

ARE WE THERE YET?



Long Term Plan 2015-2025
Consultation Document

Give us your feedback

Submissions close Tuesday 28 April, 2015 at 5pm.

See inside:

- The issues we want your feedback on
- What is planned for the future
- How your rates may change in the future

ARE WE THERE YET?

Are we there yet? It's a question this document will ask a lot. We're in the process of developing our next Long Term Plan. We have done a lot of work on it but now we need your help to let us know if we're there yet.

We want to know if we are there yet in developing the plan and moving us closer to our vision. We also want to know if we are there yet with what you believe is important for the future of our district.

This isn't our first Long Term Plan (LTP). Every three years we review it. Over those three years a lot of things can change. During the last three years we have made some significant progress towards our vision of **Lifestyle – Economy – Identity – Leadership**.

Some of the key highlights have included:

- Near completion of the district sewer strategy and commissioning a \$17M treatment plant upgrade and oxidation ponds in Aoranghi Road, Washdyke
- The opening of the highly popular Caroline Bay Trust Aoraki Centre, with visitors now exceeding 300,000 per year
- A new extension to Elginshire Street to improve traffic flow to State Highway 1 and alleviate congestion at Washdyke
- Rezoning of land at Washdyke for industrial use
- A 50/50 joint venture partnership for the Port of Timaru agreed between the Council owned Timaru District Holdings Limited and the Port of Tauranga, securing the future of the port
- Completing the upgrade to Factory Road, Temuka
- Keeping all those services going you regularly use without thinking – water supply, roading, footpaths, sewage, parks, walkways, regulation, libraries, rubbish collection, recycling, the museum and so on

You can read more about the Long Term Plan in **What's the LTP all about?**

Since we last completed the LTP, law changes now require Councils to prepare a Consultation Document on the LTP, which you are now reading. This document outlines the big issues of this LTP review that we want your feedback on, along with some of the key features of the 2015-25 LTP. You can find a lot more detail in the supporting information for this LTP that you can download through our website or obtain from Council offices and service centres.

The LTP won't be formally signed off until June, after we have considered all of your feedback. Now it's your chance. So, please read this document, consider the issues, and complete the feedback form or come and talk to us about your views.

Tell us...are we there yet?

What's this document all about?

This document is all about getting your input to help us make long term planning decisions.

It sets out the key issues we need your feedback on, and presents options. The document also gives an overview of the impact of these issues on rates, debt and levels of service. In some cases, the Council have indicated the option they currently prefer. Where the Council has identified a preferred option, this has been included as part of the draft plan, so a clear indication can be given of the impact of these changes on rates, levels of service and debt. You can read more about this in the section **Funding the Future: The Numbers**.

The document also outlines key information about what we intend to achieve through our Long Term Plan, including the impact on our communities.

You can find a whole lot of supporting information through our website – www.timaru.govt.nz

Meet your Councillors

Within this document you will meet each of your Timaru District Councillors and learn more about why your feedback is vital to developing our Long Term Plan.

"We love that you have chosen to live in this fantastic district and we value your input."

Damon Odey (Mayor)

Four and a half years on Council/ Mayor/Timaru

Why is the LTP important to you?

Strategic planning and looking forward to how our community will look 10 years out is important to ensure your council plans, budgets and delivers what is required into the future.

Why is Community input important?

Because this is your council and effectively your plan. Help us continue to see the Timaru District prosper into the future.



What's the LTP all about?

The LTP is more than just a collection of information or something Councils do because they have to.

It outlines the Council's direction for the future, particularly the next ten years. It includes the services and projects that are planned for. It summarises the financial impact of this – just like your own budget – what our expenditure will be and how it will be paid for.

The LTP is important because effectively it represents our contract with the community about how we will spend the funds we have to make our communities better. These funds come from you – through rates – and also from other sources, such as fees for certain services, investment returns and government grants or subsidies.

While the Council might represent a single organisation, what the Council does is broken down into what are called activities.

For each of these activities, such as Water Supply, Roading, Building Control, or the Aigantighe Art Gallery, we need to plan both for what they currently provide and how they will provide their services in the future.

What each activity provides can be affected by many things. For example, law changes can alter the rules a Council must follow in providing a service. They can also require Council to provide something to a certain standard to protect

people's health and wellbeing (e.g. drinking water standards). Communities may want certain standards of service that they do not currently receive. How our district economy is changing or growing may mean we have to provide services in new, faster or different ways. Changes in population numbers or how our population is made up may also impact on the services the Council provides way into the future.

The law has changed since we last reviewed the LTP. It now requires Councils to prepare a 30 year Infrastructure Strategy (or IS). At a minimum, the IS covers the big stuff provided by the Council – the roads and footpaths you drive and walk on, how sewage is collected, treated and managed, the systems delivering clean, fresh water to your tap and the stormwater systems that handle rainfall. These systems and facilities are critical to running modern communities and need to be well planned for and managed. The IS outlines major issues for these areas over the next 30 years (e.g. such as how we will replace ageing infrastructure) and how the Council plans to deal with them.

The document you are reading represents our LTP consultation document, also a result of the law changes. It outlines the key issues raised as a result of this LTP review.

You are welcome to give us feedback on these or any other issues raised. We want to hear your views.

Our Vision

Back in 2012, we did a lot of work around our strategic direction and what was important in the future for the district. This time around we've slightly tweaked this, but it has not hugely changed. Our main vision is below. You can read more online.

Lifestyle

Fantastic sustainable lifestyle second to none.

We live in a pretty special place. We want to keep it that way. We want to make it even better for ourselves, our children, their children.

Economy

Thriving and innovative economy where opportunities abound.

Our economy is essential to our future. We need it to grow innovatively and sustainably.

Identity

Strong and enviable reputation and identity.

We want to forge and strengthen a reputation and identity that other districts may aspire to.

Leadership

Inspiring, people-focused leadership.

We want a district where we build on our strengths, minimise our weaknesses, challenge our threats and grasp our opportunities. This takes leadership.

How to have your say

Please spend some time having a read through this document, consider the issues and give us your feedback!

It's easy

FreePost back the feedback form at the back of this document.

Or visit our website – www.timaru.govt.nz – and complete it online.

What if I want more information?

Online

You can find a whole lot of supporting information through our website – www.timaru.govt.nz

On paper

Each page within this document indicates the information that is available and relevant to that issue.

In person

Alternatively visit Council offices, libraries or service centres.

On the phone

Contact the Council on **(03) 687 7200** or **0800 484 632** and we can send further information out.

On Facebook

Check out and like us on Facebook – www.facebook.com/TimaruDC

The challenges we're facing

This LTP is mostly about 'business as usual', continuing good value and reliable services at an affordable cost to residents and ratepayers.

For the most part, we are proposing a 'steady as you go' approach. This means that all of the services you currently receive will continue to be provided, subject to the final decisions made on some of the issues highlighted in this document.

In developing this LTP we have identified some challenges and issues that we would value your feedback on, to help us continue to work towards our vision, and make this fantastic place in which we live even more fantastic.

As part of developing this LTP, there has been some big issues identified that we want to discuss with you in more depth.

The issues are:

Funding the Future: Our Road Funding Shortfall

Making the District Tick: Replacing our Roads, Pipes and Pumps in the Future. How should we fund this?

Handling Our Heritage and Culture

Funding the Future: Slicing the General Rate Pie

Making the District Tick: Securing Our Future Water Supplies

We've also talked about a range of other things that are happening and that are important to the district's future, including:

Making the District Tick: Keeping the Big Stuff Going – Our infrastructure strategy

Earthquake Shake-up

Economic Development – The Future

Funding the Future: The numbers

Each of these is covered over the next few pages and we encourage your thoughts on them through the feedback form at the back of this document, or visit our website at www.timaru.govt.nz.

Funding the Future: Our Road Funding Shortfall

How do we fund the shortfall in the roading area?

The Issue

Everyone benefits from the roading network. Whether it is getting from A to B, getting product off the farm, delivering goods and services around town or having a place identifying where you live, our lives would be pretty tricky without it!

The Council currently spends around \$22.6M every year on roading and footpaths. This spending is diverse. It can vary from large projects like building a new bridge or be as simple as replacing a broken road sign.

\$22.6M might sound like a lot of money, but it's important to remember that we are dealing with a road network in the district that stretches over 1,700km. If this was State Highway One, it would stretch all the way from Timaru to Cape Reinga! And, that's just the roads. It excludes all the other bits of the roading network, from road signs to footpaths to road marking to streetlights to kerb and channel.

All of this is paid for through a mix of rates and central government financial assistance (via the NZ Transport Agency).

There are three issues that will impact on funding of local roads significantly in the future.

Firstly, the government have conducted a major review of how they will assist Councils in funding local roads in the future. The government review has resulted in changes across the country to all Council Financial Assistance Rates (or FARs). The FAR represents the amount of money the government will contribute towards local road works. The review will result in the rate for Timaru District reducing to 51%. Starting in 2015/16, the rate will be 55%, with a 1% reduction annually until it reaches 51%. The average FAR over the last three years for Timaru District was 56%.

This is further complicated by changes to support for different types of roading work. Work such as road seal widening or new kerb and channel previously funded through our road renewals allocation must now be funded as projects. Projects funding is limited and approval is based on national priorities not local ones that will make financial assistance for such projects more difficult to attain. This is expected to have a significant impact on future funding levels.

Secondly is the introduction of the One Network Road Classification (ONRC) by government. The ONRC is a new system of road hierarchy that will apply to all roads nation-wide. It will likely influence the availability of funding for district roads.

The third aspect is the need for funding to increase for roading over the next 10 years if we are going to keep providing what we currently do. This is required because of:

- the ongoing ageing of our district's roading infrastructure
- the changing use on our network, for example through the impact of heavier trucks, farm machinery and more heavy traffic wearing out our roads faster.
- increases in contract costs

Combined, the overall effect of these three issues will mean that ratepayers will have to shoulder more of the cost of the local roading network. We estimate that as a result of these changes, over the next ten years, there will be a funding shortfall of between \$400,000 to \$1.2M annually that must be found if we are to maintain what we currently provide. The extent of this shortfall cannot be confirmed until the final roading plan is signed off by the government later this year and a clearer picture is available of the impact of the other changes discussed above.

The Options

1 Don't fund the shortfall and reduce the service provided for roading

The shortfall would not be funded. This option would mean less money would be spent on maintaining and upgrading roads in the district. This would require us to change how we deliver some roading services. For example, sealed roads could be turned back into gravel roads or less road grading could occur.

2 Partially fund the shortfall, continue to advocate to government and reduce the service provided for roading

Some of the shortfall would be covered, leading to an additional 1.2% increase in rates over three years. This option would likely mean some changes to how we deliver services would also be required. Of the estimated \$400,000 - \$1.2M annual shortfall, Council is proposing to fund between \$300,000-\$500,000 annually over the next ten years, at the lower end of the funding required.

3 Fully fund the shortfall in the next financial year and maintain the service provided for roading

All of the shortfall would be funded and there would be no changes to the service provided. This could mean up to an additional 3% increase in rates compared to 2014/15.

Preferred Option

Option Two is the Council's preferred option.

The Council is proposing to fund an additional \$300,000 in 2015/16, \$400,000 in 2016/17 and \$500,000 in 2017/18.

This means that Council is intending to set money aside to partially cover the shortfall. Changes in how the service is provided may also be required. At this time, due to the uncertainty over the level of the shortfall, the severity of these changes in service cannot be confirmed. Some examples could include reduced street cleaning, unsealed road grading or roadside mowing. Any change in level of service has the potential to have an undesirable local impact.

Council will continue to actively pressure for government to restore the model of funding to an appropriate balance between local communities and government.

Council is investigating other ways of providing the service more efficiently and effectively and reducing overall costs or levels of service. For example, it will review whether we should continue to provide the same standard of service for something like footpath resurfacing. It is also part of the Mid-South Canterbury Roding Collaboration along with Ashburton, Mackenzie and Waimate districts. This group aims to provide opportunities to share resources, ideas and approaches, with the aim of ultimately reducing costs and improving levels of service for the respective district's ratepayers. Currently, the group is working on a standard maintenance contract. Potentially in the future, savings and greater efficiencies could be created for the community through joint tendering of contracts.

What do you think?

What option do you prefer?

Supporting documents and links (check our website)

- TDC FAR review submission
- NZTA website – FAR review, One Network Road Classification
- TDC Infrastructure Strategy



"The range of services the council is responsible for is hugely wide and varied and affects every single one of us on a daily basis."

Tracy Tierney

Four years on Council/Business Consultant/General Manager/Timaru

Why is the LTP important to you?

I see in my working life the absolute value of sound strategic planning whether for a business or not for profit group. Having a clear focus on what you are trying to achieve and a well-documented plan for how you want to get there increases the chance of success significantly. Which is why I think the LTP process is so important for our district's future.

Why is community input important?

I really value hearing from as many people as possible who have a genuine interest in what they believe to be best for the district in whichever area they are interested in. We really do listen and I can vouch for the fact that individual ratepayer input can and has affected Council decision making.

How should we fund this?

We are currently not funding enough to replace our roads, pipes and pumps in the future.

Background

Infrastructure isn't too exciting a word. But it is critical. Council provides heaps of it. Some examples – the footpath you walk on, the pipes under the ground carrying your sewage to the treatment plant, the road you drive on, the systems that treat water to make it drinkable and deliver it to your tap. A huge amount of this infrastructure lies unseen under the ground.

Infrastructure suffers wear and tear just like everything you own. Pipes start to leak or become brittle, roads surfaces get hammered by trucks and weather, pumps become inefficient. In making sure this infrastructure can be replaced in the future, the Council needs to ensure that sufficient funding is available to pay for this. Replacing assets can be funded through rates, user charges, depreciation reserve funds or loans. Some of the income received each year is set aside into a depreciation reserve fund to pay for these future replacements.

