



2014-2015 ANNUAL REPORT SUMMARY

INTRODUCTION BY THE MAYOR AND CEO

We are pleased to introduce the Annual Report of the Mackenzie District Council for 2014/2015. It has certainly been a very busy and a very satisfying year with a number of larger projects coming to fruition, it is amazing to see the progress that has been made.

It has also been a challenging year. Council has needed to make some significant and difficult decisions and our members have not always agreed on the best way forward, however all members have contributed to the debate and shouldered the responsibility of making progress for the District. It is a measure of the calibre of our Councillors that they have been able to work through the tough calls and keep their eyes on what is best for the Mackenzie.

This year we have seen completion of new public toilets at Twizel, a new car park at the Tekapo Community Centre, a significant upgrade of the Council office courtyard and the reopening of the Old Fairlie Library building. These are all significant improvements that make the Mackenzie an even better place.

In addition to these completed works construction is now well underway on upgrading the Twizel Water Supply and Treatment Plant and the Tekapo Lakefront Commercial Development. These are major projects that have taken a significant amount of planning and preparation. We are very pleased with the progress that these works represent for our District.

Construction is also underway on several major projects in which Council is acting in partnership with the community or acting to enable the activity. The new Meridian Office Building at Twizel is well advanced and while the siting of the building has been controversial, the presence of Meridian within the township is well supported and we look forward to welcoming the approximately 60 workers into the business area.

The High Country Medical Trust is to be congratulated on the construction progress being made on their new building at Mackenzie Drive at Twizel. Council is very pleased to be assisting this project through both the provision of land and direct funding.

A further significant community project that is progressing within the district is the Tekapo Footbridge. The Tekapo

Community Board has provided direct funding to this project and Council has assisted with liaison to obtain funding from New Zealand Transport Agency. The superstructure for the bridge is currently being fabricated and is due to be placed in spring.

A further significant project undertaken this year is the production of a new Council Long Term Plan. This involves a full review of our activities and the services we provide as well as our financial planning and management documents. These documents are then used to formulate a comprehensive plan covering all of our activities for the next ten years. In addition to this already significant undertaking, this year there were additional new Long Term Plan requirements arising from the latest amendment to the Local Government Act. The total work requirement has been huge and we wish to thank our staff for their tireless efforts throughout the year.

In parallel with the high profile and visible projects noted above we have been progressing a number of important operational projects to make sure we keep up with legislative requirements, improve the way we provide services to our community and lift our efficiency in that delivery. These projects include updating processes to comply with new financial and non-financial regulations, improving the standard of documentation and format used for consulting with our community and working with neighboring Councils to develop a coordinated approach to road maintenance activities.

All the while we need to “keep up with the day job”, building activity is still strong and our Building Officers need to keep pace to ensure confidence in work quality is maintained. Tourism growth and business interest have been strong throughout the year which has kept up demand for the contracted services of our tourism and business development providers. Our infrastructure team have replaced water mains, sewage pumps and three bridges. The planning department has needed to meet requirements associated with Plan Change 13 and the District Plan review which continue unabated.

It is very satisfying to reflect on the achievements of this year as an on-going contribution to our community. We would like to extend a very big thank you to staff and elected members for their tireless efforts and contribution throughout 2014/2015. It has been a big year for us all and there have been some fantastic outcomes for our communities.



Claire Barlow
Mayor



Wayne Barnett
Chief Executive

SUMMARY STATEMENTS OF SERVICE PROVISION

Governance

Levels of Service	Measure of Service	Target	Result for 2014-2015	Result for 2013-2014
Council meets in accordance with predetermined schedule and in compliance with the Local Government (Official Information and Meetings) Act 1987.	Council and its committees generally meet every six weeks. Meetings comply with the Local Government (Official Information and Meetings) Act 1987.	At least nine meetings of Council held during the year, and 20 meetings of Council committees. No identified breaches of the Local Government (Official Information and Meetings) Act 1987.	Achieved Council continued to meet on a 6 weekly cycle. In 2014/15 there were 15 meetings of the full Council and 24 meetings of Council Committees. A total of 39 for the year. Achieved: There were no identified breaches of the Local Government (Official Information and Meetings) Act during the year.	Achieved Council continued to meet on a 6 weekly cycle. In 2013/14 there were 14 meetings of the full Council and 25 meetings of Council Committees. A total of 39 for the year. Achieved: There were no identified breaches of the Local Government (Official Information and Meetings) Act during the year.
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.	Not Achieved Council undertook a consultation process for its Long-Term Plan. The Long-Term Plan was not adopted until 4 August 2015.	Achieved Council undertook a consultative process for its Annual Plan which was adopted on 10 June 2014. Council also made publically available its Summary Annual Report within the statutory timeframe.
The three community boards complement the role of the Council by providing local input and advocacy into Council decision making.	Community boards meet regularly and provide recommendations on local issues to Council.	Each community board meets eight times during the year. Recommendations including budget submissions are forwarded to Council for approval.	Not Achieved The Community Boards met 21 times during the year as follows: Fairlie 8 Tekapo 5 Twizel 8 Two Tekapo meetings were cancelled due to a lack of matters to consider and one was cancelled due to an inability to reach a quorum. Achieved All recommendations including budget submissions were forwarded to Council for approval.	Achieved The Community Boards met 27 times during the year as follows: Fairlie 9 Tekapo 9 Twizel 9 Achieved All recommendations including budget submissions were forwarded to Council for approval.

