Achieved The Council participated in Exercise Te Ripahapa – a South Island wide Civil Defence exercise.
	80% or greater of the community surveyed has faith in the Council's preparedness and individual community members understand how they should prepare themselves and their family for the events of a civil defence emergency.	80% favourable response from a customer survey.	Achieved 92% of those surveyed had faith in Council's preparedness.	Achieved 86% of those surveyed had faith in Council's preparedness.

SUMMARY STATEMENTS OF SERVICE PROVISION

Planning and regulation continued

Level of Service	Measure of Service	Target	Result for 2013-2014	Result for 2012-2013
To manage a fire risk and to be able to provide a ready and capable response to rural fires.	<p>For Council to remain as an active member of an enlarged rural fire district with other partner councils and agencies.</p> <p>Council has a capable and well equipped rural fire response teams across the Mackenzie District.</p>	<p>Attend all South Canterbury Rural Fire meetings.</p> <p>All volunteer rural fire teams are trained to industry standards.</p> <p>A capital replacement programme for tankers and other equipment is implemented.</p>	<p>Achieved The Council has been represented at all SCRFC meetings.</p> <p>Achieved All volunteers trained to the industry standards.</p> <p>Achieved The Albury Tanker was replaced.</p>	<p>Achieved The Council has been represented at all SCRFC meetings.</p> <p>Achieved Burkes Pass Rural Fire Team completed training this year.</p> <p>Achieved The Council has approved funding for the replacement of the Albury Tanker, which is the next tanker to be replaced in the programme.</p>

Community and township services

Levels of Service	Measure of Service	Target	Result for 2013-2014	Result for 2012-2013
Township Services and Facilities are provided and maintained to an acceptable level	<p>Maintain or improve average customer user satisfaction rating.</p> <p>Residents regularly use at least two community facilities.</p>	<p>84% or above</p> <p>100%</p>	<p>Achieved 88% of those surveyed are satisfied with the service and facilities provided. The large decrease with Public Toilets satisfaction is noted with capital programmes addressing this.</p> <p>Not Achieved 97.5%. 7 out of 275 people surveyed said they did not use any Community Facility.</p>	<p>Achieved 90% of those surveyed are satisfied with the service and facilities provided. The large decrease with Public Toilets satisfaction is noted with capital programmes addressing this.</p> <p>Not Achieved 95%. 14 out of 275 people surveyed said they did not use any Community Facility.</p>
A reliable weekly kerbside recycling and rubbish collection service is provided.	<p>% of waste bins collected within 48 hours of a genuine missed collection being reported.</p> <p>% of users satisfied with the waste collection and recycling service</p>	<p>100%</p> <p>75% with an upward trend</p>	<p>Achieved 100%</p> <p>Achieved CINTA survey 2014 indicated 93% of users were satisfied.</p>	<p>Achieved 100%</p> <p>Achieved CINTA survey 2013 indicated 93% of users were satisfied.</p>
Solid waste is collected and disposed of without causing any environmental harm.	The percentage of solid waste from the District resource recovery parks diverted from landfills.	70% diverted with an expectation of 80% by 2019.	Not Achieved 38% of solid waste diverted from landfills. This is a slight improvement on the previous year, continued improvements are expected over the coming year as a result of new education initiatives and an improved sorting process for recycling that will be established towards the end of 2014.	Not Achieved 37% of waste diverted from landfills. The kerbside collection has now changed to a wheelie bin system from a bag collection and our data systems are now more accurate. There is a new arrangement in place for glass recycling and possible changes to the process for sorting recycling that are expected to increase the amount of waste that is being diverted from landfill.