The Council must also consider how those who use these services pay for them over the period of time they use them. It should not fall to the next generation of ratepayers to pay for the **current** wear and tear on the asset. This represents sensible financial management.

If replacing existing assets is not sufficiently funded, the Council will have to pay for the replacement of these assets some other way, which will likely involve borrowing money later or not replacing these assets in the future.

The Issue

This LTP review we have prepared an Infrastructure Strategy covering the next 30 years. You can read more about that later in this document.


The work carried out on the Infrastructure Strategy has highlighted that we are not currently funding enough money to replace our existing infrastructure to the same standard.

In addition, the Council has historically not set aside enough money to pay for these future asset replacements. It has now decided to increase this amount to reduce our future dependence on loan funding. As a result of this decision and new analysis, we estimate that an additional \$24M should be funded over the next 10 years or \$2.4M annually.

Funding shortfall over 10 years


Water supply

\$10.8M



Roading and Footpaths

\$13.3M



The Options

1 Gradually build up to fund the full annual shortfall over the next ten years

This option would see the shortfall gradually funded over the next ten years. It would start with \$0.44M funded in the first year, rising to \$2.5M per annum by year 10. The impact on rates would be an increase in overall rates of 5.6% over the next 7 years. The annual \$2.4M shortfall would be fully funded from Year 8. Using this approach will mean less borrowing is required in the future. The \$6M remaining unfunded using this transitional approach over this period would come from existing reserve funds and loans.

2 Fund the annual shortfall over a longer period

This option would see the shortfall gradually funded but over a longer period of time. The effect on rates would depend on the approach used for funding. It would be likely that more borrowing would be required under this option.

3 Don't fund the annual shortfall and use borrowing later

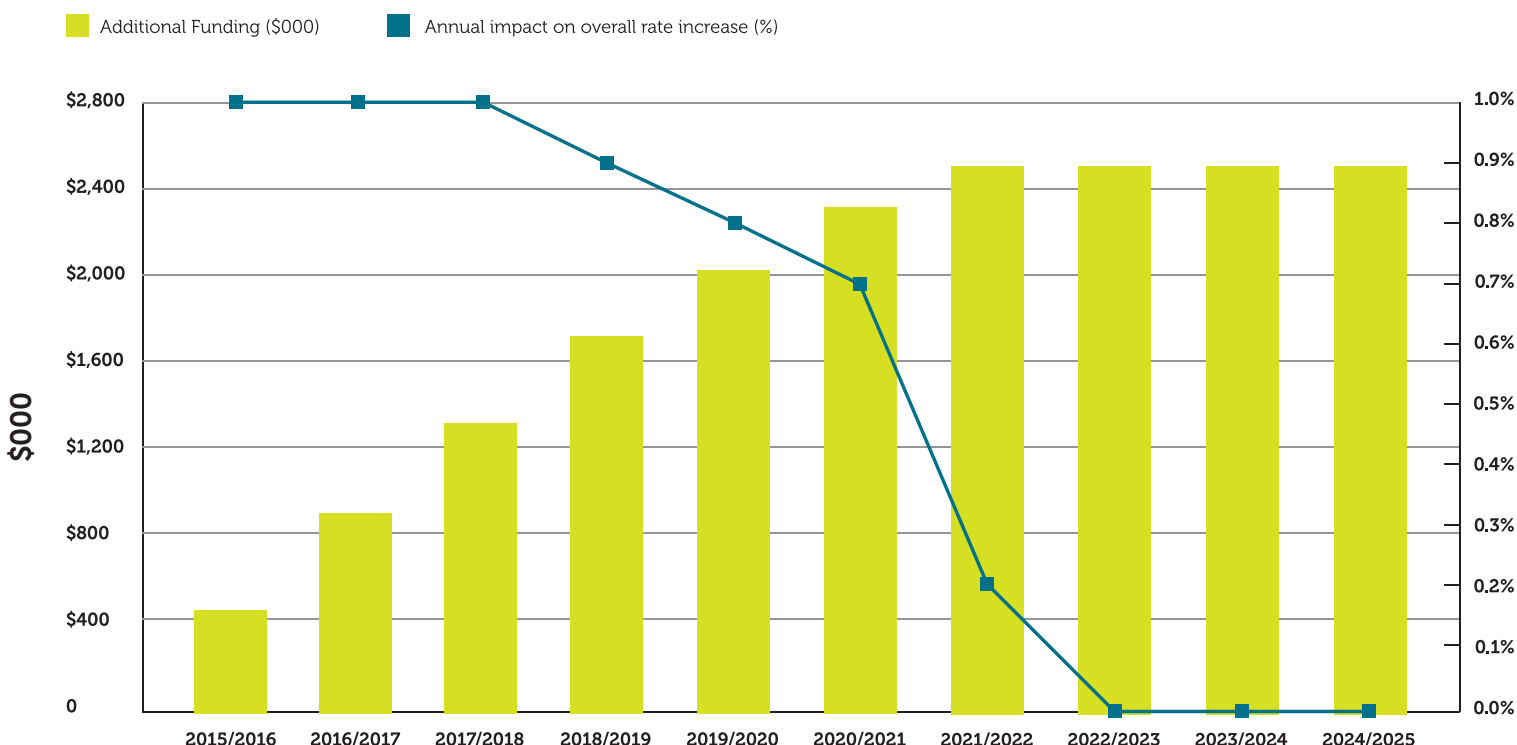
This option would mean the replacement of assets is not fully funded. Replacement of the assets would either not happen or occur through borrowing money later, with that money and interest to be repaid through rates at that time. This approach would potentially have a significant impact on the levels of service provided and place a larger financial burden on future generations.

Preferred Option

Council's preferred option is **Option 1**, building up to fund the full annual shortfall over the next ten years. This will balance the impact evenly while still sensibly managing our finances and delivery of services. This represents a sustainable funding approach which will ensure these assets can be replaced in the future.

The graph below shows the proposed funding approach and overall impact on rates:

Proposed Funding Approach



Supporting documents and links (check our website)

- TDC Infrastructure Strategy



Where to for our regional cultural facilities?

The Issue

Over the last few years, we have been working on finding solutions to issues faced by the museum, art gallery and library. These issues include:

- Rapidly growing collections – our collections are growing and more bequests are expected in the short-term
- Storage space – there is a lack of suitable space to house these collections
- Modernisation – In today’s technological world, community expectations have changed about how these facilities deliver their services. We need to ensure our facilities are modern, up to date and able to be used well by the community

The South Canterbury Museum houses an extensive collection. It began in 1954 as a voluntary operation. Over the years, it has evolved into a professionally run museum serving the wider South Canterbury region. The complex consists of the original Pioneer Hall (octagonal shaped building) and a collection wing added in 2000.

The current museum building has reached the limits of its suitability as a museum space. Alongside those issues described above, there are less than ideal exhibition spaces and a lack of adequate work spaces. Parts of the building do not meet modern museum standards. The museum also desires to expand as a space for visiting exhibitions and as a visitor attraction to South Canterbury.

The main issues faced by the Aigantighe Art Gallery relate to storage and modernisation. The Aigantighe art stores are chock-a-block, with very limited space for new additions. The library building is old but robust. Work is planned to maintain the building into the future such as replacing the roof. The main issues for the library relate to modernisation, storage and making spaces more community friendly.

Investigations are ongoing as to the best way to manage these issues and develop these facilities into the future. Ideas such as combining facilities or centralising storage in one place have been suggested. What do you think?

The Options

1 Focus on addressing the most critical issues

The existing facilities and operations would carry on with no major changes. A solution would be found for the collection storage dilemma, which could possibly include joint off-site storage. Funding of \$0.5M is included in the budget for an additional store to be built at the Aigantighe Art Gallery.

2 Redevelop the existing museum building or build a new museum along with building the new Art Gallery art store

Possibilities include:

- Extending the existing museum building and improving access. The extension would be approximately 800 – 1,000 square metres and the overall project costs would be around \$9-10M.
- Building a new museum on the existing site – The existing Pioneer Hall would be demolished and a new purpose built modern museum constructed retaining the existing storage areas. This could cost up to \$12M.
- Building a stand-alone exhibition venue and retaining the existing museum building as a collection store, research centre and exhibition development area. This could be either a new, specifically designed museum or an existing building redeveloped in the Timaru CBD. The new building would be around 1,500 square metres and the overall project costs would be around \$10-11M.

A solution would be found for the museum storage issues associated with the redevelopment. Other facilities would be upgraded where possible.

Preferred option

Option Two is Council’s preferred option, although significant work is still required to decide the best redevelopment option. At this point, \$10M has been included in the LTP for redevelopment with construction not starting until 2018/19. The project would be funded through external fundraising and loans. A storage solution would be determined as part of the project. A redeveloped facility would also have higher day to day running costs. This would impact on Council debt to the tune of \$4.6M, with an extra 1.9% onto rates (both numbers include inflation). The success of the project is contingent on significant external fundraising.

“It’s important that as a District we plan for the benefit of everyone.”

Anthony Brien

Eighteen months on Council/University Lecturer/Timaru

Why is the LTP important to you?

It’s important that as a District we plan for the benefit of everyone.

Why is community input important?

As residents within the District it is important to have the opportunity to provide input – now’s your chance.



What do you think?

What option do you prefer?

If any, which of the museum redevelopment options do you support?

Supporting documents and links (check our website)

- Museum Feasibility Study
- Council reports



How much should each type of property contribute to the General Rate?

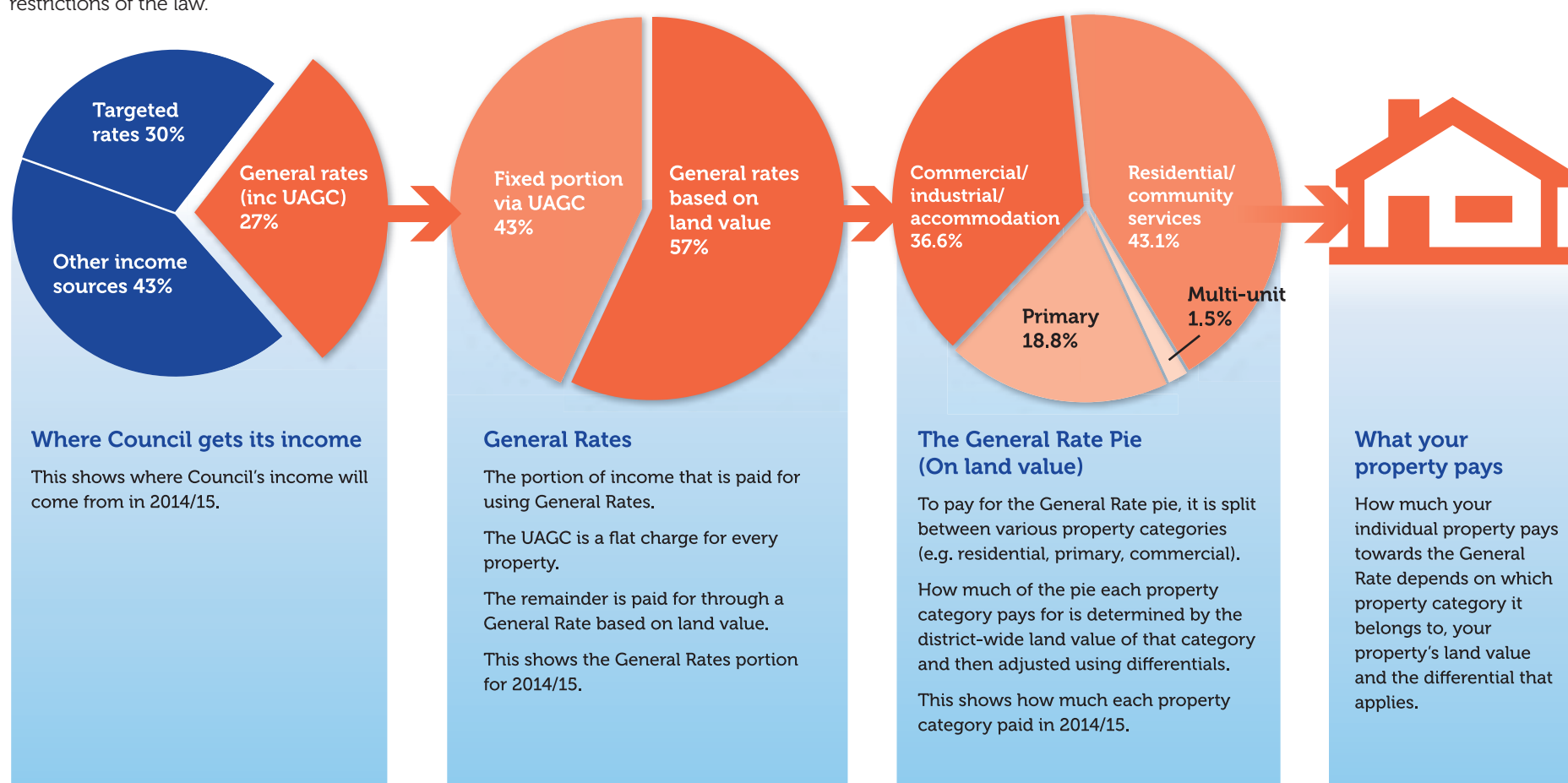
Background

There's no such thing as a free lunch. The services provided by Timaru District Council are paid for through various means by you. Some are paid for mainly through rates, such as civil defence and the cost of democracy. Others are paid for mainly through fees, such as building consents. Some are paid through a mixture of sources, such as roading, using rates and government financial assistance. Who pays for what is determined by Council policy. Activities are generally funded according to where the benefits lie for individuals, particular groups of people or the wider community.

