

The background of the entire page is a photograph of a construction site. In the foreground, a large yellow excavator's arm is visible on the right side. In the middle ground, three construction workers wearing orange high-visibility vests and hard hats are working in a deep, narrow trench. One worker is using a shovel to level the ground. A large black pipe is being positioned in the trench. In the background, there are orange safety fences, a tripod-mounted surveying instrument, and some buildings under a clear blue sky.

Timaru District Council

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# Annual Report 2012/13



# **Timaru District Council Annual Report**

for the year ended 30 June 2013

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# Mayor/Chief Executive's Welcome

Welcome to the 2012/13 Timaru District Council Annual Report.

## A year of contrasts

This year has been a year of contrasts in the life of the Timaru District Council.

During the year, we celebrated - the opening of the Caroline Bay Trust Aoraki Centre (CBAY), the completion and progressing of other district projects, such as the Factory Road upgrade and Wastewater Treatment Plant upgrade. District successes, new factories planned or opening, and the ongoing economic development of the South Canterbury region.

We have been saddened by the loss of long-serving and popular Deputy Mayor and Geraldine Ward Councillor, Michael Oliver in August 2012. His contribution to the District's governance will not be forgotten.

We have been challenged by issues that have stirred the district's attention - from bylaw reviews to the contentious Representation Review to legal highs. The Central government *Better Local Government* programme has continued with changes or proposed changes to Council's business along with several other legislative changes to areas such as resource management or alcohol reform. Severe weather events have stretched resources and caused damage.

## Highlights

This report outlines our progress against the activities planned in the first year of our Long Term Plan 2012-22. Major highlights during the year have been:

- **The opening of the Caroline Bay Trust Aoraki Centre**, including the refurbishment and opening of the outdoor pool. The Centre has been hugely popular with over 270,000 visitors since opening and a pleasing first year financial result.
- **Progress on the Timaru Wastewater Treatment Plant upgrade**, which aims to improve the quality of effluent discharged via the ocean outfall. Work on the pump station and associated pipework is around 75% complete overall, with some delays to the pond and wetland construction due to weather related issues.
- **Completion of the Factory Road project**, a multi-year project to strengthen and upgrade the Factory Road pavement.

Other significant highlights and projects completed or progressed during the year have included:

- The popular CBAY Learn to Swim programme, with on average around 750 users per term;
- Completion of the first stage of the Temuka Domain upgrade;
- Completion of the Bylaw Review and Representation Review processes;

- Cemetery extensions in Timaru and Temuka;
- Seal extension of Brockley Road;
- Highly successful exhibitions, such as the SteamPunk'd exhibition at the Aigantighe Art Gallery;
- Completion of significant infrastructure upgrades, such as Stage Five of the Main Trunk Sewer Renewal project, the Temuka Strategic Water Main Renewal and road reconstruction work
- The awarding of contracts and start of the Elginshire Street extension in Washdyke that will provide an essential link road.

Further detail on these and other projects is outlined on the next few pages and throughout Section Two of this report.

## Financial performance

Financially, the Council has achieved a net surplus of \$11.012M compared to a budgeted surplus of \$2.456M. The main reasons for this surplus are:

- Increased revenue from interest rate swaps
- Increases in revenue from unexpected donations and higher income for building services and trade waste
- Lower finance costs due to timing of expenditure and reduced interest rates
- An increase in the expected remaining life of the Redruth landfill, meaning a reduction in the required aftercare provision
- Lower costs for depreciation due to fully depreciated assets and delays in capital projects

Expenditure was below budget mainly due to reduced depreciation expense required. Revenue was above budget mainly due a gain on derivatives.

The Council's debt is \$85.9M compared to forecast \$90.1M, while looking after \$755M of assets located throughout the district (Forecast: \$763M).

## Final Words

As this report has been prepared, the Council have signed off a historic deal with the Port of Tauranga to take a 50% stakeholding in the Port of Timaru. This deal is hugely exciting for the future of the Port and will potentially significantly contribute to future economic development in the region.

With local government elections this year, we also farewell long serving Mayor and Councillor, Janie Annear and long serving Councillors Jane Coughlan and Terry Kennedy. The district owes a debt of gratitude for your years of service and your contribution and experience around the Council table will be sadly missed. Our thanks also to Councillors Hamish Fraser and Jo Taylor who are standing down, and Community Board members standing down after various periods of service to their local communities.



Our sincere thanks to the community, elected members, Council staff, agencies, contractors and the many volunteers who have contributed to the achievements and progress this report outlines. We look forward to continuing to work with you to grow and enhance this place we call home.



A handwritten signature in black ink, appearing to be 'D Odey'.

A handwritten signature in black ink, appearing to be 'Peter Nixon'.

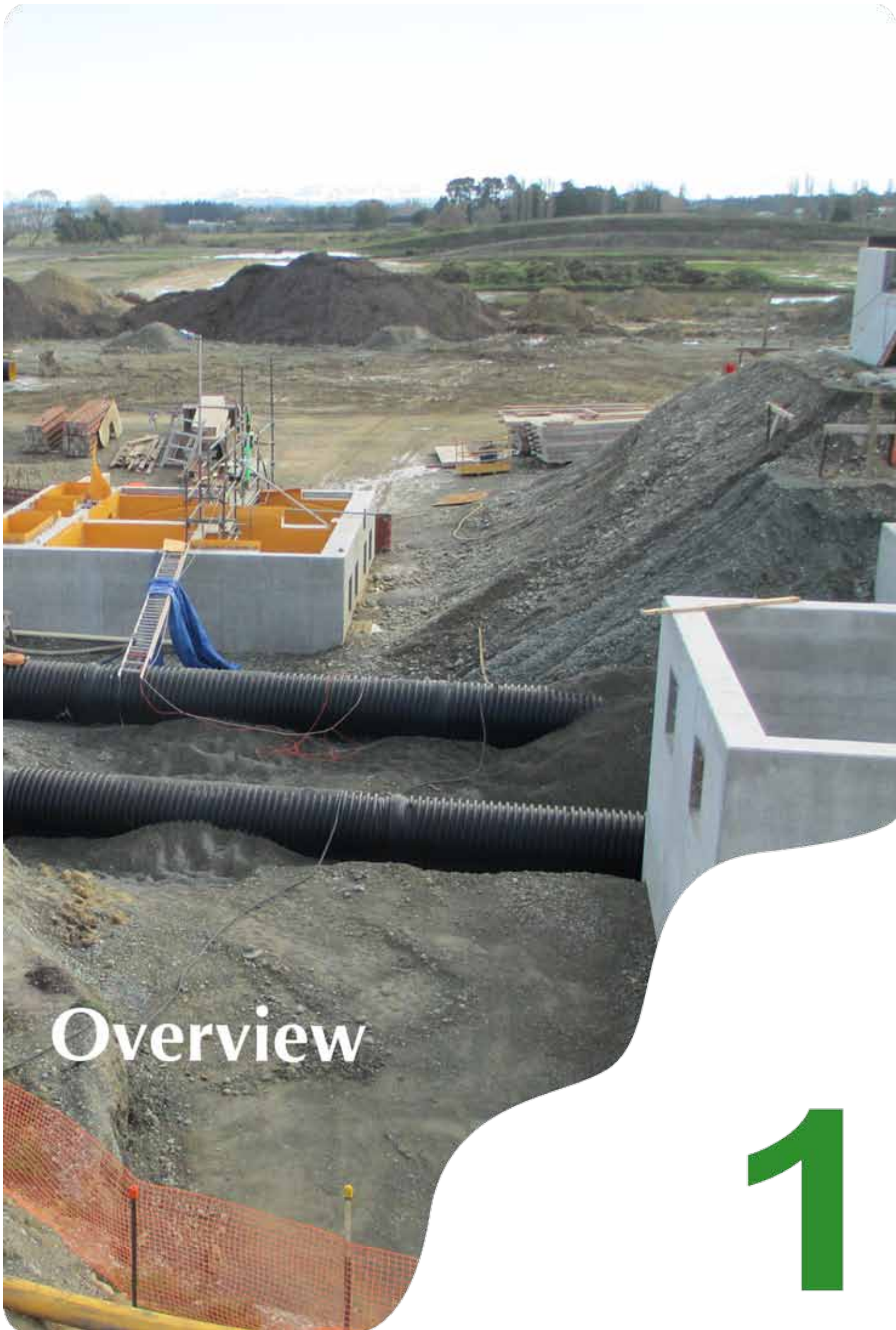
Damon Odey  
**Mayor**

Peter Nixon  
**Chief Executive**

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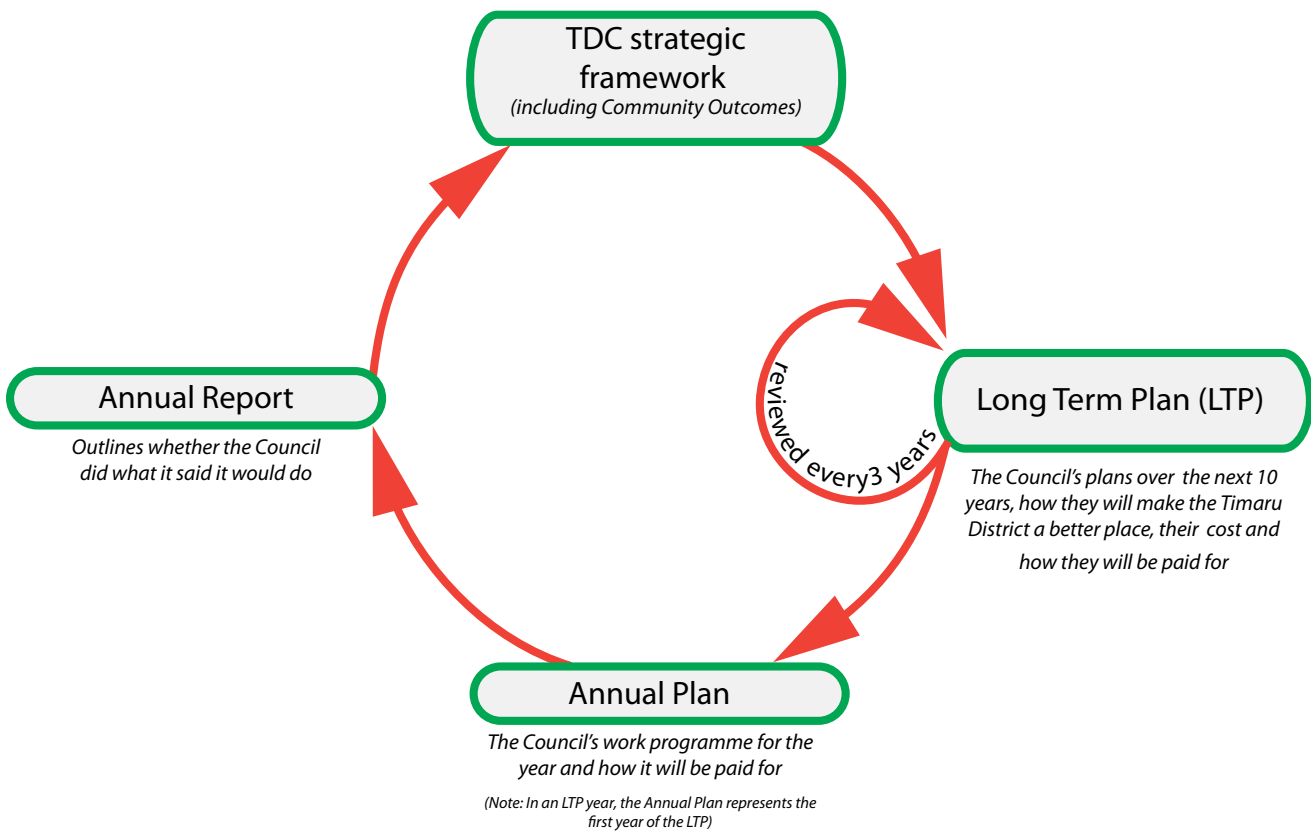
# Overview

1



# About the Annual Report

The purpose of the Annual Report is to explain how we delivered on the 2012/13 Annual Plan (or Year One of the 2012-22 Long Term Council Community Plan) as required by Section 98 of the Local Government Act 2002.



The report details our achievements and progress for our nine Groups of Activities:

GROUP OF ACTIVITIES	ACTIVITIES
Democracy	Governance & Leadership
Community Support	Airport Community Facilities (includes public toilets, cemeteries) Community Funding (includes community funding, subsidised labour) Economic Development & District Promotions Emergency Management Safer Communities Social Housing
District Planning & Regulatory Services	Building Control District Planning Environmental Health (includes environmental health, animal control, parking enforcement)
Recreation & Leisure	Cultural & Learning Facilities (Includes Art Gallery, Halls, Theatre Royal, Libraries, Museum) Parks, Recreation & Swimming Pools (Includes Caroline Bay Aquatic Centre, Fishing Huts, Motor Camps)
Roading & Footpaths	Roading & Footpaths (Includes parking facilities) Cycleways and walkways
Waste Minimisation	Compost, Recycling & Refuse
Sewer	Sewer
Stormwater	Stormwater
Water Supply	Water Supply

# Strategic Direction

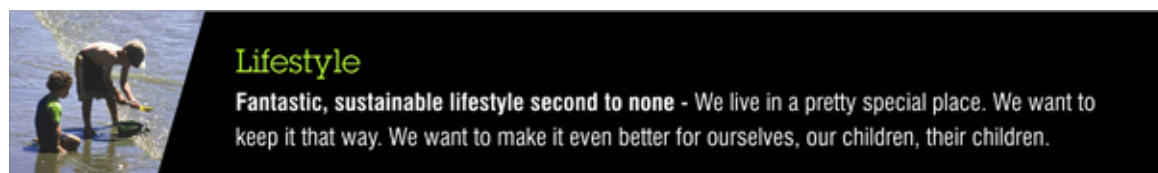
As part of the 2012-22 Long Term Plan, the Council developed a new strategic direction and vision for Timaru District. Our four pronged vision for the district is explained below.

## Vision



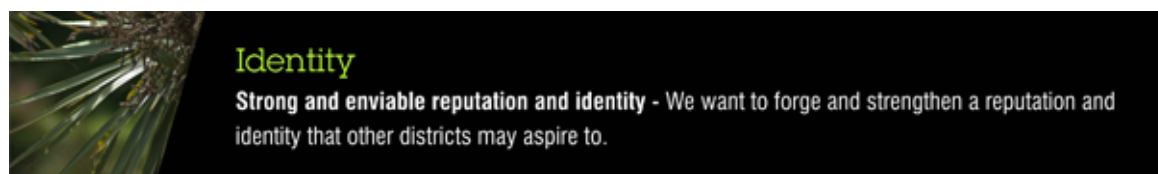
This means:

- We want to ensure our communities are well serviced with essential services
- We want to maintain a humming, vibrant mix of places to go and things to do
- We feel safe walking the streets and crime rates remain low
- Our families are strong and our children and youth are provided with great opportunities to learn and grow
- Our communities are thriving, exciting places to set down roots
- We have abundant recreational, sporting and leisure opportunities
- We care for, enhance and respect the natural environment.



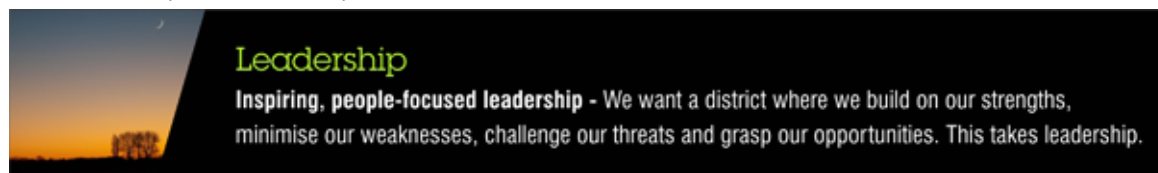
This means:

- We build on our economy's agricultural roots and support innovative, future focused industries
- Our industries and businesses produce high quality goods and services and value the environment from which their raw materials are sourced
- Our businesses are well supported and enabled to grow
- Our district has a variety of training and employment opportunities available
- Our standard of living grows continuously
- We have balanced growth that keeps our businesses, population and youth local.



This means:

- We are proud of our district - our environment, our lifestyle, our communities, our people, our success
- We build and own our identity
- Our residents are our strongest advocates - locally, nationally, internationally
- We respect and honour our heritage.
- We value, encourage and celebrate cultural diversity



This means:

- We lead to inspire and enable, and barriers are proactively reduced
- Our leaders help create the environment for the future to happen
- We inspire our district's future leaders
- We plan for the future to take advantage of its opportunities and recognise and address its challenges.

## Community Outcomes

The Council revised its Community Outcomes. These represent “the outcomes that the Council aims to achieve in order to promote the social, economic, environmental and cultural wellbeing of our district in the present and for the future”.

The Council will continue to work with numerous organisations (e.g. health, environmental, community, government departments) to contribute to the strategic direction and identify future issues. Other agencies may also contribute to these outcomes through the activities and services they provide.

**Outcome:**

High quality infrastructure to meet community and business needs

**Outcome:**

Smart economic success supported and enabled

**Outcome:**

Communities that are safe, vibrant and growing

**Outcome:**

People enjoying a high quality of life

**Outcome:**

A strong identity forged and promoted

**Outcome:**

A valued, healthy and accessible environment

## Strategic Priorities

The Council identified four priority areas it believes are essential to enable it to work towards the Vision and Community Outcomes.

**Strategic Priority:**

Investing in Community

The Council is an important player in the Timaru District. It provides leadership and advocacy, but also has a role in promoting and encouraging strong partnerships to ensure the most effective solutions are achieved for the betterment of the wider Timaru District.

**Strategic Priority:**

Promote integrated, highly liveable communities

The Council has an important role in planning for our district’s future. It needs to promote integrated planning to meet future challenges and ensure wise investment of resources. Future development of well planned, integrated, attractive and safe communities means smart thinking and taking all relevant information into account, within the legislative framework that guides local government.

**Strategic Priority:**

Support areas of economic and district strength

The Council has a role to support and enable economic growth in Timaru District to help enable our future to be realised. Areas of economic strength should be encouraged to flourish.

**Strategic Priority:**

Ensure critical infrastructure meets future needs

One of the Council’s core roles is in the provision of infrastructure, both below and above ground that enables communities to survive and prosper. Infrastructure connects our communities together and is critical to our social, economic, cultural and environmental wellbeing. Continuously planning and acting to meet future needs through maintenance and development of infrastructure is a foundation for Timaru District’s future.

More information on the Strategic Direction can be found in the Long Term Plan 2012-22.

# The Year in Review – 2012/13

This section provides a summary of the Council's year - highlights, achievements and challenges. Further detail can be found within Section Two of the report.



Prime Minister John Key at the opening of the Caroline Bay Trust Aoraki Centre

## CBAY: Open!

The **Caroline Bay Trust Aoraki Centre** opened on 27 July 2012. The Prime Minister, John Key opened the centre along with local dignitaries. The Centre has proved highly popular during the year, with 277,000 visitors and a pleasing result in line with budget at the end of June 2013.

## Popular Deputy Mayor farewelled

A by-election was held in the Geraldine Ward, following the sad death of Geraldine Ward Councillor and Deputy Mayor Michael Oliver. Kerry Stevens was the successful candidate and took office in November 2012.



Taiko Hall Road flooding from June 2013 rainfall event

## Effective responses to emergency events

Emergency responses occurred to two weather events including the August 2012 flooding event and June 2013 flooding and snow event. While neither event resulted in a full activation, the Council responded with information and coordination of repair work. The 2012 event resulted in widespread damage to rural roads and bridges with a damage estimate of \$1.1 million, while the June event resulted in further network damage and snow clearing with a damage estimate of around \$150,000.

## From SteamPunk'd to Our Night Sky

Our two premier exhibition venues, the Aigantighe Art Gallery and South Canterbury Museum held successful exhibitions attracting thousands during the year. Along with 22 other exhibitions, the Aigantighe held the extremely successful *SteamPunk'd* exhibition, a celebration of a branch of science fiction featuring steam-powered machinery and set retrofuturistically in Victorian and Wild West times. Other exhibitions featured art, painting and sculpture from around NZ and the world.

The South Canterbury Museum exhibited on topics as diverse as the South Canterbury night sky to *Ancient Giants*, featuring dinosaurs, marine reptiles and pterosaurs which died out in New Zealand 65 million years ago, the main features of the exhibition. Exhibitions were supported on par with last year with over 32,000 visitors to Aigantighe and 17,000 to the South Canterbury Museum during the year.



Visitors enjoying the *SteamPunk'd* exhibition at the Aigantighe Art Gallery

Photo Acknowledgement: Geoff Cloake

## Library facilities developed to meet public demand

Along with the normal annual spend on library facilities during the year, library facilities were developed with the introduction of a new Library Management System called *Kotui* in September 2012. New electronic databases were added to the Libraries' electronic resources, while access was improved with the installation of automatic doors at the Timaru Library entrance and a new 24 hour returns facilities at Timaru and Temuka libraries. eBooks also had a successful introduction with over 10,000 loans since it started.

## Sir Basil Arthur Park enhancements progress

New sportsfield irrigation points were installed at Sir Basil Arthur Park and fences realigned. The extra irrigation points will allow for better watering of sportsfield surfaces with less disruption to ongoing maintenance operations. An irrigation link was also provided to the area south of the existing fields where new fields are being developed.

## Temuka Domain Revamp underway

Stage One development of the Temuka Domain was completed, with a new carpark installed and fencing completed around the Temuka Domain courts. Stage Two commences in October 2013, focusing on the oval, limiting through traffic in the vicinity of the rugby clubrooms and providing a better traffic layout.

## Future representation determined

The six yearly Representation Review was completed. The process ended up going all the way to the Local Government Commission, with the final determination agreeing with the Council's final proposal and resulting in a reduction in Councillors in the Timaru Ward to six, and an extra Community Board Member for the Temuka Community Board.

## New loos in Gleniti Park

The Gleniti Park public toilet was replaced with a new facility at a cost of \$70,000.



Visitors at the opening of the *Ancient Giants* exhibition at the South Canterbury Museum

## Thousands support leisure events and programmes

Programmes and events run by district leisure facilities attracted thousands during the year, with events ranging from school holiday programmes to pool parties to an antique valuation session.

## Big changes for Safer Communities

During the year, the Safer Communities operation underwent major changes as a result of a loss of government contracts. The Youth Support services contract was lost to another agency, with Council is still providing \$25,000 annually to support this service. Safer Communities main focus is on reducing alcohol related offending, violence, family violence and youth offending, facilitating the co-ordination of local agencies and initiatives to benefit individuals and at risk families, and continuing the TAG (Totally against Graffiti) programme. Project Turnaround continues to operate from the Safer Communities offices.



## Cemetery extensions progressed

Cemetery extensions in Timaru and Temuka were progressed. Construction of the Collins Street, Timaru Cemetery extension was completed allowing for up to an additional 950 burial sites. Resource consents were approved for the Temuka Cemetery extension in Domain Avenue, Temuka. When complete, the development will accommodate potentially another 3,000 burial sites and add 100 years to the life of the Temuka Cemetery.

## Bylaw review

The Council completed the review of the District bylaws, with a new Dog Bylaw and policy sparking significant public interest. The new dog bylaw changed the definition of a dog exercise area and introduced a new enforcement protocol. The new bylaw was adopted in April 2013.

## Stormwater Management Planning underway

Work commenced on Stormwater Management Plans (SMP) as required under the Environment Canterbury Natural Resource Regional Plan. These are being developed for Geraldine and Washdyke (Greenfields). The Geraldine SMP is programmed to be completed by the first quarter of 2014. Washdyke SMP will likely have an expanded scope (to cover the entire Washdyke Industrial area) and is expected to be completed by the 3rd quarter of 2014. The SMPs will simplify the management of stormwater discharges within catchments by removing the multiple resource consent requirements, and reduce consent monitoring cost. SMPs will assist TDC manage stormwater related impacts of land-use activities within catchments.

## Processing compliance remains high

Good performance in processing building and resource consents was maintained during the year, with 95% and 98% processed within statutory timeframes.

## Innovative sewer renewal project a NZ first

Renewal of the 100 year old sewer in Wai iti Road, Timaru was completed improving performance and capacity of the sewer reticulation in this area. An innovative technique involving trenchless technology was used by the contractor in a NZ first. This involving joining 12-metre lengths of pipeline to create a 150 metre length. These were then joined to create 300 metre lengths. These lengths are then towed into the road and butt fused together. Pipes were installed underground using a technique called reaming, which involves placing a rod in the old clay pipe, which is connected to the new pipe and pulled through the existing pipe grinding it out and displacing it.



Cemetery extension area in Collins street, Timaru

## Emergency Management projects make headway

The Canterbury Regional Tsunami Signage Project, was completed, involving installation of Tsunami billboards across Canterbury. This was funded by the Ministry of Civil Defence and Emergency Management. The Pareora Community Response Plan was handed to the Pareora Community in March 2013. The Second Generation Canterbury CDEM Group Plan was completed for presentation to the Coordinating Executive Group (CEG). A new Timaru Response Team was recruited, based at a new headquarters in the Timaru Botanic Gardens.



Tsunami signage at Caroline Bay

## Trying to rid the district of synthetic cannabinoids

A campaign, led by the Mayor, took place during the year in an effort to persuade dairy owners to stop selling synthetic cannabinoids. A public meeting was held with guest speaker Dr Leo Schepp, Toxicologist from Otago Universities Poison Centre along with other local speakers (i.e. Police and Health).

## CBAY outdoor pool: Refurbished and Open!

The refurbishment of the CBAY outdoor pool was completed for its first season opening in November 2012. The refurbishment included an increase of water depth by 250 mm, elimination of leaking drainage channels, tiling of pool perimeter upstands and a complete repaint of the facility.

## Low crash rate a great result

The district achieved the lowest number of overall vehicle crashes on Timaru District council roads over the last five years. There were also the fewest crashes due to road factors recorded.

## Factory Road redevelopment completed

A multi-year project to strengthen and upgrade the Factory Road pavement was completed. This means that all 8.2km of Factory Road have been upgraded to sufficient strength for up to 60 tonne heavy vehicles. Factory Road is the primary route to Fonterra's Clandeboye Dairy factory.

## Denmark Street pedestrian rail crossing

The Denmark Street, Temuka pedestrian rail crossing was completed in partnership with KiwiRail. The closure of Denmark Street was necessary to enable the development of the railyard to expand this multi-modal freight hub that will meet increased current and future freight demands.

## Continued waste diversion success

Timaru District residents continued to excel in waste minimisation with 18,210 tonnes diverted from landfill through recycling, composting and re-use. Council support for the Ministry for the Environment TV takeback initiative saw collection points at all transfer stations and Timaru District Council reaching 95% of their quota (1841/1925 Tvs). E-scrap continued with 400+ computer monitors and 900+ TVs collected for a charge, as well as hard drives and miscellaneous electronic equipment collected free of charge.

## Swimming lessons prove popular

The CBAY Learn to Swim programme has been highly successful, with on average around 750 users per term.

The various programmes provide tuition for tiny tots through to elite swimmers. Children over 5 can progress through the Learn to Swim programme and onto the Squads programme under our qualified Swimming Coach. The popular Sealord Swim4Life programme commenced for school age children in years 3 to 6, which involves the majority of our Timaru primary schools.



Factory Road pavement strengthening and reconstruction



TVs being recycled with the TV takeback scheme



## Keeping us moving

Roading projects completed or nearly completed during the year included seal extension of Brockley Road, nearly 3km of road reconstruction work on sections of Wai iti Road (Timaru), Wilson Street (Timaru), Arowhenua Road, part of Earl Road, Rise Road and part of Wilkin Street (Temuka), 1.1km of kerb and channel renewal including projects in Domain Ave (Temuka) and Guthrie Street (Timaru), seal widening of Arundel Rangitata Road, 55km of road resurfacing, and footpath construction and resurfacing throughout the district.

## Main Trunk Sewer Renewal reaches final stage

Stage Five of the Main Trunk Sewer Renewal (MTSR) project was completed with the installation of the pipeline to separate domestic and industrial sewage from Washdyke Lagoon to the domestic treatment plant. This was the latest stage of a multi-year project to upgrade the main trunk sewer through Timaru and separate domestic and industrial waste stream flows. The final stage of the separation of the industrial wastewater from the domestic stream is the installation of the rising main from the North Mole pump station to Virtue Avenue, planned for construction in 2013/14.

## Washdyke's Elginshire Street extension work commences

The contract for the construction of the Elginshire Street extension in Washdyke was awarded. The extension will provide an essential link from Meadows Road to Seadown Road that will allow traffic to access State Highway 1 in a controlled, safe and reliable manner at the new traffic signals, with construction commencing in June 2013.

## Wastewater Treatment Plant upgrade progresses

Work continued on the upgrade of the Timaru Wastewater Treatment Plant. Underway is the construction of oxidation ponds, wetlands, domestic wastewater screening plant and pump stations. Work on the pump station and associated pipework is around 75% complete overall, with some delays to the pond and wetland construction due to weather related issues. When complete, the project will provide tertiary treatment of domestic sewage, with the screening, oxidation, maturation and wetland ponds, before combining with the milliscreened industrial wastewater and discharging via the existing ocean outfall. The project is expected to be commissioned in early 2014.



The domestic screening structure on its raised platform, with the peak flow pump station structure in the foreground



Skinks like this will inhabit the Pit Road Lizard Reserve

### Biodiversity wins!

District biodiversity was enhanced and promoted through a range of projects during the year. The Pit Road lizard reserve was further developed, including featuring in a TV documentary showcasing the values at the site and what is being done to enhance these.

In partnership with the Department of Conservation, we assisted a penguin survey at Caroline Bay to determine penguin numbers. Penguin nest boxes were also placed on Benvenue Cliffs and Marine Parade and further plantings to increase floral biodiversity and penguin habitat.

Other projects involved planting over 40,000 native plants into various areas of the district, revegetation and habitat projects, promotion of core conservation values to several community groups, walks/talks and operation of the Botanic Gardens Information Centre and pest and weed control.

### Water Supply developments

The Temuka Strategic Water Main renewal was completed which will improve the Temuka water network security and restore level of service to the area. Work on the Geraldine Area Wide water supply strategy progressed by modelling various options for supply to Te Moana from Geraldine.














Temuka Strategic water main replacement

On the Downslands scheme, investigation and design for the Tengawai Trunk Main upgrade commenced, with construction to begin March 2014. The Downslands additional water project aimed at increasing water availability throughout the scheme, progressed through investigations commencing on storage and treatment methodologies. The Downslands Pipe Bridges Renewals Project was completed. This will improve security of supply and reduce the environmental risk by replacing pipe bridges with pipes underground. The Downslands Public Health Risk Management Plan was also completed.

# Your Council, Your District

## Your Council (as at 30 June 2013)

The Timaru District Council was established on 1 November 1989 following local government reorganisation. It comprises the former Timaru City, Geraldine and Temuka Boroughs and the Strathallan County areas. The current Council, elected in October 2010, is:

MAYOR		Phone / Fax	Email	
	Janie Annear	(03) 687 7200 (wk) (03) 684 6895 (hm) (03) 684 4422 (fax)	mayorspa@timdc.govt.nz	
COUNCILLORS		Ward	Phone / Fax	Email
	Kerry Stevens	Geraldine	(03) 693 7442	kerry.stevens@timdc.govt.nz
	Richard Lyon (Deputy Mayor)	Pleasant Point - Temuka	(03) 614 7369 (hm) 0274 269 735 (cell) (03) 614 7696 (fax)	richard.lyon@timdc.govt.nz
	Pat Mulvey	Pleasant Point - Temuka	(03) 615 8130 (hm) 027 3090 500 (cell)	pat.mulvey@timdc.govt.nz
	Jane Coughlan	Timaru	(03) 688 4866 (hm) (03) 688 1984 (fax)	jane.coughlan@timdc.govt.nz
	Steve Earnshaw	Timaru	(03) 688 4288 (hm) 027 433 5862 (cell)	steve.earnshaw@timdc.govt.nz
	Hamish Fraser	Timaru	(03) 686 6771 (hm) 027 669 9147 (cell)	hamish.fraser@timdc.govt.nz
	Terry Kennedy	Timaru	(03) 684 4070 (hm) 0274 347 807 (cell) (03) 688 8902 (fax)	terry.kennedy@timdc.govt.nz
	Damon Odey	Timaru	(03) 684 9325 (hm) 027 201 1920 (cell) (03) 688 0052 (fax)	damon.odey@timdc.govt.nz
	Jo Taylor	Timaru	(03) 614 8087 (hm) 027 228 9562 (cell) (03) 688 2416 (fax)	jo.taylor@timdc.govt.nz
	Tracy Tierney	Timaru	(03) 684 7743 (hm) 027 438 0159 (cell) (03) 684 9121 (fax)	tracy.tierney@timdc.govt.nz

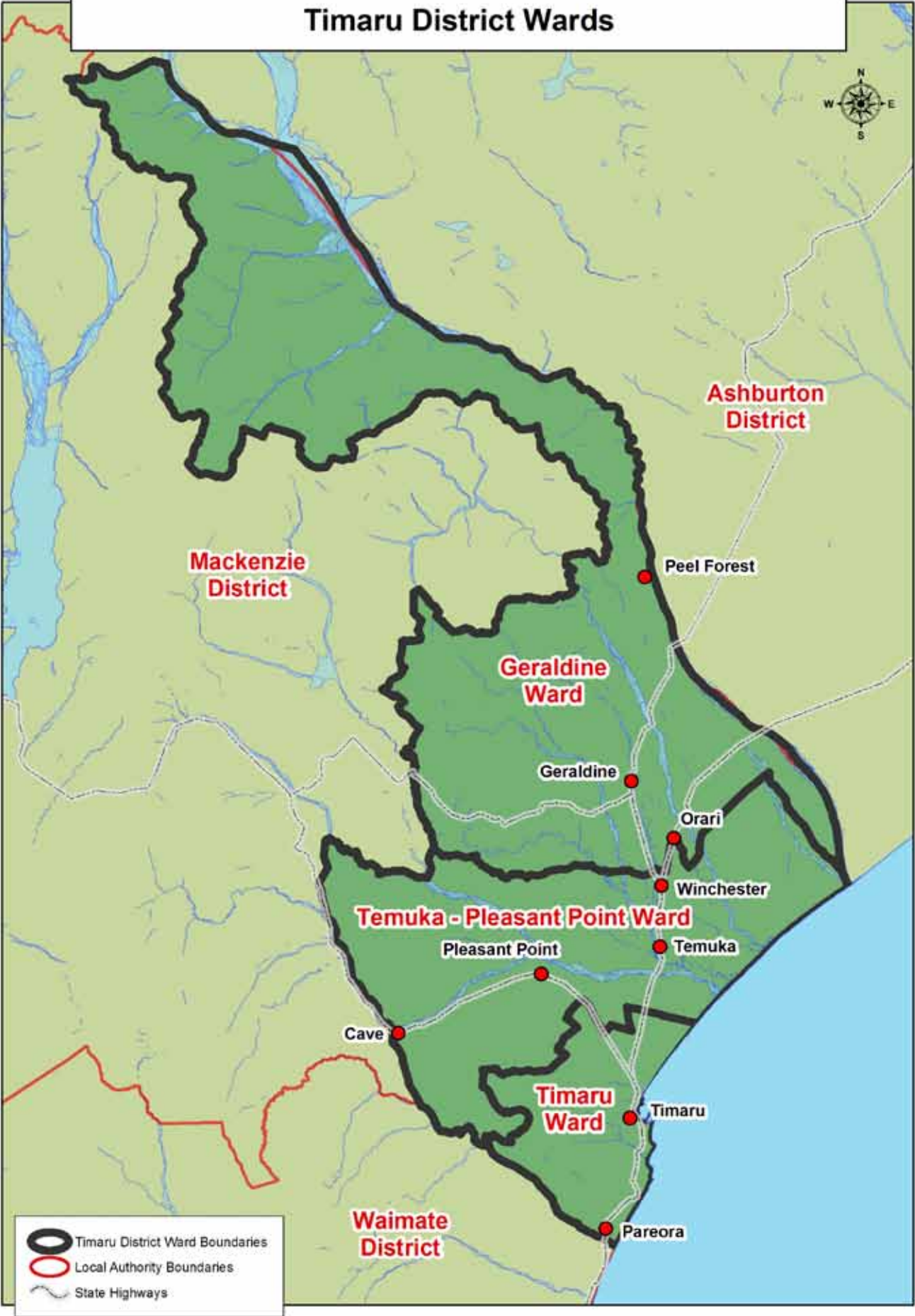
## Community Boards (as at 30 June 2013)

Geraldine	Phone	Email
Rosie Morten (Chairperson)	6939058	orariest@xtra.co.nz
Danny Gresham (Deputy Chairperson)	6939310	danny.gresham@ceda.co.nz
Anna Guerin	6939619	
Dave Moss	6937453	
McGregor Simpson	6939696	
Also Geraldine Ward Councillor: Kerry Stevens		

Pleasant Point	Phone	
John McDonald (Deputy Chairperson)	6147619	
Neville Gould	6147760	
Raewyn Hessel	6147356	
Karalyn Joyce	6147858	
Bernie Wilson	6147097	
Also Pleasant Point-Temuka Ward Councillors: Richard Lyon (Chairperson) and Pat Mulvey		

Temuka	Phone	
Noeline Clarke (Deputy Chairperson)	6158111	
Paddy O'Reilly	6157790	
John Smith	6157150	
Alison Talbot	6149189	
Also Pleasant Point-Temuka Ward Councillors: Richard Lyon and Pat Mulvey (Chairperson)		

# Timaru District Wards



# About Timaru District

## Geography & Climate

Timaru District covers 2,737 square kilometres of South Canterbury. Two rivers naturally define its northern and southern boundaries, the Rangitata and Pareora, with the district stretching along the gentle curve of the South Canterbury coastline. Timaru District is the third largest district by population and sixth largest by area in the Canterbury region. It has a population density of 16.3 persons per square kilometre.

The district enjoys a temperate climate, with Timaru enjoying an annual average of 1,826 hours of sunshine and 573mm of rain.

## Population

*All statistics are based on Stats NZ 2006 census or other Stats NZ data.*

The estimated resident population of the Timaru District as at 30 June 2012 was 44,800. Population projections indicate that over the next twenty years, Timaru District's population is likely to remain fairly static, with slow growth or decline possible. The most optimistic growth projection is a total increase in population by 2031 of around 20% (around 8,800 people).

The population of Timaru District is expected to age significantly in the future. By 2031, 31.3% of the district's population is projected to be over 65 (2006: 18.3%). The life expectancy of Timaru District residents is expected to increase. For people born in 2026, women are projected to live to around 84.9 years (2006: 81.6 years) and men to around 80.9 years (2006: 77 years).

In 2006, 81.2% of Timaru District residents regarded themselves as European, 16.2% as a New Zealander and 6.2% as Maori.

More females than males inhabit the Timaru District (51.5% - 48.5%).

Around 80% of Timaru District residents live in or around the four main settlements - Timaru, Temuka, Geraldine and Pleasant Point.

Households are projected to increase in the future to around 19,600 in 2016 from 18,300 in 2006.

In the Timaru District, 68.8% of households are one family households (NZ: 69.9%) with 27.2% one person households (NZ: 23%).

In 2006, 32.2% of people aged 15 years and over in Timaru District had a tertiary qualification (NZ: 39.9%). 33.2% had no qualification (NZ: 25%).

Average household size in 2006 was 2.4 people (NZ: 2.7). This is projected to decline further in the future as the population ages and less couples have children.

In 2006, median family income in Timaru District was \$50,300 (NZ: \$59,000). Median personal income for people aged 15 and over was \$21,200 (NZ: \$24,400).

## Economy

The Timaru economy is strongly influenced by its agricultural heritage. Agriculture is diverse, including dairy, sheep and deer farming and land suitable for all kinds of grains and seeds.

Significant manufacturing operations are located in the district, including Fonterra's Clandeboye dairy factory, McCain's food processing plant, DB Mainland Breweries, NZ Light Leathers, Alliance Group Smithfield plant, Silver Fern Farms Pareora plant and Barkers Fruit Processors. The district is centrally located for distribution and PrimePort provides a gateway for exports and imports.

Employment in the district is strong, with the majority of people employed in manufacturing, retail trade, health care and social assistance, agriculture, forestry and fishing, and construction industries as at February 2008. The number of businesses in the district has slightly declined in the last few years. As at February 2012, there were approximately 5,262 businesses operating in the district. The Agriculture, Forestry and Fishing industry sector accounts for nearly 25% of these businesses.

Visitors are a significant contributor to the district's economy, with the district providing a gateway to the central South Island.

## Our Communities

Timaru is the largest community, housing nearly two thirds (27,600 people) of the total population of the district. The next largest community is Temuka (4,120), followed by Geraldine (2,310) and Pleasant Point (1,220).

Our communities are well serviced with education, health and recreational services along with a vast range of clubs and organisations. The South Canterbury District Health Board is the major health provider, with the Aoraki Polytechnic providing tertiary educational services throughout the South Island.

## Our Environment

The diverse landscapes of the Timaru District include rolling downlands, tussock land, coastal plains and wetlands, forest remnants, river gorges and rugged mountain ranges.