SUMMARY STATEMENTS OF SERVICE PROVISION

Commercial activities

Levels of Service	Measure of Service	Target	Result for 2013-2014	Result for 2012-2013
Investments The Community expects the investments of the Council to be managed wisely.	Council's cash investment portfolio independently reviewed each quarter.	Investments out-perform the Bancorp Ltd benchmark portfolio.	Not Achieved The Councils investment portfolio outperformed the benchmark (as measured by Bancorp Ltd) in three of the four quarters.	Achieved The Councils investment portfolio outperformed the benchmark (as measured by Bancorp Ltd) in all four quarters.
Mackenzie Forestry Board The Board is required to operate and administer the Council's forestry estate as a successful business.	Council approves the Statement of Intent for the Forestry Board annually.	Approval obtained prior to 30 June each year.	Not Achieved Council did not approve the Statement of Intent of the Forestry Board.	Not Achieved Council did not receive a Statement of Intent to review due to a serious accident involving Council's Forestry Advisor, who was put out of action for 3-4 months.
Rental Properties It is expected that the relevant conditions placed upon a commercial lease agreement have been adhered to.	All lease agreements are reviewed on a regular basis.	Council will ensure that the terms of each commercial lease agreement are adhered to.	Achieved Terms of all commercial leases were adhered to. Review of these agreements coincides with rent review periods.	Achieved Terms of all commercial leases were adhered to. Review of these agreements coincides with rent review periods.
Pukaki Airport Board Operation of the Pukaki Airfield as a public facility.	The Board will report to Council on a regular basis on its activities and progress towards meeting its goals.	The Board achieves the goals set in its statement of intent.	Achieved Council reviewed the Statement of Intent for 2014-2017 on 26 June 2014.	Achieved Council did not receive a Statement of Intent.
Real Estate The community expects the Council to achieve the best economic return for any land that the Council deems appropriate to place on the market.	Market analysis is undertaken on a regular basis for the land identified for disposal as scheduled in the significance policy.	Council will progress the disposal of the areas of land identified for sale. Council will progress a land rationalisation process to identify further areas of land deemed surplus to its requirements.	Achieved Council has a sub-committee to assist with this. It has also employed consultants to assist. Not Achieved The land rationalisation process was deferred. Council will review to undertake a full rationalisation review for incorporation in the next LTP.	Achieved The board continually identify land for sale and continue to progress land sales. It has also employed consultants to assist. Not Achieved The land rationalisation process was deferred. Council will review to undertake a full rationalisation review for incorporation in the next LTP.

FINANCIAL STATEMENTS

Summary Statement of Comprehensive Income for the year ending 30 June 2014

	2013	2014	
	Actual	Annual Plan	Actual
	\$000's	\$000's	\$000's
Total Revenue	13,259	13,289	12,045
Total Expenditure	11,585	12,556	12,606
Surplus/(deficit) from operations	1,674	733	(561)
Financial assets at fair value through other comprehensive income	2,187	0	(104)
Gain on infrastructure revaluations	0	5,214	21,334
NET COMPREHENSIVE INCOME FOR THE YEAR	3,861	5,947	20,669

Summary Statement of Changes in Equity for the year ending 30 June 2014

	2013	2014	
	Actual	Annual Plan	Actual
	\$000's	\$000's	\$000's
EQUITY AT START OF THE YEAR	183,324	177,602	187,185
Valuation gains/(losses) taken to equity	0	0	(131)
Net income/(expense) recognised directly in equity	0	0	(131)
Net comprehensive income	3,861	5,947	20,669
TOTAL EQUITY AT END OF THE YEAR	187,185	183,549	207,723

Summary Statement of Financial Position as at 30 June 2014

	2013	2014	
	Actual	Annual Plan	Actual
	\$000's	\$000's	\$000's
Total Current Assets	15,246	11,051	16,260
Total Non Current Assets	174,072	174,105	193,560
Total Assets	189,318	185,156	209,820
Total Current Liabilities	2,057	1,574	2,019
Total Non Current Liabilities	76	33	78
Total Liabilities	2,133	1,607	2,097
NET ASSETS	187,185	183,549	207,723
Components of equity			
Accumulated funds	96,733	92,080	96,507
Capital reserves	1,922	(1,042)	1,728
Operating reserves	(893)	(1,276)	(1,185)
Special funds	5,918	7,606	6,097
Other reserves	40	50	42
Asset revaluation reserves	83,465	86,132	104,534
TOTAL EQUITY	187,185	183,549	207,723

