

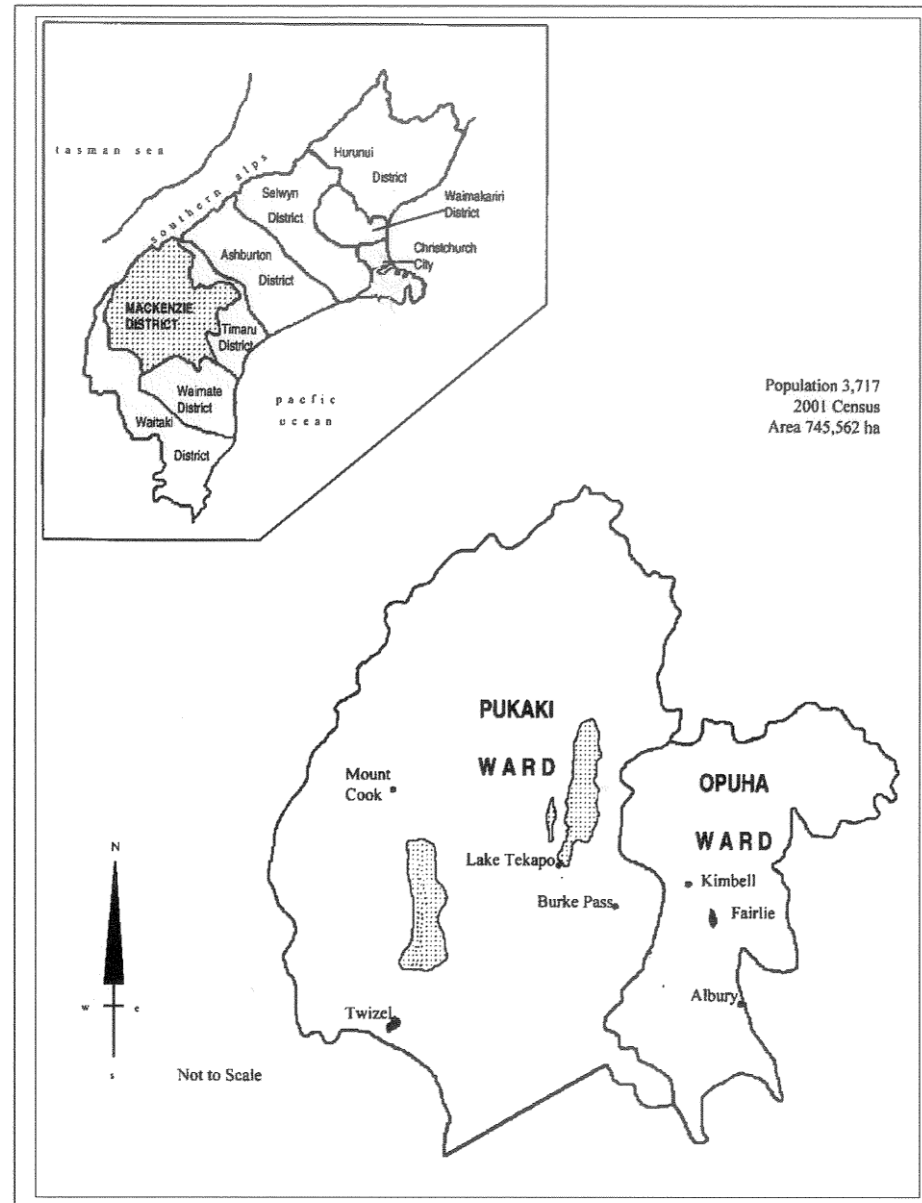
# MACKENZIE DISTRICT COUNCIL



30 JUNE 2006  
ANNUAL REPORT







# Mackenzie District Council Annual Report 30 June 2006

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## *Introducing Your Mayor and Councillors*

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**MAYOR: JOHN O'NEILL** Ph: (03) 685 5864



COUNCILLORS

PUKAKI WARD

OPUHA WARD



Deputy Mayor:  
**SIMON MCDERMOTT**  
Ph (03) 435 1619



**DAVE PULLEN**  
Ph (03) 435 0386



**BARRY STRINGER**  
Ph (03) 680 6789



**JOHN GALLAGHER**  
Ph (03) 685 8941



**EVAN WILLIAMS**  
Ph (03) 685 8265



**GRAEME PAGE**  
Ph (03) 685 8174

# *Chief Directory of the Executive as at 30 June 2006*

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## **Chief Executive Officer**

Glen Innes

(03) 685 9013  
glen@mackenzie.govt.nz

## **Managers**

- Finance & Administration
- Asset Management
- Community Facilities
- Planning & Regulations

Jason Beck

(03) 685 9015  
jason@mackenzie.govt.nz

Bernie Haar

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bernie@mackenzie.govt.nz

Garth Nixon

(03) 685 8514  
garth@mackenzie.govt.nz

Martin King (resigned July 2006)

(03) 685 9019  
martin@mackenzie.govt.nz

## **Auditors**

Audit New Zealand on behalf of  
The Controller and Auditor-General  
CHRISTCHURCH

## **Solicitors**

Anthony Harper  
Barristers & Solicitors  
47 Cathedral Square  
CHRISTCHURCH

## **Planners**

Davie, Lovell-Smith Limited  
P O Box 679  
CHRISTCHURCH

## **Bankers**

Westpac Banking Corporation  
Cnr. Stafford and Church Streets  
TIMARU

## **Postal Address**

Mackenzie District Council  
P O Box 52  
FAIRLIE 7949

## **Location**

Head Office  
Main Street  
FAIRLIE

Twizel Service Centre  
Market Place  
TWIZEL

# Introduction

## *Statement from the Mayor and CEO*

This Annual Report assesses both Council's financial performance over 2005/06 and its progress in achieving its key goals in that time.

Financially, operating expenditure exceeded budget by 6.8%. The major factor here was increased depreciation expense. All of Council's assets were revalued in September 2005 effective from 1 July 2004 and the new values increased depreciation by some \$272,000. Unfortunately, the impact of this revaluation was not known until six months after the budget was set.

The total operating revenues were 98.7% of the budgeted figures. Investment returns and operational income were both up on budget, but anticipated returns from land sales and financial contributions fell below expectations, reducing the amount of capital income received.

The achievement of performance measures in the 05/06 Annual Plan was a little disappointing. Of the seventy eight performance measures, fifty two were fully or substantially achieved. A further ten were achieved in part, but twelve were not achieved and another four were not able to be measured. This result was broadly comparable with the previous year.

Limited progress was made during the year with Council's planned capital works, where hindsight suggests that the programme was a little ambitious. Some factors outside the control of Council prevented or delayed some projects proceeding. For example, cost increases in bitumen meant that extension of seal projects fell short of qualifying for subsidy. The Allandale Water Supply Committee needed more assurance of consumers before giving its blessing to a planned reticulation upgrade. Also the Fairlie Community Board wanted to assure itself that the existing water source was the most appropriate long-term for its supply, before authorising upgrading work.

The total capital expenditure for the year sat at \$2.0 million, \$800,000 down on the budgeted figure of \$2.8 million.

Details of progress made in various areas are given below.

### **Community Facilities**

During the year concept work and initial design for the exciting upgrading of Twizel town centre was approved. This will be a major work costing \$1.2million. New heating and roofing was installed at the Strathconan Pool in Fairlie which enhanced the water temperature and led to an

extended swimming season. Land was also purchased for new pensioner housing in Fairlie, superseding plans for upgrading the existing ageing stock.

### **Essential Services**

Over the past year rising costs of bitumen and a 3% decrease in Land Transport New Zealand subsidy, combined to make continued progress on Councils roading network more difficult. However, road and culvert widening at Cannington Rd, Cave was completed with assistance from the Timaru District Council. Issues with land ownership delayed the replacement of the Stoneleigh Rd bridge for twelve months.

A strategic study of Fairlie's water supply confirmed the retention of the existing source and a need to replace the section of the main pipeline from the source to the chlorinator. Towards the end of the financial year, tenders were accepted for the Allandale Rural Water Supply reticulation upgrade.

In Twizel, Council agreed to rationalise its existing oxidation ponds and began negotiations with the landowner to achieve this aim. It also determined to upgrade the Glen Lyon Rd sewer with costs being shared with developers.

### **Planning & Regulatory Services**

Plan changes were significantly advanced during the year to bring the Tekapo vision statement to reality. These were well on the way to completion by the end of the financial year. Other changes to fine-tune the District Plan were also made. Anomalies in the existing document were discussed and priorities for changes determined. In all, a total of ten plan changes were either completed or significantly progressed during the year. The Council spent considerable time on finding an appropriate way to deal with growth in the rural area and by the end of the year had suggested some courses of action to address this issue.

A dog control policy & bylaw were implemented as was a liquor ban bylaw for the town centre in Twizel and measures to control freedom camping in the District. Work continued with other authorities on the process of accreditation as a Building Consent Authority.

### **Commercial Activities**

In order to protect its commercial interests, Council was involved in advocating for appropriate zone changes in Tekapo. Subsequently negotiations were completed on a process for the development of the village centre area. In conjunction with Council's company, Mackenzie Holdings Ltd, the Council facilitated the subdivision of some land at Pukaki Airfield.

## *Introduction cont...*

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### **Democracy and Corporate Services**

Council met fortnightly during the period but towards the end of the year agreed to re-establish three standing committees for 2006/07. The financial contributions policy continues to show its worth and the internal financing of capital works from specific capital reserves worked well.

### **Elected members**

There was no change in the composition of Council throughout the year. Bi-elections brought two new members to Councils' community boards. They were Murray Cox in Tekapo and Debbie Jensen returned to the Fairlie Board after a brief absence.

### **Staffing**

Turnover was modest for most of the year. The second building inspector position was filled early in the year. Following the decision of the Accountant not to return from maternity leave, two temporary accounting positions were made permanent. There were two changes at the resource recovery parks. However, towards the end of the year, resignations were received from three senior staff members: Manager, Planning & Regulations, IT Manager, and Senior Planner.



Glen Innes  
**Chief Executive**  
30 June 2006



John O'Neill  
**Mayor**



# Statement of Compliance and Responsibility

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## Compliance

1. The Council and management of Mackenzie District Council confirm that, in accordance with Section 92 of the Local Government Act 2002, all the statutory requirements in relation to the annual report have been complied with.

## Responsibility

2. The Council and management of Mackenzie District Council accept responsibility for the preparation of the annual Financial Statements and the judgments used in them.
3. The Council and management of Mackenzie District Council accept responsibility for establishing and maintaining a system of internal control designed to provide reasonable assurance as to the integrity and reliability of financial reporting.
4. In the opinion of the Council and Management, the annual Financial Statements for the year ended 30 June 2006 fairly reflect the financial position and operations of the Mackenzie District Council.

A handwritten signature in black ink, appearing to read 'Glen Innes'.

Glen Innes  
**Chief Executive**

A handwritten signature in black ink, appearing to read 'John O'Neill'.

John O'Neill  
**Mayor**

A handwritten signature in black ink, appearing to read 'Jason Beck'.

Jason Beck  
**Manager – Finance & Administration**

# Audit Report

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## AUDIT REPORT

### TO THE READERS OF MACKENZIE DISTRICT COUNCIL AND GROUP'S ANNUAL REPORT FOR THE YEAR ENDED 30 JUNE 2006

The Auditor-General is the auditor of Mackenzie District Council (the District Council) and group. The Auditor-General has appointed me, Tony Uttley, using the staff and resources of Audit New Zealand, to carry out an audit on his behalf. The audit covers the District Council's compliance with the requirements of Schedule 10 of the Local Government Act 2002 that apply to the annual report of the District Council and group for the year ended 30 June 2006, including the financial statements.

#### Unqualified Opinion

In our opinion:

- The financial statements of the District Council and group on pages 14 to 126:
  - comply with generally accepted accounting practice in New Zealand; and
  - fairly reflect:
    - the District Council and group's financial position as at 30 June 2006; and
    - the results of operations and cash flows for the year ended on that date.

- The service provision information of the District Council on pages 14 to 104 fairly reflects the levels of service provision as measured against the intended levels of service provision adopted, as well as the reasons for any significant variances, for the year ended on that date; and
- The Council has complied with the other requirements of Schedule 10 of the Local Government Act 2002 that apply to the annual report (the "other requirements")

The audit was completed on 24 October 2006, and is the date at which our opinion is expressed.

The basis of our opinion is explained below. In addition, we outline the responsibilities of the Council and the Auditor, and explain our independence.

#### Basis of Opinion

We carried out the audit in accordance with the Auditor-General's Auditing Standards, which incorporate the New Zealand Auditing Standards.

We planned and performed the audit to obtain all the information and explanations we considered necessary in order to obtain reasonable assurance that the financial statements and the other requirements did not have material misstatements, whether caused by fraud or error.

Material misstatements are differences or omissions of amounts and disclosures that would affect a reader's overall understanding of the financial statements and the other requirements. If we had found material misstatements that were not corrected, we would have referred to them in our opinion.

The audit involved performing procedures to test the information presented in the financial statements and the other requirements. We assessed the results of those procedures in forming our opinion.

# Audit Report cont...

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Audit procedures generally include:

- determining whether significant financial and management controls are working and can be relied on to produce complete and accurate data;
- verifying samples of transactions and account balances;
- performing analyses to identify anomalies in the reported data;
- reviewing significant estimates and judgements made by the Council;
- confirming year-end balances;
- determining whether accounting policies are appropriate and consistently applied; and
- determining whether all required disclosures are adequate.

We did not examine every transaction, nor do we guarantee complete accuracy of the financial statements and the other requirements.

We evaluated the overall adequacy of the presentation of information in the financial statements and the other requirements. We obtained all the information and explanations we required to support our opinion above.

## Responsibilities of the Council and the Auditor

The Council is responsible for preparing financial statements in accordance with generally accepted accounting practice in New Zealand. Those financial statements must fairly reflect the financial position of the District Council and group as at 30 June 2006. They must also fairly reflect the results of operations and cash flows for the year ended on that date. The Council is also responsible for preparing the information in the other requirements, including service provision information that must fairly reflect the Council's levels of service provision. The Council's responsibilities arise from Section 98 and Schedule 10 of the Local Government Act 2002.

We are responsible for expressing an independent opinion on the financial statements and the other requirements and reporting that opinion to you. This responsibility arises from section 15 of the Public Audit Act 2001 and section 99 of the Local Government Act 2002.

## Independence

When carrying out the audit we followed the independence requirements of the Auditor-General, which incorporate the independence requirements of the Institute of Chartered Accountants of New Zealand.

Other than the audit and in conducting the audit of the Long Term Council Community Plan, we have no relationship with or interests in the District Council or any of its subsidiaries.



Tony Uttley  
Audit New Zealand  
On behalf of the Auditor-General  
Christchurch, New Zealand

# Mackenzie Today

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## Background

Maori were the first people to travel through the Mackenzie District to gather the natural resources (mahika kai). The Takata Whenua (people of the land) are descendants of the tribes of Kati Mamoe, Waitaha and Kai Tahu. There are many places throughout the District which have been used and occupied by Takata Whenua and the District remains spiritually and culturally important to Takata Whenua.

The District was first settled by Europeans in the 1850's and the first elected representatives served on the Mount Cook electorate of the Canterbury Provincial Council in 1862.

The forerunner of the Mackenzie County and District Councils was the Mount Cook Roads Board which was set up in 1864.

The Mackenzie District has been blessed with a wonderful and unique natural environment which includes wide open spaces, outstanding landscapes, rivers and lakes, mountains (including Aoraki Mt Cook) and both high and low country.

In population, the Mackenzie District is the third smallest territorial authority in New Zealand with a normally resident population count of 3,717 on census night in 2001. Only Kaikoura District and the Chatham Islands have smaller residential populations. In the five years between 1996 and 2001, the population declined by 360 people.

In contrast to its small population, the area of the district is large, comprising 745,562 hectares.

Fairlie, Lake Tekapo and Twizel are the main towns and there are villages at Albury, Kimbell, Burkes Pass and Mount Cook.

## Economy

The economy of the District is built on farming, tourism and hydro electric development.

Pastoralism is the dominant form of agriculture in the region. However, more intensive land uses such as forestry, dairying, cropping and horticulture are becoming increasingly common and offer considerable scope to grow the local economy.

The District is fortunate in having Lake Tekapo and Mount Cook, the international tourist icons, within its boundaries. They provide an excellent platform from which to develop the tourism potential of the District.

The vast water resources of the District have provided the base for an extensive hydro electricity generation industry. Further opportunities exist to tap this water resource both for hydro electricity generation and irrigation.

## Demographics

The 2001 Census showed Mackenzie District having slightly lower proportions of its population under the age of 15 and over the age of 65.

However, long-term population projections show an increasingly ageing population for the Mackenzie District.

Ethnically, the district is less diverse than other areas of New Zealand with 94.9% of the people in the district having European ethnic origin compared with 80.1% for all of New Zealand.

The median income of people in the Mackenzie is \$16,400, \$2,100 lower than the national figure.

In terms of employment, Mackenzie's unemployment rate in the 2001 Census was 3.0% compared with 7.5% for all of New Zealand. The most popular occupational group was Agricultural and Fishery workers at 29.3%. Overall the most popular occupational groups in the country was Service and Sales workers at 14.8%.

There were 948 families in the District at the last Census. There were a greater proportion of families with no children and a lesser proportion of single parent families compared with the national statistics.

There were 1392 households in the Mackenzie in 2001 with an average household size smaller than the national norm (2.4 people compared with 2.7 for all of New Zealand).

Weekly rentals were considerably lower in the district (\$81/week compared with \$176/wk for New Zealand as a whole). 70.4% of dwellings in Mackenzie were owned with or without a mortgage which is slightly higher than the New Zealand figure of 68.8%.

Average household spending was significantly lower (\$38,131 compared with \$43,682 nationally).

At the Census, there were 337 businesses located within the district.

# *Mackenzie Tomorrow*

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If the Mackenzie District is to remain as a thriving area it needs to make significant progress in helping realise the six community outcomes that the Council has outlined:

- An attractive and highly valued natural environment
- A thriving economy
- A democracy which upholds the rights of the individual
- A fit and healthy community
- Safe, effective and sustainable infrastructure
- A supportive and contributing community.

Community outcomes can be defined as goals the community; rather than the Council, considers essential in order to achieve 'community well-being'. Success may be gauged in terms of the contribution made towards the four elements of well-being: economic, social, cultural and environmental. In short, Mackenzie's community outcomes describe the type of District in which its people wish to live, work and play

For its part, the Council will play a role in advancing these outcomes. A major task will be in progressively upgrading the District's extensive roading network and extending the length of sealed roads whenever financial assistance can be obtained. Not only will this benefit our own residents, it will enhance the attractiveness of our area to the large number of visitors that enjoy our unique environment.

The health of the urban community will be enhanced through upgraded sewerage and water treatment systems. Much has already been achieved but higher standards are likely to be required to be met.

A larger population and a growing number of tourists are likely to lead to increased expectations for enhanced amenities throughout the District. Community expectations are rising as revealed through planning exercises in two of our townships. More ratepayers will help fund these heightened expectations but will also contribute to increased demand upon Council infrastructure.

Council will continue to require development to pay its fair share of the increased demand by making provision for reserves contributions and by having new ratepayers match the equity current ratepayers hold in existing infrastructure.

The Council will need appropriate planning controls to ensure that growth and development do not proceed in a way that diminishes the natural attractions and values of the District.

Aside from a growing tourist sector, access to adequate water for irrigation will be critical for the enhancement of farming in the Mackenzie. The equitable allocation of water resources to meet hydroelectric, farming and environmental requirements will be one of the major challenges over the next ten years.

In a 2004 Canterbury-wide survey, 150 Mackenzie residents were asked to compare the way the District was now and how they would like it to be in fifty years time.

The biggest gaps between current performance and future desires were in these areas:

- The economic value of water to be managed
- Ground water systems in a healthy condition
- Good health care for all
- Enough water in lakes and rivers to support living things
- Wages and salaries high enough to earn a decent living.

Council's role in meeting some of these aspirations will not be as prime mover, but it will have an important part to play as advocate and facilitator on behalf of the community.

# Community Outcomes Explained

The aspirations of the people of the Mackenzie can be summarised in six key phrases; They want:

- An attractive and highly valued natural environment
- A thriving economy
- A democracy which upholds the rights of the individual
- A fit and healthy community
- Safe, effective and sustainable infrastructure
- A supportive and contributing community.

The Council, having been charged with the task of identifying such community outcomes, as they are known, firstly drew upon earlier work it had undertaken. This included a 1996 strategic plan, community planning exercises conducted in Tekapo and Twizel starting in 2003 and earlier material it had compiled for its first long term plan. It then arranged for Helen Tait, an experienced facilitator, to convene public meetings to which key people had been invited to give their views on the future pathway for the District. A draft set of statements emerged from these meetings and following the meeting, participants had the opportunity to comment on the report of proceedings and the draft outcomes. Wider consultation occurred when all ratepayers were sent copies of the draft outcome statements and invited to submit upon them.

The limited number of comments received were generally supportive of the outcomes suggested. After considering a final report from Helen Tait, the community outcomes were endorsed by the Council in April 2006.

What roles will the Council play in helping the community realise its aspirations?

The provision of safe, effective and sustainable infrastructure has always been a key role of local councils and the Mackenzie is no exception. It provides the roads, water supplies, sewage treatment, stormwater disposal, refuse collection and recycling vital for the District. Similarly it is a major provider of recreational and community facilities, working alongside local clubs and volunteers to help create a fit and healthy community. Another major task for Council is in its planning and resource management role, where it attempts to protect the local environment from the effects of ill-considered development. Many factors influence the local economy, and here Council's role is more of a support player. It continues a long tradition of championing a vigorous local democracy and will speak up for the community when required. As part of a supportive and contributing community, Council considers there is scope for increased interaction with its residents and ratepayers and for more opportunities for participation in Council affairs.

The roles that Council sees itself playing in furthering those outcomes can be summarised in the following table:

OUTCOME	COUNCIL ROLE
<b><i>An attractive and highly valued natural environment</i></b> The outcome desired by the community is to have the outstanding natural features of the district preserved, enhanced, accessible, and promoted	Regulator through its District Plan. Provider and funder of local reserves. Advocate for environmental issues.
<b><i>A thriving economy</i></b> The outcome desired by the community is to have a well-balanced economy, providing employment and investment opportunities for all ages, and sustaining a full range of support services	Essentially a support role. Some limited funding of business advice through the Tourism and Development Board. As a regulatory instrument, the Council's District Plan is seen as enabling, not putting barriers in the way of economic development.
<b><i>A democracy which upholds the rights of the individual</i></b> The outcome desired by the community is to have a council which champions the rights of the individual and represents its community	Advocate on behalf of the District or groups within it.
<b><i>A fit and healthy community</i></b> The outcome desired by the community is to have a variety of sporting, recreational, cultural, spiritual, health, welfare and educational resources available to sustain and enrich the lives of its people.	Provider and funder of a range of recreational activities. Supporter of the provision of medical and other social services. Advocate where required.
<b><i>Safe, effective and sustainable infrastructure</i></b> The outcome desired by the community is to have safe, effective and sustainable water, waste, communication, energy and transport systems in place when required, through sound long term planning and funding.	The prime provider and funder of roading, water supplies, sewerage, stormwater and solid waste services.
<b><i>A supportive and contributing community</i></b> The outcome desired by the community is to foster the unique attributes and strong sense of community that makes the Mackenzie District special, and to encourage people to use their skills and talents for the benefit of the community.	Council plays a supportive role, providing advocacy where needed.

## *Community Outcomes cont...*

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A number of documents underpin the Council's efforts to help the community achieve its goals. They include the Council's district plan, key community planning documents for Tekapo and Twizel and detailed management plans for all of its key assets.

The district plan clearly links with the outcome of an attractive and highly valued natural environment as it provides a detailed regulatory framework for managing the natural and physical resources of the District.

The annual plan provides an annual statement of how the Council plans to advance its contribution toward these community outcomes with this progress being assessed regularly through the annual report. The provision of safer, effective and sustainable infrastructure by Council is guided by its detailed activity management plans.

Council does not envisage any difficulty in working with other local organisations and individuals in helping the District achieve its goals. It is confident that cooperation will be there when required.

Such groups and individuals are likely to include sporting and cultural groups, Federated Farmers, schools, service clubs, medical practitioners, St Johns, voluntary fire brigades, police, resource centre staff, tourism operators, farmers, business people, Alpine Energy, Meridian Energy and the local Department of Conservation office. The mailing list used to invite people to the community outcomes process will also be used.

It plans to write to these groups and individuals seeking their assistance. In doing so, the Council will, in fairness, stress the limited amount of its own resources and its comfort with the traditional role it has played in the community.

Within the limits of its small pool of resources, the Council is happy to maintain close liaison with the three other South Canterbury/North Otago authorities and the Canterbury Regional Council. It recognises that its relationships with Te Runaka o Arowhenua need to be developed.

Ongoing relationships will continue with other governmental bodies or related bodies that the Council has dealings with, including Transit New Zealand, Land Transport New Zealand, Sports South Canterbury, the Ministry of Health, Quotable Value, Housing Corporation of New Zealand and the Ministry of Social Development.

The Council is however uncertain as to what resources are realistically likely to be provided by external agencies to one of the least populated districts in the country in pursuit of its community outcomes. It is more likely to piggy back on initiatives that are undertaken in either South

Canterbury or the Canterbury region. It keeps close contact with the other South Canterbury councils and may well share and adopt information that those councils have collected.

While the Council has yet to finalise the measures that might tell it how well the Mackenzie is progressing towards its six key outcomes, it proposes at this stage to adapt some work undertaken by the Timaru District Council. The draft monitoring regime is scheduled in the following table.

Data collected by the Canterbury regional outcomes group looks useful, as does the wealth of material collected by the Department of Statistics. Depending on funding, local survey work is also envisaged. Council thinking is that base level data needs to be compiled in 2006. Reviewing progress annually is probably beyond our budgets, so a triennial review is proposed. The first of these would need to be completed well before the 2009 LTCCP was prepared and be subject to separate consultation. Thereafter, future progress reports would be produced at three yearly intervals.

Given the pressures placed on its own limited resources and the broad similarity in outcomes identified by other Councils, it has decided to review the work of others during 2006/07 before finally selecting measures and monitoring that are appropriate for its size and budget.



## Community Outcomes cont...

Community Outcomes	Indicator	Data Source	Time Period
An attractive and highly valued natural environment	<ul style="list-style-type: none"> <li>District's awareness of environmental issues</li> <li>Land (ha) affected by animal pests (especially rabbits)</li> <li>Land (ha) affected by noxious plant pests (especially wilding pines)</li> <li>River water quality – drinking and swimming</li> <li>Waste diversion from landfill</li> <li>Recycling volumes</li> <li>Total energy consumption</li> <li>Perceptions of accessibility to the environment (e.g. waterways, high country)</li> </ul>	MDC Survey Regional Council Regional Council Regional Council MDC MDC Canterbury Regional Council, EECA MDC	3 yearly To be determined To be determined To be determined Quarterly Quarterly To be determined 3 yearly
Thriving economy	<ul style="list-style-type: none"> <li>Building consents indicators</li> <li>Demographic Indicators (e.g. income)</li> <li>Other regional economic growth indicators</li> <li>Regional economic growth Index</li> <li>Property price changes</li> </ul>	MDC, Stats NZ Stats NZ APR Survey National Bank Regional Trends Quotable Value/Real Estate Institute	Monthly Census – 5 yearly Monthly Quarterly Monthly
Democracy which upholds the rights of the individual	<ul style="list-style-type: none"> <li>Perceptions of satisfaction with Council's advocacy on behalf of the community</li> <li>Perceptions of ease of dealing with the Council</li> </ul>	MDC survey MDC survey	3 yearly 3 yearly
Fit and healthy community	<ul style="list-style-type: none"> <li>Physical activity participation rates – all age groups</li> <li>Life expectancy</li> <li>School leavers with no formal qualification</li> <li>% students leaving school with core numeracy and literacy credits at NCEA level 1</li> <li>Educational attainment of adult population</li> <li>Road traffic accidents and casualties</li> <li>Perceptions of sense of pride in the District</li> <li>Number of buildings/sites remaining on Historic Places Trust category lists</li> <li>Medical professionals/GP to population</li> <li>Perceptions of satisfaction with health services provided in the Mackenzie District</li> <li>Perceptions of satisfaction with educational services provided in the Mackenzie District</li> </ul>	SPARC Stats NZ Ministry of Education Ministry of Education Stats NZ Land Transport Safety Authority MDC Survey Historic Places Trust SC District Health Board MDC survey MDC Survey	To be determined To be determined Annual Annual Census - 5 yearly Annual 3 yearly Annual To be determined 3 yearly 3 yearly
Safe, effective and sustainable infrastructure	<ul style="list-style-type: none"> <li>Annual power outages</li> <li>Drinking water standards</li> <li>Satisfaction with Council infrastructural services (e.g. roading, sewer, water supply services, footpaths)</li> <li>Satisfaction with other core infrastructural services (e.g. power, telecommunications)</li> <li>Access to internet, telephone</li> </ul>	Power companies MoH and MDC MDC survey  MDC survey Stats NZ	Annual To be determined 3 yearly  3 yearly Census 5 yearly
Supportive and contributing community	<ul style="list-style-type: none"> <li>Social deprivation index (NZ Dep)</li> <li>Perceptions of quality of life in the Mackenzie</li> <li>Perceptions of safety</li> <li>Perceptions of community</li> <li>Perceptions of the Mackenzie as a safe place to live</li> <li>Unpaid work</li> </ul>	Stats NZ MDC Survey MDC survey MDC survey MDC Survey Stats NZ	5 yearly 3 yearly 3 yearly 3 yearly 3 yearly Census – 5 yearly



# *Group Activities in Detail*

## *Overview*

### *Summary of Group Activities*

#### *Community Facilities*

- *Cemeteries*
- *Community Facilities and Halls*
- *Libraries*
- *Passive Reserves, Walkways, Recreation Areas, Sports Grounds & Township Maintenance*
- *Pensioner Housing*
- *Swimming Pools*
- *Community Services*
- *Public Conveniences*

#### *Essential Services*

- *Water Services*
- *Wastewater*
- *Stormwater*
- *Solid Waste Management*
- *Roading*
- *Roading Professional Services Business Unit*

#### *Environmental Services*

- *Planning Services*
- *Building Control*
- *Animal Control*
- *Civil Defence*

- *Rural Fire Protection*
- *Liquor Licensing*
- *Environmental Health Services*

#### *Tourism & Economic Development*

- *Tourism & Economic Development Board*
- *Information Centre (Lake Pukaki)*

#### *Commercial Activities*

- *Property Management – Real Estate & Commercial Properties*
- *Forestry*
- *Real Estate*
- *Rental Properties*
- *Pukaki Airfield*
- *Investments*

#### *Democracy & Corporate Services*

- *District Council*
- *Community Boards*
- *Elections*
- *Corporate Services*

## Overview of Group Activities

This section of the plan contains details relating to the Council's main areas of activity. Some of these are core responsibilities under legislation; others are responsibilities arising from the direction in which the District has chosen to move.