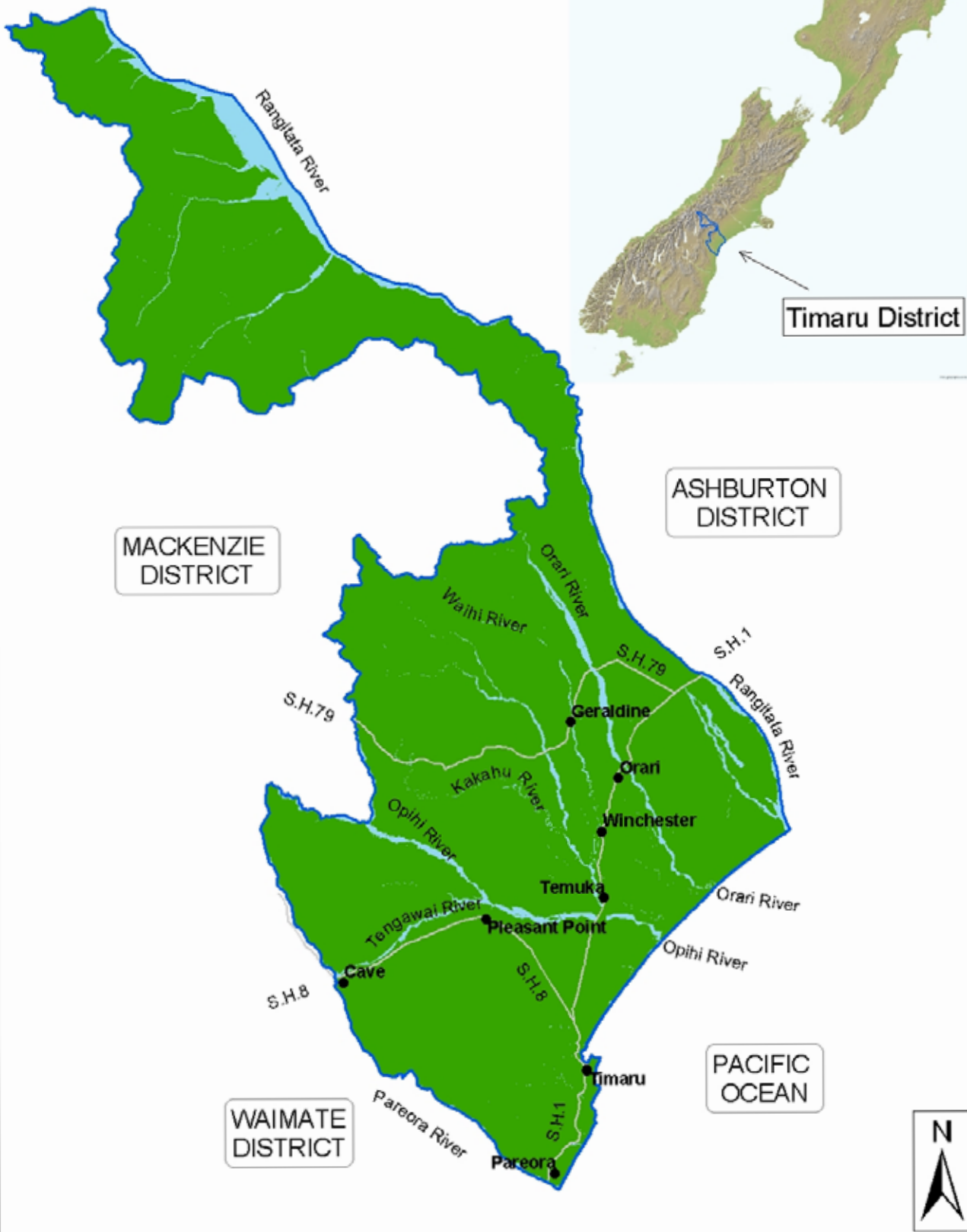
The coastal plains to the north and downlands to the south are highly modified for intensive cropping, meat, wool and dairy production. Pasture and exotic woodlots dominate the modified hills and downs from Peel Forest to Cave, with occasional shrub and forest remnants. Limestone outcrops and volcanic sediment add to the diversity of the landforms.

The district is also defined by a number of waterways, including the Orari, Opihi, Rangitata, Waihi and Pareora Rivers. The Rangitata and Pareora physically define the district and all waterways are highly valued by the community for their recreational, social, natural amenity and economic values.

The district has a number of outstanding natural features and landscapes, as well as areas of significant native vegetation habitats of native fauna. There are also numerous important heritage sites, buildings and places.



# Timaru District



# Statement of Compliance

## Compliance

- 1 Pursuant to Section 98 of the Local Government Act 2002, the Council and management of Timaru District Council confirm that all the statutory requirements of Schedule 10, Part C of the Local Government Act 2002 have been complied with.

## Responsibility

- 2 The Council and management of Timaru District Council accept responsibility for the preparation of the annual Financial Statements and the judgements used in them.
- 3 The Council and management of Timaru District Council accept responsibility for establishing and maintaining a system of internal control designed to provide reasonable assurance as to the integrity and reliability of financial reporting.
- 4 In the opinion of Council and management of Timaru District Council, the annual Financial Statements for the year ended 30 June 2013 fairly reflect the financial position and operations of Timaru District Council.



Damon Odey  
**Mayor**  
29 October 2013



Peter Nixon  
**Chief Executive**  
29 October 2013



## Independent Auditor's Report

### To the readers of Timaru District Council and group's annual report for the year ended 30 June 2013

The Auditor General is the auditor of Timaru District Council (the District Council) and group. The Auditor General has appointed me, Julian Tan, using the staff and resources of Audit New Zealand to audit:

- the financial statements of the District Council and group that comprise:
  - the statement of financial position as at 30 June 2013 on page 85;
  - the statement of comprehensive income, statement of changes in equity and statement of cash flows for the year ending 30 June 2013 on pages 83, 84 and 86 respectively;
  - the funding impact statement of the District Council on page 87; and
  - the notes to the financial statements that include accounting policies and other explanatory information about the financial statements on pages 90 to 133;
- the statement of service provision (referred to as Council's Activities Performance) of the District Council on pages 29 to 78 and the funding impact statements in relation to each group of activities of the District Council on pages 32 to 80.
- the statements about budgeted and actual capital expenditure in relation to each group of activities of the District Council on pages 32 to 80; and

In addition, the Auditor General has appointed me to report on whether the District Council and group's annual report complies with the *Other Requirements* of schedule 10 of the Local Government Act 2002, where applicable, by including:

- information about:
  - internal borrowing on pages 39 to 79;
  - reserve funds on pages 116 to 118;
  - each group of activities carried out by the District Council on pages 29 to 78;
  - council controlled organisations on pages 88 to 89;
  - remuneration paid to the elected members and certain employees of the District Council on page 124;
  - employee staffing levels and remuneration on page 124; and
  - severance payments on page 131;
- a report on the activities undertaken by the District Council and group to establish and maintain processes to provide opportunities for Maori to contribute to the Council's decision making processes on page 135; and
- a statement of compliance signed by the mayor and chief executive of the District Council on page 23.

## Opinion

### Audited information

In our opinion:

- the financial statements of the District Council and group on pages 83 to 86 and pages 90 to 133:
  - comply with generally accepted accounting practice in New Zealand; and
  - fairly reflect:
    - the District Council and group's financial position as at 30 June 2013; and
    - the results of its operations and cash flows for the year ended on that date.
- the funding impact statement of the District Council on page 87, fairly reflects the amount of funds produced from each source of funding and how the funds were applied as compared to the information included in the District Council's annual plan.
- the statements about budgeted and actual capital expenditure in relation to each group of activities of the District Council on pages 32 to 80, fairly reflects by each group of activities the capital expenditure spent as compared to the amounts budgeted and set out in the District Council's long-term plan or annual plan.
- the Council's Activities Performance of the District Council on pages 29 to 78:
  - complies with generally accepted accounting practice in New Zealand; and
  - fairly reflects the District Council's levels of service for the year ended 30 June 2013, including:
    - the levels of service as measured against the intended levels of service adopted in the long-term plan; and
    - the reasons for any significant variances between the actual service and the expected service.
- the funding impact statements in relation to each group of activities of the District Council on pages 32 to 80, fairly reflects by each group of activities, the amount of funds produced from each source of funding and how the funds were applied as compared to the information included in the District Council's long-term plan.

### Compliance with the other requirements of schedule 10

In our opinion, which is not an audit opinion, the District Council and group's annual report complies with the *Other Requirements* of schedule 10 that are applicable to the annual report.

Our audit was completed on 29 October 2013. This is the date at which our opinion is expressed.

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

### Basis of opinion

We carried out our audit in accordance with the Auditor General's Auditing Standards, which incorporate the International Standards on Auditing (New Zealand). Those standards require that we comply with ethical requirements and plan and carry out our audit to obtain reasonable assurance about whether the information we audited is free from material misstatement.

Material misstatements are differences or omissions of amounts and disclosures that, in our judgement, are likely to influence readers' overall understanding of the financial statements and Council's Activities Performance. If we had found material misstatements that were not corrected, we would have referred to them in our opinion.

An audit involves carrying out procedures to obtain audit evidence about the amounts and disclosures in the information we audited. The procedures selected depend on our judgement, including our assessment of risks of material misstatement of the information we audited, whether due to fraud or error. In making those risk assessments, we consider internal control relevant to the District Council and group's preparation of the information we audited that fairly reflect the matters to which they relate. We consider internal control in order to design procedures that are appropriate in the circumstances but not for the purpose of expressing an opinion on the effectiveness of the District Council and group's internal control.

An audit also involves evaluating:

- the appropriateness of accounting policies used and whether they have been consistently applied;
- the reasonableness of the significant accounting estimates and judgements made by the Council;
- the adequacy of all disclosures in the information we audited;
- determining the appropriateness of the reported Council's Activities Performance within the Council's framework for reporting performance; and
- the overall presentation of the information we audited.

We did not examine every transaction, nor do we guarantee complete accuracy of the information we audited.

When reporting on whether the annual report complies with the *Other Requirements* of schedule 10 of the Local Government Act 2002, our procedures were limited to making sure the information required by schedule 10 was included in the annual report, where relevant, and identifying material inconsistencies, if any, with the information we audited. This work was carried out in accordance with International Standard on Auditing (New Zealand) 720; *The Auditor's Responsibilities Relating to Other Information in Documents Containing Audited Financial Statements*. As a result we do not express an audit opinion on the District Council's compliance with the requirements of schedule 10.

We did not evaluate the security and controls over the electronic publication of the information we are required to audit and report on. We have obtained all the information and explanations we have required and we believe we have obtained sufficient and appropriate evidence to provide a basis for our opinion.

### Responsibilities of the Council

The Council is responsible for preparing:

- financial statements Council's Activities Performance that:
  - comply with generally accepted accounting practice in New Zealand;
  - fairly reflect the District Council and group's financial position, financial performance and cash flows;
  - fairly reflect its service performance, including achievements compared to forecast;
- a funding impact statement that fairly reflects the amount of funds produced from each source of funding and how the funds were applied as compared to the information included in the District Council's annual plan;
- funding impact statements in relation to each group of activities that fairly reflects by each group of activities the amount of funds produced from each source of funding and how the funds were applied as compared to the information included in the District Council's long-term plan;
- statements about budgeted and actual capital expenditure in relation to each group of activities that fairly reflects by each group of activities the capital expenditure spent as compared to the amounts budgeted and set out in the District Council's long-term plan or annual plan; and
- the other information in accordance with the requirements of schedule 10 of the Local Government Act 2002.

The Council is responsible for such internal control as it determines is necessary to ensure that the annual report is free from material misstatement, whether due to fraud or error. The Council is also responsible for the publication of the annual report, whether in printed or electronic form.

The Council's responsibilities arise under the Local Government Act 2002.

### Responsibilities of the Auditor

We are responsible for expressing an independent opinion on the information we are required to audit, and whether the Council has complied with the *Other Requirements* of schedule 10, and reporting that opinion to you. Our responsibility arises under section 15 of the Public Audit Act 2001 and section 99 of the Local Government Act 2002.

### Independence

When carrying out this audit, which includes our report on the *Other Requirements*, we followed the independence requirements of the Auditor General, which incorporate the independence requirements of the External Reporting Board. Other than this audit, which includes our report on the *Other Requirements*, the completion of a report pursuant to a debenture trust deed, and the audit of the District Council's statement of proposal to amend its long-term plan, we have no relationship with or interests in the District Council or any of its subsidiaries.

Julian Tan  
Audit New Zealand  
On behalf of the Auditor General  
Christchurch, New Zealand







# Council Activities Performance

# 2

# Council Activities - Summary

This section describes the work and performance of the Council's Groups of Activities, including:

- *Description* – Activities included within each group, a brief description and how each group contributes to Community Outcomes.
- *Key Achievements and Projects* – A summary of key achievements and projects during the year.
- *Performance* – A summary of how the Council performed against performance measures for each activity.
- *Variations* – A summary of significant variances in the achievement of work projects or tasks planned during the year, including what has affected their achievement.
- *Financial Information* – key financial information for each group of activities, compared to budgets, including the prescribed Funding Impact Statement.
- *Significant Capital Acquisitions or Replacements* – A summary of significant capital physical assets that were acquired/replaced or improved during the year, including reasons and variances.

Council has nine groups of activities as outlined below:



# Democracy

## Description

Democracy includes the following activity provided by the Council:

- Governance and Leadership

Governance and Leadership is a key activity, supporting and guiding everything else that the Council does. The elected members of the Council set direction, lead and make decisions. This is focused around progressing towards the Council's vision and community outcomes with the overall goal of improving community wellbeing.

This activity includes all work associated with the elected Council and Community Boards in Geraldine, Pleasant Point and Temuka. The elected members are the community's representatives, making decisions on behalf of and in the interests of the community. The Council and community boards are elected every three years.

Key tasks include:

- Advocacy on issues that affect the district
- Consultation with the community
- Communicating decisions, policy and activities
- Development and implementation of strategy and policy
- Civic functions, such as citizenship ceremonies
- Representation reviews
- Administering statutory governance functions (e.g. Standing Orders, Delegations Registers)
- Partnering with agencies
- Development and adoption of key Council planning and accountability mechanisms (e.g. Long Term Plan, Annual Report, Annual Plan).
- Maintenance of Sister City relationships with Eniwa (Japan), Weihai (China), Orange (Australia) and Orange (United States)

## Key Achievements and Projects

During the year:

- The Council completed the six yearly Representation Review. Following the final determination issued by the Local Government Commission, the review resulted in a reduction in Councillors in the Timaru Ward to six, and an extra Community Board Member for the Temuka Community Board (*see story for further detail*).
- A by-election was held in the Geraldine Ward, following the sad death of Geraldine Ward Councillor and Deputy Mayor Michael Oliver. Kerry Stevens was the successful candidate and took office in November 2012.
- The Council completed the review of the District bylaws, with a new Dog Bylaw and policy sparking significant public interest. The new dog bylaw changed the definition of a dog exercise area and introduced a new enforcement protocol. The new bylaw was adopted in April 2013.
- The Council responded to numerous proposed changes in legislation, including the Local Government Amendment Bill 2012 and Sale and Supply of Alcohol Bill.
- The Council held civic events, including the Community Awards and citizenship ceremonies, the 10th Anniversary of the Eniwa-Timaru Association, parade for returning Olympians, Industry Training Awards, the Caroline Bay Trust Aoraki Centre opening in July 2012 and entertained

A further key task is monitoring and reviewing performance of the overall Council operation. This includes appointing and reviewing the performance of the Chief Executive who employs all other Council staff and manages the overall Council operation. This group includes all work associated with the elected Council and Community Boards in Geraldine, Pleasant Point and Temuka and overall oversight of the Council operation.

This group of activities contributes to the following community outcomes:

	Governance and Leadership
High quality infrastructure to meet community and business needs	Primary Contribution
Smart economic success supported and enabled	Primary Contribution
Communities that are safe, vibrant and growing	Primary Contribution
People enjoying a high quality of life	Primary Contribution
A strong identity forged and promoted	Primary Contribution
A valued, healthy and accessible environment	Primary Contribution
	<span style="color: blue;">■</span> Primary Contribution <span style="color: green;">■</span> Secondary Contribution

Lady Janine Mataparae and notable Timaru District women.

- The Council advocated on numerous district issues.
- The Council supported and in some cases partially funded events such as the South Canterbury Business Awards.
- The Council maintained and promoted sister city relationships, including hosting an Eniwa delegation and one councillor from Orange, (New South Wales, Australia).
- The Council communicated with the community on Council decisions, policy and activities through the Council *Noticeboard* in the Timaru Herald, the TDC website and various Council publications.
- The Council completed the 2011/12 Annual Report with a clear audit opinion.



## Performance

Level of Service statement	Measure/Target	Result
Make decisions in an open, transparent manner	<p>≥ 90% main items of Council Business* held in open meetings</p>	<p>92% of main items of Council Business were held in open meetings</p>
	<p>Resident satisfaction with influence on Council decision-making::</p> <ul style="list-style-type: none"> <li>12/13: Not measured</li> </ul>	<p>This is measured every two years, with the next survey to be undertaken in 2013/14. The 2011 survey results were:</p> <ul style="list-style-type: none"> <li>53% residents are satisfied with the way the Council involves the public in decision making.</li> <li>40% residents satisfied with level of influence on Council decisions (large or some influence).</li> </ul>
Advocate for the community	<p>10 Formal TDC submissions on issues made to agencies</p>	<p>We made seven submissions to various agencies during the year, including Environment Canterbury, Local Government and Environment Select Committee, Local Government New Zealand, the Ministry of Civil Defence and Emergency Management and the NZ Transport Agency. Submissions covered areas such as the proposed Land and Water Management Plan, the roading Financial Assistance rate (FAR), and Local Government Act reforms. Funding requests were also made to the governments Ministry of Social Development NEET Services for youth (unsuccessful) and Ministry of Justice to deliver Restorative Justice services (pending).</p>
Communicate with the community	<p>Resident satisfaction with adequacy of Council published information:</p> <ul style="list-style-type: none"> <li>12/13: Not measured</li> </ul>	<p>This is measured every two years, with the next survey to be undertaken in 2013/14. The 2011 survey results were:</p> <ul style="list-style-type: none"> <li>70% of residents believed information provided by Council was more than enough/enough.</li> </ul> <p>During 2012/13, the Council has continued to publish a weekly 'Council Noticeboard' in the Timaru Herald, regularly updated the TDC website with current information and consulted widely on several areas using a variety of mediums, such as the Annual Plan 2013/14.</p>
	<p>Resident awareness of Council published information:</p> <ul style="list-style-type: none"> <li>12/13: Not measured</li> </ul>	<p>This is measured every two years, with the next survey to be undertaken in 2013/14. The 2011 survey results were:</p> <ul style="list-style-type: none"> <li>82% of residents had seen or read Council published information.</li> </ul>
Monitor the Council organisation	<p>Clear audit opinion for Council Annual Report and audit</p>	<p>A clear (unmodified) audit opinion was received for the 2011/12 Annual Report.</p>
Meet our statutory obligations	<p>Compliance with LGA Planning and Accountability requirements</p>	<p>Statutory requirements were met including preparation and adoption of the 2013/14 Annual Plan and 2011/12 Annual Report.</p>
<p><b>Notes:</b></p> <p>* This refers to the main business topics on the full Council agenda and existing four standing committees</p>		

## Variations

There were no variances to the planned 2012/13 work programme.

# Representation Review 2012

Following recommendations from an advisory panel, the Council carried out a pre-consultation on options. A proposal to remove the current ward system was subject to a notice of motion that reverted to retention of the ward system. This was formally consulted on as the 'Initial Proposal'. Over 800 submissions were received on this proposal, with 95% in favour of the proposal. The Council confirmed this as the Final Proposal. However, the proposal was subject to two appeals and went to the Local Government Commission for the final determination. Their decision in April upheld the Council proposal. The review resulted in a reduction in Councillors in the Timaru Ward to six, and an extra Community Board Member for the Temuka Community Board.



New citizens with the Mayor at a Citizenship Ceremony 2013



## Democracy – Financial Information

### Timaru District Council: Funding impact statement for 2012/13 for Democracy

	2011/12 Long-term plan (\$000)	2012/13 Long-term plan (\$000)	2012/13 Actual (\$000)
<b>Sources of Operating Funding</b>			
General Rates, Uniform Annual General Charge, rates penalties	2,971	2,899	2,910
Targeted Rates (Other than a targeted rate for water supply)	17	17	4
Subsidies and grants for operating purposes			
Fees, charges and targeted rates for water supply	7	6	3
Internal charges and overheads recovered			
Local authorities fuel tax, fines, infringement fees, and other receipts			
<b>Total operating funding (A)</b>	<b>2,995</b>	<b>2,922</b>	<b>2,917</b>
<b>Applications of operating funding</b>			
Payments to staff and suppliers	1,085	955	953
Finance costs			
Internal charges and overheads applied	1,874	1,943	1,944
Other operating funding applications			
<b>Total applications of operating funding (B)</b>	<b>2,959</b>	<b>2,898</b>	<b>2,897</b>
<b>Surplus (deficit) of operating funding (A - B)</b>	<b>36</b>	<b>24</b>	<b>20</b>
<b>Sources of capital funding</b>			
Subsidies and grants for capital expenditure			
Development and financial contributions			
Increase (decrease) in debt			
Gross proceeds from sale of assets			
Lump sum contributions			
<b>Total sources of capital funding (C)</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>Application of capital funding</b>			
Capital expenditure	0	0	0
– to meet additional demand			
– to improve the level of service			
– to replace existing assets			
Increase (decrease) in reserves	36	24	20
Increase (decrease) of investments			
<b>Total applications of capital funding (D)</b>	<b>36</b>	<b>24</b>	<b>20</b>
<b>Surplus (deficit) of capital funding (C - D)</b>	<b>(36)</b>	<b>(24)</b>	<b>(20)</b>
<b>Funding balance ((A - B) + (C - D))</b>	<b>0</b>	<b>0</b>	<b>0</b>

# Community Support

## Description

Community Support includes the following activities provided by the Council:

- Airport
- Community Facilities (*includes Cemeteries and Public Toilets*)
- Community Funding (*includes Community Funding, Subsidised Labour*)
- Economic Development & District Promotions
- Emergency Management
- Safer Communities
- Social Housing

This group includes activities that help build strong and supportive communities, meet specific needs in the community and support people, organisations and the business community.

Some of these activities, such as cemeteries and public toilets are necessary to ensure healthy communities, others provide support in times of adversity (e.g. Emergency Management) while others are provided to assist vulnerable people in our communities (e.g. Social Housing).

This group of activities contributes to the following community outcomes:

	Airport	Community Facilities	Community Funding	Economic Development and District Promotions	Emergency Management	Safer Communities	Social Housing
High quality infrastructure to meet community and business needs	Secondary Contribution	Primary Contribution		Secondary Contribution	Secondary Contribution		Primary Contribution
Smart economic success supported and enabled	Primary Contribution			Primary Contribution			
Communities that are safe, vibrant and growing	Secondary Contribution	Primary Contribution	Primary Contribution	Secondary Contribution	Primary Contribution	Primary Contribution	Secondary Contribution
People enjoying a high quality of life		Secondary Contribution	Secondary Contribution	Primary Contribution	Primary Contribution	Primary Contribution	Secondary Contribution
A strong identity forged and promoted	Secondary Contribution		Primary Contribution	Primary Contribution		Secondary Contribution	
A valued, healthy and accessible environment		Secondary Contribution					

Primary Contribution
  Secondary Contribution



## Key Achievements and Projects

During the year:

- The Gleniti Park public toilet was replaced with a new facility at a cost of \$70,000.
- Several public toilets throughout the district were renovated or improved. This included interior and exterior painting, retiling, and replacement of equipment.
- The Timaru Cemetery extension in Collins Street was completed ready for use. This provides room for approximately another 950 burial sites.
- Resource Consents were obtained for the Temuka Cemetery extension in Domain Avenue, Temuka. When complete, the development will accommodate potentially another 3000 burial sites and add 100 years to the life of the Temuka cemetery.
- The airport maintained Civil Aviation Authority (CAA) accreditation, without the need for an audit reflecting robust management by the Council.
- The aircraft fuelling pumps on the airport apron were replaced.
- Funding was allocated from Council grants schemes to worthy recipients and events across the District. During the year, a Grants and Loans Policies review increased the upper limit of a minimal grant to \$300.
- 236 social housing units were managed and maintained during the year. Several units were refurbished as they became vacant. Other upgrade work included installation of wet area showers in 4 Timaru units, replacement windows and double glazing in Temuka units, fencing and replacement ovens.
- The Canterbury Regional Tsunami Signage Project, was completed during the year, funded by the Ministry of Civil Defence and Emergency Management (MCDEM) through the Resilience Fund. This involved installation of Tsunami Billboards in Timaru, Waimate, Ashburton, Waimakariri and Hurunui Districts and was project managed by the Emergency Management Officer.
- The first draft of the Second Generation Canterbury CDEM Group Plan, including a risk matrix was completed for presentation to the Coordinating Executive Group (CEG). This plan will replace the current Canterbury CDEM Group Plan and defines what our strategies and actions are under the four R's of Reduction, Readiness, Response and Recovery.
- The Pareora Community Response Plan was handed to the Pareora Community in March 2013. It was adapted following workshops within the community, a survey of residents and a community meeting.
- As part of the national ShakeOut Earthquake Drill public education campaign, almost 600 Emergency Preparedness packs were handed out at Mitre 10 Mega.
- A new Timaru Response Team was recruited, with a current membership of ten. A new headquarters for the team was opened in the Timaru Botanic Gardens.
- Exercise Te Ripahapa, based on an Alpine Fault earthquake was conducted. This involved a full activation of the Timaru Emergency Operations Centre (EOC) and the involvement of over 40 TDC staff and other agencies.
- Emergency responses this year included the August 2012 flooding event and June 2013 flooding and snow event. While neither events resulted in a full activation, the Public Information and Media (PIM) Team activated in June, with the EOC setup for a potential activation. Events were monitored over a 10 day period.
- Personal development modules were introduced to the CD Volunteer Training schedule.
- Council participated in the first Volunteers Expo held at the Caroline Bay Hall, including handing out survival guides, family emergency plan guides and recruiting potential volunteers.
- The Annual Regional Rural Fire challenge was held at Raincliff youth camp with 300 firefighters and managers attending over 3 days. The Timaru volunteer team was represented by teams from both Peel forest and Cave.
- Rural Fire volunteers at Cave completed a training room extension to the Cave station, funded partly through local fundraising and partly through the national Rural Fire Authority Grant assistance.
- Equipment was updated, including radios and field response kits for area headquarters. The Timaru Rural Fire Tanker was replaced, with a new vehicle operational at the end of March.
- South Canterbury Rural Fire District (SCRFD):
  - ♦ Responded to 137 fire incidents (2011/12: 96) across the SCRFD area, with 75 in the Timaru District (2011/12: 54).
  - ♦ The three plans (High country, foothills, coastal) for the Strategic Tactical Planning Project have





Aoraki Development Business and Tourism (ADBT) is a Council Controlled Organisation that is concerned with economic development and district promotions. Some of the work progressed or completed during the year has included:

- Managed a range of support tools for local businesses, including Training Courses, Business Resources, and Business Mentoring. There were over 340 attendees for 24 courses run during the year. ADBT supported over 365 businesses during the year with aspects such as strategic planning, taxation and marketing advice.
- Supported initiatives and hosted events for three industry clusters - Export/Import, Primary Produce Innovation, and Education South Canterbury/International Education. Activity included Export Experience visits, workshops and newsletters.
- Provided quality information about the district through the [www.southcanterbury.org.nz](http://www.southcanterbury.org.nz) website, newsletters and brochures. Key initiatives during the year included the Tell A Friend campaign, new Events Hub and Transport Booking page and Business Excellence Awards
- Maintained strategic partnerships including the South Canterbury Chamber of Commerce, Young Enterprise Scheme, Regional Business partnerships and Business Leadership Forums
- Supported and assisted a number of key events including the South Canterbury Business Excellence Awards, Eagles Golf tournament, Masters Games and NZV8s.
- Prepared for and hosted four successful visit of cruise ships during the year
- Managed and enhanced visitor information services with nearly 8,000 financial transactions. There was a complete review, restructure and repositioning of services with enhanced local focus.
- Sought funding for District initiatives and growth and assisted district businesses to achieve growth
- Assist and support long term economic development planning, including working with TDC on industrial zoning and events strategy and work to support key district agencies such as Aoraki Polytechnic and Primeport.
- Distributed \$85,000 of Regional Business Partner Funding to local businesses
- Developed and maintained effective working relationships with a range of local organisations including guest speakers, Business After 5's and ongoing liaison.
- Marketed the District via monthly updates in the High Country Herald, featuring destination highlights, key events and ADBT activity updates.

been completed, and approved by the South Canterbury Rural Fire District Board. The mitigating actions identified within the 4Rs of emergency management - Readiness, Reduction, Response, Recovery will be assessed and prioritised by the Operations Committee then approved by the Board. Once approvals are given, these actions will be entered into member's budgets.

- During the year, the Safer Communities operation underwent major changes as a result of a loss of contracts. The main focus now for the Safer Communities operation remains reducing alcohol related offending, violence, family violence and youth offending, facilitating the co-ordination of local agencies and initiatives to benefit individuals and at risk families, and continuing the TAG (Totally against Graffiti) programme.
- The Youth Support services contract was lost to another agency. The YMCA subsequently received funding and

employed the remaining youth worker. The Council is still providing \$25,000 annually to support this service, with a six monthly report back to Council.

- Project Turnaround continues to operate from the Safer Communities offices, with a funding application currently undergoing assessment with the Ministry of Justice. The Project Turnaround coordinator:
  - ♦ Facilitated 70 restorative justice conferences of the required 77 under the Ministry of Justice contract. The requirement to complete 85% of targets set was met.



## Performance

Level of Service statement	Measure/Target	Result
Community facilities are well maintained, clean and safe	<p>≥ 80% satisfaction with the airport</p> <p>Public Toilets - overall/user satisfaction:</p> <ul style="list-style-type: none"> <li>12/13: Not measured</li> </ul>	<p>88.2% of airport users surveyed were satisfied with the airport facilities.</p> <p>This is measured every two years, with the next survey to be undertaken in 2013/14. The 2011 survey results were:</p> <ul style="list-style-type: none"> <li>57% of residents were very/fairly satisfied with public toilets</li> <li>65% of users were very/fairly satisfied with public toilets</li> </ul> <p>During the year, several toilets were renovated. The Gleniti Park toilet was replaced. Toilets were regularly cleaned and monitored, with additional public toilets provided at some locations during peak summer usage.</p>
	<p>Cemeteries - overall/user satisfaction:</p> <ul style="list-style-type: none"> <li>12/13: Not measured</li> </ul>	<p>This is measured every two years, with the next survey to be undertaken in 2013/14. The 2011 survey results were:</p> <ul style="list-style-type: none"> <li>78% of residents were very/fairly satisfied with cemeteries</li> <li>90% of visitors were very/fairly satisfied with cemeteries</li> </ul> <p>During the year, the Collins Street section of the Timaru Cemetery was completed and resource consents were obtained for the Temuka Cemetery extension. Cemeteries were regularly mowed and maintained. Additional beams were installed.</p>
	<p>≤ 3 complaints about Public Toilet cleaning standards*</p>	<p>There were 2 complaints about cleaning standards during the year. Where required, remedial action is requested from the cleaning contractor.</p>
	<p>Cemeteries contract compliance - ≤ 10 non-complying items with cemeteries contract</p>	<p>There were no non - complying items identified during the year.</p>
	<p>Airport Civil Aviation Authority accreditation maintained</p>	<p>Civil Aviation Authority (CAA) accreditation was confirmed without the need for audit that reflects robust management by Council. The next audit will be conducted in March 2014.</p>
Plan for future provision of community facilities to meet community needs and expectations	<p>Future Development Plans for Main District Cemeteries:</p> <ul style="list-style-type: none"> <li>Temuka: Resource Consent approved</li> <li>Timaru: Site investigation</li> </ul>	<p>Resource consents were received for the Temuka cemetery extension and plans were approved. Cemetery development will commence in the coming year with planting and the extension ready for use when it is needed. This is estimated to be in about eight years time.</p> <p>Preliminary site investigations have been carried out for Timaru with significant work planned for the future years.</p>
	<p>≥ 98% occupancy rate of Social Housing units</p>	<p>97.5% occupancy maintained. Occupancy levels have remained stable, with continuing strong demand for units, particularly in Timaru. Nine bedsite units in Temuka are the only units currently vacant, which are not attractive to prospective tenants.</p>
Ensure social housing units remains tenanted	<p>≥ 85% Tenant Satisfaction Levels</p>	<p>81% were very satisfied/satisfied with the condition of their unit from an internal survey conducted in April 2013. A further 8% were neutral.</p>
Maintain excellent customer service	<p>100% of urgent Social Housing requests responded to within 24 hours</p>	<p>100% of urgent requests were actioned within 24 hours. There were four genuine urgent requests during the year, such as burst or overflowing water pipes or leaking cylinders.</p>



Level of Service statement	Measure/Target	Result
Provide accessible, accurate cemetery records	100% cemetery records updated within one month	100% records updated within one month where feedback was received. Updating systems were improved during the year with an automatic nightly update of the days records
Communities are educated and informed about emergency management	Canterbury Civil Defence Survey Results – South Canterbury (Ecan survey): <ul style="list-style-type: none"> <li>• 12/13: Not measured</li> </ul>	No survey conducted in 2012/13. The 2011/12 survey results were: <ul style="list-style-type: none"> <li>• Food: 98% (Canterbury average: 95%)</li> <li>• Water: 77% (49%)</li> <li>• Cooking Facilities: 91% (86%)</li> </ul> The survey is only conducted every two years.
Emergency responders and volunteers are suitably trained, equipped and ready	Civil Defence and Rural Fire training programme	Civil Defence training during the year was carried out with volunteers across the district, including an exercise with the Temuka Welfare and Area Headquarters teams. Two courses were cancelled due to insufficient pre-registrations and emergency events. EOC training was held for staff across the various roles with an additional 10 staff members participating in Exercise Te Ripahapa in May 2013.  Rural Fire volunteers have achieved compliance to national standards in Peel Forest, Cave and Rangitata. Teams at Rangitata Gorge and Clandeboye have been trained but are still to complete assessment. Overall, the Timaru District Rural Fire Team is 60% compliant.
	Registered and trained volunteers increase	The CDEM Response Team members increased by 6 members. Other volunteer numbers dropped due to resignations and retirements. Volunteer recruitment continues to be a challenge.
Equipment is maintained and upgraded as required to maintain emergency response	Regular testing of Emergency Management plant and equipment to defined schedules - 100% compliance with equipment testing regimes	A full testing regime of sirens and radios occurred with 100% compliance achieved during the year.
Develop and maintain critical networks with partner agencies	Emergency Management and Safer Communities partnership	Critical emergency management networks and relationships were developed and maintained with a number of agencies and community groups across the district and regionally. This included agencies such as NZ Police, Fire Service, Rural Fire, St John, South Canterbury DHB, Public Health South, MSD, and many other welfare, health and support agencies. Forums include the Emergency Services Coordinating Committee, Hazardous Substances and Technical Liaison Committee, Welfare Management Committee and Neighbourhood Support.  Safer Communities partnerships were maintained with stakeholders including government and non-government agencies such as NZ Police, Community and Public Health, South Canterbury District Health Board emergency department and Presbyterian Support Services, South Canterbury Violence Intervention, Fale o Pasifika Aoraki, CYF, Womens Refuge, Te Rito, Strengthening Families, Plunket, YMCA, and Bridge Programme Salvation Army.

Level of Service statement	Measure/Target	Result
Provide support to individuals and groups	Community funding schemes managed in accordance with Council policy: <ul style="list-style-type: none"> <li>Planned funding rounds held</li> <li>Individual and group accountability forms returned</li> </ul>	Council grants and funding schemes were managed in accordance with Council policy during the year. During the year: <ul style="list-style-type: none"> <li>4 General Grants funding rounds were held</li> <li>2 Youth Entertainment funding rounds were held</li> <li>4 Creative NZ funding rounds held</li> </ul> 75% of accountability forms were returned. Of budgeted funding: <ul style="list-style-type: none"> <li>42% of General Grant funding (grants under \$10,000) was allocated. There were less applications during the year than previous years.</li> <li>There were no applications for facility development (grants over \$10,000) from the Community Development Fund.</li> <li>99% of Youth Entertainment funding was allocated</li> <li>95% of Creative NZ funding was allocated</li> </ul>
	3 FTE subsidised labour positions provided annually	Three full time equivalent positions (FTEs) were provided through the subsidised labour scheme, Taskforce Green. They were involved planting and weed control projects.
	Youth workers achieve Ministry of Social Development contract conditions	The Council was unsuccessful in regaining this contract when it came up for renewal. The Council's involvement with this contract has now ceased.
Respond to existing and new crime trends with community sanctioned initiative	Provide Safer Communities and Project Turnaround work programme as per contract requirements	Safer Communities identified a community issue regarding concerns raised around the sale and availability of synthetic cannabinoids affecting our youth. A campaign, led by the Mayor, took place in an effort to persuade dairy owners to stop selling the product. A public meeting was held with guest speaker Dr Leo Schepp, Toxicologist from Otago Universities Poison Centre along with other local speakers (i.e. Police and Health). There are no longer any contractual agreements with the government. Project Turnaround has met its contractual requirements with Ministry of Justice having delivered 80% of the contracted restorative justice conferences.
Contribute to the economic development of the Timaru District	Aoraki Development Business and Tourism (ADBT) CCO reporting quarterly to Council	Aoraki Development Business and Tourism have provided quarterly reports to Council.

**Notes:**

\* A complaint represents when a cleaning standard is not being met, not when a request for cleaning is made. Vandalism and anti-social use of toilets can occur between cleaning, the effects of which result in a request to clean.

## Variations

- Airport - Installation of heat pumps remains outstanding. Work to be completed late 2013.



## Community Support – Financial Information

### Timaru District Council: Funding impact statement for 2012/13 for Community Support

	2011/12 Long-term plan (\$000)	2012/13 Long-term plan (\$000)	2012/13 Actual (\$000)
<b>Sources of Operating Funding</b>			
General Rates, Uniform Annual General Charge, rates penalties	2,348	2,339	2,017
Targeted Rates (Other than a targeted rate for water supply)	161	161	166
Subsidies and grants for operating purposes	253	217	440
Fees, charges and targeted rates for water supply	1,274	1,390	1,444
Internal charges and overheads recovered			
Local authorities fuel tax, fines, infringement fees, and other receipts	24	24	24
<b>Total operating funding (A)</b>	<b>4,060</b>	<b>4,131</b>	<b>4,091</b>
<b>Applications of operating funding</b>			
Payments to staff and suppliers	3,177	3,315	3,182
Finance costs	163	163	84
Internal charges and overheads applied	332	347	394
Other operating funding applications			
<b>Total applications of operating funding (B)</b>	<b>3,672</b>	<b>3,825</b>	<b>3,660</b>
<b>Surplus (deficit) of operating funding (A - B)</b>	<b>388</b>	<b>306</b>	<b>431</b>
<b>Sources of capital funding</b>			
Subsidies and grants for capital expenditure	0	0	57
Development and financial contributions			
Increase (decrease) in debt	(54)	(49)	38
Gross proceeds from sale of assets			
Lump sum contributions			
<b>Total sources of capital funding (C)</b>	<b>(54)</b>	<b>(49)</b>	<b>95</b>
<b>Application of capital funding</b>			
Capital expenditure			
– to meet additional demand	78	82	113
– to improve the level of service	82	218	124
– to replace existing assets	71	138	156
Increase (decrease) in reserves	103	(181)	133
Increase (decrease) of investments			
<b>Total applications of capital funding (D)</b>	<b>334</b>	<b>257</b>	<b>526</b>
<b>Surplus (deficit) of capital funding (C - D)</b>	<b>(388)</b>	<b>(306)</b>	<b>(431)</b>
<b>Funding balance ((A - B) + (C - D))</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>Internal Loans</b>			
Opening Balance			1,614
Additions			40
Repayments			(84)
Closing Balance			1,570
Interest			65



# District Planning and Regulatory Services

## Description

District Planning and Regulatory Services includes the following activities provided by the Council:

- Building Control
- District Planning
- Environmental Health

This group is concerned with monitoring and enforcement functions across a wide cross-section of statutes focusing on the protection of community health, safety and amenity.

## Building Control

Building Control is responsible for administering and implementing the provisions of the Building Act 2004 (the Act). Under the Act, TDC is accredited as a Building Consent Authority.

## District Planning

The District Planning Activity is primarily concerned with managing how land is used and subdivision undertaken in the district.

The key tool for managing this is the Timaru District Plan. This outlines the district’s resource management issues and objectives, policies, methods and rules.

## Environmental Health

The Environmental Health activity is primarily concerned with improving, preserving and promoting public health and safety in the Timaru District. It deals with a multitude of issues such as food safety, disease containment, noise control, housing and accommodation, hazardous substances, liquor

licensing, environmental nuisance, gambling control, parking enforcement and animal control.

The activity is also responsible for the general administration, review and enforcement of the Timaru District Consolidated Bylaw 2007. The Timaru District Council has two shared service arrangements with Mackenzie District Council and Waimate District Council to provide environmental health and liquor licensing services.

This group of activities contributes to the following community outcomes:

	Building Control	District Planning	Environmental Health
High quality infrastructure to meet community and business needs		Secondary Contribution	
Smart economic success supported and enabled	Secondary Contribution	Secondary Contribution	Primary Contribution
Communities that are safe, vibrant and growing	Primary Contribution	Primary Contribution	Primary Contribution
People enjoying a high quality of life	Secondary Contribution	Primary Contribution	Primary Contribution
A strong identity forged and promoted			
A valued, healthy and accessible environment		Secondary Contribution	Secondary Contribution
	Primary Contribution	Secondary Contribution	



## Key Achievements and Projects

During the year the Building Control Unit:

- Liaised regularly with the building sector, including monthly meetings with Master Builders, attendance at BOINZ Southern Branch and Southern Building Controls Cluster Group meetings.
- Maintained good performance in processing Building Consents and Code Compliance Certificates. Results were:

	2012/13		2011/12
	Processed	Compliance with legislative timeframes	Result
Building Consents	1,364	95%	1,248 (94%)
Code Compliance Certificates (CCC)	1,322	95%	1,328*

\* The introduction of a new computer system in 2011/12 for recording CCC compliance means an annual percentage figure was unavailable for 2011/12. There were some initial issues with the system and staff training required which meant the report could not be produced and measure was not met. The few complaints were dealt with promptly, with the issues now addressed and data being accurately recorded and reported on.

During the year the District Planning Unit:

- Processed 190 resource consents (2011/12: 239), 98% within statutory timeframes.
- Processed or managed the following plan changes:

No.	Plan Change	Status as at 30 June 2013
14	Washdyke Industrial Expansion	Decisions were released in November 2011, with two appeals lodged. 1 was resolved through a consent order, the other appeared in the Environment Court in August 2013. The case has been adjourned by the Court while further evidence is prepared. It is to be reconvened in November 2013.
17	Geraldine Downs Plan Change	Publicly notified on 28 July 2012. Hearing of submissions 27 February 2013. Decisions are due October 2013
18	Hilton Highway & Racecourse Road, Rezone to Industrial	Publicly Notified July 2012. Hearing of the Application November 2012. Made operative March 2013

- An investigation of potential Industrial land in the Geraldine ward was completed. The report has been received by the Geraldine Community Board and the Resource Planning & Regulation Committee.