SUMMARY STATEMENTS OF SERVICE PROVISION

Water

Levels of Service	Measure of Service	Target	Result for 2014-2015	Result for 2013-2014
Water supplies are available and reliable	Time for reinstatement of service for on-demand supplies from notification to contractor:			
	During working hours - 6 hours.	90%	Not Achieved Due to lack of supporting documentation the results could not be confirmed.	Achieved 100% of on-demand supplies were reinstated within 6 hours.
	Outside working hours – 9 hours.	90%	Not Achieved Due to lack of supporting documentation the results could not be confirmed.	Achieved There were no shut downs out of work hours.
	For restricted supplies: - 24 hours.	90%	Not Achieved Due to lack of supporting documentation the results could not be confirmed.	Achieved 100% of restricted supplies were reinstated within 24 hours.
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.	100%	Not Achieved 3 transgressions. 2 in the Allandale Supply, 1 in Burkes Pass Supply,	Not Achieved 6 transgressions. 2 in the Twizel Supply, 2 in Burkes Pass Supply, 1 in Fairlie Supply and 1 in Kimbell.
	Response to any E Coli identified in drinking water leaving the treatment plant (transgression): Take remedial action.	100%	Achieved Re-tests were carried out for each of these transgressions.	Achieved Re-tests were carried out for each of these transgressions.
	Issue "Boil Water" notice if transgression is likely to exceed 24 hours to rectify.	100%	Achieved 2 "Boil Water" Notices were issued in response to transgressions which were likely to exceed 24 hours.	Achieved 1 "Boil Water" Notice was issued in response to transgressions which were likely to exceed 24 hours.
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	100%	Achieved There were no notifications of low pressure or flow.	Achieved There were no notifications of low pressure or flow.
	Outside working hours-9 hours	100%	Achieved There were no notifications of low pressure or flow.	Achieved There were no notifications of low pressure or flow.
	% of ratepayers satisfied with the water supply service.	80%	Not Achieved 70 % were satisfied.	Not Achieved 70 % were satisfied.
	Upgrading the treatment of the following water supplies			

SUMMARY STATEMENTS OF SERVICE PROVISION

Levels of Service	Measure of Service	Target	Result for 2014-2015	Result for 2013-2014
	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			
	Target Upgrade Tekapo water supply by June 2013	Upgrade complete.	Achieved Completed	Achieved Completed
	Target Upgrade Twizel water supply by June 2016	Upgrade complete.	Upgrade underway stage I completed.	Information gathering stage.
	Target Upgrade Fairlie water supply by 1 June 2017	Upgrade complete.	Information gathering stage.	Information gathering stage.

SUMMARY STATEMENTS OF SERVICE PROVISION

Sewerage

Levels of Service	Measure of Service	Target	Result for 2014-2015	Result for 2013-2014
Sewage is managed without risk to public health.	Number of sewage overflows from pump stations.	Nil	Achieved There were nil sewage overflows from pump stations for the year.	Achieved There were nil sewage overflows from pump stations for the year.
	Number of annual blockages per 10km of sewer.	Less than six	Achieved There were 1.84 blockages per 10 kms	Achieved There were 1.3 blockages per 10 kms
	% of ratepayers satisfied with the sewage treatment and disposal service.	85%	Achieved 96% 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).	100%	Achieved 100% of repairs were completed within 6 hours.	Achieved 100% of repairs were completed within 6 hours.
	Normal disruption should not exceed 8 hours. Apart from earthquake or flood, no single disruption should exceed 24 hours.	100%	Achieved 100% no disruption exceeded 8 hours.	Achieved 100% no disruption exceeded 8 hours. CSR's received 6 completed 6 completed in time 5.
Safe discharge of wastewater	% of notices of non-compliance, issued by Environment Canterbury, for Council's discharge consents actioned within 20 working days.	100%	Achieved – being actioned The Council received a notice of non-compliance for the discharge of effluent from the Tekapo Oxidation Ponds. The issue relates to the system being overloaded at times. Council have acknowledged this concern with Environment Canterbury and have confirmed through the LTP that a new disposal system will be investigated in 2015/16 and installed as soon as possible thereafter. Consultants have been engaged to begin this process.	Not Achieved Only 78% of notices were actioned. Had non-compliance with Dissolved Oxygen reading at Tekapo and Fairlie Ponds. Not collecting flow data at Fairlie. In correct samples collect or not collected and results sent to Environment Canterbury.

