



Mackenzie District Council

Annual Report Summary

2009—2010

Statement from the Mayor and CEO

The past year has been dominated by ongoing economic uncertainty and its impact upon the Mackenzie as the Council has striven to continue to provide services at an affordable cost.

Elected members strongly believe that the Mackenzie is best served by a having its own independent council but that is by no means assured. Survival is dependent upon us focussing upon the best and most practical ways of making progress while maintaining strong financial discipline.

In this environment, sound budgeting is critical. The Council challenged the CEO to deliver \$200,000 worth of ongoing savings without loss of service levels and to look closely at opportunities to share services with our neighbours. These are both continuing challenges for the coming year.

The Council trimmed its budget for 2011 to what it saw as essential and reprioritised capital work part way through the year to ensure the most important work was completed.

Some significant progress was made in 2010 as outlined below and in more detail throughout this document.

Financial Overview

The Council outperformed its budget expectations by \$799,000 during the year.

The Council's net operating expenditure (net of depreciation and other impairments) was \$7,314,000 compared with the budget of \$6,590,000 and last year's result of \$7,304,000.

Operating revenue was \$10,583,000 (net of vested asset income, forestry revaluation and carbon credits and investment revaluations). This compares with the budget of \$9,423,000 and the result for last year of \$10,471,000.

Performance Measures

Of the 106 performance measures in the plan, 65 were fully achieved. 21 were not achieved and 20 were either not measured or were not applicable to the current year.

Capital Works

Net of vested assets of \$2,141,000, a total of \$1,851,000 was spent on capital works during the year. This compares with the budget of \$3,076,000 and last year's result of \$3,188,000.

Key items of capital expenditure occurred in the rural roading area where \$337,000 was

spent on unsealed road base course, \$339,000 on reseals and \$170,000 on minor safety works.

Council also authorised an additional \$206,000 to further develop the airport facility through the addition of a fuelling facility and runway resealing.

Governance

During the past year, there were no changes in the membership of Council or its three community boards. However, the Council did review its system of electoral representation and made some significant changes to the boundaries of the wards and the communities. Notably, the size of the Twizel community was more than doubled, while the Tekapo community was shrunk from the former Tekapo ward boundary to just encompass the township rating area. A minor expansion was made to the Fairlie community boundary on Nixons Road and the boundary between the Opuha and Pukaki wards was aligned with the tops of the Two Thumb and Rollesby ranges.

The three yearly District-wide rating revaluation of property would have had a far wider impact upon rating if the Council had not reviewed some of its policies during the year. In its budget for 2010/11, it increased the flat charge component of the rural works and services rate by \$15 to \$65, raised the uniform annual general charge by \$10 to \$35 and offset interest and dividend revenue against the general rate rather than the works and services rates for the communities and the rural area. The Council has recommended that further reviews of rating be undertaken by the incoming body.

As well as handling the affairs of the District, the Council has advocated on wider matters. It submitted on the regional council Annual Plan and on the Ministerial review of that body. It also submitted to the Parliamentary Select Committee on the Electricity Industry bill over concerns it had over the splitting of Waitaki generation assets between Genesis and Meridian.

It also recognised this year 25th anniversary of the establishment of Twizel as a county town and the contributions of Young Farmer of the Year Tim O'Sullivan and Antarctic skier Kylie Wakelin.

Water, Stormwater & Sewerage

Water Supplies

At Tekapo, Council completed the renewal of old supply connections in Pioneer Drive started the previous year.

In Fairlie, a change of emphasis from the Community Board saw attention move to upgrading the main supply line rather than replacing mains in the township. A proposal to lay pipeline in the same trench as the Eversley sewerage pipe was agreed to but not completed before year end. A new resource consent was obtained for the scheme.

Headworks repairs were needed for the Allandale rural water supply and these were financed by bringing forward budget programmed for 2010/11. Hearings were held for replacement resource consents for rural schemes at School Road and Ashwick Opuha. Council examined the management of the rural water supplies during the year to assure itself that staff input is appropriately charged for.

In November 2009, Council reviewed the capital projects it had signalled in its Long-Term Plan and reprioritised them. As a consequence, little progress was made in investigating a new water source for Twizel, nor with constructing the Manuka Terrace water supply. The renewal of the resource consent for the Twizel supply was also not advanced during the year. Council still considers these to be important projects and will allocate resources to them over the next 2-3 years.

On a regional level, the Council endorsed the Canterbury Water Strategy despite reservations about the equity of some of the proposed funding regimes. It believes that the Strategy may assist in providing sustainable water supplies to water short areas of South Canterbury.

Sewage Disposal

Work commenced on connecting Eversley Reserve to the Fairlie sewerage system though a pressurised regime. The Community Board agreed to fund the main pipeline in order to make the system more affordable for residents. The onset of winter caused work on the scheme to be held over to spring.

In Twizel resource consent was obtained for the continued operation of the oxidation ponds, but with a requirement for improvements to be made within the next twelve months. Negotiations were not completed with the landowner to obtain additional land for an alternative treatment regime and these will be progressed in 2010/11. Reconfiguration of the existing pond operation was only taken to the design stage.

At Tekapo, an extension to the irrigation area was designed and materials purchased but construction was delayed due to the onset of snow.

Stormwater

Council has moved away from pursuing expensive capital improvements to reduce the flood threat to Fairlie from the Western catchment and plans to advocate to the Opihi river management committee for increased stream bed maintenance and tree removal to manage the risk.

