

A large photograph of a construction site serves as the background. It shows a deep, narrow trench being dug into the ground. Several workers in orange safety vests and hard hats are visible in the trench, working with a large pipe. An excavator's arm is visible on the right side of the trench. The background shows a construction site with orange safety fencing and a clear sky.

Timaru District Council

Annual Report 2012/13

Summary

Mayor and Chief Executive's Welcome

Welcome to this summary of 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;

Council Assets and Services

1 landfill	4 public swimming pools
1 airport	287 bridges and culverts
3 libraries	4 refuse transfer stations
1 museum	1 sewage milliscreen plant
1 art gallery	Three bin kerbside recycling
1 dog pound	Leadership for the community
1 eco-centre	11 piped water supply systems
7 cemeteries	Community grants and funding
2,324 carparks	157km of piped stormwater drain
3,000+ streetlights	Bus shelters, cycleways, traffic lights
3 oxidation ponds	1,800km+ of sealed and unsealed roads
236 housing units	'The Crows Nest' - recycled goods shop
Safer Communities	Over 1,600km of water supply reticulation
335km of footpaths	Nearly 600 hectares of parks, reserves, walkways and playgrounds
20 halls and theatres	Manages and enforces requirements of several pieces of legislation, including Local Government Act, Resource Management Act, Building Act, Civil Defence and Emergency Management Act.....
426km of sewer pipes	
Planning for the future	
Numerous public toilets	
255 hectares of forestry	

- 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.

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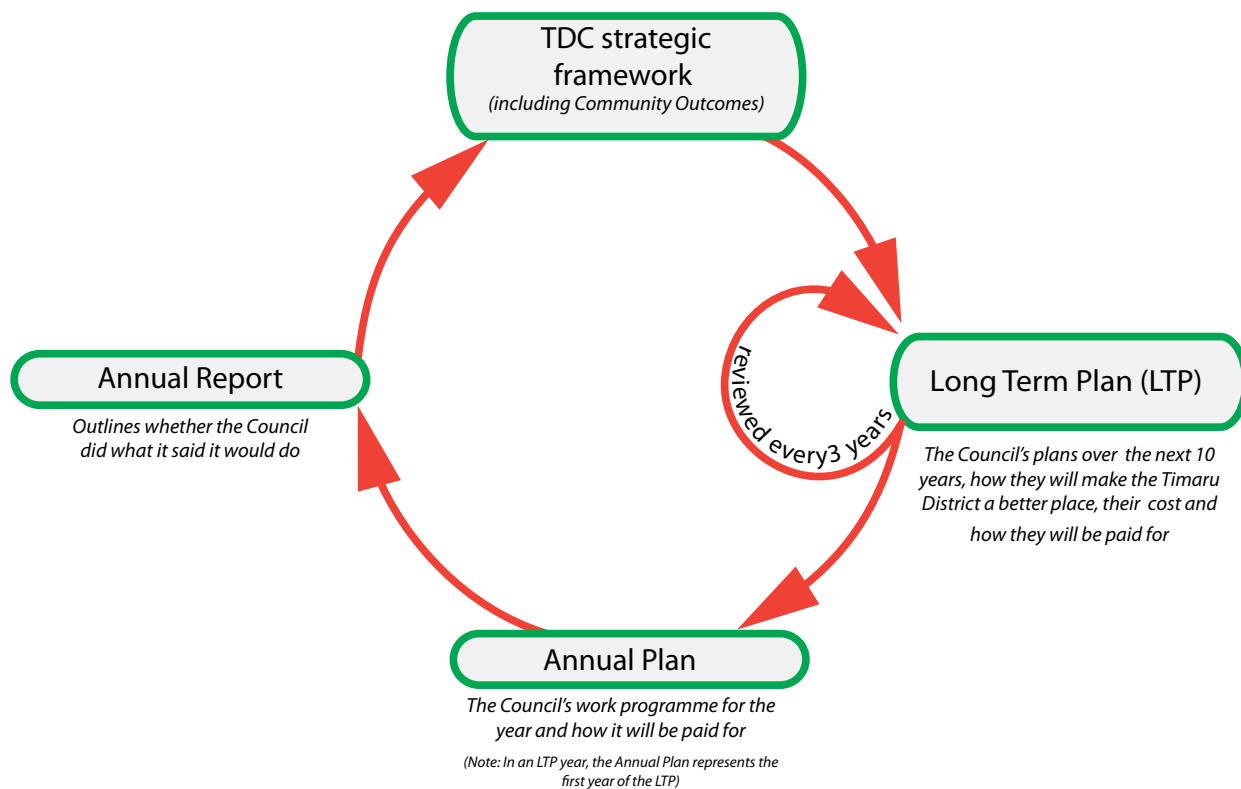