SUMMARY STATEMENTS OF SERVICE PROVISION

Stormwater

Levels of Service	Measure of Service	Target	Result for 2014-2015	Result for 2013-2014
Council provides a reliable stormwater system which prevents houses from flooding.	Number of reported house flooding incidents in a 1 in 5 year event.	Nil	Achieved There was no 1 in 5 year event.	Achieved There was no 1 in 5 year event.
Council will respond promptly to reports of flooding and customer requests	<p>% of localised flooding events responded to within 1 hour of notification.</p> <p>% of blockages causing minor disruption responded to within 6 hours of notification during working hours or 12 hours outside working hours.</p>	<p>100%</p> <p>100%</p>	<p>Achieved There were no events that created localised flooding and therefore the need for our contractors to attend.</p> <p>Achieved There were a couple of significant rain events in 2014/15 and the contractor had staff patrolling the district immediately the extent became known to address any issues.</p> <p>Customer Service Requests Received 2 Completed 2 Completed in time 2.</p>	<p>Achieved 100% of events were responded to within 1 hour.</p> <p>Achieved There were a couple of significant rain events in 2013/14 and the contractor had staff patrolling the district immediately the extent became known to address any issues.</p> <p>Customer Service Requests Received 3 Completed 2 Completed in time 2.</p>

SUMMARY STATEMENTS OF SERVICE PROVISION

Roading

Levels of Service	Measure of Service	Target	Result for 2014-2015	Result for 2013-2014
Council provides safe, smooth, quality sealed roads in order to reduce travel times and vehicle wear.	Smoothness of urban and rural sealed roads as compared with rest of New Zealand.	Smoothness higher than national average.	Achieved Mackenzie DC smoothness rating is 97% (completed May 2014). Compared to the national average of 91% (2012/13). This is a biennial measure.	Achieved Mackenzie DC smoothness rating is 97% (completed May 2014). Compared to the national average of 91% (2012/13). This is a biennial measure.
	The average roughness of urban roads as measured by NAASRA counts.	Average <100 counts with less than 10% exceeding 150 counts.	Achieved Average of 86 counts (completed May 2014) Trending Downwards, last count 88 May 2012 3.3% counts exceeding 150 (completed May 2014) Trending upwards last measure May 2012: 2.6%. This is a biennial measure as per NZTA requirements.	Achieved Average of 86 counts (completed May 2014) Trending Downwards, last count 88 May 2012 3.3% counts exceeding 150 (completed May 2014) Trending upwards last measure May 2012: 2.6%. This is a biennial measure as per NZTA requirements.
	The average roughness of rural roads as measured by NAASRA counts.	Average <80 counts with less than 10% exceeding 110 counts.	Achieved Average of 66 counts (completed May 2014). 5.9% of counts exceeding 110. This is a biennial measure	Achieved Average of 66 counts (completed May 2014). 5.9% of counts exceeding 110. This is a biennial measure
Council provides a safe and efficient roading network.	% of road users are satisfied with the roading network.	85%	Achieved 86% were satisfied.	Achieved 88% were satisfied.
	Minor improvements to the network identified that will benefit the road user and programmed for completion.	Two projects completed each year.	Achieved Three Bridge replacements were completed, Long Gully, Oldfields Road and Pioneer Park. Sight benching improvements on three corners on Mount Michael Valley Road one area on Middle Road. Intersection realignment with kerb and channel on Irishman Drive/Maitland Place intersection.	Achieved Manuka Terrace Seal Extension was completed. Market Place Contract 1.212 was completed this financial year.
Ready access is provided around the District except in extreme weather conditions.	Number of fatal accidents due solely to road factors.	Nil.	Achieved There were no fatal accidents on local roads in the district caused solely by road conditions.	Achieved There were no fatal accidents on local roads in the district caused solely by road conditions.
	The roading network is trafficable and contracted emergency response times are met – on site within 1.5 hours to begin reinstatement	100%.	Not Achieved 92%. We did not achieve this measure as we had three callouts that exceeded 1.5 hours. All three call outs did not affect the accessibility of the network and two were for minor repairs only required. The other was for a District wide wind event. All events were attended within 5 hours of the	Not Achieved 92%. We did not achieve this measure as we had four callouts that exceeded 1.5 hours. One was for a hole in a privately owned car park, a further for a fallen tree on Plantation Road, and another was a blocked ford on Glen Lyon Road. All were attended to the day of reported incident.

SUMMARY STATEMENTS OF SERVICE PROVISION

Levels of Service	Measure of Service	Target	Result for 2014-2015	Result for 2013-2014
			reported complaint.	
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>95%</p> <p>70% with improving trend</p>	<p>Achieved 100%. Four faults deemed as a trip hazard and were programmed to be remedied within 48 hours.</p> <p>Not Achieved 81% were satisfied. Which is the same as the 2013/2014 Figures so the trend is not currently improving.</p>	<p>Achieved 100%. Six faults deemed as a trip hazard and were programmed to be remedied within 48 hours</p> <p>Not Achieved 81% were satisfied. Which is a drop on 2012/2013 Figures so the trend is not currently improving.</p>