Similar output areas have been grouped under a 'Significant Activity'. Each significant activity may not necessarily be financially significant in terms of its overall expenditure but it recognises the importance of the activity to the residents and ratepayers of Mackenzie. The significant activities have been grouped as follows:

Group Activity	Significant Activities
Community Facilities	Cemeteries Community Facilities and Halls Libraries Passive Reserves, Walkways, Recreation Areas, Sports Grounds & Township Maintenance Pensioner Housing Swimming Pools Community Services Public Conveniences
Essential Services	Water Services Wastewater Stormwater Solid Waste Management Rooding Rooding Professional Services Business Unit

Group Activity	Significant Activities
Environmental Services	Planning Services Building Control Animal Control Civil Defence Rural Fire Protection Liquor Licensing Environmental Health Services
Tourism & Economic Development	Tourism & Economic Development Board Information Centre (Lake Pukaki)
Commercial Activities	Property Management – Real Estate & Commercial Properties Forestry Real Estate Rental Properties Pukaki Airfield Investments
Democracy & Corporate Services	District Council Community Boards Elections Corporate Services

## Overview of Group Activities cont...

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Each significant activity involves the day-to-day operational aspects of providing the service. These aspects are briefly described as the function of each activity. Key sub-activities are also noted individually.

For each service area, objectives and performance measures have been set in addition to financial information relevant to the service. The objectives and performance measures have been written so that the Council's performance in each of the activity areas can be judged. Where appropriate, Council ensures work is performed to recognised standards such as those established by Land Transport New Zealand for roading activities.

In other activities such as policy, planning and inspection services, Council ensures a quality service is provided by using suitably trained, qualified and supervised staff.

### Summary of Funding of Group Activities (\$000) 2005/2006

Group Activities	Operating Costs	Funded by: General Rate	Funded by: Targeted Rate	Other Revenue	Total	Surplus/ (Deficit)
Community Facilities	1,504	387	804	235	1,426	(78)
Essential Services	4,399	284	1,985	3,278	5,547	1,148
Environmental Services	861	316	100	678	1,094	233
Tourism & Economic Development	238	120	-	110	230	(8)
Democracy & Corporate Services	1,823	609	70	1,079	1,758	(65)
Commercial Activities	314	(19)	(996)	1,467	452	138
<b>Total</b>	<b>9,139</b>	<b>1,697</b>	<b>1,963</b>	<b>6,847</b>	<b>10,507</b>	<b>1,368</b>

# GROUP ACTIVITIES - Community Facilities

## *Community Facilities (Summary)*

### **Community Facilities contribute to the following outcomes:**

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

The following activities contribute to the essence of the community, adding value to the District by increasing access to cultural, social and recreational pursuits as well as supporting a safe and healthy community.

Much of the day to day services provided to maintain the facilities are provided for through the Townships contract with Whitestone Ltd, which has been running since 2002. The contract encompasses township, reserves and grounds maintenance cemetery services and building inspection and maintenance. Some services such as cleaning contracts are contracted to smaller companies and a small portion of the work is held in house.

Cemeteries – The District's cemeteries are readily accessible to all of its residents and are attractively maintained to a high standard. Interment fees, although recently increased, are kept at an affordable level. Requirements for new cemeteries and expansion of existing ones are assessed from time to time.

Community Centres and Halls – These cater for a wide range of activities, such as basketball, community meetings, plays, small bore rifle shooting, bridge, boys and girls clubs and so on. Council believes these facilities fulfil an important social role in bringing the community together.

Libraries - The libraries are run as "Community Libraries" in conjunction with the Twizel Area School and Mackenzie College. They cater for a cross section of educational and recreational reading requirements.

Parks and Reserves – Council's role in this area is to ensure residents have reasonable access to adequate sports facilities, parks, reserves, amenity areas and walkways and to maintain these to a satisfactory standard.

Pensioner Housing – A limited number of pensioner units are held by Council. Council maintains the buildings and grounds, reviews tenancy agreements, leases vacant premises and monitors long-term requirements and maintenance programmes.

Public Toilets - Adequate public conveniences are provided for visitors and locals. These properly cleaned and maintained facilities contribute to a clean environment

Swimming Pools – The pools at Fairlie and Twizel help Council promote general fitness, well-being and community spirit. Sporting and recreational facilities play an important role in the Kiwi culture and assist in knitting communities together.

Community Services - Council supports a range of community services that would not otherwise be viable in a District of this size. It supports Medical Centres, Social and Information Centres and makes grants to various community groups.

### **Issues**

- The Peace Avenue trees, whilst protected by the District Plan, require additional provision for maintenance and enhancement in years to come if they are to remain as part of the District's heritage
- The facilities in all play areas are dated and do not comply with current New Zealand Standards. Significant upgrading is required if they are to be brought up to standard.
- Changes in swimming pool management guidelines have imposed additional costs upon clubs and groups using the facilities outside of public hours
- Recent planning exercises in the townships have highlighted the need for continued development of the District's amenities and reflect rising expectations of both residents and visitors.
- Policy development is required over the use of Council's reserves and the ongoing maintenance of the assets within them.
- Capital work on community facilities have generally been funded directly from rates rather than being met from depreciation reserves. Council has not funded depreciation on these facilities, believing that an element of community fundraising would assist with their eventual replacement. Heavy reliance on such funding source has been questioned and some partial funding of depreciation is being contemplated in a future review of this policy. Already depreciation is funded on the Council's pensioner housing and on the Twizel Events Centre.
- Since 2004, the Council has endeavoured to bring its cost recovery rates for most of its services into line with other districts. Fees and charges for these are now reviewed annually.

## Community Facilities (Summary) cont...

### Community Services Financial Summary

Actual 2004/05 \$000's		Budget 2005/06 \$000's	Actual 2005/06 \$000's
	<b>INCOME</b>		
183	External Revenue	204	235
363	General Rates	387	387
740	Targeted Rates	804	804
<b>1,286</b>	<b>TOTAL INCOME</b>	<b>1,395</b>	<b>1,426</b>
	<b>OPERATING EXPENDITURE</b>		
1,059	Operating Costs	1,119	1,125
121	Support Costs	129	135
219	Depreciation	209	222
30	Debt Servicing Interest	18	22
<b>1,429</b>	<b>OPERATING COST</b>	<b>1,475</b>	<b>1,504</b>
<b>(143)</b>	<b>NET SURPLUS (DEFICIT)</b>	<b>(80)</b>	<b>(78)</b>
	<b>CAPITAL</b>		
71	Capital Expenditure	254	147
<b>71</b>	<b>CAPITAL TO BE FUNDED</b>	<b>254</b>	<b>147</b>
(143)	Operating Surplus / (Deficit)	(80)	(78)
214	Reserves/Reduction in Equity	334	225
<b>71</b>	<b>TOTAL SOURCE OF FUNDS</b>	<b>254</b>	<b>147</b>

### Financial Commentary

#### Surplus/(Deficit)

The deficit for the year was \$78,000; \$2,000 less than the budgeted deficit of \$80,000.

#### Revenue

Total revenue for the year was \$1,426,000; \$31,000 greater than the budget of \$1,395,000.

The key variances from budget were:

- Additional revenue was received from Twizel Events Centre,
- Rental income was \$12,500 above budgeted levels
- A grant was received from the Department of Conservation for on-going maintenance for Patterson's Ponds.
- Revenue from cemeteries being less than the level budgeted for.

#### Operating Expenditure

Total Operating Expenditure for the year was \$1,504,000; \$29,000 greater than the budget of \$1,475,000.

The key variances from budget were:

- A payment made by Council of \$34,000 towards the costs relating to the Lake Ruataniwha Reserve in Twizel.
- Additional costs incurred relating to the roof and heating system at the Strathconan Swimming Pool in Fairlie.

## Community Facilities (Summary) cont...

### Community Facilities Capital Expenditure

	Budget 2005/06 \$000's	Actual 2005/06 \$000's
<b>SIGNIFICANT PROJECTS</b>		
Implementation of Development Plan – Twizel	65	31
Implementation of Development Plan – Lake Tekapo	55	3
Aerial Photographs	17	-
Pensioner Housing Upgrade	50	99
Playground Upgrade - Twizel	40	-
Playground Upgrade - Tekapo	25	11
Other	2	3
<b>TOTAL CAPITAL EXPENDITURE</b>	<b>254</b>	<b>147</b>

### Result for the 2005/2006 year

Total Capital Expenditure for the year was \$147,000; \$107,000 less than the budget of \$254,000.

The key variances from budget were:

- Development plans and playground upgrades were not carried out to the anticipated levels.
- The aerial photography of the rural area did not proceed due to adverse flying conditions.
- Council purchased additional land with a view to building new pensioner units rather than upgrade the existing facility.

### Reason for Undertaking Capital Expenditure Projects

The Council's reasoning for undertaking the Significant Capital Expenditure Projects were as follows:

- In implementing the development plans and the upgrade of the playgrounds of Twizel and Lake Tekapo, the Council was meeting various desires raised during the planning exercises undertaken in both townships.
- The aerial photography was for the rural area which flowed on from the work already completed in the three urban areas.
- Council budgeted to upgrade the pensioner flats in Fairlie to continue to meet needs of residents.

# Cemeteries

## What the Council does

Council currently operates four cemeteries located at Albury, Fairlie, Burkes Pass, and Twizel. Cemetery management and maintenance includes keeping the cemeteries in a tidy and presentable manner, as well as managing burials. Maintenance and sexton's duties are incorporated into the overall contract for the maintenance of the townships. The Council also maintains an extensive recording system to track allocated and reserved sites and maintain an ongoing historical archive. Returned servicemen's plots are only provided at the Fairlie and Twizel cemeteries. Tekapo residents have expressed a desire for a cemetery in that township and a potential site has been identified and initial investigations have taken place.

## Services Provided

- Performing sexton's duties in the cemeteries
- Reserving and allocating burial plots
- Ensuring that sites are developed
- Maintaining the grounds
- Maintaining a records system.

## Community Outcomes

The community outcome that cemeteries primarily contribute to is:

- A safe and healthy community

No measurement was undertaken during the year on progress made toward achieving this or other community outcomes.

## Performance Measures

	Objective	Result
1	Grounds maintained to contract specification	<b>Achieved</b> Grounds were maintained to specifications as set out in the contract as determined by periodic inspections of the cemeteries over the year. No significant issues emerged and all areas were generally found compliant with the specification.
2	Maintain user charges at 75% cost recovery basis	<b>Not achieved</b> The cost recovery achieved was 51%, the same as the previous year. In setting fees, we incorrectly budgeted upon every burial being a new adult plot and failed to take into consideration double depth plots, cremations and pre-purchased plots. Council may wish to revisit this target, the achievement of which may require fees being at a higher than desired level.

## Identified Effects on Community Well-Being

Council believes that the provision of cemeteries has effects on the social and cultural well-being of the community; however these have yet to be formally identified.

## Cemeteries cont...

### Cemeteries Financial Summary

Actual 2004/05 \$000's		Budget 2005/06 \$000's	Actual 2005/06 \$000's
	INCOME		
17	External Revenue	30	18
18	General Rates	13	13
35	<b>TOTAL INCOME</b>	<b>43</b>	<b>31</b>
	OPERATING EXPENDITURE		
23	Operating Costs	32	24
10	Support Costs	11	11
33	<b>OPERATING COST</b>	<b>43</b>	<b>35</b>
2	<b>NET SURPLUS (DEFICIT)</b>	<b>-</b>	<b>(4)</b>

### Commentary on Cemeteries Financial Summary

#### Surplus/(Deficit)

The deficit for the year was \$4,000; \$4,000 less than the budgeted break even position.

#### Revenue

Total Revenue for the year was \$31,000; \$12,000 less than the budget of \$43,000.

The key variance from budget was:

- There were less burial and plot fees paid for than was budgeted.

#### Operating Expenditure

Total Operating Expenditure for the year was \$35,000; \$8,000 less than the budget of \$43,000.

The key variances from budget were:

- Contractors expenses for the Twizel cemetery were not incurred
- Planned maintenance for the Burkes Pass cemetery was not undertaken.

### Cemeteries Capital Expenditure

There was no significant capital expenditure for cemeteries in the year under review.



# Community Centres & Halls

## What the Council does

Council operates a number of community centres and halls with varying degrees of use and service.

## Services Provided

- The Twizel Events Centre is a new complex which incorporates the Twizel Information Centre, squash courts, gymnasium, climbing wall, sports hall, theatre, kitchen and meeting rooms. The Centre is open seven days per week through the summer months with reduced hours in the winter. The on site manager is contracted to Council to actively manage and promote the centre as well as to run the Information Centre.
- Mackenzie Community Centre in Fairlie incorporates a sports hall, theatre and community rooms. It is managed through the Council offices next door and has a number of regular users.
- Tekapo Community Hall includes a small hall and community rooms and kitchen. Bookings are managed by a neighbouring resident.
- In addition to these facilities, there are rural community halls at Sherwood, Skipton and Albury. These are generally used both for recreational and cultural purposes by the local community and are managed by local committees. In the rural areas, rates, insurance and electricity are paid by Council and building maintenance is managed through an ongoing programme.

## Community Outcomes

The community outcomes that community centres and halls primarily contribute to are:

- A Safe and Healthy Community
- A Supportive Community
- A Participative, Well Informed and Culturally Aware Community.

No measurement was undertaken during the year on progress made toward achieving these or any other community outcomes.

## Performance Measures

	Objective	Result
1	Operate halls within budget	<b>Not achieved</b> Whilst income was up so was expenditure. This relates to increased costs for contractors, repairs and maintenance and electricity costs.
2	Ensure revenue targets are met	<b>Achieved</b> or exceeded in most areas. Mackenzie Community Centre revenue was enhanced by a donation from the Jack Hutt Trust.
3	Complete building maintenance upgrades within allocated budgets	<b>Not achieved</b> Outstanding work from the previous year at Albury has exceeded allocated budget though this work was budgeted the previous year.

## Identified Effects on Community Well-Being

Council believes that the provision of community centres & halls has effects on the social and cultural well-being of the community; however these have yet to be formally identified.

## Community Centres & Halls cont...

### Community Centres & Halls Financial Summary

Actual 2004/05 \$000's		Budget 2005/06 \$000's	Actual 2005/06 \$000's
	<b>INCOME</b>		
43	External Revenue	40	49
139	Targeted Rates	165	165
<b>182</b>	<b>TOTAL INCOME</b>	<b>205</b>	<b>214</b>
	<b>OPERATING EXPENDITURE</b>		
135	Operating Costs	120	127
18	Support Costs	19	19
106	Depreciation	89	106
19	Debt Servicing Interest	12	15
<b>278</b>	<b>OPERATING COST</b>	<b>240</b>	<b>267</b>
<b>(96)</b>	<b>NET SURPLUS (DEFICIT)</b>	<b>(35)</b>	<b>(53)</b>
	<b>CAPITAL</b>		
3	Capital Expenditure	-	2
<b>3</b>	<b>CAPITAL TO BE FUNDED</b>	<b>-</b>	<b>2</b>
(96)	Operating Surplus / (Deficit)	(35)	(53)
99	Reserves/Reduction in Equity	35	55
<b>3</b>	<b>TOTAL SOURCE OF FUNDS</b>	<b>-</b>	<b>2</b>

### Commentary on Community Centres & Halls Financial Summary

#### Surplus/(Deficit)

The deficit for the year was \$53,000; \$18,000 greater than the budgeted deficit of \$35,000.

#### Revenue

Total Revenue for the year was \$214,000; \$9,000 greater than the budget of \$205,000.

The key variance from budget was:

- Additional revenue was derived from the Twizel Events Centre.

#### Operating Expenditure

Total Operating Expenditure for the year was \$267,000; \$27,000 greater than the budget of \$240,000.

The key variance from budget was:

- The actual level of depreciation, resulting from the revaluation of the buildings last year, was greater than the level budgeted for.

### Community Centres & Halls Capital Expenditure

	Budget 2005/06 \$000's	Actual 2005/06 \$000's
<b>AREA</b>		
Twizel Event Centre	-	1
Tekapo Community Hall	-	2
<b>TOTAL CAPITAL EXPENDITURE</b>	<b>-</b>	<b>3</b>

The key variance from budget was:

- A replacement piano was purchased for the Tekapo Community Centre which was not budgeted for at the beginning of the year.

# Libraries

## What the Council does

The Council “purchases” library services from the Twizel Area School and Mackenzie College. Council provides 52% of the funding for these services with the remainder provided by the schools.

## Services Provided

- The libraries are run as “Community Libraries” catering for a cross section of educational and recreational reading requirements
- The libraries also offer other services such as photocopying, Internet access etc
- Council’s main involvement is agreeing on the level of service required, monitoring service levels and considering budgetary requests each year.

## Community Outcomes

The Community Outcome that Libraries primarily contribute to is:

- A fit and healthy community
- A supportive and contributing community.

## Performance Measures

	Objective	Result
1	Increase library membership in line with district growth	<b>Substantially achieved:</b> In Fairlie, 181 new members joined the library in the year ended 30 June 2006. The comparable figure for Twizel was estimated at 127 new members. At the end of the year, Twizel borrowers totalled 1468, up 2%, while Fairlie borrowers had fallen to 1666, down 6.3%. This decline was largely attributable to a major cull of membership removing those deceased members and others who had shifted away. Book issues were up 2% for the Fairlie library and 13% for the Twizel Library. Book stocks were up 17% in Fairlie and 6% in Twizel compared with the previous year.

## Identified Effects on Community Well-Being

The provision of Libraries has effects on the Social and Cultural well-being of the community; however, these have yet to be formally identified.

## Libraries cont...

### Libraries Financial Summary

Actual 2004/05 \$000's		Budget 2005/06 \$000's	Actual 2005/06 \$000's
	INCOME		
93	General Rates	98	98
<b>93</b>	<b>TOTAL INCOME</b>	<b>98</b>	<b>98</b>
	OPERATING EXPENDITURE		
90	Operating Costs	94	94
4	Support Costs	4	4
7	Depreciation	7	7
<b>101</b>	<b>OPERATING COST</b>	<b>105</b>	<b>105</b>
<b>(8)</b>	<b>NET SURPLUS (DEFICIT)</b>	<b>(7)</b>	<b>(7)</b>
	CAPITAL		
-	Capital Expenditure	-	-
-	CAPITAL TO BE FUNDED	-	-
(8)	Operating Surplus / (Deficit)	(7)	(7)
8	Reserves/Reduction in Equity	7	7
-	<b>TOTAL SOURCE OF FUNDS</b>	-	-

### Libraries Capital Expenditure

There was no significant capital expenditure item acquired or budgeted for the year under review.

### Commentary on Libraries Financial Summary

#### Surplus/(Deficit)

The deficit for the year was \$7,000; equal to the budget.

#### Revenue

Total Revenue for the year was \$98,000; equal to the budget.

#### Operating Expenditure

Total Operating Expenditure for the year was \$105,000; equal to the budget.

# Reserves, Walkways, Passive Recreation Areas, Sports Grounds & Township Maintenance

## What the Council does

The Council maintains and owns a host of reserves (urban and rural), domains, parks and walkways throughout the District. Some reserves are leased for grazing purposes while others provide open spaces for recreation, beautification, the enjoyment of visitors and residents and civic pride. This activity extends into passive non reserve areas which include street front plantings, mowing and beautification areas as well as amenity tree plantings. The Council believes that reserves, beautification and recreation areas aid in the well being of the community. It wants to ensure residents have reasonable access to adequate sports facilities, parks, reserves and walkways and to ensure all parks and reserves are maintained to a satisfactory standard.

These services are provided through various means including:

- Township maintenance contracts which incorporate:
  1. Cleaning,
  2. Litter collection,
  3. Grass cutting,
  4. Horticultural parks,
  5. Play area maintenance,
  6. Amenity garden maintenance in Fairlie and Tekapo.
- Recreation planning and programming services.

Council undertook planning exercises in its townships in 2003/04. Growth in both Tekapo and Twizel has highlighted the need for increased amenity areas and increased levels of service. While some funding has been identified to progress some of these ideas, definite plans and details will be progressed throughout the coming years. Planning also needs to be advanced for Stage 2 of the Fairlie Township project which includes development options for the Village Green.

## Services Provided

- Parks and reserves are maintained in a safe, functional and attractive state
- Reserving and allocating burial plots
- Planning and development of existing and future reserves
- Provision and maintenance of play areas in townships

- Township maintenance contract work including grass cutting, tree maintenance, ornamental plantings streetscape and litter collection
- Planning and encouragement of physical activity in the community through the efforts of Sports South Canterbury.

## Community Outcomes

The Community Outcomes that reserves, walkways, passive recreation areas, sports grounds and township maintenance primarily contribute to are:

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

## Performance Measures

Objective	Result
1 Maintenance standards of parks and reserves meet specifications to at least 90%	<b>Achieved</b> Periodic inspections of parks, gardens and reserve areas show no concerns with contractor performance.
2 Walking tracks upgraded to meet the appropriate NZ Standard (HB 8630:2004) by 2006	<b>Not measured</b> Areas were not assessed against this standard. However, work was undertaken during the year to remedy a safety issue in Twizel and signage improvements were undertaken in Fairlie.
3 All play grounds upgraded to meet the NZ standard for play areas and soft fall areas by 2006	<b>Not achieved</b> The planned work on play areas was not completed in Tekapo or Twizel. The Twizel work was delayed to fit in with the town centre upgrade and, while new play equipment was purchased for Tekapo, it was not installed by the end of the financial year.

# Reserves, Walkways, Passive Recreation Areas, Sports Grounds & Township Maintenance cont...

## Identified Effects on Community Well-Being

The Council believes that the provision of reserves, walkways, passive recreation areas, sports grounds and township maintenance has effects on the Social, Cultural and Environmental well-being of the community; however, these have yet to be formally identified.

## Reserves, Walkways, Passive Recreation, Sports Grounds and Township Maintenance Financial Summary

Actual 2004/05 \$000's		Budget 2005/06 \$000's	Actual 2005/06 \$000's
	<b>INCOME</b>		
61	External Revenue	69	99
132	General Rates	141	141
529	Targeted Rates	574	574
<b>722</b>	<b>TOTAL INCOME</b>	<b>784</b>	<b>814</b>
	<b>OPERATING EXPENDITURE</b>		
468	Operating Costs	541	520
116	Support Costs	125	125
54	Depreciation	69	58
11	Debt Servicing Interest	5	7
<b>649</b>	<b>OPERATING COST</b>	<b>740</b>	<b>710</b>
<b>73</b>	<b>NET SURPLUS (DEFICIT)</b>	<b>44</b>	<b>104</b>
	<b>CAPITAL</b>		
65	Capital Expenditure	202	43
<b>65</b>	<b>CAPITAL TO BE FUNDED</b>	<b>202</b>	<b>43</b>
73	Operating Surplus / (Deficit)	44	104
(8)	Reserves/Reduction in Equity	158	(61)
<b>65</b>	<b>TOTAL SOURCE OF FUNDS</b>	<b>202</b>	<b>43</b>

## Commentary on reserves, walkways, passive recreation areas, sports grounds and township maintenance Financial Summary

### Surplus/(Deficit)

The surplus for the year was \$104,000; \$60,000 greater than the budgeted surplus of \$44,000.

### Revenue

Total Revenue for the year was \$814,000; \$30,000 greater than the budget of \$784,000.

The key variances from budget were:

- An additional \$12,500 received in rental income
- A \$10,000 grant received from the Department of Conservation towards the on-going maintenance of Patterson's Ponds in Lake Tekapo.

### Operating Expenditure

Total Operating Expenditure for the year was \$710,000; \$30,000 less than the budget of \$740,000.

The key variances from budget were:

- A \$34,000 contribution the Council made from its Land Subdivision Reserve towards costs relating to the Lake Ruataniwha Reserve.
- Various amounts budgeted by the Community Boards for township projects had not been incurred.

## *Reserves, Walkways, Passive Recreation Areas, Sports Grounds & Township Maintenance cont...*

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### Reserves, Walkways, Passive Recreation, Sports Grounds and Township Maintenance Capital Expenditure

	Budget 2005/06 \$000's	Actual 2005/06 \$000's
AREA		
District	17	(1)
Fairlie	-	-
Lake Tekapo	80	13
Twizel	105	31
<b>TOTAL CAPITAL EXPENDITURE</b>	<b>202</b>	<b>43</b>

The key variances from budget were:

- The aerial photography budgeted for the rural area did not proceed due to adverse flying conditions
- The landscape and playground upgrades not proceeding to anticipated levels.

# Pensioner Housing

## What the Council does

Council sees its role in this area as “to respond to the community requirements for an appropriate level of pensioner housing”. Council maintains the buildings and grounds, selects tenants, reviews tenancy agreements and rentals, and monitors long term demand for housing and maintenance.

The maintenance of buildings and grounds is incorporated into the townships maintenance contract. Council currently has 10 pensioner housing units, seven located in Fairlie and three in Twizel. One other rental property in Twizel was removed from the pensioner housing category during the year and is likely to be disposed of.

Council originally planned to progressively upgrade the Fairlie pensioner housing units over the next few years. The existing units are very small and dated and do not meet the needs of the modern pensioner. This is reflected in poor occupancy rates over recent years. The plan was to enlarge the units and improve access in order to enhance their amenity. The demand for suitable pensioner housing in the Mackenzie is predicted to increase over the next ten years and Council saw these improvements as crucial in maintaining an appropriate housing stock.

## Services Provided

- Provision of Pensioner Housing
- Maintenance of housing stock and grounds

## Community Outcomes

The Community Outcome that Pensioner Housing primarily contributes to is:

- A supportive and contributing community.

No measurement was undertaken during the year on progress made towards achieving this or other community outcomes.

## Performance Measures

Objective	Result
1 Occupancy rates maintained at 95% each year	<b>Not Achieved</b> 100% occupancy was achieved for nine of the ten units. The tenth unit was only occupied for three months and upgrading work on teat unit was deferred pending possible disposal. The overall occupancy achieved was 92.5%.
2 Tenants satisfied with the standard of maintenance and accommodation	<b>Not Measured</b> Tenants satisfaction was not tested.
3 Complete upgrade of Fairlie Units on time and within budget	<b>Not achieved</b> Designs and costings for refurbishing the Fairlie pensioner units were completed and tentative approval gained from Housing New Zealand. However, Council resolved in September 2005 to take no further action in upgrading these units until a further report on provision of good quality pensioner housing was considered. Subsequently, Council agreed to pursue an alternative option to build new units and purchase land for this purpose.

## Identified Effects on Community Well-Being

The provision of Pensioner Housing has effects on the Social and Cultural well-being of the community; however, these have yet to be formally identified.



## Pensioner Housing cont ...

### Pensioner Housing Financial Summary

Actual 2004/05 \$000's		Budget 2005/06 \$000's	Actual 2005/06 \$000's
	<b>INCOME</b>		
28	External Revenue	26	28
(9)	General Rates	(8)	(8)
<b>19</b>	<b>TOTAL INCOME</b>	<b>18</b>	<b>20</b>
	<b>OPERATING EXPENDITURE</b>		
19	Operating Costs	18	21
4	Support Costs	4	4
11	Depreciation	11	11
<b>34</b>	<b>OPERATING COST</b>	<b>33</b>	<b>36</b>
<b>(15)</b>	<b>NET SURPLUS (DEFICIT)</b>	<b>(15)</b>	<b>(16)</b>
	<b>CAPITAL</b>		
3	Capital Expenditure	50	99
<b>3</b>	<b>CAPITAL TO BE FUNDED</b>	<b>50</b>	<b>99</b>
(15)	Operating Surplus / (Deficit)	(15)	(16)
18	Reserves/Reduction in Equity	65	115
<b>3</b>	<b>TOTAL SOURCE OF FUNDS</b>	<b>50</b>	<b>99</b>

### Commentary on Pensioner Housing Financial Summary

#### Surplus/(Deficit)

The deficit for the year was \$16,000; \$1,000 greater than the budgeted deficit of \$15,000.

#### Revenue

Total Revenue for the year was \$20,000; \$2,000 greater than the budget of \$18,000.

There were no significant variances from budget.

#### Operating Expenditure

Total Operating Expenditure for the year was \$36,000; \$3,000 greater than the budget of \$33,000.

There were no significant variances from budget.

### Pensioner Housing Capital Expenditure

	Budget 2005/06 \$000's	Actual 2005/06 \$000's
<b>AREA</b>		
Mt Cook Road Flats - Fairlie	50	99
<b>TOTAL CAPITAL EXPENDITURE</b>	<b>50</b>	<b>99</b>

The key variance from budget was:

- Council purchased additional land in Fairlie for providing an option to build additional pensioner units, rather than upgrade the existing facility.

# Swimming Pools

## What the Council does

Two public swimming pools are operated in the District - Fairlie and Twizel. The pools are solar heated and operated only during the summer months.

Provision of swimming pools and other recreation facilities aid in the Community's general well-being and community spirit. The Council believes that sporting and recreational facilities play an important role in the Kiwi culture and assist in knitting communities together.

Changes to swimming pool management guidelines have led Council to ensure supervision is provided for all pool sessions. This has had a significant impact on pool users particularly clubs and groups due to the increased costs associated with providing this service.

## Services Provided

- Council provides swimming pools in Fairlie and Twizel.
- Pools are operated and maintained using a combination of staff and contractors. Contractors provide specialist services for major maintenance. Council employs and trains staff for life guarding and cleaning duties.
- The pools are both operated as summer pools and are open from late October to mid March. Twizel Pool is an open air pool 33m long with toddler pools and a sun shade attached at the South end. It is heated by a solar system. Fairlie has a covered 25 metre pool with toddler pool attached

## Community Outcomes

The Community Outcomes that swimming pools primarily contribute to are:

- A safe and healthy community
- A supportive and contributing community.

No measurement was taken during the year on progress made towards achieving these or any other outcomes.

## Performance Measures

	Objective	Result
1	Pool water quality to meet the appropriate New Zealand Standard	<b>Achieved</b> Monthly water quality tests achieved 100% compliance with Pool Water Quality NZS 5826: 2000.
2	Maintain income levels at 25% of operational cost for Fairlie and 20% for Twizel	<b>Achieved</b> Targets were met in Fairlie and Twizel.
3	Control costs to operate within budget and service levels	<b>Not Achieved</b> While service levels were met, costs were exceeded due to longer opening hours in Fairlie and greater costs for the maintenance at that pool.
4	Complete maintenance upgrades within budget prior to the start of each season	<b>Partly achieved</b> The planned upgrades were completed but delays in completing the work in Twizel put back the opening of that pool by two weeks. The scope of the maintenance upgrades in Fairlie was extended to replace roofing steel. Costs of the works exceeded the revised budgets and planned fundraising to close the gap did not fully meet expectations.