Rating for services isn't easy. There will never be a perfect rating system. What the Council does try and achieve is a fair and equitable system for all within the restrictions of the law.

For services that are paid for through rates, the Council can use various rating tools available by law. These include a General Rate which can cover a bucket of services or a Targeted Rate which can cover one or more services (e.g. Aquatic Centre Rate). A Uniform Annual General Charge (UAGC) can be used, which can also cover a number of services, but means every property pays the same flat amount across the district.

You can see how the current rating system and particularly the General Rate work in the diagram below:



The General Rate currently provides funding for services such as roading, economic development and the cost of democracy. In 2014/15, the General Rate made up 27% of all the money the Council collected in rates or \$13.1M.

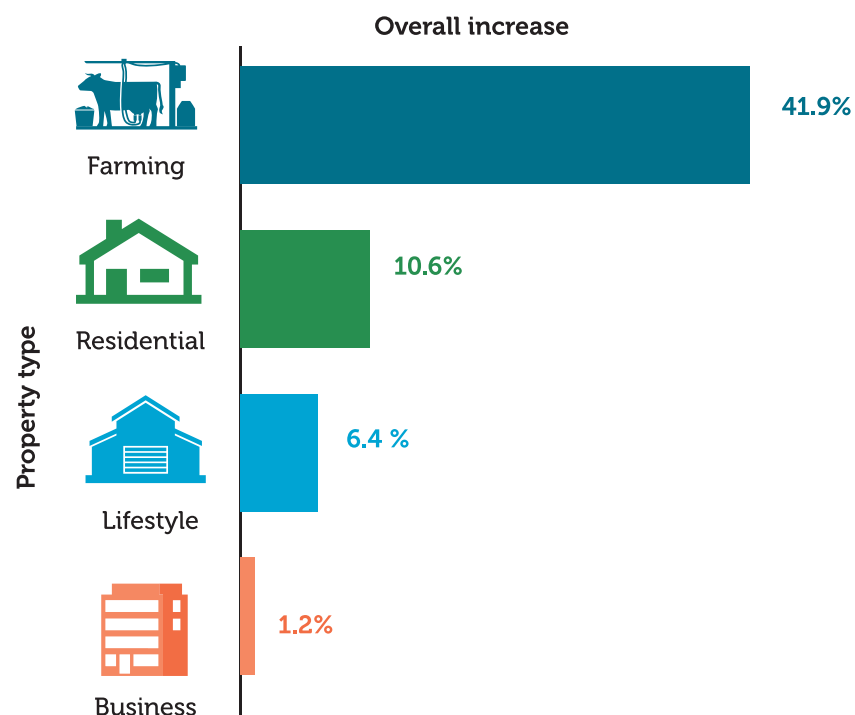
Differentials enable the cost to be fairly spread across various categories of property in the district. Over time, using differentials, the Council has tried to ensure that the various pieces of the pie (i.e. property categories) pay about the same proportion of the General Rate. The diagram above shows the current breakdown of the pie.

The three yearly district revaluation of the district's properties can have a significant impact on how the general rate is paid for. During this revaluation, all properties have their current land value reviewed by Quotable Value NZ based on a range of factors. A new value for each individual property is determined. The three yearly revaluation also determines the total district-wide land value of each property category. Land values can also change within categories or in different parts of the district. For example, rural land values may go up more for dairy farms but less for sheep or cropping farms.

You can see how the 2014 valuation has impacted on the categories compared with 2011 in the diagram on the right.

Other impacts on the General Rate can occur if there is a significant change in costs or how particular Council services are funded (e.g. if the government changes the amount of financial assistance they provide for local roading).

2014 Land Value Change Compared with 2011



Funding the Future: Slicing the General Rate Pie – How much should each type of property contribute to the General Rate? *continued*

The Issue

Council have previously used differentials to ensure that the various property categories pay about the same proportion of the General Rate pie.

The Council believes that this is no longer fair and that there needs to be an adjustment to ensure a greater proportion is paid for by the primary sector. The reasons for this are:

- Intensification in the rural sector as a result of the growth of rural activity, such as dairying
- The damaging impact on the rural roading network due to rural development, increased traffic volumes and heavier trucks and farm equipment
- The reduction of government subsidies for particular roading projects, meaning the Council has had to top-up the amount of rates funding to pay for them. Of this 'top-up', 90% has been used for rural roading projects

- An overall increase in funding required for roading expenditure, as described under the 'Our Road Funding shortfall' section

Compounding this has been the recent district-wide property revaluation. This has meant changes in the total land value across the district and within the different sectors. For example, between 2011 and 2014 the total district-wide primary land value has moved from 49.7% to 56.4% of the total district value, while residential has dropped from 41% to 37.4%. Values within sectors have also changed. The value of irrigation schemes have also been added to the district valuation roll.

The Council recognises the enormous value of the rural sector to the district, and how this helps all of us, not just farmers. However, currently the system is out of balance and does not reflect the changes in recent years. Funding of the General Rate pie therefore needs some adjustment to maintain fairness for all.

The Options

1 Retain the current differentials

This will mean there are changes to how the General Rate pie is paid for due to the overall change in district-wide property values. With this option, farming properties would continue to pay about 35.8 cents of the general rate for every \$1 residential property owners pay. Due to the changes in property valuations from the 2014 revaluation, this would mean an increase in that paid by the primary sector of approximately \$560,000 and reductions in other sectors (e.g. commercial/ industrial down \$480,000).

2 Change the differentials to match the 2011 proportions of the pie

With this option, the differentials would be adjusted so that the various property categories pay the same proportion of the general rate as they currently pay. This would mean that the primary sector would pay about 28.1 cents of the general rate for every \$1 residential property owners pay. Individual properties would vary according to how their values have shifted.

3 Change the differentials to partially reflect the issues as described above

This option would see adjustment to the differentials resulting in a higher proportion of the general rate paid for by the primary sector. There are numerous options that the Council could choose. Other property categories (mainly commercial/industrial) would pay less overall.

Preferred Option

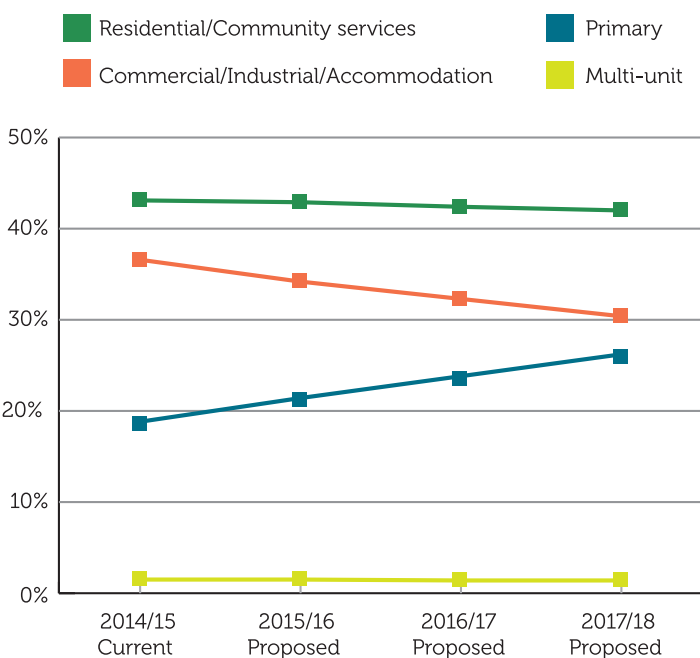
Option 3 is the Council's preferred option to help address the imbalance that has been created over the last while.

The Council believes that the following option is fair and is proposing to introduce it over a three year period. The table below shows how the differential factors are proposed to change:

	Current differential factor	Proposed differential factor (at the end of three years)	Proposed \$ change due to differential changes (at the end of three years)
Commercial/Industrial/Accommodation	4.212	4.0	-707,159
Primary	0.358	0.4	+845,966
Residential/Community services	1	1	-127,295
Multi-unit	2.050	2	-11,512

The effect of this at the end of three years is shown in the graph below:

Proportion of General Rate paid for



The effect of this change will mean primary category properties will pay a higher overall proportion of the general rate pie. Remaining categories will pay a lower proportion of the pie. The individual property effect will vary depending on the category a property belongs to and how its land value has changed with the 2014 revaluation.

Supporting documents and links (check our website)

- Council reports
- Quotable Value report



How do we secure drinking water in the future for Timaru and Temuka communities?

The Issue

We can't live without water! Making sure our communities have sufficient and safe water is one of TDC's critical roles. Currently, all communities supplied by Council receive adequate and good quality water.

For Temuka and Timaru, however, there are quantity and quality issues that need addressing within the next ten years to ensure we can secure supply to these communities in the future.

Timaru water is currently supplied from two sources – the Pareora and Opihi Rivers. Water is piped from these sources to a reservoir in Claremont where it is treated. The Pareora water supply pipeline, which is a key supply to Timaru, has sections that are old and need replacing. Deferring its replacement may lead to higher water loss due to leaks or interruptions of supply.

The availability of water from the Pareora River water source is also an issue, particularly if extreme dry weather or rain events occur more often. Under its consent conditions, the Council must maintain a minimum flow of water in the

river downstream of where it takes water. When the river is very low, as during the last few months, how much water Council can take reduces further. When it does rain, it can take some time for the water to clear sufficiently to enable it to be used for supply.

In Temuka, water is currently supplied from four shallow wells at Orari where it is treated and stored in a small reservoir before being piped to Temuka. Two previously used water sources, a spring and another bore are currently not used. This is due to the poor state of infrastructure, contamination risks and poor water quality. Investigations are planned to determine the best option for securing Temuka's water supply in the future.

Physical works planned for the Temuka water supply include replacing parts of the main pipeline from Orari to Temuka to reduce water losses. It is also planned to construct additional reservoir capacity.

This isn't all that's planned for water supplies. You can read more about other development projects in the section titled [Keeping the big stuff going](#).

The Options

Doing nothing is not an option for this issue. Water is a critical resource for the district's communities and Council has a legal obligation to supply it.

Timaru

1 Renew sections of the Pareora River water pipeline and maintain our current approach to taking water

Sections of the Pareora pipeline would be progressively replaced to maintain the use of this water source. This would reduce water losses but not address the issues relating to water availability from this source. A further stage would likely be upgrading treatment facilities to enable water that is unsuitable for use (e.g. following rain) to be treated and used for water supply. The costs of this depend on the level of treatment upgrade proposed and the location and type of storage.

2 Investigate other drinking water source options and use an alternative to the Pareora source

A new source would be investigated as another major source for Timaru's water. Possibilities include a standalone bore or sourcing water from existing or proposed irrigation schemes. The cost and impact on rates of these options would vary depending on what is chosen and are unable to be estimated at this point.

Temuka

1 Investigate an additional drinking water source

The existing drinking water sources would be retained and a new water source investigated as an additional source for Temuka's water. The most likely option is a further bore possibly located near the existing treatment plant. This would cost around \$0.3M.

2 Maintain the current sources and upgrade the spring to ensure it is usable for supplying Temuka

The existing water sources would be retained. The pipeline from the spring to the treatment plant would be upgraded and improvements made at the spring to minimise risk of contamination. This would likely cost around \$0.8M, and would result in a small increase in debt and rates.

Preferred option

Option 1 is the preferred option for both Timaru and Temuka supplies.

Funding has been included in the budget for both projects.

For Timaru, the total pipeline renewal will cost around \$20M. It would be funded through depreciation reserves and loans to be repaid over time through the urban supplies water rate. \$17M will be loan funded. The first stage is planned to commence in 2017/18. This will have an estimated impact on the urban water supplies rate of an additional \$60 - \$80 per year by 2024.

For Temuka, a budget of \$0.3M has been allocated for this option. It would be funded through loans to be repaid over time through the urban supplies water rate.

Other water source options will continue to be evaluated as to their future feasibility in addressing these issues.

