



2012-2013 ANNUAL REPORT SUMMARY

STATEMENT FROM THE MAYOR AND CEO

It gives us great pleasure to introduce you to the annual report of the Mackenzie District Council for 2012/13. The year has been challenging in many ways but also satisfying with significant achievements being made in our incident response, project development and organisational capability.

One of the consistent themes for the year has been legislative change. This has ranged from high level adjustment to the purpose of the Local Government Act to detailed changes such as the new Liquor Licensing Act. Each of these amendments requires us to assess and alter management processes to ensure Council complies with the law and still continues to provide the services our community needs. Much of this work is invisible outside the organisation, but is still a critical Council obligation.

Weather-wise, 2012/2013 has been fickle and temperamental. Council has faced significant flood, snow and wind events resulting in widespread damage and interruption to the road network. The total value of clearance and repair work for the year was \$1,182,000. The emergency response and management of repairs has been excellent and our contractors and staff deserve to be commended for their efforts. The snow events in particular have provided an opportunity to assess the appropriateness of specified levels of service. It has been heartening that a review of our standards indicated a high level of satisfaction.

Progress has been made on planning for the Twizel water supply upgrade. A significant amount of time and effort has been spent consulting with local people to identify potential alternative sources of supply. This process has given Council confidence that we have a full understanding of the potential supply options. The investigation of possible sources has been completed and the project scope has been clarified. This will underpin the specific design and construction phases of the project in coming years.

District planning matters have continued to be a major work area for Council over the year. The Environment Court and High Court actions related to Plan Change 13 have required significant time and resources with a total of \$116,000 being spent in 2012/2013. Preliminary work has begun on the review of our District Plan. The plan is Council's key planning document and reflects the community's collective view of how land use and related activities should be managed.

The amount of building activity occurring within the district reflects a consistent strength within the local economy. Building consent numbers have continued at an historically high level. A review has been undertaken of our building administration processes and structural adjustments have been made to

safeguard our accreditation status. A subsequent audit has shown these changes to be highly successful.

It has been pleasing to see a number of community projects that were implemented in previous years come to fruition. The contractual arrangement with Christchurch and Canterbury Tourism has been very successful in providing focus and objectivity in tourism development. The reporting provisions within the contract enable Council to effectively gauge activity that further develops our tourism sector. Direct feedback from the sector has also been very positive.

The Alps2Ocean cycle way is another project that is beginning to deliver benefits for the district. Construction of the Mackenzie section of the cycle way was completed before the summer season. The trail was officially opened in February and has become immediately popular. Anecdotal evidence suggests that it is beginning to drive valuable gains in business activity. Work is currently underway to both promote the cycle way further and to quantify the extent of the contribution to the local community.

Significant progress has been achieved with the development of Council owned land at the Tekapo lake front. A commercial subdivision is proposed that will provide significant additional income for Council and improve the commercial presence of Tekapo. The first stage of the development involves five commercial sites and a recreational area on the largely unused land. To date Council has contracts for the sale of two of the sites and is in negotiation on further sections.

The customer satisfaction survey undertaken on Council's behalf in August and September, 2013, indicates a high level of ratepayer satisfaction in most areas of Council activity. These survey results, and other specific data, have been used to report Council's performance as illustrated in the Statements of Service Provision within this report. Council has achieved the majority of targets with the exception of Planning and Commercial. The performance targets in the planning section are aspirational in nature and non-achievement of these goals does not indicate substandard performance.

Overall we are satisfied with Council's performance this year. We will, however, continue to focus on seeking improvements throughout the organisation.

We would like to extend a very big thank you to staff and elected members for their tireless efforts and contribution throughout 2012/2013. It has been a big year for us all and there have been some fantastic outcomes for our communities.



Mayor Claire Barlow
&
CEO Wayne Barnett



SUMMARY STATEMENTS OF SERVICE PROVISION

Governance

Levels of Service	Measure of Service	Target	Result for 2012-2013	Result for 2011-2012
Council meets in accordance with predetermined schedule and in compliance with the Local Government (Official Information and Meetings) Act 1987.	<p>Council and its committees generally meet every six weeks.</p> <p>Meetings comply with the Local Government (Official Information and Meetings) Act 1987.</p>	<p>At least nine meetings of Council held during the year, and 20 meetings of Council committees.</p> <p>No identified breaches of the Local Government (Official Information and Meetings) Act 1987.</p>	<p>Achieved Council continued to meet on a 6 weekly cycle. In 2012/13 there were 13 meetings of the full Council and 23 meetings of Council Committees. A total of 36 for the year.</p> <p>Achieved: There were no identified breaches of the Local Government (Official Information and Meetings) Act during the year.</p>	<p>Achieved Council continued to meet on a 6 weekly cycle. In 2011/12 there were 18 meetings of the full Council and 20 meetings of Council Committees. A total of 38 for the year.</p> <p>Achieved: There were no identified breaches of the Local Government (Official Information and Meetings) Act during the year.</p>
Effective consultation held on Long Term Plan, Annual Plan and other significant issues.	A summary of the Long Term Plan, Annual Plan and Annual Report is sent to all ratepayers within statutory time frames.	There are no breaches of statutory time frames for distribution of summary documents or consultation.	Achieved The Annual Plan was adopted on 13 June 2013.	Achieved Council undertook a special consultative process for Council's LTP. 530 submissions were received. The consultation included sending a summary to all ratepayers.
The three community boards complement the role of the Council by providing local input and advocacy into Council decision making.	Community boards meet regularly and provide recommendations on local issues to Council.	Each community board meets eight times during the year. Recommendations including budget submissions are forwarded to Council for approval.	<p>Achieved The Community Boards met 24 times during the year as follows: Fairlie 9 Tekapo 8 Twizel 7</p> <p>Achieved All recommendations including budget submissions were forwarded to Council for approval.</p>	<p>Achieved Each of the Community Boards met eight times.</p> <p>Achieved All recommendations including budget submissions were forwarded to Council for approval.</p>