SUMMARY STATEMENTS OF SERVICE PROVISION

Planning and Regulation

Level of Service	Measure of Service	Target	Result for 2014-2015	Result for 2013-2014
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>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>Not Achieved The Council has initiated its review but has yet to publicly notify the proposed changes.</p> <p>Not Achieved CINTA Survey 2015 showed 71% satisfaction.</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 2014 showed 69% 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>100% compliance</p> <p>80% positive feedback to a customer survey.</p>	<p>Not Achieved 91% of consents were processed within the timeframe.</p> <p>Not Achieved CINTA Survey 2015 showed 79% 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 99% of consents were processed within the timeframe.</p> <p>Not Achieved CINTA Survey October 2014 showed 61% satisfaction. Note: This survey was conducted with a sample of the entire population not just those that were applying for consents.</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>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 98% of LIMs & 100% of PIMs were processed within the timeframe.</p> <p>Not Achieved CINTA Survey 2015 showed 69% 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 95% of consents were processed within the timeframe.</p> <p>Not Achieved 99% of LIMs & 100% of PIMs were processed within the timeframe.</p> <p>Not Achieved CINTA Survey October 2014 showed 72% satisfaction. Note: This survey was conducted with a sample of the entire population not just those that were applying for consents.</p>

SUMMARY STATEMENTS OF SERVICE PROVISION

Level of Service	Measure of Service	Target	Result for 2014-2015	Result for 2013-2014
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>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 118 dogs unregistered.</p> <p>Not Achieved Due to lack of supporting documentation the results could not be confirmed.</p> <p>Achieved CINTA survey 2015 showed 85% were satisfied.</p>	<p>Not Achieved At year end there were approximately 117 dogs unregistered.</p> <p>Not Achieved Due to the contractor not being available at all times.</p> <p>Achieved CINTA survey October 2014 showed 86% were satisfied.</p>
For the Council and the community to be prepared to respond to a civil defence emergency.	<p>Council staff and volunteers are familiar with their roles and are adequately trained.</p> <p>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.</p>	<p>Training is attended as required, and the Council will participate in one training exercise per year.</p> <p>80% favourable response from a customer survey.</p>	<p>Achieved The scheduled South Island training exercise was re-scheduled and held on 29 July 2015. An additional exercise will be held in 2015/16.</p> <p>Not Achieved 77% of those surveyed had faith in Council's preparedness.</p>	<p>Achieved The Council participated in Exercise Te Ripahapa – a South Island wide Civil Defence exercise.</p> <p>Achieved 92% of those surveyed had faith in Council's preparedness.</p>
To manage a fire risk and to be able to provide a ready and capable response to rural fires.	<p>For Council to remain as an active member of an enlarged rural fire district with other partner councils and agencies.</p> <p>Council has a capable and well equipped rural fire response teams across the Mackenzie District.</p>	<p>Attend all South Canterbury Rural Fire meetings.</p> <p>All volunteer rural fire teams are trained to industry standards.</p> <p>A capital replacement programme for tankers and other equipment is implemented.</p>	<p>Achieved The Council has been represented at all SCRFC meetings.</p> <p>Achieved All volunteers trained to the industry standards.</p> <p>Achieved Equipment upgraded, next tanker replacement due 2015/16.</p>	<p>Achieved The Council has been represented at all SCRFC meetings.</p> <p>Achieved All volunteers trained to the industry standards.</p> <p>Achieved The Albury Tanker was replaced.</p>

SUMMARY STATEMENTS OF SERVICE PROVISION

Community and township services

Levels of Service	Measure of Service	Target	Result for 2014-2015	Result for 2013-2014
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.	84% or above 100%	Achieved 94% of those surveyed are satisfied with the service and facilities provided. This is a large jump in the satisfaction levels for public toilets which we expect is a result of the capital improvement programme in this area. Not Achieved 92%. 25 out of 275 people surveyed said they did not use any Community Facility. It is believed that non-resident ratepayers helped to contribute to the large decrease.	Achieved 88% of those surveyed are satisfied with the service and facilities provided. The large decrease with Public Toilets satisfaction is noted with capital programmes addressing this. Not Achieved 97.5%. 7 out of 275 people surveyed said they did not use any 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	100% 75% with an upward trend	Achieved 100% Achieved CINTA survey 2015 indicated 91% of users were satisfied.	Achieved 100% Achieved CINTA survey 2014 indicated 93% of users were satisfied.
Solid waste is collected and disposed of without causing any environmental harm.	The percentage of solid waste from the District resource recovery parks diverted from landfills.	70% diverted with an expectation of 80% by 2019.	Not Achieved 38% of solid waste diverted from landfills. There has been a continued increase in general recyclables collected through kerbside collections and drop offs to the Resource Recovery Parks, with relatively stable volumes of greenwaste and metal being received. However, there has been a significant drop in the volume of glass received during 2014/15.	Not Achieved 38% of solid waste diverted from landfills. This is a slight improvement on the previous year, continued improvements are expected over the coming year as a result of new education initiatives and an improved sorting process for recycling that will be established towards the end of 2014.