Roading

A full year's programme was completed, including the provision of 20,000m³ of wearing course metal to the rural roads. The resealing tender of \$495,000 was greater than originally budgeted, but reserves were drawn upon rather than limit the scope of the work. Minor improvements undertaken included corner realignments on Plantation Road, and seal on Three Springs Road, Stanton Road and Braemar Road. Sight benching was also undertaken on Cricklewood Road and Coal Pit Road.

The roading programme was adjusted to allow for \$40,000 of flood damage repairs to be completed.

Following the rejection of all tenders for the Opuha Ward roading maintenance contract in 2008, a combined tendering of both of the District's wards was a possible option. Documents were prepared and tenders advertised by year end.

As required by the New Zealand Transport Agency, a procurement strategy for roading services was prepared and approved. A deficit of \$108,000 had accumulated over a number of years in the roading professional services business unit and Council is to see if additional funding can be obtained to reduce this over time. A formal contract for the delivery of these services is still to be formalised.

Increased use of the Fox Peak Road due to the opening up of a conservation park was partly compensated for by a one off grant of \$10,000 from the Department of Conservation but discussions were continuing with the ski field and local land owners as to the extent of maintenance required and the responsibility of the various users.

A new speed limit bylaw was adopted for the District and Council advocacy for a 60 kph limit on SH8 at Mt Cook Road in Fairlie was eventually successful.

Solid Waste

The effective and cost efficient management of the District's rubbish is a major challenge for the Council. In its budget, the Council agreed to cap the general rate input at \$468,000 pending a full review of the current strategy. Attempts were made to curtail costs including the mothballing and later decommissioning of the Vertical Composting Unit at Twizel and the suspension of the education programme. A different mode of recycling was promoted at Twizel where no charge was made for depositing sorted recyclables at the recovery park.

The township kerbside collection was successfully retendered and a South Canterbury Waste exchange was agreed among the three Councils.

An external review of the current operations was

also undertaken. So far Council considers that:-

- the Redruth facility in Timaru remains the most appropriate end point for its residual waste
- It is uneconomic to contemplate developing a local landfill due to the significant Resource Management Act implications.
- mobile bin recycling should be investigated
- the scope of waste being accepted into the recovery parks needs to be reduced
- contractors may assume a greater role in the handling of putrescible waste.

The completion of the review and development of new strategies will be undertaken in the 2010/11 year.

Planning & Regulatory

The Council's plans to regulate subdivision and development in the Mackenzie basin (Plan Change 13) were taken several stages further during the year. The Commissioners' recommendations were adopted by Council in September 2009 but were then subject to a number of appeals. Several of those were resolved through Environment Court mediation ahead of the formal Court hearing in August 2010. The Court's decision was still awaited as at October 2010. Landscape protection and the impact of changing farming practices in the Waitaki Valley are drawing considerable attention from outside the districts and the regions affected.

A series of changes to the zoning in the Twizel area were developed and signed off in principle by the Council in April 2010. Following formal public notification of these changes, submissions will be considered and decisions made during the year ended 30 June 2011.

Resource consents and land information memoranda are required to be issued within timeframes set by law. In 2009/10, Council did not adequately measure these timeframes so cannot accurately assess to progress against targets.

Ratepayers will benefit from the signing of a new purchase agreement between the National Rural Fire Authority and the South Canterbury Rural Fire Committee, which Council approved during the year. Additional government funding will become available for amalgamated committees that follow the model set some time ago in South Canterbury.

A freedom camping bylaw was introduced during the year and this was used to control overcrowding at Lake Opuha in the peak holiday period. A later amendment was designed to facilitate limited camping in a designated area at Lake Ruataniwha.

Despite the economic situation, building activity levels did not fall as much as was anticipated, and building consent fees were well above budget. Council's accreditation as a building consent authority was maintained following an audit of its processes.

Community Services and Recreational Facilities

Providing community services and enhancing recreational facilities is often not solely the responsibility of Council. In the past year there were several examples where community groups and volunteers helped make a real difference to their communities.

In Fairlie an enthusiastic group is transforming the village green. It has been reshaped, a new pathway constructed, lighting installed and planting completed. A significant amount of external funding has supplemented local fundraising enabling new playground equipment to be erected.

Volunteers have also been prominent in Twizel in advancing the greenway strategy. The Maryburn greenway was upgraded and the tree belt in Glen Lyon Road was renewed.

In Tekapo another group is busy planning a children's playground on the Domain, the concept for which has been approved by the community board.

Medical facilities are vital to a small community like ours. The revitalised Mackenzie Medical Trust facilitated extensions to the Fairlie Medical Centre and external funding was matched by significant contributions from local organisations.

Council supported an initiative by High Country Health to extend the Twizel Medical Centre but the economics of this are being reassessed considering the age and state of the building.

Tekapo Community Board approved the design and location of the new community centre and applied for a resource consent for its construction. The lakeside walkway was also progressed during the year.

In Twizel the Events Centre was extended and revamped to accommodate a more visible and expanded information office and later in the year plans to enhance the entranceway were approved.

Cemetery fees were reviewed through a new bylaw while the local Six Foot Under club was largely responsible for the landscaping of the new cemetery at Tekapo.

Council reviewed the possibilities for rationalising the toilets it maintains throughout the District. At Tekapo, the Pines Beach toilet was removed and the Lakeside Drive facilities restricted to seasonal use. However, a proposal to relocate toilets in Twizel from Market Place to the Events Centre met with stern community opposition and was abandoned. Council granted \$60,000 towards the costs of the new toilet block at the Tekapo Regional Park.

In an important move, the Council and the community boards entered into a partnering arrangement with its contractor for the maintenance of community facilities. This is expected to provide benefits to both parties and lead to more efficient provision of services.