Water

Levels of Service	Measure of Service	Baseline Information	Target	Result for 2012-2013	Result for 2011-2012
Water supplies are available and reliable	<p>Time for reinstatement of service for on-demand supplies from notification to contractor:</p> <p>During working hours - 6 hours.</p> <p>Outside working hours – 9 hours.</p> <p>For restricted supplies: - 24 hours.</p>	<p>Last measured YE June 2011 where we achieved 99%.</p> <p>New measure and contractor is required to provide data.</p> <p>New measure and we have no prior year data.</p>	<p>90%</p> <p>90%</p> <p>90%</p>	<p>Achieved 95% of on-demand supplies were reinstated within 6 hours.</p> <p>Achieved There were no shut downs out of work hours.</p> <p>Achieved 100% of restricted supplies were reinstated within 24 hours.</p>	<p>Achieved This is a service standard specified in the Utilities Service Contract. The standard was met.</p> <p>New Measure</p> <p>New Measure</p>

SUMMARY STATEMENTS OF SERVICE PROVISION

Water continued

Levels of Service	Measure of Service	Baseline Information	Target	Result for 2012-2013	Result for 2011-2012
Water is safe to drink	No detectible E Coli in water leaving water treatment plants or in the distribution network as identified during scheduled monitoring.	Last measured YE June 2011, nil E Coli was detected.	100%	Not Achieved 7 transgressions. 2 in the Allandale supply, 2 in the Twizel Supply and 3 in the Burkes Pass Supply.	Achieved No E.Coli was detected in the water supplies. There are records for only 51 of the required 52 samples for Tekapo.
	Response to any E Coli identified in drinking water leaving the treatment plant (transgression): Take remedial action.	New measure and we have no prior year data.	100%	Achieved Of the 7 transgressions, all 7 had remedial action but only 6 had follow up testing to confirm water was safe.	New Measure
	Issue "Boil Water" notice if transgression is likely to exceed 24 hours to rectify.	Last measured YE June 2011, no 'Boil Water' notices were triggered	100%	Achieved 2 "Boil Water" Notices were issued in response to transgressions which were likely to exceed 24 hours. In addition 1 preventative notice was issued.	Not Achieved At Twizel, three consecutive samples between 15/11/11 and 28/11/11 showed E.coli present in Twizel.
Water quality is maintained or improved	Time to respond to water demands including low pressure and flow from notification to contractor:				
	During working hours-6 hours	Last measured YE June 2011, this target was achieved.	100%	Achieved There were no notifications of low pressure or flow.	Achieved This is a service standard specified in the Utilities Service Contract. The standard was met.
	Outside working hours-9 hours	Last measured YE June 2011, this target was achieved.	100%	Achieved There were no notifications of low pressure or flow.	Achieved This is a service standard specified in the Utilities Service Contract. The standard was met.
	% of ratepayers satisfied with the water supply service.	CINTA survey October 2011, 82% were satisfied.	80%	Not Achieved 72% were satisfied.	Not Achieved 67% were satisfied.
	Upgrading the treatment of the following water supplies to comply with the health requirements of the Drinking Water Standards for New Zealand 2008 in accordance with the Health (Drinking Water) Amendment Act 2007 to provide for growth and ensure continuity of supply.	New measure and we have no prior year data.			
	Target Upgrade Tekapo Water Supply by June 2013	New measure and we have no prior data.	Upgrade complete	Achieved UV plant installed	This is a one off measure.
	Target Upgrade Twizel Water Supply by June 2013	New measure and we have no prior data.	Upgrade complete	Progressing	This is a one off measure.
	Target Upgrade Fairlie Water Supply by June 2013	New measure and we have no prior data	Upgrade Complete	Progressing	This is a one off measure.

SUMMARY STATEMENTS OF SERVICE PROVISION

Sewerage

Levels of Service	Measure of Service	Baseline Information	Target	Result for 2012-2013	Result for 2011-2012
Sewage is managed without risk to public health.	Number of sewage overflows from pump stations.	Last measured YE June 2011, there were nil overflows.	Nil	Achieved There were no sewage overflows from pump stations.	Achieved There were no sewage overflows from pump stations.
	Number of annual blockages per 10km of sewer.	Last measured YE June 2011, there were 1.1 blockages per 10kms.	Less than six	Achieved There were 0.07 blockages per 10kms.	Achieved There were 2.1 blockages per 10kms of sewer.
	% of ratepayers satisfied with the sewage treatment and disposal service.	CINTA survey October 2011, showed 91% were satisfied.	85%	Achieved 97% were satisfied.	Achieved 96% were satisfied.
Sewage is able to be disposed of without significant disruption.	% of temporary or permanent repairs completed within 6 hours (during working hours) or 12 hours (outside working hours).	Last measured YE June 2011, where these targets were met.	100%	Achieved 100% of repairs were completed within 6 hours.	Achieved This is a service standard specified in the Utilities Services Contract. The standard was met.
	Normal disruption should not exceed 8 hours. Apart from earthquake or flood, no single disruption should exceed 24 hours.	Not measured in YE June 2011.	100%	Achieved 100% no disruption exceeded 8 hours.	Not Measured The duration of disruption to an individual property was not measured but was unlikely to have exceeded eight hours.
Safe discharge of wastewater	% of notices of non-compliance, issued by Environment Canterbury, for Council's discharge consents actioned within 20 working days.	New measure and we have no prior year data.	100%	Not Achieved Only 86% of notices issued were actioned. Condition 17 of the consent to discharge treated effluent at Lake Tekapo required a soil sample to be taken and analysed during the year. That sample was not taken and it has taken more than the 20 working days since notification to acquire the containers and train the staff to get that sample.	New Measure

Stormwater

Levels of Service	Measure of Service	Baseline Information	Target	Result for 2012-2013	Result for 2011-2012
Council provides a reliable stormwater system which prevents houses from flooding.	Number of reported house flooding incidents in a 1 in 5 year event.	A 1 in 5 year flood event did not occur in the YE June 2011.	Nil	Achieved There were no reports of flood waters entering houses.	Achieved There were no reports of flood waters entering houses.
Council will respond promptly to reports of flooding and customer requests	% of localised flooding events responded to within 1 hour of notification.	Not measured in prior years due to contractors not having a formal system to measure this.	100%	Achieved 100% of events were responded to within 1 hour.	Achieved This is a service standard specified in the Utilities Service Contract. The standard was met.
	% of blockages causing minor disruption responded to within 6 hours of notification during working hours or 12 hours outside working hours.	Not measured in prior years due to contractors not having a formal system to measure this.	100%	Achieved There were a couple of significant rain events in 2011/12 and the contractor had staff patrolling the district immediately the extent became known to address any issues.	New Measure