During the year the Animal Control Unit:

- Maintained high compliance with dog registration and micro-chipping requirements, with 9,130 (96%) of known dogs registered by 30 June 2013 [2011/12: 8,939 (94%)]. Known dogs equates to dogs registered in 2011/12 plus total dogs registered through 2012/13, adjusted where dogs have moved from the district or died.
- Responded to animal control complaints, undertook patrols and impounded wandering dogs. There were 2,013 (11/12: 2,331) service requests relating to dogs, mostly about lost, found, barking or wandering dogs.
- 89 (11/12: 70) complaints were made regarding dog attacks on people or animals and 386 (11/12: 427) dogs were impounded. There were 7 prosecutions (11/12: 4) resolved by the courts, with 414 (11/12: 738) infringement notices issued.

During the year the Environmental Health Unit:

- Reviewed the Timaru District Consolidated Bylaw and Dog Control Policy with a new policy and bylaw confirmed in April 2013.
- Visited and inspected premises registered under the Health Regulations 1966 with 70% of premises visited complying with health licensing regulations (Food Safety, Hairdressers, Camping Grounds, Funeral directors, Offensive Trades) and liquor licensing regulations.
- Assessed all premises licensed under provisions of Sale of Liquor Act 1989, with 6 breaches identified during the year.
- Met targets for responding to all service requests (complaints) with 1,470 environmental health service requests responded to within 20 working days. 1,054 service requests were related to noise of which 991 were dealt with by after-hours staff and 63 normal working hours commercial noise. 416 complaints were related to health nuisance, insanitary housing, animal issues (e.g. rat/cat numbers), food related concerns and bylaw investigations. Initial response acknowledges request via telephone or email and arranges relevant appointment for investigation. This figure does not include animal control complaints.
- Improved signage at local rivers and streams to warn of cyanobacteria contamination.
- Commenced work towards implementation of the requirements under the new Sale and Supply of Alcohol Act 2012.
- Completed after hours liquor monitoring and controlled purchase operations.



## Performance

Level of Service statement	Measure/Target	Result
Perform statutory functions as a regulator under key legislation	Retain accreditation as a Building Consent Authority	Council retained its accreditation following the 2012 review. The next Building Accreditation audit is scheduled for February 2014. To fulfil the requirements of Regulation 18 (appropriate qualifications for building controls), the building unit has plans to enrol all 15 technical staff with the Otago Polytechnic over the next three years in order to retain accreditation with IANZ.
	Retain accreditation as a Food Registration Authority	Accreditation is not currently a requirement of food safety legislation, but is likely to remain an option in the Food Bill which is currently due for enactment December 2013. If this is enacted with accreditation included, Council will be required to become accredited.
Deliver timely, efficient processing of consents and related requirements	100% Building Consent Processing within statutory timeframes and average processing time is reducing	95% of 1,364 building consents were processed (granted) within the statutory 20 day timeframe. Reasons for consents not being processed within statutory timeframes were due to an increase of Building Consent numbers and a transition period with new staff. The average processing time was 11.84 days (2011/12: 10.52 days)
	100% Resource Consent Processing within statutory timeframes and average processing time is reducing	98.42% of 190 resource consents processed within 20 working days (non-notified) and 70 working days (notified). The 1.58% not processed within the statutory timeframe was because of an issue with a planning consultant. The average processing time was 16.47 days.
Provide useful, timely and consistent advice and education on building, planning and regulatory enquiries	≥ 70% Customer Satisfaction levels with building and regulatory services	This has not been completed in 2012/13 due to other priorities. A survey is planned for later in 2013.
Maintain an up-to-date and responsive regulatory policy environment	Policy Review Programme	Council was scheduled to review the Earthquake-Prone, Dangerous and Insanitary Buildings Policy, Bylaws, Dog Control Policy and Class 4 Gambling and Board Venue Policy during 2012/13. The following was achieved: <ul style="list-style-type: none"> <li>• Earthquake-Prone, Dangerous and Insanitary Buildings Policy - This was delayed as a result of the Royal Commission on the Canterbury earthquakes. The policy review will be completed once the recommendations from this report have been provided by the government, expected in the second half of 2013. Guidance and amendments to the Building Act 2004 are due later this year.</li> <li>• Bylaw and Dog Control Policy - This was reviewed and consulted on using the Special Consultative Procedure in November/December 2012. 83 submissions were received with a hearing held in February 2013 and the final bylaw adopted in April 2013.</li> <li>• The Class 4 Gambling and Board Venue Policy was reviewed and approved without change during the year. It was agreed that a social impact assessment should be undertaken before the next review.</li> </ul>
Register known dogs	≥ 95% Dog Registration Levels	96% of known dogs were registered in the registration year (1 July to 30 June).



Level of Service statement	Measure/Target	Result
Ensure public buildings, building work, swimming pools, food and liquor premises inspected are safe and comply with rules	100% Code Compliance Certificates processed within statutory timeframes	95% of 1,322 Code Compliance Certificate were processed (issued) within the statutory 20 day timeframe. The main reason for not achieving the target was due to a transition period with new staff from March 2013. Prior to this, achievement had been at the 98-100% level.
	Food premises compliance with regulations: <ul style="list-style-type: none"> <li>• 90% of premises on food control plans have undergone a food safety site audit.</li> <li>• 90% of premises not on food control plans are compliant</li> </ul>	<ul style="list-style-type: none"> <li>• 90% of food premises on a Food Control Plan were audited and compliant.</li> <li>• 70% of food premises not on a Food Control Plan were visited and 100% complied with legislative requirements. This is lower than target due to an increase in service requests and prolonged low staff levels due to staff changes.</li> </ul>
	Premises selling or supplying liquor comply with the rules: <ul style="list-style-type: none"> <li>• 95% of liquor establishments monitored annually are compliant</li> </ul>	95% of liquor establishments monitored annually were compliant.
	Public buildings comply with public building regulations: <ul style="list-style-type: none"> <li>• 100% of non-compliant public buildings identified by the audit have had corrective action taken</li> </ul>	3 Public Buildings recorded on the Council register were audited (8.1% of 5% target). 2 audited buildings were non-compliant at time of inspection (66.6%). One building is unoccupied and the other is a work in progress under a current Building Consent. The target was not achieved due to a staff restructure for this role. Results are expected for the next quarter, with plans to share this role between all relevant technical staff.
	Swimming Pools comply with swimming pool regulations: <ul style="list-style-type: none"> <li>• 100% of non-compliant swimming pools identified by the audit have had corrective action taken</li> </ul>	32 pools were audited (32% of 10% target). 25 (78%) of audited pools were compliant at the time of inspection. Priority for inspections has been follow-ups for previous non-compliant pools. Target not achieved due to high work loads from building consent inspections.

Level of Service statement	Measure/Target	Result
Investigate and respond to public complaints	Response* time to complaints: <ul style="list-style-type: none"> <li>• Routine - 100% within 20 working days</li> <li>• Urgent - 100% within 5 working days</li> <li>• Emergency - 100% within 2 hours</li> </ul>	<b><i>Routine Complaints</i></b> All routine complaints received were responded to within 20 working days <b><i>Urgent Complaints</i></b> Urgent complaints received were responded to within 5 working days <b><i>Emergency Complaints**</i></b> No emergency complaints were received
	≥ 95% resource consents <i>issued with conditions</i> monitored during the year comply with conditions	95% of resource consents monitored complied with the conditions of consent

<sup>1</sup> Measured from an audit of 5% of public buildings conducted during the year. Buildings non-compliant are followed up by the Building Unit to ensure compliance is achieved. Please note this audit percentage was incorrectly included in the Long Term Plan at 10%.  
<sup>2</sup> Measured from an audit of 10% of swimming pools conducted during the year. Swimming Pools non-compliant are followed up by the Building Unit to ensure compliance is achieved. Please note this audit percentage was incorrectly included in the Long Term Plan at 5%.  
\* Response refers to contact with the complainant, not necessarily resolution of the issue  
\*\*Emergency complaints refer to situations where physical danger exists to people



## District Planning and Regulatory Services – Financial Information

### Timaru District Council:

#### Funding impact statement for 2012/13 for District Planning and Regulatory Services

	<i>2011/12 Long-term plan (\$000)</i>	<i>2012/13 Long-term plan (\$000)</i>	<i>2012/13 Actual (\$000)</i>
<b>Sources of Operating Funding</b>			
General Rates, Uniform Annual General Charge, rates penalties	264	301	256
Targeted Rates (Other than a targeted rate for water supply)	684	786	611
Subsidies and grants for operating purposes	15	0	0
Fees, charges and targeted rates for water supply	2,490	2,465	2,730
Internal charges and overheads recovered	98	58	58
Local authorities fuel tax, fines, infringement fees, and other receipts	21	31	75
<b>Total operating funding (A)</b>	<b>3,572</b>	<b>3,641</b>	<b>3,730</b>
<b>Applications of operating funding</b>			
Payments to staff and suppliers	2,653	2,718	2,709
Finance costs			
Internal charges and overheads applied	923	925	917
Other operating funding applications			
<b>Total applications of operating funding (B)</b>	<b>3,576</b>	<b>3,643</b>	<b>3,626</b>
<b>Surplus (deficit) of operating funding (A - B)</b>	<b>(4)</b>	<b>(2)</b>	<b>104</b>
<b>Sources of capital funding</b>			
Subsidies and grants for capital expenditure			
Development and financial contributions			
Increase (decrease) in debt			
Gross proceeds from sale of assets			
Lump sum contributions			
<b>Total sources of capital funding (C)</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>Application of capital funding</b>			
Capital expenditure			
– to meet additional demand	0	0	0
– to improve the level of service	10	14	2
– to replace existing assets	10	14	2
Increase (decrease) in reserves	(24)	(30)	100
Increase (decrease) of investments			
<b>Total applications of capital funding (D)</b>	<b>(4)</b>	<b>(2)</b>	<b>104</b>
<b>Surplus (deficit) of capital funding (C - D)</b>	<b>4</b>	<b>2</b>	<b>(104)</b>
<b>Funding balance ((A - B) + (C - D))</b>	<b>0</b>	<b>0</b>	<b>0</b>

# Recreation and Leisure

## Description

Recreation and Leisure includes the following activities:

- Cultural and Learning Facilities
- Parks, Recreation and Swimming Pools

The Council provides and manages several key district facilities that help meet the district's leisure and recreational needs.

### Cultural and Learning Facilities

#### Aigantighe Art Gallery

The Aigantighe (pronounced egg-and-tie) Art Gallery is a public art museum in Timaru. The Aigantighe is regarded as the regional art museum of South Canterbury. It curates the South Island's third largest permanent art collection.

#### South Canterbury Museum

The South Canterbury Museum is a regional museum of nature, history and culture located in Timaru. It provides access to unique collections of local heritage items, images, archives and information, long-term displays, a programme of short-term exhibitions, a variety of public programmes and services and heritage education programmes for schools.

#### Timaru District Libraries

Timaru District Libraries provides public library services delivered from facilities in Timaru, Temuka and Geraldine and online. Temuka and Geraldine libraries also double as Council Service Centres, with an Information Centre at Temuka.

The main Timaru library provides a public library service and coordinates branch services. In addition to borrowing, people make extensive use of facilities and resources such as study places, computers, WiFi, photocopying, faxing and historical collections for in-library reading, writing, research, study, relaxation and communication.

#### Halls and Theatres

The Council provides the Theatre Royal in Timaru. The theatre is the premier venue for visiting cultural and entertainment shows and also available for community use. The Council also provides or supports a number of other venues, including:

- Facilities owned and managed solely by TDC (e.g. Caroline Bay Hall, Temuka Alpine Energy Centre)
- Eleven facilities owned by Council and managed by committees (e.g. Clandeboye, Pleasant Valley, Taiko Halls), and twelve halls owned by committees (e.g. Claremont, Fairview, Seadown Halls). The West End Hall in Timaru is owned by Council but leased and managed by the Masonic Lodge.
- Facilities operated by the Council but not owned - Since 1 February 2012, the Council has leased the Aorangi Stadium from the Aorangi Stadium Trust

### Parks, Recreation and Swimming Pools

#### Parks and Recreation

Parks and Recreation provides and manages over 540 hectares (excluding crown leases) of parks, reserves, sportsgrounds and gardens throughout the district. The District's parks network is grouped into five main categories, including Premier Parks (e.g. Caroline Bay), Sports and Recreation Parks (e.g. Pleasant Point Domain), Neighbourhood Parks

(e.g. Cornwall Park), Amenity Parks (e.g. Kennedy Park (Geraldine) and Natural Parks (e.g. Claremont Bush).

Some recreation planning, co-ordination and provision is also managed through this activity, and is currently contracted to Sport South Canterbury.

The Council also manages a small forestry programme comprising mixed aged and species plantations. Council manages two fishing huts sites and four motor camps on reserve land subject to the Reserves Act 1977.

#### Swimming Pools

The Council manages and operates four swimming complexes across the district:

- The Caroline Bay Trust Aoraki Centre (CBAY). The complex includes a 25 metre indoor pool, 50 metre outdoor pool, leisure pool, rapid river, programme pool, sauna, spa, hydrosides, wellness suite, cafeteria and gym facility.
- Geraldine – 25 metre outdoor pool, learners pool
- Pleasant Point – 25 metre outdoor pool, learners pool
- Temuka - 30 metre outdoor pool, toddlers pool

This group of activities contributes to the following community outcomes:

	Cultural and Learning Facilities	Parks, Recreation and Swimming Pools
High quality infrastructure to meet community and business needs	Primary Contribution	Primary Contribution
Smart economic success supported and enabled	Primary Contribution	Secondary Contribution
Communities that are safe, vibrant and growing	Primary Contribution	Primary Contribution
People enjoying a high quality of life	Primary Contribution	Primary Contribution
A strong identity forged and promoted	Primary Contribution	Primary Contribution
A valued, healthy and accessible environment	Secondary Contribution	Primary Contribution

Primary Contribution
  Secondary Contribution



## Key Achievements and Projects

During the year, the **Aigantighe Art Gallery**:

- Mounted 23 highly popular exhibitions, including:
  - ♦ Geoff Cloake's *At Large* photographic exhibition
  - ♦ *Afterburner Selections* from the 2012 NZ Hat & Hair Art Awards
  - ♦ Graham Bennett's *Weighting & Waiting* large sculptural exhibition
  - ♦ *Animal Sign/Animal Mind* by leading North American, Pitcairn and NZ painters
  - ♦ The extremely successful *SteamPunk'd*
  - ♦ Matt Couper's *Thirty-Three* exhibition from Las Vegas
  - ♦ Mike Armstrong's *Towards The Stranding of the Faerie Queen* exhibition
  - ♦ Local exhibitions including the annual *Artarama!* (Festival of South Canterbury Student Art), *Polychrome* (Aoraki Polytechnic Art Department graduation), *AfterBurner* and *Clay Works* (South Canterbury Pottery Club).
- Preserved 2 significant oil paintings - William Greene *Highland Cattle*, (Claremont 1904) and George Henry Jenkins *Mounts' Bay* (Cornwall circa 1890s)

During the year, the **South Canterbury Museum**:

- Mounted 7 popular exhibitions during the year, including:
  - ♦ *Treaty2U* (June - July)
  - ♦ *Ancient Giants: NZ Dinosaurs* (August - September)
  - ♦ *Velvet the Eel* tapestry (September - October)
  - ♦ *Downtown* (October - December)
  - ♦ *Building the Backbone* (December - March)
  - ♦ *Our Night Sky* (April - May)
  - ♦ *Green & Black: 125 Years of South Canterbury Rugby* (May - July)
- Held a number of successful and popular events, including exhibition openings, four school holiday programmes, public talks, a Star Party in conjunction with the *Our Night Sky* exhibition, end-of-year public party and an antique valuation session.

- Had continued high use of Museum's Heritage Education Service at the South Canterbury Museum and at various sites around the region, with contract extended to June 30, 2014.
- Continued the project to provide digital access to our collection.
- Held monthly after school programmes for our 430-strong Museum Explorers Club (primary school aged members)
- Assisted numerous researchers, historians, authors, and members of the public about a variety of topics.
- Continued to add to the Museum's collections of specimens, artefacts, documents and images - over 700 items added in financial year.
- Carried out ongoing improvements to the care and organisation of our collections that now contain over 60,000 items.
- Coordinated two local training seminars and regional museums meetings for Central South Island Museums Group, and oversaw regional heritage brochure production and co-organised a two day Southern Curators Seminar (held in Hokitika).
- Co-operated with the South Canterbury Historical Society to provide a membership base for the Museum - over 150 members.
- Worked with the South Canterbury Museum Development Trust to promote the Museum, raise revenue and produce one historical film and fund filmed interviews of a local significant person.
- Produced three eight-page illustrated newsletters and supplied 69 newspaper articles to local newspapers.

During the year, **Timaru District Libraries**:

- Issued over 800,000 books and other materials.
- The new eBook loan service has proved successful with 10,015 loans since it started in May 2012. It reached its highest level in January with 1,100 loans.
- Developed facilities and available resources by:
  - ♦ Transferring to a new Library Management System, Kotui, in September 2012.



Visitors at the Green & Black exhibition at the South Canterbury Museum



- ◆ Adding new databases to the Libraries' electronic resources available to library members. These included *Find My Past*, *Ancestry.com* (comprehensive genealogy databases) and *Music Online* (a streaming music service with access to thousands of audio recordings, music scores, music reference works and videos).
- ◆ Installing automatic doors at the Timaru Library entrance in September 2012.
- ◆ Developing new 24 hour returns facilities at Timaru and Temuka libraries, with improved access and closer parking at Timaru.
- ◆ Installing new bench seating around the outside wall of the Timaru Children's Library courtyard funded through a donation from Timaru Altrusa.
- ◆ Spending around \$380,000 on new books, DVDs, CDs, talking books, newspapers, magazines and other materials to keep district collections fresh and up to date. This included \$6,715 funded from bequests.
- Promoted services available through the library through:
  - ◆ Hosting numerous displays across all three libraries covering topics as diverse as Margaret Mahy to dinosaurs to the IMPAC Dublin Literary Awards.
  - ◆ Published 'At the library' columns in the *South Canterbury Herald* covering happenings at the library and book reviews.
  - ◆ Celebrated Children's Day on the Bay with a Timaru District Libraries stand and display plus visit by iconic children's book character Spot the dog.
  - ◆ Mounted a SeaWeek 2013 coast-themed library display at Caroline Bay.
  - ◆ Geraldine Library/Service Centre participated in the inaugural Geraldine Expo for newcomers.
- Supported community groups and organisations who:
  - ◆ Held events at the library such as 'Going Digital' who mounted a display and answered questions from the public and the NZ Society of Genealogists (South Canterbury Branch) who mounted a manned display in the library to talk about their resources and research.
  - ◆ Used library space to promote themselves and various causes, such as Altrusa International and SeaWeek.
- Supported a new Justice of the Peace (JP) service which started on Saturdays at the Timaru Library.
- Hosted visiting schools, kindergartens and playcentres and outreach visited some schools and playcentres in the District.
- Held four successful holiday programmes, themed on 'Let the Games Begin' (including a gymnastics and archery demonstration), 'Springtime', 'Celebrating 200 years of the Grimm Brothers' Fairy Tales' and Anzac Day.
- Celebrated and supported programmes and events like:
  - ◆ *Youth Week 2013* in May with a Teen Quiz and prizes donated by Soul, Surf & Skate, and Camerons.
  - ◆ The "Read your heart out" Winter Reading Challenge in June. This year, in addition to reading books, the

challenge includes reading to find information at the SC Museum and Aigantighe Art Gallery.

- ◆ The biennial Ursula Moray Williams creative writing competition for children and teens in May.
- ◆ *International Talk Like a Pirate Day* was celebrated with staff dressing as pirates and displays promoting pirate books.
- ◆ Book discussion clubs and story times, including Xtreme Readers and adult book clubs.
- Provided 16 Aotearoa Peoples Network Kaharoa (APNK) computers that were in continuous heavy use providing free access to the Internet and a wide range of applications.

During the year, the **Parks and Recreation Unit:**

- Further developed the Pit Road lizard reserve, including a TV documentary filmed looking at the values at the site and what is being done to enhance these (e.g. creation of more lizard habitats, removal of pine trees to restore flora biodiversity, weed control).
- Assisted a penguin survey at Caroline Bay in partnership with the Department of Conservation to ascertain what numbers of penguin may be present. Penguin nest boxes were also placed on Benvenue Cliffs and Marine Parade and further plantings to increase floral biodiversity and penguin habitat.
- Managed Taskforce Green involvement in revegetation and habitat projects, including at the Pit Road lizard reserve, Caroline Bay and South and Otupua beaches.



Revegetation work at Otupua Beach

- Completed Stage One development of the Temuka Domain, with a new carpark installed and fencing completed around the Temuka Domain courts.
- Completed the installation of sportsfield irrigation points at Sir Basil Arthur Park and realigned fences. The extra irrigation points will allow for better watering of sportsfield surfaces with less disruption to ongoing maintenance operations. An irrigation link was also provided to area south of the existing fields where new fields are being developed.
- Completed walking and biking tracks between Bridge Street and Rawhiti Street along the Taumatakahu Stream in Temuka and along State Highway 8 at Pleasant Point linking Manse Road to the Pleasant Point cemetery walking tracks.



- Completed a multi-year project at the Geraldine Domain with projects completed including planting upgrades along the Serpentine Creek and enhancement of the native bush area adjacent to the Domain pavilion.
- Completed several capital projects at various parks and reserves, including resealing work, replacement of playground equipment and park furniture, and undersurfacing of playgrounds.
- Completed installation of new playground equipment, including a:
  - ◆ horizontal bar set and hurricane climber at Anzac Square
  - ◆ jungle cube climber at the Botanic Gardens
  - ◆ lily pad baby swing at Centennial Park
  - ◆ flying fox at Tweedy Park
  - ◆ flying fox at Lough Park
  - ◆ shade sail over the stainless steel slide at Caroline Bay
- Established planting at the new Mulcahy Park in Gleniti, Timaru. This involved the planting of 20+ specimen trees and 1,200 mixed native plants into general amenity shrubbery areas at the site. Work was also undertaken on enhancing grass amenity areas.
- Received \$124,000 in grants from the ECan zone committee for boulder placements, fencing, pest control and survey work at the Pit Road reserve, funding for planting enhancements at Otipua Beach backdunes and Washdyke Lagoon and from Trust Aoraki for the Temuka Domain redevelopment.
- Enhanced biodiversity in several areas through:
  - ◆ Promotion of core conservation values to several community groups (e.g. Talbot Forest Working Group, South Canterbury Coastcare group) and the general public through the Council noticeboard.
  - ◆ Walks/talks and operation of the Botanic Gardens Information Centre.
  - ◆ Planting 40,000 native plants into various areas around the district.
  - ◆ Pest plant and animal control over a range of locations.



New playground equipment at Lough Park

- ◆ Liaising with Dunes Trust of New Zealand with Caroline Bay Dune plantings and Otipua Beach backdune project.
- ◆ Initiating additional Roadside Pride planting projects.
- Had 72 volunteers assisted various projects such as the South Canterbury Coastcare Group with plantings at Smithfield and Washdyke Lagoon and Scouts at Westend Park.
- Progressed the rural sports partnerships (led by Sport Canterbury - South Canterbury) with a sports coordinator employed in Temuka, progress towards a shared use of facilities in Geraldine and progressing plans for the former High School site in Pleasant Point.

During the year:

- The **Caroline Bay Trust Aoraki Centre** opened on 27 July 2012. The Prime Minister, John Key opened the centre along with local dignitaries. We have welcomed over 277,000 visitors since the Centre opened.
- The refurbishment of the CBAY outdoor pool was completed for its first season opening in November 2012.
- Four regional pool parties were held promoting the district outdoor pools.
- A professional swimming coach was recruited.
- The Learn to Swim programme was highly successful, with on average 1,000 users per term.

During the year:

- Capital works completed at the Theatre Royal and halls and community centres included sealing the exterior of north wall of the Theatre Royal, carpeting in stage areas and painting the exterior of the Pleasant Point Hall.



The opening of the Caroline Bay Trust Aoraki Centre

## Performance

Level of Service statement	Measure/Target	Result
Provide a high quality visitor or user experience at district facilities	Visitor/User satisfaction levels: <ul style="list-style-type: none"> <li>12/13: Not measured</li> </ul>	This is measured every two years, with the next survey to be undertaken in 2013/14. The 2011 survey results were: <ul style="list-style-type: none"> <li><i>Art Gallery</i>: 90% of visitors were very/fairly satisfied with the Art Gallery</li> <li><i>Libraries</i>: 98% of users were very/fairly satisfied with Libraries</li> <li><i>Museum</i>: 97% of visitors were very/fairly satisfied with the Museum</li> <li><i>Parks and Recreation</i>: 92% of users were very/fairly satisfied with Parks</li> <li><i>Swimming Pools</i>: 78% of users were very/fairly satisfied with Swimming Pools</li> </ul> Facilities provided a range of exhibitions and services during the year and specific services as detailed in the Key Achievements and Projects section.
	Theatre Royal Usage ≥ three year average	There were 84.5 show days, compared against a three year average of 89 days. Some bookings were cancelled during the year.
	Visitors and User levels – on and off-site: <ul style="list-style-type: none"> <li>Art Gallery: ≥ 36,000</li> <li>Libraries: ≥ 620,000</li> <li>Museum: On: ≥ 22,000 Off: ≥ 4,000+</li> </ul>	<ul style="list-style-type: none"> <li><i>Art Gallery</i>: There were 32,467 visitors to the art gallery (2011/12: 32,246). An extra 2,626 students were visited at schools for a combined total of 35,093 on and off-site visitors. Numbers were largely equivalent to previous years, but may have been affected by the opening of the Caroline Bay Trust Aoraki Centre, particularly during school holidays.</li> <li><i>Library</i>: There were 528,705 on-site visitors to the library, compared against a three year average of 587,795. Lower visitors are probably due to a combination of the following:               <ul style="list-style-type: none"> <li>Skewed increase in visitors which is reflected in the target due to earthquake refugees from the 2010/11 Canterbury earthquakes</li> <li>Increased use of new external after hours return facilities in Timaru and Temuka which has decreased In-library foot traffic numbers.</li> <li>Increasing use of digital resources</li> </ul> </li> <li><i>Museum</i>: There were 16,987 visitors to the museum (2011/12: 17,069). There were 3,426 off-site users of the museum, mainly school classes for a combined total of 20,413 on and off-site visitors.</li> </ul>
	<ul style="list-style-type: none"> <li>Library issues - ≥ three year average</li> <li>Aotearoa People's Network Kaharoa (APNK) usage - ≥ 86,500 sessions</li> </ul>	<ul style="list-style-type: none"> <li>There were 818,858 issues during the year against a three year average of 917,625. Lower issues are probably due to a combination of the following:               <ul style="list-style-type: none"> <li>Improvements to library services through changes to computer systems such as users being informed on issue whether or not they have borrowed a book previously.</li> <li>Changing use patterns which shows increasing use of the libraries digital resources</li> </ul>               Similar patterns are being experienced in other similar libraries.             </li> <li>There were 96,936 APNK sessions</li> </ul>



Level of Service statement	Measure/Target	Result
Provide regular and varied exhibitions and community programmes	Exhibition schedules and holiday programmes: <ul style="list-style-type: none"> <li>• Art Gallery: 23</li> <li>• Museum: 3</li> </ul> 4 Holiday programmes at all facilities.	<ul style="list-style-type: none"> <li>• <i>Art Gallery</i>: 23 exhibitions were held during the year, including 15 exhibitions in the modern wing and 8 new exhibitions in the Aigantighe House Gallery including the refresh of permanent theme rooms.</li> <li>• <i>Museum</i>: 7 exhibitions were held during the year, as listed under Key Achievements and Projects. There were 9 public programme events ranging from a 'Star Party' to subject talks by experts</li> </ul> 4 holiday programmes were held at the art gallery, museum and library during the year. The programmes were highly popular.
	<ul style="list-style-type: none"> <li>• 20,000 Learn to Swim lessons</li> <li>• 200 Aqua Fitness classes provided annually</li> </ul>	<ul style="list-style-type: none"> <li>• Over 25,000 individual Learn to Swim lessons were provided during the year.</li> <li>• Over 400 aqua classes were delivered during the year.</li> </ul>
Provide high quality, well-presented and maintained facilities and services	Overall Satisfaction Levels: <ul style="list-style-type: none"> <li>• 12/13: Not measured</li> </ul>	This is measured every two years, with the next survey to be undertaken in 2013/14. The 2011 survey results were: <ul style="list-style-type: none"> <li>• <i>Art Gallery</i>: 74% of residents were very/fairly satisfied with the Art Gallery</li> <li>• <i>Libraries</i>: 92% of residents were very/fairly satisfied with Libraries</li> <li>• <i>Museum</i>: 82% of residents were very/fairly satisfied with the Museum</li> <li>• <i>Parks and Recreation</i>: 92% of residents were very/fairly satisfied with Parks</li> <li>• <i>Swimming Pools</i>: 61% of residents were very/fairly satisfied with Swimming Pools</li> </ul> Facilities provided a range of exhibitions and services during the year and specific services as detailed in the Key Achievements and Projects section.
	100% maintenance and capital work programmes achieved within budget and timeframe	<ul style="list-style-type: none"> <li>• <i>Art Gallery</i> – Work included replacement of the Main 1980's air conditioning system, and a budgeted lock upgrade, ceiling repair and chimney check.</li> <li>• <i>Libraries</i> – Automatic doors were installed at the Timaru Library with one project deferred until the next financial year.</li> <li>• <i>Museum</i> – A new Microfilm Reader/Printer was purchased along with minor furniture purchases.</li> <li>• <i>Theatre Royal/Halls</i> – Planned work was completed including the Pleasant Point Hall switchboard and oven replacement at the Southern Trust Events Centre.</li> <li>• <i>Parks</i> – Majority of planned work was completed. Delays in some projects as summarised under Variations.</li> <li>• <i>Swimming Pools</i> – CBay outdoor pool was refurbished. Other pool upgrade work was delayed due to priority given to the CBay outdoor pool. Work likely to completed late 2013.</li> </ul>
	95% compliance with sportsfields grass lengths contract standards	There was 100% compliance with contract conditions for grass lengths
Expand library, museum and art gallery collections and keep up-to date	≥ 4 library stock turnover	Stock turnover was 3.57 (2011/12: 4.1), below the average for Level 2 Libraries of 4.3. Level 2 libraries are libraries serving populations between 30,000 and 50,000.

Level of Service statement	Measure/Target	Result
	Acquisitions to art gallery and museum	<ul style="list-style-type: none"> <li>• <i>Art Gallery</i> - Acquisitions have been achieved within budget, and the annual check of both Art Stores and a complete damage assessment was completed. During the year: <ul style="list-style-type: none"> <li>• 5 new acquisitions have been catalogued.</li> <li>• 2 significant historic oil paintings were professionally conserved</li> <li>• 3 works were rematted</li> </ul> </li> <li>• <i>Museum</i> - There were 181 museum acquisitions recording over 702 individual items in the Museum's Collection Management System database</li> </ul>
Ensure facilities and programmes are safe and meet legislative and audit standard requirements	Building WOF, fire regulations and licence requirements are current	Building Warrant of Fitness, fire regulations and licence requirements are current for all facilities.
	No closures of playground equipment due to safety risks*	There were no closures of playground equipment due to safety risks.
	PoolSafe certification - All pools remain PoolSafe certified at three yearly reviews and annual spot audits are clear	All TDC pools were certified PoolSafe in late March 2013. PoolSafe is now a yearly audit process, with the next certification due in February/March 2014.
Preserve historical items and art works to established standards	Cataloguing of collections progressed	<ul style="list-style-type: none"> <li>• <i>Art Gallery</i> - 5 new acquisitions have been catalogued.</li> <li>• <i>Museum</i> - 702 items have been catalogued to date, representing about 80% of items received within the period</li> </ul>
	90% collections held in acceptable storage conditions	<ul style="list-style-type: none"> <li>• <i>Art Gallery</i> - 100% of collections are held in acceptable temperature and humidity conditions. 60% of the permanent art collection needs some remedial work. 24% cannot be exhibited yet because of its condition which is being addressed as funds allow.</li> <li>• <i>Museum</i> - 100% of collections are held in acceptable temperature and humidity conditions.</li> </ul>
Promote South Canterbury art, history and creativity	Annual history and arts exhibitions with a local focus	<ul style="list-style-type: none"> <li>• <i>Art Gallery</i> - Local art exhibitions included 4 local art group exhibitions - the annual <i>Artarama!</i> (Festival of South Canterbury Student Art), <i>Polychrome</i> (Aoraki Polytechnic Art Department graduation), <i>AfterBurner</i> and <i>Clay Works</i> (South Canterbury Pottery Club). Two South Canterbury artists had solo exhibitions. In total, 107 local artists' new works and 71 collection works by local artists were exhibited during the year. 630 local student art works were exhibited.</li> <li>• <i>Museum</i> - There were 5 exhibitions with a local focus covering topics from rugby to astronomy. There were 10 public events that had a local focus, such as talks by local experts on subjects such as military technology and forensic archaeology.</li> </ul>

Level of Service statement	Measure/Target	Result
Develop facilities to meet future community demand	12 parks hectares per 1,000 district residents**	12.1 parks hectares per 1,000 population. Significant work has been outlined under the Key Achievements and Projects section.
	5 playgrounds per 1,000 Children under 15	4.7 playgrounds per 1,000 children under 15. Significant work has been outlined under the Key Achievements and Projects section.
	Future Development Plans for Cultural and Learning Facilities - Commence investigation of options	The initial Cultural Hub review focused on shared operational services, opening hours and identified the need for a further investigation regarding storage facility requirements. Investigation into the detail is currently underway with each of the facility managers (Museum, Art Gallery and Library). No completion date has been agreed upon at this stage.
* Other than for routine maintenance, vandalism or catastrophic events		
** Target was incorrectly included in the Long Term Plan as 14 hectares per 1,000 district residents. It should have read 12.		

## Variations

- *Art Gallery - Lighting upgrade* - Upgrade of lighting in Aigantighe House remains outstanding due to damage to the upstairs ceiling from the Canterbury earthquakes which required repair. This is scheduled to be completed by June 2014.
- *Libraries - Equipment/Furniture* - Funding to be used towards resolving closed stack due to earthquake safety. Further investigation of options required and funding has been carried forward to 2013/14.
- *Parks and Recreation - Sports courts and cycletracks* - Awaiting response from club to request for capital funding contribution. Planned is resurfacing of the Caledonian Ground cycletrack.
- *Parks and Recreation - Structures* - Work yet to be completed because building consent was delayed. Bridge has now been ordered for Centennial Park in November 2013
- *Parks and Recreation - Furniture and Signage* - A new sign design is being commissioned, with sign installation planned progressively from December 2013
- *Parks and Recreation - Mulcahys Reserve development* - Design completed and some planting commenced in June. Delay due to transfer of ownership sign-off not received until late in year.
- *Parks and Recreation - Esplanade Reserves acquisition* - Not required as dependent on subdivisions and valuations.
- *Park and Recreation - Shared urban tracks* - Progress restricted as access arrangements being finalised. Tracks are planned near Smithfield and along the coast south of Timaru.
- *Parks and Recreation - Sir Basil Arthur Park enhancements* - Carpark tender is being finalised with work likely to be completed by February 2014
- *Swimming Pools - Geraldine Pool renewals* - Work delayed due to priority being given to CBay Outdoor pool refurbishment. Currently obtaining quotes for work to be completed in 2013/14
- *Swimming Pools - Pleasant Point Pool renewals* - Work delayed due to priority being given to CBay Outdoor pool refurbishment
- *Swimming Pools - Temuka renewals* - Work delayed due to priority being given to CBay Outdoor pool refurbishment



Visitors at the *Wasteland* exhibition at the Aigantighe Art Gallery

## Recreation and Leisure – Financial Information

### Timaru District Council: Funding impact statement for 2012/13 for Recreation and Leisure

	2011/12 <i>Long-term plan</i> (\$000)	2012/13 <i>Long-term plan</i> (\$000)	2012/13 <i>Actual</i> (\$000)
<b>Sources of Operating Funding</b>			
General Rates, Uniform Annual General Charge, rates penalties	8,077	8,620	8,963
Targeted Rates (Other than a targeted rate for water supply)	928	1,880	1,894
Subsidies and grants for operating purposes	114	114	82
Fees, charges and targeted rates for water supply	974	2,647	2,983
Internal charges and overheads recovered	196	268	196
Local authorities fuel tax, fines, infringement fees, and other receipts	18	214	442
<b>Total operating funding (A)</b>	<b>10,307</b>	<b>13,743</b>	<b>14,560</b>
<b>Applications of operating funding</b>			
Payments to staff and suppliers	6,713	8,886	9,236
Finance costs	979	1,146	971
Internal charges and overheads applied	1,082	1,137	1,210
Other operating funding applications			
<b>Total applications of operating funding (B)</b>	<b>8,774</b>	<b>11,169</b>	<b>11,417</b>
<b>Surplus (deficit) of operating funding (A - B)</b>	<b>1,533</b>	<b>2,574</b>	<b>3,143</b>
<b>Sources of capital funding</b>			
Subsidies and grants for capital expenditure	2,400	1,100	961
Development and financial contributions	0	0	121
Increase (decrease) in debt	6,252	(696)	(1,100)
Gross proceeds from sale of assets	0	0	(243)
Lump sum contributions			
<b>Total sources of capital funding (C)</b>	<b>8,652</b>	<b>404</b>	<b>(261)</b>
<b>Application of capital funding</b>			
Capital expenditure			
– to meet additional demand	4,003	298	471
– to improve the level of service	5,486	452	654
– to replace existing assets	5,020	1,573	994
Increase (decrease) in reserves	(4,324)	655	763
Increase (decrease) of investments			
<b>Total applications of capital funding (D)</b>	<b>10,185</b>	<b>2,978</b>	<b>2,882</b>
<b>Surplus (deficit) of capital funding (C - D)</b>	<b>(1,533)</b>	<b>(2,574)</b>	<b>(3,143)</b>
<b>Funding balance ((A - B) + (C - D))</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>Internal Loans</b>			
Opening Balance			70
Additions			0
Repayments			(2)
Closing Balance			68
Interest			3

### **Variances Explanation - 2012/13 actual compared to 2011/12 budget**

- Due to the opening of the Caroline Bay Trust Aoraki Centre in July 2012, there are increases in sources of operating funding (fees & charges) and applications of operating funding (payments to staff & suppliers).
- A large donation of \$416k was received by the Museum during the year and is included in other revenue.



# Roading and Footpaths

## Description

Roading and Footpaths includes the following activities provided by the Council:

- Roothing and Footpaths
- Cycleways and Walkways

## Roothing and Footpaths

Roothing and Footpaths is concerned with provision of the rooding and footpaths network throughout the district. Roothing and Footpaths delivers both assets (such as roads, signs, and infrastructure) and non-asset functions (such as street cleaning, garden/berm maintenance, temporary traffic management and road safety initiatives).

Council currently manages over 1,800km of sealed and unsealed roads, 289 bridges, 335km of footpath, several thousand drainage facilities (e.g. soakpits, culverts), street furniture, signs, bus stops, carparks, traffic signals, kerb and channel, 3,000 street lights, road marking and other minor structures.

Funding for the management and maintenance of the rooding and footpaths network is provided from rates, loans, and user charges together with financial assistance received from central government through the New Zealand Transport Agency (NZTA). The NZTA is also responsible for the State Highway network, while Councils are responsible for the local rooding network.



Overall management of the facilities is provided by the Council, with operational work carried out by contractors.

The activity also includes managing the parking asset (e.g. parking meters, carparks). Monitoring parking compliance in the district is carried out by the Environmental Health unit. The airport is also managed by the land transport unit, with the activity itself included within the Community Support group.

## Cycleways and Walkways

The Council provides many walkways and cycleways throughout the district. These range from cycleways in the road corridor to combined walkways and cycleways that are off-street, such as beside urban and rural streams. Off road walkways and cycleways are often managed jointly between the Parks and Land Transport units.