Summary Statement of Cash Flows for the year ending 30 June 2014

	2013	2014	
	Actual	Annual Plan	Actual
	\$000's	\$000's	\$000's
Net increase (decrease) in cash and cash equivalents	3,141	2,207	1,458
Add cash at start of the year	4,809	3,802	7,950
CASH AND CASH EQUIVALENTS AT END OF THE YEAR	7,950	6,009	9,408
THE CHANGE IN THE CASH BALANCE IS DUE TO:			
Net cash flows from operating activities	3,223	4,623	3,410
Net cash flows from investing activities	(82)	(2,416)	(1,952)
Net cash flows from financing activities	0	0	0
NET INCREASE (DECREASE) IN CASH HELD	3,141	2,207	1,458

The accompanying Statement of Accounting Policies and Notes form an integral part of these financial statements.

FINANCIAL STATEMENTS

Disclosures

Summary Notes

Reporting entity

Mackenzie District Council (the Council) is a territorial local authority governed by the Local Government Act 2002. The Council is designated as a public benefit entity under NZ IFRS.

The Council has two subsidiaries which have been dormant during the financial year and exempted under section 7 of the Local Government Act 2002. Therefore consolidated financial statements have not been prepared.

Basis of preparation

The financial statements of Mackenzie District Council on which this summary is based, have been prepared in accordance with the requirements of the Local Government Act 2002: which includes the requirement to comply with New Zealand generally accepted accounting practice (NZ GAAP). They comply with NZ IFRS, and other applicable Financial Reporting Standards, as appropriate for public benefit entities.

Council confirms that all other statutory requirements relating to the Annual Report have been complied with. This Summary Annual Report has been prepared in accordance with the Financial Reporting Standard 43 (FRS43) Summary Financial Statements.

Measurement base

The financial statements have been prepared on an historical cost basis, modified by the revaluation of land, buildings and certain infrastructural assets, properties identified for disposal and biological assets.

Functional and presentation currency

The financial statements are presented in New Zealand dollars and all rounded to the nearest thousand dollars (\$'000). The functional currency of the Council is New Zealand dollars.

Explanations of Major Variances against Budget

Explanations for major variances from Mackenzie District Council's estimated figures in the 2013/14 Annual Plan are as follows:

Statement of Comprehensive income

Surplus from operations

Council's net operating deficit of \$561,000 was less than the budgeted surplus of \$733,000. Revenue was 12,045,000, compared to the budgeted revenue of \$13,289,000. This is due to the net effect of the following variances in revenue and in expenditure as detailed below.

Rates

Rates were \$6,502,000 being \$180,000 less than budget of \$6,682,000. Solid waste and tourism rates were classified under general rates in the budget but have been reclassified as a targeted rate in the actual results.

FINANCIAL STATEMENTS

Subsidies and grants

Subsidies and grants were \$1,930,000 being \$368,000 above the budget of \$1,573,000. This is due to a storm event occurring in the District. The cost of reinstatement was partially funded by NZTA at a higher rate than Councils usual funding arrangement with the Agency.

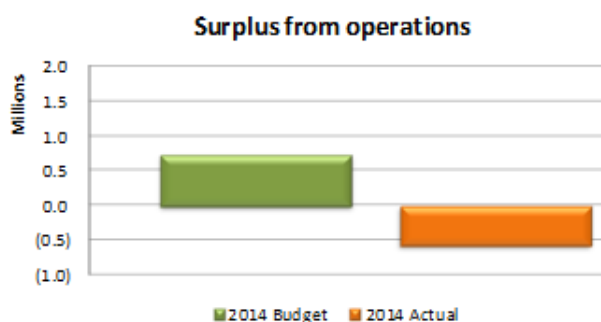
Investment income

Investment income of \$854,000 was less than the budget of \$922,000 due to lower than anticipated return on call and term deposit rates due to increases in the official cash rate not occurring until the latter part of the year.

Council is reluctant to re-invest in the bond market at its current levels as the return compared to the term of the bond mean Councils returns will remain low for up to five years. Therefore Council continues to invest money in term deposits to remain flexible to market movements.

Other income

Other income is \$1,830,000; \$673,000 more than the budget of \$1,191,000. This is mainly due to higher than anticipated revenue from building consents \$106,000 which is due to higher than anticipated building activity and \$69,000 from Health & Liquor Licensing due to changes in levels of fees required for licences.