Commercial Activities

Council's investment portfolio outperformed its benchmark portfolio in all four quarters of the year and had a value of \$5.531 million as at 30 June 2010.

Council's forestry interests produced a return to Council both through the sale of timber and through the first sale of carbon credits from its plantations. This returned a net amount of \$248,000 in the 2010/11 year.

At Pukaki Airport, gross income of \$819,000 was received from land sales that had largely been negotiated during the previous year. A fuel facility was built at a cost of \$114,000 and the Board debated whether it should build a dedicated hangar facility on the site.

The Mackenzie Tourism and Development Trust expanded during the year, creating a new I-site at Tekapo and taking over and upgrading the information office at Twizel. It undertook a feasibility study for an Alps to Ocean cycleway which, in July 2010, qualified for a \$2.75m grant to largely fund its construction.

The Trust was also active in promoting international recognition of the Dark Skies in the Mackenzie Basin.

Failure of the Trust to gain charitable status had taxation implications for its ongoing operation and the pace of its expansion contributed to its year end loss of \$65,000.

During the year, the Council confirmed its three year commitment to a \$25 charge per general ratepayer in support of the Trust's activities.

Sales of surplus property amounting to \$228,000 were progressed in the year, and commercial leases reviewed. A conditional sale and purchase agreement was negotiated with the lessee for the freeholding of land associated with the Tekapo Camping ground.

A debenture secured over the assets of High Country Health Ltd was renegotiated during the year.

Corporate Services

The annual report for the year ended 30 June 2009 was adopted by Council on 28 October 2009 with an unqualified audit opinion.

The annual plan was adopted by Council on 25 June 2010 following public consultation. It incorporated four amendments to the Long Term Council Community Plan. These amended the investment policy to allow interest and dividends to be credited against the general rate, set a new targeted rate for Eversley Reserve Sewerage and removed both Doctors houses at Fairlie and Twizel and public toilets from the list of strategic assets contained in Council's policy on significance.

Staffing

Staffing levels were maintained during the year, apart from the appointment of Toni Morrison on a limited term contract to progress changes to the zoning in Twizel and its surrounds. Jo Hurst took parental leave from her position as accountant and her role was covered by temporary staff. Steve McLellan took up duties as Twizel Building Inspector following the resignation of Dean Brady

and Bryan Ayers also resigned as operator at the Twizel Resource Recovery Park at the end of the year.



Glen Innes
Chief Executive Officer



Claire Barlow
Mayor

Summary Statement of Service Performance for the Year Ended 30 June 2010

Mackenzie District Council aims to contribute to the economic, environmental, social and cultural wellbeing of the community by helping to realise six community outcomes:

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

The following are the key performance measures which have been extracted from the full Statement of Service

Significant Activity - Governance

Targets/Objectives	Performance Measures (2009-2019)	Result
<ul style="list-style-type: none"> • Council's schedule of six weekly meetings runs from late January through to December each year. Special meetings are also held from time to time. Council's Finance and Operations Committees also meet on a six weekly cycle with meetings of the Planning Committee largely determined by resource consent hearings. • No identified breaches of the Local Government (Official Information and Meetings) Act 1987. 	<ul style="list-style-type: none"> • At least 9 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. 	<p>Achieved (2008-2009 Achieved)</p> <p>Achieved (2008-2009 Achieved)</p>
<ul style="list-style-type: none"> • A summary of the long-term council community plan, annual plan and annual report is sent to all ratepayers annually. 	<ul style="list-style-type: none"> • Number of special consultations held during the year and number of submissions made in response. 	<p>Achieved (2008-2009 Achieved)</p>
<ul style="list-style-type: none"> • Community boards meet regularly and provide recommendations on local issues to Council. 	<ul style="list-style-type: none"> • Each Community Board meets eight times during the year. • Recommendations including budget submissions are forwarded to Council for approval 	<p>Achieved (2008-2009 Achieved)</p> <p>Achieved (2008-2009 Achieved)</p>

Significant Activity - Water

Targets/Objectives	Performance Measures (2009-2019)	Result
<ul style="list-style-type: none"> • Water supplied to Fairlie, Tekapo, Burkes Pass is continuously disinfected with chlorine. • Non-disinfected supplies are monitored for the presence of E coli and consumers are advised when a hazard is identified. 	<ul style="list-style-type: none"> • Assess the level of E coli in the drinking water supply. • Scheduled monitoring completed • No failure to issue boil water notices when hazard identified. 	<p>Achieved (2008-2009 Achieved)</p> <p>Not Achieved (2008-2009 Not Achieved)</p> <p>Achieved (2008-2009 Achieved)</p>
<ul style="list-style-type: none"> • Complete Public Health Risk Management Plans (PHRMP). 	<ul style="list-style-type: none"> • Set achievable budgets for the available resources and complete what we plan each year. 	<p>Not Measured (2008-2009 Not Measured)</p>
<ul style="list-style-type: none"> • Maintain the network in at least the condition it is in now. 	<ul style="list-style-type: none"> • Set achievable budgets for the available resources and complete what we plan for each year. 	<p>Achieved (2008-2009 Not Achieved)</p>
<ul style="list-style-type: none"> • Water is continuously available apart from programmed shutdowns and unexpected disruptions. 	<ul style="list-style-type: none"> • No disruption exceeds eight hours. • Normal duration of 90% of disruptions is less than six hours. 	<p>Not Achieved (2008-2009 Achieved)</p> <p>Achieved (2008-2009 Achieved)</p>
<ul style="list-style-type: none"> • Deliver a works programme as signalled in this plan. 	<ul style="list-style-type: none"> • Set achievable budgets for the available resources and complete what we plan each year. 	<p>Not Achieved (2008-2009 Not Measured)</p>
<ul style="list-style-type: none"> • All resource consent conditions are complied with. 	<ul style="list-style-type: none"> • 100% compliance. 	<p>Not Achieved (2008-2009 Not Achieved)</p>

Significant Activity - Sewerage

Targets/Objectives	Performance Measures (2009-2019)	Result
<ul style="list-style-type: none"> • Pump stations cope with effluent volumes. 	<ul style="list-style-type: none"> • No sewage overflows from pump stations. 	<p>Achieved (2008-2009 Achieved)</p>

Summary Statement of Service Performance for the Year Ended 30 June 2010 cont...