This group of activities contributes to the following community outcomes:

	Roothing and Footpaths	Cycleways and Walkways
High quality infrastructure to meet community and business needs	Primary Contribution	Primary Contribution
Smart economic success supported and enabled	Primary Contribution	Secondary Contribution
Communities that are safe, vibrant and growing	Secondary Contribution	Primary Contribution
People enjoying a high quality of life	Primary Contribution	Primary Contribution
A strong identity forged and promoted	Secondary Contribution	Secondary Contribution
A valued, healthy and accessible environment	Secondary Contribution	Secondary Contribution
	 Primary Contribution	 Secondary Contribution



Orton Rangitata Mouth Road reconstruction

## Key Achievements and Projects

During the year:

- A new three year financially assisted roading programme commenced
  - The district achieved the lowest number of overall vehicle crashes on Timaru District council roads over the last five years. There were also the fewest crashes due to road factors recorded.
  - There was an effective response to two high rainfall and snow events in July/August 2012 and June 2013 and the completion of emergency repair works. The 2012 event resulted in widespread damage to rural roads and bridges with a damage estimate of \$1.1 million, while the June event resulted in further network damage and snow clearing with a damage estimate of around \$150,000.
  - Major roading and transport related projects completed included:
    - ♦ The Denmark Street, Temuka pedestrian rail crossing was completed in partnership with KiwiRail
    - ♦ The final stage of Factory Road pavement upgrading was completed. This means that all 8.2km of Factory Road have been upgraded to sufficient strength for up to 60 tonne heavy vehicles.
  - The contract for the construction of the Elginshire Street extension in Washdyke was awarded. The extension will provide an essential link from Meadows Road to Seadown Road that will allow traffic to access State Highway 1 in a controlled, safe and reliable manner at the new traffic signals, with construction commencing in June 2013.
  - Design work on the Factory Road bridge widening project commenced.
- District Roding and Footpaths projects completed or nearly completed included:
    - ♦ Bridge renewals on Climie Terrace pedestrian bridge was renewed and Rangitata, Driscoll, Yates and Raincliff Bridges also all had renewal work completed;
    - ♦ Seal extension of Brockley Road;
    - ♦ Nearly 3km of road reconstruction work on Wai iti Road (Timaru), Wilson Street (Timaru), Arowhenua Road, part of Earl Road, Rise Road and part of Wilkin Street (Temuka);
    - ♦ Minor transport network projects to improve district roads, including guard rails in Farm Road, intersection improvements in Wilkin Street and Domain Avenue Temuka;
    - ♦ 1.1km of kerb and channel renewal including projects in Domain Ave (Temuka) and Guthrie Street (Timaru);
    - ♦ 55km of road resurfacing in chipseal and hotmix across the district;
    - ♦ Seal widening of Arundel Rangitata road project to increase the width of sealed traffic lanes improving safety and accessibility of heavy vehicles using this road;
    - ♦ 1.1km of new footpaths in Timaru, Temuka and Geraldine with other projects planned;
    - ♦ 2.4km of footpath resurfacing in Geraldine, Pleasant Point, Winchester, Temuka and Timaru;
    - ♦ The installation of some new kerb and channel in Wilkin Street and Hally Terrace (Temuka)



Brockley Road seal extension

## Performance

Level of Service statement	Measure/Target	Result
Plan for and provide a cost effective roading network	Actual operating cost of Roothing and Footpaths within budget	Total Roothing and Footpaths operating expenditure to 30 June 2013 is 89% of budget
Roads provide for comfortable and efficient travel	Timaru journey times on key transport routes are maintained at 2005 +10% levels	<ul style="list-style-type: none"> <li>The measured combined morning peak time on key routes in June 2013 was 90.4 minutes (87.6 in 2005)</li> <li>The measured combined evening peak time on key routes in June 2013 was 91.9 (87.8 in 2005)</li> </ul>
	Road Roughness Rating: <ul style="list-style-type: none"> <li>Arterial roads rating: <math>\leq 80^*</math></li> <li>Other roads rating: <math>\leq 95</math></li> </ul>	The road roughness of sealed roads was last measured in November 2012. Results were: <ul style="list-style-type: none"> <li>Arterial Roads - average roughness rating was 57.1</li> <li>Other Roads - average roughness rating was 78.7</li> </ul>
	$\leq 10$ complaints about renewals and maintenance effect on travel times	One minor complaint was received.
	<ul style="list-style-type: none"> <li>75% residents are satisfied with maintenance of sealed roads</li> <li>75% residents are satisfied with maintenance of unsealed roads</li> </ul>	<ul style="list-style-type: none"> <li>Survey results for period July 2012 to June 2013 show 77% (2011/12: 67%) of sealed road residents users believe the roads are fit for purpose and well maintained.</li> <li>Survey results for period July 2012 to June 2013 show 69% (2011/12: 75%) of unsealed road residents users believe the roads are fit for purpose and well maintained.</li> </ul> <p>The principal reason for increased dissatisfaction for unsealed roads was occurrence of potholes and increased road roughness, particularly corrugations. A likely cause is the increased number of high rainfall events this year that significantly contribute to these issues.</p> <p>A summary of the 2012/13 key roading projects is included under the Key Achievements and Projects section, with the long term strategy for road maintenance detailed in the Transport Activity Management Plan.</p>
Bridges are accessible to road users and contribute to efficient travel	50% of bridges are two-way	Of 287 bridges, 47% are two lane. Base data was incorrect and therefore the target is not achievable. The target should be 47% of bridges in the network are two-way.
	95% of bridges are not weight restricted	Of 287 bridges, 5 have weight restrictions. 98% of bridges are not weight restricted.
Footpaths are safe and well maintained	80% residents are satisfied with overall footpath provision	Survey results for period July 2012 to June 2013 show 80% satisfaction (2011/12: 79%) with the maintenance of footpaths. Reasons for dissatisfaction quoted in the survey were related to roughness or unevenness of footpaths, overhanging trees and residents feeling more repairs were needed. Funding constraints do not allow this desired increase in level of service.
	Resurface a minimum of 6km** footpaths annually	To date 2.365km of footpaths have been resurfaced. The installation of ultrafast broadband in Timaru streets has significantly slowed footpath resurfacing work as the UFB trenching must be completed prior to resurfacing.



Level of Service statement	Measure/Target	Result
Traffic signals, road signage and marking provide clear guidance	95% residents are satisfied that road signage and marking is helpful and effective	Survey results for period July 2012 to June 2013 show 98% (2011/12: 99%) satisfaction with road signage.
Street and amenity lighting enables safe and efficient movement	95% residents are satisfied that there is sufficient street lighting in urban areas	Survey results for period July 2012 to June 2013 show 97% (2011/12: 97%) of residents are satisfied with street lighting.
Road safety initiatives improve road safety and awareness	85% residents are satisfied with the overall safety level of roads	Survey results for period July 2012 to June 2013 show 85% satisfaction with the overall safety of roads.
	40% residents are aware of road safety programmes or advertisements	Survey results for period July 2012 to June 2013 show that 33% (2011/12: 43%) of residents were aware of road safety initiatives. The Road Safety activity is focused on driver behaviour. Initiatives involve a significant amount of advertising and promotional material. Reduced funding from NZTA resulted in a reduction in road safety advertising material that had the negative effect of reduced awareness by residents and other advertising mediums such as social media are now being used.
Carparking is available and cost effective	90% residents are satisfied with the availability of carparking provision	Survey results for period July 2012 to June 2013 show 87% satisfaction with the availability of car parking.
	Timaru Parking activity is self-funding and parking fees reviewed annually	Parking fees were reviewed in conjunction with the draft 2013/14 Annual Plan and no changes made. Parking remains a self-funding activity.
Deliver and plan for a more sustainable transport network	99% users are satisfied with the quality of public transport services (ECan survey)	100% of bus users were satisfied with the extent to which public passenger transport meets community needs.
	1 school travel plan completed or reviewed annually	Two school travel plans, Craighead Diocesan High School and Highfield Primary School and one kindergarten travel plan - Craighead - have been completed
	Use of Active/Public Transport modes: <ul style="list-style-type: none"> <li>80% residents regularly walk</li> <li>30% residents regularly cycle</li> <li>15% residents use public transport</li> </ul>	Survey results for period July 2012 to June 2013 show: <ul style="list-style-type: none"> <li>84% of residents regularly walk</li> <li>40% of residents regularly cycle</li> <li>15% of residents use public transport</li> </ul>

\*Data collected from RAMM database. The lower the number, the smoother the road.

\*\* The LTP included a target of 16km per year. This was incorrect and should have read 6km per year.

## Variations

- *Structural Bridge Renewals* - Designs are completed for a number of road bridges renewal with construction subject to NZTA funding approval. Funding has not been confirmed by NZTA and discussions are continuing.
- *Intersection Upgrades/Safety Improvements* - Design is underway for the proposed new traffic signals at Otipua and Church Street. Project deferred to change in design following decision to change the Centennial Park access to entry only.
- *Minor Improvement Works* - Projects outstanding are the installation of traffic signals at the Church Street and Otipua intersection, with design work underway.
- *Kerb and Channel renewals* - Some projects (Guthrie Street, Timaru and Domain Avenue, Temuka) were yet to be completed but were by August 2013.
- *Seal Widening* - Meadows Road, Washdyke project not completed due to stormwater disposal issues yet to be resolved.
- *Footpath Resurfacing* - Work in Timaru was delayed due to the installation of ultra fast broadband ducts in Timaru, with footpaths not to be renewed until all excavation works are completed satisfactorily. Some works in Temuka delayed due to kerb and channel replacement yet to be completed.
- *New kerb and channel/culverts* - The planned work in Meadows Road was deferred until drainage issues are resolved
- *New streetlighting* - Design of Oxford Street in association with power cable undergrounding is underway with construction to be completed in 2013/14 financial year.
- *New footpaths* - Some projects delayed due to the ongoing installation of Ultrafast Broadband and delay in new construction in Washdyke.



New footpath on Totara Street, Geraldine



Above: Photos from natural events affecting district roads during the year:

- Snow clearing
- Rangitata Gorge Road damage
- Taiko Hall Road flooding

## Roading and Footpaths – Financial Information

### Timaru District Council:

#### Funding impact statement for 2012/13 for Roading and Footpaths

	2011/12 <i>Long-term plan</i> (\$000)	2012/13 <i>Long-term plan</i> (\$000)	2012/13 <i>Actual</i> (\$000)
<b>Sources of Operating Funding</b>			
General Rates, Uniform Annual General Charge, rates penalties	410	551	342
Targeted Rates (Other than a targeted rate for water supply)	7,257	7,615	6,641
Subsidies and grants for operating purposes	3,088	2,786	3,566
Fees, charges and targeted rates for water supply	928	1,014	920
Internal charges and overheads recovered	1,473	1,490	1,493
Local authorities fuel tax, fines, infringement fees, and other receipts			
<b>Total operating funding (A)</b>	13,156	13,456	12,962
<b>Applications of operating funding</b>			
Payments to staff and suppliers	6,849	7,022	7,934
Finance costs	641	689	582
Internal charges and overheads applied	2,066	2,111	2,096
Other operating funding applications			
<b>Total applications of operating funding (B)</b>	9,556	9,822	10,612
<b>Surplus (deficit) of operating funding (A - B)</b>	3,600	3,634	2,350
<b>Sources of capital funding</b>			
Subsidies and grants for capital expenditure	5,688	5,294	3,891
Development and financial contributions	0	0	14
Increase (decrease) in debt	2,269	1,158	1,292
Gross proceeds from sale of assets	0	0	0
Lump sum contributions			
<b>Total sources of capital funding (C)</b>	7,957	6,452	5,197
<b>Application of capital funding</b>			
Capital expenditure			
– to meet additional demand	578	114	305
– to improve the level of service	5,450	4,706	2,000
– to replace existing assets	6,704	6,838	6,249
Increase (decrease) in reserves	(1,175)	(1,572)	(1,007)
Increase (decrease) of investments			
<b>Total applications of capital funding (D)</b>	11,557	10,086	7,547
<b>Surplus (deficit) of capital funding (C - D)</b>	(3,600)	(3,634)	(2,350)
<b>Funding balance ((A - B) + (C - D))</b>	0	0	0
<b>Internal Loans</b>			
Opening Balance			105
Additions			0
Repayments			(6)
Closing Balance			99
Interest			4

### **Variiances Explanation - 2012/13 actual compared to 2012/13 budget**

- Subsidies and grants for operating purposes were increased due to emergency repairs necessary following rainfall event in August 2012, which were subsidised at a higher rate. Subsidies and grants for capital purposes were reduced due to delays in the timing of capital expenditure.
- The emergency repairs also resulted in the increase in payments to staff and suppliers.
- Capital expenditure to improve levels of service were lower mainly due to Washdyke Network Improvements project. The start of the project was significantly delayed due to the process of purchasing the land required. Therefore actual spend was \$270k compared to \$2,380k budgeted spend.
- Targeted rates were below budget due to the timing of projects and a reduction in normal operating costs as these were replaced by work to rectify storm damage.

# Sewer

## Description

Sewer includes the following activities:

- Sewer

Timaru District Council manages the delivery of wastewater (sewer) collection, treatment and disposal services to communities in the Timaru District.

Individual wastewater schemes are provided for the urban areas of Timaru, Temuka, Geraldine and Pleasant Point. These schemes are linked via pipeline to the main wastewater treatment plant and ocean outfall in Timaru. A small collection scheme also serves the Arowhenua community which feeds into Temuka for treatment. Approximately 80% of the total district residential population receive the sewer service.

Wastewater from the Timaru scheme is currently milliscreened at the Aorangi Road plant. The scheme includes the industrial areas of Washdyke and the Timaru port, with urban and industrial wastewater streams each contributing about half of the flow to the milliscreen plant.

Temuka, Geraldine, and Pleasant Point each have their own oxidation pond treatment facility, with treated effluent piped to Timaru where it combines with screened Timaru effluent before being discharged 500m offshore via a submarine ocean outfall.

The sewer activity looks after an asset base including a milliscreen plant, ocean outfall, 3 oxidation ponds, 338km of pipeline, 22 pump stations and over 3,000 manholes.

## Key Achievements and Projects

During the year:

- Consent conditions for sewer schemes provided throughout the district were met, with the key parameters of average daily volume and peak flow rates below allowable limits
- Construction on the Timaru Wastewater Treatment and Disposal Upgrade Project continued with the following completed by 30 June:
  - ◆ Pond construction: 44%
  - ◆ Wetlands construction: 25%
  - ◆ Pipework: 74%
  - ◆ Domestic pump station: 84%
  - ◆ Domestic screening structure: 73%
  - ◆ Peak flow pump station: 78%
  - ◆ Electrical and controls: 69%
- Stage Five of the Main Trunk Sewer Renewal (MTR) project was completed with the installation of the pipeline to separate domestic and industrial sewage from Washdyke Lagoon to the domestic treatment plant. This was the latest stage of a multi-year project to upgrade the main trunk sewer through Timaru and separate domestic and industrial waste stream flows. The final stage of the separation of the industrial wastewater from the domestic stream is the installation of the rising main from the North Mole pump station to Virtue Avenue, planned for construction in 2013/14.
- Design for the upgrade of sewer services to the port's North Mole were completed. This project will link the

This group of activities contributes to the following community outcomes:

	Sewer
High quality infrastructure to meet community and business needs	Primary Contribution
Smart economic success supported and enabled	Primary Contribution
Communities that are safe, vibrant and growing	Primary Contribution
People enjoying a high quality of life	Primary Contribution
A strong identity forged and promoted	Secondary Contribution
A valued, healthy and accessible environment	Primary Contribution
	<div style="display: flex; justify-content: space-around;"> <span><span style="color: blue;">■</span> Primary Contribution</span> <span><span style="color: green;">■</span> Secondary Contribution</span> </div>

- existing North Mole sewer pipe into the industrial sewer at Virtue Avenue, Timaru
- Work commenced on the Queen Street pump station refurbishment. This project includes a full refurbishment of the Queen Street pump station, including pumps and concrete work. It is scheduled for completion in November 2013.
- The tradewaste charging review was progressed including further modelling of the trade waste discharges, drafting of new conditions of discharge for all trade wastes and setting of proposed trade waste charging structures.
- The Wai iti Road, Timaru sewer renewal was completed improving performance and capacity of the sewer reticulation in this area. Some innovative techniques were used by the contractor including a NZ first use of fusible PVC in a pipe bursting technology.
- The Station Street sewer reconfiguration was completed enabling connection of the Station Street area to the new main trunk sewer and elimination of the inverted siphon under the railway lines.
- The Dawson Street, Timaru rising main was renewed in the Dawson Street pump station due to pipe failure issues.



## Timaru Wastewater Management Plant Upgrade photos



Installing pre-cast concrete walls with protective yellow plastic lining on the domestic screening structure



Excavation for the connection from the existing domestic trunk main to the new domestic pump station, with the route of the installed new industrial trunk main visible towards Washdyke in the far distance



The domestic screening structure on its raised platform, with the peak flow pump station structure in the foreground



Domestic pump station mid photo, with domestic screening structure on its raised platform top right and the peak flow pump station mid right photo. The two pipes mid photo are the pipes to and from the wetlands.



Pouring concrete to the flow splitting structure between oxidation ponds 1A and 1B



General site works/reinstatement at the inlet connection between the existing domestic trunk main and the inlet to the domestic pump station.

## Performance

Level of Service statement	Measure/Target	Result
Deliver sewer services according to required environmental standards	Compliance with Resource Consent conditions*	<p>Full compliance achieved for the main discharge consent monitored and reported on by Environment Canterbury (ECan). These included:</p> <ul style="list-style-type: none"> <li>Average daily volume - 26,000m<sup>3</sup> (Consent condition: 40,000m<sup>3</sup> per day allowable)</li> <li>Peak flow rate - 1,238 litres per second (Consent condition: Not to exceed 1,400 litres per second)</li> </ul> <p>There were no significant breaches. Some trigger values were exceeded. However, a report was produced for ECan on the occurrences, and therefore the discharge was within compliance of the consent. The pond construction and water takes all complied with consent conditions.</p>
Provide sewer services that meet community demands	<p>Overall/user satisfaction levels:</p> <ul style="list-style-type: none"> <li>12/13: Not measured</li> </ul>	<p>This is measured every two years, with the next survey to be undertaken in 2013/14. The 2011 survey results were:</p> <ul style="list-style-type: none"> <li>92% of users were very/fairly satisfied with sewerage system where a service was provided</li> <li>83% of residents were very/fairly satisfied with sewerage system</li> </ul>
Minimise wastewater odour from the sewer services system	≤ 15 complaints related to odour from the sewage treatment plant or sewer network	There were 4 complaints related to odour in the sewer services reticulation and 3 complaints recorded at the Geraldine oxidation ponds. Existing operating procedures at the treatment plants and the sewer cleaning and monitoring programme are continuing.
Deliver affordable sewer services	<p>Customer satisfaction with value for money of sewer services:</p> <ul style="list-style-type: none"> <li>12/13: Not measured</li> </ul>	<p>This is measured every two years, with the next survey to be undertaken in 2013/14. The 2011 survey results were:</p> <ul style="list-style-type: none"> <li>89% of receivers of a sewerage service provided by Council think it is good value for money.</li> </ul>
	Actual operating cost of combined sewer services within budget	Achieved. Excluding corporate overhead, depreciation and loan expenses, the budgeted total operating expenditure for sewer services was \$1,612,000 and the actual expenditure was \$1,406,000
Maintain excellent customer service	85% of service requests are responded to within required timeframes	88% of service requests were responded to within the required timeframes during the year.
Minimise unplanned interruption to sewer services	≤ 15 recorded dry weather overflows from the sewer network	<p>19 dry weather overflows have occurred for the year throughout the district. Dry weather overflows were caused by obstructions such as tree roots, gravel and fat deposits. Four overflows were caused by third party contractors working in the road corridor that were outside the Council's control. Targeted cleaning and root removal continues to be undertaken. Variance from year to year is expected depending on factors such as renewals completed, weather variations and trends in fat deposits. All overflow sites are recorded and included in reticulation model recalibration which contribute to rehabilitation/renewal projects.</p>

Level of Service statement	Measure/Target	Result
	Recorded wastewater overflow incidents during a rain event from the sewer network - Analyse reported sewer overflows incidents in rain event and report results	Analysis shows points of overflow during wet weather events. A program of investigation and renewals is in place to achieve the desired levels of service.  The analysis included assessing the rainfall event and prior conditions to determine ground saturation levels. Each overflow was matched against known issues. All but one overflow occurred in known problem areas with upgrades already identified in the Long Term Plan. The one unknown overflow event will be investigated further. The majority of overflows are a result of design standard changes, and function as originally designed.

\*Excluding minor non-compliances as reported by Environment Canterbury

## Variations

- *Small Mains Renewals and capital upgrades* - Some work in progress due to delays of contractors, delays in sourcing of materials and fittings, and partly due to wet weather.
- *Bio Filters/Trunk Main ventilation* - Delayed to 2013/14 until after completion of commissioning of new wastewater treatment plant.
- *North Mole upgrade* - Design work was completed, with physical work to commence before the end of 2013. Work delayed due to delays in completing the design.
- *Treatment Process Water* - Delayed to 2013/14 as part of wastewater treatment plant upgrade project.
- *Mechanical plant and equipment renewals* - Some work still in progress because components have not yet arrived.
- *Building renewals* - Delayed to 2013/14 as part of wastewater treatment plant upgrade project.

## Sewer – Financial Information

### Timaru District Council: Funding impact statement for 2012/13 for Sewer

	2011/12 <i>Long-term plan</i> (\$000)	2012/13 <i>Long-term plan</i> (\$000)	2012/13 <i>Actual</i> (\$000)
<b>Sources of Operating Funding</b>			
General Rates, Uniform Annual General Charge, rates penalties			
Targeted Rates (Other than a targeted rate for water supply)	5,100	5,750	5,153
Subsidies and grants for operating purposes	0	0	0
Fees, charges and targeted rates for water supply	1,910	1,985	2,187
Internal charges and overheads recovered	0	0	3
Local authorities fuel tax, fines, infringement fees, and other receipts	0	0	6
<b>Total operating funding (A)</b>	<b>7,010</b>	<b>7,735</b>	<b>7,349</b>
<b>Applications of operating funding</b>			
Payments to staff and suppliers	1,364	1,467	1,261
Finance costs	2,703	3,243	2,418
Internal charges and overheads applied	1,145	1,203	1,213
Other operating funding applications			
<b>Total applications of operating funding (B)</b>	<b>5,212</b>	<b>5,913</b>	<b>4,892</b>
<b>Surplus (deficit) of operating funding (A - B)</b>	<b>1,798</b>	<b>1,822</b>	<b>2,457</b>
<b>Sources of capital funding</b>			
Subsidies and grants for capital expenditure	30	30	180
Development and financial contributions			
Increase (decrease) in debt	11,426	14,946	6,549
Gross proceeds from sale of assets	0	0	0
Lump sum contributions			
<b>Total sources of capital funding (C)</b>	<b>11,456</b>	<b>14,976</b>	<b>6,729</b>
<b>Application of capital funding</b>			
Capital expenditure			
– to meet additional demand	0	0	0
– to improve the level of service	10,450	15,115	11,168
– to replace existing assets	4,178	2,808	1,353
Increase (decrease) in reserves	(1,374)	(1,125)	(3,335)
Increase (decrease) of investments			
<b>Total applications of capital funding (D)</b>	<b>13,254</b>	<b>16,798</b>	<b>9,186</b>
<b>Surplus (deficit) of capital funding (C - D)</b>	<b>(1,798)</b>	<b>(1,822)</b>	<b>(2,457)</b>
<b>Funding balance ((A - B) + (C - D))</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>Internal Loans</b>			
Opening Balance			2,790
Additions			0
Repayments			(330)
Closing Balance			2,460
Interest			109

### **Variiances Explanation - 2012/13 actual compared to 2012/13 budget**

- Delays in the timing of capital projects have caused reduction in the level of expenditure for both improved level of service and replacement of current assets. These delays have also caused the reduction to levels of debt required for capital funding. Finance costs are reduced due to reductions in interest rates and lower borrowings.

# Stormwater

## Description

Stormwater includes the following activities:

- Stormwater

Timaru District Council manages the delivery of stormwater systems to communities in the Timaru District. Communities serviced include Timaru, Temuka, Geraldine, Pleasant Point, Winchester, Cave and Milford-Ohapi. Approximately 83% of the total district resident population is serviced.

There are no significant stormwater activities in rural areas, although some drainage is managed by Environment Canterbury and partially funded by Timaru District Council.

Schemes range from piped to open channel stormwater systems. Stormwater collected from schemes is disposed of to a mixture of soakpits, surface water bodies (e.g. rivers, ocean) and drains depending on the scheme.

The activity looks after an asset base of around 160km of pipeline, 36km of open channel, 4 retention dams, 2 pump stations and over 3,000 sumps.

Stormwater schemes in residential areas are designed to cope with a 1 in 5-year return rainfall event (i.e. the event has a 20% chance of occurring in any one year). Stormwater schemes in industrial and commercial zones are designed to cope with a 1 in 10 year return rainfall event (i.e. the event has a 10% chance of occurring in any one year).

## Key Achievements and Projects

During the year:

- Work commenced on Stormwater Management Plans (SMP) as required under the ECan Natural Resource Regional Plan. These are being developed for Geraldine and Washdyke (Greenfields). The Geraldine SMP is programmed to be completed by the first quarter of 2014. Washdyke SMP will likely have an expanded scope (to cover the entire Washdyke Industrial area) and is expected to be completed by the 3rd quarter of 2014. The SMPs will simplify the management of stormwater discharges within catchments by removing the multiple resource consent requirements, and reduce consent monitoring cost. SMPs will assist TDC manage stormwater related impacts of land-use activities within catchments.
- The Fraser/King Street stormwater project, Temuka was completed. The project will mitigate significant flooding on the State Highway during heavy rain, and allow for future development within the area. The project has also been designed to include a diversion from Fraser Street alleviating further flooding. This project will alleviate flooding in the area and stormwater system performance and capacity.
- The Sherrat Street, Timaru stormwater upgrade project was completed. This project will alleviate flooding in the area and improve stormwater system performance and capacity.

This group of activities contributes to the following community outcomes:

	Stormwater
High quality infrastructure to meet community and business needs	Primary Contribution
Smart economic success supported and enabled	Primary Contribution
Communities that are safe, vibrant and growing	Primary Contribution
People enjoying a high quality of life	Primary Contribution
A strong identity forged and promoted	Secondary Contribution
A valued, healthy and accessible environment	Primary Contribution

■ Primary Contribution    
 ■ Secondary Contribution

## Performance

Level of Service statement	Measure/Target	Result
Deliver stormwater services according to required environmental standards	Compliance with Resource Consent conditions*	Full compliance achieved. There were no breaches reported by Environment Canterbury.
Provide stormwater services that meet community demands	Overall/user satisfaction levels: <ul style="list-style-type: none"> <li>12/13: Not measured</li> </ul>	This is measured every two years, with the next survey to be undertaken in 2013/14. The 2011 survey results were: <ul style="list-style-type: none"> <li>87% of users were very/fairly satisfied with stormwater drainage where a service was provided</li> <li>78% of residents were very/fairly satisfied with stormwater drainage</li> </ul>
Deliver affordable stormwater services	Actual operating cost of combined stormwater services within budget	Achieved. Excluding corporate overhead, depreciation and loan expenses, the budgeted total operating expenditure for stormwater services was \$430,000 and the actual expenditure was \$351,000.
Maintain excellent customer service	85% of service requests are responded to within required timeframe	89% of service request were responded to within the required timeframes during the year.
Minimise network failure of stormwater services	Analyse reported flooding due to insufficient capacity in public stormwater network during a rain event in: <ul style="list-style-type: none"> <li>Residential zone (for &lt;5yr event)</li> <li>Commercial/Industrial zone (for &lt;10yr event)</li> </ul>	A new target is yet to be confirmed. 15 complaints of blocked stormwater mains were received. 1 complaint was from an industrial/commercial zone in Washdyke. 13 complaints were from the significant August 2012 rain event. Analysis for target is to be completed by December 2014, because other events are required for a suitable data set.

\*Excluding minor non-compliances as reported by Environment Canterbury

## Variations

- Geraldine Stormwater upgrades* - Delayed to 2013/14, until the Geraldine Stormwater Management Plan has been compiled.
- Timaru - Washdyke Creek stormwater improvements* - Awaiting on progress by Environment Canterbury who rejected all tenders when first tendered due to higher than expected costs, and who are reviewing the project with an intention to retender before the end of 2013.
- Timaru - Gleniti Dams* - Project delayed due to delays in finalising development details and land agreements for the bund construction. Bund to be constructed in 2013/14.

## Stormwater – Financial Information

### Timaru District Council: Funding impact statement for 2012/13 for Stormwater

	2011/12 Long-term plan (\$000)	2012/13 Long-term plan (\$000)	2012/13 Actual (\$000)
<b>Sources of Operating Funding</b>			
General Rates, Uniform Annual General Charge, rates penalties			
Targeted Rates (Other than a targeted rate for water supply)	1,275	1,291	1,686
Subsidies and grants for operating purposes	0	0	0
Fees, charges and targeted rates for water supply			
Internal charges and overheads recovered			
Local authorities fuel tax, fines, infringement fees, and other receipts			
<b>Total operating funding (A)</b>	<b>1,275</b>	<b>1,291</b>	<b>1,686</b>
<b>Applications of operating funding</b>			
Payments to staff and suppliers	327	381	328
Finance costs	27	33	13
Internal charges and overheads applied	125	131	154
Other operating funding applications			
<b>Total applications of operating funding (B)</b>	<b>479</b>	<b>545</b>	<b>495</b>
<b>Surplus (deficit) of operating funding (A - B)</b>	<b>796</b>	<b>746</b>	<b>1,191</b>
<b>Sources of capital funding</b>			
Subsidies and grants for capital expenditure	0	0	0
Development and financial contributions	0	20	102
Increase (decrease) in debt	421	628	383
Gross proceeds from sale of assets			
Lump sum contributions			
<b>Total sources of capital funding (C)</b>	<b>421</b>	<b>648</b>	<b>485</b>
<b>Application of capital funding</b>			
Capital expenditure			
– to meet additional demand	0	100	173
– to improve the level of service	504	810	515
– to replace existing assets	572	547	345
Increase (decrease) in reserves	141	(63)	643
Increase (decrease) of investments			
<b>Total applications of capital funding (D)</b>	<b>1,217</b>	<b>1,394</b>	<b>1,676</b>
<b>Surplus (deficit) of capital funding (C - D)</b>	<b>(796)</b>	<b>(746)</b>	<b>(1,191)</b>
<b>Funding balance ((A - B) + (C - D))</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>Internal Loans</b>			
Opening Balance			290
Additions			335
Repayments			(17)
Closing Balance			608
Interest			13



# Waste Minimisation

## Description

Waste Minimisation includes the following activities:

- Compost, Recycling and Refuse

Compost, Recycling and Refuse addresses the management of solid waste generated in the Timaru District.

In 2006, the Council implemented the 3-2-1-ZERO waste minimisation system in the District. This highly successful scheme has meant that 82% of the district is provided with kerbside collection services for organic waste, recycling and rubbish. Bins are collected regularly with materials sorted and managed at the Redruth Eco-centre.

Council manages the overall activity including services listed above and owns solid waste sites and facilities where activity occurs. Operational work is carried out by contractors. Transpacific Industries Ltd. (TPI) is contracted until June 2021 to provide kerbside collection, transfer stations, landfill, composting and recycling operations.

Council services provided are a kerbside collection service, transfer station facilities (Geraldine, Pleasant Point, Temuka and Timaru (Redruth)) incorporating various waste drop-off services, facilities at the Redruth Eco-Centre including a landfill, scrap metal recycling site and recycling and composting facilities, a retail shop for reusable materials called "The Crows Nest", information and education resources, a Waste

Exchange listing service and 3-2-1-ZERO waste minimisation support for public events.

This group of activities contributes to the following community outcomes:

	Compost, Recycling and Refuse
High quality infrastructure to meet community and business needs	Primary Contribution
Smart economic success supported and enabled	Secondary Contribution
Communities that are safe, vibrant and growing	Secondary Contribution
People enjoying a high quality of life	Primary Contribution
A strong identity forged and promoted	Primary Contribution
A valued, healthy and accessible environment	Secondary Contribution
	<span style="color: blue;">■</span> Primary Contribution <span style="color: teal;">■</span> Secondary Contribution

## Key Achievements and Projects

During the year:

- Diversion from landfill via recycling, composting and re-use was 18,210 tonnes. Net figures are used which exclude contamination sent to landfill as waste.
- The Council supported the Ministry for the Environment TV takeback initiative with collection points at all transfer stations. The Timaru District Council was given a quota of 1,925 TVs, and collected 1,841 TVs reaching 95% of the quota.
- E scrap has continued with 400+ computer monitors and 900+ TVs collected for a charge, as well as hard drives and miscellaneous electronic equipment collected free of charge.
- The Solid Waste Bylaw was updated during the Bylaw Review process.
- A project to update data on kerbside bins was completed using Task Force Green staff
- The Solid Waste Unit supported 22 zero waste events and assisted 30 businesses with waste minimisation.
- Two resource consents were received for the Temuka Transfer Station and closed landfill site for emissions to air and discharge of stormwater. These consents were not required at the time of development, but it was deemed prudent to obtain them to improve environmental monitoring long-term. The new resource consents have enabled the development of shared use of the Temuka site.



TVs being recycled with the TV takeback scheme



## Performance

Level of Service statement	Measure/Target	Result
Solid Waste facilities are adequate and available to the community	<p>Satisfaction levels with Waste Services:</p> <ul style="list-style-type: none"> <li>12/13: Not measured</li> </ul>	<p>This is measured every two years, with the next survey to be undertaken in 2013/14. The 2011 survey results were:</p> <ul style="list-style-type: none"> <li>91% of residents were very/fairly satisfied with kerbside rubbish and recycling services</li> <li>94% of users where a service was provided were very/fairly satisfied with kerbside rubbish and recycling services</li> <li>74% of users were very/fairly satisfied with opening hours of rural transfer stations</li> <li>93% of users were very/fairly satisfied with opening hours of the Redruth Eco-Centre and transfer stations in Timaru.</li> </ul>
Provide regular kerbside collection services to enable separation of waste	≤ 538 missed kerbside bins annually	619 bins were missed on collection routes, as notified by householders. The major reasons for missed bins include bins being obscured by obstacles and householders failing to have their bins out on time. Some householders are reporting bins as missed before the collection truck has visited the street.
No adverse effects from the operation of solid waste facilities	Compliance with resource consent conditions*	<p>There was full compliance with resource consent conditions. There were minor non-compliances during the year as follows (with mitigation stated in brackets):</p> <ul style="list-style-type: none"> <li>Temuka - no vegetation on closed landfill (resource consent for new activity on the way):</li> <li>Geraldine - weeds on cap (spraying and clearing on the way)</li> <li>Pleasant Point - condition of bores (all bores upgraded)</li> <li>Redruth - monitoring exceedance (increased monitoring, results normal)</li> </ul>
Solid Waste is diverted from the landfill	<ul style="list-style-type: none"> <li>Recycling - 5,500 gross tonnes processed at Materials Recycling Facility (MRF)</li> <li>Organic - 14,500 gross tonnes processed at composting facility</li> <li>Reuse and other recycling - 385 gross tonnes received with Crow's Nest to comprise ≥40%</li> </ul>	<p>The following tonnages were processed during 2012/13:</p> <ul style="list-style-type: none"> <li>Recycling - 5,210 tonnes (2011/12: 5,168 tonnes)</li> <li>Organic - 14,130 tonnes (2011/12: 14,880 tonnes)</li> <li>Reuse - 384 tonnes (2011/12: 384 tonnes)</li> </ul> <p>The figures show gross tonnages received at the respective facility (including kerbside/transfer station and commercial).</p> <p>Diversion from landfill via recycling, composting and re-use is 18,210 tonnes (2011/12: 19,068 tonnes). Net figures are used which exclude contamination sent to landfill as waste.</p>
Promote and educate about waste minimisation	<ul style="list-style-type: none"> <li>25 events supported</li> <li>52 businesses supported</li> </ul>	<ul style="list-style-type: none"> <li>22 zero waste events were supported during the year.</li> <li>38 businesses were supported during the year.</li> </ul> <p>Targets not met due to heavy staff involvement in public place recycling and other projects during the year.</p>

Level of Service statement	Measure/Target	Result
Public Information and education ensures waste is sorted appropriately	<ul style="list-style-type: none"> <li>Recorded contamination at Materials Recycling Facility (MRF) 25% of gross tonnes</li> <li>Recorded contamination at compost facility 1% of gross tonnes</li> </ul>	<ul style="list-style-type: none"> <li>Recorded contamination at MRF was 28% of gross tonnes</li> <li>Recorded contamination at the compost facility was 0.3% of gross tonnes.</li> </ul>
	Kerbside waste to landfill per red bin pickup - 12kg per red bin pickup	Kerbside waste to landfill per red bin was 11.7kg per red bin.

\*Excluding minor non-compliances as reported by Environment Canterbury

## Variations

- *Stage 3 Development, Drainage* - Capping of 3.1 cell and wheelwash projects deferred due to contractor restructuring.
- *Landfill Gas System* - Contract awarded and in progress, but works delayed by weather.
- *Transfer Station renewals* - 2 MRF roller door motors replaced, compactor bin ordered and awaiting delivery.
- *Whole of Life Plan* - Data collection completed, as-builts data pending.
- *Roading* - Moved into 2013/14 budget due to delays in planning.
- *Waste Levy Projects* - Caroline Bay public place plan and implementation underway



Filling a trailer with Eco-Compost at the Redruth Eco-Centre

## Waste Minimisation – Financial Information

### Timaru District Council: Funding impact statement for 2012/13 for Waste Minimisation

	2011/12 <i>Long-term plan</i> (\$000)	2012/13 <i>Long-term plan</i> (\$000)	2012/13 <i>Actual</i> (\$000)
<b>Sources of Operating Funding</b>			
General Rates, Uniform Annual General Charge, rates penalties			
Targeted Rates (Other than a targeted rate for water supply)	5,079	5,595	5,065
Subsidies and grants for operating purposes	132	130	130
Fees, charges and targeted rates for water supply	2,665	2,042	1,982
Internal charges and overheads recovered			
Local authorities fuel tax, fines, infringement fees, and other receipts			
<b>Total operating funding (A)</b>	<b>7,876</b>	<b>7,767</b>	<b>7,177</b>
<b>Applications of operating funding</b>			
Payments to staff and suppliers	6,122	6,157	5,824
Finance costs	353	374	319
Internal charges and overheads applied	354	363	359
Other operating funding applications			
<b>Total applications of operating funding (B)</b>	<b>6,829</b>	<b>6,894</b>	<b>6,502</b>
<b>Surplus (deficit) of operating funding (A - B)</b>	<b>1,047</b>	<b>873</b>	<b>675</b>
<b>Sources of capital funding</b>			
Subsidies and grants for capital expenditure			
Development and financial contributions			
Increase (decrease) in debt	(435)	46	116
Gross proceeds from sale of assets			
Lump sum contributions			
<b>Total sources of capital funding (C)</b>	<b>(435)</b>	<b>46</b>	<b>116</b>
<b>Application of capital funding</b>			
Capital expenditure			
– to meet additional demand	24	114	28
– to improve the level of service	674	368	321
– to replace existing assets	24	88	31
Increase (decrease) in reserves	(110)	349	411
Increase (decrease) of investments			
<b>Total applications of capital funding (D)</b>	<b>612</b>	<b>919</b>	<b>791</b>
<b>Surplus (deficit) of capital funding (C - D)</b>	<b>(1,047)</b>	<b>(873)</b>	<b>(675)</b>
<b>Funding balance ((A - B) + (C - D))</b>	<b>0</b>	<b>0</b>	<b>0</b>

#### Variations Explanation - 2012/13 actual compared to 2012/13 budget and 2011/12 budget

- Sources of operating funding have reduced due to increased competition from an alternative landfill facility.

# Water Supply

## Description

Water Supply includes the following activities:

- Water Supply

Water Supply provides the safe and effective treatment, storage and distribution of water to urban and rural parts of the district. Quality water is delivered for residential, commercial, industrial and stockwater purposes. Water is not supplied for irrigation or horticultural purposes.

Approximately 96% of the total district resident population are served through 12 individual water supplies operated on behalf of the residents of the Timaru District. Schemes are provided (in order of largest to smallest population served) to:

- Timaru – Urban drinking water
- Downlands - Rural drinking water and stock water
- Temuka - Urban drinking water
- Geraldine - Urban drinking water
- Te Moana - Rural drinking water and stockwater
- Pleasant Point - Urban drinking water
- Seadown - Rural drinking water and stockwater
- Winchester – Urban drinking water
- Orari - Rural drinking water and stockwater
- Peel Forest - Urban drinking water
- Beautiful Valley – Rural stockwater
- Rangitata/Orari – Water Race stockwater

The Downlands scheme covers and is operated on behalf of residents of the Timaru, Mackenzie and Waimate Districts.

## Key Achievements and Projects

During the year:

- The Temuka Strategic Main renewal was completed which will improve the Temuka water network security and restore level of service to the area.
- Planned tank inspections which included water restrictor jet renewals on the Te Moana scheme have been completed for the year.
- Work on the Geraldine Area Wide water supply strategy progressed by modelling various options for supply to Te Moana from Geraldine.
- Leakage was reduced through improved monitoring processes and minor water renewals in all schemes.
- Watermain renewals were completed on the Downlands scheme to improve performance and capacity of the water supply reticulation, including Pareora. Small mains renewals were completed to reduce water losses and replacement of break pressure tanks with pressure reducing valves commenced.
- Investigation and design for the Tengawai Trunk Main upgrade on the Downlands Water Supply commenced, with construction to begin March 2014.
- The Downlands additional water project which consists of increasing the availability of water throughout the scheme, while improving security of supply and reducing water losses progressed through investigations commencing on storage and treatment methodologies. *(Note: Also related to the Tengawai Trunk Main upgrade)*
- The Downlands Pipe Bridges Renewals Project to improve security of supply and reduce the environmental risk by replacing pipe bridges with pipes underground was completed.
- The Downlands Public Health Risk Management Plan was completed.

The Downlands Water Supply is managed by the Timaru District Council, who own 82% of the scheme. Policy for this scheme is determined by a Joint Standing Committee.