SUMMARY STATEMENTS OF SERVICE PROVISION

Roading

Levels of Service	Measure of Service	Baseline Information	Target	Result for 2012-2013	Result for 2011-2012
Council provides safe, smooth, quality sealed roads in order to reduce travel times and vehicle wear.	Smoothness of urban and rural sealed roads as compared with rest of New Zealand.	A national NZTA measure last defined in 2007.	Smoothness higher than national average.	Achieved Mackenzie DC smoothness rating is 95% (completed May 2012). Compared to the national average of 85.73% (2011/12). This is a biennial measure.	Not Measured No national benchmarking has been released yet (NZTA complete this)
	The average roughness of urban roads as measured by NAASRA counts.	Not measured in 2011. We have engaged a contractor to undertake this work in the 2012 year.	Average <100 counts with less than 10% exceeding 150 counts.	Achieved Average of 88 counts (completed May 2012) Trending upwards - last measure November 2008: 83 Counts. A minor change, not any noticeable change in ride to the road user. 2.6% counts exceeding 150 (completed May 2012) Trending upwards last measure November 2008: 0%. This is a biennial measure as per NZTA requirements.	Achieved 88 counts (completed May 2012) Trending upwards - last measure November 2008: 83 Counts. A minor change, not any noticeable change in ride to the road user.
	The average roughness of rural roads as measured by NAASRA counts.	Not measured in 2011. We have engaged a contractor to undertake this work in the 2012 year.	Average <80 counts with less than 10% exceeding 110 counts.	Achieved Average of 68 counts (completed May 2012). NAASRA has not provided information for us to calculate percentage of counts exceeding 110. Report shows 0.4% exceed 140 counts. This is a biennial measure	Achieved Last measure November 2008: 79 Counts.
	% of road users are satisfied with the roading network.	The first survey conducted by CINTA in October 2011 indicated that 85% of road users were satisfied with the roading network.	85%	Achieved 85% were satisfied.	New Measure
Council provides a safe and efficient roading network.	Minor improvements to the network identified that will benefit the road user and programmed for completion.	Last measured YE June 2011 where three projects were completed.	Two projects completed each year.	Achieved - 4 Projects Completed Lilybank Road Curve Re-alignment Plantation Road Curve Re-Alignment Grey Street Fairlie Widening Aorangi Crescent Safety footpath. Market Place Contract 1212 (\$73,773.31) has been delayed this financial year due to the contractor offering a saving if completion date could be extended to 30 th November 2013.	Achieved Eight projects were completed.

SUMMARY STATEMENTS OF SERVICE PROVISION

Roading continued

Levels of Service	Measure of Service	Baseline Information	Target	Result for 2012-2013	Result for 2011-2012
Council provides a safe and efficient roading network.	Number of fatal accidents due solely to road factors.	Last measured YE June 2011 where there were no fatalities.	Nil.	Achieved There were no fatal accidents on local roads in the district caused solely by road conditions See below link; http://www.nzta.govt.nz/resources/crash-analysis-reports/statistical-statements.html	Achieved There were no fatal accidents on local roads in the district caused by road conditions See below link; http://www.nzta.govt.nz/resources/crash-analysis-reports
Ready access is provided around the District except in extreme weather conditions.	The roading network is trafficable and contracted emergency response times are met – on site within 1.5 hours to begin reinstatement	Last measured YE June 2011. We did not achieve this measure as we had two callouts that exceeded 1.5 hours.	100%.	Not Achieved 96%. We did not achieve this measure as we had two callouts that exceeded 1.5 hours. One was installation of signs due to a hazard caused by high lake levels (Meridians issue to remedy, but our contractor attended within 2 hours) The other was a tree down partially obscuring road and was attended within 2 hours	Achieved <ul style="list-style-type: none"> The contractor reports for the response times over the year indicate that response times were met; Emergency responses includes works for flood damage, fixing reported potholes, clearing grates from flooding, snow clearing and ice gritting, also placing of crusher dust to soak up intentional diesel spills. <ul style="list-style-type: none"> One instance on the 30 Dec 11 – “spread chip of bleeding seal” was responded to in 2.5 hours (9am notification, time onsite 11.30) Onsite timeframe not met due to having to source specialist gear from a distant depot.
Footpaths are maintained in good condition and are fit for purpose	<p>% of footpaths defects made safe within 48 hours.</p> <p>% of road users satisfied with the condition of Council footpaths.</p>	<p>This is a new measure and we have no data.</p> <p>Survey conducted in October 2011 by CINTA showed that 80% of users surveyed were satisfied.</p>	<p>95%</p> <p>70% with improving trend</p>	<p>Achieved 100%. Three faults deemed as a trip hazard and were remedied within 48 hours</p> <p>Achieved 83% were satisfied.</p>	<p>New Measure</p> <p>Achieved 80% were satisfied.</p>