Other Income continued

Forestry contributed \$242,000 to this result mainly due to early milling of timber due to mitigation of wind damage to Councils plantations. Rental income has increased by \$63,000 due partially from the leases of the Pukaki Visitors Centre and increases in revenue from camping ground leases. Council has seen an upturn in revenue from recycling efforts that contributed \$39,000 more than budgeted. Also included in the result is the unbudgeted revenue from the Albury Water Scheme of \$64,000.

Real Estate Sales

Real Estate Sales are \$2,256,000 lower than budget of \$2,464,000. Council expected to sell property at the Tekapo Village Centre amounting to a revenue of \$2,464,000. This did not occur during the year due to delays in obtaining consents. This has been moved to the 2014-15 year.

Vested Assets

Council did not receive any vested assets during the financial year, although \$416,000 was budgeted. The transfer of these assets is somewhat dependent on developers.

Financial/Upgrade and Reserve Contributions

These contributions are generated as a result of developers giving effect to subdivision plans and have contributed \$504,000 (budget \$40,000) in revenue for the year.

Personnel Costs

Costs relating to personnel are \$2,000,000; \$83,000 more than the budget of \$1,917,000. The major contributor to this variance is due to Council taking on information service provision in Twizel previously provided by a local community group resulting in an additional \$70,000 cost.

Operational and Maintenance Expenses

Costs for the year are \$3,245,000; \$53,000 more than the budget cost of \$3,193,000. The main reasons for this are township projects budgeted to be undertaken in this year have not been done. Tekapo Township did not spend a total of \$43,000 from its township budget while Twizel did not spend \$15,000. Costs associated with solid waste collection have increased by \$38,000 due to higher volumes of waste being generated and a proportion being diverted to landfill

Roading expenses

Roading expenses were \$1,668,000; \$526,000 more than the budget of \$1,143,000. The main reason for this variance is Council experienced a major weather event during the financial year. Unbudgeted Emergency Re-instatement costs over both these events totalled \$600,000.

Real Estate Cost of Sales

Real Estate cost of sales was \$122,000 which was \$1,348,000 less than budget of \$1,470,000. This relates to the cost associated with the Tekapo Village Centre and did not occur due to delays in obtaining consent. This has been moved to the 2014/2015 year.

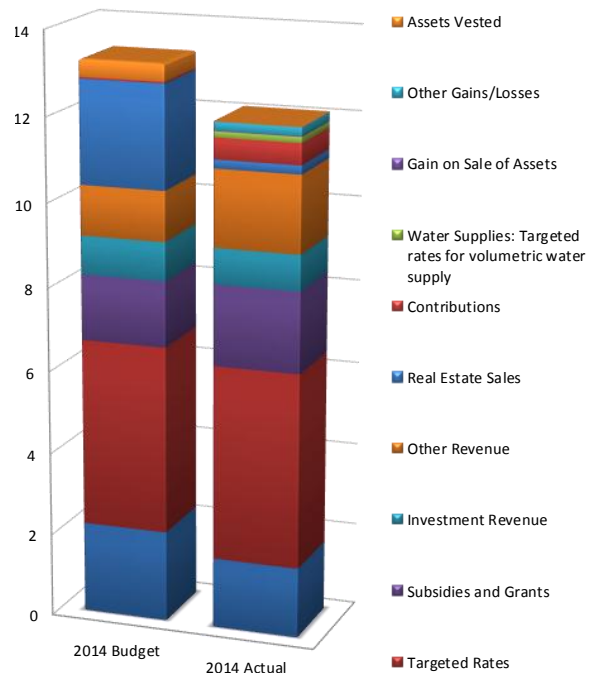
Depreciation

Depreciation of \$3,317,000 is \$515,000 higher than the budget of \$2,832,000. This is due to higher than expected increases in asset values as a result of Councils 3 yearly infrastructure and building revaluation.