Significant Activity - Sewerage

Targets/Objectives	Performance Measures (2009-2019)	Result
<ul style="list-style-type: none"> Systems operate with minimal disruption due to blockages. 	<ul style="list-style-type: none"> Annual blockages are less than six per 10km of sewer. 	Achieved (2008-2009 Achieved)
<ul style="list-style-type: none"> Effluent is treated to required standards of resource consents. 	<ul style="list-style-type: none"> All resource consent conditions are met. 	Not Achieved (2008-2009 Not Achieved)
<ul style="list-style-type: none"> Properties can connect to sewerage schemes without delay. 	<ul style="list-style-type: none"> Meet service connection request target times 98% of the time – reducing trend. 	Not Measured (2008-2009 Not Measured)
<ul style="list-style-type: none"> Sewage is able to be disposed of without significant disruption. 	<ul style="list-style-type: none"> Temporary or permanent repairs within 6 hours (during working hours) or 9 hours (outside working hours). 	Achieved (2008-2009 Achieved)

Significant Activity - Storm Water

Targets/Objectives	Performance Measures (2009-2019)	Result
<ul style="list-style-type: none"> Specified flood event protection is maintained. 	<ul style="list-style-type: none"> No complaints about damage caused by flooding. 	Achieved (2008-2009 Achieved)
<ul style="list-style-type: none"> All resource consent conditions are met. 	<ul style="list-style-type: none"> 100% Compliance. 	Not Achieved (2008-2009 Not Achieved)

Significant Activity - Roading

Targets/Objectives	Performance Measures (2009-2019)	Result
<ul style="list-style-type: none"> The average roughness of urban roads as measured by NAASRA counts The % of measures exceeding 150 NAASRA counts. The average roughness of rural roads as measured by NAASRA counts. The % of measures exceeding 110 NAASRA counts. 	<ul style="list-style-type: none"> Average < 100 counts <10%. Average < 80 counts <10% 	Achieved (2008-2009 Achieved) <i>This measure covers all four targets.</i>
<ul style="list-style-type: none"> Mackenzie has good quality roads, safe roads, appropriate for all the road users including tourists, farmers and this supports the economic development in the district. 	<ul style="list-style-type: none"> Mackenzie's urban and rural sealed roads are smoother than the national average 	Achieved (2008-2009 New Measure)
<ul style="list-style-type: none"> For audited sections of the roading network, contract specifications are fully met or identified defects are remedied within agreed time frames. 	<ul style="list-style-type: none"> 98% 	Achieved (2008-2009 Achieved)
<ul style="list-style-type: none"> Council continues to identify and prioritise key areas for minor improvements (safety) and progressively correct these. 	<ul style="list-style-type: none"> 2 projects to be completed each year. 	Achieved (2008-2009 Achieved)
<ul style="list-style-type: none"> Number of fatal accidents due to road factors 	<ul style="list-style-type: none"> Nil. 	Achieved (2008-2009 Achieved)
<ul style="list-style-type: none"> Set achievable budgets for the available resources and complete what we plan each year. 	<ul style="list-style-type: none"> 5% of requested budget carried forward compared with total operating costs 	Achieved (2008-2009 Achieved)
<ul style="list-style-type: none"> Emergency work response times. On-site within 1 ½ hours to begin reinstatement 	<ul style="list-style-type: none"> 100% 	Not Measured (2008-2009 Not Measured)

Significant Activity - Solid Waste

Targets/Objectives	Performance Measures (2009-2019)	Result
<ul style="list-style-type: none"> The number of compliant bags of waste put out for collection at the kerbside. . 	<ul style="list-style-type: none"> 100% of bags put out for collection will be collected. 	Achieved (2008-2009 Achieved)
<ul style="list-style-type: none"> The percentage of solid waste from the District Resource Recovery Parks diverted from landfill. 	<ul style="list-style-type: none"> 70%. 	Not Achieved (2008-2009 Achieved)
<ul style="list-style-type: none"> The sales of quality compost produced through the VCU using green waste and putrescible waste. 	<ul style="list-style-type: none"> 1000m³ per annum 	Not Achieved (2008-2009 New Measure)
<ul style="list-style-type: none"> Compliance with resource consent conditions. 	<ul style="list-style-type: none"> 100% compliance 	Not Achieved (2008-2009 Not Achieved)

Summary Statement of Service Performance for the Year Ended 30 June 2010 cont...