## Identified Effects on Community Well-Being

The provision of Swimming Pools has effects on the Social and Cultural well-being of the community; however, these have yet to be formally identified.

## Swimming Pools Cont ...

### Swimming Pools Financial Summary

Actual 2004/05 \$000's		Budget 2005/06 \$000's	Actual 2005/06 \$000's
	INCOME		
26	External Revenue	29	33
73	Targeted Rates	65	65
<b>99</b>	<b>TOTAL INCOME</b>	<b>94</b>	<b>98</b>
	OPERATING EXPENDITURE		
114	Operating Costs	99	130
17	Support Costs	17	18
17	Depreciation	11	16
<b>148</b>	<b>OPERATING COST</b>	<b>127</b>	<b>164</b>
<b>(49)</b>	<b>NET SURPLUS (DEFICIT)</b>	<b>(33)</b>	<b>(66)</b>
	CAPITAL		
1	Capital Expenditure	-	-
<b>1</b>	<b>CAPITAL TO BE FUNDED</b>	<b>-</b>	<b>-</b>
(49)	Operating Surplus / (Deficit)	(33)	(66)
50	Reserves/Reduction in Equity	33	66
<b>1</b>	<b>TOTAL SOURCE OF FUNDS</b>	<b>-</b>	<b>-</b>

### Commentary on Swimming Pools Financial Summary

#### Surplus/(Deficit)

The deficit for the year was \$66,000; \$33,000 greater than the budgeted deficit of \$33,000.

#### Revenue

Total Revenue for the year was \$98,000; \$4,000 greater than the budget of \$94,000.

There was no significant variance from budget.

#### Operating Expenditure

Total Operating Expenditure for the year was \$164,000; \$37,000 greater than the budget of \$127,000.

The key variances from budget were:

- Additional labour costs as a result of the Fairlie pool being open for a longer period
- Additional planned maintenance costs relating the roof and heating of the Fairlie pool.

### Swimming Pool Capital Expenditure

	Budget 2005/06 \$000's	Actual 2005/06 \$000's
AREA		
Plant – Fairlie Pool	-	-
<b>TOTAL CAPITAL EXPENDITURE</b>	<b>-</b>	<b>-</b>

There was no significant variance from budget

# Community Facilities

## What the Council does

Council supports a range of community services in the Mackenzie that would not otherwise be viable. It undertakes this work to support the health and welfare of the community by helping finance medical centres, social and information centres and by making grants to various community organisations.

It provides housing and medical centres for the doctors in Fairlie and Twizel. Council provides these facilities rent free and maintains them in accordance with the building maintenance plan.

Council has entered into contracts with Heartland Services, an arrangement whereby Government services are delivered to smaller centres. Council supports the service centres in Fairlie and Twizel from where these government services can be delivered whenever their representatives are in town. These centres also deliver services such as counselling, employment advice and training, budget support and advice, tourism promotion, event management and town promotion.

Council also co-ordinates and distributes funds for various local organisations through programmes such as SPARC's rural travel fund and Creative New Zealand's community funding scheme. These funds are distributed with assistance from local committees.

Council also provides support for schools and kindergartens in improving their facilities. In 2004 it consulted with Principals and Boards of Trustees over the future of schooling in the area. Given the large area of the district and its dispersed population, Council is convinced that the present system serves the Mackenzie very well and must be retained.

## Services Provided

- Fairlie Resource and Information Centre
- Pukaki Visitor Information Centre
- Twizel Resource Centre
- Twizel Information Centre
- Twizel Medical Centre
- Fairlie Medical Centre
- Advice and training, budget support and advice, tourism promotion, event management and town promotion.

## Community Outcomes

The Community Outcomes that Community Facilities primarily contribute to are:

- An attractive and highly valued natural environment
- A fit and healthy community
- A supportive and contributing community

No measurement was taken on progress made on achieving these or any other outcomes.

## Performance Measures

	Objective	Result
1	Allocation of Creative New Zealand funding within time frame, budget and guidelines	<b>Achieved</b> Allocation of the Creative New Zealand grant and the SPARC rural travel fund was completed in line with budget and guidelines
2	Medical Facilities maintained in line with the Building Maintenance Plan	<b>Achieved</b>

## Identified Effects on Community Well-Being

The provision of Community Facilities has effects on the Social and Cultural well-being of the community; however, these have yet to be formally identified by Council.

## Community Facilities cont ...

### Medical Centres Financial Summary

The following financial information pertains to medical centres only. The financial information relating to grants is included in the section "Passive Reserves, Recreation Areas, Sports Grounds and Township Maintenance"

Actual 2004/05 \$000's		Budget 2005/06 \$000's	Actual 2005/06 \$000's
	<b>INCOME</b>		
4	External Revenue	7	4
2	General Rates	2	2
<b>6</b>	<b>TOTAL INCOME</b>	<b>9</b>	<b>6</b>
	<b>OPERATING EXPENDITURE</b>		
11	Operating Costs	10	5
4	Support Costs	4	4
15	Depreciation	12	15
<b>30</b>	<b>OPERATING COST</b>	<b>26</b>	<b>24</b>
<b>(24)</b>	<b>NET SURPLUS (DEFICIT)</b>	<b>(17)</b>	<b>(18)</b>
	<b>CAPITAL</b>		
-	Capital Expenditure	-	-
-	<b>CAPITAL TO BE FUNDED</b>	-	-
(24)	Operating Surplus / (Deficit)	(17)	(18)
24	Reserves/Reduction in Equity	17	18
-	<b>TOTAL SOURCE OF FUNDS</b>	-	-

### Commentary on Medical Centres Financial Summary

#### Surplus/(Deficit)

The deficit for the year was \$18,000; \$1,000 greater than the budgeted deficit of \$17,000.

#### Revenue

Total Revenue for the year was \$6,000; \$3,000 less than the budget of \$9,000.

There were no significant variances from budget.

#### Operating Expenditure

Total Operating Expenditure for the year was \$24,000; \$2,000 less than the budget of \$26,000.

There were no significant variances from budget.

### Medical Centres Capital Expenditure

There was no significant capital expenditure for the year under review

# Public Conveniences

## What the Council Does

Public toilets are provided, operated and maintained in ten locations – principally in towns and recreation spots. Portalooos are also provided in some holiday locations. Council also operates campervan effluent dump stations to cater for independent travellers. The toilets are cleaned by a range of service providers including contractors and part time staff. Building maintenance is provided under the Building Maintenance Plan.

Community	Facility	Location
Fairlie	Toilet	Main Street
	Toilet	Lake Opuha
	Toilet	Fairlie Domain
	Dump Station	Domain Camping Ground
Tekapo	Toilet	Town Centre
	Toilet	Tekapo Domain
	Toilet	Pines Long Drop
	Dump Station	State Highway #8
Twizel	Dump Station	Domain Camping Ground
	Toilet	Mt Cook Lookout
	Toilet	Market Place
	Toilet	Lake Wardell Long Drop
	Toilet	Lake Ruataniwha Portalooos
	Dump station	Shell Service Station

## Services Provided

- Public Toilets and effluent disposal stations
- Cleaning Services.

## Community Outcomes

The community outcomes that public conveniences primarily contribute to are:

- A fit and healthy community
- Safe, effective and sustainable infrastructure

No measurement was undertaken during the year on progress made toward the achievement of these or any other outcomes.

## Performance Measures

	Objective	Result
1	Complaints regarding cleanliness are no more than five per year	<b>Achieved</b>
2	Toilets maintained in a safe and healthy condition	<b>Largely Achieved</b> Toilets were assessed by random inspections and were found generally to be in clean condition. Probably inevitably, some problems were apparent at the height of the visitor season.
3	Buildings are maintained in accordance with the Building Maintenance Plan	<b>Achieved</b> Upon inspection, it was found that some programmed painting work in Fairlie and Tekapo could safely be deferred.

## Identified Effects on Community Well-Being

Council believes that the provision of public conveniences has effects on the social, environmental and cultural well-being of the community; however, these have yet to be formally identified.

## Public Conveniences cont ...

### Public Conveniences Financial Summary

Actual 2004/05 \$000's		Budget 2005/06 \$000's	Actual 2005/06 \$000's
	<b>INCOME</b>		
3	External Revenue	3	2
126	General Rates	141	141
<b>129</b>	<b>TOTAL INCOME</b>	<b>144</b>	<b>143</b>
	<b>OPERATING EXPENDITURE</b>		
128	Operating Costs	129	131
22	Support Costs	23	23
7	Depreciation	9	7
<b>157</b>	<b>OPERATING COST</b>	<b>161</b>	<b>161</b>
<b>(28)</b>	<b>NET SURPLUS (DEFICIT)</b>	<b>(17)</b>	<b>(18)</b>
	<b>CAPITAL</b>		
-	Capital Expenditure	-	-
-	<b>CAPITAL TO BE FUNDED</b>	-	-
(28)	Operating Surplus / (Deficit)	(17)	(18)
28	Reserves/Reduction in Equity	17	18
-	<b>TOTAL SOURCE OF FUNDS</b>	-	-

### Commentary on Public Conveniences Financial Summary

#### Surplus/(Deficit)

The deficit for the year was \$18,000; \$1,000 greater than the budgeted deficit of \$17,000.

#### Revenue

Total Revenue for the year was \$143,000; \$1,000 less than the budget of \$144,000.

There was no significant variance from budget.

#### Operating Expenditure

Total Operating Expenditure for the year was \$161,000; equal to the budget.

There was no significant variance from budget.

### Public Conveniences Capital Expenditure

There was no significant capital expenditure for the year under review.

# GROUP ACTIVITIES – Essential Services

## Essential Services (Summary)

Essential Services contribute to the following community outcomes:

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

These services are an essential part of our infrastructure and have become an integral part of everyday modern life. Well maintained roads increase our access to health care and educational opportunities and provide access for visitors and service providers. Clean water and the safe disposal of waste promote better hygiene and help eliminate our exposure to biological contamination. The responsible disposal of sewage, stormwater and refuse helps to preserve the quality of our immediate environment whilst recycling initiatives encourage the conservation of raw materials and foster an appreciation of the impact of our lifestyles on the wider environment.

## Essential Services Financial Summary

Actual 2004/05 \$000's		Budget 2005/06 \$000's	Actual 2005/06 \$000's
	<b>INCOME</b>		
1,014	External Revenue	2,175	1,702
1,523	Subsidy	1,072	1,069
-	Vested Assets	-	507
297	General Rates	284	284
1,799	Targeted Rates	1,982	1,985
<b>4,633</b>	<b>TOTAL INCOME</b>	<b>5,513</b>	<b>5,547</b>
	<b>OPERATING EXPENDITURE</b>		
2,003	Operating Costs	1,994	2,141
193	Support Costs	169	174
1,785	Depreciation	1,654	1,910
211	Debt Servicing Interest	272	174
<b>4,192</b>	<b>OPERATING COST</b>	<b>4,089</b>	<b>4,399</b>
<b>441</b>	<b>NET SURPLUS (DEFICIT)</b>	<b>1,424</b>	<b>1,148</b>
	<b>CAPITAL</b>		
-	Vested Assets	-	507
3,540	Capital Expenditure	2,380	1,253
<b>3,540</b>	<b>CAPITAL TO BE FUNDED</b>	<b>2,380</b>	<b>1,760</b>
441	Operating Surplus / (Deficit)	1,424	1,148
3,099	Reserves/Reduction in Equity	956	612
<b>3,540</b>	<b>TOTAL SOURCE OF FUNDS</b>	<b>2,380</b>	<b>1,760</b>



## Essential Services (Summary) cont ...

### Financial Commentary

#### Surplus/(Deficit)

The surplus for the year was \$1,148,000; \$276,000 less than the budgeted surplus of \$1,424,000.

#### Revenue

Total revenue for the year was \$5,504,000; \$9,000 less than the budget of \$5,513,000.

The key variances from budget were:

- Financial contributions for water, sewer and stormwater were different from the level budgeted.
- A total of \$507,469 of assets were vested in Council, which was not budgeted for.
- Land Transport New Zealand subsidies were greater than budget due to operational and capital expenditure on roading exceeding budget.
- A \$100,000 grant towards the design work for the footbridge in Tekapo was not received as anticipated.

#### Operating Expenditure

Total operating expenditure for the year was \$4,399,000; \$310,000 greater than the budget of \$4,089,000.

The key variances from budget were:

- Total roading costs for the year were \$70,936 greater than budget due to costs associated with the June snow.
- The actual level of depreciation, resulting from the revaluation of the infrastructure last year, was greater than the level budgeted for.
- Debt servicing costs were less than budgeted due to the key capital works being deferred.

### Essential Services Capital Expenditure

	Budget 2005/06 \$000's	Actual 2005/06 \$000's
<b>SIGNIFICANT PROJECTS</b>		
Allandale Water Reticulation Project	440	22
Other Water Capital Projects	484	50
Sewer Capital Projects	180	87
Fairlie Western Catchments Stormwater Project	100	42
Other Stormwater Projects	-	4
Lake Tekapo Footbridge	100	-
Other Roding Projects	1,038	1,016
Solid Waste Capital Projects	38	32
Roding Professional Services Business Unit Capital Projects	-	-
Engineering Capital Projects	-	-
<b>TOTAL CAPITAL EXPENDITURE</b>	<b>2,380</b>	<b>1,253</b>

## Essential Services (Summary) cont ...

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### *Reasons for Undertaking Capital Expenditure Projects*

The Council's reasons for undertaking the significant capital expenditure projects were as follows:

- The Allandale water reticulation project was budgeted to allow the extension of the reticulation to allow further properties to benefit from the water supply.
- Other water capital projects were budgeted to ensure that the provision of water was maintained in the urban areas of the District.
- Sewer capital projects were budgeted to maintain the disposal of the sewage in the urban areas of the District.
- Fairlie Western Catchment stormwater project was budgeted to carry out protection work for Fairlie.
- Design work for the footbridge in Lake Tekapo was budgeted to start the planning process for the works.
- Roading projects were budgeted to maintain an appropriate level of service to the District's roading network.
- Solid waste projects were budgeted to ensure the efficient operation of the resource recovery parks.

### *Results for the 2005/2006 year*

Total capital expenditure for the year was \$1,253,000; \$1,127,000 less than the budget of \$2,380,000.

The key variances from budget were:

- The Allandale water reticulation project was deferred to the 2006/2007 year
- Replacement work on the main trunk from the Fairlie water supply was deferred.
- Work budgeted for the headworks, treatment and reticulation of the Twizel water supply was also deferred.
- Budgeted work on the sewer treatment and reticulation in Twizel was deferred.
- Only \$41,208 of the \$100,000 was spent during the year on the Fairlie Western Catchments project.
- Increases in costs relating to roading resulted in the capital expenditure for the rural area exceeding budget by \$72,762.
- The work proposed on the design of the footbridge in Tekapo did not proceed as the anticipated funding did not come to fruition.

# Water Supplies

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## What the Council does

In the Mackenzie District, there are presently six piped public water supplies which are managed by the Mackenzie District Council. They are the urban schemes at Fairlie, Lake Tekapo, Twizel and Burkes Pass and the rural schemes of Allandale and Spur Road.

Management of the Albury Water Supply is carried out by the Albury Water Supply Committee under a formal agreement with the Mackenzie District Council. Management of a small rural scheme, Kimbell Rural, for which Council holds resource consent to take water, is carried out by the consumers.

There are three public stock water race systems in the District. They are Ashwick Opuha, School Road and Puneroa Eversley stock race systems.

The schemes which are managed by Council, with the exception of Twizel, are disinfected with chlorine. This provides protection from bacteria and viruses. However, none of the schemes in the District have recognised protection for the protozoa, giardia or cryptosporidium. Thus they do not meet the requirements of the Drinking Water Standards for New Zealand 2005.

The Government has announced its intention to introduce mandatory higher water quality standards. Council will assess appropriate treatments for the various schemes when the drinking water legislation review is completed. This is likely to impact significantly on the capital works programme and the associated costs may force a reduction in overall water usage.

## Services Provided

- Continuous supply of potable water and sufficient water supply for fire fighting purposes in 'on-demand' schemes.
- Continuous small flow of potable water to on-property storage tanks on 'restricted flow' schemes. The flow rate is controlled according to the number of 'units' purchased.
- Small flow, not necessarily continuous, up to 1820 litres per day to on-property storage tanks for 'tank supplies' and 'modified restricted flows.' This applies in areas reticulated with small diameter pipes or where the pressure may drop below the level required to operate 'Maric' restrictors.
- On demand response to faults and technical advice to consumers.
- Water quality testing to comply with NZ Drinking Water Standards microbiological requirements, in the distribution zones.
- Ongoing water main maintenance, renewal and upgrading.
- Maintenance of water reticulation networks including pipes, valves, meters and hydrants.
- Supply of information on water services and their location.

External contractors undertake all the maintenance and projects in accordance with contract specifications overseen by Council's asset management section.

## Community Outcomes

The Community Outcomes to which the water supply activity primarily contributes are:-

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

No measurement was undertaken during the year on progress made toward achieving these or any other outcomes.

## Water Supplies cont...

### Performance measures

	Objective	Result																		
1	100% E-Coli monitoring compliance with NZ Drinking Water Standards in the distribution zones of disinfected schemes	<b>Largely Achieved</b> <table> <tr> <th>Supply</th><th>Number of Samples</th><th>Compliance</th></tr> <tr> <td>Fairlie</td><td>54</td><td>98%</td></tr> <tr> <td>Kimbell</td><td>12</td><td>100%</td></tr> <tr> <td>Lake Tekapo</td><td>50</td><td>100%</td></tr> <tr> <td>Allandale</td><td>12</td><td>92%</td></tr> <tr> <td>Burkes Pass</td><td>12</td><td>100%</td></tr> </table>	Supply	Number of Samples	Compliance	Fairlie	54	98%	Kimbell	12	100%	Lake Tekapo	50	100%	Allandale	12	92%	Burkes Pass	12	100%
Supply	Number of Samples	Compliance																		
Fairlie	54	98%																		
Kimbell	12	100%																		
Lake Tekapo	50	100%																		
Allandale	12	92%																		
Burkes Pass	12	100%																		
2	100% compliance with Canterbury Regional Council's resource consents.	<b>Achieved in Part</b> Fairlie, Lake Tekapo, Allandale and Spur Road supplies did not exceed their allowable daily water takes. Twizel exceeded its allowable daily water take on 82 days. No volume recording was requested by the Regional Council for the Burkes Pass Water Supply.																		

### Identified Effects on Community Well-Being

Council believes that the provision of water supplies has effects on the social, environmental and economic well-being of the community; however, these have yet to be formally identified.

# Water Supplies cont...

## Water Services Financial Summary

Actual 2004/05 \$000's		Budget 2005/06 \$000's	Actual 2005/06 \$000's
	<b>INCOME</b>		
41	External Revenue	1	51
176	Amenities Contribution	708	462
23	Excess Water Rates	27	74
-	Vested Assets	-	142
484	Targeted Rates	508	511
<b>724</b>	<b>TOTAL INCOME</b>	<b>1,244</b>	<b>1,240</b>
	<b>OPERATING EXPENDITURE</b>		
249	Operating Costs	247	323
96	Support Costs	102	102
230	Depreciation	210	235
62	Debt Servicing Interest	72	19
<b>637</b>	<b>OPERATING COST</b>	<b>631</b>	<b>679</b>
<b>87</b>	<b>NET SURPLUS (DEFICIT)</b>	<b>613</b>	<b>561</b>
	<b>CAPITAL</b>		
-	Vested Assets	-	142
120	Capital Expenditure	924	75
<b>120</b>	<b>CAPITAL TO BE FUNDED</b>	<b>924</b>	<b>217</b>
87	Operating Surplus / (Deficit)	613	561
33	Reserves/Reduction in Equity	311	(344)
<b>120</b>	<b>TOTAL SOURCE OF FUNDS</b>	<b>924</b>	<b>217</b>

## Commentary on Water Supplies Financial Summary

### Surplus/(Deficit)

The surplus for the year was \$561,000; \$52,000 less than the budgeted surplus of \$613,000.

### Revenue

Total revenue for the year was \$1,240,000; \$4,000 less than the budget of \$1,244,000.

The key variances from budget were:

- The timing of financial contributions was different from what was budgeted.
- Excess water charges exceeded budget by \$48,733, due to an increase in charges.
- \$141,957 of water assets were vested in Council, which was not budgeted for.

### Operating Expenditure

Total operating expenditure for the year was \$679,000; \$52,000 greater than the budget of \$631,000.

The key variances from budget were:

- Contractor expenses exceeded budget by \$37,794, principally due to repair work required to the infrastructure after leaks were found through internal pipeline inspections.
- The actual level of depreciation, resulting from the revaluation of the infrastructure last year, was greater than the level budgeted for.
- Debt servicing costs were less than budgeted due to the key capital works on the supplies for Allandale, Fairlie and Twizel being deferred.
- Materials purchased for the Albury Water Supply were \$16,477 which was not budgeted for.

## Water Supplies cont...

### Water Supplies Capital Expenditure

	Budget 2005/06 \$000's	Actual 2005/06 \$000's
AREA		
Rural	469	25
Fairlie	232	14
Lake Tekapo	2	-
Twizel	221	178
<b>TOTAL CAPITAL EXPENDITURE</b>	<b>924</b>	<b>217</b>

The key variances from budget were:

- Only \$21,964 of the \$440,000 extension to Allandale's reticulation was incurred during the year under review.
- Replacement work on the main trunk for the Fairlie water supply was deferred.
- Work budgeted for the headworks, treatment and reticulation of the Twizel water supply was also deferred.
- Assets to the value of \$141,957 were vested in Council, which was not budgeted for.

# Sewerage Services

## What the Council does

In the Mackenzie District, there are presently four public sewerage schemes: Fairlie, Tekapo, Twizel and Burkes Pass. There are 1,976 properties connected to these four schemes. The other properties in the district dispose of their wastewater by other means – mostly via their own septic tank systems.

The schemes consist of 52 km of gravity and pumped pipe systems to sewage treatment plants.

Final disposal of effluent is by way of soakage trenches, basins to land or irrigation to land. These systems minimise environmental pollution and protect public health and safety by safeguarding hygiene and preventing the spread of communicable diseases.

## Services Provided

External contractors undertake all the maintenance and projects in accordance with contract specifications overseen by the Council's asset management section. These include:

- Collection and disposal of sewage that adequately meets the needs of the community
- Compliance with Canterbury Regional Council resource consent requirements at sewage plants
- The completion of improvement and maintenance projects according to schedules.

## Community Outcomes

The Community Outcomes to which the sewerage activity primarily contributes are:-

- An attractive and highly valued natural environment
- A thriving economy
- A fit and healthy community.

No measurement was undertaken during the year on progress made toward achieving these or any other outcomes.

## Performance Measures

	Objective	Result
1	No overflow at sewerage pump stations	<b>Achieved</b> There were no overflows at sewerage pump stations. There were occasions during power outages when tankers were employed at Lake Tekapo to transport sewage from the pumping stations to the treatment facility.
2	Less than six Blockages per 10km of public sewer.	<b>Achieved</b> There were less than six blockages per 10km of public sewer on all schemes.
3	100% compliance with Canterbury Regional Council's resource consents monitoring programme for all public sewerage schemes	<b>Substantially Achieved</b> The general comments in the Regional Council's compliance monitoring reports were as follows:  <u>Fairlie</u> "All conditions monitored were graded as fully compliant"  <u>Tekapo</u> "One of the conditions, the preparation of an operation and maintenance manual, had not been complied with."  <u>Twizel</u> "system is performing adequately at present."  <u>Burkes Pass</u> "All conditions monitored were graded as fully compliant."

## Sewerage Services cont ...

### Identified Effects on Community Well-Being

Council believes that the provision of sewerage services has effects on the social, environmental and economic well-being of the community; however, these have yet to be formally identified.

### Sewerage Services Financial Summary

Actual 2004/05 \$000's		Budget 2005/06 \$000's	Actual 2005/06 \$000's
	<b>INCOME</b>		
1	External Revenue	1	-
181	Subsidy	-	-
-	Vested Assets	-	162
298	Amenities Contribution	1,004	537
346	Targeted Rates	362	362
<b>826</b>	<b>TOTAL INCOME</b>	<b>1,367</b>	<b>1,061</b>
	<b>OPERATING EXPENDITURE</b>		
112	Operating Costs	105	83
68	Support Costs	72	72
152	Depreciation	166	255
98	Debt Servicing Interest	144	116
<b>430</b>	<b>OPERATING COST</b>	<b>487</b>	<b>526</b>
<b>396</b>	<b>NET SURPLUS (DEFICIT)</b>	<b>880</b>	<b>535</b>
	<b>CAPITAL</b>		
-	Vested Assets	-	162
1,806	Capital Expenditure	180	87
<b>1,806</b>	<b>CAPITAL TO BE FUNDED</b>	<b>180</b>	<b>249</b>
396	Operating Surplus / (Deficit)	880	535
1,410	Reserves/Reduction in Equity	(700)	(286)
<b>1,806</b>	<b>TOTAL SOURCE OF FUNDS</b>	<b>180</b>	<b>249</b>

### Commentary on Sewerage Services Financial Summary

#### Surplus/(Deficit)

The surplus for the year was \$535,000; \$345,000 less than the budgeted surplus of \$880,000.

#### Revenue

Total revenue for the year was \$1,061,000; \$306,000 less than the budget of \$1,367,000.

The key variance from budget was:

- The timing of financial contributions was different from what was budgeted.
- \$162,016 of sewerage assets were vested in Council, which was not budgeted for.

#### Operating Expenditure

Total operating expenditure for the year was \$526,000; \$39,000 greater than the budget of \$487,000.

The key variances from budget were:

- The actual level of depreciation, resulting from the revaluation of the infrastructure last year, was greater than the level budgeted for.
- Part of the Twizel system was determined to be obsolete and as a result, there was a loss of value of \$55,866.
- Debt servicing costs were down on budget due to an agreement that paid financial contributions in advance for the Tekapo system, reducing the balance of the capital reserve and the resulting interest costs.



## *Sewerage Services cont ...*

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### Sewerage Services Capital Expenditure

	Budget 2005/06 \$000's	Actual 2005/06 \$000's
AREA		
Burkes Pass	1	3
Fairlie	-	-
Lake Tekapo	28	31
Twizel	151	215
<b>TOTAL CAPITAL EXPENDITURE</b>	<b>180</b>	<b>249</b>

The key variances from budget were:

- Assets to the value of \$162,016 were vested in Council, which was not budgeted for.
- Budgeted work on the sewer treatment and reticulation in Twizel was deferred.

# Stormwater

## What the Council does

To provide and maintain reliable reticulated stormwater systems which protect public health, property, safety, and the environment, and which recognise cultural values whilst realising current financial constraints both now and in the future.

Mackenzie District Council maintains stormwater systems relative to the size of the urban areas served. Council has a policy to reduce the volume and intensity of stormwater flowing from individual properties into the Council's system. As such, all new buildings are required to dispose of their own stormwater to land on that site if ground conditions allow.

External contractors undertake all the maintenance and projects in accordance with contract specifications overseen by the Council's asset management section.

## Services Provided

- On demand response to stormwater blockages, flooding and overflows, emergency replacement of stormwater pipelines.
- Preventative maintenance and capital works programmes for stormwater extension and upgrading.

## Community Outcomes

The community outcomes to which the stormwater activity primarily contributes are:-

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

No measurement was undertaken during the year on progress made toward achieving these or any other outcomes.

## Performance Measures

	Objective	Result
1	That continuity of the service provided is maintained.	<b>Achieved</b> - The stormwater systems in the three townships were maintained to ensure continuity of service.
2	That damage and inconvenience to property is minimised.	<b>Achieved</b> – No significant flood events occurred during the year.

## Identified Effects on Community Well-Being

Council believes that the provision of stormwater has effects on the social, environmental and economic well-being of the community; however, these have yet to be formally identified.

## Stormwater cont ...

### Stormwater Financial Summary

Actual 2004/05 \$000's		Budget 2005/06 \$000's	Actual 2005/06 \$000's
	<b>INCOME</b>		
3	Amenities Contribution	33	1
75	Targeted Rates	62	62
<b>78</b>	<b>TOTAL INCOME</b>	<b>95</b>	<b>63</b>
	<b>OPERATING EXPENDITURE</b>		
6	Operating Costs	16	9
18	Support Costs	19	19
35	Depreciation	40	35
(9)	Debt Servicing Interest	(9)	(11)
<b>50</b>	<b>OPERATING COST</b>	<b>66</b>	<b>52</b>
<b>28</b>	<b>NET SURPLUS (DEFICIT)</b>	<b>29</b>	<b>11</b>
	<b>CAPITAL</b>		
20	Capital Expenditure	100	45
<b>20</b>	<b>CAPITAL TO BE FUNDED</b>	<b>100</b>	<b>45</b>
28	Operating Surplus / (Deficit)	29	11
(8)	Reserves/Reduction in Equity	71	34
<b>20</b>	<b>TOTAL SOURCE OF FUNDS</b>	<b>100</b>	<b>45</b>

### Commentary on Stormwater Financial Summary

#### Surplus/(Deficit)

The surplus for the year was \$11,000; \$18,000 less than the budgeted surplus of \$29,000.

#### Revenue

Total revenue for the year was \$63,000; \$32,000 less than the budget of \$95,000.

The key variance was:

- Virtually none of the budgeted financial contributions for stormwater were imposed on developers through the resource consenting process.

#### Operating Expenditure

Total operating expenditure for the year was \$52,000; \$14,000 less than the budget of \$66,000.

The key variances from budget were:

- The stormwater systems caused few problems, resulting in contractors' work being limited during the year.

### Stormwater Capital Expenditure

	Budget 2005/06 \$000's	Actual 2005/06 \$000's
<b>AREA</b>		
Fairlie	100	41
Lake Tekapo	-	2
Twizel	-	2
<b>TOTAL CAPITAL EXPENDITURE</b>	<b>100</b>	<b>45</b>

The key variance from budget was:

- Only \$41,208 of the \$100,000 was spent during the year on the Fairlie Western Catchments project.

# Solid Waste Management

## What the Council does

Refuse and recycling collections are available at Fairlie, Lake Tekapo and Twizel. Resource Recovery Parks are available at Fairlie, Lake Tekapo and Twizel. A vertical composting unit (VCU) is installed at the Twizel site, to compost the District's organic material.

There are no longer any active District landfills. The Fairlie, Lake Tekapo and Twizel closed landfill sites are now only used for hardfill disposal and are controlled sites that do not permit public access. Residual waste is disposed of at Redruth Landfill in Timaru.