FINANCIAL STATEMENTS

Commercial activities

Levels of Service	Measure of Service	Target	Result for 2014-2015	Result for 2013-2014
<p>Investments The Community expects the investments of the Council to be managed wisely.</p>	Council's cash investment portfolio independently reviewed each quarter.	Investments out-perform the Bancorp Ltd benchmark portfolio.	<p>Not Achieved The Councils investment portfolio outperformed the benchmark (as measured by Bancorp Ltd) in three of the four quarters.</p>	<p>Not Achieved The Councils investment portfolio outperformed the benchmark (as measured by Bancorp Ltd) in three of the four quarters.</p>
<p>Mackenzie Forestry Board The Board is required to operate and administer the Council's forestry estate as a successful business.</p>	Council approves the Statement of Intent for the Forestry Board annually.	Approval obtained prior to 30 June each year.	<p>Not Achieved Statement of Intent was not prepared.</p>	<p>Not Achieved Council did not approve the Statement of Intent of the Forestry Board.</p>
<p>Rental Properties It is expected that the relevant conditions placed upon a commercial lease agreement have been adhered to.</p>	All lease agreements are reviewed on a regular basis.	Council will ensure that the terms of each commercial lease agreement are adhered to.	<p>Achieved Terms of all commercial leases were adhered to. Review of these agreements coincides with rent review periods.</p>	<p>Achieved Terms of all commercial leases were adhered to. Review of these agreements coincides with rent review periods.</p>
<p>Pukaki Airport Board Operation of the Pukaki Airfield as a public facility.</p>	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.	<p>Not Achieved Council reviewed the Statement of Intent on 15 September 2015.</p>	<p>Achieved Council reviewed the Statement of Intent for 2014-2017 on 26 June 2014.</p>
<p>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.</p>	Market analysis is undertaken on a regular basis for the land identified for disposal as scheduled in the significance policy.	<p>Council will progress the disposal of the areas of land identified for sale.</p> <p>Council will progress a land rationalisation process to identify further areas of land deemed surplus to its requirements.</p>	<p>Achieved Council has a sub-committee to assist with this. It has also employed consultants to assist.</p> <p>Achieved Council has progressed the land rationalisation process. It has identified further land that it considers to be surplus to requirement at the Western Catchment area in Fairlie.</p>	<p>Achieved Council has a sub-committee to assist with this. It has also employed consultants to assist.</p> <p>Not Achieved The land rationalisation process was deferred. Council will review to undertake a full rationalisation review for incorporation in the next LTP.</p>

FINANCIAL STATEMENTS

Summary Statement of Revenue and Expense for the year ending 30 June 2015

	2014	2015	
	Actual \$000's	Annual Plan \$000's	Actual \$000's
Total Revenue	12,045	13,028	13,584
Total Expenses	12,606	12,237	12,465
Surplus/(deficit)	(561)	791	1,119
Financial assets at fair value through other comprehensive income	(104)	0	9,252
Gain on infrastructure revaluations	21,334	0	0
NET COMPREHENSIVE REVENUE AND EXPENSE FOR THE YEAR	20,669	791	10,371

Summary Statement of Changes in Equity for the year ending 30 June 2015

	2014	2015	
	Actual \$000's	Annual Plan \$000's	Actual \$000's
EQUITY AT START OF THE YEAR	187,185	197,415	207,723
Valuation gains/(losses) taken to equity	(131)	0	28
Net income/(expense) recognised directly in equity	(131)	0	28
Net comprehensive income	20,669	791	10,371
TOTAL EQUITY AT END OF THE YEAR	207,723	198,206	218,122

Summary Statement of Financial Position as at 30 June 2015

	2014	2015	
	Actual \$000's	Annual Plan \$000's	Actual \$000's
Total Current Assets	16,347	7,536	14,919
Total Non Current Assets	193,560	192,277	206,468
Total Assets	209,907	199,813	221,387
Total Current Liabilities	2,106	1,574	3,189
Total Non Current Liabilities	78	33	75
Total Liabilities	2,184	1,607	3,264
NET ASSETS	207,723	198,206	218,122
Components of equity			
Accumulated funds	96,507	87,039	100,727
Capital reserves	1,728	(2,373)	(278)
Operating reserves	(1,185)	(1,482)	(2,270)
Special funds	6,097	7,831	6,114
Other reserves	42	37	44
Asset revaluation reserves	104,534	107,154	113,785
TOTAL EQUITY	207,723	198,206	218,122

Summary Statement of Cash Flows for the year ending 30 June 2015

	2014	2015	
	Actual \$000's	Annual Plan \$000's	Actual \$000's
Net increase (decrease) in cash and cash equivalents	1,458	(5,506)	(2,122)
Add cash at start of the year	7,950	8,000	9,408
CASH AND CASH EQUIVALENTS AT END OF THE YEAR	9,408	2,494	7,286
THE CHANGE IN THE CASH BALANCE IS DUE TO:			
Net cash flows from operating activities	3,410	3,440	3,386
Net cash flows from investing activities	(1,952)	(8,947)	(5,508)
Net cash flows from financing activities	0	0	0
NET INCREASE (DECREASE) IN CASH HELD	1,458	(5,507)	(2,122)

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 established under the Local Government Act 2002 (LGA) and is domiciled and operates in New Zealand. The relevant legislation governing the Council's operations includes the LGA and the Local Government (Rating) Act 2002.

The principal activity of Mackenzie District Council is the provision of local authority services, including resource management, water, storm water, waste water and roading services, hazard management, recreation and cultural services and building control to the community. The Council does not operate to make a financial return.

The Council has designated itself as a public benefit entity (PBEs) for financial reporting purposes.

Previously the Group consisted of the ultimate parent, Council and two subsidiaries including Mackenzie Tourism Development Trust and Mackenzie Holdings Ltd. On the 12th June 2014, Council instructed the Trustees of Mackenzie Tourism Development Trust to dissolve the Trust and Mackenzie Holdings Ltd has been dormant for and exempted under section 7 of the Local Government Act 2002. Therefore consolidated financial statements have not been prepared.