Significant Activity – Building Control

Targets/Objectives	Performance Measures (2009-2019)	Result
<ul style="list-style-type: none"> To process 95% building consents and property information memoranda within the statutory timeframe. 	<ul style="list-style-type: none"> 95% compliance . 	Not Measured (2008-2009 Not Measured)
<ul style="list-style-type: none"> Council maintained the audit to occur in November 2009. 	<ul style="list-style-type: none"> Accreditation Maintained. 	Achieved (2008-2009 Not Applicable)

Significant Activity – Resource Management

Targets/Objectives	Performance Measures (2009-2019)	Result
<ul style="list-style-type: none"> Complete the Twizel township plan change during the 2009/10 year. To prioritise and complete plan changes identified as necessary by Council. To process non-notified resource consents within the statutory timeframe of 20 working days. To process land information memoranda within statutory timeframe of 10 working days. 	<ul style="list-style-type: none"> Twizel township plan changes completed by 30 June 2010. Other agreed changes processed within agreed timeframes. 95% compliance 100% compliance. 	<p>Not Achieved (2008-2009 Not Applicable)</p> <p>Not Applicable (2008-2009 Not Achieved)</p> <p>Not Measured (2008-2009 Not Measured)</p> <p>Not Measured (2008-2009 Not Measured)</p>

Significant Activity - Regulatory

Targets/Objectives	Performance Measures (2009-2019)	Result
<ul style="list-style-type: none"> All dogs are registered and national dog database is continually kept up to date. Respond to all complaints of wandering dogs and stock within 12 hours. 	<ul style="list-style-type: none"> 100% of dogs are registered by year end. All registered dogs on the national database. Target met. 	<p>Achieved (2008-2009 Achieved)</p> <p>Achieved (2008-2009 Achieved)</p> <p>Achieved (2008-2009 Achieved)</p>
<ul style="list-style-type: none"> To carry out two civil defence training sessions per year with staff and volunteers on familiarisation with Council Civil Defence arrangements. 	<ul style="list-style-type: none"> Plan requirements complied with. 	Not Achieved (2008-2009 Not Achieved)
<ul style="list-style-type: none"> To promote and carry out fire control measures in the Mackenzie District in accordance with the combined rural fire authority "Rural Fire Plan". 	<ul style="list-style-type: none"> All volunteer rural fire teams are registered with the NRFA and meet the industry standards. 	Achieved (2008-2009 Achieved)
<ul style="list-style-type: none"> To ensure all premises selling liquor are licensed and all registered food premises are licensed. 	<ul style="list-style-type: none"> No premises lack the appropriate licence. 	Achieved (2008-2009 Achieved)

Significant Activity – Community Services

Targets/Objectives	Performance Measures (2009-2019)	Result
<ul style="list-style-type: none"> Pensioner housing occupancy is maintained at 95% No rentals exceed 80% of market value. No annual increases exceed \$5 per week. Programmed work is completed. 	<ul style="list-style-type: none"> Housing Occupancy Rate. Rentals and annual increases do not exceed targets. Compliance with planned maintenance programme. 	<p>Achieved (2008-2009 Achieved)</p> <p>Achieved (2008-2009 Achieved)</p> <p>Achieved (2008-2009 Achieved)</p>
<ul style="list-style-type: none"> Medical Centres—Programmed Work is Completed. 	<ul style="list-style-type: none"> Buildings provided and maintained in compliance with building maintenance plan. 	Achieved (2008-2009 Achieved)
<ul style="list-style-type: none"> Public Toilets—Toilets maintained in line with contract specifications as revealed by audit and complaints. 	<ul style="list-style-type: none"> Four clear quarterly audits and less than 12 complaints per annum. . 	Achieved (2008-2009 Achieved)
<ul style="list-style-type: none"> User charges cover the majority of costs associated with cemeteries. Cemeteries maintained in line with contract specification as revealed by staff audits. 	<ul style="list-style-type: none"> User charges recover 75% of operational cost. As determined by quarterly audits performed by staff. 	<p>Not Achieved (2008-2009 Achieved)</p> <p>Achieved (2008-2009 Achieved)</p>

Summary Statement of Service Performance for the Year Ended 30 June 2010 cont...

Significant Activity – Community Services

Targets/Objectives	Performance Measures (2009-2019)	Result
<ul style="list-style-type: none"> Grants to resource centres in Fairlie and Twizel—All contractual requirements are met That all funds are allocated in line with rules from the granting organisations (Sport & Recreation New Zealand and Creative New Zealand). Sport South Canterbury fulfils the agreed work programme. 	<ul style="list-style-type: none"> No contractual breach. Full compliance. Satisfactory Report. 	<p>Achieved (2008-2009 Achieved)</p> <p>Achieved (2008-2009 Achieved)</p> <p>Achieved (2008-2009 Achieved)</p>

Significant Activity – Recreational Facilities

Targets/Objectives	Performance Measures (2009-2019)	Result
Swimming Pools <ul style="list-style-type: none"> Pools available for use during programmed opening times. Pool water quality meets New Zealand Standard (NZS 5826: 2000) . Increase usage outside public hours by an average of two hours per week of opening 	<ul style="list-style-type: none"> No programmed opening hours lost. No breach of standard. Two hours of extra use per week of opening . 	<p>Not Achieved (2008-2009 Not Achieved)</p> <p>Achieved (2008-2009 Achieved)</p> <p>Achieved (2008-2009 Achieved)</p>
Halls and Community Centres <ul style="list-style-type: none"> Facilities are kept clean and always available for use. Fees and charges are reviewed annually, to ensure they move in line with operational costs. Buildings are maintained in line with the building maintenance plan. 	<ul style="list-style-type: none"> No instances of hall unavailability. Fees reviewed and publicised. Programmed work completed. 	<p>Achieved (2008-2009 Achieved)</p> <p>Achieved (2008-2009 Achieved)</p> <p>Achieved (2008-2009 Not Achieved)</p>
Parks, Reserves and Amenity Areas <ul style="list-style-type: none"> Walkways adequately maintained in line with the National Standard. All new or upgraded playgrounds meet appropriate safety standards. Contract specifications as determined by regular audits. 	<ul style="list-style-type: none"> Standards met. Full compliance New Zealand Standard 5828:2004. No significant breaches identified. 	<p>Achieved (2008-09 Achieved)</p> <p>Not Measured (2008-2009 Not Measured) Not Achieved (2008-2009 Not Achieved)</p>
Libraries <ul style="list-style-type: none"> Use of library is maintained as measured by ratio of issues per ratepayer. Agreed opening hours are met. 	<ul style="list-style-type: none"> 12.66 issues per ratepayer. No departure from agreed opening hours. 	<p>Not Achieved (2008-2009 Not Achieved)</p> <p>Achieved (2008-2009 Achieved)</p>