Supporting documents and links (check our website)

- Water Supply AMPs
- Water Safety Plans
- Infrastructure Strategy



Our infrastructure strategy

Background

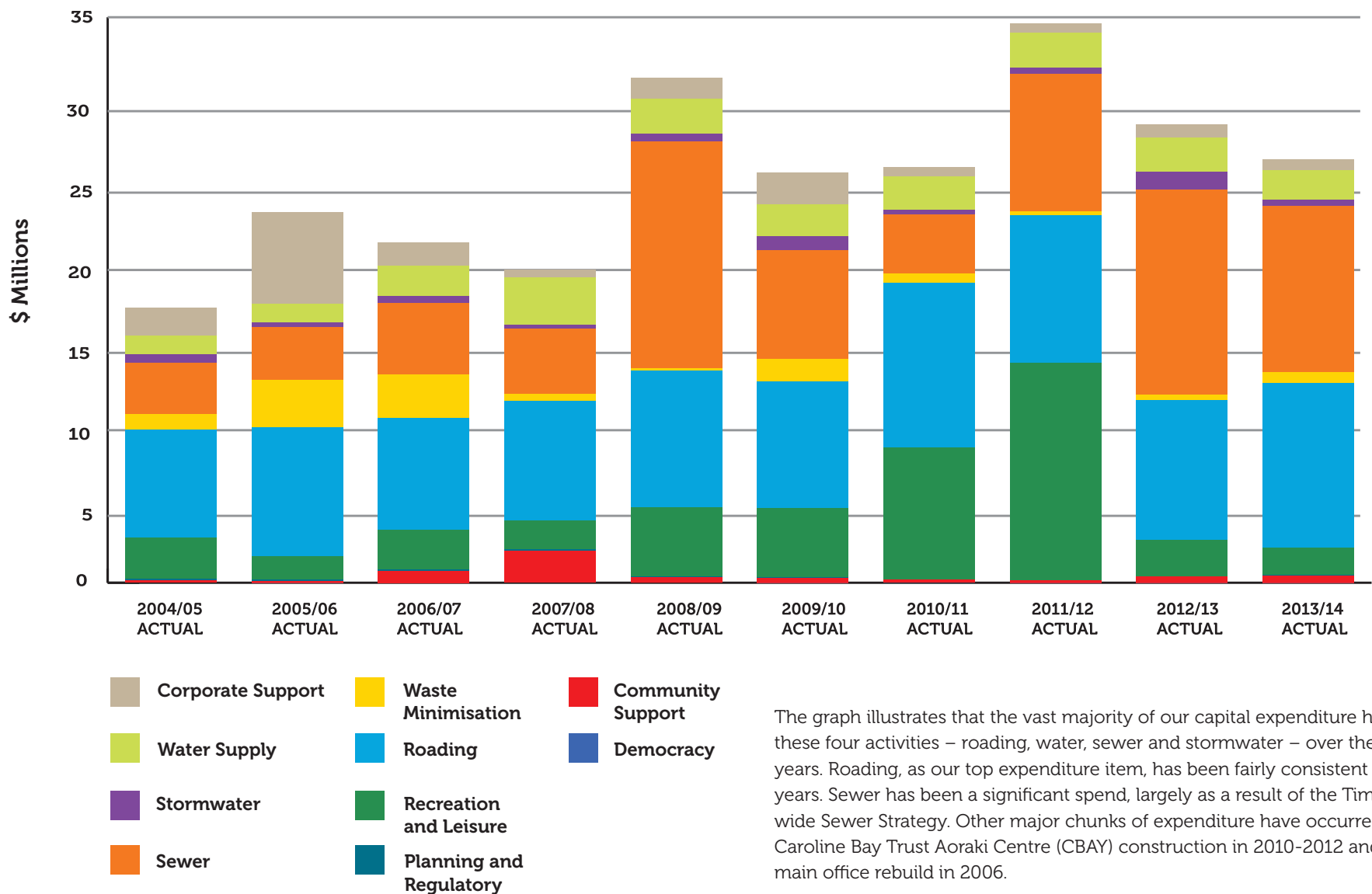
Changes to the law now require Councils to prepare a 30 year Infrastructure Strategy (IS). We've talked about what infrastructure is earlier in this document. The IS focuses on core Council services – roading, water supply, sewerage and stormwater and looks beyond the ten years of the Long Term Plan.

The IS highlights how we plan to manage these core assets over the next 3 decades, taking into account issues that may significantly impact on Council operations, future demand for Council services and the likely direction of legislation and

policies. The IS indicates Council's provisions for renewing assets that will need replacement over the next 30 years, responding to changes in demand, complying with legislation, and dealing with risks such as natural hazards. This section summarises some of the key findings of the strategy and key projects planned. You can read the full strategy online.

The graph below shows TDC's capital expenditure over the last ten years. Capital expenditure represents either the building of new assets (e.g. Timaru Sewer Treatment Plant) or the renewal or replacement of existing assets (e.g. resurfacing a road).

Capital expenditure by group of activities 2004/2005 – 2013/2014



The graph illustrates that the vast majority of our capital expenditure has been on these four activities – roading, water, sewer and stormwater – over the last ten years. Roothing, as our top expenditure item, has been fairly consistent over the years. Sewer has been a significant spend, largely as a result of the Timaru District-wide Sewer Strategy. Other major chunks of expenditure have occurred for the Caroline Bay Trust Aoraki Centre (CBAY) construction in 2010-2012 and the TDC main office rebuild in 2006.



"We all want to ensure that the District progresses and prospers at an affordable rate."

Pat Mulvey

Ten years on Council/Retired Firefighter/Temuka

Why is the LTP important to you?

The LTP is one of the most important Council documents as it maps out and prioritises the projects and work council intends to do over the next 10 years. As the document is reviewed every 3 years, the first 3 years is extremely important.

Why is community input important?

Well-reasoned community feedback is important when it comes to formulating the final document. Negative anti-Council comments do little to achieve this outcome.

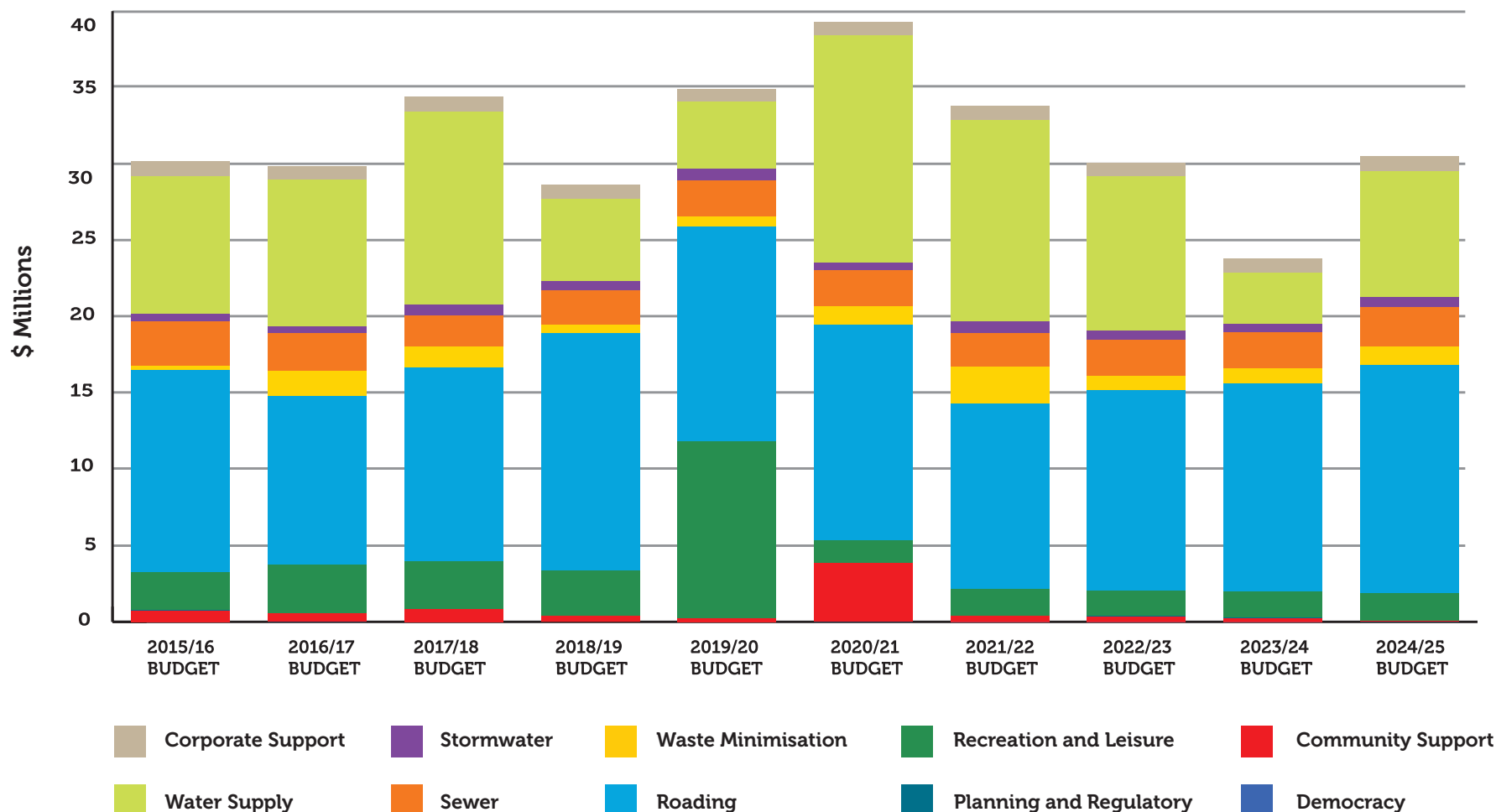
The Future

In the future, the IS indicates the overall impact of expenditure on these four critical areas over the next 30 years.

The graph below shows the next ten years proposed expenditure. Roothing costs continue to be the largest cost overall. Water Supply will grow as a proportion of the

overall spend, as ageing infrastructure is replaced. Other major projects will include the proposed museum project (2018/19 – 19/20) and cemetery replacement in 2020/21.

Proposed capital expenditure by group of activities 2015/2016 – 2024/2025



A summary of some of the key issues and projects for each activity is included below:

Sewer

With the near completion of the Timaru District-wide Sewer Strategy, most of the sewage treatment facilities and major pipelines are in good shape. However, a significant portion of the sewer piped network is ageing and will need replacement. Over the next 10 years, around \$15M of small mains pipelines will require replacement, with around \$57M over the next 30 years. Land use change allowing growth in residential zoned areas is also expected to bring growth in demand for extension of sewer services in some areas, with an estimated cost of \$4M over the next 30 years, largely funded by financial contributions and/or connection charges.

Stormwater

Quality and quantity are the big issues for stormwater in the next 30 years. The new requirements under the proposed Canterbury Land and Water Regional Plan (LWRP) will require treatment of stormwater prior to sending it to waterways or the ocean. Meeting the requirements of the LWRP will be a major focus over the next ten years. This includes preparing Stormwater Management Plans for stormwater catchments and obtaining stormwater resource consents by 2018, and then improving the quality of stormwater being sent to waterways or the ocean by 2025. Techniques for treatment are likely to include the installation of onsite treatments, such as rain gardens, swales, permeable paving and ponds.

In terms of stormwater quantity, there is potential for greater stormwater flows. Climate change predictions are for an increase in the frequency of high intensity rainfall in the District. Existing stormwater systems may not meet their intended level of service under such conditions. Council has made provisions for upgrading stormwater network assets over the next 30 years to mitigate the risk of flooding and keep our communities safe.

The detailed cost of this is as yet unknown, but could be in the realm of \$10-\$20M (including roading works) over the next 30 years.

Roothing and Footpaths

Roothing and footpaths will continue to be a major expenditure focus. Major issues are related to the ageing of the roading network, intensification in rural land use causing additional expenditure and changes in government funding and criteria. Some of these have been outlined previously in this document. Over the next 30 years, TDC expects to spend nearly \$270M on replacing and renewing ageing roading assets, including reconstructing and resurfacing roads, replacing footpaths and upgrading bridges. Around half of this is likely to be funded by district ratepayers, with the remainder subsidised by the NZ Transport Agency.

Bridge replacement represents about a tenth of this spend, as bridges built before 1940 will need replacement. Other bridge upgrades will see another \$22M (TDC share: \$11M) potentially spent to two-lane key bridges and construct new bridges where fords currently exist.

Other roading work is likely to include improving the district's roads to meet the demands of changing land use, economic growth and greater community expectations. This will include projects such as seal widening, road upgrades, new traffic signals, safety upgrades and bridge strengthening.

Other roading projects of note planned include construction of the proposed North Street overbridge providing improved access to the south end of the port and road upgrades in the Washdyke area to encourage future growth.

Water Supply

There will be a significant focus on water supply infrastructure in the next 30 years. Issues include the need to replace ageing infrastructure, meeting government-imposed drinking water standards and improving water availability and security for communities. Key projects over the next 30 years are planned to focus on these issues.

Making the District Tick: Keeping the big stuff going – Our infrastructure strategy

Nearly \$90M is expected to be spent on replacing ageing water supply infrastructure over the next 30 years. Schemes such as those supplying Downlands, Geraldine, Temuka and Timaru will require over 50% of the pipe network to be replaced in the next 30 years.

TDC is required by law to take all practicable steps to meet drinking water standards for all water schemes, as proposed in each scheme's Water Safety Plan. All schemes currently meet standards for chemical and bacterial compliance. The protozoal compliance (giardia and cryptosporidium) is currently achieved for Timaru, Geraldine, Pleasant Point, Temuka, Seadown and Pareora. Upgrades are planned for the remaining schemes to ensure water supplies meet all of the drinking water standards and reduce the risk of a major disease outbreak caused by contamination of water supplies. This is likely to cost up to \$35M over 30 years for affected schemes. Funding is provided for the next 10 years for identified projects with the best options to achieve the standards still under investigation.

There are many competing demands for water, which place pressure on water resources in the Timaru District. The amounts of water TDC schemes can take are limited by resource consent conditions. While population and household growth in the District is not expected to have significant impact on water supply requirements over the next 10 years, land use change and industry growth may potentially have major impacts in terms of infrastructure and the quantity of water required.

Six of the 12 schemes supply water for stock use. Most of these schemes have on-farm flow control (restrictors) and currently have limited ability to meet any future increases in agricultural demand. TDC will continue to investigate options to improve delivery mechanisms in several schemes, including Downlands, Seadown and Te Moana.

For Te Moana, work is planned to implement the outcomes of the Geraldine Area wide Water Supply Strategy. The major project emerging from this is to supply the Te Moana water scheme from the Geraldine scheme. This is likely to cost up to \$4M and will have the dual benefits of ensuring drinking water standards are met and increasing the supply of water to these areas.

The Downlands scheme is a major water scheme that supplies a huge area (78,000 hectares) of rural South Canterbury stretching from Waitohi to St Andrews and Albury to Hadlow. The scheme is jointly managed by a committee from Mackenzie, Timaru and Waimate District Councils. Work is planned to ensure the scheme meets drinking water standards (around \$15M total) and improve the amount of water available with an upgrade of the Tengawai water intake and replacement of the main Tengawai water supply pipeline (around \$12M total).

For the Seadown scheme, work is ongoing on identifying options for improving the capacity and effectiveness of this scheme.

