



A year in review

Here's a summary of what we
did together

Annual Report Summary
2018/19

A quick note from your Mayor and Chief Executive

We are pleased to present our 2018/19 Annual Report to our community.


Our District is continuing to experience unprecedented growth in tourism and development which is significantly impacting on all of our activities.

We struck our rates increase for 2018/19 at 8% equating to \$9.6 million rates revenue. We have invested \$4.7 million in capital expenditure, including \$3.4 million in core infrastructure. We have continued to work closely and collaboratively with our partners, peers and stakeholders.

This year we have undergone an in-depth organisational review of our operations with the aim of improving our effectiveness and efficiencies to provide the greatest service to our communities. This was a result of the earlier

CouncilMARK assessment which highlighted that Council was at risk across the four areas of assessment. We will work to ensure that we continue to foster a customer friendly culture and to ensure that we can deliver our community outcomes.

We are appreciative of the sterling effort of our elected members, staff and community during this year. We look forward to working with you, and for you, in the next financial year.


Graham Smith
Mayor


Suzette van Aswegen
Chief Executive

How we invested your rates (operating expenditure)



Highlighting our achievements

Organisational Review

We have been reviewing our operations in order to achieve greater effectiveness and efficiency, to better serve our communities. We have completed a significant restructure of our organisation to achieve this. In addition to the structural and process changes, we are working together to enhance our organisational performance and customer service, better enabling us to serve our communities.

Tourism Infrastructure

We successfully obtained funding from Central Government to manage our tourism infrastructure. This funding has contributed to:

- Alps2Ocean track resilience;
- Responsible Camping including 7 new public toilets and the monitoring and promotion of responsible camping;
- Church of the Good Shepherd and Collie Dog Statue improvements to be finalised in 2019/20.

Provincial Growth Fund

Working in close collaboration with the Mackenzie Development Group, we have successfully secured \$711,542 of grant funding from the Provincial Growth Fund, with a co-contribution of \$90,000 by our ratepayers. This funding will be paid in 2019/20. During the year we have developed a Terms of Reference, Project Brief and project plan to guide us as we progress this key work for our district and communities.



Some other highlights

In 2018 the International Dark Sky Place of the Year was awarded to our Aoraki Mackenzie International Dark Sky Reserve. This is a significant recognition of the uniqueness of our district.



We rolled out a new Electronic Document Management System across Council, migrating all of our electronic files.

This project was a resounding success, with a significant increase in staff working within the document management system, ensuring that we are best able to have full and accurate records.



Our work in designing, rolling-out and undertaking training and culture change was recognised by the Association of Local Government Information Management (ALGIM). In recognising the joint effort between our staff and Hurunui District Council, we were awarded the the 2019 IRM Project of the Year Award.

We welcomed 20 residents of the Mackenzie District as citizens in three ceremonies.

Services for our District

Each year we measure ourselves against the goals in our Long Term Plan.

Last year (2017/18) we:

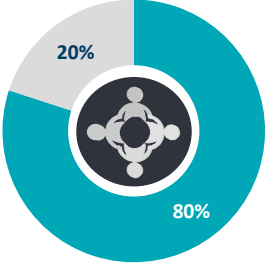
- Achieved: 36 out of 54 (67%)
- Did not achieve: 17 out of 54 (31%)
- Not applicable: 1 out of 54 (2%)

This year (2018/19) we:

- Achieved: 41 out of 54 (**76%**)
- Did not achieve: 11 out of 54 (20%)
- Not applicable: 2 out of 54 (4%)