SUMMARY STATEMENTS OF SERVICE PROVISION

Planning and Regulation

Level of Service	Measure of Service	Baseline Information	Target	Result for 2012-2013	Result for 2011-2012
To maintain an up to date District Plan that enables a vibrant community while sustainably managing the District's resources.	<p>To review the provisions of the District Plan within 10 years of those parts of the Plan becoming operative.</p> <p>80% or greater of those surveyed are satisfied by the belief that the Council is adequately managing resource management issues in the District.</p>	<p>Not measured in prior years.</p> <p>CINTA survey October 2011 showed 58% were satisfied.</p>	<p>To have initiated a review of the District Plan and publicly notified proposed changes by 30 April 2014.</p> <p>80% positive feedback to a customer survey.</p>	<p>Achieved The Council has initiated its review of the District Plan and is working through this process.</p> <p>Not Achieved CINTA Survey October 2013 showed 50% satisfaction.</p>	<p>Not Measured</p> <p>Not Achieved CINTA Survey October 2012 showed 53% satisfaction.</p>
To provide a technically sound but customer focused service when processing resource consents while achieving our obligations under the Resource Management Act.	<p>Non-notified and notified resource consents are processed within the statutory timeframe of 20 and 70 working days respectively.</p> <p>80% or greater of those applying for resource consents are satisfied with the quality of the service they receive.</p>	<p>Last measured YE June 2011 where we achieved 100% compliance.</p> <p>CINTA survey October 2011 showed 50% were satisfied.</p>	<p>100% compliance</p> <p>80% positive feedback to a customer survey.</p>	<p>Not Achieved 92% of consents were processed within the timeframe.</p> <p>Not Achieved CINTA Survey October 2013 showed 72% satisfaction.</p>	<p>Not Achieved 95% of consents were processed within the timeframe.</p> <p>Not Achieved CINTA Survey October 2012 showed 72% satisfaction.</p>
To provide a customer focussed building control service that is efficient and cost effective while achieving our obligations under the Building Act 2004.	<p>Building consents are processed within the statutory timeframe of 20 working days.</p> <p>Land Information Memoranda (LIMs) and Property Information Memoranda (PIMs) are processed within the statutory timeframes of 10 and 20 working days respectively.</p> <p>80% or greater of those applying for building consents are satisfied with the quality of the service they receive.</p>	<p>Last measured YE June 2011 where we achieved 99% compliance.</p> <p>Last measured YE June 2011 where we achieved 97% compliance.</p> <p>CINTA survey October 2011 showed 69% were satisfied.</p>	<p>100% compliance</p> <p>100% compliance</p> <p>80% positive feedback to a customer survey.</p>	<p>Not Achieved 94% of consents were processed within the timeframe.</p> <p>Not Achieved 99% of LIMs & 100% of PIMs were processed within the timeframe.</p> <p>Achieved CINTA Survey October 2013 showed 81% satisfaction. Note: This survey was conducted with a sample of the entire population not just those that were applying for consents.</p>	<p>Not Achieved 98% of consents were processed within the timeframe.</p> <p>Not Achieved 99% of LIMs & 95% of PIMs were processed within the timeframe.</p> <p>Not Achieved CINTA Survey October 2012 showed 74% satisfaction.</p>
To provide a safe environment for dogs and the public to co-exist.	<p>Maintain a record of all dogs in the District by ensuring that they are registered.</p> <p>Respond to all complaints relating to dogs with 12 hours.</p> <p>80% or greater of those surveyed believe the Council is adequately managing dog control issues in the District.</p>	<p>Last measured YE June 2011 where we did not achieve this measure as there were approximately 100 known dogs unregistered.</p> <p>Last measured YE June 2011 where we did not achieve this measure due to contractor being unavailable at times.</p> <p>CINTA survey October 2011 showed 75% were satisfied.</p>	<p>100% registration for all recorded dogs.</p> <p>100%</p> <p>80% positive feedback to a customer survey.</p>	<p>Not Achieved At year end there were approximately 135 dogs unregistered.</p> <p>Not Achieved Due to the contractor not being available at all times.</p> <p>Achieved CINTA survey October 2013 showed 81% were satisfied. Note: This survey was conducted with a sample of the entire population not just those that were applying for consents.</p>	<p>Not Achieved At year end there were approximately 100 dogs unregistered.</p> <p>Not Achieved Due to the contractor not being available at all times.</p> <p>Achieved CINTA survey October 2012 showed 83% were satisfied.</p>

SUMMARY STATEMENTS OF SERVICE PROVISION

Planning and regulation continued

Level of Service	Measure of Service	Baseline Information	Target	Result for 2012-2013	Result for 2011-2012
For the Council and the community to be prepared to respond to a civil defence emergency.	Council staff and volunteers are familiar with their roles and are adequately trained.	Last measured YE June 2011 where the Council had completed one training session.	Training is attended as required, and the Council will participate in one training exercise per year.	Achieved The Council participated in Exercise Te Ripahapa – a South Island wide Civil Defence exercise.	Not Achieved Only one training session held (Pandora). The previous years' measure required two training sessions a year.
For the Council and the community to be prepared to respond to a civil defence emergency.	80% or greater of the community surveyed has faith in the Council's preparedness and individual community members understand how they should prepare themselves and their family for the events of a civil defence emergency.	CINTA survey October 2011 showed 66% were satisfied.	80% favourable response from a customer survey.	Achieved 86% of those surveyed had faith in Council's preparedness	Not Measured
To manage a fire risk and to be able to provide a ready and capable response to rural fires.	For Council to remain as an active member of an enlarged rural fire district with other partner councils and agencies. Council has a capable and well equipped rural fire response teams across the Mackenzie District.	New measure and we have no prior year data. Last measured YE June 2011 where we did not achieve this measure due to the Burkes Pass crew yet to achieve training to the industry standards. A capital replacement has commenced. The replacement of the Lake Tekapo Rural Fire Tanker will be completed by 30 June 2012.	Attend all South Canterbury Rural Fire meetings. All volunteer rural fire teams are trained to industry standards. A capital replacement programme for tankers and other equipment is implemented.	Achieved The Council has been represented at all SCRFC meetings. Achieved Burkes Pass Rural Fire Team completed training this year. Achieved The Council has approved funding for the replacement of the Albury Tanker, which is the next tanker to be replaced in the programme.	New Measure Not Achieved All volunteers are registered. Burkes Pass crew has yet to achieve training to the industry standards. New Measure

Community and township services

Levels of Service	Measure of Service	Baseline Information	Target	Result for 2012-2013	Result for 2011-2012
Township Services and Facilities are provided and maintained to an acceptable level	Maintain or improve average customer user satisfaction rating. Residents regularly use at least two community facilities.	CINTA survey October 2011 indicated 84% were satisfied. This is a new measure, we have no prior year data.	84% or above 100%	Achieved 90% of those surveyed are satisfied with the service and facilities provided. The large decrease with Public Toilets satisfaction is noted with capital programmes addressing this. Not Achieved 95%. 14 out of 275 people surveyed said they did not use any Community Facility.	Achieved 90% of those surveyed in the CINTA 2012 survey were satisfied. Not Achieved 92% of people said they had used a Community Facility.
A reliable weekly kerbside recycling and rubbish collection service is provided.	% of waste bins collected within 48 hours of a genuine missed collection being reported. % of users satisfied with the waste collection and recycling service	This is a new measure, we have no prior year data. CINTA survey October 2011 indicated 74% were satisfied.	100% 75% with an upward trend	Achieved 100% Achieved CINTA survey 2013 indicated 93% of users were satisfied.	New Measure Achieved CINTA survey 2012 indicated 86% of users were satisfied.