This group of activities contributes to the following community outcomes:

Water Supply	
High quality infrastructure to meet community and business needs	Primary Contribution
Smart economic success supported and enabled	Primary Contribution
Communities that are safe, vibrant and growing	Primary Contribution
People enjoying a high quality of life	Primary Contribution
A strong identity forged and promoted	Secondary Contribution
A valued, healthy and accessible environment	Primary Contribution
	<span style="color: blue;">■</span> Primary Contribution <span style="color: green;">■</span> Secondary Contribution



Temuka Strategic water main replacement

## Performance

Level of Service statement	Measure/Target	Result
Manage and monitor water supplies under the conditions of water resource consents and to achieve positive environmental outcome	Compliance with Resource Consent conditions*	<p>Compliance achieved for all schemes. 15 consents were audited by Environment Canterbury. Minor non-compliances were reported for two consents, as summarised below:</p> <ul style="list-style-type: none"> <li>Consent CRC011399 - two flows exceeded the 5% margin of error, being 7% above the consent take of 215 litres per second. This was due to staff carrying out work on the pipeline requiring a refill of the pipeline that exceeded the rate as the pipelines were empty.</li> <li>Consent CRC064042 - Exceedance of the combined 7 day abstraction volume causes a minor compliance. The limit of 33,026m<sup>3</sup> was exceeded 44 times with the highest 7 day consecutive volume being 38,298m<sup>3</sup>. Exceedances occurred when the Temuka spring source was shut down due to high leakage occurring on the trunk main. A new consent allowing greater flexibility has been applied for.</li> </ul>
Provide water supply services that meet community demand	<p>Water supply pressure provided at service connection - At least 95% urban scheme service connections have a normal minimum operating pressure of <math>\geq 200\text{KPa}</math></p> <p>Overall/user satisfaction levels:</p> <ul style="list-style-type: none"> <li>12/13: Not measured</li> </ul>	<p>Fully compliant. This is measured every 5 years as part of the process of recalibrating the water supply models. The last recalibration shows that 99.9% of connections in Timaru, Temuka, Geraldine, Winchester and Orari are <math>\geq 200\text{kPa}</math>.</p> <p>This is measured every two years, with the next survey to be undertaken in 2013/14. The 2011 survey results were:</p> <ul style="list-style-type: none"> <li>92% of users were very/fairly satisfied with water supply where a service was provided</li> <li>89% of residents were very/fairly satisfied with water supply</li> </ul>
Provide safe drinking water	<p>Compliance with NZ Drinking Water Standards – Bacterial and chemical compliance - All schemes</p> <p>Compliance with NZ Drinking Water Standards – Protozoal compliance -</p> <ol style="list-style-type: none"> <li>Downlands – Pareora</li> <li>Orari</li> <li>Pleasant Point</li> <li>Seadown</li> <li>Temuka</li> <li>Geraldine</li> <li>Timaru</li> </ol>	<p>All reticulation zones are fully bacterially and chemically compliant except:</p> <ul style="list-style-type: none"> <li>Pareora township as E-coli was detected in one sample.</li> <li>Pareora pipeline was not bacterially compliant. Samples are not taken from the zone where consumers are supplied from the Pareora pipeline before the water enters Claremont Treatment Plant. Public Health Risk Management Plans will be completed within 2 years.</li> </ul> <p>All treatment plants are fully bacterially and chemically compliant except:</p> <ul style="list-style-type: none"> <li>Waitohi and Camerons treatment plant not fully compliant for bacteria. Boil water notices were imposed.</li> </ul> <p>High rainfall in June 2013 resulted in precautionary boil water notices issued for the rural water supply schemes although no samples tested had a bacteriological presence. Work is ongoing on upgrading schemes to Drinking Water Standards NZ (DWSNZ), with work planned for Winchester in 2014/15.</p> <p>Treatment Plants which are protozoal compliant are Orari, Temuka and Geraldine. Timaru, Pleasant Point, Seadown and Downlands (Pareora) were non-compliant for short periods.</p> <p>Downlands (Pareora), Pleasant Point and Seadown had periods of non-compliance due to high turbidity after heavy rain. Timaru was not fully compliant for protozoa due to short periods of cold water temperatures.</p> <p>All non-compliance issues are being addressed as part of the Public Health Risk Management Plan processes being carried out over the next few years.</p>

Level of Service statement	Measure/Target	Result
Provide water with an acceptable taste, odour and appearance	Complaints received about water appearance, taste and smell - <1% of connected properties	45 complaints were received during the year, <1% of connected properties.
Maintain excellent customer service	≥ 85% of service requests are responded to within required timeframes	88% of service requests were responded to within the required timeframes during the year.
Deliver affordable water supply services	Customer satisfaction with value for money of water supply services: <ul style="list-style-type: none"> <li>12/13: Not measured</li> </ul> Operating cost of combined water supplies	This is measured every two years, with the next survey to be undertaken in 2013/14. The 2011 survey results were: <ul style="list-style-type: none"> <li>86% of receivers of a water supply provided by Council think it is good value for money.</li> </ul> Excluding corporate overhead, depreciation and loan expenses, the budgeted total operating expenditure for water supplies (including Downlands but excluding water races) was \$3,329,900 and the actual expenditure was \$3,129,000.
Minimise unplanned interruption to water supply services	No unplanned outages to urban schemes ≥ than 8 hours	There were no unplanned outages ≥ than 8 hours during the year.

\*Excluding minor non-compliances as reported by Environment Canterbury

## Variations

- *Urban Water Supplies - Fixed Plant and equipment - work in progress* due to contractor unavailability.
- *Urban Water Supplies - Geraldine Water Supply well rescreen/pump* - Delayed as part of the Geraldine area wide improvements.
- *Urban Water Supplies - Timaru Reservoir cover* - Delayed to 2013/14 due to the existing condition of the cover and the reprioritisation of projects.
- *Other Water Supplies - Rangitata/Orari Water Race renewals and plant* - Headworks concept design complete, with work to commence in 2013/14.
- *Other Water Supplies - Seadown Leak Detection, Network Analysis and Metering* - Delayed to 2013/14 because of reprioritisation of projects.
- *Other Water Supplies - Te Moana Network capacity* - Delayed to 2013/14 because it has been delayed as part of the Geraldine area wide improvements.
- *Downlands Water Supply - Reservoir cover* - Delayed to 2013/14 due to the existing condition of the cover and the reprioritisation of projects.



Replacement of a stream crossing pipe using directional drilling on the Downlands Water Supply scheme

## Water Supply – Financial Information

### Timaru District Council: Funding impact statement for 2012/13 for Water Supply

	2011/12 Long-term plan (\$000)	2012/13 Long-term plan (\$000)	2012/13 Actual (\$000)
<b>Sources of Operating Funding</b>			
General Rates, Uniform Annual General Charge, rates penalties			
Targeted Rates (Other than a targeted rate for water supply)	4,271	4,232	4,253
Subsidies and grants for operating purposes			
Fees, charges and targeted rates for water supply	1,489	1,440	1,551
Internal charges and overheads recovered	66	54	51
Local authorities fuel tax, fines, infringement fees, and other receipts	0	0	2
<b>Total operating funding (A)</b>	<b>5,826</b>	<b>5,726</b>	<b>5,857</b>
<b>Applications of operating funding</b>			
Payments to staff and suppliers	2,812	2,845	2,733
Finance costs	339	329	273
Internal charges and overheads applied	852	857	858
Other operating funding applications			
<b>Total applications of operating funding (B)</b>	<b>4,003</b>	<b>4,031</b>	<b>3,864</b>
<b>Surplus (deficit) of operating funding (A - B)</b>	<b>1,823</b>	<b>1,695</b>	<b>1,993</b>
<b>Sources of capital funding</b>			
Subsidies and grants for capital expenditure			
Development and financial contributions	9	9	33
Increase (decrease) in debt	(100)	(304)	(314)
Gross proceeds from sale of assets			
Lump sum contributions			
<b>Total sources of capital funding (C)</b>	<b>(91)</b>	<b>(295)</b>	<b>(281)</b>
<b>Application of capital funding</b>			
Capital expenditure			
– to meet additional demand	0	0	0
– to improve the level of service	203	200	44
– to replace existing assets	3,564	2,102	1,439
Increase (decrease) in reserves	(2,035)	(902)	229
Increase (decrease) of investments			
<b>Total applications of capital funding (D)</b>	<b>1,732</b>	<b>1,400</b>	<b>1,712</b>
<b>Surplus (deficit) of capital funding (C - D)</b>	<b>(1,823)</b>	<b>(1,695)</b>	<b>(1,993)</b>
<b>Funding balance ((A - B) + (C - D))</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>Internal Loans</b>			
Opening Balance			2,527
Additions			0
Repayments			(155)
Closing Balance			<u>2,372</u>
Interest			101

#### Variations Explanation - 2012/13 actual compared to 2012/13 budget

- Delays in the timing of capital projects have caused reduction in the level of expenditure for replacement of current assets.



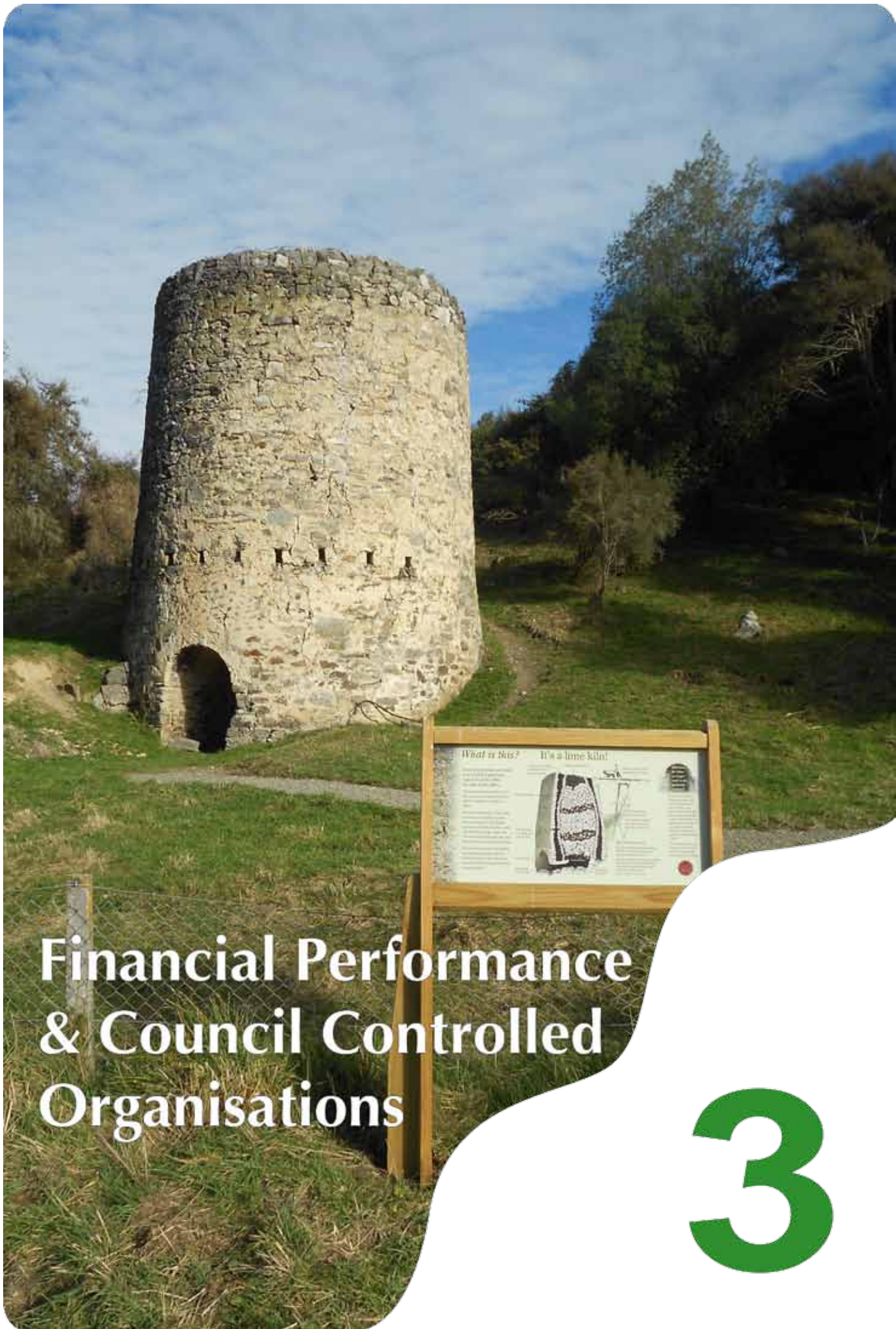


## Water Supply – Downlands Water Supply – Financial Information

### Timaru District Council:

#### Funding impact statement for 2012/13 for Downlands Water Supply

	<i>2011/12 Long-term plan (\$000)</i>	<i>2012/13 Long-term plan (\$000)</i>	<i>2012/13 Actual (\$000)</i>
<b>Sources of Operating Funding</b>			
General Rates, Uniform Annual General Charge, rates penalties			
Targeted Rates (Other than a targeted rate for water supply)	943	943	930
Subsidies and grants for operating purposes			
Fees, charges and targeted rates for water supply	0	0	1
Internal charges and overheads recovered			
Local authorities fuel tax, fines, infringement fees, and other receipts	85	111	72
<b>Total operating funding (A)</b>	<b>1,028</b>	<b>1,054</b>	<b>1,003</b>
<b>Applications of operating funding</b>			
Payments to staff and suppliers	423	404	336
Finance costs	0	0	0
Internal charges and overheads applied	115	117	111
Other operating funding applications			
<b>Total applications of operating funding (B)</b>	<b>538</b>	<b>521</b>	<b>447</b>
<b>Surplus (deficit) of operating funding (A - B)</b>	<b>490</b>	<b>533</b>	<b>556</b>
<b>Sources of capital funding</b>			
Subsidies and grants for capital expenditure			
Development and financial contributions	8	8	59
Increase (decrease) in debt	0	0	0
Gross proceeds from sale of assets			
Lump sum contributions			
<b>Total sources of capital funding (C)</b>	<b>8</b>	<b>8</b>	<b>59</b>
<b>Application of capital funding</b>			
Capital expenditure			
– to meet additional demand	57	0	0
– to improve the level of service	0	0	0
– to replace existing assets	841	772	591
Increase (decrease) in reserves	(400)	(231)	24
Increase (decrease) of investments			
<b>Total applications of capital funding (D)</b>	<b>498</b>	<b>541</b>	<b>615</b>
<b>Surplus (deficit) of capital funding (C - D)</b>	<b>(490)</b>	<b>(533)</b>	<b>(556)</b>
<b>Funding balance ((A - B) + (C - D))</b>	<b>0</b>	<b>0</b>	<b>0</b>



# Financial Performance & Council Controlled Organisations

3

## Section Overview

This section outlines the financial results of Council activities for 2012/13. It includes:

- *Statement of Comprehensive Income* - This can also be referred to as the Profit and Loss Statement, the Income Statement, or the Operating Statement. It shows the financial results of various Timaru District Council activities at the end of each period as either a surplus or deficit. It does not include asset purchases or disposals.
- *Statement of Changes in Equity* - Equity is the residual interest in the assets of Timaru District Council after the deduction of its liabilities. This statement shows movement in that interest.
- *Statement of Financial Position* - This shows the financial state of affairs at a particular time. It can also be referred to as the Balance Sheet.
- *Statement of Cashflows* - This describes the cash effect of transactions and is broken down into three components: operating, investing and financing activities.
- *Funding Impact Statement* - The Funding Impact Statement sets out the sources of operating and capital funding Council will use to fund its activities.
- *Notes to the Financial Statements* - The notes contain additional information to facilitate greater understanding of the main financial statements, outlined above.
- *Policy Reports* - reports against Council policies.
- *Council Controlled Organisations* - reports against the Council's CCO's policies, objectives, activities and performance targets.

# Statement of Comprehensive Income

for the year ended 30 June 2013

	Note	Council			Group	
		Actual 2013 \$000	Budget 2013 \$000	Actual 2012 \$000	Actual 2013 \$000	Actual 2012 \$000
<b>INCOME</b>						
Rates, excluding targeted water supply rates	3	39,465	38,855	36,057	39,152	35,768
Fees, charges and targeted rates for water supply		14,551	13,970	12,031	27,415	26,253
Development and financial contributions	38	31	20	18	31	18
Subsidies and grants	4	7,774	8,060	7,291	7,774	7,291
Finance Income	5	2,241	2,308	1,950	1,437	1,414
Other Revenue	6	5,828	5,034	5,763	10,472	13,127
Other gains/(losses)	7	1,490	-	(1,171)	2,392	(1,417)
<b>TOTAL INCOME</b>	2	71,380	68,247	61,939	88,673	82,454
<b>EXPENDITURE</b>						
Personnel costs	8	13,475	11,690	12,068	19,550	18,975
Operating costs	9	28,214	31,472	28,519	34,719	47,668
Finance costs	5	4,617	5,799	3,971	5,105	4,511
Depreciation and amortisation	16,17,18	14,009	16,830	13,804	15,775	17,367
<b>TOTAL OPERATING EXPENDITURE</b>	2	60,315	65,791	58,362	75,149	88,521
<b>OPERATING SURPLUS / (DEFICIT) BEFORE TAX</b>		11,065	2,456	3,577	13,524	(6,067)
Share of associate surplus/(deficit)		-	-	-	1,518	924
Library collection debit Revaluation Reserve balance (expensed)/written back	27	(53)	-	(110)	(53)	(110)
<b>SURPLUS / (DEFICIT) BEFORE TAX</b>		11,012	2,456	3,467	14,989	(5,253)
Income Tax expense	10	-	-	-	(426)	2,764
<b>SURPLUS / (DEFICIT) AFTER TAX</b>		11,012	2,456	3,467	14,563	(2,489)
<i>Surplus/(deficit) attributable to:</i>						
Timaru District Council		11,012	2,456	3,467	14,081	(373)
Non-controlling interest		-	-	-	482	(2,116)
<b>OTHER COMPREHENSIVE INCOME</b>						
Operating land revaluations		-	-	-	331	(1,144)
Financial instrument hedging		-	-	-	40	83
Income tax relating to financial instrument hedging		-	-	-	(11)	(26)
<b>TOTAL OTHER COMPREHENSIVE INCOME</b>		-	-	-	360	(1,087)
<b>TOTAL COMPREHENSIVE INCOME</b>		11,012	2,456	3,467	14,923	(3,576)
<i>Total comprehensive income attributable to:</i>						
Timaru District Council		11,012	2,456	3,467	14,338	(1,020)
Non-controlling interest		-	-	-	585	(2,556)

The accompanying accounting policies, notes and audit report should be read in conjunction with the financial statements

# Statement of Changes in Equity

for the year ended 30 June 2013

	Group 2013			Group 2012		
	Group 2013 \$000	Minority interests \$000	Total \$000	Group 2012 \$000	Minority interests \$000	Total \$000
Total comprehensive income	14,338	585	14,923	(1,020)	(2,556)	(3,576)
Prior year adjustment	0	0	0	(40)	0	(40)
<b>Total Income and Expense</b>	<b>14,338</b>	<b>585</b>	<b>14,923</b>	<b>(1,060)</b>	<b>(2,556)</b>	<b>(3,616)</b>
Shares issued	-	-	-	-	-	-
Dividends paid	-	-	-	-	-	-
Transaction with owners	-	-	-	-	-	-
Equity at the beginning of year	766,417	17,074	783,491	767,477	19,630	787,107
<b>Equity at end of year</b>	<b>780,755</b>	<b>17,659</b>	<b>798,414</b>	<b>766,417</b>	<b>17,074</b>	<b>783,491</b>

	Council	Council	Council
	Actual 2013 \$000	Budget 2013 \$000	Actual 2012 \$000
Total comprehensive income	11,012	2,456	3,467
Prior year adjustment	0	-	108
Total recognised income/(expense) for the year to 30 June	11,012	2,456	3,575
Equity at the beginning of year	709,115	708,422	705,540
<b>Equity at end of year</b>	<b>720,127</b>	<b>710,878</b>	<b>709,115</b>

The accompanying accounting policies, notes and audit report should be read in conjunction with the financial statements



# Statement of Financial Position

for the year ended 30 June 2013

	Note	Council			Group	
		Actual 2013 \$000	Budget 2013 \$000	Actual 2012 \$000	Actual 2013 \$000	Actual 2012 \$000
<b>ASSETS</b>						
<b>Current assets</b>						
Cash and cash equivalents	11	21,145	9,491	7,267	24,192	10,951
Trade and other receivables	12	7,048	6,946	8,973	9,387	11,676
Inventories	13	62	59	58	585	488
Other financial assets	14	9,319	6,272	15,698	10,269	16,648
<b>Total current assets</b>		<b>37,574</b>	<b>22,768</b>	<b>31,996</b>	<b>44,433</b>	<b>39,763</b>
<b>Non-current assets</b>						
Property, Plant and equipment	16	750,813	759,590	737,241	784,568	770,067
Intangible assets	17	1,718	1,023	1,223	1,718	1,223
Forestry	19	930	912	803	930	803
Investment Property	20	1,490	1,681	1,546	26,788	25,942
Investments in associates	21	-	-	-	54,808	53,290
Investment in CCOs and other similar entities	14	23,658	23,398	23,398	218	218
Other financial assets	14	7,766	8,473	9,557	7,766	9,557
Deferred tax	10	-	-	-	1,513	2,025
<b>Total non-current assets</b>		<b>786,375</b>	<b>795,077</b>	<b>773,768</b>	<b>878,309</b>	<b>863,125</b>
<b>Total assets</b>		<b>823,949</b>	<b>817,845</b>	<b>805,764</b>	<b>922,742</b>	<b>902,888</b>
<b>LIABILITIES</b>						
<b>Current liabilities</b>						
Trade and other payables	23	8,647	8,115	9,594	9,648	11,601
Employee benefit liabilities	24	1,882	1,300	1,860	2,387	2,601
Borrowings	26	17,855	15,044	24,373	36,855	34,373
Derivative financial instruments	15	549	-	940	549	940
<b>Total current liabilities</b>		<b>28,933</b>	<b>24,459</b>	<b>36,767</b>	<b>49,439</b>	<b>49,515</b>
<b>Non-current liabilities</b>						
Provisions	25	4,525	7,057	6,060	4,525	6,060
Employee benefit liabilities	24	449	350	463	449	463
Borrowings	26	68,076	75,101	50,500	68,076	60,500
Deferred tax liability	10	-	-	-	-	-
Derivative financial instruments	15	1,839	-	2,859	1,839	2,859
<b>Total non-current liabilities</b>		<b>74,889</b>	<b>82,508</b>	<b>59,882</b>	<b>74,889</b>	<b>69,882</b>
<b>Total Liabilities</b>		<b>103,822</b>	<b>106,967</b>	<b>96,649</b>	<b>124,328</b>	<b>119,397</b>
<b>Net assets</b>		<b>720,127</b>	<b>710,878</b>	<b>709,115</b>	<b>798,414</b>	<b>783,491</b>
<b>EQUITY</b>						
Retained earnings	27	692,330	690,835	684,510	742,960	732,071
Other reserves	27	27,797	20,043	24,605	37,795	34,346
<b>Total equity attributable to Timaru District Council</b>		<b>720,127</b>	<b>710,878</b>	<b>709,115</b>	<b>780,755</b>	<b>766,417</b>
Minority interest		-	-	-	17,659	17,074
<b>Total Equity</b>		<b>720,127</b>	<b>710,878</b>	<b>709,115</b>	<b>798,414</b>	<b>783,491</b>

The accompanying accounting policies, notes and audit report should be read in conjunction with the financial statements

# Statement of Cashflows

for the year ended 30 June 2013

	Note	Council			Group	
		Actual 2013 \$000	Budget 2013 \$000	Actual 2012 \$000	Actual 2013 \$000	Actual 2012 \$000
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>						
Cash was provided from						
Rates		39,294	39,255	35,138	39,022	34,887
Other Revenue		25,785	24,436	23,339	42,829	43,968
Interest		2,168	2,308	2,113	1,370	1,598
Dividends		2,320	2,208	2,094	3,639	3,634
		69,567	68,207	62,684	86,860	84,087
Cash was disbursed to						
Suppliers & Employees		(41,617)	(43,099)	(38,920)	(55,200)	(53,916)
Interest Paid		(4,526)	(5,799)	(3,755)	(4,783)	(4,320)
Redeemable Preference Share dividends		-	-	-	(490)	(816)
Income Tax Expense		-	-	-	(323)	(350)
Net GST Movement		824	-	(652)	640	(515)
		(45,319)	(48,898)	(43,327)	(60,156)	(59,917)
<b>NET CASH INFLOW/(OUTFLOW) FROM OPERATING ACTIVITIES</b>	28	24,248	19,309	19,357	26,704	24,170
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>						
Cash was provided from						
Sale of Fixed Assets and intangibles		121	719	360	261	678
Mortgage/Loan Repayments		205	220	225	200	220
Sale of Investments		15,698	17,299	9,672	15,698	10,762
		16,024	18,238	10,257	16,159	11,660
Cash was disbursed to						
Purchase of Fixed Assets and intangibles		(29,423)	(39,056)	(33,561)	(31,911)	(35,216)
Mortgage/Loan Advances		(40)	(215)	(16)	(40)	(16)
Purchase of Investments		(7,989)	(13,896)	(11,976)	(7,729)	(11,976)
		(37,452)	(53,167)	(45,553)	(39,680)	(47,208)
<b>NET CASH INFLOW/(OUTFLOW) FROM INVESTING ACTIVITIES</b>		(21,428)	(34,929)	(35,296)	(23,521)	(35,548)
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>						
Cash was provided from						
Debt Issues		35,000	23,009	23,000	35,000	32,000
Redeemable Preference Shares Issued		-	-	-	-	-
Shares Issued		-	-	-	-	-
		35,000	23,009	23,000	35,000	32,000
Cash was Disbursed To						
Debt Repayment		(23,624)	(7,377)	(9,100)	(24,624)	(10,600)
Redeemable Preference Shares Repaid		-	-	-	0	(10,000)
Dividend Paid		-	-	-	0	(129)
		(23,624)	(7,377)	(9,100)	(24,624)	(20,729)
<b>NET CASH INFLOW/(OUTFLOW) FROM FINANCING ACTIVITIES</b>		11,376	15,632	13,900	10,376	11,271
<b>NET INCREASE/(DECREASE) IN CASH HELD</b>		14,196	12	(2,039)	13,559	(107)
Opening Cash Balance 01 July		6,949	9,479	8,988	10,633	10,740
		21,145	9,491	6,949	24,192	10,633
<b>REPRESENTED BY</b>						
Cash & Cash Equivalents	11	21,145	9,491	6,949	24,192	10,633
		21,145	9,491	6,949	24,192	10,633

The accompanying accounting policies, notes and audit report should be read in conjunction with the financial statements



# Funding Impact Statement

## Timaru District Council: Funding impact statement for 2012/13 (whole of council)

	2012/13 Annual Plan (\$000)	2012/13 Actual (\$000)	2011/12 Annual Plan (\$000)	2011/12 Actual (\$000)
<b>Sources of Operating Funding</b>				
General Rates, Uniform Annual General Charge, rates penalties	11,531	10,625	11,194	11,238
Targeted Rates (Other than a targeted rate for water supply)	28,269	26,402	25,714	25,925
Subsidies and grants for operating purposes	3,263	4,218	3,617	3,492
Fees, charges and targeted rates for water supply	13,970	14,971	12,816	12,164
Internal charges and overheads recovered				
Local authorities fuel tax, fines, infringement fees, and other receipts	5,676	5,933	5,249	5,098
<b>Total operating funding (A)</b>	<b>62,709</b>	<b>62,149</b>	<b>58,590</b>	<b>57,917</b>
<b>Applications of operating funding</b>				
Payments to staff and suppliers	42,916	43,235	39,994	39,183
Finance costs	6,309	4,942	5,516	4,345
Internal charges and overheads applied				
Other operating funding applications	0	0	0	0
<b>Total applications of operating funding (B)</b>	<b>49,225</b>	<b>48,177</b>	<b>45,510</b>	<b>43,528</b>
<b>Surplus (deficit) of operating funding (A - B)</b>	<b>13,484</b>	<b>13,972</b>	<b>13,080</b>	<b>14,389</b>
<b>Sources of capital funding</b>				
Subsidies and grants for capital expenditure	6,424	5,089	8,118	6,217
Development and financial contributions	37	330	17	169
Increase (decrease) in debt	15,637	7,181	19,897	14,063
Gross proceeds from sale of assets	719	(256)	34	216
Lump sum contributions	0	0	0	0
<b>Total sources of capital funding (C)</b>	<b>22,817</b>	<b>12,344</b>	<b>28,066</b>	<b>20,665</b>
<b>Application of capital funding</b>				
Capital expenditure				
– to meet additional demand	708	1,090	4,740	4,071
– to improve the level of service	21,882	15,026	22,859	13,926
– to replace existing assets	16,467	11,826	22,105	16,722
Increase (decrease) in reserves	(2,756)	(1,637)	(8,558)	257
Increase (decrease) of investments	0	11	0	78
<b>Total applications of capital funding (D)</b>	<b>36,301</b>	<b>26,316</b>	<b>41,146</b>	<b>35,054</b>
<b>Surplus (deficit) of capital funding (C - D)</b>	<b>(13,484)</b>	<b>(13,972)</b>	<b>(13,080)</b>	<b>(14,389)</b>
<b>Funding balance ((A - B) + (C - D))</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>

The accompanying accounting policies, notes and audit report should be read in conjunction with the financial statements



# Statement of Financial Involvement in Council Controlled Organisations

Timaru District Council has control over the following entities:

- Timaru District Holdings Limited
- Port of Timaru Limited
- Aoraki Development Business and Tourism Ltd.

It has a significant interest in Alpine Energy Limited. Advances to subsidiaries includes loans to Timaru District Holdings Limited of \$22.2M on normal commercial terms (2012: \$22.2M).

The cost to each of the above enterprises for the financial interests, finance or financial assistance of the Council is as follows:

	<b>Dividends</b>	<b>Interest</b>	<b>Total</b>
	<b>2013</b>	<b>2013</b>	<b>2013</b>
	<b>\$000</b>	<b>\$000</b>	<b>\$000</b>
<b>Subsidiaries</b>			
Timaru District Holdings Limited	2,273	894	3,167
Port of Timaru Ltd	0	0	0
Timaru District Promotions Trust	0	0	0
Aoraki Development Trust	0	0	0
Aoraki Development Business and Tourism Ltd.	0	0	0
	2,273	894	3,167
<b>Associates</b>			
Alpine Energy Limited	0	0	0
	2,273	894	3,167
<b>Total</b>	2,273	894	3,167

## Timaru District Holdings Limited

Timaru District Holdings Limited (TDHL) was formed in October 1997 with the prime objective of providing an improved level of governance on behalf of the Council in respect of investment in various companies. TDHL has a 71.42% shareholding in PrimePort Timaru Limited, a 47.5% shareholding in local lines company Alpine Energy Limited and a 21% shareholding in Te Ana Whakairo Limited which established and now operates the Te Ana Ngai Tahu Rock Art centre in Timaru. The company's key performance measures/targets are as follows:

<b>Performance targets (Parent)</b>	<b>Target 2012/13</b>	<b>Actual 2012/13</b>
Net profit after tax to shareholders funds	25.36%	27.49%
Net Tangible Assets per share	\$10.21	\$10.41
Earnings per fully paid share	\$2.59	\$2.86
Dividend per fully paid share	\$2.17	\$2.27
Shareholders Funds to Total Assets	19.53%	19.78%

## Aoraki Development and Promotions Limited (trading as Aoraki Development Business and Tourism (ADBT))



Aoraki Development Business and Tourism (ADBT) is a Council Controlled Organisation focused on regional economic development and tourism promotion. It is 100% controlled by the Timaru District Council. From the 2012/13 ADBT Statement of Intent:

**Vision:** The Aoraki region is the place of choice to live, work, play and invest.

**Mission:** To facilitate and support smart, sustainable economic development.

### Objectives and Strategies:

- Effectively support existing businesses
- Provide an effective information hub for the District. (Business and Visitor)
- Facilitate & develop strategic partnerships to maximise District benefit
- Showcase and promote the District
- Attract, facilitate and support new businesses and initiatives for quantifiable benefit
- Facilitate forward planning for growth
- Stimulate competitive advantage through fostering a culture of innovation, education and District pride

A summary of some of the achievements against the objectives and strategies listed in the Statement of Corporate Intent 2012/13 is included below:

- Managed a range of support tools for local businesses, including Training Courses, Business Resources, and Business Mentoring. There were over 340 attendees for 24 courses run during the year. ADBT supported over 365 businesses during the year with aspects such as strategic planning, taxation and marketing advice.
- Supported initiatives and hosted events for three industry clusters - Export/Import, Primary Produce Innovation, and Education South Canterbury/International Education. Activity included Export Experience visits, workshops and newsletters.
- Provided quality information about the district through the [www.southcanterbury.org.nz](http://www.southcanterbury.org.nz) website, newsletters and brochures. Key initiatives during the year included the Tell A Friend campaign, new Events Hub and Transport Booking page and Business Excellence Awards
- Maintained strategic partnerships including the South Canterbury Chamber of Commerce, Young Enterprise Scheme, Regional Business partnerships and Business Leadership Forums
- Supported and assisted a number of key events including the South Canterbury Business Excellence Awards, Eagles Golf tournament, Masters Games and NZV8s.
- Prepared for and hosted four successful visit of cruise ships during the year
- Managed and enhanced visitor information services with nearly 8,000 financial transactions. There was

a complete review, restructure and repositioning of services with enhanced local focus.

- Sought funding for District initiatives and growth and assisted district businesses to achieve growth
- Assist and support long term economic development planning, including working with TDC on industrial zoning and events strategy and work to support key district agencies such as Aoraki Polytechnic and Primeport.
- Distributed \$85,000 of Regional Business Partner Funding to local businesses
- Developed and maintained effective working relationships with a range of local organisations including guest speakers, Business After 5's and ongoing liaison.
- Marketed the District via monthly updates in the High Country Herald, featuring destination highlights, key events and ADBT activity updates.

Full details can be found in the ADBT report against the Statement of Intent 2012/13.

# Notes to the Financial Statements

## 1. Statement of Accounting Policies for the year ended 30 June 2013

### REPORTING ENTITY

The Timaru District Council was formed on 1 November 1989 and is a territorial local authority governed by the Local Government Act 2002.

The Timaru District Council group consists of Timaru District Council and its subsidiaries, Timaru District Holdings Limited (100% owned), Timaru District Promotions Trust (100% owned), Aoraki Development Trust (100% owned), Aoraki Development Business and Tourism Ltd. (100% owned) and Downlands Water Supply Joint Venture (82% owned). Timaru District Holdings Limited owns subsidiary PrimePort Timaru Limited (71.42% owned) and associate companies Alpine Energy Limited (47.5% owned) and Te Ana Whakairo Limited (21%). Council also has an interest in the South Canterbury Rural Fire District and Canterbury Economic Development Company Limited. All of these entities are incorporated and domiciled in New Zealand.

The primary objective of Timaru District Council is to provide goods or services for the community or social benefit rather than making a financial return. Accordingly, Timaru District Council has designated itself and the group as public benefit entities for the purposes of New Zealand equivalents to International Financial Reporting Standards (NZ IFRS).

The financial statements of Timaru District Council are for the year ended 30 June 2013. The financial statements were authorised for issue by the Council on 29 October 2013.

### SIGNIFICANT ACCOUNTING POLICIES

#### BASIS OF PREPARATION

The financial statements of Timaru District Council have been prepared in accordance with the requirements of the Local Government Act 2002: Part 6, Section 98 and Part 3 of Schedule 10, which includes the requirement to comply with New Zealand generally accepted accounting practice (NZ GAAP).

These financial statements have been prepared in accordance with NZ GAAP. They comply with NZ IFRS, and other applicable Financial Reporting Standards, as appropriate for public benefit entities.

The financial statements have been prepared on an historical cost basis, except for the revaluation of Port operational land, investment properties, biological assets and financial instruments (including derivative instruments).

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

#### BASIS OF CONSOLIDATION

##### *Subsidiaries*

The Council consolidates in the group financial statements all entities where the Council has the capacity to control their financing and operating policies so as to obtain benefits from the activities of the subsidiary. This power exists where the Council controls the majority voting power on the

governing body or where such policies have been irreversibly predetermined by the Council or where the determination of such policies is unable to materially affect the level of potential ownership benefits that arise from the activities of the subsidiary.

The cost of a business combination is measured as the aggregate of:

- The consideration transferred, which is generally measured at acquisition date fair value;
- The amount of any non-controlling interest measured at either fair value or the non-controlling interest in the fair value of the net identifiable assets of the acquiree; and
- The acquisition date fair value of the previously held equity interest in the acquiree, if any.

Any excess of the cost of the business combination over the Council's interest in the net fair value of the identifiable assets, liabilities, and contingent liabilities is recognised as goodwill. If the Council's interest in the net fair value of the identifiable assets, liabilities, and contingent liabilities recognised exceeds the cost of the business combination, the difference will be recognised immediately in the surplus or deficit.

Investments in subsidiaries are carried at cost in the Council's parent entity financial statements.

##### *Associates*

Timaru District Council group holds a 47.50% shareholding in Alpine Energy Limited and a 21% shareholding in Te Ana Whakairo Limited and participates in their commercial and financial policy decisions.

The Council's associate investments are accounted for in the group financial statements using the equity method. An associate is an entity over which the Council has significant influence and that is neither a subsidiary nor an interest in a joint venture. The investment in an associate is initially recognised at cost and the carrying amount in the group financial statements is increased or decreased to recognise the group's share of the surplus or deficit of the associate after the date of acquisition. Distributions received from an associate reduce the carrying amount of the investment.

If the share of deficits of an associate equals or exceeds its interest in the associate, the group discontinues recognising its share of further deficits. After the group's interest is reduced to zero, additional deficits are provided for, and a liability is recognised, only to the extent that the Council has incurred legal or constructive obligations or made payments on behalf of the associate. If the associate subsequently reports surpluses, the group will resume recognising its share of those surpluses only after its share of the surpluses equals the share of deficits not recognised.

Where the group transacts with an associate, surplus or deficits are eliminated to the extent of the group's interest in the associate.

Dilution gains or losses arising from investments in associates are recognised in the surplus or deficit.



## **Joint Ventures**

A joint venture is a contractual arrangement whereby two or more parties undertake an economic activity that is subject to joint control. For jointly controlled assets, Council recognises in its financial statements its share of jointly controlled assets, the liabilities and expenses it incurs, its share of liabilities and expenses incurred jointly, and its share of income of the joint venture.

## **EQUITY & RESERVES**

Equity is the community's interest in the Council and is measured as the difference between total assets and total liabilities. Public equity is disaggregated and classed into a number of reserves to enable clearer identification of the specified uses that the Council makes of its accumulated surpluses. The components of equity are:

- Retained Earnings
- Restricted reserves
  - ◆ Special funds
- Asset revaluation reserves
- Fair value through other comprehensive income reserve
- Cash flow hedge reserve

Restricted reserves are a component of equity generally representing a particular use to which various parts of equity have been assigned. Reserves may be legally restricted or created by the Council.

Restricted Reserves are those reserves subject to specific conditions accepted as binding by the Council and which may not be revised by the Council without reference to the Courts or to a third party. Transfers from these reserves may be made only for certain specified purposes or when certain specified conditions are met.

Also included in restricted reserves are reserves restricted by Council decision. The Council may alter them without reference to any third party or the Courts. Transfers to and from these reserves are at the discretion of the Council.

Timaru District Council's objectives, policies and processes for managing capital are described in Note 33.

## **INVESTMENTS**

Management determines the classification of its investments at initial recognition and re-evaluates this designation at every reporting date. The classification depends on the purpose for which the investments were acquired.

### **Term Deposits**

Term Deposits are classified as Loans and Receivables and measured at amortised cost.

### **Investments in debt and quoted equity securities**

Investments in debt and quoted equity securities are financial instruments classified as held for trading and are measured at fair value at balance date. Any resultant gains or losses are recognised in the surplus or deficit for the period.

### **Investment in Subsidiaries**

Investment in Subsidiaries are included in the parent entity at cost less any impairment losses.

## **Community loans**

Community loans at subsidised interest rates are fair valued on initial recognition based on the present value of all future cash receipts discounted using the prevailing market rate for similar instruments. The resulting loss on initial recognition is taken to the surplus or deficit. In subsequent periods this loss is amortised back through the surplus or deficit.

### **Other – Investments (Unquoted equity investments)**

Other investments held by the Council are classified as being available-for-sale and are stated at lower of cost and net realisable value, with any resultant gain or loss being recognised directly in equity, except for impairment losses. When these investments are derecognised, the cumulative gain or loss previously recognised directly in equity is recognised through the surplus or deficit.

## **TAXATION**

The tax expense represents the sum of the tax currently payable and deferred tax.

Current taxation is the amount of income tax payable based on the taxable profit for the current year, plus any adjustments to income tax payable in respect of prior years. Current tax is calculated using rates that have been enacted at balance date.

Deferred tax is the amount of income tax payable or recoverable in future periods in respect of temporary differences. Deferred tax liabilities are generally recognised for all temporary differences. Deferred tax assets are recognised to the extent that it is probable that taxable profits will be available against which the deductible temporary differences can be utilised.

Deferred tax is calculated at the tax rates that are expected to apply in the period when the liability is settled or the asset is realised.

Current tax and deferred tax is recognised against the surplus or deficit, except when it relates to items charged or credited directly to equity or other comprehensive income, in which case the deferred tax is also dealt with in equity or other comprehensive income respectively.

## **INTANGIBLE ASSETS**

Acquired computer software licences are capitalised on the basis of costs incurred to acquire and bring to use the specific software. These costs are amortised over their estimated useful lives. The useful lives and associated amortisation rates of software has been estimated at 3- 5 years (20% - 33%).

Costs associated with developing or maintaining software programmes are recognised as an expense as incurred.

Purchased carbon credits are recognised at cost on acquisition. They are not amortised, but are instead tested for impairment annually. They are derecognised when they are used to satisfy carbon emission obligations.

## **PROPERTY, PLANT & EQUIPMENT - VALUATION**

Timaru District Council has the following classes of Property, Plant and Equipment:

- Operational assets –



- ◆ Council related Land
- ◆ Port related Land
- ◆ Council Buildings and Building Improvements
- ◆ Port related Buildings and Roading
- ◆ Airport Improvements
- ◆ Parks and Pools Plant and Equipment
- ◆ Plant and Equipment, including Motor Vehicles
- ◆ Furniture and Office Equipment
- ◆ Library Books
- ◆ Art Works
- ◆ Port Foreshore, sidings and breakwaters
- ◆ Wharves
- Infrastructure assets -
  - ◆ Sewer, stormwater, water
  - ◆ Roads, bridges and lighting
  - ◆ Land under roads
  - ◆ Port dredging
  - ◆ Port swing basin
 Infrastructure assets are the fixed utility systems owned by the Council.
- Heritage assets
- Restricted assets - Restricted assets are parks and reserves owned by the Council, which provide a benefit or service to the community and cannot be disposed of because of legal or other restrictions.

#### **Council Land**

Land, other than airport land, has been stated at its deemed cost, which is fair value as valued by I Fairbrother ANZIV of QV Valuations as at 1 July 2005.

Airport land has been stated at its deemed cost, which is fair value as valued by B Dench ANZIV of QV Valuations as at 1 July 2005.

Acquisitions subsequent to 1 July 2005 are at cost.