Basis of preparation

The financial statements of Mackenzie District Council on which this summary is based, have been prepared in accordance with the requirements of the Local Government Act 2002: which includes the requirement to comply with New Zealand generally accepted accounting practice (NZ GAAP).

The financial statements are the first financial statements presented in accordance with the new PBE accounting standards. The financial statements have been prepared in accordance with Tier 2 PBE standards with Reduced Disclosure Requirements ("PBE RDR"). The Council qualifies for Tier 2 because it does not have public accountability and is not large under the PBE Standards. These financial statements comply with PBE Standards

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 Public Benefit Entity Financial Reporting Standard 43 (PBE FRS43) Summary Financial Statements.

Measurement base

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

Functional and presentation currency

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

Explanations of Major Variances against Budget

Explanations for major variances from Mackenzie District Council's estimated figures in the 2014/15 Annual Plan are as follows:

Statement of Comprehensive Revenue and Expense

Surplus from operations

Council's net operating surplus of \$1,119,000 was more than the budgeted surplus of \$791,000. Revenue was \$13,584,000, compared to the budgeted revenue of \$13,028,000. This is due to the net effect of the following variances in revenue and in expenditure as detailed below.

Revenue

Rates Rates were \$7,211,000 being \$83,000 higher than budget of \$7,128,000, which is due to shifts in the rating database numbers between the time the budget for the 2014/2015 Annual Plan Plan is finalised and the actual assessment of rates is conducted at the close of the District valuation roll.

Subsidies and grants Subsidies and grants were \$2,242,000 being \$714,000 above the budget of \$1,528,000. This is due to minor improvements and the Tekapo footbridge work completed this financial year. Subsidies are directly related to the amount of money the Council spends on the Roding activity, whether capital expenditure or operating expenditure

Investment revenue Investment income of \$914,000 was \$103,000 less than the budget of \$1,017,000 due to lower than anticipated call and term deposit rates.

Other revenue Other income is \$1,742,000; \$267,000 more than the budget of \$1,475,000. This is mainly due to additional carbon credits worth \$195,000 being issued to Council.

Also included in this result is higher than expected revenue from Health and Liquor Licensing activity as a result of the introduction of new fees collected under the Sale and Supply of Alcohol Act 2012 and the unbudgeted revenue from the Albury Water Scheme of \$69,000.

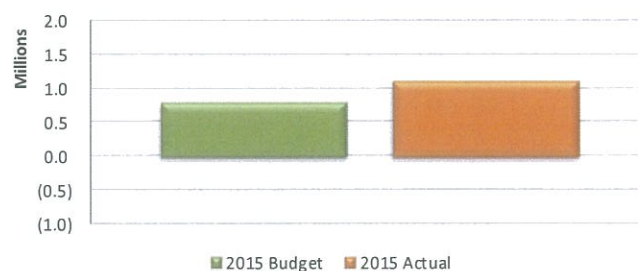
Contributions These contributions are generated as a result of developers giving effect to subdivision plans and have contributed \$38,000 (budget \$432,000) in revenue for the year.

Other Gains Revenue from other gains was under budget by \$36,000. The gain is due to larger than expected valuation increases from the forestry revaluation of \$564,000 and carbon credits increasing in value by \$172,000.

Vested Assets Revenue from vested assets is greater than budgeted by \$25,000. This is largely attributable to higher than anticipated amounts of vested assets provided to Council. Vested assets are mainly infrastructural assets received from developers once a subdivision is complete. This is a non cash item and is subject to the number of subdivisions that are completed.

Council received \$684,000 in assets vested with Council from Tekapo developers, which is made up of water assets \$120,000, sewer assets \$137,000, stormwater assets \$128,000 and roading assets \$299,000.

Surplus from operations



Expenditure

Operational and Maintenance and Costs for the year are \$3,394,000; \$320,000 less than the budgeted cost of \$3,714,000. The main reasons for this is that township projects budgeted to be undertaken in this year have not been completed as planned resulting in under-expenditure of \$185,000. Tekapo Township did not spend a total of \$56,000 from its township budget while Twizel did not spend \$60,000. Costs associated with solid waste cartage are under budget by \$31,000 due to lower volumes of waste being generated.

The remainder is mainly attributable to cost savings across the organisation.