Significant Activity – Commercial Activities

Targets/Objectives	Performance Measures (2009-2019)	Result
Investments <ul style="list-style-type: none"> Investments outperform benchmark portfolio. Reviews undertaken. 	<ul style="list-style-type: none"> Council's cash investment portfolio independently reviewed each quarter. Council will review the annual report and statement of intent for its investments in Alpine Energy Limited on an annual basis . 	<p>Achieved (2008-2009 Not Achieved)</p> <p>Achieved (2008-09 Achieved)</p>
Mackenzie Forestry Board <ul style="list-style-type: none"> Approval of the statement of intent is made prior 30 June in each year . 100% of all new planting should be demonstrated by project analysis to be able to achieve a minimum internal rate of return of 7% pre-tax . To complete the final stage of planting at Fox Peak Plantation. 	<ul style="list-style-type: none"> Council will approve the statement of intent for the Mackenzie Forestry Board. To ensure that all new planting should achieve the minimum internal rate of return. To achieve the strategic direction for the Council's forestry estate to have 900 planted hectares. 	<p>Not Achieved (2008-2009 Achieved)</p> <p>Not Applicable (2008-2009 Achieved)</p> <p>Not Achieved (2008-2009 Not Achieved)</p>

Summary Statement of Service Performance for the Year Ended 30 June 2010 cont...

Significant Activity – Commercial Activities

Targets/Objectives	Performance Measures (2009-2019)	Result
Real Estate <ul style="list-style-type: none"> Market analysis is undertaken on a regular basis for the land identified for disposal as scheduled in the significance policy. A full land rationalisation process will be completed by June 2010. 	<ul style="list-style-type: none"> Council will progress the disposal of the areas of land identified for sale. Council will progress the land rationalisation process to identify further areas of land deemed surplus to its requirements. 	Not Achieved (2008-2009 Not Achieved) Not Achieved (2008-2009 Not Achieved)
Rental Properties <ul style="list-style-type: none"> All lease agreements are reviewed on a regular basis. 	<ul style="list-style-type: none"> Council will ensure that the terms of each commercial lease agreement are adhered to. 	Achieved (2008-2009 Achieved)
Pukaki Airport Board <ul style="list-style-type: none"> The board will report to Council on regular basis on its activities and progress towards meeting its goals. 	<ul style="list-style-type: none"> The board achieves the goals set in its Statement of Intent. 	Achieved (2008-2009 Achieved)

Significant Activity – Corporate Services

Targets/Objectives	Performance Measures (2009-2019)	Result
<ul style="list-style-type: none"> All plans and reports completed in accordance with the Local Government Act 2002. 	<ul style="list-style-type: none"> Completion of Annual Reports by 31 October each year. Adoption of long-term council community plans by 30 June every three years. Adoption of Annual Plans by 30 June in the intervening years. 	Achieved (2008-2009 Achieved) Not Applicable (2008-2009 Achieved) Achieved (2008-2009 Achieved)

FRS43 Disclosures to be read in conjunction with the following summary accounts:

Explanation of Major Variances against Budget

Explanations for major variances from Mackenzie District Council's estimated figures in the 2009/10 Annual Plan are as follows:

Statement of financial performance

The operating surplus was up on budget by \$799,000 this was due to the following

Income from vested assets was less than budgeted by \$428,000 because subdivisions which were anticipated would vest with the Council during the 2009/10 year did not.

Nett Real estate sales were higher than anticipated by \$306,000 mainly due to land being sold at Pukaki Airport. This however, includes \$73,000 or prior years costs of work in progress being brought forward to account in the 2010 year.

Council expensed \$174,000 of current year's costs relating to plan change 13. This along with an additional \$81,000 of costs held in work in progress meant \$255,000 was brought forward to account in relation to the plan change.

Council also expensed \$93,000 of costs from work in progress that related to studies done on Fairlie \$58,000 and natural value \$35,000.

Council's investment portfolio outperformed budget by \$150,000 due mainly to the timing of the receipt of Pukaki Airport land sales which was invested in the bond market. Rental returns from leases were \$16,000 higher than anticipated due to better than expected performance of lessees business.

Revenue from subsidies increased by \$69,000 due to New Zealand Transport Authority providing additional subsidy on capital projects.

Building control revenue was up on budget by \$58,000 due to a change in fee levels coupled with a lower than anticipated slow down in building activity during the period.

Timing of lease payment from the Lake Alexandrina Hut holders meant two years of income has been recorded in the 2010 year. This has amounted to an additional \$66,000 in income being received.

- Forestry and investment valuations produced increases in value this year of \$475,000, and \$150,000 respectively. This was coupled with the allocation of carbon credits which increased revenue by an additional \$352,000.

Council incurred \$191,000 in impairments (reduction in value) due to the write-down of the Albury Water Supply investment in Aorangi Securities and movement in value of carbon credits.

Events after Balance Date

There were no significant events after balance date.