## Services Provided

- Domestic refuse collection, collecting recyclables, organics and residual waste
- Promotion of waste minimisation
- Provision of recycling facilities
- Operation of a vertical composting unit to turn the District's organic material into valuable compost
- Provision of an education programme, encouraging residents, businesses, schools and community groups to separate and reduce their waste at source
- Participation in the regional waste strategy
- Participation in waste diversion
- Provide domestic hazardous waste diversion
- Participate in the Regional Council's hazardous waste on farm collection programme

## Community Outcomes

The community outcomes to which the solid waste activity primarily contributes are:

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

## Performance Measures

	Objective	Result
1	100% of all compliant waste bags placed at kerbside picked up.	<b>Achieved</b> - Objective is measured by number of complaints received for non-collection of refuse at kerbside. There were no complaints received that fully compliant bags were not collected.
2	70% of all solid waste diverted from landfill based on 1999 volumes (when 100% was landfilled) adjusted for annual growth or contraction.*	<b>Achieved</b> - The total waste handled for the year was 2,211.2 tonnes. Of this 561 tonnes was disposed of at landfill, giving a 74.71% diversion of waste from landfill.
3	100% compliance with resource consents	<b>Not Measured</b> - No monitoring reports were received from the Regional Council.
4	Report Annual quantities of recyclables recovered, organics composted, cleanfill diverted and residual waste landfilled	<b>Achieved</b> - Report is scheduled below.

\* The solid waste management system currently in use was adopted at the beginning of the 2002/03 financial year. The goal that was set then was to achieve 60% diversion of waste from landfill calculated from a base of the 1999 figures. When this was executed, the diversion target was raised to 70%.

## Solid Waste Management cont ...

### Report of waste handled

Type of Material	Tonnes
Residual waste	561.0
Putrescible (food) waste	280.0
Green waste	520.0
Cardboard and paper	253.0
Glass	220.0
Timber	233.0
Non-ferrous metal	2.8
Scrap steel	49.0
Plastics	76.4
Other (clothing, tyres, carpet, automotive oil)	16.0
<b>Total Materials</b>	<b>2,211.2</b>

### Identified Effects on Community Well-Being

The council believes that the provision of solid waste services has effects on the social, environmental and economic well-being of the community; however, these have yet to be formally identified.

### Solid Waste Management Financial Summary

Actual 2004/05 \$000's		Budget 2005/06 \$000's	Actual 2005/06 \$000's
	<b>INCOME</b>		
156	External Revenue	276	241
297	General Rates	284	284
67	Targeted Rates	75	75
<b>520</b>	<b>TOTAL INCOME</b>	<b>635</b>	<b>600</b>
	<b>OPERATING EXPENDITURE</b>		
447	Operating Costs	471	464
43	Refuse Collection	48	42
29	Support Costs	29	40
64	Depreciation	58	64
57	Debt Servicing Interest	49	63
<b>640</b>	<b>OPERATING COST</b>	<b>655</b>	<b>673</b>
<b>(120)</b>	<b>NET SURPLUS (DEFICIT)</b>	<b>(20)</b>	<b>(73)</b>
	<b>CAPITAL</b>		
56	Capital Expenditure	38	32
<b>56</b>	<b>CAPITAL TO BE FUNDED</b>	<b>38</b>	<b>32</b>
(120)	Operating Surplus / (Deficit)	(20)	(73)
176	Reserves/Reduction in Equity	58	105
<b>56</b>	<b>TOTAL SOURCE OF FUNDS</b>	<b>38</b>	<b>32</b>

## Solid Waste Management cont ...

### Commentary on Solid Waste Management Financial Summary

#### Surplus/(Deficit)

The deficit for the year was \$73,000; \$53,000 greater than the budgeted deficit of \$20,000.

#### Revenue

Total revenue for the year was \$600,000; \$35,000 less than the budget of \$635,000.

The key variance from budget was:

- Gate fees and landfill charges were \$45,898 lower than budgeted for the year.
- Sale of recyclable materials was \$13,927 greater than the budget for the year.

#### Operating Expenditure

Total operating expenditure for the year was \$673,000; \$18,000 greater than the budget of \$655,000.

The key variances from budget were:

- Shredding of green waste was \$12,848 greater than budget.
- Increases in the official cash rate during the year resulted in the interest charged to solid waste management was \$14,693 greater than budget.

### Solid Waste Management Capital Expenditure

	Budget 2005/06 \$000's	Actual 2005/06 \$000's
AREA		
Solid Waste Management	-	2
Fairlie RRP	2	2
Twizel RRP	16	19
Hardfill Sites	14	6
Organic Waste Treatment	6	3
<b>TOTAL CAPITAL EXPENDITURE</b>	<b>38</b>	<b>32</b>

There were no significant variances from budget.

# Roading

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## What the Council does

An efficient transportation system (including roadways, footpaths and cycleways) is essential to the efficient functioning of the District.

The Council maintains local roads in the District to standards specified by Land Transport New Zealand and its own roading asset management plan standards. Over recent years the level of services provided by roads and footpaths has been gradually raised to meet higher expectations of road users. Improvements to localised road alignments, signage, road markings and street lighting have also provided increased road safety. Maintenance programmes over the next few years will focus principally on maintaining roads at current levels of service, although further improvements on selected sections of road will be made. The Council has carried out 40.6km of seal extension since 2001 and intends to continue this programme provided Land Transport New Zealand financial assistance is obtained. No new roads are anticipated except for short sections associated with new subdivisions. These are constructed by subdivision developers and vested in the Council once completed.

The roading network consists of 178 km of sealed roads and 530 km of unsealed roads. There are 47 km of footpaths and a total of 93 bridges.

## Services Provided

- Maintenance and upgrading of roads, bridges, cattlestops, footpaths and kerb and channels.
- Traffic services, including signage, road marking and street lighting and street cleaning.
- Before 30 June 2005, in conjunction with the NZ Police and LTSA (as the lead agency) adopt (and thereafter annually review) a road safety strategy for the District to be implemented by the Road Safety South Canterbury Committee's annual business plan.

External contractors undertake all the maintenance in terms of contract specifications and are overseen by the manager of the Council's roading business unit.

## Community Outcomes

The provision of an effective and well planned roading infrastructure (including roadways, footpaths and cycleways) is an expectation of a modern mobile society.

The ability for people and goods to travel on various modes of road transport is a very important element of contemporary society. Obvious beneficiaries are residents and tourists requiring personal mobility, and farmers and businesses needing to move or provide goods, produce or services.

Not so obvious are pedestrians and mobility scooter operators who require a good footpath network in District townships. Even housebound people benefit from the services that a good roading network can provide, for example in-home medical and social services.

The community outcomes to which the roading activity primarily contributes are:-

- A thriving economy
- A fit and healthy community
- Safe, effective and sustainable infrastructure.

No measurement was undertaken during the year on progress made toward achieving these or any other outcomes.

## Performance Measures

As a road controlling authority, the Council is required to conform to a wide range of legislation, regulations and rules. Conformance with requirements of these can be considered a performance measure in itself. Formal auditing of the roading network is carried out by Land Transport New Zealand and the Land Transport Safety Authority. Land Transport New Zealand has maintenance (and safety) guidelines for local roads, which must be adhered to or reasons provided when a different local standard is more appropriate.

## Roading cont ...

	Objective	Result
1	To maintain within approved budgets, Council's roading network to standards specified by Land Transport New Zealand and the Council's roading asset management plan.	<b>Achieved</b> Unsealed roads maintained in good condition by carrying out significant maintenance activities (grading and metalling etc.) in accordance with intervention levels stated in the roading activity management plan. Biennial road rating and roughness surveys (not carried out this year) indicate that sealed roads are maintained in good condition. A heavy snow fall event in mid June meant that the level of service provided by roads was less than normal for the remaining two weeks of the year. All road maintenance activities qualified for LTNZ financial assistance.
2	To ensure footpaths are safe and convenient for users	<b>Almost Achieved.</b> Tripping accidents occur infrequently due to tree root intrusion etc. Remedial works are carried out immediately when the Council is notified. Ice gritting of potentially hazardous sections of footpaths is carried out during winter. During snow events only footpaths that provide access to essential services and facilities are cleared.
3	To complete scheduled projects with time and budget	<b>Partly Achieved</b> Three interrelated seal widening projects of Cannington road were completed during the year within budgets approved by the LTNZ and Council. The Stoneleigh Road bridge replacement project was delayed by one year due to land ownership issues.
4	To promote and improve road safety	<b>Achieved.</b> There was active Council participation in the South Canterbury Road Safety Trust. Roads were maintained in good order by road maintenance contractors \$118,080 was spent on minor safety projects.

	Objective	Result
5	To carry out strategic seal extensions when Land Transport New Zealand financial assistance can be obtained	<b>Not Achieved.</b> No seal extensions were carried out during the year. Increases in road construction costs made it impossible to meet LTNZ criteria for financial assistance for this type of work.
6	To protect the strategic and arterial routes from adverse effects of development	<b>Achieved.</b> No adverse effects from development were noted.
7	To achieve a downward trend in the road toll in a five year period, particularly involving accident contributing behaviour	<b>Partially Achieved.</b> There was 1 fatal casualty and 18 casualties from minor injuries on local roads in the District during 2005. The fatal crash occurred on a canal road not under Council jurisdiction. No definite statistics were available for the injury crashes but it was believed the majority were due to inattention / loss of control.

### Identified Effects on Community Well-Being

The Council believes that the provision of roading has effects on the social, environmental and economic well-being of the community; however, these have yet to be formally identified.



# Roading cont ...

## Roading Financial Summary

Actual 2004/05 \$000's		Budget 2005/06 \$000's	Actual 2005/06 \$000's
	<b>INCOME</b>		
1,342	Land Transport New Zealand Subsidy	927	1,069
200	External Revenue	153	209
-	Vested Assets	-	203
828	Targeted Rates	975	975
<b>2,370</b>	<b>TOTAL INCOME</b>	<b>2,055</b>	<b>2,456</b>
	<b>OPERATING EXPENDITURE</b>		
30	Operating Costs – Non Subsidised	34	28
802	Operating Costs – Subsidised	767	838
175	Support Costs	152	152
1,280	Depreciation	1,166	1,307
1	Debt Servicing Interest	14	(15)
<b>2,288</b>	<b>OPERATING COST</b>	<b>2,133</b>	<b>2,310</b>
<b>82</b>	<b>NET SURPLUS (DEFICIT)</b>	<b>(78)</b>	<b>146</b>
	<b>CAPITAL</b>		
-	Vested Assets	-	203
81	Capital Expenditure – Non Subsidised	295	15
1,433	Capital Expenditure – Subsidised	843	1,000
<b>1,514</b>	<b>CAPITAL TO BE FUNDED</b>	<b>1,138</b>	<b>1,218</b>
82	Operating Surplus / (Deficit)	(78)	146
1,432	Reserves/Reduction in Equity	1,216	1,072
<b>1,514</b>	<b>TOTAL SOURCE OF FUNDS</b>	<b>1,138</b>	<b>1,218</b>

## Commentary on Roothing Financial Summary

### Surplus/(Deficit)

The surplus for the year was \$146,000; \$224,000 greater than the budgeted deficit of \$78,000.

### Revenue

Total revenue for the year was \$2,456,000; \$401,000 greater than the budget of \$2,055,000.

The key variances from budget were:

- Due to the greater level of operational and capital expenditure incurred during the year, subsidies from Land Transport New Zealand exceeded budget by \$142,439.
- Contributions towards the upgrade of Manuka Terrace in Twizel and the widening of Cave Hill increased external revenue by \$128,732.
- The \$100,000 budgeted contribution towards the design work of the Tekapo footbridge was not received during the year.
- \$203,496 of roading assets were vested in Council, which was not budgeted for.

### Operating Expenditure

Total operating expenditure for the year was \$2,310,000; \$177,000 greater than the budget of \$2,133,000.

The key variances from budget were:

- The effects of the June snow have resulted in operating costs exceeding budget for the year.
- The roading capital reserves were not overdrawn to the level anticipated during the budget process and as a result, the debt servicing costs were lower than budgeted.
- The actual level of depreciation, resulting from the revaluation of the infrastructure last year, was greater than the level budgeted for.

## *Roading cont ...*

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### Roading Capital Expenditure

	Budget 2005/06 \$000's	Actual 2005/06 \$000's
AREA		
Rural	920	991
Fairlie	25	20
Lake Tekapo	107	2
Twizel	86	205
<b>TOTAL CAPITAL EXPENDITURE</b>	<b>1,138</b>	<b>1,218</b>

The key variances from budget were:

- Increases in costs relating to roading resulted in the capital expenditure for the rural area exceeding budget by \$72,762.
- The work proposed on the design of the footbridge in Tekapo did not proceed as the anticipated funding did not come to fruition.
- Twizel roading assets to the value of \$203,496 were vested in Council, which was not budgeted for.
- Budgeted work in Twizel for footpath resurfacing and provision of cycleways did not proceed.

# Roading Professional Services Business Unit

## What the Council does

The Council has a separately identifiable roading professional services business unit which enables the roading network to be managed in-house by a Council officer while remaining eligible for Land Transport New Zealand financial assistance.

The business unit also manages the Council's roading activities that are not eligible for Land Transport New Zealand financial assistance, for example footpath maintenance and upgrades.

## Services Provided

- Let and supervise works contracts for the maintenance and improvement of the roading network
- Maintain a District roading programme in accordance with Land Transport New Zealand requirements
- Collect and maintain information on the roading network
- Research and develop innovative methods to improve the level of service provided by the roading network and reduce costs
- Liaise with stakeholders, other road authorities and contractors etc. to maintain a high profile to the Council's road management activities
- Carry out non-subsidisable maintenance and improvement works, for example footpath maintenance and upgrades

## Performance Measures

	Objective	Result
1	All road maintenance and improvements shall be completed within time and budget constraints.	<b>Achieved</b> All programmed maintenance and improvements were completed within time and in accordance with LTNZ and Council budgets.
2	All roads are maintained to standards prescribed by Land Transport New Zealand, the Land Transport Safety Authority and the Council's roading asset management plan.	<b>Achieved</b> All programmed maintenance and improvements were completed within time and in accordance with LTNZ and Council budgets.

## Identified Effects on Community Well-Being

The Council believes that the provision of a roading professional services business unit has effects on the social, environmental and economic well-being of the community; however, these have yet to be formally identified.

## Roading Professional Services Business Unit Financial Summary

Section 26 of the Land Transport Management Act requires the following details to be disclosed in relation to the roading professional services unit.

Actual 2004/05 \$000's		Budget 2005/06 \$000's	Actual 2005/06 \$000's
	<b>INCOME</b>		
86	Subsidy	92	80
<b>86</b>	<b>TOTAL INCOME</b>	<b>92</b>	<b>80</b>
	<b>OPERATING EXPENDITURE</b>		
131	Operating Costs	96	116
(26)	Support Costs	(10)	(10)
14	Depreciation	5	5
1	Debt Servicing Interest	1	1
<b>120</b>	<b>OPERATING COST</b>	<b>92</b>	<b>112</b>
<b>(34)</b>	<b>NET SURPLUS (DEFICIT)</b>	<b>-</b>	<b>(32)</b>
	<b>CAPITAL</b>		
20	Capital Expenditure	-	-
<b>20</b>	<b>CAPITAL TO BE FUNDED</b>	<b>-</b>	<b>-</b>
(34)	Operating Surplus / (Deficit)	-	(32)
54	Reserves/Reduction in Equity	-	32
<b>20</b>	<b>TOTAL SOURCE OF FUNDS</b>	<b>-</b>	<b>-</b>

# *Roading Professional Services Business Unit cont ...*

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## **Commentary on Roothing Professional Services Business Unit Financial Summary**

### *Surplus/(Deficit)*

The deficit for the year was \$32,000; \$32,000 less than the budgeted break even position.

### *Revenue*

Total revenue for the year was \$80,000; \$12,000 less than the budget of \$92,000.

The key variance from budget was:

- Funds from Land Transport New Zealand were \$11,955 less than budgeted for the year.

### *Operating Expenditure*

Total operating expenditure for the year was \$112,000; \$20,000 greater than the budget of \$92,000.

The key variance from budget was:

- Consultancy costs exceeded budget by \$12,644 due to an unbudgeted cost incurred relating to the bridge management project.

## **Roothing Professional Services Business Unit Capital Expenditure**

	Budget 2005/06 \$000's	Actual 2005/06 \$000's
AREA		
Computers	-	-
Plant & Equipment	-	-
Vehicle	-	-
<b>TOTAL CAPITAL EXPENDITURE</b>	<b>-</b>	<b>-</b>

There were no significant variances from budget.

# GROUP ACTIVITIES –Environmental Services

## Environmental Services (Summary)

### Environmental services contribute to the following community outcomes

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

No measurement was taken during the year on progress made toward the achievement of these or any other outcomes

### Environmental Outcomes

More specifically the activity contributes to the following environmental outcomes:

- Unique, welcoming and safe communities that sustain people of diverse income and age.
- A clean, healthy and beautiful natural environment.
- Bio-diversity is maintained and enhanced
- Sustainable land use and economic development that supports and promotes the character of Mackenzie District.
- A built and working environment that enhances the individual character and heritage of the Mackenzie area.
- Affordable access to community resources that include arts, cultural and recreational facilities.
- Monitoring and enforcing hygiene standards in eateries and shops.
- Monitoring and enforcing rules and regulations under the District Plan and conditions associated with resource consents
- Minimising the nuisance caused by stray animals.
- Administering liquor licensing.
- Supporting the Civil Defence organisation and the Rural Fire service.

Planning services seek to apply strict controls to the maintenance of the built environment in order to maintain the unique physical and heritage qualities of the area whilst allowing sustainable development. The enforcement of building controls helps

increase the accessibility of facilities to disabled people and ensures a continuous improvement in safety standards. Building controls also assist in reducing the consumption of energy and in mitigating the polluting effects of new buildings and their occupants. Monitoring and enforcement of resource consents and rules and policies in the Mackenzie District Plan ensure that appropriate feedback on the effectiveness of rules and regulation is provided to the Council and public.

### Environmental Services Financial Summary

Actual 2004/05 \$000's		Budget 2005/06 \$000's	Actual 2005/06 \$000's
	<b>INCOME</b>		
620	External Revenue	377	678
361	General Rates	316	316
93	Targeted Rates	100	100
<b>1,074</b>	<b>TOTAL INCOME</b>	<b>793</b>	<b>1,094</b>
	<b>OPERATING EXPENDITURE</b>		
540	Operating Costs	601	677
131	Support Costs	146	145
51	Depreciation	46	33
8	Debt Servicing Interest	8	6
<b>730</b>	<b>OPERATING COST</b>	<b>801</b>	<b>861</b>
<b>344</b>	<b>NET SURPLUS (DEFICIT)</b>	<b>(8)</b>	<b>233</b>
	<b>CAPITAL</b>		
32	Capital Expenditure	95	90
<b>32</b>	<b>CAPITAL TO BE FUNDED</b>	<b>95</b>	<b>90</b>
344	Operating Surplus / (Deficit)	(8)	233
(312)	Reserves/Reduction in Equity	103	(143)
<b>32</b>	<b>TOTAL SOURCE OF FUNDS</b>	<b>95</b>	<b>90</b>

## Environmental Services (Summary) cont ...

### Financial Commentary

#### Surplus/(Deficit)

The surplus for the year was \$233,000; \$241,000 greater than the budgeted deficit of \$8,000.

#### Revenue

Total revenue for the year was \$1,094,000; \$301,000 greater than the budget of \$793,000.

The key variances from budget were:

- Contributions to the land subdivision reserve were \$195,606 greater than the budget set.
- Income derived from building consents was \$62,846 greater than budgeted for the year due to the higher level of activity.

#### Operating Expenditure

Total Operating Expenditure for the year was \$861,000; \$60,000 greater than the budget of \$801,000.

The key variances from budget were:

- Consultancy expenses in resource planning were greater than budget due to additional work required on resource consents and plan changes during the year.
- Additional costs were incurred in employing a further full time building inspector in Twizel to meet demand.
- Costs amounting to \$17,633 were incurred relating to the response and welfare issues resulting from the June snow.

### Environmental Services Capital Expenditure

	Budget 2005/06 \$000's	Actual 2005/06 \$000's
<b>SIGNIFICANT PROJECTS</b>		
Planning Services Capital Projects	22	11
Building Control Capital Projects	5	13
Civil Defence Capital Projects	5	1
Animal Control Capital Projects	1	1
Rural Fire Control Capital Projects	62	64
<b>TOTAL CAPITAL EXPENDITURE</b>	<b>95</b>	<b>90</b>

#### Reasons for Undertaking Capital Expenditure Projects

The Council's reasons for undertaking the significant capital expenditure projects were as follows:

- The landscape and natural value studies were budgeted under planning services to complete aspects of the District Plan.
- Computer equipment and plant were budgeted for building control and civil defence to replace existing assets that had reached the end of their useful lives.
- A replacement fire tanker was budgeted for Twizel to ensure rural fire fighting capacity could be assured in the Twizel area.

#### Results for the 2005/2006 year

Total Capital Expenditure for the year was \$90,000; \$5,000 less than the budget of \$95,000.

The key variances from budget were:

- The work on the natural values study did not proceed during the year.
- A vehicle was provided for the new Twizel building inspector, which was transferred from the administration department in Fairlie.

# Planning Services

## What the Council does

The Council's resource management services are designed to deliver environmental outcomes that meet the District's expectations and administer compliance with the District Plan. The Council is responsible for the preparation and production of a District Plan in accordance with its obligations under the Resource Management Act 1991.

Copies of the Plan can be purchased or are available to view at local libraries or at the Mackenzie District Council.

## Services Provided

- The achievement of environmental outcomes that meet the District's expectations.
- Administration of the District Plan, ensuring compliance with The Resource Management Act 1991 "...to promote the sustainable management of natural and physical resources."
- The establishment of a monitoring strategy that will evaluate the success of the District Plan in achieving anticipated environmental results.
- The processing of variations to the Operative District Plan

## Community Outcome

The community outcome that planning services primarily contribute to is:

- An attractive and highly valued natural environment

No measurement was taken during the year on progress made toward the achievement of this or any other outcome.

## Performance Measures

	Objective	Result
1	At least 90% of applications for resource consents are processed in accordance with approved procedures and statutory time constraints.	<b>Achieved</b> 96% of all applications were processed within statutory timeframes as shown by Council's computerised records. The compliance rates were 93% for subdivision consents, 98% for land use consents and 100% for other consents
2	To establish a programme for the monitoring of resource consents and plan effectiveness by June 2006.	<b>Achieved in part</b> Monitoring of resource consents continued in accordance with the Council's monitoring strategy. During the year, 40 consents were monitored. A further 23 of the District's listed heritage items were monitored. A monitoring programme of signage in the District was implemented, with all rural signage being monitored and action taken to address non-compliance.

## Planning Services cont...

### Performance Measures

	Objective	Result
3	To release decisions on changes to the District Plan relating to the Tekapo town development study by June 2006.	<b>Achieved</b> Decisions of the independent Commissioner on Plan Changes 2-6 were released in November 2005. Plan Changes 2 and 6 were made formally operative in May 2006. At year end there were 2 appeals to be resolved. The Council was working through mediation with submitters who lodged appeals to Plan Changes 3, 4 and 5 with the Environment Court. These were subsequently resolved.
4	To release Plan Changes to the District Plan as required in a timely and efficient manner.	<b>Achieved</b> Decisions on Plan Change 7 (Financial Contributions) were released in April 2006. The Council is currently working through mediation with one submitter who lodged an appeal with the Environment Court.  Decisions on Plan Changes 8 (Residential Building Standards and Minimum Lot Sizes) and 9 (Landscaping in Industrial, Service and Tourist Zones) were released in early July 2006.  Plan Changes 10 (Signage) and 11 (Residential Accommodation in Airport Zones) are currently progressing through the public submission process.  The Council is undertaking some pre-consultation with affected parties prior to release of Plan Change 12 (Heritage Protection) for public submission.



# Planning Services cont ...

## Identified Effects on Community Well-Being

Council believes that the provision of planning services has effects on the environmental well-being of the community; however, these have yet to be formally identified.

## Planning Services Financial Summary

Actual 2004/05 \$000's		Budget 2005/06 \$000's	Actual 2005/06 \$000's
	<b>INCOME</b>		
404	External Revenue	188	395
217	General Rates	203	203
<b>621</b>	<b>TOTAL INCOME</b>	<b>391</b>	<b>598</b>
	<b>OPERATING EXPENDITURE</b>		
292	Operating Costs	269	319
54	Support Costs	63	63
3	Depreciation	3	3
3	Debt Servicing Interest	5	4
<b>352</b>	<b>OPERATING COST</b>	<b>340</b>	<b>389</b>
<b>269</b>	<b>NET SURPLUS (DEFICIT)</b>	<b>51</b>	<b>209</b>
	<b>CAPITAL</b>		
7	Capital Expenditure	22	11
<b>7</b>	<b>CAPITAL TO BE FUNDED</b>	<b>22</b>	<b>11</b>
269	Operating Surplus / (Deficit)	51	209
(262)	Reserves/Reduction in Equity	(29)	(198)
<b>7</b>	<b>TOTAL SOURCE OF FUNDS</b>	<b>22</b>	<b>11</b>

## Commentary on Planning Services Financial Summary

### Surplus/(Deficit)

The surplus for the year was \$209,000; \$158,000 greater than the budgeted surplus of \$51,000.

### Revenue

Total revenue for the year was \$598,000; \$207,000 greater than the budget of \$391,000.

The key variance from budget was:

- Contributions to the land subdivision reserve were \$195,606 greater than the budget set.

### Operating Expenditure

Total operating expenditure for the year was \$389,000; \$49,000 greater than the budget of \$340,000.

The key variance from budget was:

- Consultancy expenses including engineering, legal and planning advice was \$54,342 greater than budget due to additional work required on resource consents and plan changes during the year.

## Planning Services Capital Expenditure

	Budget 2005/06 \$000's	Actual 2005/06 \$000's
<b>AREA</b>		
Computers	2	1
Plant & Equipment	-	-
Natural Landscape Study	20	10
<b>TOTAL CAPITAL EXPENDITURE</b>	<b>22</b>	<b>11</b>

The key variance from budget was:

- The work on the Natural Values Study did not proceed during the year.

# Building Control

## What the Council does

Building control services provided by the Council ensure legislative compliance through the study of plans and on site inspection of building projects. Key areas of monitoring include assessing plans associated with building work and assessing compliance with the Building Act 1991 and the Building Code.

## Services Provided

- Ensuring that new buildings and alterations are constructed in a manner which promotes health, safety and well-being in compliance with all relevant statutes and codes and that all necessary consents are efficiently processed, monitored and enforced.
- Enforcing the provisions of the Building Regulations.

## Community Outcomes

The community outcomes that building control primarily contributes to are:

- A thriving economy
- Safe, effective and sustainable infrastructure

No measurement was taken during the year on progress made toward the achievement of these or any other outcome

## Performance Measures

	Objective	Result
1	To process all applications for building consent (approximately 300 per annum) under the Building Act 2004 in accordance with approved procedures and statutory timeframes as set out in the Building Regulations.	<b>Substantially Achieved</b> During the year 256 building consents were processed (2005 comparison =295). Applications were checked in accordance with the Building Code and Council's alternative solution requirements. 239 or 93% of these consents were processed within the required timeframe of 20 working days. The average time for processing was seven working days.

## Identified Effects on Community Well-Being

Council believes that the provision of building control has effects on the economic and environmental well-being of the community; however, these have yet to be formally identified.

## Building Control Financial Summary

Actual 2004/05 \$000's		Budget 2005/06 \$000's	Actual 2005/06 \$000's
	<b>INCOME</b>		
155	External Revenue	137	206
78	General Rates	46	46
<b>233</b>	<b>TOTAL INCOME</b>	<b>183</b>	<b>252</b>
	<b>OPERATING EXPENDITURE</b>		
95	Operating Costs	165	174
62	Support Costs	66	66
12	Depreciation	10	8
1	Debt Servicing Interest	1	1
<b>170</b>	<b>OPERATING COST</b>	<b>242</b>	<b>249</b>
<b>63</b>	<b>NET SURPLUS (DEFICIT)</b>	<b>(59)</b>	<b>3</b>
	<b>CAPITAL</b>		
16	Capital Expenditure	5	13
<b>16</b>	<b>CAPITAL TO BE FUNDED</b>	<b>5</b>	<b>13</b>
63	Operating Surplus / (Deficit)	(59)	3
(47)	Reserves/Reduction in Equity	64	10
<b>16</b>	<b>TOTAL SOURCE OF FUNDS</b>	<b>5</b>	<b>13</b>

## *Building Control cont...*

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### **Commentary on Building Control Financial Summary**

#### *Surplus/(Deficit)*

The surplus for the year was \$3,000; \$62,000 greater than the budgeted deficit of \$59,000

#### *Revenue*

Total revenue for the year was \$252,000; \$69,000 greater than the budget of \$183,000.

The key variance from budget was:

- Income derived from building consents was \$62,846 greater than budgeted for the year due to the higher level of activity.

#### *Operating Expenditure*

Total operating expenditure for the year was \$249,000; \$7,000 greater than the budget of \$242,000.

The key variance from budget was:

- Additional costs were incurred in employing a further full time building inspector in Twizel to meet demand.

### **Building Control Capital Expenditure**

	<b>Budget 2005/06 \$000's</b>	<b>Actual 2005/06 \$000's</b>
AREA		
Plant & Equipment	-	1
Vehicle Replacement	-	8
Computer Replacement	5	4
<b>TOTAL CAPITAL EXPENDITURE</b>	<b>5</b>	<b>13</b>

The key variance from budget was:

- A vehicle was provided for the new Twizel building inspector, which was transferred from the administration department in Fairlie.

# Animal Control

## What the Council does

The Council is responsible for the promoting of public safety through the control of stray animals, the registration of all dogs and the administration of the Dog Control (Amendment) Act 2003. Service delivery in this area is provided under contract.

## Services Provided

- To provide a point of contact for people affected by nuisance animals.
- To ensure animals are controlled in accordance with the appropriate legislation and bylaws, in order to mitigate nuisance effects on the public.

## Community Outcomes

The community outcome that animal control primarily contributes to is:

- A fit and healthy community

No measurement was taken during the year on progress made toward the achievement of this or any other outcome.

## Performance Measures

	Objective	Result
1	To ensure all dogs within the district are registered with the Council and placed on the national database.	<b>Achieved</b> Registration forms were sent out to all known dog owners, late registrations were followed up and penalties imposed. At the end of the year 1824 dogs belonging to 632 owners were registered. No known dogs remained unregistered in the District at the end of the year, although one owner left the area with an outstanding infringement fee for non registration.
2	To ensure that complaints about dog nuisance are responded to in a timely manner.	<b>Not accurately measured</b> All complaints about dog nuisance were promptly referred to Council's dog control contractors for action. While no accurate records were kept of the timeliness of their response, no complaints were received on the speed of response.
3	To have a new policy and bylaw on the control of dogs throughout the district,	<b>Achieved</b> Council undertook public consultation on the contents of its dog control policy and the subsequently created dog control bylaw before finalising these documents. The policy was adopted on 19 April 2005 and the bylaw was adopted on 16 May 2006.