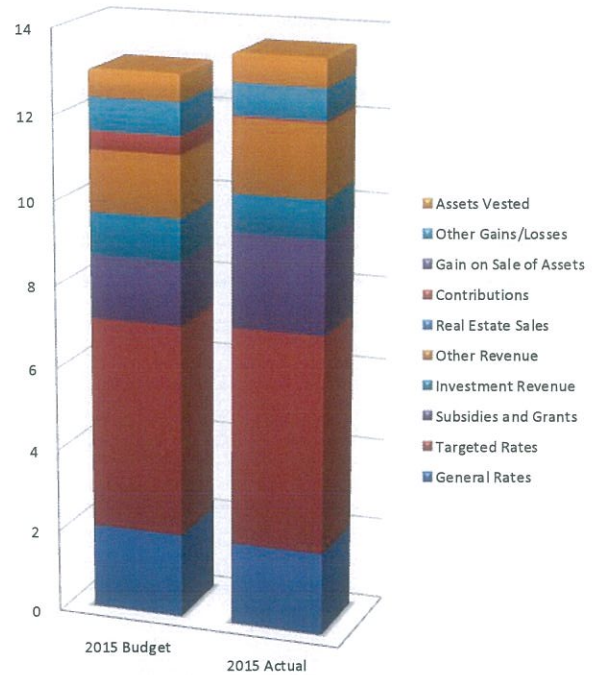
Roading expenses Roothing expenses were \$1,269,000; being \$86,000 more than the budget of \$1,183,000. The main reason for this variance is Council experienced a major weather event during the 2014/2015 financial year. Unbudgeted Emergency Re-instatement costs totalled \$114,000.

Real Estate Cost of Sales Real Estate cost of sales was \$41,000 which was unbudgeted. This relates to the costs associated with the Tekapo Village Centre and did not occur due to delays in obtaining consent.

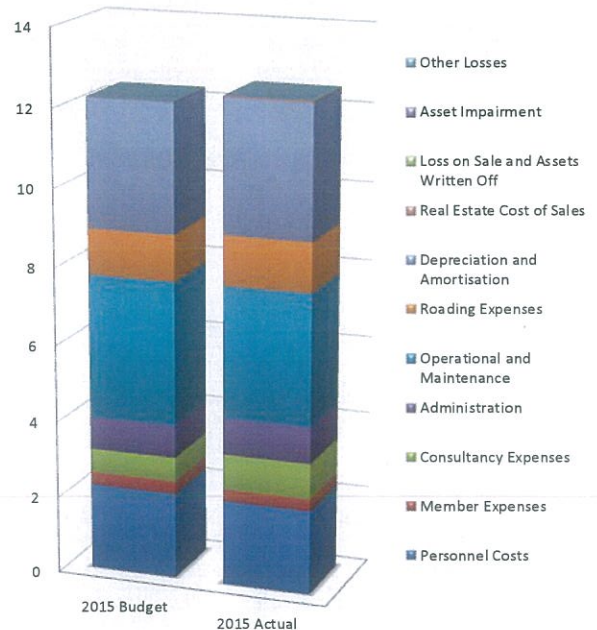
Depreciation Depreciation of \$3,389,000, being \$111,000 higher than the budget of \$3,278,000. This is due to higher than expected increases in asset values as a result of Councils 3 yearly infrastructure and building revaluation.

Also, the completion of large roading projects being brought forward will result in a higher depreciation charge than planned.

Revenue items (Millions)



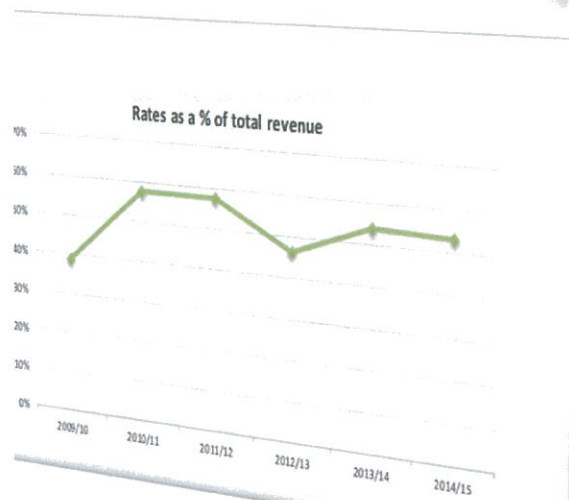
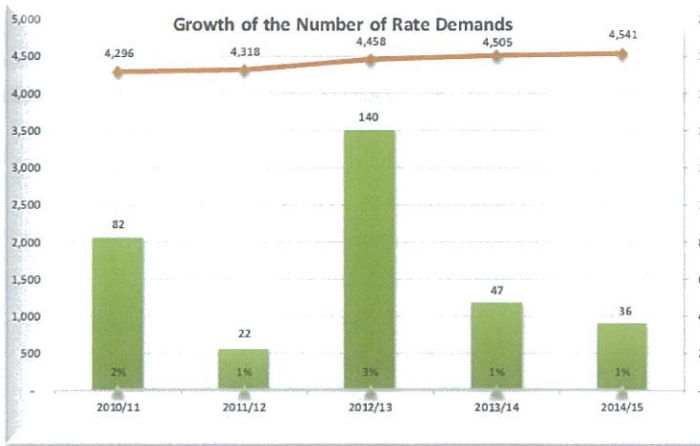
Expenditure items (Millions)