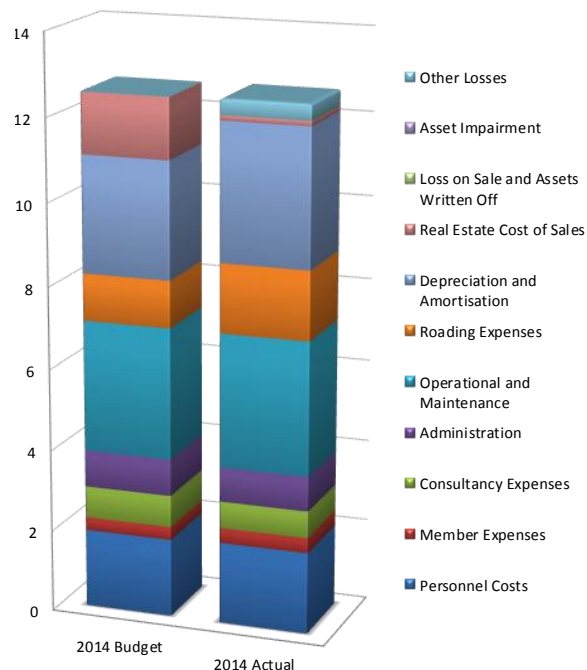
Events after balance date

No post balance date events occurred up to the date of the report adoption that are known to have a material effect on the Financial Statements and Notes to the Financial Statements of Council.

Revenue items (Millions)



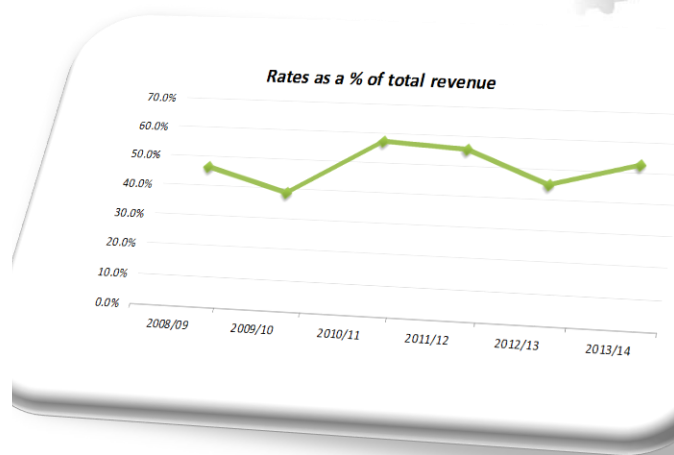
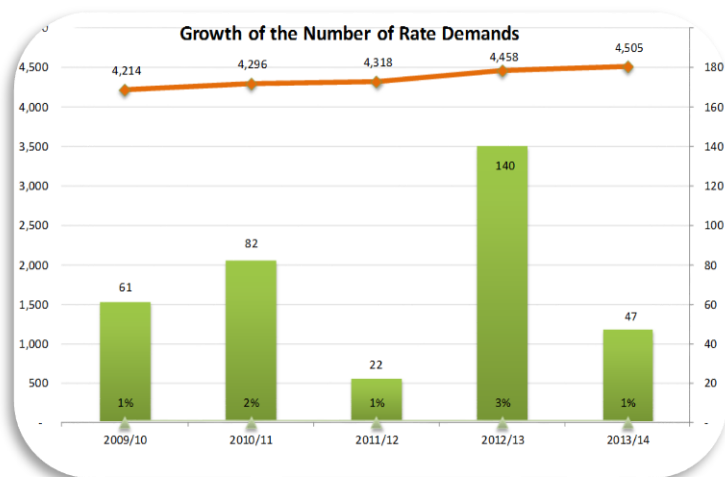
Expenditure items (Millions)