Summary

Much of the work with these activities is unseen, as it lives under the ground. It is however critical to our communities. The new 30 year Infrastructure Strategy will provide the community with assurance that we are focused on the priority projects and we have a programme to replace these assets as are needed. A summary of **some** of the key projects and estimated spending can be found below. Further information and the full list of projects is available in the IS available from the website.

Supporting Info

- Full Infrastructure Strategy
- Activity Management Plans
- Water Safety Plans
- Stormwater assessment reports
- Draft Stormwater Management Plan



	Issue	Project Explanation	2015-25 \$M	2026-35 \$M	2036-45 \$M
Water Supply	Ageing Infrastructure	Reticulation, plant and facilities renewals.	32.8	30.2	24.5
	Meeting Drinking Water Standards	The renewal of Timaru Treatment plant, intakes and an upgrade.	2.35	10.0	5.0
	Meeting Drinking Water Standards	Te Moana network is to be supplied from the Geraldine Scheme; the work includes a network capacity upgrade to improve level of service.	3.5	0	0
	Meeting Drinking Water Standards	Downlands – Work on the Tengawai treatment plant, raw water and treated water storage and Waitohi treatment plant	9.20*	2.90*	0
	Security of supply	Renewal of ageing Pareora pipeline to secure Timaru's future water supply	20.90	0	0
	Security of supply	Work on the Pleasant Point headworks, treatment, storage and pumping facilities to improve security of supply and fire-fighting water availability.	1.137	0.057	0.29
	Security of supply	Downlands – Work on the Tengawai trunk main and intake to increase capacity and reduce the disruption of supply.	9.75*	0	0
	Security of supply	Work to improve the Temuka reservoir and to upgrade the source. This will help maintain supply during outages and improve firefighting capacity.	2.58	0	0
Sewer	Ageing infrastructure	Renewals of reticulation, plant and sewer facilities	19.7	19.0	19.0
	Ageing infrastructure	Renewals of plant at the wastewater treatment facility	0	10.0	26.5
	Changing land use	Extension of services for areas currently zoned residential.	1.72	1.14	1.14
Storm Water	Ageing infrastructure	Renewals of reticulation, plant and facilities	1.70	3.32	3.32
	Increasing standards and expectations	Capital upgrades to improve stormwater quality to reduce environmental impact and comply with LWRP.	1.8	2.60	2.60
Roads and Footpaths	Ageing infrastructure	Projects including renewals of road pavements, kerb and channels, bridges, CBD renewals and footpaths across the district.	43.1#	42.2#	46.7#
	Increasing standards and expectations	Projects including seal extension, new footpaths and upgrades to footpaths, new on/off road cycle lanes, two laning of bridges and work to improve the quality of stormwater run-off.	8.3	8.4	8.1
	Changing land use	Projects including seal widening, road upgrades, new traffic signals, car parking in Timaru, new roads, Southern Port access and bridge strengthening.	9.2#	4.16#	4.16#
	Resilience and long term sustainability	Projects including flood protection drainage, LED streetlights, intersection improvements, and safety upgrades.	4.8#	4.9#	3.4#

* TDC share

Excluding NZTA financial assistance

Earthquake Shake-up

We've all been shaken up by the enduring impact of the Canterbury earthquakes. The impact on New Zealand will remain for years to come.

As a result of recommendations from the Canterbury Earthquakes Royal Commission and a comprehensive review, government has introduced new legislation to change the system for managing earthquake-prone buildings. The Bill is expected to become law in 2015.

The legislation aims to strike a better balance between protecting us from the impact of earthquakes and managing the costs of strengthening or removing earthquake-prone buildings. While the final law is yet to be confirmed, currently it will require:

- Seismic assessments within 5 years – TDC will be required to conduct a seismic assessment of all non-residential buildings and all multi-unit, multi-storey residential buildings in the Timaru District within five years of changes to the new legislation taking effect. Buildings below the minimum standard (34% of the earthquake design strength expected of a new building) will be classified as earthquake-prone. Certain buildings will be prioritised first for assessment and strengthening.
- Building Strengthening or Demolishing – For all identified earthquake-prone buildings, they will need to be strengthened, or demolished. This will have to happen within 15 years of the new legislation taking effect, following the TDC assessment. Some exemptions or extensions to timeframes may apply.
- Public register – a publicly accessible register of earthquake-prone buildings will be set up.

There is likely to be a transition period before the law takes effect.

The impact on TDC will likely be threefold.

Firstly, as a building regulator, TDC will be required to carry out assessments under the Act and enforce the outcomes of these (i.e. the strengthening or demolishing of earthquake-prone buildings).

Secondly, as a building owner, TDC will be required to assess its own buildings and make decisions as to what it will do – whether buildings at risk will be strengthened and to what level or demolished.

Thirdly, as a community leader, TDC will need to provide leadership on addressing the impact of the law, including how best to ensure the safety of our communities and limit its impact where possible on affected groups.

The cost of this is as yet unknown, but is potentially significant. Some funding has been included in the LTP for the assessment of the Council's own buildings. No money is currently included in the LTP for potential strengthening work or the additional work that may be generated as a result of any changes to Council's regulatory role from the new legislation.

Supporting Information:

- <http://www.dbh.govt.nz/epb-policy-review>
- TDC joint submission



The future

Council activities (e.g. roading, sewer, water supply, district planning) make a substantial contribution to the district's economic development. A strong economy is critical to our district's future and an integral part of our vision – Economy – A thriving and innovative economy where opportunities abound.

The Council works in partnership with Aoraki Development Business and Tourism (ADBT), who act as the Council's economic development arm and deliver economic development support and other services.

The Council is keen to maintain, or even increase, the standard of living through stimulating and supporting sustainable economic growth over the long term. To help achieve this, an Economic Development Strategy (EDS) has been developed by the Council in consultation with the directors of ADBT. The strategy includes the following objectives:

- A strong, sustainable economy growing each year by 3.5%
- Creation of greater than 300 high quality jobs per year in areas of agriculture, manufacturing, transport, food technology and service industries such as medical and education that positively anchor workers and their families
- Collaboration across all sectors in Timaru District demonstrating new ways of working together, new ideas to pursue, and potential for cost-sharing of solutions
- A measurable positive shift in public perception regarding living in Timaru District

You can read the strategy on our website. Council have adopted the strategy with the intention of working with ADBT to determine how we can achieve it and who is responsible for what. This will include reviewing the service provided and ensuring it is targeted correctly in line with the EDS objectives.

We are interested in your views and welcome feedback on the strategy.

Supporting Information

- Economic Development Strategy



“Although we are the democratically elected members of Council and our ideas and thoughts should mirror that of our constituents, it is a healthy and important part of any process that will affect individuals and organisations into the future, to be able to have their say and potentially shape that future.”

Peter Burt QSM

Eighteen months on Council/New Home Consultant/Timaru

Why is the LTP important to you?

The LTP is the blueprint for the future development and direction of the Timaru District for the next 10 years and so consequently will have a significant impact on the economic outcomes for the District which in turn impact on population numbers and the prosperity and welfare of people who live and thrive in our community.



The numbers

Council’s financial strategy summarises our overall financial picture over the next 10 years. It outlines how we will seek to balance affordability with providing our services. It also outlines how we progress the district – keep it the great place it is and make it even better.

As mentioned earlier, Council has many different activities. All these have costs just like your own household budget – electricity, telephone, insurance. Other costs are quite different – chemicals to keep pools clean and safe, bitumen for roading, large pipes to transport sewage.

The Council is maintaining largely a ‘business as usual’ approach through its financial strategy. The implications of this strategy are to maintain existing levels of service in an affordable manner, and providing a sound base for the wellbeing of future generations. This approach will maintain the Council’s sound financial position over the next 10 years and provide a sound base for providing Council services into the future.

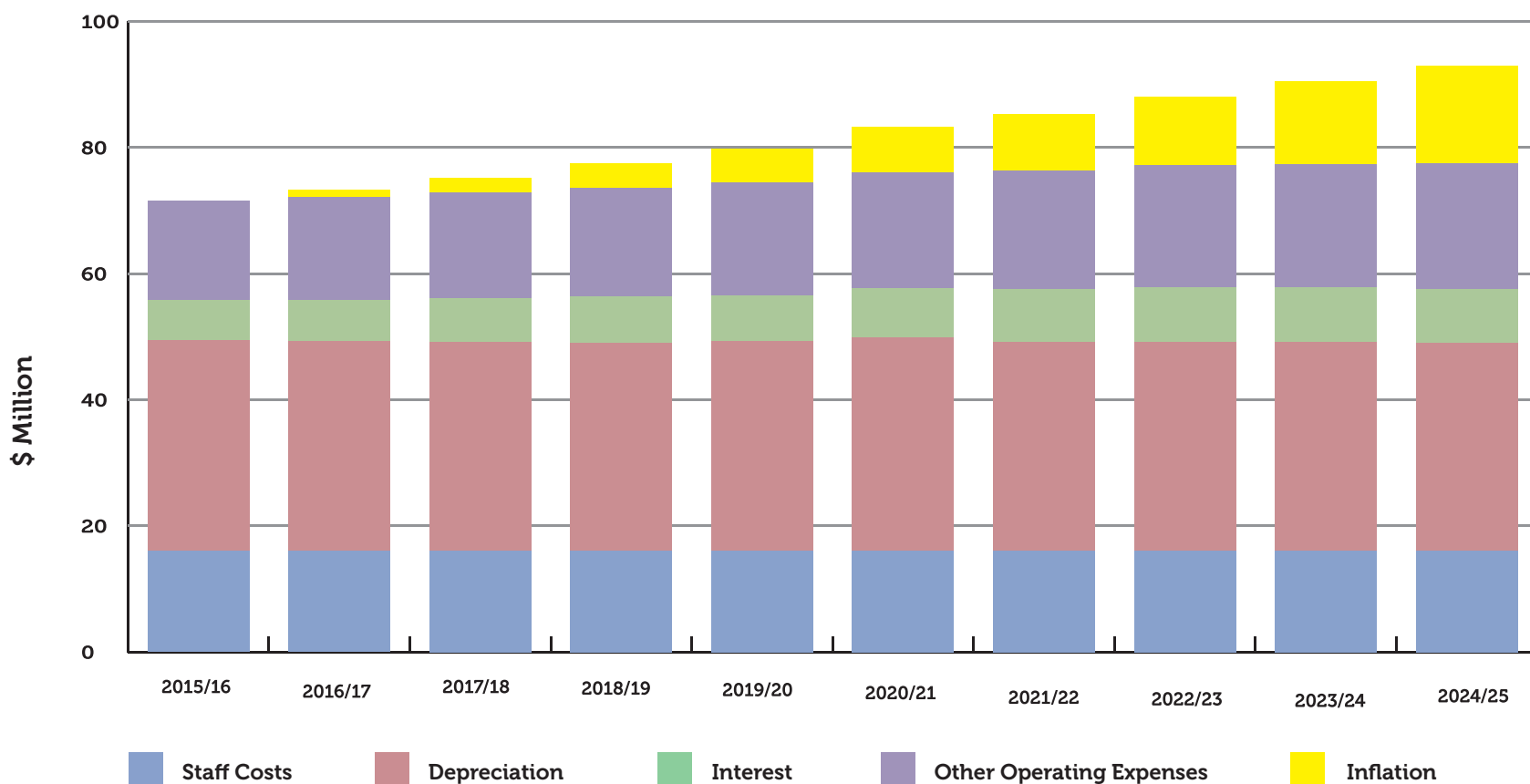
Council is focused on:

- providing high quality services at the existing level of service
- managing our finances prudently
- maintaining, replacing and renewing core infrastructure
- providing services at an affordable cost for residents and ratepayers
- meeting environmental, legislative and community expectations
- encouraging sustainable district progress.

Expenditure

Council’s expenditure over the next 10 years is summarised in the graph below. It includes operating expenditure, which represents money spent on running our activities on a day to day basis.

TDC – Operating Expenditure by Type 2015-2025



Council’s capital expenditure has been discussed in the section titled **Making the District Tick: Keeping the big stuff going**. This represents expenditure that is about upgrading and maintaining key assets, such as buildings, facilities, pipes, roads and equipment. You can read about some of our key planned projects on Page 18.

To pay for all of this, Council will use various funding sources, including rates, fees and charges, financial assistance from government and return on investments.