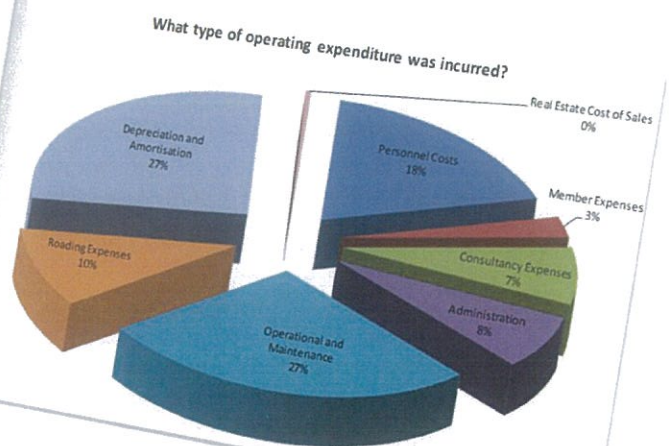
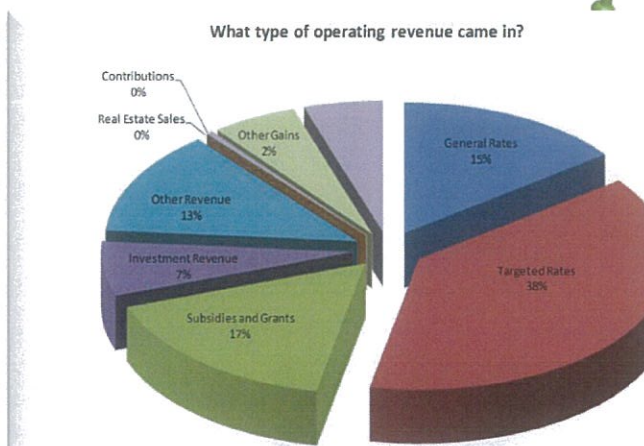
Disclaimer

1. The specific disclosures included in the summary financial report have been extracted from the full financial report adopted on 30 October 2015. This summary has been prepared in accordance with PBE 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 2015 has received an unmodified audit report. A copy of the annual report may be obtained from the Council's offices or on the Council's website (www.mackenzie.govt.nz).
3. The summary has been examined for consistency with the full Annual Report and was audited by Audit New Zealand on behalf of the Office of the Auditor-General. The full annual report received an unqualified audit opinion on 30 October 2015.
4. The specific disclosures included in this Summary Annual Report have been extracted from the full Annual Report and was authorised for issue by Council's Manager— Finance and Administration on 30 October 2015.

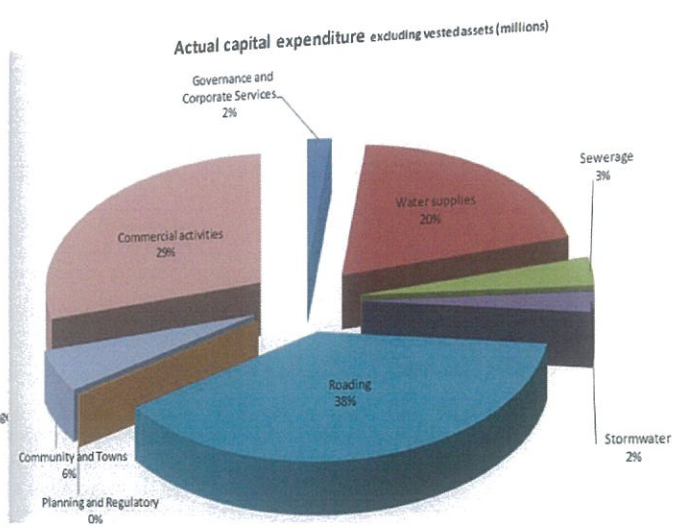
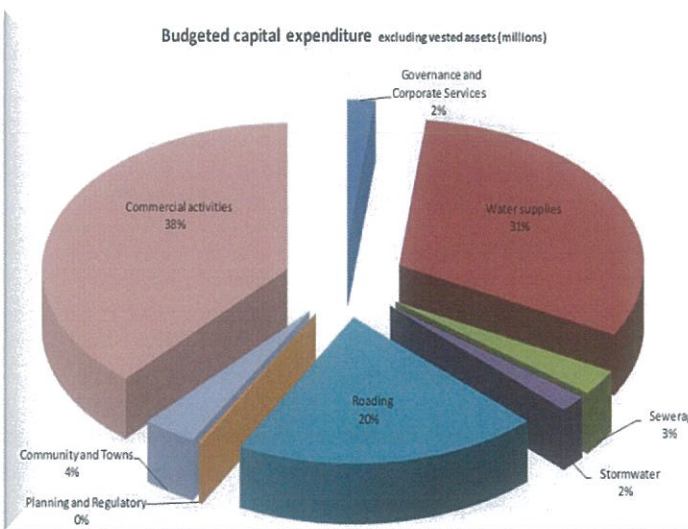
FINANCIAL OVERVIEW



Operational



Capital



Independent Auditor's Report
To the readers of
Mackenzie District Council's
summary annual report
for the year ended 30 June 2015

The summary annual report was derived from the annual report of the Mackenzie District Council (the District Council) for the year ended 30 June 2015. 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 1 to 16:

- the summary statement of financial position as at 30 June 2015;
- the summaries of the statement of comprehensive income, statement of changes in equity, and statement of cash flows for the year ended 30 June 2015;
- 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 2015.

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 PBE FRS-43: *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 2015 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 PBE FRS-43: *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 PBE FRS 43: *Summary Financial Statements*.

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

John Mackey,



Audit New Zealand
On behalf of the Auditor-General

Christchurch, New Zealand (30 October 2015)