#### **Port Related Land**

Port related land is valued as at 30 June 2013 by GR Sellers FNZIV, FNZPI, a registered valuer with Colliers International. The valuation is based on fair value which is equivalent to freehold land value.

#### **Council Buildings and Building improvements**

Buildings and Building Improvements, have been stated at their deemed cost, which is fair value as valued by I Fairbrother ANZIV of QV Valuations as at 1 July 2005.

Acquisitions subsequent to 1 July 2005 are at cost.

#### **Port related Buildings and Roading**

Port related buildings and roading are at cost less provision for depreciation.

#### **Airport improvements**

Airport improvements, including runway, have been stated at their deemed cost, which is Optimised Depreciated Replacement Cost as valued by B Dench ANZIV of QV Valuations as at 1 July 2005.

Acquisitions subsequent to 1 July 2005 are at cost.

#### **Parks and Pools plant and equipment**

Parks and Pools plant and equipment assets, are stated at their deemed cost which is optimised depreciated replacement cost valued as at 1 July 2005 by Maunsell Limited, valuers.

Acquisitions subsequent to 1 July 2005 are at cost.

#### **Plant and Equipment (including motor vehicles)**

Plant and Equipment (including motor vehicles) are at cost less provision for depreciation.

#### **Furniture and Office Equipment**

Furniture and Office Equipment have been stated at their deemed cost which is the assessed fair value at 1 July 2005 based on the 1 July 1993 indemnity value by Morton & Co Limited, valuers and acquisitions 1 July 1993 to 1 July 2005 at cost.

Acquisitions subsequent to 1 July 2005 are at cost.

#### **Library books**

The Timaru District Library, Temuka Library and Geraldine Library collections have been revalued as at 30 June 2013 at depreciated replacement cost calculated by the District Librarian in accordance with the library collection valuation guidelines prepared by the New Zealand Library Association in May 1992.

The Library collections are revalued on an annual basis.

#### **Art Works**

Art Works are stated at their deemed cost which is the assessed fair value at 1 July 2005 based on the 1 April 1992 insurance value by the Art Gallery Director, and acquisitions 1 April 1992 to 1 July 2005 at cost.

Acquisitions subsequent to 1 July 2005 are at cost.

#### **Sewer, Stormwater, Water**

Sewer, stormwater and water assets, are stated at their deemed cost which is optimised depreciated replacement cost valued as at 1 July 2005 by Maunsell Limited, valuers.

Acquisitions subsequent to 1 July 2005 are at cost.

#### **Roads, Bridges and Lighting**

Roads, bridges and lighting are stated at their deemed cost which is optimised depreciated replacement cost valued as at 1 July 2005 by Maunsell Limited, valuers.

Acquisitions subsequent to 1 July 2005 are at cost.

#### **Land under Roads**

Land under roads has been stated at their deemed cost which is at an average of adjacent "undeveloped land value" valued as at 1 July 2005 by Maunsell Limited.

Acquisitions subsequent to 1 July 2005 are at cost.

#### **Port Dredging**

Port dredging is at cost.

#### **Port Swing basin**

Port swing basin is at cost less provision for depreciation.



### **Heritage Assets**

Significant statues are stated at their deemed cost which is optimised depreciated replacement cost valued as at 1 July 2005 by Maunsell Limited, valuers. Other heritage type assets such as museum exhibits have not been valued.

Acquisitions subsequent to 1 July 2005 are at cost.

### **CAPITAL WORK IN PROGRESS**

Capital works in progress are not depreciated. The total cost of a project is transferred to the relevant asset class on completion and then depreciated.

### **FORESTRY ASSETS**

Forestry Assets are valued annually as at 30 June at fair value less estimated point of sale costs. Fair value is determined by the estimated worth of the maturing tree stocks in the Council's forests. The valuation method adopted is based on cash flows on a single rotation basis discounted at a market based pre-tax rate. The changes in fair value of the Forestry Assets are included in the surplus or deficit.

The costs to maintain the forestry assets are included in the surplus or deficit when incurred.

### **LANDFILL ASSETS**

Landfill assets being earthworks, plant and machinery and the estimate of site restoration, are stated at cost less any accumulated depreciation and any accumulated impairment losses. The useful life of the land-fill is considered to be the period of time to the expiring of the resource consent in 2030.

### **IMPAIRMENT**

The carrying amount of the non current assets, other than investment property and deferred tax assets, are reviewed at each balance sheet date to determine whether there is any indication of impairment. An impairment loss is recognised whenever the carrying amount of an asset exceeds its recoverable amount. Impairment losses are recognised in the surplus or deficit.

### **NON CURRENT ASSETS HELD FOR RESALE**

Non current assets are classified as held for sale if their carrying amount will be recovered through a sale transaction rather than through continuing use. This condition is only met when the sale is highly probable and the asset is available for immediate sale in its present condition. Management must be committed to the sale, which should be expected to qualify for recognition as a completed sale within one year from the date of classification.

Non current assets classified as held for sale are measured at the lower of the asset's previous carrying amount and fair value less costs to sell.

Non current assets are not depreciated or amortised while they are classified as held for sale.

### **INVESTMENT PROPERTY**

Investment properties are properties which are held either to earn rental income or for capital appreciation or both. Investment properties are stated at fair value as determined annually by independent valuers with any gain or loss arising

from a change in fair value being recognised in the surplus or deficit.

### **LOANS**

Loans are classified as other liabilities and are recognised initially at fair value less attributable transaction costs. Subsequent to initial recognition, loans are stated at amortised cost with any difference between fair value at acquisition and maturity value being recognised in the surplus or deficit over the period of the borrowings on an effective interest basis.

### **EMPLOYEE ENTITLEMENTS**

Entitlements to salary and wages and annual leave are recognised when they accrue to employees. Provision is made in respect of the Council's liability for annual leave, long service leave, retirement gratuities and sick leave. Council accrued retiring gratuities and accrued long service leave are calculated based on an actuarial valuation using current rates of pay taking into account years of service, years to entitlement and the likelihood staff will reach the point of entitlement. Port long service leave accrued has been estimated based on managements assumptions of expected tenure of employment. Annual leave entitlements have been calculated on an actual entitlement basis at current rates of pay. Sick leave entitlements are measured as the amount of unused entitlement accumulated at balance sheet date that the Council anticipates employees will use in future periods, in excess of the days that they will be entitled to in each of those periods. Obligations for contributions to Kiwisaver and superannuation schemes are recognised as an expense in the surplus or deficit as incurred. All employer superannuation contributions are made to defined contribution schemes.

### **PROVISION FOR LANDFILL POST CLOSURE COSTS**

A provision for post-closure costs is recognised as a liability when the obligation for post-closure arises.

The provision is measured based on the present value of the future cashflows expected to be incurred, taking into account future events including new legal requirements and known improvements in technology. The provision includes all costs associated with landfill post-closure.

Amounts provided for landfill post-closure are capitalised to the landfill asset where they give rise to future economic benefits to be obtained. Components of the capitalised landfill asset are depreciated over their useful lives.

The discount rate used is a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the Council.

### **CASH AND CASH EQUIVALENTS**

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

### **TRADE AND OTHER RECEIVABLES**

Trade and other receivables are initially measured at fair value and subsequently measured at amortised cost using the effective interest method, less and provision for impairment.

Loans, including loans to community organisations made by Council at below-market interest rates are initially recognised



at the present value of their expected cash flows, discounted at the current market rate of return for a similar asset/ investment. They are subsequently measured at amortised cost using the effective interest method. The difference between the face value and present value of expected future cash flows of the loan is recognised in the surplus or deficit.

A provision for impairment of receivables is established when there is objective evidence that the Council will not be able to collect all amounts due according to the original terms of receivables. The amount of the provision is the difference between the asset's carrying value and the present value of estimated future cash flows, discounted using the effective interest method.

## INVENTORIES

Inventories are stated at the lower of cost and net realisable value. Cost is calculated using the weighted average method. Net realisable value represents the estimated selling price less all estimated costs of completion and costs to be incurred in marketing, selling and distribution.

Cost comprises direct materials and, where applicable, direct labour costs and those overheads that have been incurred in bringing the inventories to their present location and condition.

## GOODS & SERVICES TAX

These financial forecasts have been prepared on a GST exclusive basis with the exception of Accounts Receivable and Accounts Payable, which are stated on a GST inclusive basis. When GST is not recoverable as an input tax then it is recognised as part of the related asset or expense.

The net amount of GST paid to, or received from the Inland Revenue Department (IRD) is included as part of receivables or payables in the Statement of Financial Position.

## REVENUE RECOGNITION

### *Sales by Trading Activities*

Sales comprise amounts received and receivable for goods and services supplied to customers in the ordinary course of business.

Revenue from the sale of goods is recognised in the surplus or deficit when the significant risks and rewards of ownership have been transferred to the owner. Revenue from services rendered is recognised in the surplus or deficit in proportion to the stage of completion of the transaction at the balance sheet date.

### *Rates Revenue*

Rates are set annually by a resolution from Council and relate to a financial year. All ratepayers are invoiced within the financial year to which the rates have been set. Rates revenue is recognised when payable.

### *Vested Assets*

Certain infrastructural assets have been vested to the Council as part of the subdivisional consent process. Such vested Assets are recognised as revenue when the significant risks and rewards of ownership have been transferred to the Council

and when the obligation to accept the transfer of the assets to the Council has been determined. Vested infrastructural assets have been valued based on the actual quantities of infrastructural components vested and the current "in the ground" cost of providing the identical services.

Other grants, bequests and assets vested in Council, irrespective of the conditions attached to vesting, are recognised as revenue when control over the assets is obtained.

### *New Zealand Transport Agency contributions*

New Zealand Transport Agency contributions are recognised as revenue upon entitlement, which is when conditions pertaining to eligible expenditure have been met.

### *Interest Income*

Interest income is recognised in the surplus or deficit as it accrues, using the effective interest method.

### *Dividend income*

Dividends are recognised when the shareholders' rights to receive payment have been established.

### *Agency income*

Where revenue is derived by acting as an agent for another party, the revenue that is recognised is the commission or fee on the transaction.

## PROPERTY, PLANT & EQUIPMENT - DEPRECIATION

Depreciation is provided on a basis that will write off the cost or valuation of the assets, other than land, less their estimated residual values over their estimated useful lives.

Depreciation has been provided at the following rates.

Council and Port related Land	Nil
Council Buildings and Building improvements	1-30% Straight Line
Port related Buildings and Rooding	2-5% Straight Line
Airport Improvements	2-50% Straight Line
Parks and pools plant and equipment	2-33% Diminishing Value
Plant and Equipment	10-50% Diminishing Value
Motor Vehicles	5-25% Diminishing Value
Furniture and Office Equipment	20-50% Diminishing Value
Library Collections	0-12.5% Straight Line (0% permanent retention collection 12.5% current collection)
Art Works	Nil
Water	1-33% Straight Line
Sewerage	1-6% Straight Line
Stormwater	1-4% Straight Line



Roading	1-50% Straight Line
Bridges	1-3% Straight Line
Lighting	6-8% Straight Line
Port Swing basin	20% Straight Line
Land under Road	Nil
Heritage assets	1-7% Straight Line

### **Dredging**

Dredging expenditure is categorised into maintenance dredging and capital dredging.

Maintenance dredging is expenditure incurred to restore the channel to a previous condition and depth. On average the port dredges the channel every 10 months. At the completion of maintenance dredging the channel has an average service potential of 10 months. Maintenance dredging expenditure is capitalised and amortised evenly over this period.

Capital dredging is expenditure which deepens or extends either the channel or the swing basin. This expenditure is not amortised as the maintenance programme ensures that channel and swing basin depth remains at dredged levels.

All dredging is reviewed for impairment when it is felt by management that events occurring may have diminished the depth of any previous dredging.

### **LEASES**

Leases in which substantially all of the risks and rewards of ownership transfer to the lessee are classified as finance leases. At inception, finance leases are recognised as assets and liabilities on the Statement of Financial Position at the lower of the fair value of the leased asset and the present value of the minimum lease payments. Lease payments are apportioned between finance charges and reduction of the lease obligation so as to achieve a constant rate of interest on the remaining balance of the liability. Any additional direct costs of the lessee are added to the amount recognised as an asset. Subsequently assets leased under a finance lease are depreciated as if the assets are owned.

Payments made under operating leases are recognised in the surplus or deficit on a straight-line basis over the term of the lease.

### **BORROWING COSTS**

Borrowing costs are recognised as an expense in the period in which they are incurred. The council has elected to defer the adoption of NZ IAS 23 Borrowing Costs (Revised 2007) in accordance with its transitional provisions that are applicable to public benefit entities.

Borrowing costs are capitalised on qualifying assets with a commencement date on or after 1 July 2012 for PrimePort Limited. The company did not capitalise any borrowing costs in the current year, as it did not have any qualifying assets in terms of its accounting policy.

### **DERIVATIVE FINANCIAL INSTRUMENTS**

The Council is risk averse, and seeks to minimise exposure arising from its treasury activity.

The Council uses derivative financial instruments to manage its exposure to interest rate risks. In accordance with the Investment Policy and Liability Management Policy, the Council does not hold or issue derivative financial instruments for trading purposes. Derivative financial instruments are recognised initially at fair value. Subsequent to initial recognition, derivative financial instruments are stated at fair value with the gain or loss on re-measurement to fair value recognised immediately in the surplus or deficit. The fair value of interest rate swaps is the estimated amount that the Council would receive or pay to terminate the swap at balance sheet date, taking into account current interest rates and the current creditworthiness of the swap counterparties.

Where a Port related derivative financial instrument is designated as a cash flow hedge that is a hedge of the exposure to variability in cash flows that is (i) attributable to a particular risk associated with a recognised asset or liability, or a highly probably forecast transaction and (ii) could affect surplus or deficit, the effective part of any movement in fair value is recognised directly in equity. When the forecasted transaction subsequently results in a non-financial asset or liability the associated gains or losses are included in the carrying value of the non-financial asset or liability. If the hedge subsequently results in a financial asset or liability the associated gain or losses are reclassified into the surplus or deficit in the same period. However, if it is expected that all or a portion of a loss recognised in other comprehensive income will not be recovered in one or more future periods, the amount that is not expected to be recovered is reclassified to the surplus or deficit.

### **FOREIGN CURRENCIES**

Transactions in foreign currencies are converted at the New Zealand rate of exchange ruling at the date of the transaction. Transactions covered by foreign currency forward exchange contracts are measured and reported at the forward rates specified in those contracts.

At balance date foreign monetary assets and liabilities are translated at the closing rate, and exchange variations arising from these translations are included in the surplus or deficit.

### **STATEMENT OF CASHFLOWS**

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

Operating activities include cash received from all revenue sources of the Council, and expenditure payments made for the supply of goods and services. Agency transactions such as collection of regional council rates are not recognised as receipts and payments in the Statement of Cash Flows.

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

Financing activities are those activities relating to the changes in equity, and debt structure of the Council.





## BUDGET FIGURES

The budget figures are those approved by Council at the beginning of the financial year in the annual plan or long term plan. The budget figures have been prepared in accordance with NZ GAAP, using accounting policies that are consistent with those adopted by Timaru District Council for the preparation of the financial statements.

## COST ALLOCATION

Timaru District Council has derived the cost of service for each significant activity of Council using the cost allocation system outlined below.

Direct costs are those costs directly attributable to a significant activity and these costs are charged directly to the significant activity.

Indirect costs are those costs which can not be identified in an economically feasible manner, with a significant activity. Indirect costs are allocated to significant activities based on the services provided.

## CRITICAL ACCOUNTING ESTIMATES AND ASSUMPTIONS

In preparing these financial statements, Timaru District Council and Group have made estimates and assumptions concerning the future. These estimates and assumptions may differ from the subsequent actual results. Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations or future events that are believed to be reasonable under the circumstances.

All policies have been applied on a consistent basis with the previous year.

## STANDARDS, AMENDMENTS, AND INTERPRETATIONS ISSUED THAT ARE NOT YET EFFECTIVE AND HAVE NOT BEEN EARLY ADOPTED

Standards, amendments, and interpretations issued but not yet effective that have not been early adopted, and which are relevant to the Council and group, are:

- NZ IFRS 9 Financial Instruments will eventually replace NZ IAS 39 Financial Instruments: Recognition and Measurement. NZ IAS 39 is being replaced through the following 3 main phases: Phase 1 Classification and Measurement, Phase 2 Impairment Methodology, and Phase 3 Hedge Accounting. Phase 1 on the classification and measurement of financial assets has been completed and has been published in the new financial instrument standard NZ IFRS 9. NZ IFRS 9 uses a single approach to determine whether a financial asset is measured at amortised cost or fair value, replacing the many different rules in NZ IAS 39. The approach in NZ IFRS 9 is based on how an entity manages its financial instruments (its business model) and the contractual cash flow characteristics of the financial assets. The financial liability requirements are the same as those of NZ IAS 39, except for when an entity elects to designate a financial liability at fair value through the surplus/deficit. The new standard is required to be adopted for the year ended 30 June 2016. However, as a new Accounting Standards Framework will apply before this date, there is

no certainty when an equivalent standard to NZ IFRS 9 will be applied by public benefit entities.

- The Minister of Commerce has approved a new Accounting Standards Framework (incorporating a Tier Strategy) developed by the External Reporting Board (XRB). Under this Accounting Standards Framework, the Council will be eligible to apply the reduced disclosure regime (Tier 2 reporting entity) of the public sector Public Benefit Entity Accounting Standards. The effective date for the new standards for public sector entities is for reporting periods beginning on or after 1 July 2014. Therefore, the Council will transition to the new standards in preparing its 30 June 2015 financial statements. The Council has not assessed the implications of the new Accounting Standards Framework at this time.
- Due to the change in the Accounting Standards Framework for public benefit entities, it is expected that all new NZ IFRS and amendments to existing NZ IFRS will not be applicable to public benefit entities. Therefore, the XRB has effectively frozen the financial reporting requirements for public benefit entities up until the new Accounting Standard Framework is effective. Accordingly, no disclosure has been made about new or amended NZ IFRS that exclude public benefit entities from their scope.

## 2. Summary of Income and Expenditure for Groups of Activities

	<b>Council</b>		
	<b>Actual 2013 \$000</b>	<b>Budget 2013 \$000</b>	<b>Actual 2012 \$000</b>
<b>Income</b>			
Rates	39,465	38,855	36,057
Corporate Support	7,610	6,221	4,203
Democracy	3	6	4
Community Support	1,964	1,632	1,408
District Planning and Regulatory Services	2,805	2,496	2,491
Recreation and Leisure	4,600	4,075	3,552
Sewer	2,498	2,015	2,189
Stormwater	199	50	73
Transport	8,601	9,094	8,266
Waste Minimisation	1,902	2,172	2,126
Water Supply	1,733	1,631	1,570
<b>Total Income</b>	<b>71,380</b>	<b>68,247</b>	<b>61,939</b>
<b>Expenditure</b>			
Corporate Support	1,905	2,228	1,901
Democracy	2,899	2,900	2,943
Community Support	4,037	4,316	3,715
District Planning and Regulatory Services	3,571	3,588	3,477
Recreation and Leisure	13,572	13,607	10,723
Sewer	7,395	8,401	6,911
Stormwater	1,312	1,340	1,161
Transport	13,745	15,139	13,411
Waste Minimisation	5,397	7,512	8,032
Water Supply	6,482	6,760	6,088
<b>Total Expenditure</b>	<b>60,315</b>	<b>65,791</b>	<b>58,362</b>

This shows a breakdown of the Total Income and Operating Expenditure, as shown on the Statement of Comprehensive Income, between each Group of Activities.

### 3. Rates, excluding Targeted Water Supply Rates

	<b>Council</b>	
	<b>Actual 2013</b>	<b>Actual 2012</b>
	\$000	\$000
General and District Works and Services Rates	20,223	17,577
Targeted rates attributable to activities:		
Water, excluding water supply rates	5,201	5,243
Sewerage	5,795	5,153
Solid Waste	5,390	4,996
Community Works and Services	2,280	2,602
Rates Penalties	576	486
Total revenue from rates, excluding water supply rates	39,465	36,057

The Council is required by the LGFA Guarantee and Indemnity Deed to disclose in its financial statements (or notes) its annual rates income. That Deed defines annual rates income as an amount equal to the total revenue from any funding mechanism authorised by the Local Government (Rating Act) 2002 together with any revenue received by the Council from other local authorities for services provided by that Council for which those other Local Authorities rate. The annual rates income of the Council for the year ended 30 June 2013 for the purpose of the LGFA Guarantee and Indemnity Deed disclosure is shown below:

	<b>Council</b>	
	<b>Actual 2013</b>	<b>Actual 2012</b>
	\$000	\$000
Rates, excluding targeted water supply rates	39,465	36,057
Targeted water supply rates	1,530	1,335
	40,995	37,392

### 4. Subsidies and grants

	<b>Council</b>		<b>Group</b>	
	<b>Actual 2013</b>	<b>Actual 2012</b>	<b>Actual 2013</b>	<b>Actual 2012</b>
	\$000	\$000	\$000	\$000
New Zealand Transport Agency Roadway subsidies	7,264	6,889	7,264	6,889
Other subsidies and grants	510	402	510	402
	7,774	7,291	7,774	7,291

There are no unfulfilled conditions and other contingencies attached to government grants recognised.

## 5. Finance income and Finance costs

	Council		Group	
	Actual 2013 \$000	Actual 2012 \$000	Actual 2013 \$000	Actual 2012 \$000
<b>Finance Income</b>				
Interest Income				
Term deposits	328	409	418	497
Related party loans	894	624	-	-
Community Loans	14	20	14	20
Investments in debt securities	1,005	897	1,005	897
<b>Total Finance Income</b>	<b>2,241</b>	<b>1,950</b>	<b>1,437</b>	<b>1,414</b>
<b>Finance Costs</b>				
Interest Expense				
Interest Expense on borrowing	4,617	3,971	5,105	4,511
<b>Total Finance Costs</b>	<b>4,617</b>	<b>3,971</b>	<b>5,105</b>	<b>4,511</b>

## 6. Other Revenue

	Council		Group	
	Actual 2013 \$000	Actual 2012 \$000	Actual 2013 \$000	Actual 2012 \$000
Rental income from investment properties	105	110	3,249	2,937
Petrol tax	467	444	467	444
Dividend Income	2,321	2,094	3,640	3,633
Vested assets	354	-	354	-
Other	2,581	3,115	2,762	6,113
<b>Total Other Revenue</b>	<b>5,828</b>	<b>5,763</b>	<b>10,472</b>	<b>13,127</b>

## 7. Other gains/(losses)

	Council		Group	
	Actual 2013 \$000	Actual 2012 \$000	Actual 2013 \$000	Actual 2012 \$000
Gain/(loss) on changes in fair value of forestry assets (Note 19)	278	(53)	278	(53)
Gain/(loss) on disposal of property, plant & equipment	(267)	195	(267)	195
Gain on changes in fair value of investment property (Note 20)	68	-	970	(246)
Gain/(loss) on changes in fair value of derivative financial instruments	1,411	(1,313)	1,411	(1,313)
<b>Total gains/(losses)</b>	<b>1,490</b>	<b>(1,171)</b>	<b>2,392</b>	<b>(1,417)</b>

## 8. Personnel Costs

	Council		Group	
	Actual 2013 \$000	Actual 2012 \$000	Actual 2013 \$000	Actual 2012 \$000
Salaries and wages	13,168	11,693	19,296	18,352
Defined contribution plan employer contributions	299	259	482	454
Increase/(decrease) in employee benefit liabilities	8	116	(228)	169
<b>Total Personnel Costs</b>	<b>13,475</b>	<b>12,068</b>	<b>19,550</b>	<b>18,975</b>

Employer contributions to defined contributions plans include contributions to Kiwisaver.

## 9. Other expenses

	Council		Group	
	Actual 2013 \$000	Actual 2012 \$000	Actual 2013 \$000	Actual 2012 \$000
<u>Expenses include:</u>				
<i>Fees to principle auditor</i>				
Audit fees for financial statement audit	110	105	176	170
Audit fees for Long Term Plan audit	-	80	-	-
Fees to other auditors	-	-	6	13
Donations	-	-	5	-
Impairment of receivables (Note 12)	(111)	9	(111)	9
Bad debts written off	61	26	61	36
Rates remissions	120	124	120	124
Impairment of property, plant & equipment (Note 16)	-	-	-	10,100
Minimum lease payments under operating leases	203	197	1,742	1,737
Direct expenses from investment property generating income	5	7	1,757	1,669
Other operating expenses	27,826	27,971	30,963	33,810
<b>Total Other Expenses</b>	<b>28,214</b>	<b>28,519</b>	<b>34,719</b>	<b>47,668</b>

## 10. Tax

	Council		Group	
	Actual 2013 \$000	Actual 2012 \$000	Actual 2013 \$000	Actual 2012 \$000
Surplus/(deficit) before tax	11,012	3,467	14,989	(5,253)
Tax at 28% (2012: 28%)	3,304	1,040	4,497	(1,576)
Adjustments to current tax	(3,304)	(1,040)	(4,923)	(1,188)
Tax expense/(benefit)	-	-	(426)	(2,764)
Comprising of:				
Current tax	-	-	(61)	162
Deferred tax	-	-	333	(2,926)
Deferred tax effect of tax rate change to 28%	-	-	-	-
Prior period adjustment	-	-	154	-
	-	-	426	(2,764)
Deferred tax benefit/(liability)				
Opening balance	-	-	2,025	(871)
Temporary differences				
Long Term assets	-	-	(428)	3,053
Prior period adjustment - Long Term assets	-	-	(168)	(4)
Employee entitlements	-	-	(10)	24
Others	-	-	94	(177)
Closing Balance	-	-	1,513	2,025
Future tax benefit/(deferred taxation) is represented by:				
Long Term assets	-	-	1,153	1,735
Employee entitlements	-	-	131	155
Tax losses	-	-	-	-
Others	-	-	229	135
	-	-	1,513	2,025

During the year, Timaru District Council made subvention payments to Timaru District Holdings Limited of \$623,834 (2012: \$690,749). As at 30 June 2013, subvention payments of \$893,891 (2012: \$623,834) to Timaru District Holdings Limited, are payable by Timaru District Council.

The Council's subsidiaries have imputation credits of \$10,275,000 (2012: \$9,773,000) which can be used to impute dividend payments to the Council.

## 11. Cash and cash equivalents

	Council		Group	
	Actual 2013 \$000	Actual 2012 \$000	Actual 2013 \$000	Actual 2012 \$000
Cash at bank and in hand	550	13	2,196	2,707
Short term deposits maturing 3 months or less from date of acquisition	20,595	7,254	21,996	8,244
Total cash and cash equivalents	21,145	7,267	24,192	10,951

The carrying value of short-term deposits with maturity dates of 3 months or less approximates their fair value.

The total value of cash and cash equivalents that can only be used for a specified purpose as outlined in the relevant trust deeds is \$9,100,000 (2012: \$656,000).

Cash and bank overdrafts include the following for the purpose of cash flow statement:

Cash at bank and in hand	550	13	2,196	2,707
Short term deposits maturing 3 months or less from date of acquisition	20,595	7,254	21,996	8,244
Bank overdrafts (Note 26)	-	(318)	-	(318)
	21,145	6,949	24,192	10,633

## 12. Debtors and other receivables

	Council		Group	
	Actual 2013 \$000	Actual 2012 \$000	Actual 2013 \$000	Actual 2012 \$000
Rates receivables	2,287	2,096	2,287	2,096
Other receivables	3,590	5,611	6,684	8,791
Related party receivables (Note 30)	894	624	-	-
Prepayments	356	771	506	929
	7,127	9,102	9,477	11,816
less provision for impairment of receivables	(79)	(129)	(90)	(140)
	7,048	8,973	9,387	11,676

### *Fair value*

Debtors and other receivables are non-interest bearing and receipt is normally on 30 day terms, therefore their carrying value approximates their fair value.

### *Impairment*

As at 30 June 2013 and 2012, all overdue receivables have been assessed for impairment and appropriate provisions applied. Timaru District Council does not hold collateral as security or other credit enhancements over credit enhancements over receivables that are either past due or impaired.

Timaru District Council has various powers under the Local Government (Rating) Act 2002 to recover any outstanding debt. Ratepayers can apply for payment plan options in special circumstances. Where such repayment plans are in place, debts are discounted to their present value of future payments if the impact of discounting is material.

The carrying amount of receivables that would otherwise be past due or impaired, whose terms have been renegotiated is \$65,719 (2012: \$75,762).

The status of receivables (excluding rates) as at 30 June are detailed below:

	2013			2012		
	Gross \$000	Impairment \$000	Net \$000	Gross \$000	Impairment \$000	Net \$000
<b>Council</b>						
Not past due	4,529	-	4,529	5,989	-	5,989
Past due 1 - 60 days	65	(4)	61	81	(2)	79
Past due 61 - 120 days	71	(4)	67	38	(1)	37
Past due > 120 days	175	(42)	133	898	(79)	819
<b>Total</b>	<b>4,840</b>	<b>(50)</b>	<b>4,790</b>	<b>7,006</b>	<b>(82)</b>	<b>6,924</b>
<b>Group</b>						
Not past due	6,687	-	6,687	8,449	-	8,449
Past due 1 - 60 days	181	(4)	177	279	(2)	277
Past due 61 - 120 days	76	(4)	72	78	(1)	77
Past due > 120 days	246	(53)	193	914	(90)	824
<b>Total</b>	<b>7,190</b>	<b>(61)</b>	<b>7,129</b>	<b>9,720</b>	<b>(93)</b>	<b>9,627</b>

The status of rates receivables as at 30 June are detailed below:

	2013			2012		
	Gross \$000	Impairment \$000	Net \$000	Gross \$000	Impairment \$000	Net \$000
<b>Council</b>						
Not past due	1,865	-	1,865	1,603	-	1,603
Past due 1 year	277	-	277	323	-	323
Past due 2 years	77	-	77	90	-	90
Past due 3 years	27	(10)	17	32	(9)	23
Past due >3 years	41	(19)	22	48	(38)	10
<b>Total</b>	<b>2,287</b>	<b>(29)</b>	<b>2,258</b>	<b>2,096</b>	<b>(47)</b>	<b>2,049</b>

The impairment provision has been calculated based on the expected losses for Timaru District Council's pool of debtors. Expected losses have been determined based on an analysis of Timaru District Council's losses in previous periods, and a review of specific debtors.

Movement in the provision for impairment of receivables are as follows:

	Council		Group	
	Actual 2013 \$000	Actual 2012 \$000	Actual 2013 \$000	Actual 2012 \$000
As at 1 July	129	120	140	131
Additional provisions made/(released) during the year	(111)	9	(111)	19
Receivables written off during year	61	-	61	(10)
<b>At 30 June</b>	<b>79</b>	<b>129</b>	<b>90</b>	<b>140</b>



## 13. Inventories

	Council		Group	
	Actual 2013 \$000	Actual 2012 \$000	Actual 2013 \$000	Actual 2012 \$000
Pool shop inventories	26	3	26	3
Port inventories	-	-	511	402
Other	36	55	48	83
<b>Total Inventories</b>	<b>62</b>	<b>58</b>	<b>585</b>	<b>488</b>

The carrying amount of inventories pledged as security for liabilities is \$nil (2012: \$nil).

## 14. Other financial assets

	Council		Group	
	Actual 2013 \$000	Actual 2012 \$000	Actual 2013 \$000	Actual 2012 \$000
<b>Current Portion</b>				
Short term deposits	6,184	12,484	7,134	13,434
Community loans	89	132	89	132
Investments in debt securities	3,046	3,082	3,046	3,082
<b>Total Current Portion</b>	<b>9,319</b>	<b>15,698</b>	<b>10,269</b>	<b>16,648</b>
<b>Non-Current Portion</b>				
<i>Investments in CCOs and similar entities</i>				
Unlisted shares in NZ Local Government Insurance Corp. Ltd.	218	218	218	218
Investment in TDHL Ltd	1,000	1,000	-	-
Investment in ADAP Ltd	260	-	-	-
Loans to related parties (Note 31)	22,180	22,180	-	-
Total investments in CCOs and similar entities	23,658	23,398	218	218
<i>Investments in other entities</i>				
Unlisted share in Levels Plain Irrigation Co	51	51	51	51
Unlisted shares in Greenfield's Co-operative Society Limited	1	1	1	1
Community loans	152	225	152	225
Investments in LGFA	400	-	400	-
Investments in debt securities	7,162	9,280	7,162	9,280
Total investment in other entities	7,766	9,557	7,766	9,557
<b>Total Non-Current Portion</b>	<b>31,424</b>	<b>32,955</b>	<b>7,984</b>	<b>9,775</b>

### Fair Value

#### Short term deposits

The carrying amount of short term deposits approximates their fair value.

#### Community loans

The fair value of community loans is \$241,000 (2012: \$357,000). Fair value has been determined using cash flows discounted at a rate based on the loan recipients risk factors of 10.0% (2012: 10.0%).

The face value of community loans is \$363,508 (2012: \$523,690).

#### *Investments in debt securities*

The fair value of investments in debt securities is \$10,207,683 (2012: \$12,362,637). Fair value has been determined based on current market values using yields of between 2.87% and 5.49% (2012: 3.66% and 16.25%).

#### *Loans to related parties*

The carrying amount of loans to related parties approximates their fair value as the interest rate is repriced to the current market interest rate each quarter.

#### **Impairment**

There were no impairment provisions for other financial assets. None of the financial assets are either past due or impaired.

## 15. Derivative Financial Instruments

	Council		Group	
	Actual 2013 \$000	Actual 2012 \$000	Actual 2013 \$000	Actual 2012 \$000
<i>Current asset portion</i>				
Interest rate swaps		-		-
	-	-	-	-
<i>Non-current asset portion</i>				
Interest rate swaps		-		-
	-	-	-	-
<i>Current liability portion</i>				
Interest rate swaps	549	940	549	940
	549	940	549	940
<i>Non-current liability portion</i>				
Interest rate swaps	1,839	2,859	1,839	2,859
	1,839	2,859	1,839	2,859

The notional principal amounts of the outstanding interest rate swap contracts at 30 June 2013 were \$38,900,000 (2012: \$48,900,000). Maturity dates range from March 2016 to June 2021.

At 30 June 2013, the interest rates for interest rate swaps vary from 3.56% to 6.83% (2012: 3.56% to 7.58%).

The fair value of interest rate swaps have been determined by calculating the expected cashflows under the terms of the swaps and discounting these values to present value.

## 16. Property, plant and equipment

2013

### Council restricted assets

	Cost/Reval 1 July 2012	Accum depn and impairment charges 1 July 2012	Carrying amount 1 July 2012	Current year additions & transfers	Current year disposals	Current year impairment charges	Current year depreciation	Revaln's	Cost/Reval 30 June 13	Accum depn and impairment charges 30 June 13	Carrying amount 30 June 13
Land	24,349	-	24,349	-	-	-	-	-	24,349	-	24,349
Buildings and improvements	8,348	(2,637)	5,711	371	(248)	-	(356)	-	8,341	(2,863)	5,478
Total restricted assets	32,697	(2,637)	30,060	371	(248)	-	(356)	-	32,690	(2,863)	29,827

### Council operational assets

Land	12,205	-	12,205	-	-	-	-	-	12,205	-	12,205
Buildings and improvements	61,745	(8,203)	53,542	17,117	-	-	(1,578)	-	78,966	(9,885)	69,081
Runways & other airport improvements	3,157	(673)	2,484	-	-	-	(103)	-	3,157	(776)	2,381
Furniture and equipment	4,761	(3,002)	1,759	1,833	-	-	(402)	-	6,594	(3,404)	3,190
Art Works	2,423	-	2,423	9	-	-	-	-	2,432	-	2,432
Heritage assets	1,541	(139)	1,402	-	-	-	(29)	-	1,541	(168)	1,373
Library collections	2,659	(763)	1,896	342	-	-	(285)	(53)	2,948	(1,048)	1,900
Plant and equipment	20,863	(7,950)	12,913	5,761	(16)	-	(1,371)	-	26,435	(9,148)	17,287
Work in progress	22,633	-	22,633	(21,609)	-	-	-	-	1,024	-	1,024
Total operational assets	131,987	(20,730)	111,257	3,453	(16)	-	(3,768)	(53)	135,302	(24,429)	110,873

### Council infrastructural assets

Land and buildings	29,992	(2,621)	27,371	-	-	-	(419)	-	29,992	(3,040)	26,952
Sewerage system	74,457	(11,251)	63,206	6,387	-	-	(2,028)	-	80,844	(13,279)	67,565
Water system	75,049	(12,452)	62,597	1,327	-	-	(1,944)	-	76,376	(14,396)	61,980
Drainage network	40,259	(5,465)	34,794	1,103	-	-	(814)	-	41,362	(6,279)	35,083
Roading network	211,306	(38,563)	172,743	8,105	-	-	(3,469)	-	219,411	(42,032)	177,379
Bridges	54,045	(5,263)	48,782	198	-	-	(775)	-	54,243	(6,038)	48,205
Land under roads	171,500	-	171,500	-	-	-	-	-	171,500	-	171,500
Lighting	2,526	(724)	1,802	102	-	-	(143)	-	2,628	(867)	1,761
Landfill - post closure costs	590	(177)	413	-	-	-	(31)	-	590	(208)	382
Work in progress	12,716	-	12,716	6,590	-	-	-	-	19,306	-	19,306
Total infrastructural assets	672,440	(76,516)	595,924	23,812	-	-	(9,623)	-	696,252	(86,139)	610,113

### Total Timaru District Council

property, plant and equipment	837,124	(99,883)	737,241	27,636	(264)	-	(13,747)	(53)	864,244	(113,431)	750,813
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**2013 cont.**

**Subsidiaries property, plant and equipment**

	Cost/Reval 1 July 2012	Accum depn and impairment charges 1 July 2012	Carrying amount 1 July 2012	Current year additions & transfers	Current year disposals	Current year impairment charges	Current year depreciation	Revaln's	Cost/Reval 30 June 13	Accum depn and impairment charges 30 June 13	Carrying amount 30 June 13
Land	16,071	-	16,071	-	-	-	-	331	16,402	-	16,402
Buildings	3,220	(1,421)	1,799	2	-	-	(107)	-	3,222	(1,528)	1,694
Improvements to land	733	(470)	263	-	-	-	(26)	-	733	(496)	237
Wharves	6,361	(4,783)	1,578	843	-	-	(154)	-	7,191	(4,924)	2,267
Breakwater/Channel	4,817	(299)	4,518	330	-	-	-	-	5,147	(299)	4,848
Plant and equipment	33,703	(25,461)	8,242	864	(33)	-	(1,461)	-	34,534	(26,922)	7,612
Furniture and equipment	101	(47)	54	17	(4)	-	(18)	-	112	(63)	49
Work in progress	301	-	301	345	-	-	-	-	646	-	646
Total subsidiaries	65,307	(32,481)	32,826	2,401	(37)	-	(1,766)	331	67,987	(34,232)	33,755
Total group property, plant and equipment	902,431	(132,364)	770,067	30,037	(301)	-	(15,513)	278	932,231	(147,663)	784,568

**2012**

**Council restricted assets**

	Cost/Reval 1 July 2011	Accum depn and impairment charges 1 July 2011	Carrying amount 1 July 2011	Current year additions & transfers	Current year disposals	Current year impairment charges	Current year depreciation	Revaln's	Cost/Reval 30 June 12	Accum depn and impairment charges 30 June 12	Carrying amount 30 June 12
Land	24,349	-	24,349	-	-	-	-	-	24,349	-	24,349
Buildings and improvements	8,348	(2,280)	6,068	-	-	-	(357)	-	8,348	(2,637)	5,711
Total restricted assets	32,697	(2,280)	30,417	-	-	-	(357)	-	32,697	(2,637)	30,060

**Council operational assets**

Land	12,034	-	12,034	194	(23)	-	-	-	12,205	-	12,205
Buildings and improvements	61,341	(6,881)	54,460	300	-	-	(1,322)	-	61,745	(8,203)	53,542
Runways & other airport impts	3,157	(570)	2,587	-	-	-	(103)	-	3,157	(673)	2,484
Furniture and equipment	4,461	(2,713)	1,748	300	-	-	(289)	-	4,761	(3,002)	1,759
Art Works	2,415	-	2,415	8	-	-	-	-	2,423	-	2,423
Heritage assets	1,541	(111)	1,430	-	-	-	(28)	-	1,541	(139)	1,402
Library collections	2,409	(519)	1,890	360	-	-	(244)	(110)	2,659	(763)	1,896
Plant and equipment	19,326	(6,914)	12,412	1,594	(7)	-	(1,086)	-	20,863	(7,950)	12,913
Work in progress	10,152	-	10,152	12,481	-	-	-	-	22,633	-	22,633
Total operational assets	116,836	(17,708)	99,128	15,237	(30)	-	(3,072)	(110)	131,987	(20,730)	111,257

## 16. Property, plant and equipment continued

### 2012 cont.

#### Council infrastructural assets

	Cost/Reval 1 July 2011	Accum depn and impairment charges 1 July 2011	Carrying amount 1 July 2011	Current year additions & transfers	Current year disposals	Current year impairment charges	Current year depreciation	Revaln's	Cost/Reval 30 June 12	Accum depn and impairment charges 30 June 12	Carrying amount 30 June 12
Land and buildings	29,779	(2,202)	27,577	213	-	-	(419)	-	29,992	(2,621)	27,371
Sewerage system	72,329	(9,263)	63,066	2,128	-	-	(1,988)	-	74,457	(11,251)	63,206
Water system	72,862	(10,552)	62,310	2,187	-	-	(1,900)	-	75,049	(12,452)	62,597
Drainage network	39,935	(4,660)	35,275	324	-	-	(805)	-	40,259	(5,465)	34,794
Roading network	203,342	(34,431)	168,911	7,964	-	-	(4,132)	-	211,306	(38,563)	172,743
Bridges	53,718	(4,492)	49,226	327	-	-	(771)	-	54,045	(5,263)	48,782
Land under roads	171,500	-	171,500	-	-	-	-	-	171,500	-	171,500
Lighting	2,418	(586)	1,832	108	-	-	(138)	-	2,526	(724)	1,802
Landfill - post closure costs	590	(146)	444	-	-	-	(31)	-	590	(177)	413
Work in progress	6,952	-	6,952	5,764	-	-	-	-	12,716	-	12,716
Total infrastructural assets	653,425	(66,332)	587,093	19,015	-	-	(10,184)	-	672,440	(76,516)	595,924

#### Total Timaru District Council

property, plant and equipment	802,958	(86,320)	716,638	34,252	(30)	-	(13,613)	(110)	837,124	(99,883)	737,241
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#### Subsidiaries property, plant and equipment

Land	17,044	-	17,044	171	-	-	-	(1,144)	16,071	-	16,071
Buildings	3,474	(1,284)	2,190	76	-	(330)	(137)	-	3,220	(1,421)	1,799
Improvements to land	1,149	(406)	743	-	-	(416)	(64)	-	733	(470)	263
Wharves	13,419	(4,133)	9,286	146	-	(7,191)	(663)	-	6,361	(4,783)	1,578
Breakwater/Channel	5,356	(299)	5,057	205	-	-	-	-	4,817	(299)	4,518
Plant and equipment	39,879	(27,551)	12,328	880	(130)	(2,163)	(2,673)	-	33,703	(25,461)	8,242
Furniture and equipment	98	(23)	75	13	(8)	-	(26)	-	101	(47)	54
Work in progress	-	-	-	301	-	-	-	-	301	-	301
Total subsidiaries	80,419	(33,696)	46,723	1,792	(138)	(10,100)	(3,563)	(1,144)	65,307	(32,481)	32,826

#### Total group property, plant and equipment

	883,377	(120,016)	763,361	36,044	(168)	(10,100)	(17,176)	(1,254)	902,431	(132,364)	770,067
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## 17. Intangible Assets

	Council and Group		Council and Group
	Computer Software \$000	Carbon Credits \$000	Total \$000
Balance as at 1 July 2012			
Cost	2,413	-	2,413
Accumulated amortisation and impairment	(1,190)	-	(1,190)
Opening carrying amount	1,223	-	1,223
Year ended 30 June 2013			
Additions	673	84	757
Disposals	-	-	-
Amortisation charge	(262)	-	(262)
Amortisation reversed on disposals	-	-	-
Movement for the year	411	84	495
<b>Balance as at 30 June 2013</b>			
Cost	3,086	84	3,170
Accumulated amortisation and impairment	(1,452)	-	(1,452)
Closing carrying amount	1,634	84	1,718
Balance as at 1 July 2011			
Cost	2,022	-	2,022
Accumulated amortisation and impairment	(999)	-	(999)
Opening carrying amount	1,023	-	1,023
Year ended 30 June 2012			
Additions	391	-	391
Disposals	-	-	-
Amortisation charge	(191)	-	(191)
Amortisation reversed on disposals	-	-	-
Movement for the year	200	-	200
<b>Balance as at 30 June 2012</b>			
Cost	2,413	-	2,413
Accumulated amortisation and impairment	(1,190)	-	(1,190)
Closing carrying amount	1,223	-	1,223

### Carbon credits

During the year, Timaru District Council acquired carbon credits for the purpose of meeting its obligations under the Emissions Trading Scheme for carbon emissions from its landfill operations. Timaru District Council is required to forfeit carbon credits for emissions following the end of each financial year.