Correction of Prior Period Accountancy Treatment

During 2010 Council was advised that the previous treatment of suspensory loans made by Housing New Zealand to Council for the construction of pensioner flats in Fairlie was incorrect. The loan essentially is only required to be repaid should Council sell the units in question before 2028. Council considers these assets to be strategic and therefore considers it unlikely that it will divest itself of these assets. The financial statements for 2009 which are presented as comparable information in the 30 June 2010 financial statements have been restated to correct this change.

Other Disclosures

Mackenzie District Council did not complete its Annual Accounts within the statutory deadline of 31 October 2010. The Report was completed on 21 December 2010.

Changes in Accounting Policy - During the year the Council adopted the amendments to NZ IFRS 7 Financial Instruments and adopted IAS 24 Related Party Disclosures (Revised 2009).

Statement of Financial performance for the year ended 30 June 2010

Council Actual 2008/09 \$000's	Group Actual 2008/09 \$000's		Council Budget 2009/10 \$000's	Council Actual 2009/10 \$000's	Group Actual 2009/10 \$000's
		REVENUE			
1,915	1,915	General Rates	2,030	1,951	1,951
3,107	3,107	Targeted Rates	3,274	3,374	3,374
1,382	1,382	Subsidies & Grants	1,326	1,421	1,532
986	987	Investment Income	726	884	885
1,328	1,527	Other	1,368	1,922	2,740
683	683	Real Estate Sales	485	1,047	1,047
1,040	1,040	Financial/Upgrade Contributions	169	251	251
30	30	Reserve Contributions	45	85	85
492	492	Other – Gains/(losses)	-	625	625
10,963	11,163	Total Revenue	9,423	11,560	12,490
		OPERATING EXPENSES			
1,730	1,930	Employment Expenses	1,777	1,735	2,124
233	233	Member Expenses	212	231	231
426	426	Consultancy Expenses	238	557	557
717	791	Administration	692	680	714
2,538	2,454	Operational & Maintenance Expenses	2,493	2,434	3,000
1,199	1,199	Roading Expenses	1,011	1,084	1,084
2,674	2,676	Depreciation	2,743	2,739	2,745
439	439	Cost of Sales real Estate	167	350	350
22	22	Loss on Sale and Assets Written Off	-	243	243
-	-	Asset Impairment	-	191	164
9,978	10,170	Total Expenditure	9,333	10,244	11,212
985	993	OPERATING SURPLUS (DEFICIT)	90	1,316	1,278
325	325	VESTED ASSETS	2,569	2,141	2,141
1,310	1,318	OPERATING SURPLUS (DEFICIT) BEFORE TAXATION	2,658	3,457	3,419
-	-	Provision For Taxation	-	-	-
1,310	1,318	OPERATING SURPLUS (DEFICIT) AFTER TAXATION	2,658	3,457	3,419

Summary Financial Statements for the Year Ended 30 June 2010

Statement of Comprehensive Income

Council Actual 2008/09 \$000's	Group Actual 2008/09 \$000's		Council Budget 2009/10 \$000's	Council Actual 2009/10 \$000's	Group Actual 2009/10 \$000's
1,310	1,318	Net Surplus/(Deficit)	2,658	3,457	3,419
(70)	-	Transfer to Mackenzie Tourism & Development Trust	-	-	-
12	12	Increase/(Decrease) in Revaluation Reserves	-	492	492
1,252	1,330	Net Comprehensive Income	2,658	3,949	3,911

Statement of Changes in Equity

Council Actual 2008/09 \$000's	Group Actual 2008/09 \$000's		Council Budget 2009/10 \$000's	Council Actual 2009/10 \$000's	Group Actual 2009/10 \$000's
169,459	169,405	Equity at the start of the Period	169,413	171,227	171,251
516	516	Effect on Accumulated General Funds of restatement	-	-	-
169,975	169,921	Equity at the start of the Period as restated	169,413	171,227	171,251
1,252	1,330	Net comprehensive income	2,658	3,949	3,911
171,227	171,251	Total Equity at the End of the Period as restated.	172,071	175,176	175,162

Statement of Financial Position

Council Actual 2008/09 \$000's	Group Actual 2008/09 \$000's		Council Budget 2009/10 \$000's	Council Actual 2009/10 \$000's	Group Actual 2009/10 \$000's
92,408	92,432	Accumulated General Funds	92,317	93,700	93,686
(2,376)	(2,376)	Capital Reserves	(826)	(882)	(882)
844	844	Operational Reserves	-	1,640	1,640
6,384	6,384	Special Funds	6,419	6,333	6,333
46	46	Other Reserves	-	48	48
73,921	73,921	Asset Revaluation Reserve	74,161	74,337	74,337
171,227	171,251	PUBLIC EQUITY	172,071	175,176	175,162
		NON CURRENT LIABILITIES			
-	-	Housing New Zealand	516	-	-
61	61	Accrued Landfill Closure Costs	58	61	61
61	61	Total Non Current Liabilities	574	61	61
		CURRENT LIABILITIES			
1,135	1,167	Trade & other payables	1,858	1,342	1,512
129	141	Employee Entitlements	129	145	176
-	-	Other Liabilities	-	-	30
1,264	1,308	Total Current Liabilities	1,987	1,487	1,718
172,552	172,620	TOTAL PUBLIC EQUITY & LIABILITIES	174,632	176,724	176,941
		NON CURRENT ASSETS			
144,632	144,632	Property, Plant & Equipment	146,787	144,695	144,734
21	25	Intangible Assets	-	258	259
1,831	1,831	Forestry	1,529	2,306	2,306
-	-	Non-Current Portion Property Intended for Resale	-	3,301	3,301
11,234	11,234	Investments	10,443	11,028	11,027
157,718	157,722	Total Non Current Assets	158,759	161,588	161,627
		CURRENT ASSETS			
1,439	1,429	Trade & other receivables	1,718	1,400	1,518
90	107	Inventories	-	61	90
2,242	2,299	Cash and Cash Equivalents	3,158	3,280	3,311
11,063	11,063	Current Portion Properties Identified for Disposal	10,998	9,238	9,238
-	-	Current portion of Investments	-	1,157	1,157
14,834	14,898	Total Current Assets	15,873	15,136	15,314
172,552	172,620	TOTAL ASSETS	174,632	176,724	176,941

Summary Financial Statements for the Year Ended 30 June 2010 cont ...