SUMMARY STATEMENTS OF SERVICE PROVISION

Community and township services continued

Level of Service	Measure of Service	Baseline Information	Target	Result for 2012-2013	Result for 2011-2012
Solid waste is collected and disposed of without causing any environmental harm.	The percentage of solid waste from the District resource recovery parks diverted from landfills.	Last measured YE June 2011 where we achieved 63% waste diverted.	70% diverted with an expectation of 80% by 2019.	Not Achieved 37% of waste diverted from landfills. The kerbside collection has now changed to a wheelie bin system from a bag collection and our data systems are now more accurate. There is a new arrangement in place for glass recycling and possible changes to the process for sorting recycling that are expected to increase the amount of waste that is being diverted from landfill.	Not Achieved 64% of waste was diverted from landfill. Council's new contract with ESL, in place for 9 months, has recorded waste diversion differently than in the past and more accurately.

Commercial activities

Levels of Service	Measure of Service	Target	Result for 2012-2013	Result for 2011-2012
Investments The Community expects the investments of the Council to be managed wisely.	Council's cash investment portfolio independently reviewed each quarter.	Investments out-perform the Bancorp Ltd benchmark portfolio.	Achieved The Councils investment portfolio outperformed the benchmark (as measured by Bancorp Ltd) in all four quarters.	Not Achieved Council's investment portfolio outperformed the benchmark set by Bancorp, Councils independent fund manager, in two of the four quarters.
Mackenzie Forestry Board The Board is required to operate and administer the Council's forestry estate as a successful business.	Council approves the Statement of Intent for the Forestry Board annually.	Approval obtained prior to 30 June each year.	Not Achieved Council did not receive a Statement of Intent to review due to a serious accident involving Councils forestry advisor, who was put out of action for 3-4 months.	Not Achieved Council did not approve the Statement of Intent of the Forestry Board.
Rental Properties It is expected that the relevant conditions placed upon a commercial lease agreement have been adhered to.	All lease agreements are reviewed on a regular basis.	Council will ensure that the terms of each commercial lease agreement are adhered to.	Achieved Council will ensure that the terms of each commercial lease agreement are adhered to.	Achieved Terms of all commercial leases were adhered to. Review of these agreements coincides with rent review periods.
Pukaki Airport Board Operation of the Pukaki Airfield as a public facility.	The Board will report to Council on a regular basis on its activities and progress towards meeting its goals.	The Board achieves the goals set in its statement of intent.	Not Achieved Council did not receive a Statement of Intent.	Achieved Council reviewed the Statement of Intent for 2012-2015 on 3 rd April 2012.
Real Estate The community expects the Council to achieve the best economic return for any land that the Council deems appropriate to place on the market.	Market analysis is undertaken on a regular basis for the land identified for disposal as scheduled in the significance policy.	Council will progress the disposal of the areas of land identified for sale. Council will progress a land rationalisation process to identify further areas of land deemed surplus to its requirements.	Achieved The Board continually identify land for sale and continue to progress land sales. Not Achieved The land rationalisation process was deferred. Council will review to undertake a full rationalisation review for incorporation in the next LTP.	Achieved Council has a sub-committee to assist with this. It has also employed consultants to assist. Not Achieved The land rationalisation process was deferred. Council will review to undertake a full rationalisation review for incorporation in the next LTP.

FINANCIAL STATEMENTS

Summary Statement of Comprehensive Income for the year ending 30 June 2013

	2013		2012
	Budget \$000's	Actual \$000's	Actual \$000's
Total Revenue	10,129	13,254	10,345
Total Expenditure	10,540	11,580	10,870
Surplus from operations	(411)	1,674	(525)
Financial assets at fair value through other comprehensive income	0	2,187	(231)
NET COMPREHENSIVE INCOME FOR THE YEAR	(411)	3,861	(756)

Summary Statement of Changes in Equity for the year ending 30 June 2013

	2013		2012
	Budget \$000's	Actual \$000's	Actual \$000's
EQUITY AT START OF THE YEAR	185,061	183,324	184,080
Net comprehensive income	(411)	3,861	(756)
TOTAL EQUITY AT END OF THE YEAR	184,650	187,185	183,324

Summary Statement of Financial Position as at 30 June 2013

	2013		2012
	Budget \$000's	Actual \$000's	Actual \$000's
Total Current Assets	17,237	15,246	13,666
Total Non Current Assets	169,035	174,072	171,105
Total Assets	186,272	189,318	184,771
Total Current Liabilities	1,577	2,057	1,387
Total Non Current Liabilities	45	76	61
Total Liabilities	1,622	2,133	1,447
NET ASSETS	184,650	187,185	183,324
Components of equity			
Accumulated funds	93,334	96,733	95,955
Capital reserves	(751)	1,922	1,123
Operating reserves	(629)	(893)	(1,437)
Special funds	8,745	5,918	6,355
Other reserves	50	40	50
Asset revaluation reserves	83,901	83,465	81,278
TOTAL EQUITY	184,650	187,185	183,324

Summary Statement of Cash Flows for the year ending 30 June 2013

	2013		2012
	Budget \$000's	Actual \$000's	Actual \$000's
Net increase (decrease) in cash and cash equivalents	(2,390)	3,141	1,207
Add cash at start of the year	6,500	4,809	3,602
CASH AND CASH EQUIVALENTS AT END OF THE YEAR	4,110	7,950	4,809
THE CHANGE IN THE CASH BALANCE IS DUE TO:			
Net cash flows from operating activities	2,305	3,223	3,402
Net cash flows from investing activities	(4,695)	(82)	(2,195)
Net cash flows from financing activities	0	0	0
NET INCREASE (DECREASE) IN CASH HELD	(2,390)	3,141	1,207

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

FINANCIAL STATEMENTS

Disclosures

Summary Notes

Reporting entity

Mackenzie District Council (Council) is a territorial local authority governed by the Local Government Act 2002. The Council is designated as a public benefit entity for financial reporting purposes and is considered an individual entity for reporting purposes.