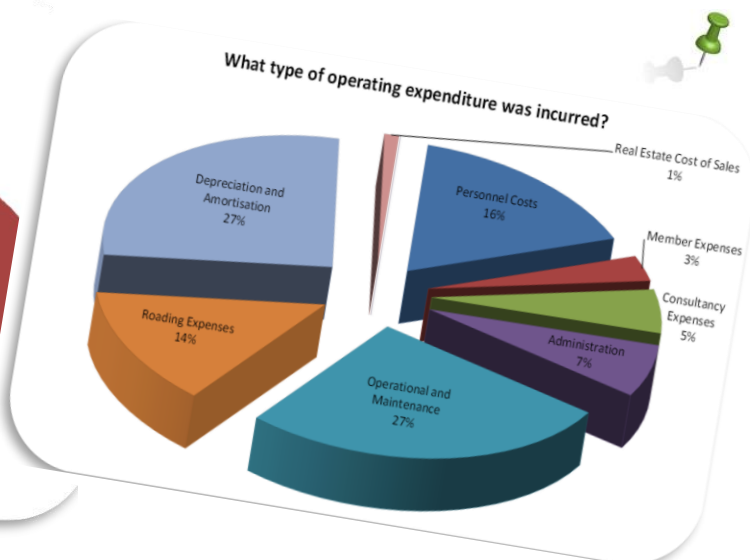
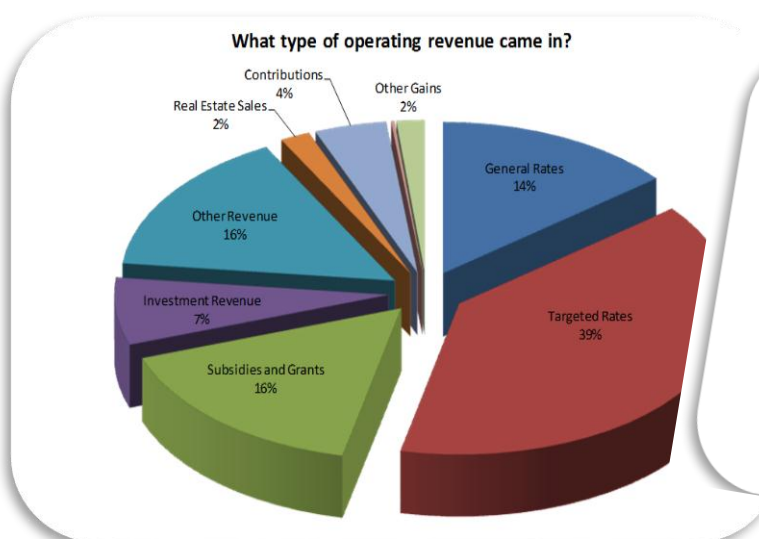
Disclaimer

1. The specific disclosures included in the summary financial report have been extracted from the full financial report adopted on 31 October 2014. This summary has been prepared in accordance with FRS 43: Summary Financial Statements.
2. The summary annual report cannot be expected to provide as complete an understanding as provided by the full annual report. The full annual report dated 31 October 2014 has received an unmodified audit report. A copy of the annual report may be obtained from the Council's offices or on the Council's website (www.mackenzie.govt.nz).
3. The summary has been examined for consistency with the full Annual Report and was audited by Audit New Zealand on behalf of the Office of the Auditor-General. The full annual report received an unqualified audit opinion on 31 October 2014.
4. The specific disclosures included in this Summary Annual Report have been extracted from the full Annual Report and was authorised for issue by Council's Manager— Finance and Administration on 20 November 2014.