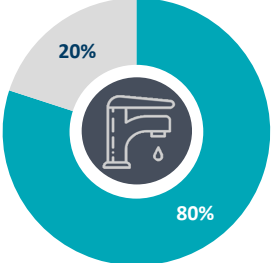


Governance & Corporate Services



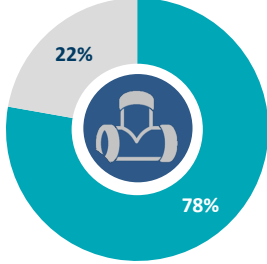
Achieved 4 of 5 measures

Water Supply



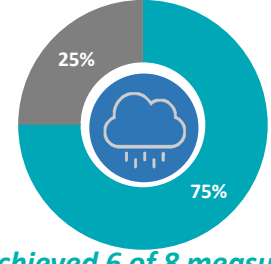
Achieved 8 of 10 measures

Wastewater



Achieved 7 of 9 measures

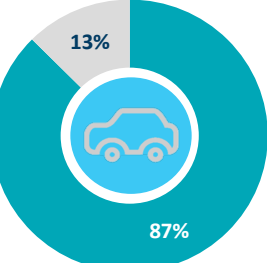
Stormwater



Achieved 6 of 8 measures

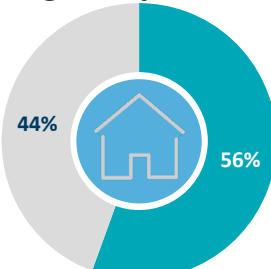
*2 out of 8 measures were not applicable

Roading



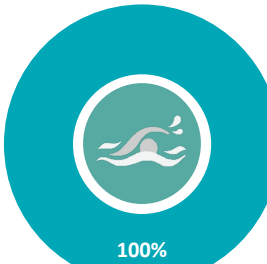
Achieved 7 of 8 measures

Regulatory Services



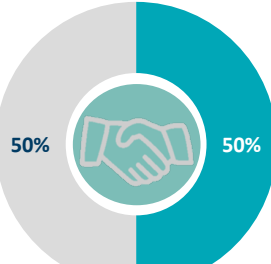
Achieved 5 of 9 measures

Community and Township Services



Achieved 3 of 3 measures

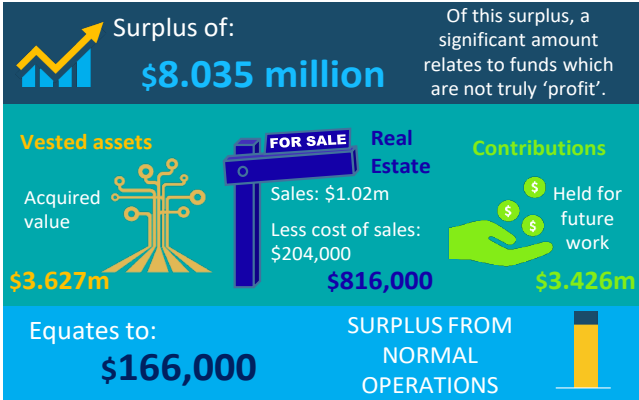
Tourism, Economic, Development and Commercial Activities



Achieved 1 of 2 measures

Financial Highlights

- We had an overall surplus after tax of **\$8 million**, with a total revenue of **\$25 million**.
- Our total expenditure was **\$17 million**.



We remain debt free

- Our net debt at 30 June 2019 stands at **nil**.

Our rates remain low

- We collected **\$9.6 million** in rates.
- We predicted an 8% average rates rise with our rates rise for 2018/19 being struck at **8%**.

We are growing

- We have **104** new rating units.
- We processed **384** building consents.
- We granted **148** resource consents.

We continue to invest in our infrastructure

- We currently own **\$161 million** of assets.
- We invested **\$4.7 million** in capital expenditure (excluding vested assets) on our infrastructure and other assets. \$3.4 million of this was on our core infrastructure.
- We received **\$3.6 million** of vested assets including road, water and wastewater infrastructure.
- We obtained **\$1.078 million** for tourism infrastructure and freedom camping management with projects to be completed in 2019/20.
- We also secured **\$711,000** of funding from the Provincial Growth Fund towards a collaborative Destination Mackenzie Study.