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

Basis of preparation

The financial statements of Mackenzie District Council on which this summary is based, have been prepared in accordance with the requirements of the Local Government Act 2002: Part 6, Section 98 and Part 3 of Schedule 10, which includes the requirement to comply with New Zealand generally accepted accounting practice (NZ GAAP). They have been prepared in accordance with NZ GAAP. They comply with NZ IFRS, and other applicable Financial Reporting Standards, as appropriate for public benefit entities.

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

Measurement base

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

Functional and presentation currency

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

Disclaimer

1. The specific disclosures included in the summary financial report have been extracted from the full financial report adopted on 30 October 2013. This summary has been prepared in accordance with FRS 43: Summary Financial Statements.
2. The summary annual report cannot be expected to provide as complete an understanding as provided by the full annual report. The full annual report dated 30 October 2013 has received an unmodified audit report. A copy of the annual report may be obtained from the Council's offices or on the Council's website (www.mackenzie.govt.nz).
3. This summary annual report has been examined by the auditor for consistency with the full annual report. An unmodified auditor's report is included with this summary.
4. The information included in the Summary Annual Report has been extracted from the audited full annual report and authorised for issue by Council's Manager— Finance and Administration on 12 November 2013.

A copy of the full Annual Report can be obtained from any of our Council Offices in Fairlie and Twizel or on our website at www.mackenzie.govt.nz

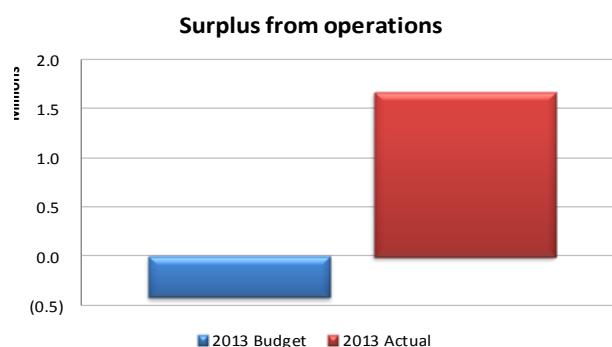
Explanations of Major Variances against Budget

Explanations for major variances from Mackenzie District Council's estimated figures in the 2012/13 Annual Plan are as follows:

Statement of Comprehensive income

Surplus from operations

Council's net operating surplus of \$1,674,000 was more than the budgeted deficit of \$411,000. Revenue was \$13,254,000 (including assets vested in Council), compared to the budgeted revenue of \$10,129,000. This is due to the net effect of the following variances in revenue and in expenditure as detailed below.



FINANCIAL STATEMENTS

Subsidies and grants

Subsidies and grants were \$2,598,000 being \$1,096,000 above the budget of \$1,502,000. This is due to two storm events occurring in the District. The significant cost of reinstatement was partially funded by NZTA at a higher rate than Councils usual funding arrangement with the Agency.

Investment income

Investment income of \$928,000 was less than budget of \$1,074,000 due to Council's higher yielding bonds maturing and swapping to lower return term deposits. Council had expected an increase in the Official Cash Rate and therefore other interest rates for the period covered by this report.

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

Other income

Other income is \$1,623,000; \$341,000 more than the budget of \$1,282,000. This is mainly due to higher levels of commissions earned and rates penalties charged totally \$23,000 along with higher than anticipated recoverable services from Corporate Services. Planning and Regulation, specifically Building Services has generated an additional \$77,000 due to increased building consent applications. Commercial Activities contributed \$289,000 towards the variance with unbudgeted income from Pukaki Airport Board (\$23,000) real estate leases contributing \$119,000 along with other rentals contributing \$186,000. This includes loss of rental insurance returns (\$40,000) and an accrued \$145,600 Old Library Café insurance settlement.

Other gains/losses

Other gains/losses is \$538,000 higher than the budget of \$nil. This consists of an increase in the value of forestry assets totally \$498,000 plus a wash-up of real estate from 2011/2012 of \$40,000.

Vested Assets

Council received \$761,000 in assets vested with Council from developers. The major contributor relates to Councils share of the Alps 2 Ocean Cycleway which totalled \$642,000. The balance of \$119,000 is made up of sewer assets \$53,000, stormwater assets \$26,000 and water assets \$40,000.

Personnel Costs

Costs relating to personnel are \$1,816,000; \$114,000 more than the budget of \$1,702,000. The major contributors to this variance are due to Council employing a specialist GIS (Geographical Information Systems) person and a senior planner to assist Council through its District Plan review (total cost of these two positions \$111,000). The balance of the increase relates to staff position regrading.

Operational and Maintenance Expenses

Costs for the year are \$2,847,000; \$549,000 less than the budget cost of \$3,396,000. The main reasons for this are township projects budgeted to be undertaken in this year have not been done. Tekapo Township did not spend a total of \$174,000 from its township budget while Fairlie did not spend \$61,000. Repairs and maintenance and costs associated with burials is \$37,000 down on budget. Costs of maintenance of the various water schemes was lower than anticipated by \$58,000.

Roading expenses

Roading expenses were \$2,242,000; \$1,100,000 more than the budget of \$1,142,000. The main reason for this variance is Council experienced two major weather events at each end of the financial year. Unbudgeted Emergency Reinstatement costs over both these events totalled \$1,183,000.