FINANCIAL OVERVIEW

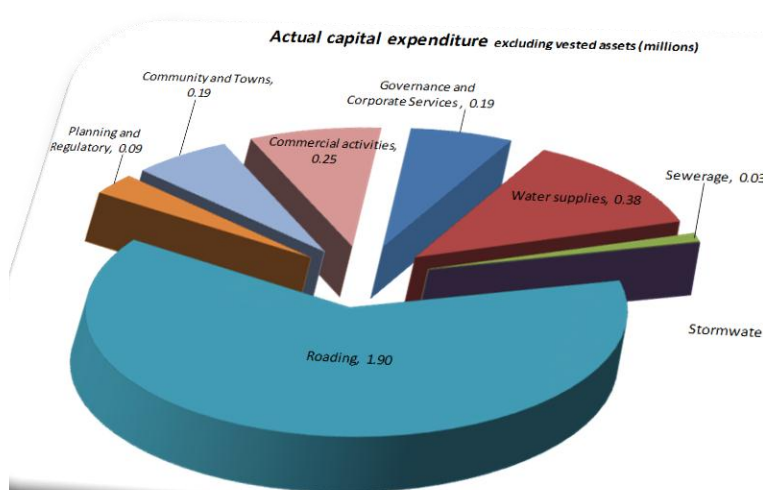
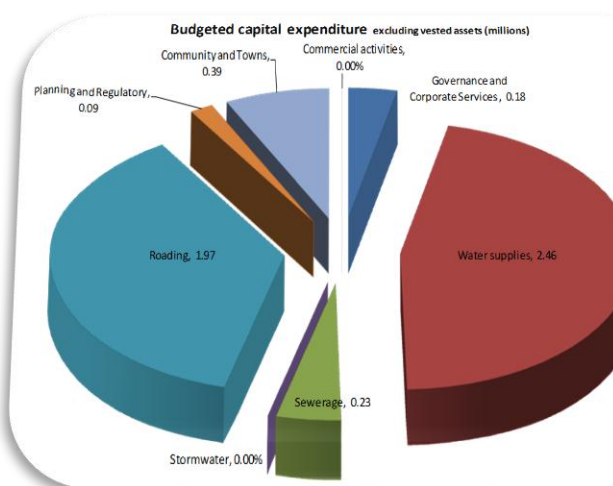


Operational



Capital

Council continues to ensure that our capital works programme is realistic and can be reasonably achieved in the timeframe proposed. The Office of the Auditor General estimated that the NZ Council average for actual capital expenditure as a percentage of budgeted capital expenditure is in the region of 80% while ours is 57% (2013:89%).



Independent Auditor's Report
To the readers of
Mackenzie District Council's
summary annual report
for the year ended 30 June 2014

The summary annual report was derived from the annual report of the Mackenzie District Council (the Council) for the year ended 30 June 2014. We have considered whether the summary annual report represents, fairly and consistently, the information regarding the major matters dealt with in the annual report.

The annual report included full audited statements, and the summary annual report includes summary statements. We have audited the following summary statements reported in the summary annual report on pages 2 to 13:

- the summary statement of financial position as at 30 June 2014;
- the summaries of the statement of comprehensive income, statement of changes in equity and statement of cash flows for the year ended 30 June 2014;
- the notes to the summary financial statements that include accounting policies and other explanatory information; and
- the summary statement of service provision of the Council.

We expressed an unmodified audit opinion on the Council's full audited statements in our report dated 31 October 2014.

Opinion

In our opinion:

- the summary annual report represents, fairly and consistently, the information regarding the major matters dealt with in the annual report; and
- the summary statements comply with FRS-43 (PBE): Summary Financial Statements.

Basis of opinion

Our audit was carried out in accordance with the Auditor-General's Auditing Standards, which incorporate the International Standards on Auditing (New Zealand), and in particular with the International Standard on Auditing (New Zealand) 810: Engagements to Report on Summary Financial Statements. These standards require us to carry out procedures to confirm whether the summary annual report contains the information necessary, and at an appropriate level of aggregation, so as not to be misleading.

The summary statements and the full audited statements from which they were derived, do not reflect the effects of events that occurred subsequent to our report dated 31 October 2014 on the full audited statements.

The summary statements do not contain all the disclosures required for full audited statements under generally accepted accounting practice in New Zealand. Reading the summary statements, therefore, is not a substitute for reading the full audited statements in the annual report of the Council.

Responsibilities of the Council and the Auditor

The Council is responsible for preparing the summary annual report so that it represents, fairly and consistently, the information regarding the major matters dealt with in the annual report. This includes preparing summary statements, in accordance with FRS-43 (PBE): Summary Financial Statements. The Council is also responsible for the publication of the summary annual report, whether in printed or electronic form.

We are responsible for expressing an opinion on whether the summary annual report represents, fairly and consistently, the information regarding the major matters dealt with in the annual report and whether the summary statements comply with FRS-43 (PBE): Summary Financial Statements.

Other than in our capacity as auditor we have no relationship with, or interest in, the Council.

Julian Tan,
Audit New Zealand
On behalf of the Auditor-General
Christchurch, New Zealand (20 November 2014)