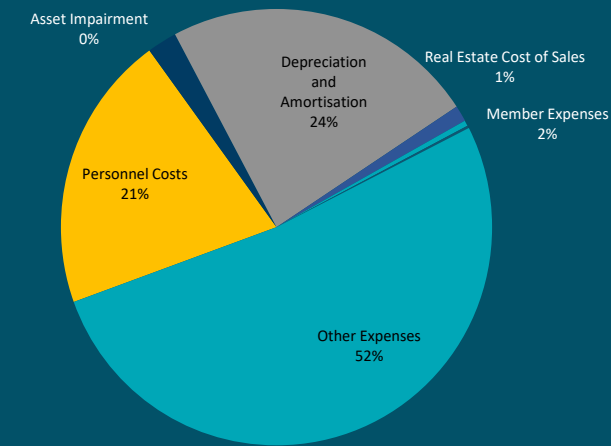
Events after balance date

- Land Sales at Pukaki Airport: total of \$1,029,400 with sales due to be completed in 2020/21. Intital deposits of \$147,880 has been received.
- Multi Party Funding Agreement between Timaru, Waimate & Mackenzie District Councils in respect of a Road Resurfacing Contract for 1 July 2019-30 June 2022.
- Final dividend of 9.6 cents per share from Alpine Energy was declared.

The Numbers

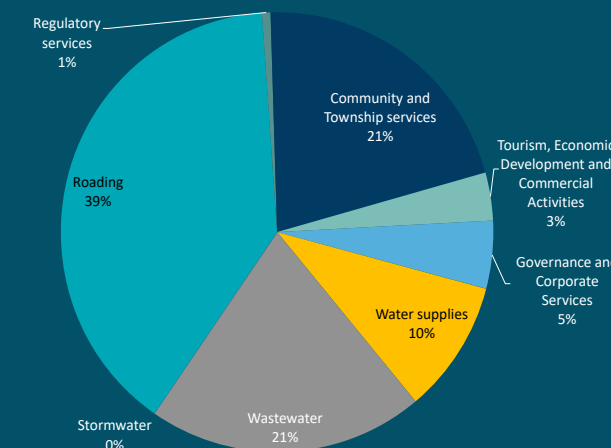
Operating expenditure:

Overall total operating expenditure was in line with budget, **\$17.1 million** compared with the planned \$17.0 million expenditure.



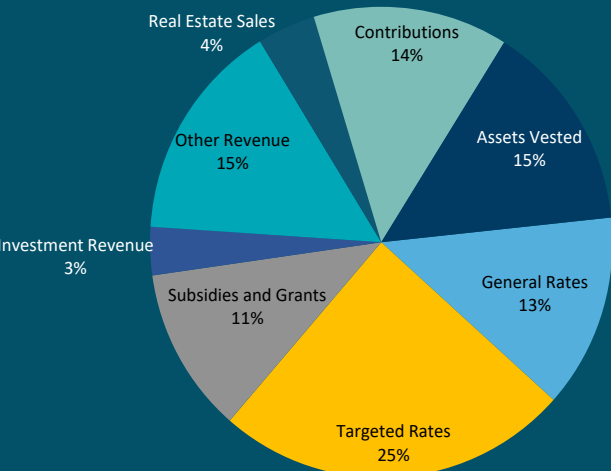
Capital expenditure (excluding vested assets):

Overall total capital expenditure was less than budget, with **\$4.7 million** compared with the planned \$6.4 million expenditure.



Where the money came from:

Mackenzie District Council is dependent on rates revenue, with rates accounting for 38% of total revenue. Revenue from vested assets accounts for 15% of all revenue. Revenue from vested assets is non-cash revenue and Council assumes that ongoing maintenance and obligations for these. Contributions account for 14% of total reveue. Timing of the completion of subdivision work and the vesting of assets and payment of contributions is outside of our control.