Events after balance date

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

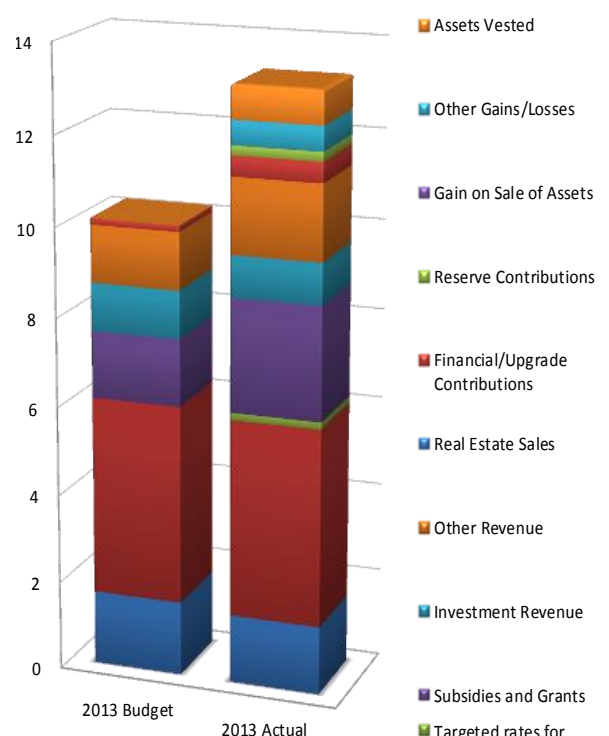
In 2012/13, the following events occurred after balance date and were disclosed in the financial statements:

Mackenzie Tourism and Development Trust

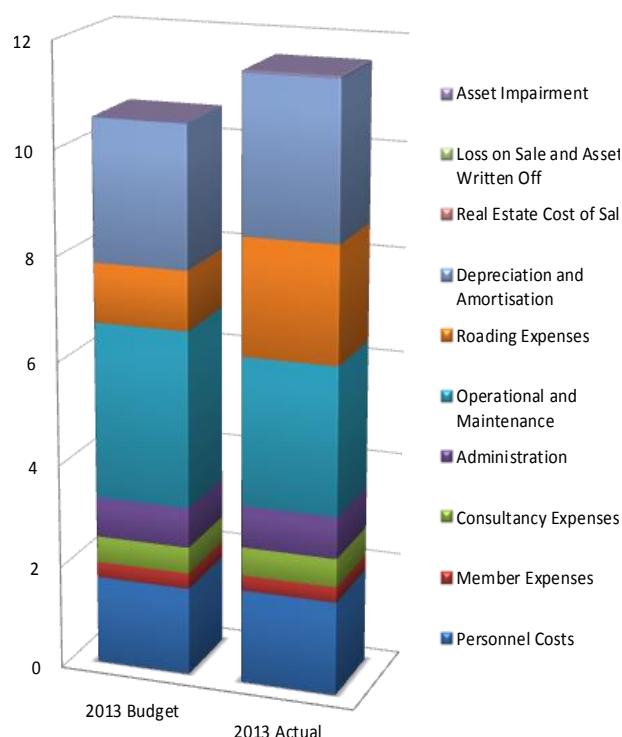
Council, as a result of public consultation through its 2012-2022 Long-Term Plan, has decided to cease funding the Mackenzie Tourism and Development Trust as the vehicle used to provide Tourism and Development services in the Mackenzie. Council has a working party of interested people to develop a way forward for delivery of the tourism and development activity. In the meantime, Council has appointed Christ-church and Canterbury Marketing for one year to undertake the role performed by the Trust.

Council has also provided an extra \$55,000 in loan money to the Mackenzie Tourism and Development Trust at the end of July 2012.

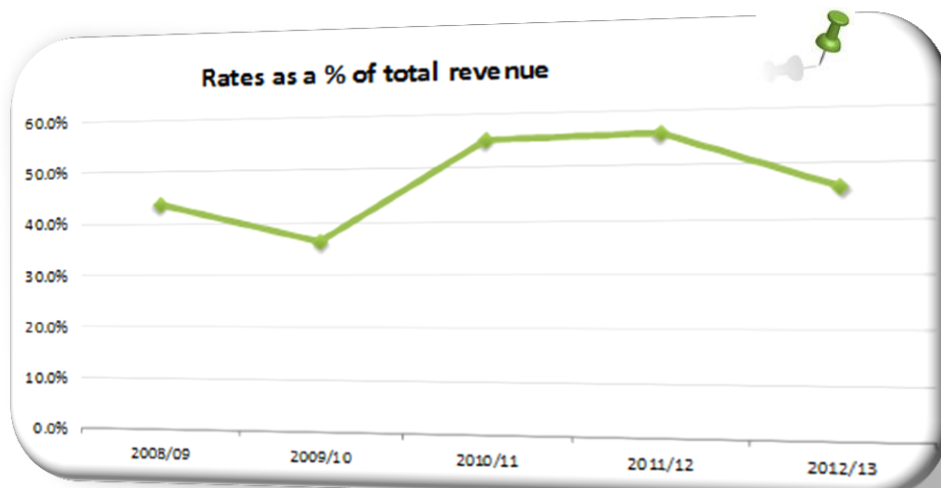
Revenue items (Millions)