## 18. Depreciation and amortisation expense by group of activity

	Group	
	Actual 2013 \$000	Actual 2012 \$000
Corporate Support	793	756
Democracy	3	4
Community Support	379	280
District Planning and Regulatory Services	3	3
Recreation and Leisure	2,322	1,691
Transport	4,526	5,287
Waste Minimisation	429	400
Sewer	2,503	2,388
Stormwater	817	808
Water Supply	2,234	2,187
	<u>14,009</u>	<u>13,804</u>

## 19. Forestry assets

	Council		Group	
	Actual 2013 \$000	Actual 2012 \$000	Actual 2013 \$000	Actual 2012 \$000
Balance as at 1 July	803	912	803	912
Gains /(losses) arising from changes in fair value	278	(53)	278	(53)
Decreases due to harvest	(151)	(56)	(151)	(56)
Balances as at 30 June	<u>930</u>	<u>803</u>	<u>930</u>	<u>803</u>

Timaru District Council owns 217.7 hectares of Radiata, Douglas fir, Macrocarpa, Corsican and Contorta Pine forest, which is at varying stages of maturity ranging from 2 to 63 years.

The District Forester employed by Ashburton District Council has valued the forestry assets as at 30 June 2013. A pre-tax discount rate of 8% has been used in discounting the present value of expected cash flows.

### *Financial risk management strategies*

Timaru District Council is exposed to financial risks arising from changes in timber prices. Timaru District Council is a long-term forestry investor and does not expect timber prices to decline significantly in the foreseeable future, therefore, has not taken any measures to manage the risks of a decline in timber prices. Timaru District Council reviews its outlook for timber prices regularly in considering the need for active financial management.

## 20. Investment property

	Council		Group	
	Actual 2013 \$000	Actual 2012 \$000	Actual 2013 \$000	Actual 2012 \$000
Balance as at 1 July	1,546	1,681	25,942	26,323
Disposals	(124)	(135)	(124)	(135)
Fair value gains/(losses) on valuation (Note 7)	68	-	970	(246)
Balance as at 30 June	1,490	1,546	26,788	25,942

Timaru District Council's investment properties are valued annually at fair value effective 30 June 2013 by Ian Fairbrother ANZIV SPINZ of QV Valuations. All investment properties are valued based on open market evidence.

Investment property held by PrimePort Timaru Limited was independently valued as at 30 June for the 2013 financial year by GR Sellers FNZIV, FNZPI, a registered valuer with Colliers International. The valuation is based on fair value.

The fair value of investment property has been determined using the capitalisation of net income and discounted cashflow methods. These methods are based on assumptions including future rental income, anticipated maintenance costs, and appropriate discount rates.

There are no contractual obligations in relation to investment properties at balance date but not recognised in the financial statements (2012: Nil).

## 21. Investments in associates

### Alpine Energy Limited

Timaru District Holdings Limited has a 47.5% interest in Alpine Energy Limited and its reporting date is 31 March.

The investment in associate company is carried at cost (\$nil) in the Council's (parent entity) statement of financial position.

An independent valuation of the shares in Alpine Energy Limited was undertaken by Deloitte as at 31 March 2013. This valuation assessed the value of 100% of the shares in Alpine Energy Limited to be in the range of \$161.6 million to \$186.4 million as at 31 March 2013. Based on this valuation, Deloitte also provided a Fair Value of a 47.5% shareholding in Alpine Energy Limited as at 31 March 2013 to Timaru District Holdings Limited which was \$82.7 million.

	Group	
	Actual 2013 \$000	Actual 2012 \$000
<i>Movements in the carrying amount of investments in associates</i>		
Balance as at 1 July	53,290	52,366
New investments during the year	-	-
Disposal of investments during the year	-	-
Share of total recognised revenue and expenses	5,110	4,516
Share of dividend	(3,592)	(3,592)
Balance as at 30 June	54,808	53,290

### Summarised financial information of Alpine Energy Limited presented on a gross basis

	Actual March 2013 \$000	Actual March 2012 \$000
Assets	165,099	155,980
Liabilities	53,466	47,543
Revenue	46,035	26,846
Total Comprehensive Income	10,906	9,351
Group's interest	47.50%	47.50%

Details of any contingent liabilities arising from the group's involvement in the associate are disclosed separately in Note 29.





## Te Ana Whakairo Limited

Timaru District Holdings Limited has a 21% interest in Te Ana Whakairo Limited and its reporting date is 30 June.

In 2011, Timaru District Holdings Limited purchased 21,000 shares in Te Ana Whakairo Limited to assist with establishing the Te Ana Ngai Tahu Rock Art Centre in Timaru for \$280,000. The value of the shares have been impaired by \$280,000 to give a fair value of \$0 given the restriction in the company's constitution to prohibit distributions to shareholders in their capacity as shareholders. The interest in associate is therefore recorded at nil for the group.

### Summarised financial information of Te Ana Whakairo Limited presented on a gross basis

	Actual 2013 \$000	Actual 2012 \$000
Assets	1,056	1,153
Liabilities	10	7
Revenue	205	131
Net surplus/(deficit)	(95)	(173)

## 22. Joint Venture

Timaru District Council has an 82% interest in the Downlands Water Supply joint venture, which is accounted for as a jointly controlled entity. Timaru District Council's interests in the jointly controlled entity is as follows:

	Council and Group	
	Actual 2013 \$000	Actual 2012 \$000
Current assets	2,542	2,418
Non-current assets	11,910	11,695
Current liabilities	243	143
Non-current liabilities	-	-
Income	1,061	954
Expenses	822	782

Details of any commitments and contingent liabilities arising from the group's involvement in the joint venture are disclosed separately in notes 29 and 30.

## 23. Trade and other payables

	Council		Group	
	Actual 2013 \$000	Actual 2012 \$000	Actual 2013 \$000	Actual 2012 \$000
Trade creditors and accruals	5,820	6,965	7,514	9,409
Amounts due to related parties (Note 31)	894	624	-	-
Contract retentions	619	757	619	757
Deposits and bonds	378	336	378	336
Revenue in advance	214	281	317	319
Accrued interest expense	722	631	820	780
Total trade and other payables	<u>8,647</u>	<u>9,594</u>	<u>9,648</u>	<u>11,601</u>

Trade and other payables are non-interest bearing and are normally settled on 30-day terms, therefore the carrying value of trade and other payables approximates their fair value.

## 24. Employee benefit liabilities

	Council		Group	
	Actual 2013 \$000	Actual 2012 \$000	Actual 2013 \$000	Actual 2012 \$000
Accrued salaries and wages	345	362	522	533
Annual leave	998	947	1,316	1,504
Long service leave	124	142	124	142
Sick leave	-	-	10	13
Retiring gratuities	864	872	864	872
<b>Total employee benefits</b>	<b>2,331</b>	<b>2,323</b>	<b>2,836</b>	<b>3,064</b>
Comprising:				
Current	1,882	1,860	2,387	2,601
Non-current	449	463	449	463
<b>Total employee benefits</b>	<b>2,331</b>	<b>2,323</b>	<b>2,836</b>	<b>3,064</b>

## 25. Landfill aftercare provision

	Council		Group	
	Actual 2013 \$000	Actual 2012 \$000	Actual 2013 \$000	Actual 2012 \$000
Opening Balance	6,060	5,038	6,060	5,038
Increase/(decrease) due to discount rate changes and assessment of liability	(1,686)	896	(1,686)	896
Discount unwinding	151	126	151	126
Closing balance	<b>4,525</b>	<b>6,060</b>	<b>4,525</b>	<b>6,060</b>

Timaru District Council gained a resource consent in May 1995 to operate the Redruth Landfill, Timaru. The Council has responsibility under the resource consent to provide ongoing maintenance and monitoring of the landfill after the site is closed.

The remaining capacity of the site is 794,569 tonnes (refuse, clean fill and cover).

The estimated remaining useful life is 42 years.

Estimates of the life have been made by the Council's engineers based on historical volume information.

The cash outflows for the landfill and post-closure costs are expected to occur in one to forty-two years time (or between 2014 and 2055). The long term nature of the liability means that there are inherent uncertainties in estimating costs that will be incurred. The provision has been estimated taking into account existing technology and is discounted using a discount rate of 3.53% (2012: 3.00%).

## 26. Borrowings

	Council		Group	
	Actual 2013 \$000	Actual 2012 \$000	Actual 2013 \$000	Actual 2012 \$000
<b>Current</b>				
Bank overdraft	-	318	-	318
Secured loans	7,855	9,055	16,855	9,055
Bonds issued	10,000	15,000	10,000	15,000
Redeemable Preference Shares	-	-	10,000	10,000
<b>Total current borrowings</b>	<b>17,855</b>	<b>24,373</b>	<b>36,855</b>	<b>34,373</b>
<b>Non-current</b>				
Secured loans	-	7,500	-	17,500
Bonds Issued	43,000	43,000	43,000	43,000
LGFA Debt	25,076	-	25,076	-
<b>Total non-current borrowings</b>	<b>68,076</b>	<b>50,500</b>	<b>68,076</b>	<b>60,500</b>

The Council's secured loans are at a floating interest rate. The interest is set quarterly at the 90 day bank bill rate plus the applicable bank margin.

The debt is rolled over on a two and three year cycle, at which time the terms and conditions will be renegotiated. If Timaru District Council decides to refinance this loan it anticipates that the terms and conditions will be similar to the current arrangement.

Timaru District Council manages its borrowings in accordance with its funding and financial policies, which includes a Liability Management Policy. These policies have been adopted as part of the Timaru District Council's Long Term Plan.

### Security

The overdraft is unsecured. The maximum amount that can be drawn against the overdraft facility is \$250,000 (2012: \$250,000). There are no restrictions on the use of this facility.

Lease liabilities are effectively secured as the rights to the leased asset revert to the lessor in the event of default.

Timaru District Council loans are secured over the rating base of the district via Debenture Trust certificates.

### Internal Borrowings

Information about internal borrowings is provided on pages 27 to 80 of the Council's annual report under each Group of Activities Funding Impact Statement. Internal borrowings are eliminated on consolidation of activities in the Council's financial statements.

### Fair Values of non-current borrowings

Council	Carrying Amount		Fair value	
	2013 \$000	2012 \$000	2013 \$000	2012 \$000
Secured loans	-	7,500	-	7,500
Bonds	43,000	43,000	43,000	43,000
LGFA Debt	25,076	-	25,076	-
	<b>68,076</b>	<b>50,500</b>	<b>68,076</b>	<b>50,500</b>
<b>Group</b>				
Secured loans	-	17,500	-	17,500
Bonds	43,000	43,000	43,000	43,000
LGFA Debt	25,076	-	25,076	-
	<b>68,076</b>	<b>60,500</b>	<b>68,076</b>	<b>60,500</b>

The fair values are based on borrowing rates ranging from 3.26% to 6.72% (2012: 3.15 to 6.72%). The carrying amounts of borrowings repayable within one year approximate their fair values, as the impact of discounting is not significant. Long term borrowings are at market rates, therefore carrying amounts approximate their fair values.

## 27. Equity

	Council		Group	
	Actual 2013 \$000	Actual 2012 \$000	Actual 2013 \$000	Actual 2012 \$000
<b>Retained earnings</b>				
As at 1 July	684,510	680,445	732,071	731,865
Surplus/(deficit) for the year	11,012	3,467	14,081	(373)
Prior year adjustments	-	108	-	89
Transfers to:				
Special Funds	(16,425)	(14,219)	(16,425)	(14,219)
Transfers From:				
Special Funds	13,233	14,709	13,233	14,709
As at 30 June	692,330	684,510	742,960	732,071
<b>Special funds</b>				
As at 1 July	24,605	25,095	24,605	25,095
Interest	768	720	768	720
Transfers from:				
Retained earnings	15,657	13,499	15,657	13,499
Transfers to:				
Retained earnings	(13,233)	(14,709)	(13,233)	(14,709)
As at 30 June	27,797	24,605	27,797	24,605
<b>Asset revaluation reserves</b>				
As at 1 July	-	-	9,937	10,713
Revaluation gains/(losses)	(53)	(110)	204	(886)
Revaluation reserve written off	53	110	53	110
As at 30 June	-	-	10,194	9,937
Asset revaluation reserves consist of:				
Library books	-	-	-	-
Port operational land	-	-	10,194	9,937
Total	-	-	10,194	9,937
<b>Fair value through equity reserve</b>				
As at 1 July	-	-	(196)	(196)
Valuation gains/(losses) taken to equity	-	-	-	-
As at 30 June	-	-	(196)	(196)
<b>Total Other Reserves</b>				
	27,797	24,605	37,795	34,346
<b>Non-controlling interest</b>				
Balance as at 1 July	-	-	17,074	19,630
Share of Surplus/(deficit)	-	-	585	(2,556)
Dividend Paid	-	-	-	-
Balance as at 30 June	-	-	17,659	17,074

Information about reserve funds held for a specific purpose is provided below:



Name of Fund	Activity	Purpose	2013			2012				
			Balance 1 July \$000	Transfer into fund \$000	Transfers out of fund \$000	Balance 30 June \$000	Balance 1 July \$000	Transfer into fund \$000	Transfers out of fund \$000	Balance 30 June \$000
Aquatic Centre contributions	Parks, Recreation and Swimming Pools	Funds donated towards to Aquatic centre facility to be used for its construction and funding of interest payments.	852	33	260	625	1,538	48	734	852
Cemetery Future (Tu) Fund	Community Facilities	Development of future cemetery for Timaru.	132	5	29	108	126	6	-	132
Collet Bequest (Museum)	Cultural and Learning Facilities	For museum items.	41	427	-	468	24	17	-	41
Community Development Interest Fund	Community Funding	To make major grants (over \$10,000) to non profit community based organisations and clubs for improving or developing new or existing facilities which reflect credit or provide benefit to the Timaru District residents.	357	46	1	402	328	39	10	357
Community Development Loan Fund	Community Funding	To make major loans to non profit community based organisations and clubs for improving or developing new or existing facilities which reflect credit or provide benefit to the Timaru District residents.	239	60	40	259	141	98	-	239
Contingency Fund	All of Council	For emergency purposes as determined by Council.	429	20	-	449	420	17	8	429
Depreciation - General Fund	All of Council	For the renewal and/or replacement of district wide funded depreciable assets and for the repayment of loans associated with such assets.	2,063	7,439	6,245	3,257	2,575	6,508	7,020	2,063
Depreciation Fund - Beautiful Valley Water	Water Supply	For the renewal and/or replacement of Water depreciable assets and for the repayment of loans associated with such assets.	45	5	-	50	40	5	-	45
Depreciation Fund - Ceraldine	Roading and Footpaths and Stormwater	For the renewal and/or replacement of Ceraldine funded depreciable assets and for the repayment of loans associated with such assets, (excludes water related assets).	76	52	19	109	54	51	29	76
Depreciation Fund - Orari / Waihi Water	Water Supply	For the renewal and/or replacement of Water depreciable assets and for the repayment of loans associated with such assets.	1	-	-	1	1	-	-	1
Depreciation Fund - Orari Township Water	Water Supply	For the renewal and/or replacement of Water depreciable assets and for the repayment of loans associated with such assets.	176	29	-	205	62	114	-	176
Depreciation Fund - Rangitata / Orari Water	Water Supply	For the renewal and/or replacement of Water depreciable assets and for the repayment of loans associated with such assets.	-	7	7	0	-	6	6	-
Depreciation Fund - Rural	Roading and Footpaths and Stormwater	For the renewal and/or replacement of Rural funded depreciable assets and for the repayment of loans associated with such assets, (excludes water related assets).	87	51	14	124	126	50	89	87
Depreciation Fund - Seadown Water	Water Supply	For the renewal and/or replacement of Water depreciable assets and for the repayment of loans associated with such assets.	395	89	7	477	336	86	27	395
Depreciation Fund - Sewer	Sewer	For the renewal and/or replacement of Sewer depreciable assets and for the repayment of loans associated with such assets.	1,685	2,544	831	3,398	1,204	2,426	1,945	1,685





Name of Fund	Activity	Purpose	2013			2012				
			Balance 1 July	Transfer into fund	Transfers out of fund	Balance 30 June	Balance 1 July	Transfer into fund	Transfers out of fund	Balance 30 June
Depreciation Fund - Te Moana Downs Water	Water Supply	For the renewal and/or replacement of Water depreciable assets and for the repayment of loans associated with such assets.	32	85	84	33	82	3	53	32
Depreciation Fund - Temuka	Roading and Footpaths and Stormwater	For the renewal and/or replacement of Temuka funded depreciable assets and for the repayment of loans associated with such assets, (excludes water related assets).	103	107	104	106	80	104	81	103
Depreciation Fund - Timaru	Roading and Footpaths and Stormwater	For the renewal and/or replacement of Timaru funded depreciable assets and for the repayment of loans associated with such assets, (excludes water related assets).	2,500	1,170	746	2924	2,638	792	930	2,500
Depreciation Fund - Urban Water	Water Supply	For the renewal and/or replacement of Water depreciable assets and for the repayment of loans associated with such assets.	4,346	1,695	1,560	4481	4,571	1,682	1,907	4,346
Depreciation Fund (Housing)	Social Housing	For the renewal and/or replacement of Housing depreciable assets and for the repayment of loans associated with such assets.	194	285	249	230	155	280	241	194
Development (Tu) Fund	All of Council	Funding of major developments within Timaru. Interest on this fund to be credited to the Community Development Interest Fund.	265	-	-	265	265	-	-	265
Disaster Relief Fund	All of Council	For the replacement of infrastructural assets excluding roading in the event of a natural disaster.	2,181	88	462	1807	2,095	86	-	2,181
District Recreation Facilities Fund	All of Council	To be used for the development of significant recreation facilities in the district.	565	26	-	591	935	30	400	565
Dowling Bequest	Cultural and Learning Facilities	For the purchase of Christian fiction literature for the library.	28	2	1	29	31	1	4	28
Downlands Asset Replacement Fund	Water Supply	Replacement of infrastructural assets relating to Downlands Water Supply Scheme.	2,132	572	567	2137	1,810	488	166	2,132
Downlands Capital Reserve	Water Supply	For the provision of capital expenditure financed from capital contributions.	94	48	24	118	94	7	7	94
Economic Development Fund	Economic Development and District Promotions, Community Funding and Governance and Leadership	For economic development support.	268	17	30	255	272	16	20	268
Election Expenses Fund	Governance and Leadership	To provide for meeting election expenses.	36	47	28	55	3	33	-	36
Endowment Land Geraldine Fund	All of Council	From the proceeds of Endowment Land. For the purchase of similar land.	90	12	-	102	80	10	-	90
Forestry Development Fund	Parks, Recreation and Swimming Pools	To provide funding for the development of forests within the District.	197	111	-	308	244	9	56	197
George Barclay Bequest	Cultural and Learning Facilities	Original bequest was \$600. Interest to be used for the purchase of reference books for the Timaru Children's Library.	2	-	-	2	2	-	-	2
Grants & Donations Fund	Community Funding	For the provision of grants & donations (created from the unspent grant allocation and carried forward balances)	-	30	12	18	7	30	37	-



Name of Fund	Activity	Purpose	2013			2012				
			Balance 1 July	Transfer into fund	Transfers out of fund	Balance 30 June	Balance 1 July	Transfer into fund	Transfers out of fund	Balance 30 June
Investment Fund	All of Council	1. For the repayment of district wide loans. 2. For the funding of district wide capital projects. 3. For provision of internal loans.	986	842	377	1451	729	796	539	986
Joan & Percy Davis Library Trust (Ger)	Cultural and Learning Facilities	Interest to be used to purchase books for the Geraldine Library. (8/7/82)	2	-	1	1	2	1	1	2
Lattimore W A (Tu) Bequest	Cultural and Learning Facilities	Interest to be used for the purchasing of art works for the Aigantighe Art Gallery.	23	1	2	22	25	-	2	23
Mackay Bequest (Art Gallery)	Cultural and Learning Facilities	For the purchase of paintings.	196	10	-	206	188	8	-	196
Mackay Bequest (Library)	Cultural and Learning Facilities	For the purchase of books relating to art for the Timaru Library.	164	6	6	164	182	7	25	164
Main Creative Communities NZ Fund	Community Funding	Carried forward balance of Creative Communities NZ fund - main committee.	3	-	1	2	1	2	-	3
Main Drains Cost Sharing Fund	Sewer, Stormwater and Water Supply	Extension of main drains on a cost sharing basis.	447	145	-	592	339	108	-	447
Mayor's Welfare Fund	Governance and Leadership	Help out the needy as determined by the Mayor.	16	1	1	16	16	-	-	16
Museum Acquisition Fund/Alan Ward Fund	Cultural and Learning Facilities	For the purchase of articles for the Museum.	8	-	-	8	8	-	-	8
Officials' Indemnity, Safety and Health Fund	All of Council	For the purpose of officials' indemnity insurance excess, and for providing funds to comply with Occupational Health and Safety Regulations.	658	29	12	675	649	26	17	658
Parking Improvement (Tu) Fund	Roading and Footpaths	For the purchase of land buildings, or equipment which will be used for providing, or in association with, parking facilities within Timaru or for meeting the annual charges on any loan raised for any of these purposes.	1,084	36	560	560	1,192	47	155	1,084
Property Development Fund	All of Council	For the purchase or development of land and improvement projects within the District.	-42	-	870	-912	48	-	90	-42
R C Hervey Fund	Cultural and Learning Facilities	For providing improved services to the Timaru Library.	63	3	-	66	61	2	-	63
Reserves Development (Tu) Fund	Parks, Recreation and Swimming Pools	For the planting of trees and general development of reserves owned by the District Council within Timaru.	10	-	-	10	9	1	-	10
Reserves from Subdivisions/ Development Levy	Parks, Recreation and Swimming Pools	Development of reserves within the District as set out in the Local Government Act 1974 Section 288.	79	31	20	90	115	20	56	79
Safer Communities Funds	Safer Communities	For Safer Communities projects.	289	12	63	238	316	12	39	289
Social Housing Fund (TDC)	Social Housing	Funding of new social housing units and major maintenance.	-	-	-	0	15	-	15	-
Sport and Recreation Loan Fund	Community Funding	Sport and Recreation loans for facilities and/or major plant items in excess of \$2,000 total value.	746	187	-	933	617	129	-	746
Te Moana Water Capital Contributions	Water Supply	For the provision of extensions to the Te Moana water network.	245	19	-	264	228	17	-	245
Timaru Ward Capital Asset and Loan Repayment Fund	All of Council	For the purpose of repayment of Timaru Ward separate rate loans and/or Timaru Ward Capital Projects.	17	1	-	18	16	1	-	17
<b>Total Restricted Reserves</b>			<b>24,605</b>	<b>16,425</b>	<b>13,233</b>	<b>27,797</b>	<b>25,095</b>	<b>14,219</b>	<b>14,709</b>	<b>24,605</b>

## 28. Reconciliation of net surplus/(deficit) after tax to net cash flow from operating activities

	Council		Group	
	Actual 2013 \$000	Actual 2012 \$000	Actual 2013 \$000	Actual 2012 \$000
Surplus/(deficit) after tax	11,012	3,467	14,563	(2,489)
Add/(less) non-cash items:				
Share of associate surplus/(deficit)	-	-	(1,518)	(924)
Depreciation and amortisation	14,009	13,804	15,775	17,367
Impairment charges	-	-	-	10,100
Vested assets	(354)	-	(354)	-
(Gains)/losses in fair value of biological assets	(278)	53	(278)	53
(Gains)/losses in fair value of investment property	(68)	-	(970)	246
Increase/(decrease) in deferred taxation	-	-	523	(2,921)
(Gains)/losses in fair value of derivatives	(1,411)	1,314	(1,411)	1,314
(Gains)/losses in fair value of debt instruments	79	(31)	79	(31)
Other	(4)	136	(4)	136
Add/(less) items classified as investing or financing activities:				
(Gains)/losses on disposal of property, plant and equipment	267	(195)	165	(373)
Add/(less) movements in working capital items:				
Accounts receivable	1,925	(1,404)	2,048	1,246
Inventories	(4)	1	(97)	(36)
Accounts payable	(925)	2,212	(1,817)	482
Net cash inflow/(outflow) from operating activities	<u>24,248</u>	<u>19,357</u>	<u>26,704</u>	<u>24,170</u>



## 29. Capital commitments and operating leases

	Council		Group	
	Actual 2013 \$000	Actual 2012 \$000	Actual 2013 \$000	Actual 2012 \$000
<b>Capital commitments</b>				
Capital expenditure contracted for at balance date but not yet incurred for property, plant and equipment	15,805	26,300	15,805	26,300

Refer to Note 20 for capital commitments for investment properties.

### Operating leases as lessee

Timaru District Council leases property, plant and equipment in the normal course of its business. The majority of these leases have a non-cancellable term of 36 months. The future aggregate minimum lease payments to be paid under non-cancellable operating leases are as follows:

	Council		Group	
	Actual 2013 \$000	Actual 2012 \$000	Actual 2013 \$000	Actual 2012 \$000
Not later than one year	118	215	191	914
Later than one year and not later than five years	101	416	5,045	6,150
Later than five years	-	-	2,747	4,180
<b>Total non-cancellable operating leases</b>	<b>219</b>	<b>631</b>	<b>7,983</b>	<b>11,244</b>

The total minimum future sublease payments expected to be received under non-cancellable subleases at balance date is \$nil (2012: \$nil).

Leases can be renewed at Timaru District Council's option, with rents set by reference to current market rates for items of equivalent age and condition. Timaru District Council does not have the option to purchase the asset at the end of the lease term.

There are no restrictions placed on Timaru District Council by any of the leasing arrangements.

### Operating leases as lessor

Timaru District Council leases its investment property under operating leases. These leases have a non-cancellable term of between 1 year and 18 years. The future aggregate minimum lease payments to be collected under non-cancellable operating leases are as follows:

	Council		Group	
	Actual 2013 \$000	Actual 2012 \$000	Actual 2013 \$000	Actual 2012 \$000
Not later than one year	105	110	2,844	2,028
Later than one year and not later than five years	183	267	4,486	4,302
Later than five years	464	585	7,933	8,431
<b>Total non-cancellable operating leases</b>	<b>752</b>	<b>962</b>	<b>15,263</b>	<b>14,761</b>

No contingent rents have been recognised in the statement of financial performance during the period.

## 30. Contingencies

### Contingent Liabilities

	Council		Group	
	Actual 2013 \$000	Actual 2012 \$000	Actual 2013 \$000	Actual 2012 \$000
Building Act Claims	100	100	100	100
Housing NZ social housing advance	1,100	1,100	1,100	1,100
Other legal proceedings	-	-	355	355
	<u>1,200</u>	<u>1,200</u>	<u>1,555</u>	<u>1,555</u>

The Building Act 2004 imposes certain obligations and liabilities on local authorities in respect of the issuing of building consents and inspection work done. At the date of this report, matters that have been brought to the Council's attention, indicate potential liabilities of \$100,000 (2012: \$100,000).

RiskPool provides public liability and professional indemnity insurance to its members. The Council is a member of RiskPool. The Trust Deed of RiskPool provides that, if there is a shortfall (whereby claims exceed contributions of members and reinsurance recoveries) in any Fund year, then the Board may make a call on members for the fund year. The Council received a notice during 2009 for a call for additional contributions in respect of the 2002/03 and 2003/04 Fund years as those funds are exhibiting deficits due to the "leaky buildings" issue. This notice also highlighted that it is possible that further calls could be made in the future. A liability will be recognised for the future calls when there is more certainty over the amount of the calls.

The Supreme Court decision in October 2012 on a Council's liability for non-residential buildings may affect the liability of the Council for weathertightness claims for non-residential buildings. The impact of the decision is yet to be quantified by Timaru District Council. Timaru District Council is yet to receive any claims as a result of this ruling.

Housing New Zealand Corporation has provided \$1,100,000 as at 30 June 2013 (2012: \$1,100,000) towards the construction of social housing units. This advance is repayable, with interest, if the Council withdraws its investment in the joint funded social housing.

Timaru District Council has 18,550,000 shares in Timaru District Holdings Limited at an issue price of \$1.35 each which have been paid to \$185.50 (2012: \$185.50). This uncalled capital is security for the Letter of Credit facility of \$25m with ANZ Bank for the Redeemable Preference Shares in Timaru District Holdings Limited.

Timaru District Council has a potential liability under its Local Authority Protection Programme (LAPP) Fund. The LAPP trustees resolved this year to do all in their power to reduce the impact on members of the self-funding component of the programme. The contribution factor in the event of a major catastrophic loss has been reduced to four (down from five) times individual contributions. The maximum any member will be exposed to is twice in any one year (being for two major events per year), i.e. eight times its individual contributions. The maximum Timaru District Council has a potential liability for at this point in time is \$969,600 based on the contribution for the 2013/14 financial year.

### Local Government Funding Agency

Timaru District Council is a guarantor of the New Zealand Local Government Funding Agency Limited (LGFA). The LGFA was incorporated in December 2011 with the purpose of providing debt funding to local authorities in New Zealand and it has a current credit rating from Standard and Poor's of AA+.

Together with the shareholders of LGFA and other guarantors, Timaru District Council is a guarantor of all of LGFA's borrowings. At 30 June 2013, NZLGFA had borrowings totalling \$2.3 billion (2012: \$835m).

Financial reporting standards require Timaru District Council to recognise the guarantee liability at fair value. However, Timaru District Council has been unable to determine a sufficiently reliable fair value for the guarantee, and therefore has not recognised a liability. Timaru District Council considers the risk of the LGFA defaulting on repayment of interest or capital to be very low on the basis that:

- it is not aware of any local authority debt default events in New Zealand; and
- local government legislation would enable local authorities to levy a rate to recover sufficient funds to meet any debt obligations if further funds were required.

### Joint Venture contingent liabilities

There are no contingent liabilities associated with Downlands Water Supply Joint Venture (2012: \$nil).

### Share of associates' contingent liabilities

Timaru District Council's share of contingent liabilities of Alpine Energy Limited, incurred jointly with other investors, is \$355,000 (2012: \$355,000).

### Contingent assets

Timaru District Council and group do not have any contingent assets.

## 31. Related party transactions

During the year to 30 June 2013, the Council entered into various transactions with its associate companies (Alpine Energy Limited and Te Ana Whakairo Limited), subsidiaries (Timaru District Holdings Limited, PrimePort Timaru Limited, Timaru District Promotions Trust, Aoraki Development Trust and Aoraki Development and Promotions Limited), joint venture (Downlands Water Supply) and associated organisations (South Canterbury Rural Fire District and Canterbury Economic Development Company Limited).

The following transactions were carried out with related parties

	<b>Actual 2013 \$000</b>	<b>Actual 2012 \$000</b>
<b>Timaru District Holdings Limited</b>		
Interest paid to Timaru District Council	894	624
Services provided by Timaru District Council	37	31
Services provided to Timaru District Council	894	624
Loans payable to Timaru District Council	22,180	22,180
Accounts payable to Timaru District Council	907	631
Accounts receivable from Timaru District Council	894	624
Dividends paid to Timaru District Council	2,273	2,053
The loan payable to Timaru District Council is secured by a debenture over the company's assets.		
<b>PrimePort Timaru Limited</b>		
Rates paid to Timaru District Council	313	289
Services provided by Timaru District Council	69	55
Services provided to Timaru District Council	4	1
<b>Aoraki Development and Promotions Limited</b>		
Services provided by Timaru District Council	27	15
Services provided to Timaru District Council	746	751
Accounts payable to Timaru District Council	18	23
<b>Downlands Water Supply</b>		
Services provided by Timaru District Council	175	180
Services provided to Timaru District Council	2	-
Rates collected by Timaru District Council	948	900
Accounts payable to Timaru District Council	27	41
<b>Alpine Energy Limited</b>		
Rates paid to Timaru District Council	70	50
Services provided by Timaru District Council	66	171
less: Credit note relating to services provided by Timaru District Council in 2012	(106)	-
Services provided to Timaru District Council	433	349
Accounts payable to Timaru District Council	5	104
Accounts receivable from Timaru District Council	19	71
<b>Te Ana Whakairo Limited</b>		
Services provided by Timaru District Council	7	1

	<b>Actual 2013 \$000</b>	<b>Actual 2012 \$000</b>
<b>South Canterbury Rural Fire District</b>		
Services provided by Timaru District Council	31	27
Services provided to Timaru District Council	221	140

**Canterbury Economic Development Company Limited**

Services provided by Timaru District Council	13	12
Services provided to Timaru District Council	1	372

**Key Management Personnel**

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

During the year, Timaru District Council purchased goods and services from Parr & Co Limited, an organisation in which Councillor Odey is a Director. The transactions amounted to \$24,975 (2012: \$13,650). The balance outstanding as at 30 June 2013 is \$2,680 (2012: \$919).

Close family members of key management personnel are employed by Council. The terms and conditions of those arrangements are no more favourable than Council would have adopted if there were no relationship to key management personnel.

No provision has been required, nor any expense recognised for impairment of receivables for any loans or other receivables to related parties (2012: \$nil).

**Key management personnel compensation**

	<b>Actual 2013 \$000</b>	<b>Actual 2012 \$000</b>
Salaries and other short term employment benefits	1,371	1,326
Post employment benefits	-	-
Other long term benefits	-	-
Termination benefits	-	-
Total key management personnel compensation	<u>1,371</u>	<u>1,326</u>

Key management personnel include Mayor, Councillors, Chief Executive and other senior management personnel.

## 32. Remuneration

Elected representatives	Total remuneration			
	Council		Group	
	2013	2012	2013	2012
Mayor Annear	93,874	89,905	113,071	109,102
Councillor Coughlan	27,481	27,378	27,481	27,378
Councillor Earnshaw	27,901	27,658	27,901	27,658
Councillor Fraser	36,019	27,538	36,019	27,538
Councillor Kennedy	27,901	27,418	27,901	27,418
Councillor Lyon	38,465	28,028	49,435	38,998
Councillor Mulvey	37,990	38,905	37,990	38,905
Councillor Odey	37,558	37,982	37,558	37,982
Councillor Oliver	4,916	44,135	15,886	55,105
Councillor Stevens	18,772	-	18,772	-
Councillor Taylor	27,481	28,618	27,481	28,618
Councillor Tierney	36,650	38,574	36,650	38,574
<b>Chief Executive</b>	265,488	323,778	265,488	323,778

Total annual remuneration by band for Timaru District Council employees as at 30 June:

	Council	
	2013	2012
<\$60,000	227	195
\$60,000 - \$79,999	42	38
\$80,000 - \$99,999	13	13
\$100,000 - \$139,000	8	8
\$140,000 - \$279,000	6	6
	<b>296</b>	<b>260</b>

Included within the band \$140,000 - \$279,000 is the Chief Executive. The 5 other employees in this band are within the range \$140,000 - \$199,000.

Total remuneration includes non-financial benefits provided to employees.

At balance date, the Council employed 164 (2012: 159) full-time employees, with the balance of staff representing 54 (2012: 39) full-time equivalent employees. A full-time employee is determined on the basis of working a 37.5 or 40-hour working week.

## 33. Capital Management

The Council's capital is its equity (or ratepayers' funds), which comprise retained earnings and reserves. Equity is represented by net assets. The Local Government Act 2002 (the Act) requires Council to manage its revenue, expenses, assets, liabilities, investments and general financial dealings prudently and in a manner that promotes the current and future interests of the community. Ratepayer's funds are largely managed as a by-product of managing revenues, expenses, assets, liabilities, investments and general financial dealings.

The objective of managing these items is to achieve intergenerational equity, which is a principle promoted in the Act and applied by the Council. Intergenerational equity requires today's ratepayers to meet the costs of utilising the Council's assets and not expecting them to meet the full cost of long term assets that will benefit ratepayers in future generations. Additionally, the Council has in place asset management plans for major classes of assets detailing renewal and maintenance programmes, to ensure ratepayers in future generations are not required to meet the costs of deferred renewals and maintenance.



The Act requires the Council to make adequate and effective provision in its Long Term Plan (LTP) and in its annual plan (where applicable) to meet the expenditure needs identified in those plans. And the Act sets out the factors the Council is required to consider when determining the most appropriate sources of funding for each of its activities. The sources and levels of funding are set out in the funding and financial policies in the Council's LTP.

Timaru District Council has the following Council created reserves:

- reserves for different areas of benefit
- self-insurance reserves; and
- trust and bequest reserves.

Reserves for difference areas of benefit are used where there is a discrete set of rate payers as distinct from the general rate. Any surplus of deficit relating to these separate areas of benefit is applied to the specific reserves.

Self-insurance reserves are built up annually from general rates and are made available for specific unforeseen events.

Trust and bequest reserves are set up where Council has been donated funds that are restricted for particular purposes. Interest is added to trust and bequest reserves where applicable and deductions are made where funds have been used for the purposes they were donated.

### 34. Events after balance sheet date

Port of Tauranga has offered to purchase a 50% shareholding in PrimePort Timaru Limited. As part of the transaction, Timaru District Holdings Limited would reduce its shareholding in PrimePort Timaru Limited to 50% (from 71.4%). Timaru District Holdings Limited would purchase the majority of the investment properties currently owned by PrimePort Timaru Limited. Timaru District Council signed off on these transactions on 8 October, 2013.

### 35. Financial instruments

#### Financial Instrument categories

	Council		Group	
	Actual 2013 \$000	Actual 2012 \$000	Actual 2013 \$000	Actual 2012 \$000
<b>FINANCIAL ASSETS</b>				
<b>Fair value through surplus or deficit - Held for trading</b>				
Derivative financial instrument assets	-	-	-	-
Other financial assets:				
- Investments in debt securities	10,208	12,362	10,208	12,362
<i>Total fair value through surplus or deficit</i>	10,208	12,362	10,208	12,362
<b>Loans and receivables</b>				
Cash and cash equivalents	21,145	7,267	24,192	10,951
Trade and other receivables	7,048	8,973	9,387	11,676
Other financial assets:				
- Term deposits	6,184	12,484	7,134	13,434
- Community loans	241	357	241	357
- Loans to related parties	22,180	22,180	-	-
<i>Total loans and receivables</i>	56,798	51,261	40,954	36,418
<b>Fair value through other comprehensive income</b>				
Other financial assets:				
- Unlisted shares	270	270	270	270

## 35. Financial instruments continued

<u>Financial Instrument categories</u>	Council		Group	
	Actual 2013 \$000	Actual 2012 \$000	Actual 2013 \$000	Actual 2012 \$000
<b>FINANCIAL LIABILITIES</b>				
<b>Fair value through surplus or deficit - Held for trading</b>				
Derivative financial instrument liabilities	2,388	3,799	2,388	3,799
<b>Financial liabilities at amortised cost</b>				
Trade and other payables	8,647	9,594	9,648	11,601
Borrowings:				
- Bank Overdraft	-	318	-	318
- Secured loans	7,855	16,555	16,855	26,555
- Bonds	78,076	58,000	78,076	58,000
- Redeemable Preference Shares	-	-	10,000	10,000
<i>Total financial liabilities at amortised cost</i>	94,578	84,467	114,579	106,474

### Fair value hierarchy disclosures

For those instruments recognised at fair value in the statement of financial position. Fair values are determined according to the following hierarchy:

- Quoted market price (level 1) - financial instruments with quoted prices for identical instruments in active markets.
- Valuation technique using observable inputs (level 2) - financial instruments with quoted prices for similar instruments in active markets or quoted prices for identical or similar instruments in inactive markets and financial instruments valued using models where all significant inputs are observable.
- Valuation techniques with significant non-observable inputs (level 3) - financial instruments valued using models where one or more significant inputs are not observable.