Summary Financials

Statement of Comprehensive

Revenue and Expenditure

for the year ended 30 June 2019

	2018	2019
	Actual	Long Term Plan
	\$000's	\$000's
Total Revenue	24,738	16,508
Total Expenditure	17,152	17,012
Surplus/(deficit)	7,586	(505)
Financial assets at fair value through other comprehensive revenue and expenditure	(9,895)	0
Property, plant, and equipment revaluations	474	0
TOTAL COMPREHENSIVE REVENUE AND EXPENDITURE	(1,835)	(505)

Statement of Changes in Equity

for the year ended 30 June 2019

	2018	2019
	Actual	Long Term Plan
	\$000's	\$000's
EQUITY AT START OF THE YEAR	243,194	250,241
Gains/(losses) on financial assets valuation	(9,895)	0
Gains/(losses) on property valuation	474	0
Inventory valuation gains/(losses) taken to equity	0	0
	(9,421)	0
Surplus/(deficit) after taxation	7,586	(505)
Total Comprehensive Revenue and Expenditure	(1,835)	(505)
TOTAL EQUITY AT END OF THE YEAR	241,359	249,736

Statement of Financial Position

for the year ended 30 June 2019

	2018	2019
	Actual	Long Term Plan
	\$000's	\$000's
Total Current Assets	15,651	9,419
Total Non Current Assets	229,661	244,622
Total Assets	245,312	254,041
Total Current Liabilities	3,875	1,410
Total Non Current Liabilities	78	2,895
Total Liabilities	3,953	4,305
NET ASSETS	241,359	249,736

Components of equity

	2018	2019
	Actual	Long Term Plan
	\$000's	\$000's
Accumulated funds	115,436	123,033
Reserves	125,923	126,703
TOTAL EQUITY	241,359	249,736

Statement of Cash Flows

for the year ended 30 June 2019

	2018	2019
	Actual	Long Term Plan
	\$000's	\$000's
Net increase (decrease) in cash and cash equivalents	4,495	1,241
Add cash at start of the year	6,844	385
CASH AND CASH EQUIVALENTS AT END OF THE YEAR	11,338	1,626

THE CHANGE IN THE CASH BALANCE IS DUE TO:

	2018	2019
	Actual	Long Term Plan
	\$000's	\$000's
Net cash flows from operating activities	4,773	4,649
Net cash flows from investing activities	(279)	(6,225)
Net cash flows from financing activities	0	2,817
NET INCREASE (DECREASE) IN CASH HELD	4,495	1,241

The Statement of Accounting Policies and Notes, which form an integral part of these financial statements, can be found in the full Annual Report.

Annual Report Disclosure Statement

- The disclosures in this summary have come from the full financial information in the Annual Report 2018/19, which have been prepared in accordance with PBE Standards Reduced Disclosure Regime. The summary financial statements give an overview of our financial performance and position and do not give a complete understanding; this is provided by the full financial statements in the Annual Report 2018/19 adopted 31 October 2019.
- The financial statements are for the Council which is an individual entity.
- Financial statements have been prepared in compliance with PBE FRS 43: Summary Financial Statements and are presented in NZ dollars rounded to the nearest thousand unless otherwise stated.
- All financial statements have been examined by an external auditor, Audit NZ, on behalf of the Auditor General and received an unmodified audit opinion on 31 October 2019. In addition, it is our opinion that the summary financial statements represent fairly and consistently the financial performance and position of the Council as detailed in the Annual Report 2018/19.
- The financial statements for the year ended 30 June 2019 were authorised for issue by the Council on 31 October 2019. We are not aware of any events subsequent to 30 June 2019 that require adjustment of, or disclosure in the financial statements.

Summary of major variances against our budget

- Revaluation of land and buildings \$3.4m increase.
- Revenue was \$25.1m (\$16.5m budgeted):
 - Subsidies and grants of \$2.9m (\$1.0m above budget) due to grants received from the Regional Mid-sized Tourism Facility Grant Fund.
 - Real estate revenue from Pukaki Airport section sales was \$0.5m below budget.
 - Financial contributions and vested assets were \$3.3m and \$3.6m higher than budgeted respectively because of developer activity in the district.
 - Other revenue of \$3.8m (\$0.8m above budget) primarily due to forestry revaluation and the issue of carbon credits.