## Animal Control cont ...

### Identified Effects on Community Well-Being

Council believes that the provision of animal control has effects on the social and environmental well-being of the community; however, these have yet to be formally identified.

### Animal Control Financial Summary

Actual 2004/05 \$000's		Budget 2005/06 \$000's	Actual 2005/06 \$000's
	INCOME		
29	External Revenue	28	31
3	General Rates	7	7
<b>32</b>	<b>TOTAL INCOME</b>	<b>35</b>	<b>38</b>
	OPERATING EXPENDITURE		
24	Operating Costs	28	30
6	Support Costs	7	7
<b>30</b>	<b>OPERATING COST</b>	<b>35</b>	<b>37</b>
<b>2</b>	<b>NET SURPLUS (DEFICIT)</b>	<b>-</b>	<b>1</b>
	CAPITAL		
-	Capital Expenditure	1	1
-	CAPITAL TO BE FUNDED	<b>1</b>	<b>1</b>
2	Operating Surplus / (Deficit)	-	1
(2)	Reserves/Reduction in Equity	1	-
-	<b>TOTAL SOURCE OF FUNDS</b>	<b>1</b>	<b>1</b>

### Commentary on Animal Control Financial Summary

#### Surplus/(Deficit)

The surplus for the year was \$1,000; \$1,000 greater than the budgeted breakeven figure.

#### Revenue

Total revenue for the year was \$38,000; \$3,000 greater than the budget of \$35,000.

There were no significant variances from budget.

#### Operating Expenditure

Total operating expenditure for the year was \$37,000; \$2,000 greater than the budget of \$35,000.

There were no significant variances from budget.

### Dog Control Capital Expenditure

	Budget 2005/06 \$000's	Actual 2005/06 \$000's
AREA		
Plant and equipment	1	1
<b>TOTAL CAPITAL EXPENDITURE</b>	<b>1</b>	<b>1</b>

There were no significant variances from budget.

# Civil Defence

## What the Council does

The Council has maintained the services of a part time civil defence officer who co-ordinates a network of volunteers and Council staff to provide civil defence to the District. The Council is committed to making available the resources to provide a civil defence infrastructure and support systems under the Civil Defence Emergency Management Act 2002. This work is carried out as part of our involvement with the Canterbury Civil Defence Emergency Management Group. This group involves local authorities, emergency services and major utility operators and others working together to provide civil defence for the region.

## Services Provided

- Provide training for Council staff in civil defence procedures.
- To develop a positive working relationship with the Canterbury Civil Defence Emergency Management Group on civil defence matters.

## Community Outcomes

The community outcomes that civil defence primarily contributes to are:

- A fit and healthy community
- A supportive and contributing community
- Safe, effective and sustainable infrastructure.

No measurement was taken during the year on progress made toward the achievement of these or any other outcomes.

## Performance Measures

	Objective	Result
1	To arrange for two training sessions per year to assist in familiarising Council staff with civil defence procedures	<b>Achieved in part.</b> A small number of the staff participated in the region-wide civil defence exercise Pandora in October 2005. Apart from that, no other formal staff officer briefed new staff on their roles regarding civil defence shortly after their appointment. The snow event in June 2006 also provided a very practical training experience for those staff involved.
2	To have in place an approved and operative Civil Defence Emergency Management Plan for the District.	<b>Achieved</b> Council's approved plan remained operative throughout the year.
3	To have an active participation in the Canterbury Civil Defence Emergency Management Group .	<b>Not achieved</b> The Civil Defence and Emergency Management Group is led by the region's mayors and is supported by an officer coordinating executive group of CEOs or their nominees.  Council was represented at two of the four full group meetings held during the year and only one of the executive meetings. Distance to the Christchurch venue was one of the reasons behind the limited involvement of Mackenzie in these meetings.

## Identified Effects on Community Well-Being

Council believes that the provision of civil defence has effects on the social and environmental well-being of the community; however, these have yet to be formally identified.

## Civil Defence cont...

### Civil Defence Financial Summary

Actual 2004/05 \$000's		Budget 2005/06 \$000's	Actual 2005/06 \$000's
	<b>INCOME</b>		
41	General Rates	44	44
3	External Income	-	3
<b>44</b>	<b>TOTAL INCOME</b>	<b>44</b>	<b>47</b>
	<b>OPERATING EXPENDITURE</b>		
27	Operating Costs	33	51
6	Support Costs	7	7
7	Depreciation	5	2
(1)	Debt Servicing Interest	(1)	(2)
<b>39</b>	<b>OPERATING COST</b>	<b>44</b>	<b>58</b>
<b>5</b>	<b>NET SURPLUS (DEFICIT)</b>	<b>-</b>	<b>(11)</b>
	<b>CAPITAL</b>		
4	Capital Expenditure	5	1
<b>4</b>	<b>CAPITAL TO BE FUNDED</b>	<b>5</b>	<b>1</b>
5	Operating Surplus / (Deficit)	-	(11)
(1)	Reserves/Reduction in Equity	5	12
<b>4</b>	<b>TOTAL SOURCE OF FUNDS</b>	<b>5</b>	<b>1</b>

### Commentary on Civil Defence Financial Summary

#### Surplus/(Deficit)

The deficit for the year was \$11,000; \$11,000 less than the budgeted break even position.

#### Revenue

Total revenue for the year was \$47,000; \$3,000 greater than the budget of \$44,000.

There were no significant variances from budget.

#### Operating Expenditure

Total operating expenditure for the year was \$58,000; \$14,000 greater than the budget of \$44,000.

The key variance from budget was:

- Costs amounting to \$17,633 were incurred relating to the response and welfare issues resulting from the June snow.

### Civil Defence Capital Expenditure

	Budget 2005/06 \$000's	Actual 2005/06 \$000's
<b>AREA</b>		
Plant & Equipment	5	1
<b>TOTAL CAPITAL EXPENDITURE</b>	<b>5</b>	<b>1</b>

There were no significant variances from budget.

# Rural Fire Protection

## What the Council does

The Principal Rural Fire Officer is employed by Council through the South Canterbury Rural Fire Authority. That officer, in turn co-ordinates a network of volunteers and contractors who are involved in rural fire protection. The South Canterbury Rural Fire Authority is a combined organisation involving Mackenzie District Council, Waimate District Council, Timaru District Council, New Zealand Fire Service and the Department of Conservation.

## Services Provided

- To ensure the provision of premises, equipment and resources for the Rural Fire Service.
- To maintain and operate a rural fire protection plan in conjunction with other fire authorities

## Community Outcomes

The community outcomes that Rural Fire Control primarily contributes to are:

- A fit and healthy community
- An attractive and highly valued natural environment

No measurement was taken during the year on progress made toward the achievement of these or any other outcomes.

## Performance Measures

	Objective	Result
1	That fire crews are on site anywhere in the District's Rural Fire area within one hour of call out.	<b>Achieved</b> The Principal Rural Fire officer advised that all callouts were responded to by volunteer staff or contractors within the one hour target. Twenty fires were responded to during the year. The major call out was to Blue Mountain Station where a hill country fire was fought by crews from Whitestone Contracting, Albury and Cave from 4pm to midnight with fresh crews completing mopping up operations the following morning.
2	Promote and carry out fire control measures in the Mackenzie District Council and comply with the measures of the combined Rural Fire Authorities' Rural Fire Plan.	<b>Achieved</b> The Fire Plan was developed to meet the requirements of the Act and Regulations and all equipment was maintained in a fit state for operational use. A new system of fire permitting was introduced during the year. The two registered rural fire teams at Albury and Burkes Pass achieved their training goals for the year.  <b>Capital expenditure</b>  The Twizel tanker was replaced with a new unit during the year. A Helicopter Dipping Dam was also purchased and made operational with the transfer of a trailer from Waimate.

## Identified Effects on Community Well-Being

Council believes that the provision of rural fire control has effects on the economic, social and environmental well-being of the community; however, these have yet to be formally identified.



## Rural Fire Protection cont ...

### Rural Fire Control Financial Summary

Actual 2004/05 \$000's		Budget 2005/06 \$000's	Actual 2005/06 \$000's
	<b>INCOME</b>		
93	Targeted Rates	100	100
-	External Income	-	12
<b>93</b>	<b>TOTAL INCOME</b>	<b>100</b>	<b>112</b>
	<b>OPERATING EXPENDITURE</b>		
62	Operating Costs	66	64
3	Support Costs	3	3
28	Depreciation	28	20
5	Debt Servicing Interest	3	4
<b>98</b>	<b>OPERATING COST</b>	<b>100</b>	<b>91</b>
<b>(5)</b>	<b>NET SURPLUS (DEFICIT)</b>	<b>-</b>	<b>21</b>
	<b>CAPITAL</b>		
5	Capital Expenditure	62	64
<b>5</b>	<b>CAPITAL TO BE FUNDED</b>	<b>62</b>	<b>64</b>
(5)	Operating Surplus / (Deficit)	-	21
10	Reserves/Reduction in Equity	62	43
<b>5</b>	<b>TOTAL SOURCE OF FUNDS</b>	<b>62</b>	<b>64</b>

### Commentary on Rural Fire Control Financial Summary

#### Surplus/(Deficit)

The surplus for the year was \$21,000; \$21,000 greater than the budgeted break even position.

#### Revenue

Total revenue for the year was \$112,000; \$12,000 greater than the budget of \$100,000.

The key variance from budget was:

- Government grants relating to asset purchases have been recognised during the year.

#### Operating Expenditure

Total operating expenditure for the year was \$91,000; \$9,000 less than the budget of \$100,000.

The key variance from budget was:

- Depreciation costs were down on budget due to the gain made on the sale of the tanker in Twizel which was replaced during the year.

### Rural Fire Control Capital Expenditure

	Budget 2005/06 \$000's	Actual 2005/06 \$000's
<b>AREA</b>		
Helicopter Dipping Dam	2	3
Plant & Equipment	-	8
Vehicles	60	53
<b>TOTAL CAPITAL EXPENDITURE</b>	<b>62</b>	<b>64</b>

There were no significant variances from budget.

# Liquor Licensing

## What the Council does

The Council has contracted liquor licensing to Timaru District Council. Timaru District Council staff undertakes a statutory role in this respect, principally in terms of the Sale of Liquor Act 1989. It includes the monitoring, inspection and enforcement of standards in regard to all licensed premises.

## Services Provided

- To ensure compliance with Liquor Licensing legislation and bylaws

## Community Outcomes

The community outcome that liquor licensing primarily contributes to is:

- A fit and healthy community

No measurement was taken during the year on progress made toward the achievement of this or any other outcome.

## Performance Measures

	Objective	Result
1	To ensure all premises selling liquor are licensed.	<b>Achieved</b> Our contractors, Timaru District Council advise that all premises known to be selling liquor were licensed. Two to three inspections were made each month, with each visit lasting an average of eight hours. All licensed premises were inspected during the year, often in conjunction with food premises inspections, but also for monitoring purposes.
2	To ensure that a high level of service is maintained to the Mackenzie businesses as a result of contracting the liquor licensing.	<b>Achieved</b> Council expectations from the contract were met during the year. No incidences of dissatisfaction in the way the contracted duties were handled were reported to us.
3	To ensure that budget levels are maintained and met.	<b>Achieved</b> The service is maintained under a fixed price contract of \$35,000 plus mileage, which is billed separately. The cost centre recorded a surplus of \$x for the year.

## Identified Effects on Community Well-Being

The council believes that the provision of liquor licensing has effects on the social well-being of the community; however, these have yet to be formally identified.

# Environmental Health Services

## What the Council does

The Council has a statutory and educational role in this respect, principally in terms of the Resource Management Act and the Health Act. It includes the monitoring, inspection and enforcement of standards in regard to all food premises, air and noise pollution, hazardous substances, offensive trades, water quality, communicable diseases, and litter. Environmental Health services delivered in this area are provided under contract by Timaru District Council.

## Services Provided

- To ensure that complaints regarding air and noise pollution are responded to in a timely manner.
- To provide a first point of contact for hygiene complaints or matters of public concern relating to environmental health.
- To ensure that budget levels are maintained and met.
- To ensure compliance with public health and safety legislation and bylaws.
- To ensure that a high level of service is maintained to businesses where the Environmental Health and food premises regulatory functions have been contracted out to Timaru District Council.

## Community Outcomes

The community outcome that environmental health services primarily contribute to is:

- A fit and healthy community

No measurement was taken during the year on progress made toward the achievement of this or any other outcome.

## Performance Measures

	Objective	Result
1	That all food and other registered premises have been inspected at least once per year	<b>Substantially Achieved</b> 79 of the 81 (or 98%) of the premises required to be registered were inspected during the year by Timaru District Council staff

## Identified Effects on Community Well-Being

The council believes that the provision of environmental health services has effects on the social well-being of the community; however, these have yet to be formally identified.

## Liquor Licensing and Environmental Health Services Financial Summary

Actual 2004/05 \$000's		Budget 2005/06 \$000's	Actual 2005/06 \$000's
	<b>INCOME</b>		
29	External Revenue	24	32
20	General Rates	16	16
<b>49</b>	<b>TOTAL INCOME</b>	<b>40</b>	<b>48</b>
	<b>OPERATING EXPENDITURE</b>		
40	Operating Costs	40	39
<b>40</b>	<b>OPERATING COST</b>	<b>40</b>	<b>39</b>
<b>9</b>	<b>NET SURPLUS (DEFICIT)</b>	<b>0</b>	<b>9</b>
	<b>CAPITAL</b>		
-	Capital Expenditure	-	-
-	<b>CAPITAL TO BE FUNDED</b>	-	-
9	Operating Surplus / (Deficit)	-	9
(9)	Reserves/Reduction in Equity	-	(9)
-	<b>TOTAL SOURCE OF FUNDS</b>	-	-

## *Environmental Health Services cont...*

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### **Commentary on Liquor Licensing and Environmental Health Services Financial Summary**

#### *Surplus/(Deficit)*

The surplus for the year was \$9,000; \$9,000 greater than the budgeted break even point.

#### *Revenue*

Total revenue for the year was \$48,000; \$8,000 greater than the budget of \$40,000.

The key variance from budget was:

- Application fees were \$7,561 greater than the level budgeted for.

#### *Operating Expenditure*

Total operating expenditure for the year was \$39,000; \$1,000 less than the budget of \$40,000.

There were no significant variances from budget.

### **Liquor Licensing and Environmental Health Services Capital Expenditure**

There was no significant capital expenditure for the year under review.

# GROUP ACTIVITIES –Tourism & Economic Development

## Tourism & Economic Development (Summary)

Tourism & economic development contributes to the following community outcomes:

- A thriving economy
- Safe, effective and sustainable infrastructure

Council's goal in being involved in Tourism and Economic Development is to promote sustainable development for tourism and businesses in the district. The Mackenzie District is recognised as a leading tourist destination and as a result, tourism is recognised as one of the major factors in ensuring the outcomes are met. With tourism increasing, so too does the infrastructure needed to support it, i.e. accommodation, food, retail and service activities. This growth brings employment and population, which in turn, ensures the retention of core services within the district.

### Tourism & Economic Development Financial Summary

Actual 2004/05 \$000's		Budget 2005/06 \$000's	Actual 2005/06 \$000's
	<b>INCOME</b>		
125	External Revenue	80	110
119	General Rates	119	120
<b>244</b>	<b>TOTAL INCOME</b>	<b>199</b>	<b>230</b>
	<b>OPERATING EXPENDITURE</b>		
186	Operating Costs	188	214
9	Support Costs	15	15
7	Depreciation	8	9
<b>202</b>	<b>OPERATING COST</b>	<b>211</b>	<b>238</b>
<b>42</b>	<b>NET SURPLUS (DEFICIT)</b>	<b>(12)</b>	<b>(8)</b>
	<b>CAPITAL</b>		
-	Capital Expenditure	9	7
-	<b>CAPITAL TO BE FUNDED</b>	<b>9</b>	<b>7</b>
42	Operating Surplus / (Deficit)	(12)	(8)
(42)	Reserves/Reduction in Equity	21	15
-	<b>TOTAL SOURCE OF FUNDS</b>	<b>9</b>	<b>7</b>

### Financial Commentary

#### Surplus/(Deficit)

The deficit for the year was \$8,000; \$4,000 less than the budgeted deficit of \$12,000.

#### Revenue

Total revenue for the year was \$230,000; \$31,000 greater than the budget of \$199,000.

The key variance from budget was:

- Income derived from the Pukaki Visitor Centre was \$30,240 greater than the budget.

#### Operating Expenditure

Total operating expenditure for the year was \$238,000; \$27,000 greater than the budget of \$211,000.

The key variances from budget were:

- Labour costs relating to the Pukaki Visitor Centre were greater than budgeted, but offset by the additional revenue earned.
- Payments towards economic development projects were \$8,167 greater than budgeted for the year.

#### Capital Expenditure

There was no significant capital expenditure for the year under review.

# *Tourism & Economic Development Board*

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## **What the Council does**

Council's role is to promote sustainable development for tourism and business in the Mackenzie area.

Economic growth creates employment and assists business prosperity. This in turn allows a wider range of social, cultural and recreational facilities, and spreads the rating requirement across a wider base.

The Council supports growth by providing the necessary infrastructure and other services.

The Mackenzie Tourism and Development Board was established in 1994 to encourage tourism and economic development within the District. While the Board is a Standing Committee of Council, the majority of its members are drawn from outside Council and it also has been delegated power from Council to progress economic and business development initiatives within the District and to promote the Mackenzie as a centre for tourism.

In recent years the tourism and marketing responsibilities of the Board have been discharged through a contract between the Board and Christchurch and Canterbury Marketing Limited. Council's commitment in this area is reflected in a three year contract with Christchurch and Canterbury Marketing Limited which expires in 2006. Karen Mullaly is the Mackenzie Marketing Manager.

Until his illness and untimely death in October 2005, Brian Tierney was contracted to the Board to progress its business development role. Alternative services have yet to be obtained.

In March 2003, management of and supervision of the Lake Pukaki Lookout and Visitor Centre moved back to the Board which believe it could operate the facilities successfully at no cost to the ratepayer. The centre was previously managed by Christchurch and Canterbury Marketing Limited.

The Council provides resources as appropriate and monitors the performance of the Board in carrying out its delegated functions. A review of the Board operations is planned including opportunity for public consultation.

## **Services Provided**

- Assisting in promoting growth of new and existing businesses in the District.
- Assisting in developing a learning culture and environment for business.
- Supporting the development of the agricultural base of the Mackenzie.
- Promoting the Mackenzie as a highly desirable place to visit.
- Providing opportunities for tourism development

## **Community Outcomes**

The community outcomes that the Mackenzie Tourism and Economic Development Board primarily contribute to are:

- A thriving economy
- Safe, effective and sustainable infrastructure

No measurement was undertaken during the year on progress made toward achieving these or any other outcomes

## Tourism & Economic Development Board cont...

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### Performance Measures

	Objective	Result
1	Regularly review the objectives for the contract with Christchurch and Canterbury Marketing	<b>Achieved</b> The Mackenzie Tourism and Economic Development Board held meetings on a quarterly basis. These meetings were attended by the General Manager – Mackenzie Marketing, Karen Mullaly, who updated the Board on her activities pursuant to the agreement between the Council and Christchurch and Canterbury Marketing
2	Report to Council on regular basis on the Board's activities	<b>Achieved</b> The Mackenzie Tourism and Economic Development Board formally reported to Council on its activities on 18 April, 2006. The minutes of each Board meeting were also adopted by Council.
3	Issue regular bulletins and newsletter on tourism and economic development.	<b>Achieved</b> The regular newsletter was prepared and released on the following dates: <ul style="list-style-type: none"> <li>• August 2005</li> <li>• November 2005</li> <li>• February 2006</li> </ul>

### Identified Effects on Community Well-Being

The Council believes that the provision of services through the Mackenzie Tourism and Economic Development Board has effects on the economic and social well-being of the community; however, these have yet to be formally identified.

## Tourism & Economic Development Board cont ...

### Mackenzie Tourism and Economic Development Board Financial Summary

Actual 2004/05 \$000's		Budget 2005/06 \$000's	Actual 2005/06 \$000's
	<b>INCOME</b>		
119	General Rates	119	119
<b>119</b>	<b>TOTAL INCOME</b>	<b>119</b>	<b>119</b>
	<b>OPERATING EXPENDITURE</b>		
113	Operating Costs	110	117
9	Support Costs	9	9
2	Depreciation	2	3
<b>124</b>	<b>OPERATING COST</b>	<b>121</b>	<b>129</b>
<b>(5)</b>	<b>NET SURPLUS (DEFICIT)</b>	<b>(2)</b>	<b>(10)</b>
	<b>CAPITAL</b>		
-	Capital Expenditure	-	-
<b>-</b>	<b>CAPITAL TO BE FUNDED</b>	<b>-</b>	<b>-</b>
(5)	Operating Surplus / (Deficit)	(2)	(10)
5	Reserves/Reduction in Equity	2	10
<b>-</b>	<b>TOTAL SOURCE OF FUNDS</b>	<b>-</b>	<b>-</b>

### Commentary on Mackenzie Tourism and Economic Development Board Financial Summary

#### Surplus/(Deficit)

The deficit for the year was \$10,000; \$8,000 greater than the budgeted deficit of \$2,000.

#### Revenue

Total revenue for the year was \$119,000; equal to the budget.

There were no significant variances from budget.

#### Operating Expenditure

Total operating expenditure for the year was \$129,000; \$8,000 less than the budget of \$121,000.

The key variance from budget was:

- Payments towards economic development projects were \$8,167 greater than budgeted for the year.

#### Mackenzie Tourism and Economic Development Board Capital Expenditure

There were no significant capital expenditure for the year under review.



# Information Centre (Lake Pukaki)

## What the Council does

The Mackenzie Tourism and Development Board is also responsible for the operation of the Lake Pukaki Visitor Information Centre.

In addition, the Council provides funding assistance to the provision of the Information Centres throughout the district. In Twizel, it funds a portion of the operating cost of the Twizel Information Centre; in Fairlie, it provides funding to the Resource Centre; and in Tekapo, it provides funding to the Lake Tekapo Promotions Association. The funds provided form part of the costs of Community Facilities.

## Services Provided

- The provision of information services that promote the District and its attraction to visitors.
- Operation of the Lake Pukaki Visitor Information Centre.

## Community Outcomes

The community outcome that Lake Pukaki Information Centre primarily contributes to is:

- A thriving economy

No measurement was taken during the year on progress made toward the achievement of this or any other outcome.

## Performance Measures

	Objective	Result
1	Operation of the Lake Pukaki Visitor Centre with no rating input from Council	<b>Achieved</b> The operation of the Lake Pukaki Visitor Information Centre recorded a cash surplus of \$6,235 for the year ended 30 June 2006, therefore no rating input from the Council was necessary.

## Identified Effects on Community Well-Being

The council believes that the provision of the Lake Pukaki Information Centre has effects on the economic, social and cultural well-being of the community; however, these have yet to be formally identified.

## Lake Pukaki Information Centre Financial Summary

Actual 2004/05 \$000's		Budget 2005/06 \$000's	Actual 2005/06 \$000's
	INCOME		
125	External Revenue	80	110
<b>125</b>	<b>TOTAL INCOME</b>	<b>80</b>	<b>110</b>
	OPERATING EXPENDITURE		
73	Operating Costs	78	97
-	Support Costs	6	6
5	Depreciation	6	6
<b>78</b>	<b>OPERATING COST</b>	<b>90</b>	<b>109</b>
<b>47</b>	<b>NET SURPLUS (DEFICIT)</b>	<b>(10)</b>	<b>1</b>
	CAPITAL		
-	Capital Expenditure	9	7
-	<b>CAPITAL TO BE FUNDED</b>	<b>9</b>	<b>7</b>
47	Operating Surplus / (Deficit)	(10)	1
(47)	Reserves/Reduction in Equity	19	6
-	<b>TOTAL SOURCE OF FUNDS</b>	<b>9</b>	<b>7</b>

## Information Centre (Lake Pukaki) cont ...

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### Commentary on Lake Pukaki Information Centre Financial Summary

#### Surplus/(Deficit)

The surplus for the year was \$1,000; \$11,000 greater than the budgeted deficit of \$10,000.

#### Revenue

Total revenue for the year was \$110,000; \$30,000 greater than the budget of \$80,000.

The key variance from budget was:

- Income derived from the Pukaki Visitor Centre was \$30,240 greater than the budget.

#### Operating Expenditure

Total operating expenditure for the year was \$109,000; \$19,000 greater than the budget of \$90,000.

The key variance from budget was:

- Labour costs relating to the Pukaki Visitor Centre were greater than budgeted, but offset by the additional revenue earned.

### Lake Pukaki Information Centre Capital Expenditure

	Budget 2005/06 \$000's	Actual 2005/06 \$000's
AREA		
Computers	5	4
Plant & Equipment	4	3
<b>TOTAL CAPITAL EXPENDITURE</b>	<b>9</b>	<b>7</b>

There were no significant variances from budget.

# GROUP ACTIVITIES – Commercial Activities

## Commercial Activities (Summary)

### Commercial Activities contribute to the following Community Outcome

- A thriving economy

No measurement was taken during the year on progress made toward the achievement of this or any other outcome.

The goal of the commercial activities of the Council is to manage its commercial investments wisely. The prime responsibility in this area is to get the best possible return. Having said that, the Council is committed to investing in the District and wherever possible, acting as a catalyst for its development.

As a result, the Council, by being involved with commercial activities is attempting to meet the community outcome in two ways:

- Ensuring the best possible return for Council itself, and
- Investing in the District to help promote development.

The commercial activities that the Council is involved with are:

- Forestry.
- Real Estate.
- Rental Properties.
- Pukaki Airfield.

The Council also classifies the management of its investment portfolio as a commercial activity. However, all of the income derived from the Council's equity and cash investments, as well as its treasury function, is used to offset the works and services rates in each of the rating areas.

### Commercial Activities Financial Summary

Actual 2004/05 \$000's		Budget 2005/06 \$000's	Actual 2005/06 \$000's
	<b>INCOME</b>		
730	External Revenue	1,649	1,196
255	Debt Interest Revenue	298	207
60	Other Internal Income	-	64
(19)	General Rates	(19)	(19)
(877)	Targeted Rates	(933)	(996)
<b>149</b>	<b>TOTAL INCOME</b>	<b>995</b>	<b>452</b>
	<b>OPERATING EXPENDITURE</b>		
312	Operating Costs	218	193
104	Support Costs	113	114
7	Depreciation	2	7
<b>423</b>	<b>OPERATING COST</b>	<b>333</b>	<b>314</b>
<b>(274)</b>	<b>NET SURPLUS (DEFICIT)</b>	<b>663</b>	<b>138</b>
	<b>CAPITAL</b>		
-	Capital Expenditure	-	(38)
-	<b>CAPITAL TO BE FUNDED</b>	-	<b>(38)</b>
(274)	Operating Surplus / (Deficit)	663	138
274	Reserves/Reduction in Equity	(663)	(176)
-	<b>TOTAL SOURCE OF FUNDS</b>	-	<b>(38)</b>

## Commercial Activities (Summary) cont ...

### Commentary on Commercial Activities Financial Summary

#### Surplus/(Deficit)

The surplus for the year was \$138,000; \$525,000 less than the budgeted surplus of \$663,000.

#### Revenue

Total revenue for the year was \$452,000; \$543,000 less than the budget of \$995,000.

The key variance from budget was:

- The projected sales of property did not proceed to the anticipated level during the year.

#### Operating Expenditure

Total operating expenditure for the year was \$314,000; \$19,000 less than the budget of \$333,000.

The key variances from budget were:

- Forestry costs were \$65,463 less than budgeted for the year.
- Real Estate consultancy costs were \$29,307 greater than budget. This was due to legal costs relating to property transactions and the costs incurred by the Council's real estate arm in submitting to the plan changes for Lake Tekapo.

### Commercial Activities Capital Expenditure

	Budget 2005/06 \$000's	Actual 2005/06 \$000's
SIGNIFICANT PROJECTS		
Book Value of Land Sold	-	(38)
<b>TOTAL CAPITAL EXPENDITURE</b>	<b>-</b>	<b>(38)</b>

#### Reason for Undertaking Capital Expenditure Projects

Council did not budget any capital expenditure in this area during the year.

#### Results for the 2005/2006 year

Total Capital Expenditure for the year was \$(38,000); \$38,000 less than the budget of \$0.

The negative figure in capital expenditure represents the book value of the land sold during the year.

# Forestry

## What the Council does

The Council has set up the Mackenzie Forestry Board to manage its forestry estate and achieve the goals as set out in the Board's statement of intent.

The business goals of the Board are as follows:

- To maintain the current estate in a healthy, productive and profitable state in perpetuity for the economic and social benefit of the community at large.
- To grow the Council's forestry estate to 900 planted hectares.
- To ensure that 100% of all new planting should be demonstrated by project analysis to be able to achieve a minimum internal rate of return of 7% pre-tax.
- To lower the proportion of the Council's planted resource earning less than 7% from 39% to 35% by 2010.
- To maximise the Council's wealth.

## Services Provided

- Implementation & review of the long term forestry strategy.
- Providing recommendations for the sale/purchase of land to meet the strategy.
- Approval of planting & harvesting programmes.
- Approval of annual financial budgets and physical targets.
- Approval of wood sale contracts.
- Approval of the annual operating programme.

## Community Outcomes

The community outcome that Forestry primarily contributes to is:

- A thriving economy

No measurement was taken during the year on progress made toward the achievement of this or any other outcome.

## Performance Measures

	Objective	Result
1	To plant 58 hectares of new planting at the Fox Peak Plantation by September 2005.	<b>Achieved in Part</b> Due to a rationalisation of the area to be planted at the Fox Peak plantation last year, only 40.4 hectares were planted before the end of September 2005. The remaining area of 55.4 hectares will be planted in the 2006/2007 year
2	Council will approve the Forestry Board's statement of intent on an annual basis.	<b>Achieved</b> Council reviewed and approved the Mackenzie Forestry Board's statement of intent for the three years ended 30 June 2009 on 12 September 2006.

## Identified Effects on Community Well-Being

The council believes that the forestry activity has effects on the economic well-being of the community; however, these have yet to be formally identified.

## Forestry cont ...

### Forestry Financial Summary

Actual 2004/05 \$000's		Budget 2005/06 \$000's	Actual 2005/06 \$000's
	<b>INCOME</b>		
27	External Revenue	12	24
25	Debt Servicing Interest Received	-	18
-	Targeted Rates	(64)	(64)
<b>52</b>	<b>TOTAL INCOME</b>	<b>(52)</b>	<b>(22)</b>
	<b>OPERATING EXPENDITURE</b>		
151	Operating Costs	146	79
60	Internal Rental	-	-
14	Support Costs	15	15
<b>225</b>	<b>OPERATING COST</b>	<b>161</b>	<b>94</b>
<b>(173)</b>	<b>NET SURPLUS (DEFICIT)</b>	<b>(213)</b>	<b>(116)</b>
	<b>CAPITAL</b>		
-	Capital Expenditure	-	-
-	<b>CAPITAL TO BE FUNDED</b>	-	-
(173)	Operating Surplus / (Deficit)	(213)	(116)
173	Reserves/Reduction in Equity	213	116
-	<b>TOTAL SOURCE OF FUNDS</b>	-	-

### Commentary on Forestry Financial Summary

#### Surplus/(Deficit)

The deficit for the year was \$116,000; \$97,000 less than the budgeted deficit of \$213,000.