Damon Odey
Mayor

Peter Nixon
Chief Executive

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

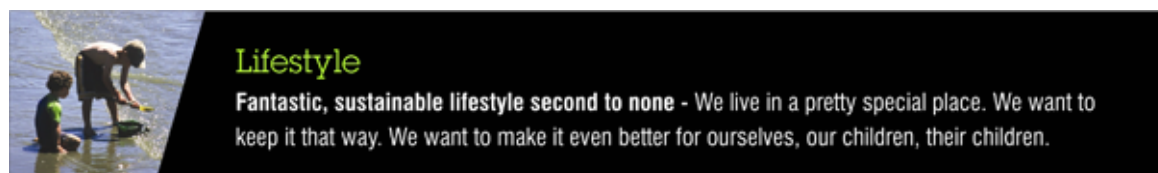
As part of the 2012-22 Long Term Plan, the Council developed a new strategic direction and vision for Timaru District. Our four pronged vision for the district is explained below.

Vision



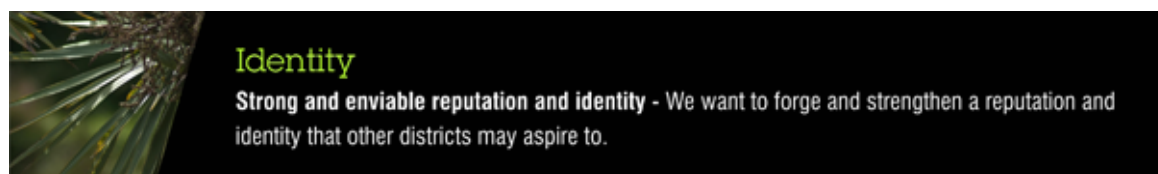
This means:

- 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.



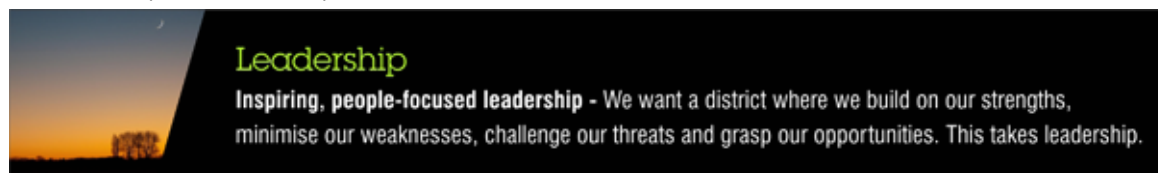
This means:

- 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.

Further details can be found in the 2012/13 Annual Plan and 2012-22 Long Term Plan.

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 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

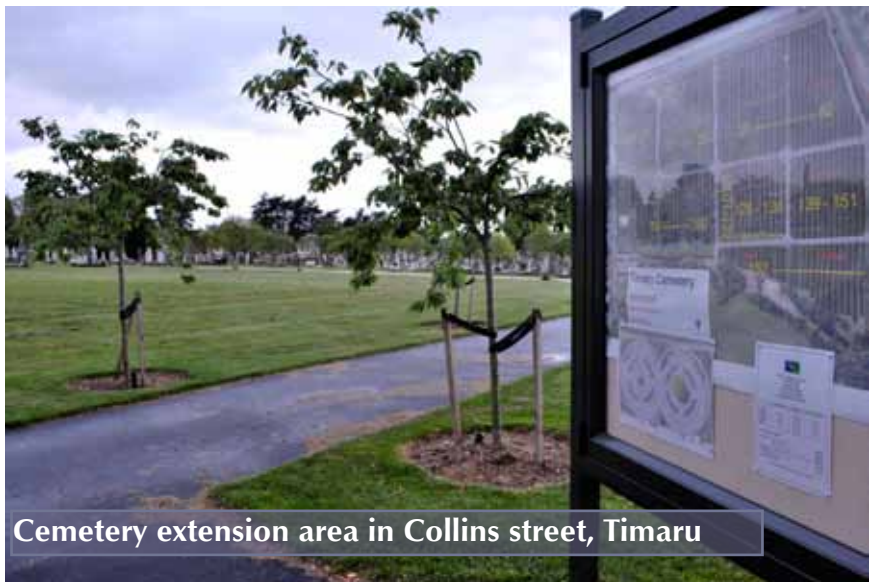
Work commenced on Stormwater Management Plans (SMP) as required under the Environment Canterbury Natural Resource Regional Plan. These are being developed for Geraldine and Washdyke (Greenfields). The Geraldine SMP is programmed to be completed by the first quarter of 2014. Washdyke SMP will likely have 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 Clondeboye 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.