Funding the Future: The numbers

Rates

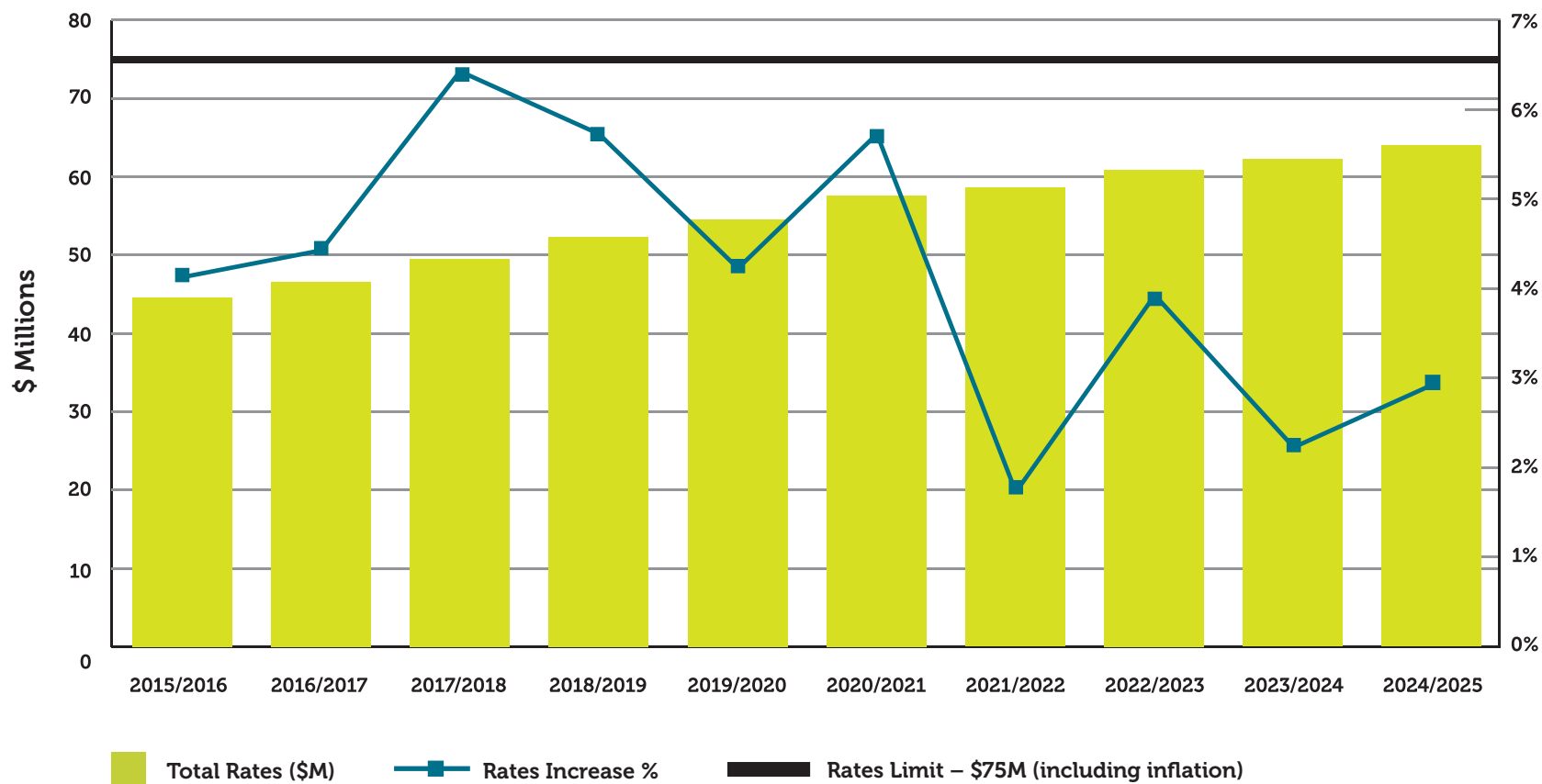
Council will collect around 58-63% of its income in rates annually over the next 10 years.

- The percentage increase in total rates revenue in any year will not exceed 6% plus inflation based on the Local Government Cost Index (LGCI)¹.

This meets our financial limits around rates which are:

- Total rates revenue will not exceed \$55 million in any given year (excluding inflation) and \$75 million (including inflation).

Proposed Total Rates and Rate Increases – 2015-25



Rates are forecast to increase by an average of 4.1% annually (including inflation) over the next 10 years. This will see total rates rise to around \$64M by 2025. Annual rates increases will vary according to the timing of various projects and the funding proposals outlined in this document. These include:

- addressing roading funding shortfalls (2015/16 onwards)
- addressing increased asset renewal funding (2015/16 – 2020/21)

- museum upgrade (from 2019/20)
- water upgrades with differing impacts on different schemes (annually)
- waste minimisation projects (2018/19)

You can see what your rates get spent on in the diagram on page 20.

The impact of the proposed 2015/16 rate increase on a selection of district properties is shown below:

Proposed Rates 2015/16 for average residential properties in urban communities and sample farming and commercial/industrial properties

	Geraldine	Pleasant Point	Temuka	Timaru	Farming	Farming	Farming	Commercial/Industrial
	LAND VALUE \$128,000	LAND VALUE \$110,000	LAND VALUE \$80,000	LAND VALUE \$110,100	LAND VALUE \$365,400	LAND VALUE \$1,400,000	LAND VALUE \$3,654,000	LAND VALUE \$317,800
General Rates \$ (including UAGC)	870.24	819.30	734.40	819.58	840.51	1,782.00	3,833.14	4,467.79
Targeted Rates \$	1,222.56	1,036.50	1,200.70	1,196.66	153.50	288.00	581.02	1,518.59
Total Rates \$	2,092.80	1,855.80	1,935.10	2,016.24	994.02	2,070.00	4,414.16	5,986.38
Increase \$ over 14/15	68.49	57.37	56.18	75.80	91.43	288.00	716.26	201.01
Increase % over 14/15	3.38%	3.19%	2.99%	3.91%	10.13%	16.16%	19.37%	3.47%

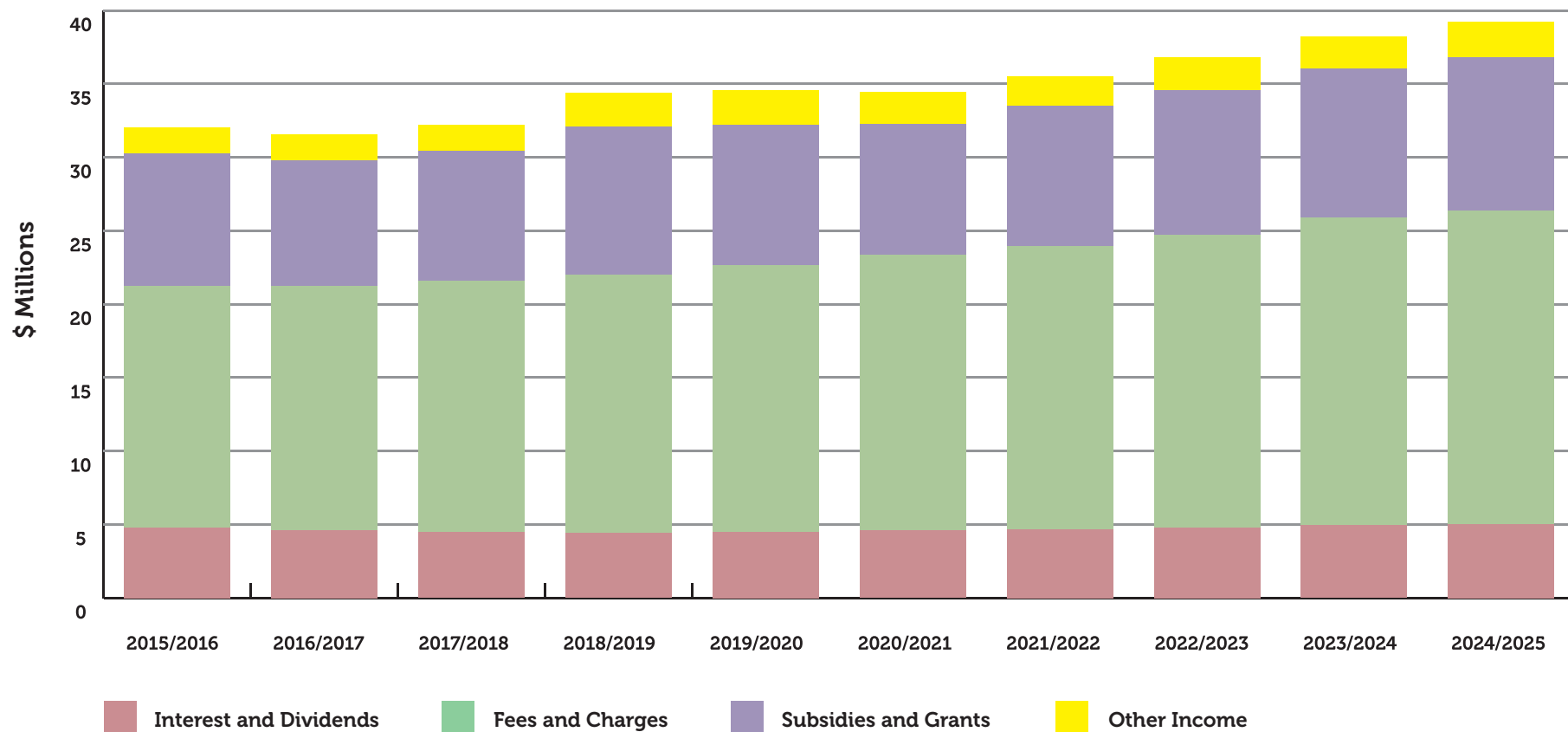
¹Inflation is commonly measured by comparing the price of a basket of items (e.g. vegetables, bread, clothing, medical services) used by households over time. This is also called the consumer price index or CPI. Local government inflation is different. What Councils need to purchase to deliver services is a different basket than for households, for example asphalt for roads. Generally, local government inflation is higher than the CPI. This rate of inflation is referred to as the Local Government Cost Index or LGCI and used by TDC. It is produced by Business and Economic Research Limited (BERL) annually for the Society of Local Government Managers and Local Government New Zealand.

Other Revenue

Other revenue to pay for Council services will come from fees and charges, investment income, government financial assistance and other sources.

The graph below shows a breakdown of revenue expectations over the next ten years.

TDC - Non-Rate Income 2015-25

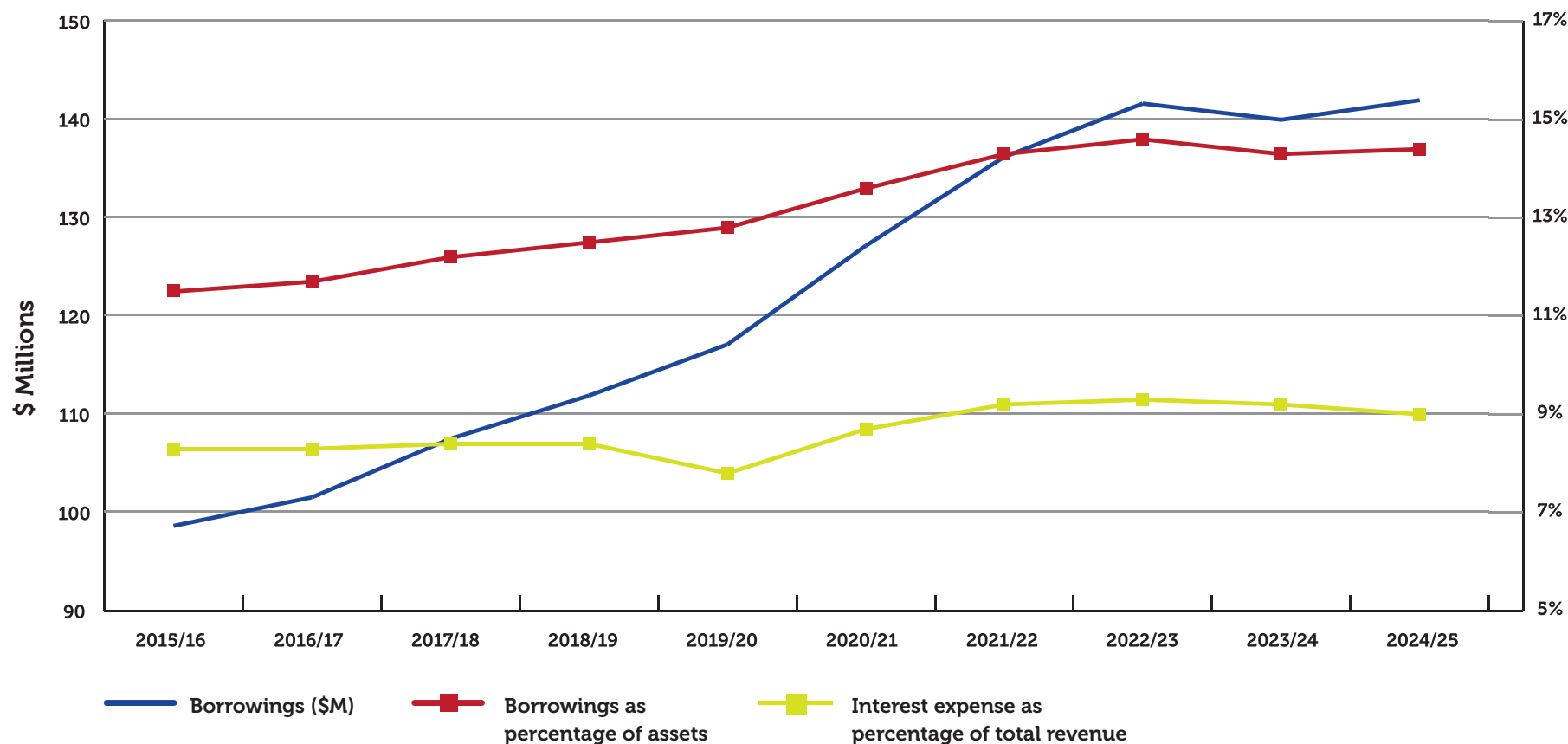


Debt

Council uses debt because the benefits of Council projects apply across generations of ratepayers. The cost of projects should be spread across these generations. The graph below illustrates our expected debt profile over the next 10 years, peaking at \$141M. This meets our debt limits:

- Borrowing as a percentage of total assets 15%
- Interest expense as a percentage of total revenue 15%
- Net debt to total revenue 150%

TDC Borrowings 2015-25



Funding the Future: The numbers

Major Projects – the next ten years

The following summarises **some** of the key projects planned by Council over the next ten years. This is not all the projects, so for further information refer to the draft Long Term Plan supporting information.