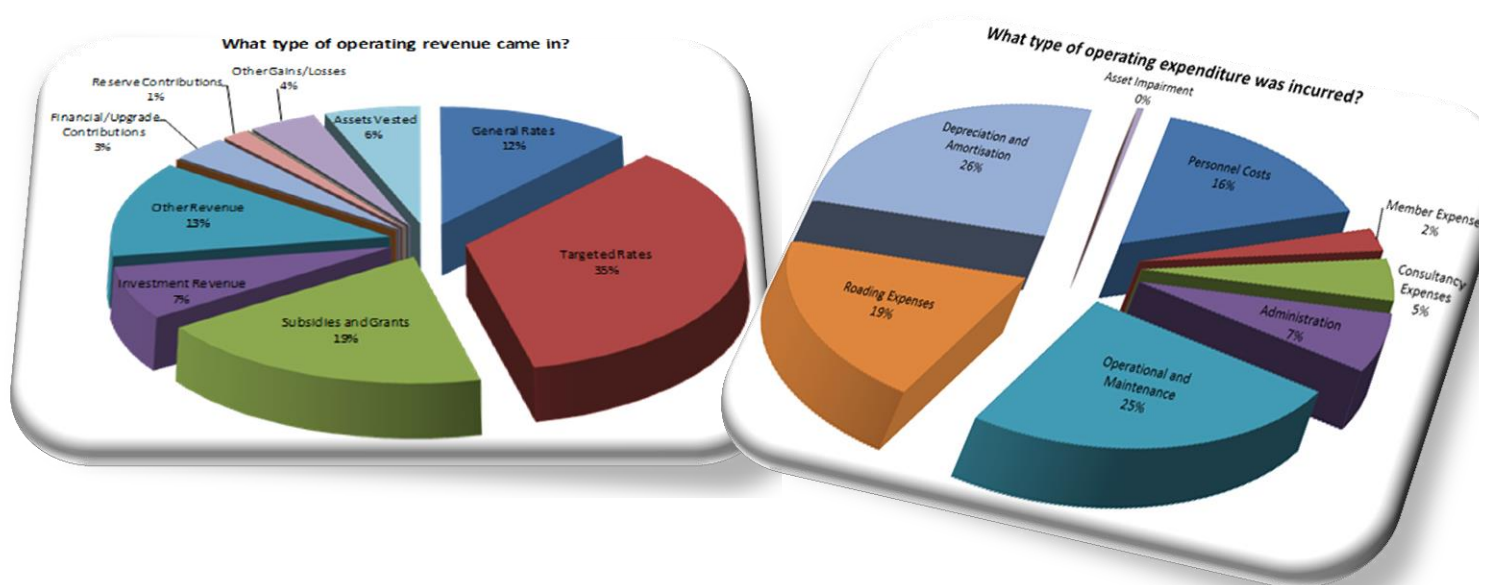
Expenditure items (Millions)



FINANCIAL OVERVIEW

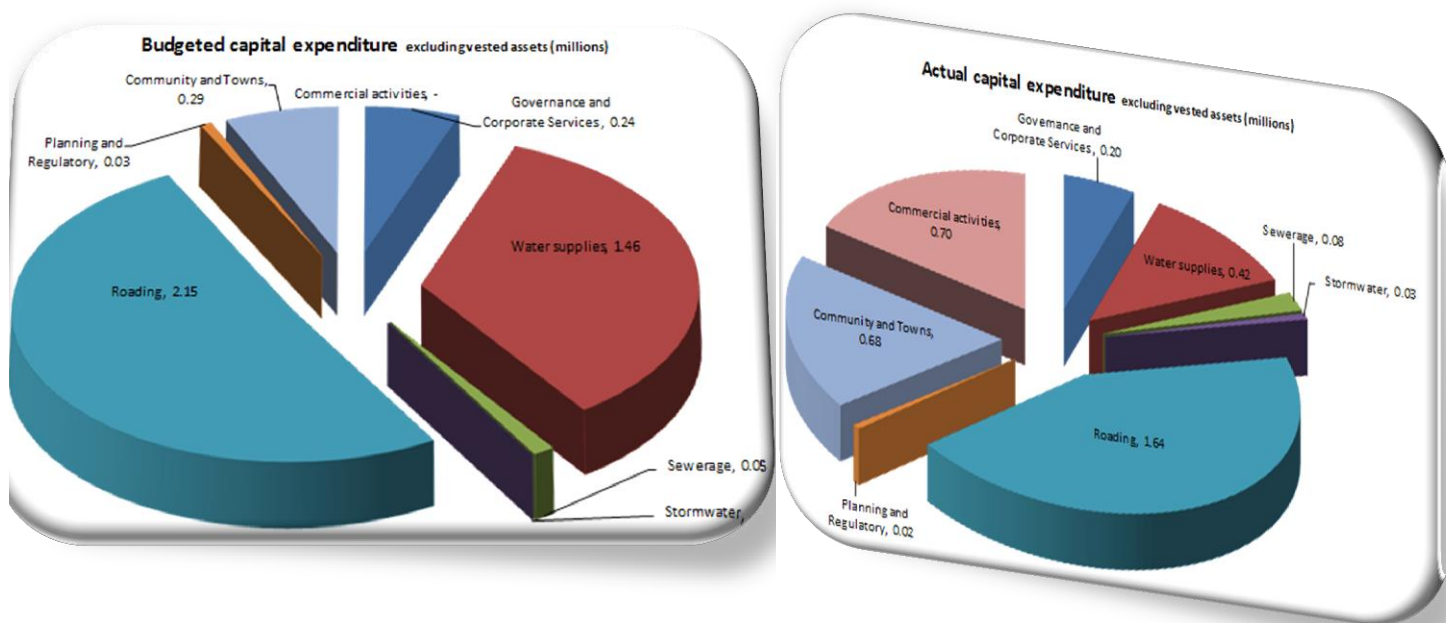


Operational



Capital

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



Independent Auditor's Report

To the readers of Mackenzie District Council's summary annual report for the year ended 30 June 2013

The summary annual report was derived from the annual report of the Mackenzie District Council (the District Council) for the year ended 30 June 2013. We have considered whether the summary annual report represents, fairly and consistently, the information regarding the major matters dealt with in the annual report.

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

- the summary statement of financial position as at 30 June 2013;
- the summaries of the statement of comprehensive income, statement of changes in equity and statement of cash flows for the year ended 30 June 2013;
- the notes to the summary financial statements that include accounting policies and other explanatory information; and
- the summary statement of service provision of the District Council.

We expressed an unmodified audit opinion on the District Council's full audited statements in our report dated 30 October 2013.

Opinion

In our opinion:

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

Basis of opinion

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

The summary statements and the full audited statements from which they were derived, do not reflect the effects of events that occurred subsequent to our report dated 30 October 2013 on the full audited statements.

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

Responsibilities of the Council and the Auditor

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

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

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



Julian Tan
Audit New Zealand
On behalf of the Auditor-General
Christchurch, New Zealand
21 November 2013