#### Revenue

Total revenue for the year was \$(22,000); \$30,000 greater than the budget of \$(52,000).

The key variances from budget were:

- Rental revenue was \$8,207 greater than the level forecast.
- Interest earned from the Forestry Board's capital reserve was \$18,049 greater than budgeted.

#### Operating Expenditure

Total operating expenditure for the year was \$94,000; \$67,000 less than the budget of \$161,000.

The key variances from budget were:

- The budget for fencing of \$11,200 was not required.
- The budget for silviculture of \$33,395 was not required.
- The costs relating to site preparation was \$15,928 less than the level budgeted.

### Forestry Capital Expenditure

There was no significant capital expenditure for the year under review.

# Real Estate

## What the Council does

The Mackenzie District Council owns significant areas of land in the District. Much of this land has potential for development for commercial, residential and agricultural purposes.

The Council holds this land in its real estate portfolio to develop, sell or lease as it sees fit to ensure the best possible return for the District as a whole.

Being a major land owner in an area experiencing substantial growth, the Council can play a major part in the development of the District.

## Principal Objectives

The Council real estate portfolio is to be reviewed on an on-going basis to assess possibilities for development, sale or lease.

Properties within the portfolio may be realised whenever it is considered appropriate by the Council.

## Community Outcomes

The community outcome that real estate contributes to is:

- A thriving economy

No measurement was taken during the year on progress made toward the achievement of this or any other outcome.

## Performance Measures

	Objective	Result
1	Continue Council's programme of property rationalisation.	<b>Achieved in Part</b> Work has continued at staff level towards developing a rationalisation process, but this has yet to be formally presented to Council.

	Objective	Result
2	Actively market for sale land that has been identified as surplus to Council's requirements.	<b>Achieved in Part</b> Council has identified key areas of surplus land as part of the significance policy in its Long-term council community plan. It has undertaken initial negotiations with potential purchasers with portions of the identified surplus land to be sold during the 2006/2007 financial year.
3	Progress the issues identified in the planning exercises for Lake Tekapo and Twizel for the Council owned land.	<p><b>Achieved in Part</b></p> <p><b>Lake Tekapo</b> Council has continued to negotiate surrenders to the leases in the Village Centre of Lake Tekapo as was outlined in the Tekapo planning exercise.</p> <p>The commercial arm of Council actively participated in the plan change process for Lake Tekapo to ensure that the appropriate zoning, as outlined in the Tekapo planning exercise, was assigned to the Council-owned land.</p> <p><b>Twizel</b> Negotiations over an area of land for the provision of a supermarket in Twizel have continued and are expected to be settled during the 2006/2007 financial year.</p>

## Real Estate cont ...

### Identified Effects on Community Well-Being

The Council believes that its real estate activity has effects on the economic and environmental well-being of the community; however, these have yet to be formally identified.

### Real Estate Financial Summary

Actual 2004/05 \$000's		Budget 2005/06 \$000's	Actual 2005/06 \$000's
	INCOME		
27	External Revenue	1,000	453
27	<b>TOTAL INCOME</b>	<b>1,000</b>	<b>453</b>
	OPERATING EXPENDITURE		
84	Operating Costs	56	99
65	Support Costs	71	71
149	<b>OPERATING COST</b>	<b>127</b>	<b>170</b>
(122)	<b>NET SURPLUS (DEFICIT)</b>	<b>873</b>	<b>283</b>
	CAPITAL		
-	Capital Expenditure	-	(38)
-	<b>CAPITAL TO BE FUNDED</b>	<b>-</b>	<b>(38)</b>
(122)	Operating Surplus / (Deficit)	873	283
122	Reserves/Reduction in Equity	(873)	(321)
-	<b>TOTAL SOURCE OF FUNDS</b>	<b>-</b>	<b>(38)</b>

### Commentary on Real Estate Financial Summary

#### Surplus/(Deficit)

The surplus for the year was \$283,000; \$590,000 less than the budgeted surplus of \$873,000.

#### Revenue

Total revenue for the year was \$453,000; \$547,000 less than the budget of \$1,000,000.

The key variance from budget was:

- The projected sales of property did not proceed to the level anticipated during the year.

#### Operating Expenditure

Total operating expenditure for the year was \$170,000; \$43,000 greater than the budget of \$127,000.

The key variance from budget was:

- Consultancy costs were \$29,307 greater than budget. This was due to legal cost relating to property transactions and the costs incurred by the Council's real estate arm in submitting to the plan changes for Lake Tekapo.

### Real Estate Capital Expenditure

	Budget 2005/06 \$000's	Actual 2005/06 \$000's
AREA		
Book Value of Land Sold	-	(38)
<b>TOTAL CAPITAL EXPENDITURE</b>	<b>-</b>	<b>(38)</b>

The key variance from budget was:

- The negative figure in capital expenditure represents the book value of the land sold during the year.



# Rental Properties

## What the Council does

The Council also owns various areas of land which it leases on a commercial basis. The three key areas are:

- Twizel Depot leased to Whitestone Ltd
- Tekapo Depot leased to Whitestone Ltd
- The Old Library Café leased to Library Cafes Limited.

The Council also owns other sections of land which it leases. These rentals received are not recognised as part of the rental properties but are used to offset the works and services rates of the area in which the property is situated.

## Services Provided

- The Council acts as lessor on these properties and its responsibilities as lessor are set out in each formal lease.

## Community Outcomes

The community outcome that rental properties contribute to is:

- A thriving economy

No measurement was taken during the year on progress made toward the achievement of this or any other outcome.

## Performance Measures

	Objective	Result
1	Council regularly reviews all leases to ensure that it is receiving the best possible return.	<b>Not Achieved</b> Council has not formally reviewed every lease it holds.

## Identified Effects on Community Well-Being

The Council believes that its rental properties activity has effects on the economic well-being of the community; however, these have yet to be formally identified.

## Rental Properties Financial Summary

Actual 2004/05 \$000's		Budget 2005/06 \$000's	Actual 2005/06 \$000's
	<b>INCOME</b>		
18	External Revenue	19	20
(18)	General Rates	(19)	(19)
-	<b>TOTAL INCOME</b>	-	1
	<b>OPERATING EXPENDITURE</b>		
2	Operating Costs	-	0
1	Support Costs	1	1
7	Depreciation	2	7
10	<b>OPERATING COST</b>	3	8
(10)	<b>NET SURPLUS (DEFICIT)</b>	(3)	(7)
	<b>CAPITAL</b>		
-	Capital Expenditure	-	-
-	<b>CAPITAL TO BE FUNDED</b>	-	-
(10)	Operating Surplus / (Deficit)	(3)	(7)
10	Reserves/Reduction in Equity	3	7
-	<b>TOTAL SOURCE OF FUNDS</b>	-	-

## *Rental Properties cont ...*

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### **Commentary on Rental Properties Financial Summary**

#### *Surplus/(Deficit)*

The deficit for the year was \$7,000; \$4,000 greater than the budgeted deficit of \$3,000.

#### *Revenue*

The net total revenue for the year was \$1,000; \$1,000 greater than the budget of zero.

There were no significant variances from budget.

#### *Operating Expenditure*

Total operating expenditure for the year was \$8,000; \$5,000 greater than the budget of \$3,000.

The key variance from budget was:

- The actual level of depreciation, resulting from the revaluation of the buildings last year, was greater than the level budgeted for.

### **Rental Properties Capital Expenditure**

There was no significant capital expenditure for the year under review.

# Pukaki Airfield

## What the Council does

The Council has deemed that the public airfield at Pukaki is a strategic asset that it wanted to retain. To do so, the Council purchased the freehold land surrounding the operational airfield, which had an airport designation over it.

After a public consultation exercise, the Council resolved to create a Council Controlled Trading Organisation (CCTO) to operate and manage the Airfield. This CCTO is Mackenzie Holdings Limited. It has been proposed that the land making up the Airfield will be transferred at market value to Mackenzie Holdings Limited. This will provide the company an asset base on which to obtain its own funding to progress the objectives of the Council for the Airfield.

## Services Provided

- The rationale for the Council purchasing the airfield was to ensure that there was a public airfield in the District.
- Through Mackenzie Holdings Limited, the airfield will become operational.

## Community Outcomes

The community outcome that Pukaki Airfield primarily contributes to is:

- A thriving economy

No measurement was taken during the year on progress made toward the achievement of this or any other outcome.

## Performance Measures

	Objective	Result
1	The Council will regularly review the performance of Mackenzie Holdings Limited.	<b>Achieved</b> Council reviewed and approved the statement of intent for Mackenzie Holdings Limited on 25 October 2005.  The financial statements of Mackenzie Holdings Limited have been consolidated in the Council's annual report for the year ended 30 June 2006.

## Identified Effects on Community Well-Being

The Council believes that the operation of Pukaki Airfield has effects on the economic well-being of the community; however, these have yet to be formally identified.

# Investments

## What the Council does

The Council has a range of financial investments.

The Council operates an investment portfolio for its cash investments. This portfolio is managed on behalf of Council by Bancorp Treasury Services Limited.

As at 30 June 2006, the structure of the investment portfolio was as follows:

Local Government Stock	\$5,000,000
Trading Banks	\$5,000,000
Strongly Rated Corporates	\$2,750,000
Loans	\$60,000

The Council also hold equity investments in companies. As at 30 June 2006, the value of these equity investments was:

Alpine Energy	\$4,571,210
Opihi River Development Co Ltd	\$675,000
Downlands Water Scheme	\$570,392

The Council's rationale for holding these equity investments is discussed further in the Council's treasury policy.

The Council also owns forestry assets, which are discussed above in the forestry commercial activity, and a significant land holding, which forms the Council's real estate portfolio and is discussed above in the real estate commercial activity.

The Council aims to obtain the best possible return from all its financial investments. The Income derived from such assets is used directly to offset the works and services rate requirement in each of the rating areas. The way in which the investment income is distributed is in proportion to the respective capital value of each rating area.

The capital value split for the 2005/2006 financial year was as follows:

Fairlie	5.63%
Tekapo	12.60%
Twizel	18.15%
Rural	63.62%

## Community Outcomes

The community outcome that Investments primarily contribute to is:

- A thriving economy

No measurement was taken during the year on progress made toward the achievement of this or any other outcome.

## Investments cont...

### Performance Measures

	Objective	Result
1	Council will review the performance of the Council's investment portfolio on a quarterly basis.	<b>Achieved</b> Council formally reviewed the quarterly report provided by Council's investment adviser, Bancorp Treasury Services Limited, on the following dates: <ul style="list-style-type: none"> <li>• Sept 2005 - 2 November 2005</li> <li>• Dec 2005 - 7 February 2006</li> <li>• March 2006 - 6 June 2006</li> <li>• June 2006 - 1 August 2006</li> </ul>
2	Council will review and approve the statement of corporate intent of Alpine Energy Limited on an annual basis.	<b>Achieved</b> Council reviewed the statement of corporate intent for Alpine Energy Limited on 18 April 2006.
3	Council will review the annual report and attend the annual general meeting of Alpine Energy Limited.	<b>Achieved</b> Council formally reviewed the annual report of Alpine Energy Limited on 1 August 2006. The Manager – Finance and Administration attended the Company's annual general meeting on behalf of the Council on 27 July 2006.
4	Council will review the annual report of Opihi River Development Company Limited on an annual basis.	<b>Not Achieved</b> The Council has not received the annual report for Opihi River Development Company Limited.

### Identified Effects on Community Well-Being

The provision of Investments has effects on the Economic well-being of the community; however, these have yet to be formally identified by Council.

## Investments cont...

### Investments Financial Summary

Actual 2004/05 \$000's		Budget 2005/06 \$000's	Actual 2005/06 \$000's
	<b>INCOME</b>		
658	External Revenue	618	699
230	Debt Servicing Interest Revenue	298	189
60	Internal Rental Received	-	64
(877)	Targeted Rates	(869)	(932)
<b>71</b>	<b>TOTAL INCOME</b>	<b>47</b>	<b>20</b>
	<b>OPERATING EXPENDITURE</b>		
15	Operating Costs	15	15
24	Support Costs	26	27
<b>39</b>	<b>OPERATING COST</b>	<b>41</b>	<b>42</b>
<b>32</b>	<b>NET SURPLUS (DEFICIT)</b>	<b>6</b>	<b>(22)</b>
	<b>CAPITAL</b>		
-	Capital Expenditure	-	-
-	<b>CAPITAL TO BE FUNDED</b>	-	-
32	Operating Surplus / (Deficit)	6	(22)
(32)	Reserves/Reduction in Equity	(6)	22
-	<b>TOTAL SOURCE OF FUNDS</b>	-	-

### Commentary on Investments Financial Summary

#### Surplus/(Deficit)

The deficit for the year was \$22,000; \$28,000 less than the budgeted surplus of \$6,000.

#### Revenue

Total revenue for the year was \$20,000; \$27,000 less than the budget of \$47,000.

The key variances from budget were:

- Dividends received from Alpine Energy limited were \$30,960 less than the budget set.
- Interest received from the Council's cash investments was \$112,644 greater than budget due to the level of cash reserves not being reduced by the anticipated level of capital expenditure.
- The net interest from capital reserves was \$109,626 less than was budgeted due to a combination of greater receipts of financial contributions and reduced levels of capital expenditure meant that the reserves were not overdrawn to the anticipated levels.

#### Operating Expenditure

Total operating expenditure for the year was \$42,000; \$1,000 greater than the budget of \$41,000.

There were no significant variances from budget.

### Investments Capital Expenditure

There was no significant capital expenditure for the year under review.

# GROUP ACTIVITIES – Democracy & Corporate Services

## Democracy & Corporate Services (Summary)

Democracy contributes to the following Community Outcomes

- Democracy which upholds the rights of the individual
- A supportive and contributing community.

The goal of democracy is to ensure that the community is encouraged to participate in the Council activities. This is carried out by informing communities of the work that Council is involved in and ensuring that the community is involved in the decision making process.

### Democracy & Corporate Services Financial Summary

Actual 2004/05 \$000's		Budget 2005/06 \$000's	Actual 2005/06 \$000's
	<b>INCOME</b>		
76	External Revenue	57	64
933	Support Services Revenue	988	1,015
618	General Rates	610	609
75	Targeted Rates	70	70
<b>1,702</b>	<b>TOTAL INCOME</b>	<b>1,725</b>	<b>1,758</b>
	<b>OPERATING EXPENDITURE</b>		
1,260	Operating Costs	1,251	1,295
375	Support Costs	414	431
94	Depreciation	80	93
6	Debt Servicing Interest	3	4
<b>1,735</b>	<b>OPERATING COST</b>	<b>1,748</b>	<b>1,823</b>
<b>(33)</b>	<b>NET SURPLUS (DEFICIT)</b>	<b>(23)</b>	<b>(65)</b>
	<b>CAPITAL</b>		
181	Capital Expenditure	45	20
<b>181</b>	<b>CAPITAL TO BE FUNDED</b>	<b>45</b>	<b>20</b>
(33)	Operating Surplus / (Deficit)	(23)	(65)
214	Reserves/Reduction in Equity	68	85
<b>181</b>	<b>TOTAL SOURCE OF FUNDS</b>	<b>45</b>	<b>20</b>

### Commentary on Democracy and Corporate Services Financial Summary

#### Surplus/(Deficit)

The deficit for the year was \$65,000; \$42,000 greater than the budget deficit of \$23,000.

#### Revenue

Total revenue for the year was \$1,758,000; \$33,000 greater than the budget of \$1,725,000.

There were no significant variances from budget.

#### Operating Expenditure

Total operating expenditure for the year was \$1,823,000; \$75,000 greater than the budget of \$1,748,000.

The key variances from budget were:

- Costs relating to the by-elections for both the Tekapo and Fairlie Community Boards amounting to \$10,067 were not budgeted for.

## Democracy & Corporate Services (Summary) cont...

### Democracy & Corporate Services Capital Expenditure

	Budget 2005/06 \$000's	Actual 2005/06 \$000's
<b>SIGNIFICANT PROJECTS</b>		
Electronic Equipment	17	17
Website development	15	4
Plant & Equipment	7	7
Building Alterations	6	-
Vehicle Replacement	-	(8)
<b>TOTAL CAPITAL EXPENDITURE</b>	<b>45</b>	<b>20</b>

#### *Reasons for Undertaking Capital Expenditure Projects*

The Council's reasons for undertaking the significant capital expenditure projects were as follows:

- The electronic equipment and plant budgeted for the year was to replace existing assets that had reached the end of their useful lives.
- Funds budgeted for the website development was to enhance the Council's website to provide better services to the District.
- The building alterations budgeted for were to provide air conditioning in the Fairlie Office.

#### *Results for the 2005/2006 year*

Total capital expenditure for the year was \$20,000; \$25,000 less than the budget of \$45,000.

The key variances from budget were:

- Only \$3,570 was spent on the website development project as it is being carried out in stages.
- The quotes provided for the air conditioning in the Fairlie Office were significantly greater than the budget, therefore the project was deferred.
- One office vehicle was transferred to Twizel for use by the building inspector.



# District Council

## What the Council does

Since October 2004, the Council consists of the Mayor and six Councillors. The Mayor has been elected at large by the electors of the District and the Councillors are elected by way of wards as follows:

- Pukaki Ward (3 Councillors)
- Opuha Ward (3 Councillors)

The Pukaki Ward is the previous Twizel and Tekapo Wards combined and the Opuha Ward is the previous Fairlie and Albury Wards combined.

## Objectives

- To ensure communication of Council activities to residents through meetings, speeches and published information.
- To provide opportunities for community feedback through consultative processes

## Community Outcomes

The community outcomes that the District Council primarily contributes to are:

- Democracy that upholds the rights of the individual
- A supportive and contributing community.

No measurement was taken during the year on progress made toward the achievement of this or any other outcome.

## Performance Measures

	Objective	Result
1	The Council to convene, publicly advertise and hold in accordance with standing orders: 12 full meetings of Council.	<b>Achieved</b> Council held 26 full meetings during the year under review. All meetings convened were publicly advertised and held in accordance with standing orders.
2	Provide opportunity for community feedback through the consultative process required under the Local Government Act 2002.	<b>Achieved</b> During preparation of the Long-term council community plan, Council provided the following opportunities for community feedback as required under the Local Government Act 2002: <ul style="list-style-type: none"> <li>• Public meetings were held in Twizel, Lake Tekapo and Fairlie to assist in determining community outcomes.</li> <li>• A summary of the Long-term council community plan, together with information on how to submit to the plan, was prepared and delivered to all residents and ratepayers.</li> <li>• Public meetings were held in Twizel, Lake Tekapo, Fairlie and Albury to present information on the Long-term council community plan.</li> <li>• The submission period for the Long-term council community plan ran from 16 May 2006 to 16 June 2006.</li> <li>• Council reviewed all written submissions and heard all oral submissions to the long-term council community plan on 20 June 2006.</li> </ul>

# District Council cont ...

## Identified Effects on Community Well-Being

The Council believes that the operation of a District Council has effects on the social economic, environmental and cultural well-being of the community; however, these have yet to be formally identified.

## District Council Financial Summary

Actual 2004/05 \$000's		Budget 2005/06 \$000's	Actual 2005/06 \$000's
	<b>INCOME</b>		
618	General Rates	610	610
<b>618</b>	<b>TOTAL INCOME</b>	<b>610</b>	<b>610</b>
	<b>OPERATING EXPENDITURE</b>		
281	Operating Costs	244	249
330	Support Costs	365	382
-	Debt Servicing Interest	-	1
1	Depreciation	1	1
<b>612</b>	<b>OPERATING COST</b>	<b>610</b>	<b>633</b>
<b>6</b>	<b>NET SURPLUS (DEFICIT)</b>	<b>-</b>	<b>(23)</b>
	<b>CAPITAL</b>		
-	Capital Expenditure	3	3
-	<b>CAPITAL TO BE FUNDED</b>	<b>3</b>	<b>3</b>
6	Operating Surplus / (Deficit)	-	(23)
(6)	Reserves/Reduction in Equity	3	26
-	<b>TOTAL SOURCE OF FUNDS</b>	<b>3</b>	<b>3</b>

## Commentary on District Council Financial Summary

### Surplus/(Deficit)

The deficit for the year was \$23,000; \$23,000 less than the budgeted breakeven position.

### Revenue

Total revenue for the year was \$610,000; equal to the budget of \$610,000.

There were no significant variances from budget.

### Operating Expenditure

Total Operating Expenditure for the year was \$633,000; \$23,000 greater than the budget of \$610,000.

The key variance from budget was:

- Costs relating to the by-elections for both the Tekapo and Fairlie Community Boards amounting to \$10,067.

## District Council Capital Expenditure

	Budget 2005/06 \$000's	Actual 2005/06 \$000's
<b>AREA</b>		
Computer equipment	3	3
<b>TOTAL CAPITAL EXPENDITURE</b>	<b>3</b>	<b>3</b>

There were no significant variances from budget.

# Community Boards

## What the Council does

The Community Boards comprise the second tier of the Council's Elected Representative structure. Currently, there are three Community Boards and their makeup since October 2004 is as follows:

- Twizel Community Board (4 members plus 1 appointed Councillor)
- Tekapo Community Board (4 members plus 1 appointed Councillor)
- Fairlie Community Board (4 members and 1 appointed Councillor)

## Objectives

- To provide focused debate and feedback to Council on issues surrounding the three urban areas of the Mackenzie District.
- To fulfil the statutory requirements of a Community Board:
  - to represent and act as an advocate for the interests of the community
  - to consider and report on all matters referred to it by the Council, or on any other matter of interest or concern to the Community Board
  - to maintain an overview of services provided by the Council within the community
  - to prepare an annual submission to the Council on expenditure within the community
  - to communicate with community organisations and special interest groups within the community
  - to undertake any of the responsibilities that are delegated to it by the Council.

## Community Outcomes

The community outcomes that community boards primarily contribute to are:

- Democracy that upholds the rights of the individual
- A supportive and contributing community

No measurement was taken during the year on progress made toward the achievement of these or any other outcomes.

## Performance Measures

	Objective	Result
1	To convene, publicly advertise and hold eight meetings for each Community Board.	<b>Achieved</b> Each meeting convened for the community boards was publicly advertised and held in accordance with standing orders. During the year under review, the Fairlie Community Board convened eight meetings; the Tekapo Community Board convened nine meetings and the Twizel Community Board convened nine meetings.
2	To hold regular liaison meetings between the Community Boards and Council	<b>Not Achieved</b> Apart from the involvement of the community boards in the long-term council community planning process, the Council has not held any formal liaison meetings with them.

## Identified Effects on Community Well-Being

The Council believes that the existence of community boards has effects on the economic, social, cultural and environmental well-being of the community; however, these have yet to be formally identified.

## Community Boards cont ...

### Community Boards Financial Summary

Actual 2004/05 \$000's		Budget 2005/06 \$000's	Actual 2005/06 \$000's
	INCOME		
-	General Rates	-	-
75	Targeted Rates	70	70
<b>75</b>	<b>TOTAL INCOME</b>	<b>70</b>	<b>70</b>
	OPERATING EXPENDITURE		
25	Operating Costs	21	21
45	Support Costs	49	49
<b>70</b>	<b>OPERATING COST</b>	<b>70</b>	<b>70</b>
<b>5</b>	<b>NET SURPLUS (DEFICIT)</b>	<b>-</b>	<b>-</b>
	CAPITAL		
-	Capital Expenditure	-	-
<b>-</b>	<b>CAPITAL TO BE FUNDED</b>	<b>-</b>	<b>-</b>
5	Operating Surplus / (Deficit)	-	-
(5)	Reserves/Reduction in Equity	-	-
<b>-</b>	<b>TOTAL SOURCE OF FUNDS</b>	<b>-</b>	<b>-</b>

### Commentary on Community Boards Financial Summary

#### *Surplus/(Deficit)*

There was no surplus for the year; equal to the budgeted break even position.

#### *Revenue*

Total revenue for the year was \$70,000; equal to the budget of \$70,000.

#### *Operating Expenditure*

Total operating expenditure for the year was \$70,000; equal to the budget of \$70,000.

### Community Boards Capital Expenditure

There was no significant capital expenditure for the year under review.

# Elections

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## What the Council does

The Council is required every three years to conduct an election in accordance with the relevant legislation. The 2004 Local Elections were held on 9 October 2004.

## Objectives

- To carry the triennial election in accordance with the Local Electoral Act 2001, the Local Electoral Regulations and the SOLGM Code of Good Practice.

## Community Outcomes

The community outcomes that elections primarily contribute to are:

- Democracy that upholds the rights of the individual
- A supportive and contributing community.

No measurement was taken during the year on progress made toward the achievement of these or any other outcomes.

## Performance Measures

	Objective	Result
1	After the election is completed, to swear in one mayor, six councillors and 12 community board members.	<p><b>Achieved</b> During the year under review, Council was required to conduct two by-elections as the result of the resignation of a community board member in Tekapo and Fairlie.</p> <p>Only one candidate was nominated for the Tekapo Community Board by-election. The successful candidate was declared elected on 11 July 2005 and sworn in on 22 August 2005.</p> <p>Three candidates were nominated for the Fairlie Community Board by-election. The successful candidate was declared elected on 10 February 2006 and sworn in on 22 March 2006.</p>

## Identified Effects on Community Well-Being

The Council believes that the conduct of elections has effects on the social and cultural well-being of the community; however, these have yet to be formally identified.

## Commentary on Elections Financial Summary

The net cost incurred in running the two by-elections was \$10,067. As it was not anticipated that any vacancies would arise during the year, no budget was set.

# Corporate Services

## What the Council does

The corporate services department of the Council provides the support to all areas of the organisation. It includes both the chief executive's section and the finance and administration department.

## Community Outcomes

Corporates services contributes to all six community outcomes.

## Services Provided

- Overall leadership of the council staff through the Chief Executive Officer.
- Preparation of and leading the budgetary process.
- Providing key documents to the community as required under legislation. These include the annual plan, the long-term council community plan and the annual report.
- Provision of reception functions.
- Payment of invoices.
- Setting and collection of rates.
- Preparation and collection of other Council revenue.
- Wage and salary payments to staff and elected representatives.
- Provision of computer support for all departments.
- Reporting on financial position and performance to Council, community boards and management.
- Minute taking during meetings and recording all Council decisions.
- Provision of typing support for the Council.
- Provision and maintenance of the Council office and the Council Chambers.
- Filing and archiving of all documentation that passes through the Council.
- Leading the commercial arm of the Council with regards to real estate and forestry

## Corporate Services Financial Summary

Actual 2004/05 \$000's		Budget 2005/06 \$000's	Actual 2005/06 \$000's
	INCOME		
77	External Revenue	57	63
933	Support Services Revenue	988	947
<b>1,010</b>	<b>TOTAL INCOME</b>	<b>1,045</b>	<b>1,010</b>
	OPERATING EXPENDITURE		
954	Operating Costs	986	953
94	Depreciation	79	53
5	Debt Servicing Interest	3	4
<b>1,053</b>	<b>OPERATING COST</b>	<b>1,068</b>	<b>1,010</b>
<b>(43)</b>	<b>NET SURPLUS (DEFICIT)</b>	<b>(23)</b>	<b>-</b>
	CAPITAL		
181	Capital Expenditure	42	17
<b>181</b>	<b>CAPITAL TO BE FUNDED</b>	<b>42</b>	<b>17</b>
(43)	Operating Surplus / (Deficit)	(23)	-
224	Reserves/Reduction in Equity	65	17
<b>181</b>	<b>TOTAL SOURCE OF FUNDS</b>	<b>42</b>	<b>17</b>

## Commentary on Corporate Services Financial Summary

### Surplus/(Deficit)

There was no surplus for the year, which was \$23,000 greater than the budgeted deficit of \$23,000.

### Revenue

Total revenue for the year was \$1,010,000; \$35,000 less than the budget of \$1,045,000.

The key variance from budget was:

- Support services revenue was less than budgeted. This is an internal transaction and was offset by the decrease in operating expenses.

## Corporate Services cont ...

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### Operating Expenditure

Total operating expenditure for the year was \$1,010,000; \$58,000 less than the budget of \$1,068,000.

The key variances from budget were:

- Operating expenses were down on budget, which was offset by the decrease in support services revenue.

### Corporate Services Capital Expenditure

	Budget 2005/06 \$000's	Actual 2005/06 \$000's
AREA		
Electronic Equipment	14	14
Website Development	15	4
Plant & Equipment	7	7
Building Alterations	6	-
Vehicle Replacement	-	(8)
<b>TOTAL CAPITAL EXPENDITURE</b>	<b>42</b>	<b>17</b>

The key variances from budget were:

- Only \$3,570 was spent on the website development project as it is being carried out in stages.
- The quotes provided for the air conditioning in the Fairlie Office were significantly greater than the budget therefore the project was deferred.
- One office vehicle was transferred to Twizel for use by the building inspector.

# *Council Controlled Organisations*



# Mackenzie Holdings Limited

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## Council Policy

As part of the 2004 long term council community plan, the Council deemed the public airfield at Pukaki to be a strategic asset that it wanted to retain. To achieve this goal, in September 2003 the Council had purchased the surrounding freehold land that was under an airfield designation. It was identified in the plan that a company would be created to assist in the airfield becoming operational.

In October 2004, the Council formally resolved to create Mackenzie Holdings Limited and appointed four directors.

## Council Objectives and Scope of Activities

The long-term council community plan identified the following services to be provided:

- Ensuring there was a public airfield in the Mackenzie District
- The airfield to become operational.

## Results

Through Mackenzie Holdings Limited, the Council's objectives have been achieved as:

- The Pukaki Airfield is open for public use.
- The Pukaki Airfield has become operational.

## Key Performance Measures

Section 9 of the Statement of Intent for Mackenzie Holdings Limited for the year ended 30 June 2006 set out the key performance measures for the Company.

The section states:

*The Company will disclose to its shareholders, on a confidential basis, the following financial information:*

- *Earnings per share.*
- *Dividends per share.*
- *Net assets per share.*
- *Return on total assets.*
- *Return on shareholders' funds.*

As the Company was in a formative stage when the Statement of Intent was developed, no target measures were set. As a result, no performance measures have been reported on.

## Events Subsequent to Balance Date

Council had resolved on 28 June 2005 to transfer approximately 199 hectares of the land comprising the Pukaki Airfield to Mackenzie Holdings Limited at a value to be determined by an independent valuer. This was disclosed as an event subsequent to balance date in the Council's Annual Report for the year ended 30 June 2005.