<p>District Plan Review</p> <p>10 year review of the District Plan – Council’s land use plan.</p> <table border="1"> <tr><td>2015/16</td><td>\$320,000</td></tr> <tr><td>2016/17</td><td>\$340,000</td></tr> <tr><td>2017/18</td><td>\$260,000</td></tr> <tr><td>2018/19-2024/25</td><td>\$1,615,000</td></tr> </table>	2015/16	\$320,000	2016/17	\$340,000	2017/18	\$260,000	2018/19-2024/25	\$1,615,000	<p>Theatre Royal Projects</p> <p>Replacement of seating, and other upgrades.</p> <table border="1"> <tr><td>2015/16</td><td>\$0</td></tr> <tr><td>2016/17</td><td>\$359,000</td></tr> <tr><td>2017/18</td><td>\$210,000</td></tr> <tr><td>2018/19-2024/25</td><td>\$104,000</td></tr> </table>	2015/16	\$0	2016/17	\$359,000	2017/18	\$210,000	2018/19-2024/25	\$104,000	<p>Temuka Pool Renewal</p> <p>Temuka’s 33m swimming pool to be upgraded and replaced with a 25m pool and a learner’s pool.</p> <table border="1"> <tr><td>2015/16</td><td>\$20,000</td></tr> <tr><td>2016/17</td><td>\$0</td></tr> <tr><td>2017/18</td><td>\$111,000</td></tr> <tr><td>2018/19-2024/25</td><td>\$377,000</td></tr> </table>	2015/16	\$20,000	2016/17	\$0	2017/18	\$111,000	2018/19-2024/25	\$377,000	<p>CBay Trust Aoraki Centre</p> <p>Replacement of plant for the 50m outdoor pool at CBAY and other work as required.</p> <table border="1"> <tr><td>2015/16</td><td>\$198,000</td></tr> <tr><td>2016/17</td><td>\$999,000</td></tr> <tr><td>2017/18</td><td>\$26,000</td></tr> <tr><td>2018/19-2024/25</td><td>\$355,000</td></tr> </table>	2015/16	\$198,000	2016/17	\$999,000	2017/18	\$26,000	2018/19-2024/25	\$355,000
2015/16	\$320,000																																		
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2017/18	\$26,000																																		
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<p>Parks – Reseal Programme</p> <p>Programme to reseal roads, carparks and paths in the district’s recreation areas.</p> <table border="1"> <tr><td>2015/16</td><td>\$250,000</td></tr> <tr><td>2016/17</td><td>\$190,000</td></tr> <tr><td>2017/18</td><td>\$105,000</td></tr> <tr><td>2018/19-2024/25</td><td>\$1,652,000</td></tr> </table>	2015/16	\$250,000	2016/17	\$190,000	2017/18	\$105,000	2018/19-2024/25	\$1,652,000	<p>District CBD Renewals</p> <p>A freshen up of the district’s Central Business Districts.</p> <table border="1"> <tr><td>2015/16</td><td>\$1,000,000</td></tr> <tr><td>2016/17</td><td>\$0</td></tr> <tr><td>2017/18</td><td>\$0</td></tr> <tr><td>2018/19-2024/25</td><td>\$255,000</td></tr> </table>	2015/16	\$1,000,000	2016/17	\$0	2017/18	\$0	2018/19-2024/25	\$255,000	<p>Renewals – Footpaths</p> <p>Renewals of footpaths across the district.</p> <table border="1"> <tr><td>2015/16</td><td>\$850,000</td></tr> <tr><td>2016/17</td><td>\$820,000</td></tr> <tr><td>2017/18</td><td>\$893,000</td></tr> <tr><td>2018/19-2024/25</td><td>\$6,785,000</td></tr> </table>	2015/16	\$850,000	2016/17	\$820,000	2017/18	\$893,000	2018/19-2024/25	\$6,785,000	<p>Structural Bridge Replacements</p> <p>The replacement or structural reinforcing of bridges in the district.</p> <table border="1"> <tr><td>2015/16</td><td>\$600,000</td></tr> <tr><td>2016/17</td><td>\$922,000</td></tr> <tr><td>2017/18</td><td>\$945,000</td></tr> <tr><td>2018/19-2024/25</td><td>\$7,434,000</td></tr> </table>	2015/16	\$600,000	2016/17	\$922,000	2017/18	\$945,000	2018/19-2024/25	\$7,434,000
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2018/19-2024/25	\$7,434,000																																		
<p>Chip Seals/Asphalt Renewals</p> <p>Renewals of chip seal and hot mix road surfaces in the district.</p> <table border="1"> <tr><td>2015/16</td><td>\$3,020,000</td></tr> <tr><td>2016/17</td><td>\$3,094,000</td></tr> <tr><td>2017/18</td><td>\$3,172,000</td></tr> <tr><td>2018/19-2024/25</td><td>\$25,771,000</td></tr> </table>	2015/16	\$3,020,000	2016/17	\$3,094,000	2017/18	\$3,172,000	2018/19-2024/25	\$25,771,000	<p>Seal Extensions/Widening</p> <p>Seal extension of unsealed roads and seal widening in the district.</p> <table border="1"> <tr><td>2015/16</td><td>\$630,000</td></tr> <tr><td>2016/17</td><td>\$646,000</td></tr> <tr><td>2017/18</td><td>\$1,082,000</td></tr> <tr><td>2018/19-2024/25</td><td>\$5,023,000</td></tr> </table>	2015/16	\$630,000	2016/17	\$646,000	2017/18	\$1,082,000	2018/19-2024/25	\$5,023,000	<p>Washdyke Network Improvements</p> <p>Improvement of the Washdyke roading network to better facilitate activity and provide infrastructure for future development.</p> <table border="1"> <tr><td>2015/16</td><td>\$800,000</td></tr> <tr><td>2016/17</td><td>\$512,000</td></tr> <tr><td>2017/18</td><td>\$840,000</td></tr> <tr><td>2018/19-2024/25</td><td>\$2,358,000</td></tr> </table>	2015/16	\$800,000	2016/17	\$512,000	2017/18	\$840,000	2018/19-2024/25	\$2,358,000	<p>Waste – Resource Recovery Park</p> <p>Development of a Resource Recovery Park at Redruth Transfer Station.</p> <table border="1"> <tr><td>2015/16</td><td>\$0</td></tr> <tr><td>2016/17</td><td>\$0</td></tr> <tr><td>2017/18</td><td>\$554,000</td></tr> <tr><td>2018/19-2024/25</td><td>\$0</td></tr> </table>	2015/16	\$0	2016/17	\$0	2017/18	\$554,000	2018/19-2024/25	\$0
2015/16	\$3,020,000																																		
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2018/19-2024/25	\$0																																		
<p>Timaru Stormwater – Capital Upgrades</p> <p>These are co-ordinated projects to update and improve stormwater infrastructure.</p> <table border="1"> <tr><td>2015/16</td><td>\$25,000</td></tr> <tr><td>2016/17</td><td>\$51,000</td></tr> <tr><td>2017/18</td><td>\$63,000</td></tr> <tr><td>2018/19-2024/25</td><td>\$848,000</td></tr> </table>	2015/16	\$25,000	2016/17	\$51,000	2017/18	\$63,000	2018/19-2024/25	\$848,000	<p>Water – Te Moana Downs Network Capacity</p> <p>The network capacity of the Te Moana network is being increased and enhanced to accommodate being supplied from the Geraldine supply.</p> <table border="1"> <tr><td>2015/16</td><td>\$601,000</td></tr> <tr><td>2016/17</td><td>\$1,405,000</td></tr> <tr><td>2017/18</td><td>\$1,209,000</td></tr> <tr><td>2018/19-2024/25</td><td>\$0</td></tr> </table>	2015/16	\$601,000	2016/17	\$1,405,000	2017/18	\$1,209,000	2018/19-2024/25	\$0	<p>Water – Urban Reticulation and Services Renewals</p> <p>Replacement of valves, pipes, hydrants and other water supply assets.</p> <table border="1"> <tr><td>2015/16</td><td>\$1,550,000</td></tr> <tr><td>2016/17</td><td>\$1,281,000</td></tr> <tr><td>2017/18</td><td>\$1,313,000</td></tr> <tr><td>2018/19-2024/25</td><td>\$10,325,000</td></tr> </table>	2015/16	\$1,550,000	2016/17	\$1,281,000	2017/18	\$1,313,000	2018/19-2024/25	\$10,325,000	<p>Water – Fixed Plant and Equipment</p> <p>Replacement of plant and equipment at treatment plants, including telemetry and electrical equipment.</p> <table border="1"> <tr><td>2015/16</td><td>\$609,000</td></tr> <tr><td>2016/17</td><td>\$379,000</td></tr> <tr><td>2017/18</td><td>\$223,000</td></tr> <tr><td>2018/19-2024/25</td><td>\$6,236,000</td></tr> </table>	2015/16	\$609,000	2016/17	\$379,000	2017/18	\$223,000	2018/19-2024/25	\$6,236,000
2015/16	\$25,000																																		
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<p>Downlands – Treatment Plant Upgrade</p> <p>Starting in 2021 the Downlands Treatment Plant will be replaced and upgraded.</p> <table border="1"> <tr><td>2015/16</td><td>\$0</td></tr> <tr><td>2016/17</td><td>\$0</td></tr> <tr><td>2017/18</td><td>\$0</td></tr> <tr><td>2018/19-2024/25</td><td>\$6,723,000</td></tr> </table>	2015/16	\$0	2016/17	\$0	2017/18	\$0	2018/19-2024/25	\$6,723,000	<p>Temuka and Pleasant Point Treated Water Storage</p> <p>A new treated water storage facility alongside the existing facility to increase storage capacity for the network.</p> <table border="1"> <tr><td>2015/16</td><td>\$50,000</td></tr> <tr><td>2016/17</td><td>\$820,000</td></tr> <tr><td>2017/18</td><td>\$189,000</td></tr> <tr><td>2018/19-2024/25</td><td>\$2,264,000</td></tr> </table>	2015/16	\$50,000	2016/17	\$820,000	2017/18	\$189,000	2018/19-2024/25	\$2,264,000	<p>Group of Activities</p> <ul style="list-style-type: none"> Planning and Regulatory Recreation and Leisure Roading Waste Minimisation Sewer Stormwater Water Supply 																	
2015/16	\$0																																		
2016/17	\$0																																		
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South Canterbury Museum Extension/Construction

Extending or overhauling current facilities or rebuilding a new facility.

2015/16	\$0
2016/17	\$41,000
2017/18	\$63,000
2018/19-2024/25	\$10,968,000

Parks – Shared Urban Tracks

Off-road walking and biking track development throughout the district.

2015/16	\$106,000
2016/17	\$109,000
2017/18	\$111,000
2018/19-2024/25	\$876,000

Pavement Rehabilitations

Reconstruction of roading in the district.

2015/16	\$1,200,000
2016/17	\$1,229,000
2017/18	\$1,261,000
2018/19-2024/25	\$10,738,000

Minor Improvements Works

General improvements to the roading network (e.g. safety improvements or upgrades).

2015/16	\$805,000
2016/17	\$825,000
2017/18	\$846,000
2018/19-2024/25	\$6,649,000

Waste – Sorting Facility

Development of a Waste Sorting Facility to sort waste that can be recycled or recovered.

2015/16	\$0
2016/17	\$910,000
2017/18	\$0
2018/19-2024/25	\$0

Sewer – Small Mains Renewals and upgrades

Replacement of pipes and other sewer assets across the district.

2015/16	\$2,050,000
2016/17	\$1,486,000
2017/18	\$1,523,000
2018/19-2024/25	\$11,603,000

Water – Timaru Pareora Pipeline Renewal

Replace the Timaru Pareora water supply pipeline.

2015/16	\$0
2016/17	\$103,000
2017/18	\$4,202,000
2018/19-2024/25	\$19,743,000

Water – Te Ngawai Trunk Main Renewal

The replacement and upgrading of the Te Ngawai trunk main to enable future growth in the Downlands water scheme from the Te Ngawai intake.

2015/16	\$3,649,000
2016/17	\$3,738,000
2017/18	\$2,584,000
2018/19-2024/25	\$0

A number of projects have been considered for the Long Term Plan, but are not currently funded.

These can be viewed on the website.

Supporting information:

- Financial Strategy
- Activity Statements – LTP 2015-25
- Unfunded Projects Table 2015-25



“Ratepayers should have a say on what work is done because it will affect the quality of their lives and how much it will cost them.”

Kerry Stevens

Two years on Council/Manager/Geraldine

Why is the LTP important to you?

The LTP outlines the Council’s planned work for the next ten years, how much it is expected to cost and how it will be funded.

Why is community input important?

Ratepayers should have a say on what work is done because it will affect the quality of their lives and how much it will cost them.

“It is really important that Council does not become insular; therefore the community’s input is a welcome, useful and needed ingredient in framing the future.”



Richard Lyon (Deputy Mayor)

Twentieth year on Council/Farmer/Pleasant Point

Why is the LTP important to you?

It is crucial that Council looks ten years out, and makes the best decisions possible, with the knowledge that is available at the time to enable structured forward planning.

Why is community input important?