The following table analyses the basis of the valuation of classes of financial instruments measured at fair value in the statement of financial position:

	Total \$000	Valuation technique		
		Quoted market price \$000	Observable inputs \$000	Significant non- observable inputs \$000
<b>30 June 2013 - Council</b>				
<b>Financial assets</b>				
Investments in debt securities	10,208	-	10,208	-
Shares	270	-	-	270
<b>Financial liabilities</b>				
Derivatives	2,388	-	2,388	-
<b>30 June 2013 - Group</b>				
<b>Financial assets</b>				
Investments in debt securities	10,208	-	10,208	-
Shares	270	-	-	270
<b>Financial liabilities</b>				
Derivatives	2,388	-	2,388	-

## 35. Financial instruments continued

	Total	Valuation technique		Significant non-observable inputs
		Quoted market price	Observable inputs	
	\$000	\$000	\$000	\$000
<b>30 June 2012 - Council</b>				
<b>Financial assets</b>				
Investments in debt securities	12,362	-	12,362	-
Shares	270	-	-	270
<b>Financial liabilities</b>				
Derivatives	3,799	-	3,799	-
<b>30 June 2012 - Group</b>				
<b>Financial assets</b>				
Investments in debt securities	12,362	-	12,362	-
Shares	270	-	-	270
<b>Financial liabilities</b>				
Derivatives	3,799	-	3,799	-

There were no transfers between the different levels of the financial hierarchy.

*Valuation techniques with significant non-observable inputs (level 3)*

The table below provides a reconciliation from the operating balance to the closing balance for the level 3 fair value measurements:

	2013	2012
	\$000	\$000
Balance as at 1 July	270	161
Gain and losses recognised in the surplus or deficit	-	-
Gain and losses recognised in other comprehensive income	-	-
Purchases	-	109
Sales	-	-
Transfers into level 3	-	-
Transfers out of level 3	-	-
Balance as at 30 June	270	270

Changing a valuation assumption to a reasonable possible alternative assumption would not significantly change fair value.

### **Financial Instruments Risks**

Timaru District Council has a series of policies to manage the risks associated with financial instruments. Timaru District Council is risk averse and seeks to minimise exposure from its treasury activities. Timaru District Council has established Council approved Liability Management and Investment policies. These policies do not allow any transactions that are speculative in nature to be entered into.

#### **Market risk**

##### **Currency risk**

Currency risk is the risk that the value of a financial instrument will fluctuate due to changes in foreign exchange rates. Timaru District Council is not exposed to currency risk as it does not enter into foreign currency transactions.

##### **Interest rate risk**

###### *Fair value interest rate risk*

Fair value interest rate risk is the risk that the value of a financial instrument will fluctuate due to changes in market interest rates. Borrowings and investments issued at fixed rates expose the Timaru District Council to fair value interest rate risk. Timaru District Council's Liability Management policy outlines the level of borrowing that is to be sourced using fixed rate instruments.



## 35. Financial instruments continued

### Cash flow interest rate risk

Cash flow interest rate risk is the risk that the cash flows from a financial instrument will fluctuate because of changes in market interest rates. Borrowings and investments issued at variable interest rates expose Timaru District Council to cash flow interest rate risk.

Timaru District Council manages its cash flow interest rate risk on borrowings by using floating to fixed interest rate swaps. Such interest rate swaps have the economic effect of converting borrowings at floating rates and swaps them into fixed rates that are generally lower than those available if Timaru District Council borrowed at fixed rates directly. Under the interest rate swaps, Timaru District Council agrees to with other parties to exchange, at specified intervals, the difference between fixed contract rates and floating-rate interest amounts calculated by reference to the agreed national principal amounts.

### Credit risk

Credit risk is the risk that a third party will default on its obligation to Timaru District Council, causing the Council to incur a loss. Timaru District Council has no significant concentrations of risk, as it has a large number of customers, mainly ratepayers, and the Council has powers under the Local Government (Rating) Act 2002 to recover outstanding debts from ratepayers.

Timaru District Council invests funds in accordance with its Investment policy which limits the amount of credit exposure to any one institution and ensures dispersion and minimisation of risk.

Timaru District Council has no other collateral or other credit enhancements for financial instruments that give rise to credit risk.

Timaru District Council's maximum credit exposure for each class of financial instrument is as follows:

	Council		Group	
	Actual 2013 \$000	Actual 2012 \$000	Actual 2013 \$000	Actual 2012 \$000
Cash at bank and term deposits	27,329	19,751	31,326	24,385
Trade and other receivables	7,048	8,973	9,387	11,676
Community loans	241	357	241	357
Related party loans	22,180	22,180	-	-
Investments in debt securities	10,208	12,362	10,208	12,362
Total credit risk	67,006	63,623	51,162	48,780

All cash at bank and term deposits are neither past due nor impaired and are made with registered banks with Standard and Poor's credit ratings of A1 or better short term.

All investments in debt securities are neither past due nor impaired and are made with counterparties with Standard and Poor's credit ratings of BBB or better long term or with other local authorities.

Community loans are with counterparties with no defaults in the past.

### Liquidity risk

Liquidity risk is the risk that Timaru District Council will encounter difficulty raising liquid funds to meet commitments as they fall due. Prudent liquidity risk management implies maintaining sufficient cash, the availability of funding through an adequate amount of committed credit facilities and the ability to close out market positions. Timaru District Council aims to maintain flexibility in funding by keeping committed credit lines available.

In meeting its liquidity requirements, the Council maintains a target level of investments that must mature within the next 12 months and ensure all investments are readily tradable.

Timaru District Council manages its borrowing in accordance with its funding and financial policies, which include a Liability Management policy. These policies have been adopted as part of the Council's Long Term Plan.

Timaru District Council has a maximum amount that can be drawn down against its overdraft facility of \$250,000 (2010: \$250,000). There are no restrictions on the use of this facility.

## 35. Financial instruments continued

*Contractual maturity analysis of financial liabilities, excluding derivatives*

The table below analyses Timaru District Council's financial liabilities into relevant maturity groupings based on the remaining period at the balance date to the contractual maturity date.

	Carrying amount \$000	Less than 1 year \$000	1-2 years \$000	2-5 years \$000	More than 5 years \$000
<b>Council 2013</b>					
Trade and other payables	8,647	8,647	-	-	-
Secured loans	7,855	7,855	-	-	-
Bonds	78,076	10,000	10,000	38,000	20,076
<b>Total</b>	<b>94,578</b>	<b>26,502</b>	<b>10,000</b>	<b>38,000</b>	<b>20,076</b>
<b>Group 2013</b>					
Trade and other payables	9,648	9,648	-	-	-
Secured loans	16,855	16,855	-	-	-
Bonds	78,076	10,000	10,000	38,000	20,076
Redeemable Preference shares	10,000	10,000	-	-	-
<b>Total</b>	<b>114,579</b>	<b>46,503</b>	<b>10,000</b>	<b>38,000</b>	<b>20,076</b>
	Carrying amount \$000	Less than 1 year \$000	1-2 years \$000	2-5 years \$000	More than 5 years \$000
<b>Council 2012</b>					
Trade and other payables	9,594	9,594	-	-	-
Bank overdraft	318	318	-	-	-
Secured loans	16,555	9,055	7,500	-	-
Bonds	58,000	15,000	10,000	33,000	-
<b>Total</b>	<b>84,467</b>	<b>33,967</b>	<b>17,500</b>	<b>33,000</b>	<b>-</b>
<b>Group 2012</b>					
Trade and other payables	11,601	11,601	-	-	-
Bank overdraft	318	318	-	-	-
Secured loans	26,555	10,055	16,500	-	-
Bonds	58,000	15,000	10,000	33,000	-
Redeemable Preference shares	10,000	10,000	-	-	-
<b>Total</b>	<b>106,474</b>	<b>46,974</b>	<b>26,500</b>	<b>33,000</b>	<b>-</b>

## 35. Financial instruments continued

### Contractual maturity analysis of derivative financial instruments

The table below analyses Timaru District Council's maturity dates for interest rate derivative financial instruments.

	<b>Less than 1 year \$000</b>	<b>1-2 years \$000</b>	<b>2-5 years \$000</b>	<b>More than 5 years \$000</b>
Council 2013	-	-	36,000	2,900
Council 2012	10,000	-	27,000	11,900
Group 2013	9,000	-	36,000	2,900
Group 2012	11,000	9,000	27,000	11,900

### Contractual maturity analysis of financial assets

The table below analyses Timaru District Council's financial assets into relevant maturity groupings based on the remaining period at the balance date to the contractual maturity date.

	<b>Carrying amount \$000</b>	<b>Less than 1 year \$000</b>	<b>1-5 years \$000</b>	<b>More than 5 years \$000</b>
<b>Council 2013</b>				
Cash and cash equivalents	21,145	21,145	-	-
Trade and other receivables	7,048	7,048	-	-
Loans to related parties	22,180	-	-	22,180
Unlisted shares	270	-	-	270
Other financial assets:				
- term deposits	6,184	6,184	-	-
- community loans	241	89	86	66
- investment in debt securities	10,208	3,047	6,374	787
<b>Total</b>	<b>67,276</b>	<b>37,513</b>	<b>6,460</b>	<b>23,303</b>

	<b>Carrying amount \$000</b>	<b>Less than 1 year \$000</b>	<b>1-5 years \$000</b>	<b>More than 5 years \$000</b>
<b>Group 2013</b>				
Cash and cash equivalents	24,192	24,192	-	-
Trade and other receivables	9,387	9,387	-	-
Unlisted shares	270	-	-	270
Other financial assets:				
- term deposits	7,134	7,134	-	-
- community loans	241	89	86	66
- investment in debt securities	10,208	3,047	6,374	787
<b>Total</b>	<b>51,432</b>	<b>43,849</b>	<b>6,460</b>	<b>1,123</b>

## 35. Financial instruments continued

	Carrying amount \$000	Less than 1 year \$000	1-5 years \$000	More than 5 years \$000
<b>Council 2012</b>				
Cash and cash equivalents	7,267	7,267	-	-
Trade and other receivables	8,973	8,973	-	-
Loans to related parties	22,180	-	-	22,180
Unlisted shares	270	-	-	270
Other financial assets:				
- term deposits	12,484	12,484	-	-
- community loans	357	132	177	48
- investment in debt securities	12,362	3,082	7,939	1,341
<b>Total</b>	<b>63,893</b>	<b>31,938</b>	<b>8,116</b>	<b>23,839</b>

	Carrying amount \$000	Less than 1 year \$000	1-5 years \$000	More than 5 years \$000
<b>Group 2012</b>				
Cash and cash equivalents	10,951	10,951	-	-
Trade and other receivables	11,676	11,676	-	-
Unlisted shares	270	-	-	270
Other financial assets:				
- term deposits	13,434	13,434	-	-
- community loans	357	132	177	48
- investment in debt securities	12,362	3,082	7,939	1,341
<b>Total</b>	<b>49,050</b>	<b>39,275</b>	<b>8,116</b>	<b>1,659</b>

## 36. Severance payments

During the year, there were no (2012: three) severance payments made to employees (2012: \$981, \$7,060 and \$3,439)

## 37. NZ IFRS issued but not yet effective

### NZ IFRS 9 Financial Instruments

This will eventually replace NZ IAS 31 Financial Instruments: Recognition and Measurement. NZ IAS 39 is being replaced through the following 3 main phases: Phase 1 Classification and Measurement, Phase 2 Impairment Methodology, and Phase 3 Hedge Accounting. Phase 1 has been completed and has been published in the new financial instrument standard NZ IFRS 9. NZ IFRS 9 uses a single approach to determine whether a financial asset is measured at amortised cost or fair value, replacing the many different rules in NZ IAS 39. The approach in NZ IFRS 9 is based on how an entity manages its financial instruments (its business model) and the contractual cashflow characteristics of the financial assets. The financial liability requirements are the same as those of NZ IFRS 39, except for when an entity elects to designate a financial liability at fair value through the surplus/deficit. The new standard is required to be adopted for the year ended 30 June 2016. Timaru District Council has not yet assessed the effect of the new standard and it will not be early adopted. However, as a new Accounting Standards Framework will apply before this date, there is no certainty when an equivalent standard to NZ IFRS 9 will be applied by public benefit entities.

The Minister of Commerce has approved a new Accounting Standards Framework (incorporating a Tier Strategy) developed by the External Reporting Board (XRB). The effective date for the new standards for public benefit entities is for reporting periods beginning on or after 1 July 2014. Therefore, Timaru District Council will transition to the new standards in preparing its 30 June 2015 financial statements. Timaru District Council has not assessed the implications of the new Accounting Standards Framework at this time.

Due to the change in the Accounting Standards Framework for public benefit entities, it is expected that all new NZ IFRS and amendments to existing NZ IFRS will not be applicable to public benefit entities. Therefore, the XRB has effectively frozen the financial reporting requirements for public benefit entities up until the new Accounting Standards Framework is effective. Accordingly, no disclosure has been made about new or amended NZ IFRS that exclude public benefit entities from their scope.

## 38. Reclassification and Restatement

### Reclassification

The Council and group has changed the presentation of items within income to comply with the new presentation requirements of the Local Government (Financial Reporting) Regulations 2011.

The effect of the changes to income are shown in the table below:

	2012		
	Before Reclassification \$000	Reclassification \$000	After Reclassification \$000
<b>Council</b>			
<b>Income</b>			
Rates	35,571	(35,571)	-
Rates, excluding targeted water supply rates	-	36,057	36,057
Fees, charges and targeted rates for water supply	-	12,031	12,031
Development and financial contributions	-	18	18
Subsidies and grants	-	7,291	7,291
Finance income	4,044	(2,094)	1,950
Other revenue	23,495	(17,732)	5,763
Other gains/(losses)	(1,171)	-	(1,171)
	<u>61,939</u>	<u>-</u>	<u>61,939</u>
<b>Group</b>			
Rates	35,282	(35,282)	-
Rates, excluding targeted water supply rates	-	35,768	35,768
Fees, charges and targeted rates for water supply	-	26,253	26,253
Development and financial contributions	-	18	18
Subsidies and grants	-	7,291	7,291
Finance income	5,047	(3,633)	1,414
Other revenue	43,542	(30,415)	13,127
Other gains/(losses)	(1,417)	-	(1,417)
	<u>82,454</u>	<u>-</u>	<u>82,454</u>

## 39. Explanation of major variances against budget

Timaru District Council made a net surplus of \$11.012 million (budgeted surplus of \$2.456 million)

<b>Revenue and expenditure</b>	\$000
2012/2013 Long Term Plan surplus	2,456
<b>Increases/(Reductions)</b>	
Other gains (on fair value of derivatives)	1,411
Museum donation	416
Other increases in revenue	1,306
Landfill aftercare provision reduction	1,535
Depreciation	2,821
Finance costs	1,182
Other increases in expenditure	(115)
	<hr/>
	8,556
2012/2013 Annual Report surplus	11,012

The major reasons for the variance between actual and budgeted net surplus were:

- Unrealised gain on interest rate swaps of \$1,411,000, which is not budgeted due to inherent difficulties in forecasting market conditions.
- An unexpected bequest of \$416,000 was made to the Museum in April 2013 from the Collett estate.
- The volume of building consents processed during the year was higher than expected, resulting in an increase of \$236,000 in revenue for the Building area. Also, there was a larger than anticipated volume of Water Usage for industrial users, therefore revenue for water billing/trade waste is \$306,000 higher than budgeted.
- The expected remaining life of the Redruth landfill site was increased to 42 years during the year, based on a report prepared by Council's engineers. This has resulted in a reduction in the aftercare provision of \$1,535,000, as costs are now expected to be incurred further into the future and are consequently discounted at a higher rate.
- Actual costs for depreciation were lower than forecast by \$2,821,000, mainly due to Assets being fully depreciated, but also due to delays in significant capital projects.
- Finance costs were lower than budget by \$1,182,000 due to timing of expenditure on projects meaning that loans were not needed until later than expected, as well as ongoing reduced interest rates.
- Employee benefit expenses for the Caroline Bay Aquatic Centre were included as Operating costs in the Long Term Plan Forecasts. In order to make a valid comparison to actual expenditure, the budget for 2012/13 for Employee Benefit expenses changes to \$13,568,000.

### Statement of financial position

Due to delays in the timing of capital expenditure projects, partially offset by reduced depreciation, fixed assets are below budgeted level.

As a result of the delays in capital expenditure, borrowings are also less than budgeted, as some of these projects are being funded by borrowings.

## Equal Employment Opportunities Policy

The Timaru District Council is committed to the principles of Equal Employment Opportunities (EEO) by providing employment opportunities for all employees and applicants on the basis of merit, without regard for race, colour, religion, sex, or age. It is committed to provide a workplace free of discrimination.

We will continue to promote and develop the skills of staff throughout the organisation and will ensure our recruitment programme recruits the best person for each vacancy.

### Performance Measure

To provide a wide range of training opportunities which is in addition to any required professional training.

The Training Committee's objective is to have a competently trained organisation.

### Achievement

*85% of staff have undertaken a training session in excellence in Customer Services.*

*We continue to promote training by reviewing staff member's requests for training from performance reviews. Corporate training has been provided for all staff on a number of subjects, in addition first aid training has been provided along with defensive driver training.*

### Performance Measure

Maintain awareness amongst staff of EEO principles and their implementation in, and importance to, the Timaru District Council.

### Achievement

- In every appointment made the principles of EEO have applied.*
- In each appointed position the successful applicant has been the person best suited for the position.*

## Health and Safety Policy

The Health and Safety Policy provides for a commitment by the organisation to ensuring staff are protected from accidental damage.

We have an active Health and Safety Committee which meets monthly. The Committee's guidance and the cooperation of staff has ensured the renewal of our tertiary level in Workplace Safety Practices Certificate.

### 2012/13 Corporate Health and Safety Objectives

- To ensure consistent and timely compliance with Health and Safety policies across the organisation at the ACC tertiary level.*

Tertiary level certification undertaken by ACC and passed in June 2013. Full staff involvement/representation in this prior to and during the recertification process.

- To maintain a comprehensive Health and Safety induction programme for new employees.*

A full Health and Safety induction programme for new employees continues to be delivered by Human Resources, supervising staff at the time a new employee starts, and the Health and Safety Committee also undertake regular induction sessions on Health and Safety and Civil Defence for new staff. During the period 3 such sessions for new staff were held.

- Provide all staff with at least three education or training opportunities during the period.*

All staff were provided a minimum of three education and training opportunities within the period. This was via Training Committee programmes, Unit Training to meet job specifics, or via the Worksafe Week Programme held each October that is available to all staff.

- a) To achieve zero serious harm accidents and reduce the level of other accidents in the 2012/13 year as compared to 2011/12*

*b) To improve the awareness of incidents and to simplify the reporting process.*

No serious harm accidents were recorded during this period and there was a reduction in the number of other reported accidents by comparison with the preceding period. Also during this period for staff to be proactive in reporting of accidents by staff was promoted during training sessions and staff newsletters. In addition a new form to report "Incidents or Near Misses" was developed and implemented.

- To have a Worksafe Week programme specifically targeting fire safety at work and home, fatigue / stress and other Health and Safety issues as appropriate.*

The annual Worksafe Week promotion open to all staff was held in late October 2012. Topics covered included Melanoma Awareness, water safety, fire safety at work and home, driving skills and fatigue and stress. The organisation also participated in the Sea to Sea Challenge run by Sport Canterbury.

6. *During the 2012/13 year to monitor the incidence of moderate to serious verbal abuse/ threats and ascertain the seriousness and frequency of the problem.*

The reporting of moderate to serious verbal abuse / threats was encouraged during the period so as to be able to ascertain the seriousness and frequency of this problem. The new Incident reporting form initiated during this period also assists staff to report such occurrences.

### **2012/13 Health and Safety Committee Objectives**

1. *To hold at least 11 meetings annually with all minutes, agendas, hazard register and accidents statistics circulated seven days before each meeting to all committee members.*

Monthly meetings were achieved. Agendas, hazard register and accident statistics were circulated at least seven days prior to each meeting.

2. *To ensure a relevant Health and Safety article is included in the staff newsletter every month and to otherwise promote Health and Safety through recognition of excellence, posters and awareness campaigns.*

A monthly article was included in the staff newsletter recognition of excellence in Health and Safety was celebrated, posters and awareness campaign continued each month.

3. a) *To promote the ACC Activesmart Physical Activity Programme.*  
b) *To promote and encourage the use of the "Montie" training system at all Council work sites.*

We achieved excellent participation from staff in Work Safe Week with an increase in attendance. The "Montie" training system has been promoted.

4. *To arrange a quarterly site visit for Health and Safety committee members to Council facilities or project sites to increase their knowledge on Health and Safety issues at these locations.*

The Health and Safety Committee visited several facilities. The commitment by Management, Staff and the Health and Safety Committee ensured the renewal of the ACC Workplace Safety Practices Certificate.

## **Opportunities for Maori to Contribute to Council Decision Making Processes**

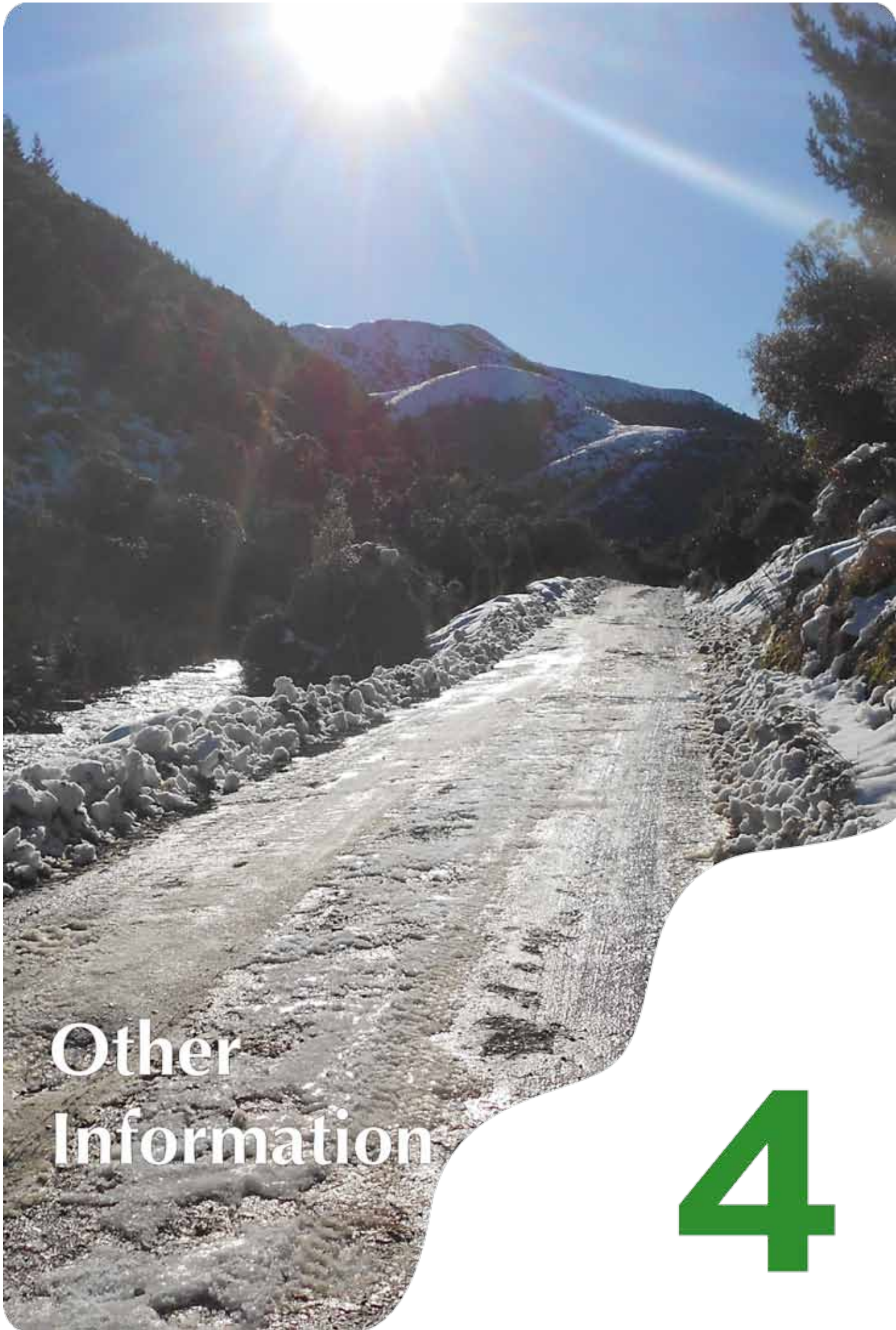
The Timaru District Council considers the contribution of Maori to the decision-making process as important. To enable local Maori to contribute to the decision-making process, the Council has appointed a member of the Tangata Whenua as a full voting member on Council's Resource Regulation and Planning Committee. There is also Maori representation on the Safer Communities Committee and the Local Arts Scheme Assessment Committee.

The Council has also built into its report writing format and decision-making process a step where the impact of a decision must be assessed specifically to Maori related issues and direct consultation is undertaken with Maori if the decision is relevant to Maori.

Council's senior management meets with local Maori on an as required basis to discuss significant projects and maintain working relationships.







Other  
Information

4

# Directory

Postal Address:	Timaru District Council PO Box 522 Timaru 7940
Location- Timaru Head Office:	2 King George Place Timaru 7910 Telephone: (03) 687-7200 Facsimile: (03) 687-7209 Email: <a href="mailto:enquiry@timdc.govt.nz">enquiry@timdc.govt.nz</a> Website: <a href="http://www.timaru.govt.nz">www.timaru.govt.nz</a> Hours (except statutory holidays): Mon - Fri: 8.30am - 5pm
Temuka Service Centre:	72-74 King Street Temuka 7920 Telephone: (03) 687-7591 Facsimile: (03) 615-9538 Hours (except statutory holidays): Mon - Thu: 8.30am - 5pm Fri: 8.30am - 6pm Sat: 10am - 1pm
Geraldine Service Centre:	78 Talbot Street Geraldine 7930 Telephone: (03) 693-9336 Facsimile: (03) 693-9451 Hours (except statutory holidays): Mon - Thu: 8.30am - 5pm Fri: 8.30am - 6pm Sat: 10am - 1pm
Bankers:	Bank of New Zealand 247 Stafford Street Timaru 7910
Auditors:	Audit New Zealand on Behalf of the Controller and Auditor-General Private Box 99 Wellington 6140
Solicitors:	Gresson Dorman and Co 12 The Terrace PO Box 244 Timaru 7940

## Coat of Arms and Logo



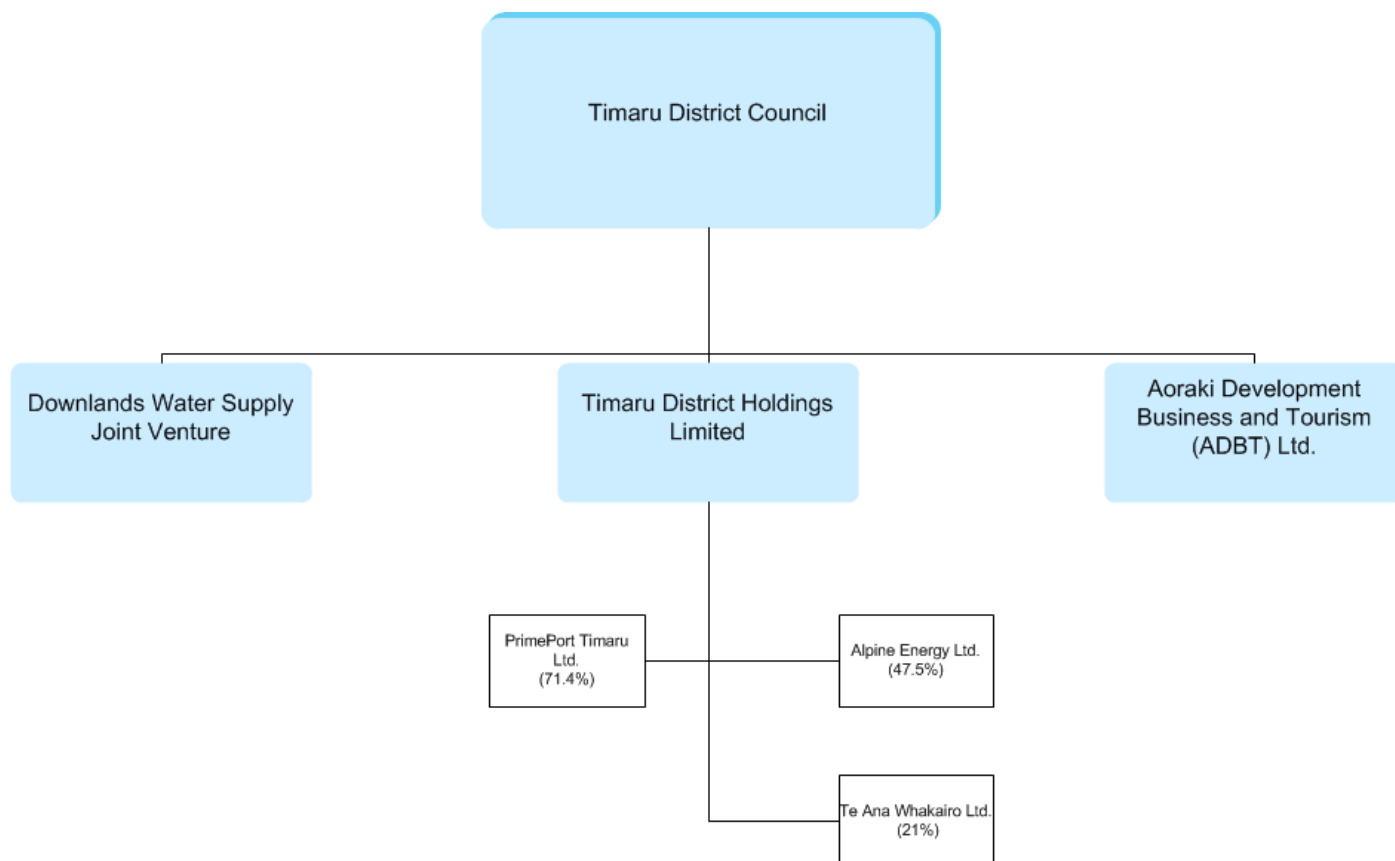
The grant of armorial bearings to the City of Timaru was made by the College of Heralds, London, by letters patent dated 18 October 1977. The original grants document with its impressive artwork and gold seals is displayed outside the Council Chambers in the upstairs foyer of the District Council Building, King George Place, Timaru. Although granted to the former Timaru City Council, the heraldic emblems used are equally applicable to the whole district and use of the Coat of Arms by the District Council has been approved by the New Zealand Herald of Arms. The description of the Arms and Significance of the main features are available on request. The Coat of Arms is used to accentuate the civic responsibilities of the Council or to denote Mayoral authority.

The Council Logo colours are blue and green - environmental colours depicting the sea meeting the land inside a unified format. The diagonal lines suggest upward movement, mountains, rivers, roads, energy, vitality, leadership - pointing to the TDC. The logo is used on all corporate documents, signs and buildings.

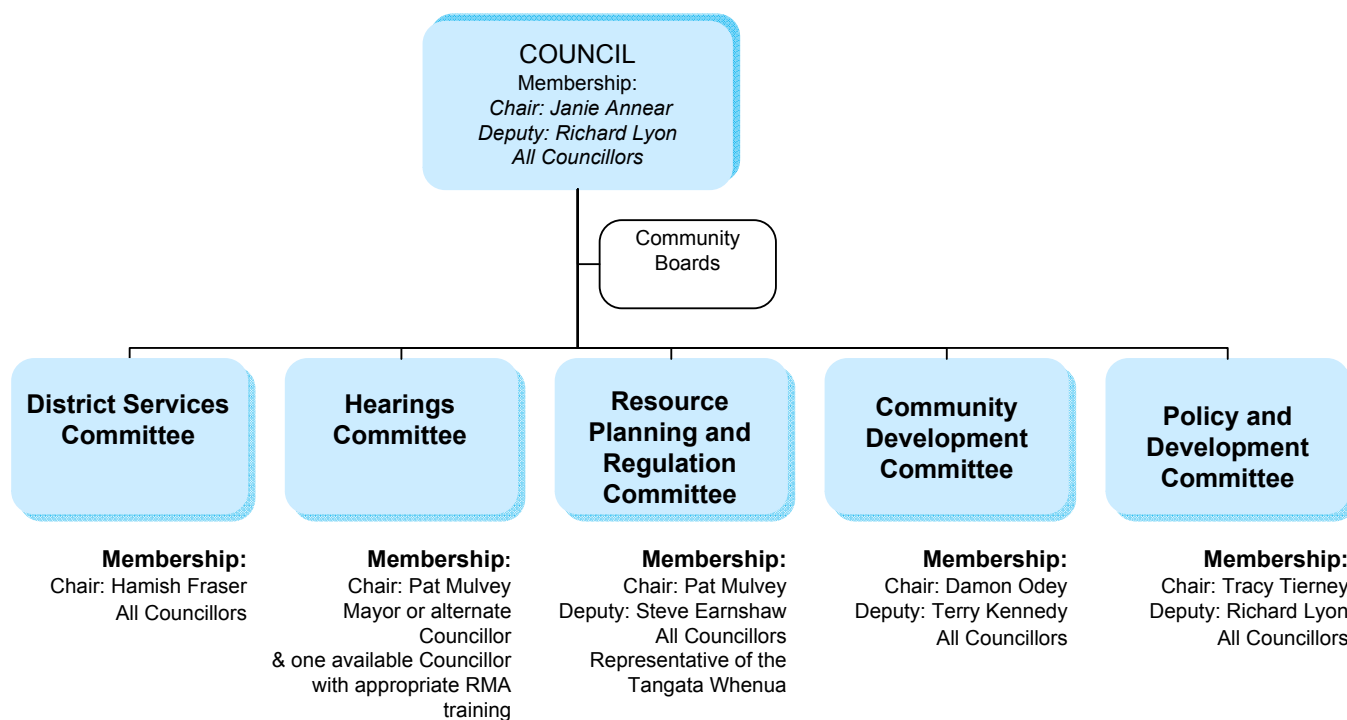


# Organisational Structure

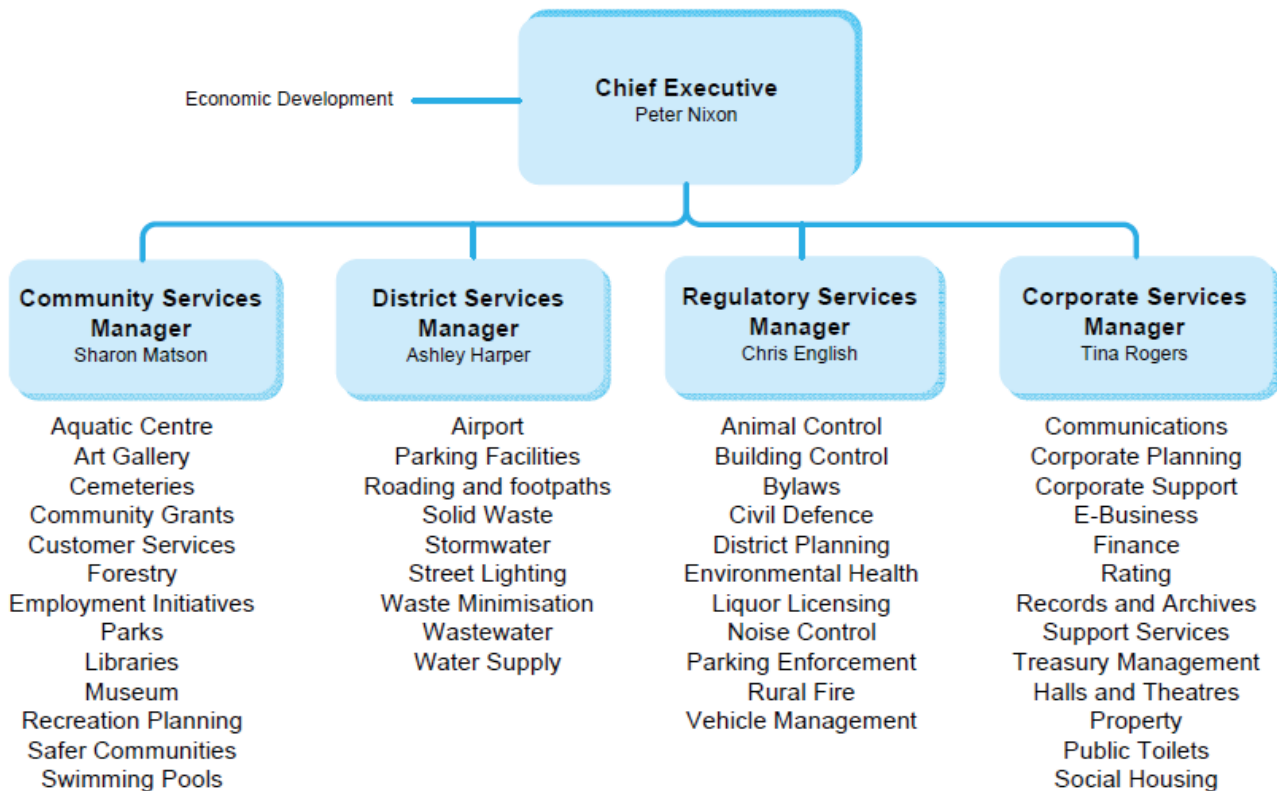
## Group (as at 30 June 2013)



## Council Committees (as at 30 June 2013)



## Council Management (as at 30 June 2013)



**Activity** – Services, projects or goods provided by, or on behalf of, Council (e.g. libraries, art gallery). These activities are then combined into groups of activities.

**Annual Plan** – The Annual Plan is produced in the intervening years between Long Term Plans. It includes the work programme for the year and financial statements.

**Annual Report** – Reports on the performance of the Council against the objectives, policies, activities, performance measures, indicative costs, and sources of funds outlined in the Annual Plan and the Long Term Plan.

**Asset** – Something of value that the Council owns on behalf of the people of Timaru District such as roads, drains, parks and buildings.

**Asset Management Plan** – A long term plan for managing an asset to ensure that its capacity to provide a service is kept up and costs over the life of the asset are kept to a minimum.

**Borrowing** – Refers to the raising of loans for capital items, such as the sewerage scheme.

**Capital Expenditure** – Expenditure that will increase the value of the Council's assets.

**Capital Value** – Value of land including any improvements.

**Community Boards** – Local elected bodies set up under the Local Government Act. Community Boards are consulted by the Council and can represent community concerns to the Council. Timaru District has three Community Boards – Temuka, Geraldine and Pleasant Point.

**Community Outcomes** – Goals that the Council believe are important to contribute to for the present and future economic, social, cultural and environmental well-being of the community.

**Council Controlled Organisations** – Council-controlled organisations are organisations in which one or more local authorities control 50 per cent or more of the voting rights or appoint 50 percent or more of the directors.

**Financial Year** – The Council's financial year runs from 1 July to 30 June of the following year.

**General Rate** – A rate levied across all properties for activities that benefit the whole District.

**Group of Activities** – Several activities combined together (e.g. Cultural and Learning Facilities).

**Land Value** – Value of land, excluding any improvements.

**Local Government Act 2002** – The key legislation that defines the powers and responsibilities of local authorities like the Timaru District Council.

**Long Term Plan (LTP)** – A ten-year plan that sets out the Council's strategic framework, work programme and budget for the next ten years.

**Operating Expenditure** – Money the Council spends on such items as salaries, materials, electricity and plant hire.

**Operating Revenue** – Money earned through the activities in return for a service provided, or by way of a grant or subsidy to ensure particular services or goods are provided. Examples include NZ Transport Agency subsidies, rental income, permits and fees.

**Operating Surplus/(Deficit)** – The expressions 'operating surplus' and 'operating deficit' are accounting terms

meaning the excess of income over expenditure and excess expenditure over income respectively. Income and expenditure in this context exclude 'capital' items such as the receipt or repayment of loans, the cost of capital works and transfers to and from Reserves. An operating surplus/deficit is inclusive of non-cash items such as income and expenditure owing but not paid (Debtors and Creditors) and depreciation.

**Performance Measure** – A measure that shows how well Council is doing in achieving the objectives it has set for itself.

**Rates** – Funds collected by the Council from levies on property. These are based on the land value of the property but the term is often used to include Uniform Annual General Charges and Targeted Rates.

**Revenue and Financing Policy** – this describes how the Council's work will be paid for and the mechanisms for gathering the funds (such as general rate, targeted rates, user-charges, grants).

**Statement of Cash Flows** – This describes the cash effect of transactions and is broken down into three components: operating, investing and financing activities.

**Statement of Comprehensive Income** – This can also be referred to as the Profit and Loss Statement, the Income Statement, or the Operating Statement. It shows the financial results of various Timaru District Council activities at the end of each period as either a surplus or deficit. It does not include asset purchases or disposals.

**Statement of Financial Position** – This shows the financial state of affairs at a particular time. It can also be referred to as the Balance Sheet.

**Significance** – Degree of importance of the issue, proposal, decision or matter as assessed by the local authority in terms of its likely consequences for the current and future social, economic, environmental, or cultural well-being of the community.

**Subsidies** – Amounts received from other agencies for the provision of services (e.g. NZTA roading subsidies).

**Targeted Rates** – Any rate levied other than the general rate, which is targeted at users of a service such as water supply, wastewater and solid waste.

**Transfer to/from Reserves** – Transfers of funds to reserves are generally surpluses on operations. Transfers from reserves assist to fund capital expenditure.

**User Charges** – The charges levied for use of Timaru District Council services (e.g. building consent fees, health inspections).

**Working Capital** – These are the Council's net current assets that are held in cash or can be readily converted to cash, less liabilities due for payment within a year. This is indicative of the Council's ability to meet its obligations as they become due.