After further legal and taxation advice, the Council has decided not to transfer the land at the Pukaki Airfield to Mackenzie Holdings Limited. Instead the Council has proposed that the operation of the Airfield and the associated development of the land should be carried out by a committee of Council. This is considered the most tax-efficient structure for the on-going operation of the Airfield. These decisions were formalised at the Council's Finance Committee meeting on 10 October 2006 and the Council meeting on 24 October 2006.

## *Opportunities for Māori to Contribute*

# *Opportunities for Māori to Contribute to Decision-Making Processes*

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## **Legislative Requirements**

Pursuant to Section 21 of the 10<sup>th</sup> Schedule of the Local Government Act 2002, the Mackenzie District Council is required to report on the activities that it has undertaken in the 2004/2005 year to establish and maintain processes to provide Opportunities for Māori to contribute to the decision-making processes of the Council.

## **Council Policy**

The Council has no formal policy on specific consultation with Māori, however, copies of all plans, including the Long Term Council Community Plan and Annual Plan, are provided to the local Iwi, Te Runaka O Arowhenua, with opportunities for the Runaka to make submissions on any issues it deems appropriate.

## **Aoraki Environmental Consultants Limited**

The Mackenzie District Council was fully supportive of the establishment of Aoraki Environmental Consultants Limited, a company formed by Te Runaka O Arowhenua to improve the response to existing and growing demands placed on the Runaka by the Local Government Act 2002 and the Resource Management Act 1991.

The Mackenzie District Council viewed the establishment of such an entity as an important step to ensure that Māori are involved in the decision-making process of Council.

# *Statement of Accounting Policies*

# Statement of Accounting Policies

## Accounting Entity

The Mackenzie District Council is a local authority under the Local Government Act 2002. The Mackenzie District financial statements have been prepared in accordance with the Local Government Act 2002; Financial Reporting Standards issued by the Institute of Chartered Accountants of New Zealand and generally accepted accounting standards.

## Measurement Base

The financial statements have been prepared in accordance with the requirements of Section 111 of the Local Government Act 2002, and the pronouncements of the Institute of Chartered Accountants of New Zealand. The measurement base adopted is that of historical cost, modified by the revaluation of certain assets.

## Accounting Policies

### Basis of Preparation of the Financial Statements

The financial statements presented in this annual report include a Statement of Financial Performance, Statement of Financial Position, Statement of Cash Flows and Statement of Changes in Equity with supporting notes, encompassing all activities of Council. In order to meet its obligations of public accountability, the Council has also included for each significant activity, a separate Financial Summary.

### Basis of consolidation of the Financial Statements

The consolidated financial statements include Council and its subsidiary, Mackenzie Holdings Limited. The subsidiary is accounted for using the purchase method, which involves adding together corresponding assets, liabilities, revenues and expenses on a line-by-line basis. All significant inter-entity transactions are eliminated on consolidation.

### Budget Figures

The budget figures are those approved by the Council at the beginning of the year after a period of consultation with the public as part of the annual plan process. The budget figures have been prepared in accordance with generally accepted accounting practices and are consistent with accounting policies adopted by the Council for the preparation of the financial statements.

### Revenue Recognition

Rates are recognised as income when the rates for the year are struck, and Government grants are recognised when the entitlement is established.

## Recognition of Contributions

Financial and Upgrade contributions made by developers are recognised when invoiced.

Council has entered into agreements with developers who have paid contributions in advance. The contributions under these agreements are recognised when the Section 224 Certificates have been issued by Council for the relevant development.

## Allocation of Overheads

Internal support and administration operations (support activities) have been allocated to each significant activity on the basis of various cost drivers relative to the usage of services.

## Investments

Council owns shares in Alpine Energy Ltd and Opihi River Development Company Ltd. Ordinary shares are valued at the net asset backing of each company. Preference shares are valued at cost.

Company:	No.	Value
Alpine Energy Ltd	2,049,870	\$2.23
Opihi River Development Company Ordinary	1,200,000	\$0.00
Preference	675,000	\$1.00

Council also holds investments in stock issued by local authorities, registered banks, strongly rated SOEs and corporates. These investments are valued at net realisable value. Other investments are stated at cost.

## Assets:

### i) Valuation

#### Forestry

The Council's forestry assets have been revalued by Terry O'Neill (Bachelor of Forestry Science) Forester, Ashburton District Council. The valuation was undertaken as at 30 June 2006 using the following basis:

- ❖ Mature Stands – Market Value
- ❖ Immature Stands – Net Present Value

Forestry Assets are revalued on an annual basis.

# Statement of Accounting Policies cont...

## Infrastructural Assets

These are fixed utility systems, which are available for open and unrestricted use by the community. They provide a continuing service to the community and are not regarded as tradable. Infrastructural assets include sewage, stormwater, water supply, bridges and roading systems. Council's infrastructural assets have been included in this annual report at their 1 July 2004 valuations, plus additions at cost, less associated depreciation.

The valuation of the infrastructural assets, conducted on a three yearly basis, was conducted by a registered valuer, Maunsell, and has been valued at depreciated replacement cost as at 1 July 2004. Landfills and village projects are stated at cost. Subsequent additions have been valued at cost and depreciated.

## Land Under Roads

The land under the roading network has been valued as part of the roading network. The value of the land is based on the average rateable value of the land in the associated ward as deemed by Quotable Value.

## Land & Buildings

All land has been revalued to Government Valuation as at 1 October 1991, determined by Valuation New Zealand. Buildings have been revalued as at 1 July 2004 by Quotable Value. Future valuations will be carried out on a three yearly basis. Buildings have been valued using market values where a market exists for that asset or depreciated replacement cost. These valuations have been adopted as a deemed cost. Each building has also been componentised into: structure; services and internal fitout. The vertical composting unit has also been revalued as at 1 July 2004. Additions since that date have been valued at cost less depreciation for buildings, and at cost for land.

## Heritage Assets

Heritage assets have been included in these accounts at cost less accumulated depreciation.

## Other Assets

All other assets are valued at the lower of cost and net realisable value.

## Properties Intended For Sale

Where Council has incurred costs in developing land for sale in the future, it has been classified as Properties Intended for Sale. These properties are valued at Government Valuation as at 1 October 1991 as determined by Quotable Value. These valuations

were adopted as deemed cost. Direct costs incurred in the process of developing the land have been added to the value of the land. When the land is disposed of, the cost of the land will be recognised as an expense.

## ii) Depreciation

### Land

Land is not depreciated.

### Forestry

Forestry assets are not depreciated.

### Motor Vehicles

Motor vehicles are depreciated at 20% per annum on the basis of diminishing value.

### Infrastructural Assets and Buildings

Depreciation is provided on a straight line basis at rates that will write off the cost (or valuation) of the asset over their useful lives. The useful lives of the assets are as follows:

#### Roading/Bridge Network

❖ Land under roads	Not depreciated
❖ Formation	Not depreciated
❖ Sub base	Not depreciated
❖ Base Course	75 – 100 years
❖ Surfacing	0 – 17 years
❖ Kerb & Channelling	10 – 100 years
❖ Street Signs	13 years
❖ Street Lighting	20 - 40 years
❖ Bridges	80 years

#### Water Network

❖ Piping Mains	60 – 80 years
❖ Pumps	15 years
❖ Servicelines	80 – 100 years
❖ Hydrants	100 years
❖ Valves and Air Valves	80 years
❖ Meters	25 years
❖ Reservoirs	80 years

# Statement of Accounting Policies cont...

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## Sewerage Network

❖	Mains	60-80 years
❖	Pumps	10-80 years
❖	Oxidation	60-100 years
❖	Manholes	100 years

## Stormwater Network

❖	Lines	100 years
❖	Manholes	100 years
❖	Open Drains	Not depreciated

## Buildings

❖	Structure	80 years
❖	Services	45-60 years
❖	Internal Fitout	25-40 years

## Other Assets

All other assets are depreciated on a straight line basis at rates that will write off their costs, less any estimated final sales value, over their expected useful economic life. The expected lives of major classes of assets are as follows:

❖	Light Plant & Machinery	8-80 years
❖	Office Equipment	2-10 years
❖	Furniture & Fittings	4-10 years
❖	Computer Equipment	3-5 years
❖	Computer Network Cabling	10 years
❖	Heritage Assets	60-150 years
❖	Village Projects	5-80 years
❖	Landfills	33-50 years
❖	Resource Recovery Parks:	
—	Formation/Site Development	35 years
—	Surfacing/Metalling	15 years
—	Signage, Plant & Equipment	5-25 years

## Operational vs Restricted Assets

Fixed assets have been separated into operational and restricted assets, which are defined as follows:

### Operational Assets

- Tangible assets able to be dealt with as part of the operating strategy.

### Restricted Assets

- These cannot be disposed of because of legal or other restrictions and provide a benefit or service to the community. They include reserves vested under the Reserves Act, and endowments and other property held in trust for specific purposes.

## Debtors

Debtors are stated at estimated realisable value.

## Operating Reserves

Operating reserves consist of surpluses earned over time, and funds set aside for special purposes. These reserves represent funds available for the use in trading and operation of Council for special purposes. All special purpose funds and assets are separately accounted for and balanced with the cash resources retained by Council for special purposes.

## Other Reserves & Special Funds Reserves

Other reserves consist of funds which have been received over time by the Council, usually by way of a donation or bequest, the terms of which restrict the use of funds. Each amount has been set up as a trust fund to maintain a degree of independence from general Council funds. All such funds are separately accounted for and are not available for any other purpose.

## Capital Reserves

Pursuant to the policy for funding of capital expenditure adopted by the Council as part of the long term council community plan, a capital reserve has been created for all activities of Council that involve assets. The movements within the capital reserves involve all capital income received for the activity and any capital expenditure incurred within that activity.

# Statement of Accounting Policies cont...

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The Capital Income includes Depreciation funded from Rates, Financial and Upgrade Contributions and Grants. Depending on the movements in the Capital Reserve, the balance can be in funds or overdrawn. An overdrawn Capital Reserve is, in effect, an internal loan from the Council to the community and conversely, a Capital Reserve in funds is an internal loan from the community to the Council. An interest component is applied to the Capital Reserve depending on whether the particular Reserve is in funds or overdrawn. The Council policy is to charge interest on overdrawn Capital Reserves at 100 basis points above the Official Cash Rate and pay interest for Capital Reserves with funds at a rate of 25 basis points less than the Official Cash Rate.

## Asset Revaluation Reserve

Any increases in equity as a result of assets being revalued have been recognised as an increase to the Asset Revaluation Reserve. Any decreases as a result of a devaluation have been recognised as a decrease to the Asset Revaluation Reserve to the extent of the original cost. Any devaluations that result in the relevant asset being valued at less than the original cost have been recognised as an expense.

## Goods & Services Tax (GST)

All items in the financial statements are exclusive of GST with the exception of receivables and payables, which are stated as GST inclusive. When GST is not recovered as an input tax then it is recognised as part of the related asset or expenses.

## Taxation

The income tax expenses charged against the profit for the year is the estimated liability in respect of that profit and is calculated after allowance for permanent differences. The Council uses the liability method of accounting for deferred taxation and applies this on a comprehensive basis. Future tax benefits attributable to tax losses or timing differences are only recognised when there is virtual certainty of realisation.

Income derived from the Council's Subsidiary, Mackenzie Holdings Limited, is taxable and is disclosed separately, where applicable.

## Inventories & Work in Progress

Inventories are stated at the lower of cost, determined by a first-in, first-out basis and net realisable value. Cost of work in progress includes the cost of materials, direct labour and overheads.

## Employee Entitlements

Provision is made in respect of the Council's annual leave. This provision has been calculated on an actual entitlement basis at current rates of pay.

## Financial Instruments

The Council is party to financial instruments as part of its normal operations. These financial instruments are contracts that give rise to the Financial Assets and Liabilities or Equity in another entity. These include bank accounts, investments, debtors and creditors. All of these are recognised in the Statement of Financial Position. Revenues and expenses in relation to financial instruments are recognised in the Statement of Financial Performance.

## Statement of Cashflows

*Cash* means cash balances on hand, held in bank accounts, demand deposits and other highly liquid investments in which the Council invests as part of its day-to-day cash management.

*Operating activities* include cash received from all income sources of the Council and record the cash payments made for the supply of goods and services. Agency transactions (for example, the collection of regional council rates) are recognized as receipts and payments in the statement of cash flows given that they flow through the Council's main bank account.

*Investing activities* are those activities relating to the acquisition and disposal of non-current assets.

*Financing activities* comprise activities that change the equity and debt capital structure of the Council.

## Changes in Accounting Policies

There have been no changes in accounting policies. All policies have been applied on a basis consistent with those in the previous year.



# *Financial Statements*

*Statement of Financial Performance*

*Statement of Movements in Equity*

*Statement of Financial Position*

*Statement of Cashflows*

*Statement of Commitments and Contingencies*

*Notes to the Accounts*

## Statement of Financial Performance

Council Actual 2004/05 \$000's	Group Actual 2004/05 \$000's		Note	Council Budget 2005/06 \$000's	Council Actual 2005/06 \$000's	Group Actual 2005/06 \$000's
		<b>REVENUE</b>				
1,739	1,739	General Rates		1,698	1,698	1,698
1,829	1,829	Targeted Rates	1	2,022	2,026	2,026
1,695	1,695	Subsidies & Grants	2	1,086	1,244	1,244
660	659	Investment Income	3	618	704	696
1,049	1,057	Other	4	1,042	1,751	1,764
4	4	Real Estate Sales		1,000	480	480
631	631	Financial Contributions		1,752	1,078	1,078
294	294	Reserve Contributions		116	303	303
<b>7,901</b>	<b>7,908</b>	<b>Total Revenue</b>		<b>9,334</b>	<b>9,284</b>	<b>9,289</b>
		<b>OPERATING EXPENSES</b>				
1,053	1,053	Corporate Services		1,065	1,117	1,117
319	378	Commercial Activities and investments		219	200	269
3,788	3,788	Essential Services		3,648	4,052	4,052
1,278	1,278	Facilities Management		1,328	1,347	1,347
301	301	Democracy		266	270	270
193	193	Tourism and Economic Development		196	222	222
591	591	Environmental Management		647	710	710
<b>7,523</b>	<b>7,582</b>	<b>Total Expenditure</b>	5	<b>7,369</b>	<b>7,918</b>	<b>7,987</b>
<b>378</b>	<b>326</b>	<b>OPERATING SURPLUS (DEFICIT) BEFORE TAXATION</b>		<b>1,965</b>	<b>1,366</b>	<b>1,302</b>
-	-	Provision For Taxation	14	-	-	-
<b>378</b>	<b>326</b>	<b>OPERATING SURPLUS (DEFICIT) AFTER TAXATION</b>		<b>1,965</b>	<b>1,366</b>	<b>1,302</b>

## Statement of Movements in Equity

Council Actual 2004/05 \$000's	Group Actual 2004/05 \$000's		Council Budget 2005/06 \$000's	Council Actual 2005/06 \$000's	Group Actual 2005/06 \$000's
94,728	94,728	Equity at the Start of the Period	96,742	104,022	103,970
378	326	Net Surplus/(Deficit)	1,965	1,366	1,302
-	-	Prior Period Adjustment	-	14	14
8,916	8,916	Increase/(Decrease) in Revaluation Reserves (Note 6)	-	297	297
9,294	9,242	Total Recognised Revenues & Expenses for the Period	1,965	1,677	1,613
104,022	103,970	Equity at the End of the Period	98,707	105,699	105,583

## Statement of Financial Position

Council Actual 2004/05 \$000's	Group Actual 2004/05 \$000's		Note	Council Budget 2005/06 \$000's	Council Actual 2005/06 \$000's	Group Actual 2005/06 \$000's
83,569	83,517	Accumulated General Funds		87,970	83,355	83,239
(3,769)	(3,769)	Capital Reserves	10	(4,910)	(2,369)	(2,369)
526	526	Operational Reserves	11	865	497	497
6,207	6,207	Special Funds	8	6,207	6,420	6,420
9	9	Other Reserves	9	9	19	19
17,480	17,480	Asset Revaluation Reserve	7	8,566	17,777	17,777
<b>104,022</b>	<b>103,970</b>	<b>PUBLIC EQUITY</b>		<b>98,707</b>	<b>105,699</b>	<b>105,583</b>
64	64	Non Current Liabilities	22	-	58	58
1,447	1,477	Current Liabilities	23	812	2,054	2,080
<b>105,533</b>	<b>105,511</b>	<b>TOTAL PUBLIC EQUITY &amp; LIABILITIES</b>		<b>99,519</b>	<b>107,811</b>	<b>107,721</b>
		<b>NON CURRENT ASSETS</b>				
93,979	93,986	Fixed Assets	16	90,733	93,773	93,854
-	-	Properties Intended for Sale		-	1,049	1,049
8,789	8,789	Investments	15	7,832	8,997	8,997
<b>102,768</b>	<b>102,775</b>	<b>Total Non Current Assets</b>		<b>98,565</b>	<b>103,819</b>	<b>103,900</b>
		<b>CURRENT ASSETS</b>				
2,123	2,079	Debtors & Stock	13	559	2,371	2,199
642	657	Cash and Short Term Funds	12	394	1,621	1,622
<b>2,765</b>	<b>2,736</b>	<b>Total Current Assets</b>		<b>954</b>	<b>3,992</b>	<b>3,821</b>
<b>105,533</b>	<b>105,511</b>	<b>TOTAL ASSETS</b>		<b>99,519</b>	<b>107,811</b>	<b>107,721</b>

## Statement of Cashflows

Council Actual 2004/05 \$000's	Group Actual 2004/05 \$000's		Council Budget 2005/06 \$000's	Council Actual 2005/06 \$000's	Group Actual 2005/06 \$000's
		<b>OPERATING ACTIVITIES</b>			
		<b>Cash was Provided From</b>			
3,568	3,568	Rates	3,720	3,684	3,684
3,339	3,342	Other Income	4,996	3,612	3,738
325	324	Interest Received	243	183	175
334	334	Dividends Received	375	352	352
7,567	7,569		9,334	7,831	7,949
		<b>Cash was Applied To:</b>			
5,172	5,152	Payment to Suppliers and Employees	5,366	4,557	4,615
<b>2,395</b>	<b>2,417</b>	<b>Net Cashflow from Operating Activities</b>	<b>3,968</b>	<b>3,274</b>	<b>3,334</b>
		<b>INVESTING ACTIVITIES</b>			
291	290	Provided from: Sale of Assets/Investments	-	-	-
3,882	3,888	Applied to: Purchase assets/investments	3,629	2,129	2,203
<b>(3,591)</b>	<b>(3,598)</b>	<b>Net Cashflow from Investing Activities</b>	<b>(3,629)</b>	<b>(2,129)</b>	<b>(2,203)</b>
		<b>FINANCING ACTIVITIES</b>			
23	23	Provided from: Debt borrowed	-	-	-
160	160	Applied to: Debt repayment	160	166	166
<b>(137)</b>	<b>(137)</b>	<b>Net cashflow from Financing Activities</b>	<b>(160)</b>	<b>(166)</b>	<b>(166)</b>
		<b>SUMMARY OF NET CASHFLOWS</b>			
2,395	2,417	Net cashflow from Operating Account	3,968	3,274	3,334
(3,591)	(3,591)	Net cashflow from Investing Account	(3,629)	(2,129)	(2,203)
(137)	(137)	Net cashflow from Financing Account	(160)	(166)	(166)
<b>(1,333)</b>	<b>(1,318)</b>	<b>Net increase/(decrease) in cash</b>	<b>179</b>	<b>979</b>	<b>965</b>
1,975	1,975	Cash at beginning of period (1 July 2005)	215	642	657
<b>642</b>	<b>657</b>	<b>Cash at end of period (30 June 2006)</b>	<b>394</b>	<b>1,621</b>	<b>1,622</b>

# Statement of Cashflows

## RECONCILIATION OF NET SURPLUS AFTER TAXATION TO CASHFLOW FROM OPERATING ACTIVITIES

Council Actual 2004/05 \$000's	Group Actual 2004/05 \$000's		Council Budget 2005/06 \$000's	Council Actual 2005/06 \$000's	Group Actual 2005/06 \$000's
378	326	<b>Net Surplus/(Deficit)</b>	1,965	1,366	1,302
-	-	<b>Add (subtract) non cash items</b>	-	(507)	(507)
-	-	Assets Vested in Council	-	14	14
2,142	2,142	Prior Period Adjustment	2,003	2,232	2,232
20	20	Depreciation	-	42	42
2,540	2,488	Loss on Sale of Fixed Assets	3,968	3,147	3,083
(317)	(278)	<b>Add (Subtract) Movements in Working Capital Items</b>	-	(971)	(858)
(44)	(9)	(Increase) Decrease in Debtors and Prepayments	-	1,573	1,584
12	12	Increase (Decrease) in Creditors & Provisions	-	(35)	(35)
2,191	2,213	(Increase) Decrease in Inventories	3,968	3,714	3,774
204	204	<b>Less Items Classified as Investing Activities</b>	-	(440)	(440)
2,395	2,417	Movements in Fixed Asset related payables	3,968	3,274	3,334
		<b>Net Cashflow from Operating Activities</b>			

## Statement of Commitments and Contingencies

Commitments represent contracts entered into but the obligations or considerations yet to be delivered.

This statement indicates the total funds that the Council is committed to spending in the future on projects in excess of \$10,000. The items listed cover all activities of the Council including its social and trading activities.

Council Actual 2004/05 \$000's		Council Actual 2005/06 \$000's	Group Actual 2005/06 \$000's
	<b>Community Services</b>		
47	Contribution to Twizel Library	47	47
47	Contribution to Mackenzie Community Library	48	48
5	Heritage Museum	5	5
<b>97</b>		<b>100</b>	<b>100</b>

### Other Non-Cancellable Contracts

The Council has entered into non-cancellable contracts for most of its physical works including infrastructural, and town maintenance. Details of the commitments under these contracts are as follows:

Council Actual 2004/05 \$000's		Council Actual 2005/06 \$000's	Group Actual 2005/06 \$000's
1,845	Not later than one year	1,426	1,426
1,199	Later than two years & not later than five years	611	611
773	Later than one year & not later than two years	686	686
-	Capital Projects approved and contracted not later than one year	582	582
<b>3,817</b>		<b>3,305</b>	<b>3,305</b>

# Notes to the Accounts

## Note 1 – Targeted Rates Income

Each significant activities separate rates are stated at gross, excluding the distribution of investment income. Income from Council's investments is distributed to each community in the District – Fairlie, Lake Tekapo, Twizel and Rural. This distribution reduces the total Works & Services Rate to be levied over each community. The distribution of investment income is on the basis of each community's capital values. In order to fairly reflect the total external operations for the Council in the Statement of Financial Performance, these transactions are eliminated.

The total targeted rates that were struck were calculated as follows:

Council Actual 2004/05 \$000's	Group Actual 2004/05 \$000's		Council Budget 2005/06 \$000's	Council Actual 2005/06 \$000's	Group Actual 2005/06 \$000's
		<b>Targeted Rates Required</b>			
1,798	1,798	Essential Services	1,981	1,985	1,985
740	740	Community Facilities	804	804	804
93	93	Environmental Management	100	100	100
75	75	Democracy	69	70	70
<b>2,706</b>	<b>2,706</b>	<b>Total Targeted Rates Required</b>	<b>2,954</b>	<b>2,959</b>	<b>2,959</b>
		<b>Less Distribution of Investment Income</b>			
		- Budgeted Contribution to Rates from Investments	(868)	(869)	(869)
		- Budgeted Contribution to Works & Services Rates Per Commercial	(64)	(64)	(64)
<b>1,829</b>	<b>1,829</b>	<b>Targeted Rates Struck</b>	<b>2,022</b>	<b>2,026</b>	<b>2,026</b>

## Note 2–Subsidies and Grants

Council Actual 2004/05 \$000's	Group Actual 2004/05 \$000's		Council Budget 2005/06 \$000's	Council Actual 2005/06 \$000's	Group Actual 2005/06 \$000's
196	196	Grants	14	29	29
1,408	1,408	LTNZ Subsidies	991	1,129	1,129
73	73	Petroleum Tax	53	68	68
18	18	Transit	28	18	18
<b>1,695</b>	<b>1,695</b>	<b>Total Subsidies and Grants</b>	<b>1,086</b>	<b>1,244</b>	<b>1,244</b>

## Note 3–Investment Income

Council Actual 2004/05 \$000's	Group Actual 2004/05 \$000's		Council Budget 2005/06 \$000's	Council Actual 2005/06 \$000's	Group Actual 2005/06 \$000's
326	325	External Interest	243	359	351
156	157	Internal Interest	299	189	189
334	334	Dividend	375	345	345
816	816		917	893	885
(156)	(157)	Less Internal Interest	(299)	(189)	(189)
<b>660</b>	<b>659</b>	<b>Total Investment Income</b>	<b>618</b>	<b>704</b>	<b>696</b>

## Note 4 –Other Income

Council Actual 2004/05 \$000's	Group Actual 2004/05 \$000's		Council Budget 2005/06 \$000's	Council Actual 2005/06 \$000's	Group Actual 2005/06 \$000's
(12)	(12)	Contributions towards projects	5	9	9
126	130	Rental Income	110	146	159
622	626	User Fees & Donations	762	831	831
313	313	Other Sales	165	765	765
<b>1,049</b>	<b>1,057</b>	<b>Total Other Income</b>	<b>1,042</b>	<b>1,751</b>	<b>1,764</b>



## Notes to the Accounts cont...

### Note 5–Expenditure

Included in the Statement of Financial Performance for Council are the following items of expenditure:

Council Actual 2004/05 \$000's		Council Budget 2005/06 \$000's	Council Actual 2005/06 \$000's
1,385	<b>Salaries and Wages</b>	1,500	1,569
	<b>Audit Fees</b>		
56	Fees paid to principal auditor – Annual Report	50	51
-	Fees paid to principal auditor – LTCCP	15	34
-	Other services provided by the principal auditor	-	-
<b>56</b>	<b>Total Audit Fees for the year</b>	<b>65</b>	<b>85</b>
	<b>Depreciation</b>		
210	Building	168	213
62	Light Plant & Machinery	56	62
53	Motor Vehicles	47	46
12	Office Equipment	12	13
13	Furniture & Fittings	13	12
46	Computer Equipment	56	53
6	Resource Recovery Parks	7	7
1	Heritage Assets	1	1
1	Resource Consents	-	2
151	Sewerage Schemes	166	198
35	Stormwater Schemes	40	34
46	Rural Water Supplies	53	46
183	Urban Water Supplies	157	185
4	Landfills	4	4
39	Village Projects	57	43
1,280	Roading	1,166	1,307
<b>2,142</b>	<b>Total Depreciation for the year</b>	<b>2,003</b>	<b>2,226</b>

Council Actual 2004/05 \$000's		Council Budget 2005/06 \$000's	Council Actual 2005/06 \$000's
	<b>Elected Member Fees</b>		
17	Stan Scorringe	-	-
2	Bronwen Murray	-	-
11	Barry Stringer	12	13
3	Francie Edge	-	-
11	John Gallagher	12	13
2	John Miller	-	-
3	Ron Walter	-	-
2	Frank Hocken	-	-
14	Simon McDermott	15	16
11	Dave Pullen	12	12
8	Evan Williams	12	12
8	Graeme Page	12	13
35	John O'Neill	45	46
8	Fairlie Community Board Members	7	6
8	Tekapo Community Board Members	7	7
7	Twizel Community Board Members	7	7
<b>150</b>	<b>Total Councillors Fees for the year</b>	<b>141</b>	<b>145</b>
114	Insurance	108	106
22	Subscriptions	22	22
-	Robes and Insignia	-	-
-	Ceremonies for the Public	-	-
-	Unauthorised Expenditure	-	-
115	Donations & Grants	108	115
-	Bad Debts Written Off	-	-
-	Changes in Provision for Doubtful Debts	-	-
19	Loss on Sale of Assets and Assets Written Off	-	42
-	Entertainment	-	-

## Notes to the Accounts cont...

### Note 6 – Reconciliation of Internal Income & Internal Expenses

Each significant activity is stated gross of internal income and expenditure. In order to fairly reflect the total external operations for the Council in the Statement of Financial Performance, these transactions are eliminated as shown below:

#### Internal Expenses

Internal support and administration operations (support activities) have been allocated to each significant activity on the basis of various cost drivers relative to the usage of services.