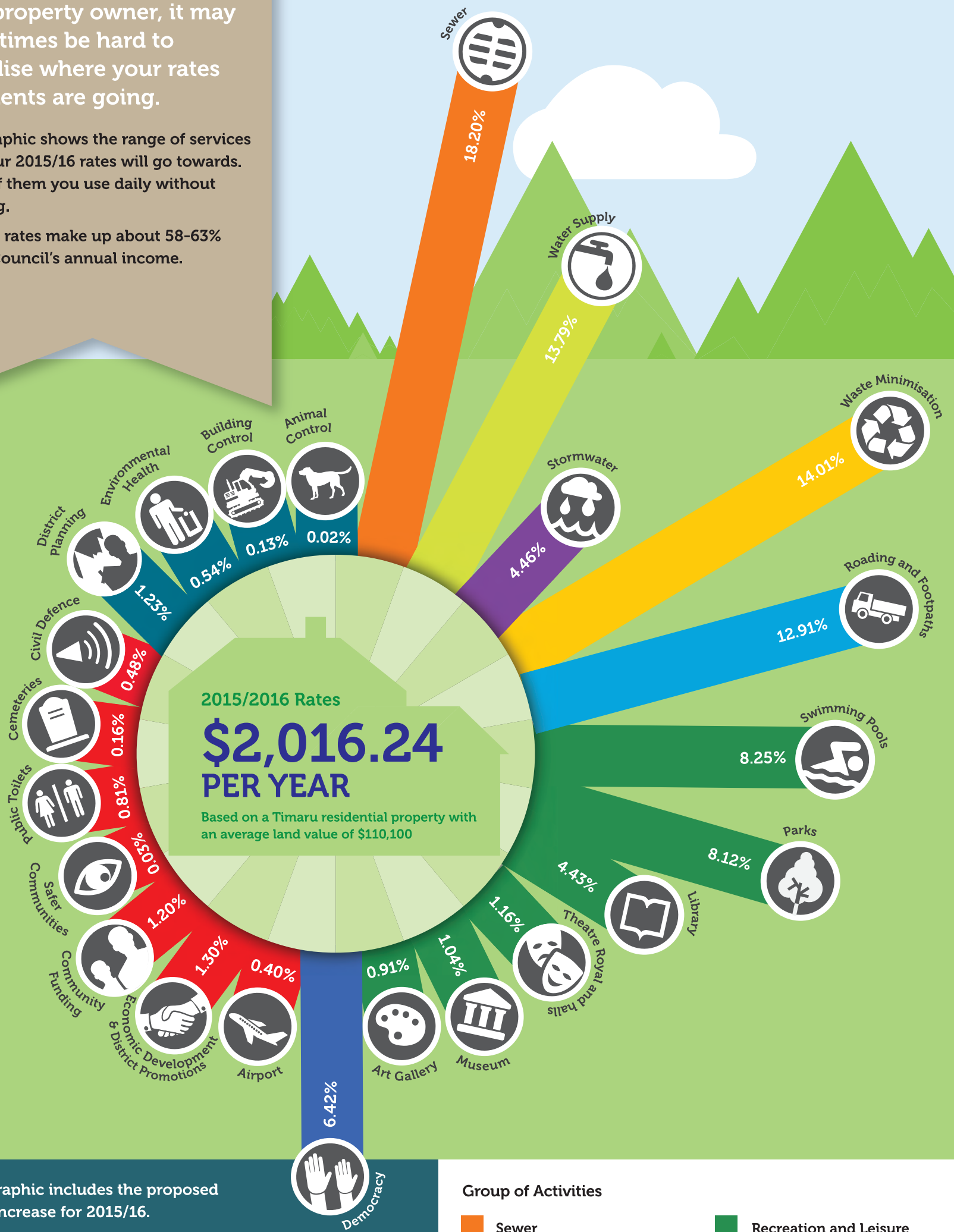
It is really important that Council does not become insular; therefore the community’s input is a welcome, useful and needed ingredient in framing the future.

Where do my rates go?

As a property owner, it may sometimes be hard to visualise where your rates payments are going.

This graphic shows the range of services that your 2015/16 rates will go towards. Many of them you use daily without thinking.

In total, rates make up about 58-63% of the Council's annual income.



This infographic includes the proposed total rate increase for 2015/16.

It represents what a Timaru residential property with an average land value of \$110,100 will pay. This is proposed to be \$2,016.24, which works out at \$38.77 per week...for all this!

Please note that the amount you pay in rates differs according to where you live, the services you receive and the type and land value of your property.

Group of Activities

- Sewer
- Water Supply
- Stormwater
- Waste Minimisation
- Roothing
- Recreation and Leisure
- Democracy
- Community Support
- Planning and Regulatory

Independent auditor's report

on Timaru District Council's Consultation Document for its proposed 2015/25 Long-Term Plan

I am the Auditor-General's appointed auditor for Timaru District Council (the Council). Section 93C of the Local Government Act 2002 (the Act) requires an audit report on the Council's consultation document. I have carried out this audit using the staff and resources of Audit New Zealand. We completed this audit on 17 March 2015.

Opinion

In my opinion:

- the consultation document provides an effective basis for public participation in the Council's decisions about the proposed content of its 2015/25 long-term plan, because it:
 - fairly represents the matters proposed for inclusion in the long-term plan,
 - identifies and explains the main issues and choices facing the Council and Timaru district, and the consequences of those choices, and
- the information and assumptions underlying the information in the consultation document are reasonable.

Basis of Opinion

We carried out our work in accordance with the Auditor-General's Auditing Standards, the International Standard on Assurance Engagements (New Zealand) 3000 (Revised): Assurance Engagements Other Than Audits or Reviews of Historical Information, the International Standard on Assurance Engagements 3400: The Examination of Prospective Financial Information, and the ethical requirements in those standards.

We assessed the evidence the Council has to support the information and disclosures in the consultation document. To select appropriate audit procedures, we assessed the risk of material misstatements and the Council's systems and processes applying to the preparation of the consultation document.

We did not evaluate the security and controls over the publication of the consultation document.

Responsibilities of the Council and auditor

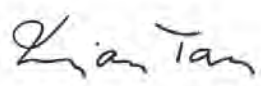
The Council is responsible for:

- meeting all legal requirements relating to its procedures, decisions, consultation, disclosures, and other actions associated with preparing the consultation document and long-term plan whether in printed or electronic form;
- having systems and processes in place to provide the supporting information and analysis the Council needs to be able to prepare a consultation document and long-term plan that meet the purposes set out in the Act;
- ensuring that any forecast financial information being presented has been prepared in accordance with generally accepted accounting practice in New Zealand; and
- matters relating to the electronic presentation of the report to the readers of the long-term plan consultation document.

I am responsible for reporting on the consultation document, as required by section 93C of the Act. I do not express an opinion on the merits of any policy content of the consultation document.

Independence

We have followed the independence requirements of the Auditor-General, which incorporate those of the External Reporting Board. Other than our work in carrying out all legally required external audits and reporting to the Council's debenture trustees, we have no relationship with or interests in the Council or its subsidiary.



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

"This is the most significant opportunity for the community to have a say in the future direction of our District, and our Council."

Steve Earnshaw

Four and a half years on Council/
Surgeon/Timaru

Why is the LTP important to you?

The LTP is the main chance each three years to set our priorities, plans and aims for the District.

Why is community input important?

This is the most significant opportunity for the community to have a say in the future direction of our District, and our Council.



"It comes around only once every three years, so it's important to have a say when the opportunity arises."

Steve Wills

Eighteen months on Council/
Police Constable/Timaru

Why is the LTP important to you?

The LTP is the foundation document for everything that the Council does. It maps out our future as a District so it is hugely important.

Why is community input important?

The LTP is a great opportunity for members of the community to make a submission and tell the Council their views.

WE WANT TO HEAR FROM YOU

Council needs and values your input on the issues we face as a District.

Please read this document and the relevant supporting information before giving us feedback. To have your say on the issues described in this booklet (and the LTP supporting information) you can:

- Go to our website – www.timaru.govt.nz – and complete our online feedback form

- Simply cut out this page, fill it out with your submission and Freepost it back to Council (instructions on the back page).
- You can also scan your form and email your submission to submission@timdc.govt.nz.

We need your feedback before submissions close at 5pm on Tuesday 28 April 2015

Some tips on making a submission

Remember this is about our future, where we are heading and the big decisions to get us there. It isn't about the small stuff like needing a new wheelie bin or a problem with overhanging trees. If you are experiencing any problems like these, just give us a call on 03 6877200 or complete a "fix it request" on the Council's website.

To make a submission you can tick the boxes below outlining which option you support for each of the big issues. Feel free to include any other comments in the spaces provided. Please print clearly and include your contact details.

You can also give us feedback about any of the other topics included in this document and the LTP supporting information.

If I make a submission, do I have to appear at a hearing?

The short answer is no. All submissions are given due consideration and everyone has the opportunity to make their submission personally if they want to. If you want to make your submission personally to the Council, let us know with your submission. We'll get back to you with a time and other hearing details.

Is my submission private?

Submissions are public information because in local government we have an obligation to be as transparent as possible. If there are any details you don't want made public, please let us know.

How will I know my submission has been considered?

All submissions are important and will be considered. We'll keep you informed along the way. A Council officer will provide comments on your submission and we'll send this to you before the hearings take place. At the end of the process, we will summarise the decisions made by Council and let you know the outcomes.

What's happening when?

28 March

Submissions open

28 April at 5pm

Submissions close

25-27 May

LTP Hearings (days as required)

23 June

Any changes made and LTP adopted by Council

Want more information?

The best way to access information quickly is through our website – www.timaru.govt.nz. Copies of all information are also available through Council's main office in Timaru, our service centres in Geraldine and Temuka and Timaru library.

Need help?

If you need help, just get in touch any way you like and we'll help you through the process of making a submission. You can phone, e-mail, or contact us through the website, write to us or come in and see us. Our contact details are as follows:

- Phone us on 03 687 7200 for advice on making a submission; or
- e-mail submission@timdc.govt.nz

Where do I send my submission?

- Make it online through the Timaru District Council website at www.timaru.govt.nz; or
- E-mail it to submission@timdc.govt.nz; or
- Write to LTP Submission, Freepost 95136, Timaru District Council, PO Box 522, Timaru 7940; or
- Drop it in to Timaru District Council, 2 King George Place, Timaru or at one of our Service Centres/Libraries in Temuka or Geraldine.

Alternatively, if you have questions for one or more of your local Councillors or the Mayor, you could discuss the LTP with them.

Contact details are here:

Mayor Damon Odey		03 684 9325
Councillor Kerry Stevens	Geraldine Ward	03 693 7442
Councillor Richard Lyon	Pleasant Point Temuka Ward	03 614 7369
Councillor Pat Mulvey	Pleasant Point Temuka Ward	03 615 8130
Councillor Anthony Brien	Timaru Ward	03 686 0275
Councillor Peter Burt	Timaru Ward	03 688 4002
Councillor Steve Earnshaw	Timaru Ward	03 686 6884
Councillor Dave Jack	Timaru Ward	03 686 9320
Councillor Tracy Tierney	Timaru Ward	03 684 7743
Councillor Steve Wills	Timaru Ward	03 686 9072



Your details

First name:

Last name:

Organisation:

Phone (landline or mobile):

Email address:*

Do you want to speak about your submission at a Council Hearing? (tick a box)**:

Yes No

Postal address:*

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If at any time you require more information please refer to the page in this document where the particular issue is described in more detail. For further information use the supporting information reference for each issue.

*we require your email address and/or your physical postal address. **must complete.

Your feedback

Q1. As outlined on pages 4-5, the changes to how central government financially assists the Council to fund the Timaru District's roading network will potentially result in a considerable funding shortfall. The Council have indicated a preferred option for addressing this issue, including partial funding of the shortfall.

Do you support this option?

Yes No Don't Know/Other

Please provide any comments. If your answer was no, please comment on your preferred option:

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Q2. As outlined on page 6, we are not putting enough money aside to replace our roads, pipes and pumps in the future. Council would like to fund this shortfall gradually over the next 10 years.

Do you support this option?

Yes No Don't Know/Other

Please provide any comments. If your answer was no, please comment on your preferred option:

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Q3. As outlined on page 7, we want your input on a future direction for the South Canterbury Museum and addressing other issues with our cultural facilities. Council have included funding to redevelop the existing museum building or build a new museum.

Do you support this option?

Yes No Don't Know/Other

Please provide any comments. If your answer was no, please comment on your preferred option:

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Q4. As outlined on pages 8-9, we are looking to adjust how the General Rate is paid for to more fairly reflect the impact of rural intensification on the District's roading network.

Do you support this option?

Yes No Don't Know/Other

Please provide any comments. If your answer was no, please comment on your preferred option:

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Q5. As outlined on page 10, the Pareora water supply pipeline to Timaru is nearing the end of its useful life. Council would prefer to renew the existing pipeline in sections.

Do you support this option?

Yes No Don't Know/Other

Please provide any comments. If your answer was no, please comment on your preferred option:

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Q6. As outlined on page 10, the Temuka water supply needs some work to ensure adequate water is available in the future. Council would prefer to investigate an additional water source, likely to be a bore.

Do you support this option?

Yes No Don't Know/Other

Please provide any comments. If your answer was no, please comment on your preferred option:

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Please continue your feedback on the next page...

Your Feedback

Q7. Do you agree with the proposed average annual rates increase of 4.1% (including inflation) over the next 10 years, to enable the proposed spending options outlined in this document and supporting information?

Yes No

Q7a. If you ticked "No", which activity areas do you think we should spend less on, and what level of rates increase would you support?

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More feedback

Council would like to hear any other feedback you have in relation to the content of the Consultation Document or any of the LTP supporting information or anything that you think needs to be included that isn't.

Please provide any other comments below:

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Need more room?

Please use extra paper if required and attach with your submission.

"This future is my future and that of my family and friends."

David Jack

Eleventh year on Council/Business owner/Timaru

Why is the LTP important to you?

The long term plan gives our council's vision for the future of our district.

Why is community input important?

Councillors are elected as the community's voice. We need your input to help give us the right direction during the planning stages. Community input is a vital part of this process.



How to return this form via FreePost

- 1 Complete Your details and Your feedback sections
- 2 Cut form out along the dashed line.



Seal on all sides with tape or glue

- 6 Drop into your nearest NZ post box, or the TDC main office or service centres.

Alternatively, you can put your form in a separate envelope and address to:

FreePost Authority Number 95136
LTP 2015-25 Submission
Timaru District Council
PO Box 522
TIMARU 7940

Thank you.