Expenditure was \$17.1m (\$17.0m budgeted):

- Real estate cost of sales for Pukaki Airport sections was \$1.0m below budget.
- Other expenses were above budget by \$1.0m, due to higher than planned costs for consultancy, contractors, township projects and forestry operations.

Further detail of variances can be found in **Note 28** of the Annual Report (pages 180-181)

Independent Auditors Report

To the readers of Mackenzie District Council’s summary of the annual report for the year ended 30 June 2019

The summary of the annual report was derived from the annual report of the Mackenzie District Council (the District Council) for the year ended 30 June 2019.

The summary of the annual report comprises the following summary statements on pages 2 to 8:

- the summary statement of financial position as at 30 June 2019;
- the summaries of the statement of comprehensive revenue and expenditure, statement of changes in equity and statement of cash flows for the year ended 30 June 2019;
- the notes to the summary financial statements that include accounting policies and other explanatory information; and
- the summary statement of service provision.

Opinion

In our opinion:

- the summary of the 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.

Summary of the annual report

The summary of the annual report does not contain all the disclosures required by generally accepted accounting practice in New Zealand. Reading the summary of the annual report and the auditor’s report thereon, therefore, is not a substitute for reading the full annual report and the auditor’s report thereon.

The summary of the annual report does not reflect the effects of events that occurred subsequent to the date of our auditor’s report on the full annual report.

The full annual report and our audit report thereon

We expressed an unmodified audit opinion on the information we audited in the full annual report for the year ended 30 June 2019 in our auditor’s report dated 31 October 2019.

Council’s responsibility for the summary of the annual report

The Council is responsible for preparing the summary of the annual report which includes preparing summary statements, in accordance with PBE FRS 43: Summary Financial Statements.

Auditor’s responsibility

Our responsibility is to express an opinion on whether the summary of the annual report represents, fairly and consistently, the information regarding the major matters dealt with in the full annual report and whether the summary statements comply with PBE FRS 43: Summary Financial Statements.








Our opinion on the summary of the annual report is based on our procedures, which were carried out in accordance with the Auditor General’s Auditing Standards, which incorporate the Professional and Ethical Standards and the International Standards on Auditing (New Zealand) issued by the New Zealand Auditing and Assurance Standards Board.

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

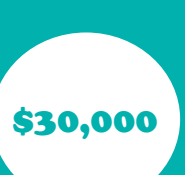
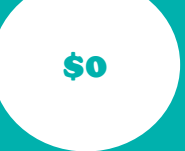


John Mackey
Audit New Zealand
On behalf of the Auditor General
Christchurch, New Zealand
14 November 2019

Area of spend

Governance & Corporate Services 	<ul style="list-style-type: none">GovernanceAdministrationChief Executive OfficeFinanceIT
Water Supply 	<ul style="list-style-type: none">Water supply
Wastewater 	<ul style="list-style-type: none">Wastewater
Stormwater 	<ul style="list-style-type: none">Stormwater
Roading 	<ul style="list-style-type: none">RoadingFootpathsParkingCyclewaysWalkways
Planning & Regulatory Services	<ul style="list-style-type: none">Building controlDistrict planningAnimal controlEnvironmental healthCivil Defence & Emergency Management
Community & Township Services 	<ul style="list-style-type: none">CemeteriesToiletsHallsLibrariesMedical centresParks & swimming poolsPensioner housingSolid waste
Tourism, Economic Development & Commercial Activities 	<ul style="list-style-type: none">Real estateForestryInvestmentsPukaki AirportEconomic development & tourism promotion

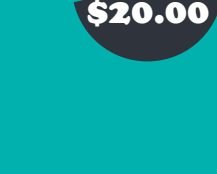
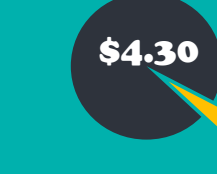
Capital spend



Operating spend



Rates spend per \$100



Todays Choices, Tomorrows Mackenzie

Our full
Annual Report 2018/19
can be found at
www.mackenzie.govt.nz
or at our Council Offices and
Community Libraries.



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DISTRICT COUNCIL

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