Council Actual 2008/09 \$000's	Group Actual 2008/09 \$000's		Council Budget 2009/10 \$000's	Council Actual 2009/10 \$000's	Group Actual 2009/10 \$000's
		OPERATING ACTIVITIES			
		Cash was Provided From			
5,022	5,022	Rates	5,304	5,325	5,325
3,692	4,035	Other Income	3,393	4,631	5,463
548	549	Interest Received	347	489	490
452	452	Dividends Received	379	385	385
19	19	Goods and services tax (net)	-	(23)	(23)
9,733	10,077		9,422	10,807	11,640
		Cash was Applied To:			
6,861	7,217	Payment to Suppliers and Employees	6,423	6,829	7,672
-	-	Interest Paid	-	-	-
2,872	2,860	Net Cashflow from Operating Activities	2,998	3,978	3,968
		INVESTING ACTIVITIES			
		Cash was Provided From			
398	398	Sale of Assets	-	-	-
1,127	1,127	Sale of Investments	-	-	-
-	-	Mackenzie Holdings Ltd	-	-	-
1525	1525		-	-	-
3,735	3,736	Applied to: Purchase assets	3,077	2,000	2,016
1,718	1,718	Purchasing of Investments	-	940	940
70	-	Mackenzie Tourism and Development Trust	-	-	-
(3,998)	(3,929)	Net Cashflow from Investing Activities	(3,077)	(2,940)	(2,956)
		FINANCING ACTIVITIES			
-	-	Provided from: Debt borrowed	-	-	-
-	-	Applied to: Debt repayment	3	-	-
-	-	Net cashflow from Financing Activities	(3)	-	-
		SUMMARY OF NET CASHFLOWS			
2,872	2,860	Net cashflow from Operating Account	2,998	3,978	3,968
(3,998)	(3,929)	Net cashflow from Investing Account	(3,077)	(2,940)	(2,956)
-	-	Net cashflow from Financing Account	(3)	-	-
(1,126)	(1,069)	Net increase/(decrease) in cash & cash equivalents	(81)	1,038	1,012
3,368	3,368	Cash & cash equivalents at beginning of period (1 July)	3,239	2,242	2,299
2,242	2,299	Cash & cash equivalents at end of period (30 June)	3,158	3,280	3,311

Notes to the Financial Statements for the Year Ended 30 June 2010

NOTES

- Part 6 s 98(b) of the Local Government Act 2002 requires Council to make publicly available a summary of information contained in its Annual Report.
- All figures reported in the summary are presented in New Zealand dollars, rounded to the nearest thousand.
- The specific disclosures included in the summary financial report have been extracted from the full financial report adopted on 21 December 2010. This summary has been prepared in accordance with FRS 43: Summary Financial Statements.
- The summary financial report cannot be expected to provide as complete an understanding as provided by the full financial report. The report dated 21 December 2010 has received an unqualified audit report. A copy of the financial report may be obtained from the Council's offices or on the Council's website (www.mackenzie.govt.nz).
- This summary financial report has been examined by the auditor for consistency with the full financial report. An unqualified auditor's report is included with this summary.
- The Council has complied with New Zealand equivalents to the International Financial Reporting Standards as applicable for public benefit entities.
- The information included in the Summary Financial Report has been extracted from the audited full financial report and authorised for issue by the Manager—Finance and Administration on 21 December 2010.

**To the readers of Mackenzie District Council and group's
summary annual financial statements, service provision
information and the other requirements
for the year ended 30 June 2010**

We have audited the summary financial statements, service provision information and the other requirements of Schedule 10 of the Local Government Act 2002 as set out in pages 1 to 11.

Unqualified opinion

In our opinion:

- the summary financial statements, service provision information and the other requirements represent, fairly and consistently, the information regarding the major matters dealt with in the annual report; and
- the information reported in the summary financial statements, service provision information and the other requirements complies with FRS-43: Summary Financial Statements and is consistent with the full financial statements, service provision information and the other requirements from which they are derived.

We expressed an unqualified audit opinion, in our report dated 21 December 2010, on:

- the full financial statements;
- the service provision information; and
- the Council and group's compliance with the other requirements of Schedule 10 of the Local Government Act 2002 that are applicable to the annual report.

Basis of opinion

Our audit was conducted in accordance with the Auditor-General's Auditing Standards, which incorporate the New Zealand Auditing Standards. Other than the audit and in carrying out the audit of long-term council community plan, and an amendment to the long-term council community plan, we have no relationship with or interests in the District Council or any of its subsidiaries.

Responsibilities of the Council and the Auditor

The Council is responsible for preparing the summary financial statements, service provision information and the other requirements of Schedule 10 of the Local Government Act 2002 and we are responsible for expressing an opinion on those summary financial statements, service provision information and the other requirements of Schedule 10 of the Local Government Act 2002. These responsibilities arise from the Local Government Act 2002.



Ian Lothian, Audit New Zealand
On behalf of the Auditor-General
Christchurch, New Zealand
21 December 2010