Council Actual 2004/05 \$000's		Council Budget 2005/06 \$000's	Council Actual 2005/06 \$000's
<b>Internal Income</b>			
428	Essential Services	495	489
121	Community Facilities	129	125
32	Environmental Management	32	32
1,070	Corporate Services	1,134	1,162
66	Roading Business Unit Services	53	53
<b>1,717</b>	<b>Total Internal Income</b>	<b>1,843</b>	<b>1,861</b>
<b>Internal Expenses</b>			
647	Essential Services	674	674
242	Community Facilities	260	260
163	Environmental Management	177	177
375	Democracy	413	431
9	Tourism & Economic Development	15	15
80	Commercial Activities	87	87
138	Corporate Services	147	147
24	Investments	27	27
39	Roading Business Unit Services	43	43
<b>1,717</b>	<b>Total Internal Expenses</b>	<b>1,843</b>	<b>1,861</b>

### Note 7 –Revaluation Reserve

Council Actual 2004/05 \$000's		Council Budget 2005/06 \$000's	Council Actual 2005/06 \$000's
194	Forestry Revaluation Reserve	-	280
2,231	Share Revaluation Reserve	2,227	2,442
	Infrastructural Assets Revaluation Reserves		
1,845	- Water Supplies	1,027	1,845
1,355	- Wastewater Schemes	790	1,355
493	- Stormwater Schemes	737	493
7,490	- Roading	3,785	7,490
96	- Plant	-	96
3,776	- Buildings	-	3,776
<b>17,480</b>	<b>Total Revaluation Reserves</b>	<b>8,566</b>	<b>17,777</b>

### Note 8 –Special Fund Reserve

Council Actual 2004/05 \$000's		Council Budget 2005/06 \$000's	Council Actual 2005/06 \$000's
40	Albury Water Fund	40	40
(40)	Ashwick/Opuha Water Fund	(40)	(40)
20	Building Maintenance	20	31
7	Housing Replacement	7	7
200	Insurance Reserve	200	200
408	Land Subdivision	408	633
2	Pensioner Housing Amenities	2	2
5,569	Real Estate Investment	5,569	5,546
1	Strathconan Pool Capital	1	1
<b>6,207</b>	<b>Total Special Fund Reserves</b>	<b>6,207</b>	<b>6,420</b>

## Notes to the Accounts cont...

### Note 9 – Other Reserves

Council Actual 2004/05 \$000's		Council Budget 2005/06 \$000's	Council Actual 2005/06 \$000's
4	Albury War Memorial	4	4
2	Ashwick/Allandale War Memorial	2	2
1	Davidson Bequest	1	1
1	Gillingham Bequest	1	1
1	Gould Bequest	1	1
0	Paterson Ponds	0	10
<b>9</b>	<b>Total Other Reserves</b>	<b>9</b>	<b>19</b>

### Note 10 –Capital Reserve

Council Actual 2004/05 \$000's		Council Budget 2005/06 \$000's	Council Actual 2005/06 \$000's
(31)	Administration	(23)	9
(305)	Allandale Water	(854)	(294)
21	Ashwick/Opuha Water	6	24
(17)	Asset Management	(9)	(9)
(8)	Burkes Pass Sewer	(7)	(11)
(2)	Burkes Pass Water	12	4
(11)	CEO Department	(3)	(3)
34	Civil Defence	(17)	35
(2)	Community Facilities	(4)	(3)
(1)	District Council	(2)	(3)
(35)	District General	(38)	(19)
(8)	Fairlie Roding	(50)	(22)
(97)	Fairlie RRP	(90)	(97)

Council Actual 2004/05 \$000's		Council Budget 2005/06 \$000's	Council Actual 2005/06 \$000's
(187)	Fairlie Sewer	(148)	(145)
31	Fairlie Stormwater	(55)	1
(33)	Fairlie Township	(134)	(31)
(220)	Fairlie Water	(518)	(186)
342	Forestry	-	226
0	Hardfill Sites	(13)	(6)
(3)	Inspectorate	(22)	(9)
(31)	IT Department	(2)	(45)
4	Kimbell Water	4	5
1	Lake Tekapo Roding	(244)	(5)
(139)	Lake Tekapo RRP	(128)	(139)
(2,170)	Lake Tekapo Sewer	(1,624)	(1,876)
22	Lake Tekapo Stormwater	53	27
(68)	Lake Tekapo Township	(4)	1
(567)	Lake Tekapo Water	(131)	(348)
(46)	Planning	(82)	(53)
(8)	Roding Professional Business Unit	(2)	(3)
(58)	Rural Fire Control	(87)	(92)
125	Rural Roding	10	349
(1)	School Road Water	(10)	(1)
7	Sherwood Downs Hall	33	7
27	Sherwood Downs Recreation Reserve	-	28
(3)	Spur Road Water	(29)	(2)
(405)	Treatment of Organic Waste	(377)	(375)
(234)	Twizel Events Centre	(204)	(162)
(10)	Twizel Roding	(150)	30
(137)	Twizel RRP	(126)	(151)
83	Twizel Sewer	(128)	289
131	Twizel Stormwater	143	149
255	Twizel Water	153	549
(15)	Waste Management	(9)	(12)
<b>(3,769)</b>	<b>Total Capital Reserves</b>	<b>(4,910)</b>	<b>(2,369)</b>

## Notes to the Accounts cont...

### Note 11 – Operating Reserve

Council Actual 2004/05 \$000's		Council Budget 2005/06 \$000's	Council Actual 2005/06 \$000's
5	Albury Hall	5	5
21	Albury Water Supply	-	14
(499)	District – General	(499)	(655)
7	Downlands Water Supply	7	7
(3)	Fairlie Community Refuse Collection	-	(1)
3	Fairlie Works & Services	-	6
5	Lake Tekapo Community Refuse Collection	-	5
7	Lake Tekapo Works & Services	-	20
(48)	Roading Professional Services Business Unit	-	(79)
886	Real Estate	1,308	1,067
28	Rural Works & Services	-	35
92	Tourism & Development	44	86
(6)	Twizel Community Refuse Collection	-	(3)
28	Twizel Works & Services	-	(10)
<b>526</b>	<b>Total Operating Reserves</b>	<b>865</b>	<b>497</b>

### Note 12 – Cash Resources

Council Actual 2004/05 \$000's		Council Budget 2005/06 \$000's	Council Actual 2005/06 \$000's
50	National Bank Current Account	50	54
(108)	Westpac Banking Corporation	344	137
700	Funds on Call	-	705
-	Current Portion of Investments	-	725
<b>642</b>	<b>Total Cash Resources</b>	<b>394</b>	<b>1,621</b>

### Note 13 – Debtors & Stock

Council Actual 2004/05 \$000's		Council Budget 2005/06 \$000's	Council Actual 2005/06 \$000's
42	Rates	-	86
392	Accrued Interest	-	561
778	Sundry Receivables	559	1,409
31	Stock on Hand	-	66
31	Prepayments	-	42
-	Accrued Land Sales	-	190
849	Properties intended for sale	-	17
<b>2,123</b>	<b>Total Accounts Receivable</b>	<b>559</b>	<b>2,371</b>

### Note 14 – Taxation

Council Actual 2004/05 \$000's		Council Budget 2005/06 \$000's	Council Actual 2005/06 \$000's
378	Surplus (Deficit) From Operations	1,956	1,377
124	Prima Facie Taxation @33%	645	454
32	Taxation Effect of Permanent Differences	(461)	(284)
(156)	Imputation Credit Adjustment	(184)	(170)
-	Prior Period Adjustments	-	-
-	Tax Loss Not Recognised	-	-
-		-	-
The Taxation Charge Is Represented By:			
-	Prior Years over Provision	-	-
-	Current Taxation	-	-
-	Deferred Taxation	-	-
-		-	-

The Council has unrecognised tax losses \$142,681 (2005: \$140,710), with the tax effect \$47,085 (2005: \$46,434) available for carry forward in offsetting assessable income in future years.

## Notes to the Accounts cont...

### Note 15 –Investments

Council Actual 2004/05 \$000's		Council Budget 2005/06 \$000's	Council Actual 2005/06 \$000's
503	Other Registered Banks	500	500
2,025	Strongly Rated Corporates	1,070	2,754
494	Local Government Stock	500	496
571	Downlands Water Scheme	571	658
65	Mortgages	60	60
-	Shares – Opihi River Dev. Co. – Ordinary	-	-
675	Shares – Opihi River Dev. Co. – Preference	675	675
4,456	Shares – Alpine Energy Limited	4,456	4,579
8,789		7,832	9,722
-	Less Current Portion of Investments	-	725
<b>8,789</b>		<b>7,832</b>	<b>8,997</b>

### Interest Rates

The weighted average effective interest rates on investments were

6.75%	Call Accounts	7.15%
6.31%	Local Authority Stock	6.17%
7.45%	State Owned Enterprises and Strongly Rated Corporates	7.22%
7.37%	Trading Bank Stock	7.10%

### Equity Investments

Ordinary shares are valued at the net asset backing of each company. Preference shares are valued at cost.

Company:	No.	Value
Alpine Energy Ltd	2,049,870	\$2.23
Opihi River Development Company Ordinary	1,200,000	\$0.00
Preference	675,000	\$1.00

### Investment in the Opuha Dam Entities

Council has investments in the Opuha Dam Project, through one of the Dam Company's subsidiaries, Opihi River Development Company Ltd.

The Council holds Redeemable Preference Shares to the value of \$675,000. These shares, along with the accrued dividend earned from them have been guaranteed by South Canterbury Finance Limited. These shares are scheduled to be redeemed over a three year period commencing 1 July 2006.

The Council also holds 1.2 million Ordinary Shares which have been written off. Last year's value was zero.

### Downlands Water Supply

The Downlands Water Supply, administered by Timaru District Council, serves some properties within the Albury Area of the Mackenzie District.

The supply also extensively serves properties within the Timaru and Waimate Districts.

Council's investment in the scheme is stated at deemed cost, amounting to \$658,664.

## Notes to the Accounts cont...

### Note 16 –Fixed Assets – Council Only

	Net Book Value 30 June 2005 \$000's	Assets Valued At Cost \$000's	Assets Valued On Valuation \$000's	Total Assets Valued at Cost of Valuation \$000's	Net Accumulated Depreciation \$000's	Net Book Value 30 June 2006 \$000's
<b>Operational Assets</b>						
Land	2,065	2,149	-	2,149	-	2,149
Buildings	8,829	-	9,040	9,040	423	8,617
Light Plant & Machinery	593	396	514	910	357	553
Motor Vehicles	213	448	-	448	223	225
Office Equipment	43	164	-	164	131	33
Furniture & Fittings	73	405	-	405	337	68
Computer Equipment	107	465	-	465	375	90
Forestry	1,596	-	1,683	1,683	-	1,683
Resource Recovery Parks	204	244	-	244	40	204
Heritage Assets	21	30	-	30	9	21
	13,744	4,301	11,237	15,538	1,895	13,643
<b>Restricted Assets</b>						
Land	1,044	1,016		1,016		1,016
<b>Total Operational &amp; Restricted Assets</b>	<b>14,788</b>	<b>5,317</b>	<b>11,237</b>	<b>16,554</b>	<b>1,895</b>	<b>14,659</b>
<b>Infrastructural Assets</b>						
Sewerage Schemes	7,766	-	8,053	8,053	351	7,702
Stormwater Schemes	2,134	-	2,168	2,168	69	2,099
Rural Water Supplies	1,468	-	1,576	1,576	152	1,424
Rural Water Races	81	-	94	94	15	79
Urban Water Supplies	6,077	-	6,442	6,442	369	6,073
Landfills	115	136	-	136	25	111
Village Projects	617	736	-	736	157	579
Land Under Roads	5,863	5,863	-	5,863	0	5,863
Roading	54,832	-	57,332	57,332	2,587	54,745
Resource Consents	64	72	-	72	3	69
<b>Total Infrastructural Assets</b>	<b>79,017</b>	<b>6,807</b>	<b>75,655</b>	<b>82,472</b>	<b>3,728</b>	<b>78,744</b>
<b>Capital Work In Progress</b>	<b>174</b>	<b>370</b>	<b>-</b>	<b>370</b>	<b>-</b>	<b>370</b>
<b>Total Fixed Assets</b>	<b>93,979</b>	<b>12,494</b>	<b>86,902</b>	<b>99,396</b>	<b>5,623</b>	<b>93,773</b>

## Notes to the Accounts cont...

### Note 17 –Fixed Assets – Council Only (cont)

#### Fair Values

The Council considers the latest rating valuation for land (excluding land under roads) as an indication of fair value.

The latest rating valuations of land, as at 1 August 2003, show the following amounts:

Council Actual 2004/05 \$000's (adjusted)		Council Actual 2005/06 \$000's
16,084	Land	16,283
<b>16,084</b>		<b>16,283</b>

### Note 18 –Financial Instruments

#### Credit Risk

Financial instruments, that potentially subject Mackenzie District Council to credit risk principally, consist of bank balances, short-term deposits, account receivable and investments. The maximum exposure to credit risk at balance date is the fair value of the financial instrument as stated in the Statement of Financial Position. Significant concentrations of credit risk apply principally in respect of investments and accounts receivable. Mackenzie District Council reduces this risk by investing with high credit rating institutions and by purchasing Local Government stock.

#### Interest Rate Risk

Interest rate risk is the risk that the value of a financial instrument will fluctuate due to changes in market interest rates. This could particularly impact on the return from an investment.

The interest rates on the Council's investments are disclosed in note 14.

#### Fair Values

The fair value of financial instruments is equivalent to the carrying amount as stated in the Statement of Financial Position.

#### Currency Risk

Mackenzie District Council has minimal currency risk given that financial instruments are transacted exclusively in New Zealand dollars.

## Notes to the Accounts cont...

### Note 19 – Components of Equity – Council Only

	Total \$000's	Ratepayers \$000's	Revaluation \$000's	Operating \$000's	Special \$000's	Other \$000's	Capital \$000's
<b>Equity at the Start of the Period</b>	104,022	83,569	17,480	526	6,207	9	(3,769)
Net Surplus (Deficit)	1,366	1,366	-	-	-	-	-
Prior Period Adjustments	14	14	-	-	-	-	-
Increase/(Decrease) In Revaluation Reserves	297	-	297	-	-	-	-
<b>Recognised Revenue &amp; Expenditure</b>	1,677	1,380	297	-	-	-	-
<b>Reserve Transfers</b>							
Appropriation of Net Surplus	-	(1,366)	-	1,366	-	-	-
Transfers between Reserves	-	(228)	-	(1,395)	213	10	1,400
<b>Equity at the End of the Period</b>	<b>105,699</b>	<b>83,355</b>	<b>17,777</b>	<b>497</b>	<b>6,420</b>	<b>19</b>	<b>(2,369)</b>

### Note 20 –Related Party Transactions

#### Key Management and Members of the Council

During the year Councillors and key management, as part of a normal customer relationship, were involved in minor transactions with the Council (such as payment of rates, purchase of rubbish bags etc).

Except for these minor transactions, no Councillors or senior management have entered into related party transactions with the Council.

### Note 21 –Chief Executive Officer's Remuneration

As at 30 June 2006, the Chief Executive Officer of the Mackenzie District Council receives a salary of \$125,126 (2005 \$115,250).

In terms of his contract, the Chief Executive Officer also receives the following additional benefits:

	2004/05 \$000's	2005/06 \$000's
Vehicle	13,989	13,989
Telephone	500	441
Professional Subscriptions	210	210
<b>Total Additional Benefits</b>	<b>14,699</b>	<b>14,640</b>

The total cost, including benefits and gratuities, to the Mackenzie District Council is calculated at \$139,766 (2005 \$129,949).



## Notes to the Accounts cont...

### Note 22 –Non Current Liabilities

Council Actual 2004/05 \$000's		Council Budget 2005/06 \$000's	Council Actual 2005/06 \$000's
160	<b>Current Portion of Term Debt</b> Ben Ohau Station Limited	-	-
<b>160</b>		<b>-</b>	<b>-</b>
-	<b>Non-Current Portion of Term Debt</b> Ben Ohau Station Limited	-	-
64	Accrued Landfill Closure Costs	-	58
<b>64</b>		<b>-</b>	<b>58</b>

### Interest Rates

The agreement for purchase of the land specified that debt would be interest-free.

### Note 23 –Current Liabilities

Council Actual 2004/05 \$000's		Council Budget 2005/06 \$000's	Council Actual 2005/06 \$000's
1,094	Creditors	695	1,040
44	Rates in Advance	-	25
32	Income in Advance	-	827
117	Employee Entitlements	117	156
160	Current Portion of term Liabilities	-	6
<b>1,447</b>		<b>812</b>	<b>2,054</b>

### Note 24 –Events Subsequent to Balance Date

#### Transfer of Land to Mackenzie Holdings Limited

After further legal and taxation advice, the Council has decided not to transfer the land at the Pukaki Airfield to Mackenzie Holdings Limited. Instead the Council has resolved that the operation of the Airfield and the associated development of the land be carried by a committee of Council. This is considered the most tax-efficient structure for the on-going operation of the Airfield. The formal resolutions were made at the Council's Finance Committee on 10 October 2006 and the Council meeting on 24 October 2006.

### Note 25 –Remission of Rates

Revenue is shown net of rates remissions and non-ratable land. Under the Local Government (Rating) Act 2002 a number of properties cannot be rated for general rates. In addition, under Council's Rate Remissions Policies which provide for rates to be remitted for Sporting and Community organizations, the Council committed itself at the start of the year to certain remissions which at year end totalled \$2,005, and during the year decided to allow further remissions of \$6,683.

### Note 26 - Adoption of New Zealand International Financial Reporting Standards

With respect to Section 4 of Financial Reporting Standard (FRS) 41: Disclosing the Impact of Adopting New Zealand Equivalent to International Financial Reporting Standards, the Council has disclosed the following information regarding the adoption of New Zealand International Financial Reporting Standards (NZ IFRS):

- Council has obtained advice from Deloitte with respect to the transition to NZ IFRS. A full review of the impact of NZ IFRS will be made by the Council's Finance Committee early in 2007.
- Council has yet to assess the impact on accounting policies on adoption to NZ IFRS.
- At this stage, Council does not know or can reliably measure the impact on accounting policies on transition to NZ IFRS.
- The actual impact of adopting NZ IFRS may vary from the information provided and that the variation may be material.

# *Council Structure*

- *Governance, Management and Employees*
- *Council Structure*
- *Community Board Structure*
- *Organisational Chart*
- *Senior Management*

# Governance, Management and Employees

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## Role of the Council

The Council has overall responsibility and accountability for the proper direction and control of the District's activities. This responsibility includes areas of stewardship such as:

- Formulating the District's strategic direction
- Managing principal risks facing Mackenzie District
- Administering various regulations and upholding the law
- Ensuring the integrity of management control systems
- Safeguarding the public interest
- Ensuring effective succession of elected members
- Reporting to ratepayers.

## Structure of the Council

The Council structure has changed since the Community Plan was prepared in 2004. Following a review of its representation and subsequent determinations by the Local Government Commission the Council is now made up of a Mayor and six Councillors elected from two wards.

With a smaller number of elected members around the Council table it was decided to disband the Finance, Operations and Planning Committees that operated previously.

Council has set up a fortnightly schedule which incorporates formal meetings, workshops and hearings for resource consents.

## Council Operations

The Council has appointed a Chief Executive Officer to be in charge of Council operations and delegated certain powers of management to him as required under Section 119c(1)(a) of the Local Government Act 1974. The Chief Executive has in turn appointed senior managers and support staff to manage each of the Council's significant activities.

## Council Committees

Responsibility for both Tourism and Economic Development and Forestry has been delegated to Committees of Council.

The Forestry Board is made up of the Mayor and two Councillors.

The Tourism and Economic Development Board is a mix of Council representatives and independent business people.

The Forestry Board and the Tourism and Economic Development Board both meet as required.

## Community Boards

Community Boards service the Communities of Fairlie, Lake Tekapo, and Twizel, and make recommendations to Council regarding the management of township services. Each community board meets six weekly, with additional meetings held as required.

# *Division of Responsibility between Council and Management*

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## **Governance Framework**

### **Independent Election**

The Council believes that its democratic election by the Mackenzie District citizens ensures that it is able to operate in the best interests of the District and to function independently of management.

### **Communication/Reporting**

Council holds regular meetings to ensure that the affairs of the authority are being conducted in accordance with its legislative mandate and Council objectives. The Council also monitors through its Chief Executive Officer, whether staff adhere to the principles of “good citizenship” and high standards of ethical behaviour. A key to the efficient running of Council is to maintain a clear division between the role of the elected representatives and that of management. The Council of the Mackenzie District concentrates on setting policy and strategy, and then reviews progress. Management is concerned with implementing these policies and strategies.

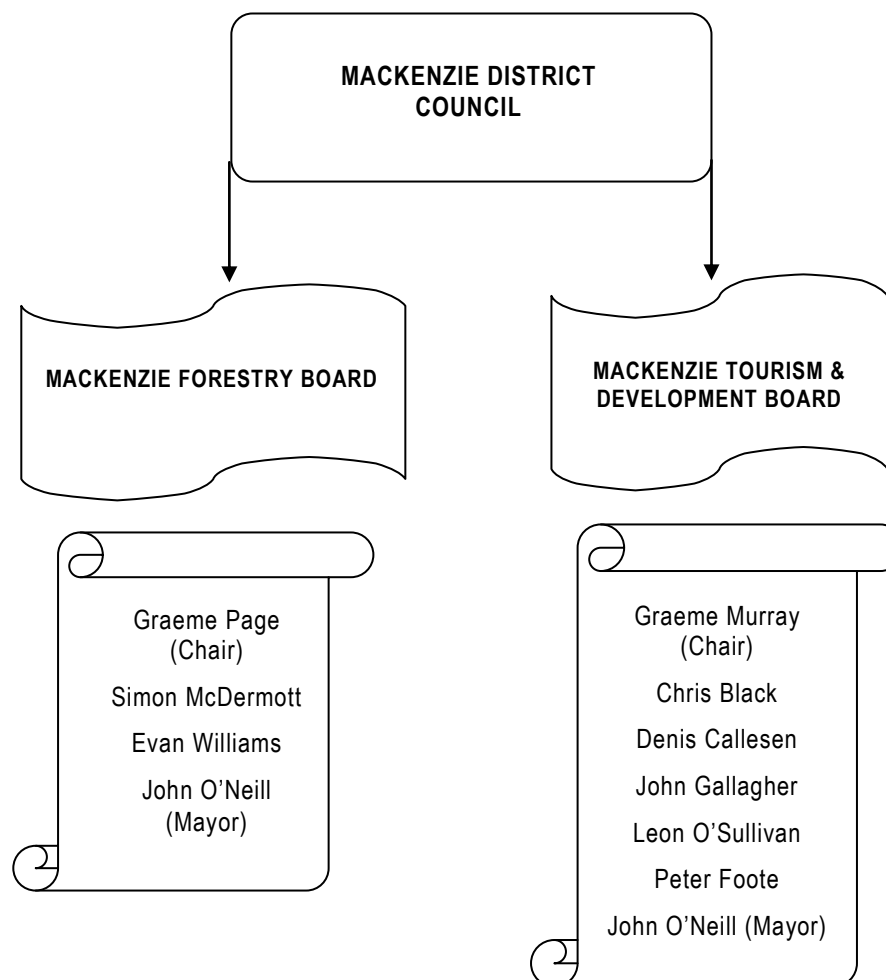
While many of the Council's functions have been delegated, the overall responsibility for achieving the vision and goals of the District ultimately rests with the Council. The Council helps discharge this responsibility by maintaining effective systems of internal control. Internal control includes the policies, systems and procedures established to provide measurable assurance that specific objectives of the Council will be achieved.

### **Legislative Compliance**

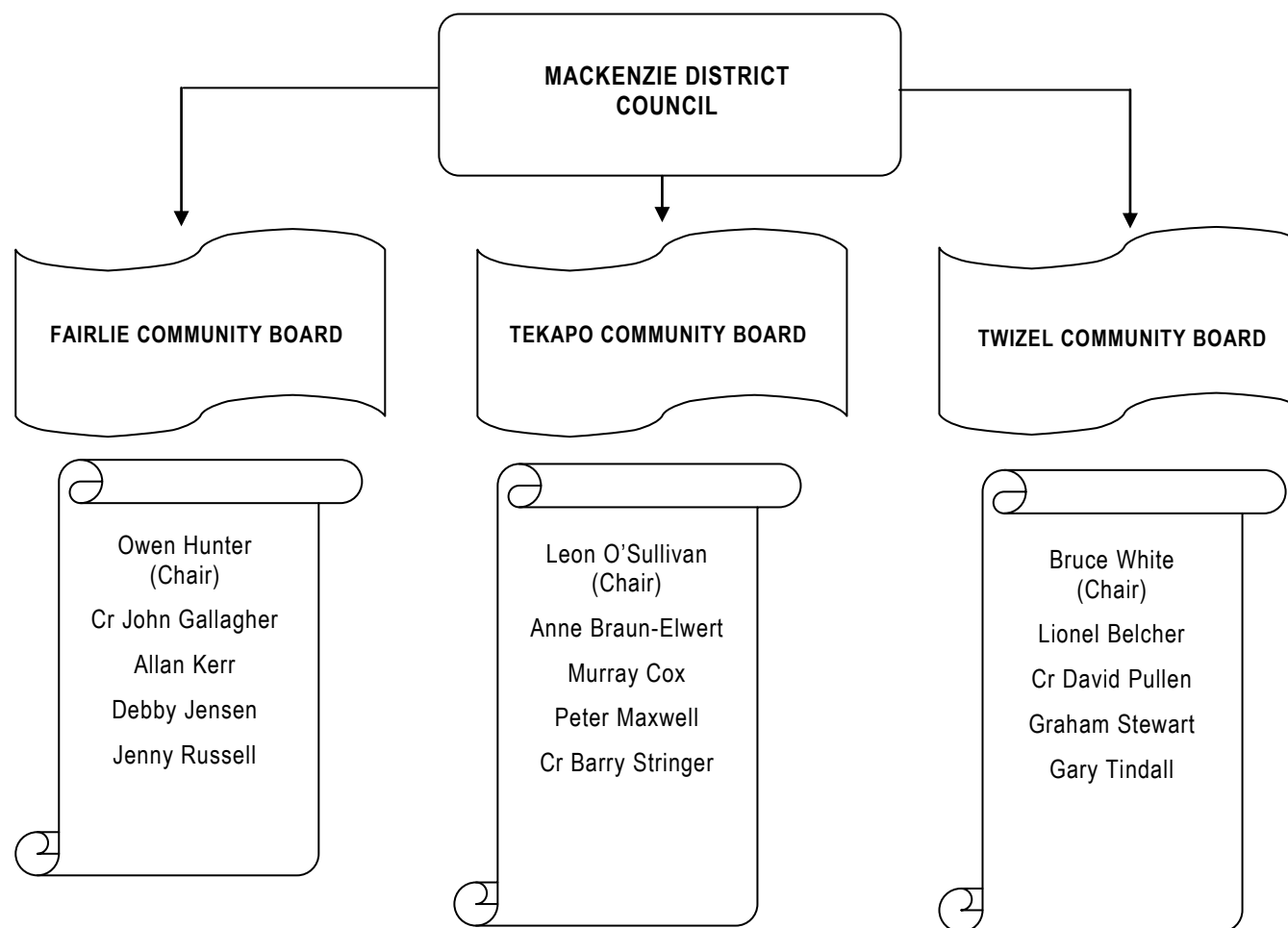
As a regulatory body, the Council administers various regulations and laws. As such, it is vital that it complies with all relevant legislation. The Council makes use of external lawyers and consultants as appropriate to ensure it does comply.

## *Council Committee Structure (as at 30 June 2006)*

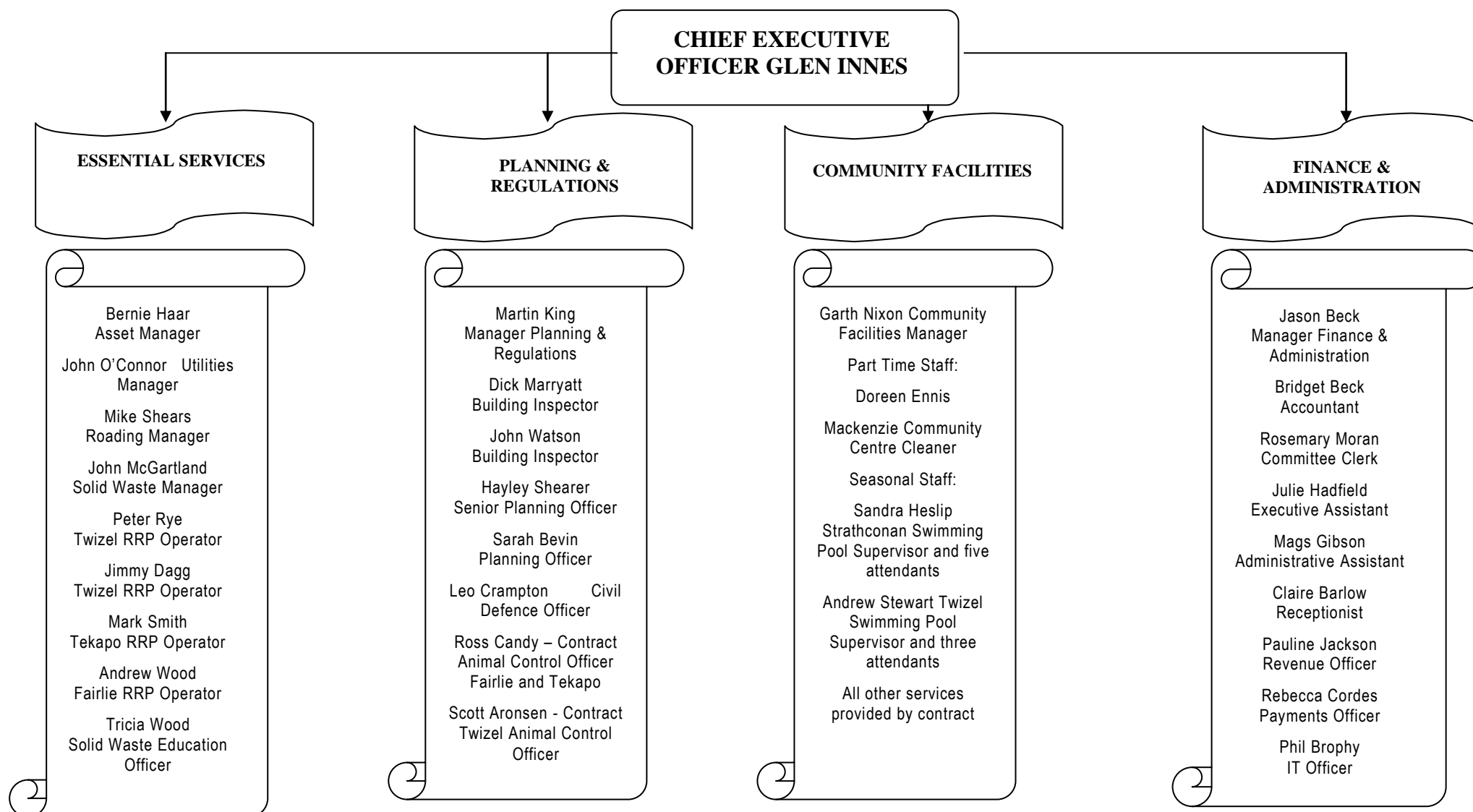
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## *Community Board Structure (as at 30 June 2006)*

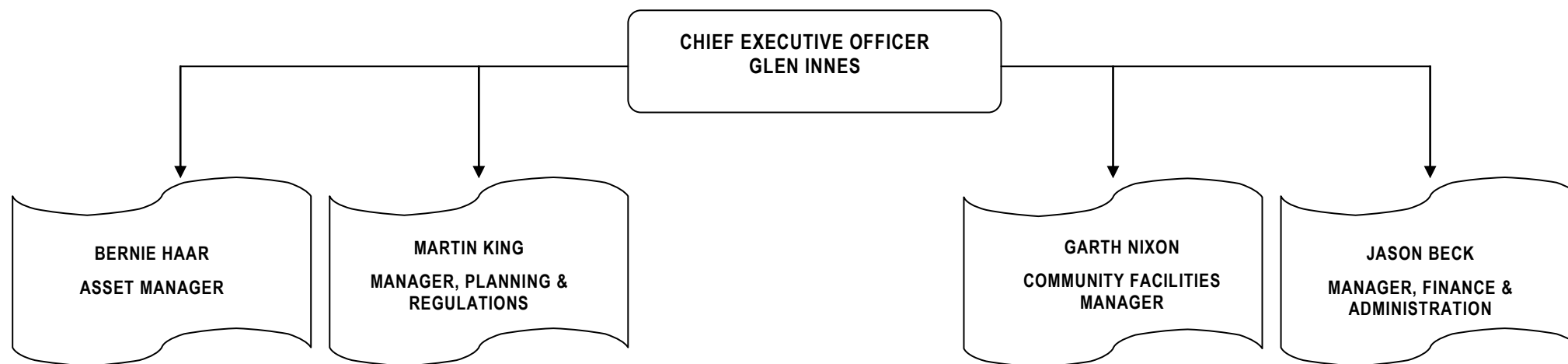


# Organisational Chart (as at 30 June 2006)



## *Senior Management (as at 30 June 2006)*

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Reporting