On the Downlands scheme, investigation and design for the

Tengawai Trunk Main upgrade commenced, with construction to begin March 2014. The Downlands additional water project aimed at increasing water availability throughout the scheme, progressed through investigations commencing on storage and treatment methodologies. The Downlands 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 Downlands Public Health Risk Management Plan was also completed.



Temuka Strategic water main replacement

Timaru District Council - Financial Performance

This financial overview is for the year 1 July 2012 to 30 June 2013. It covers the consolidated financial statements of the group comprising Timaru District Council and its subsidiaries.

Overall Result

The Timaru District Council (parent) made a surplus of \$11.012m compared to a budget surplus of \$2.456m. The Group surplus was \$14.563m (after tax). Expenditure was below budget mainly due to reduced depreciation expense

required. Revenue was above budget mainly due to a gain on derivatives.

The Group result was up on 2012 due to \$10.1M impairment charges being incurred in 2012.

Council's debt remains slightly below projected values, with \$85.9m of debt at the end of June 2013 (Forecast: \$90.1m). Council is looking after \$755m of assets located throughout the district (Forecast: \$763m). Ratepayer's equity in the district increased by 1.55% to \$720.1m for the Council and by 1.90% to \$798.4m for the Group.

Summary Financial Statements – Timaru District Council

(All amounts in \$NZ)

Comprehensive Income for the year ended 30 June

	GROUP ¹		PARENT		
	Actual 2013 \$000	Actual 2012 \$000	Actual 2013 \$000	Budget 2013 \$000	Actual 2012 \$000
Revenue	88,673	82,454	71,380	68,247	61,939
Operating Expenditure	70,044	84,010	55,698	59,992	54,391
Finance costs	5,105	4,511	4,617	5,799	3,971
Share of surplus of associates	1,518	924	-	-	-
Library Collection debit revaluation reserve balance (expensed)	(53)	(110)	(53)	-	(110)
Net surplus/(deficit) before taxation	14,989	(5,253)	11,012	2,456	3,467
Taxation	(426)	2,764	-	-	-
Net surplus/(deficit) after taxation	14,563	(2,489)	11,012	2,456	3,467
Attributable to:					
Timaru District Council	14,081	(373)	11,012	2,456	3,467
Non-controlling Interest	482	(2,116)	-	-	-
Operating Land Valuations	331	(1,144)	-	-	-
Financial Instrument Hedging	40	83	-	-	-
Income Tax relating to Financial Instrument Hedging	(11)	(26)	-	-	-
Total Other Comprehensive Income	360	(1,087)	-	-	-
Total Comprehensive Income	15,283	(4,663)	11,012	2,456	3,467
Attributable to:					
Timaru District Council	14,338	(1,020)	11,012	2,456	3,467
Non-controlling Interest	585	(2,556)	-	-	-

Note: ¹ Timaru District Council group consists of Timaru District Council and its subsidiaries, Timaru District Holdings Development Trust, Aoraki Development Business and Tourism Ltd (all 100% owned) and Downlands Water Supply Joint Venture (82% owned)

Changes In Equity for the year ended 30 June

	GROUP ¹						PARENT		
	Actual 2013			Actual 2012			Actual 2013	Budget 2013	Actual 2012
	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000
	Parent	Minority Interests	Total	Parent	Minority Interests	Total			
Total Comprehensive Income	14,338	585	14,923	(1,020)	(2,556)	(3,576)	11,012	2,456	3,467
Prior Year Adjustment	-	-	-	(40)	-	(40)	-	-	108
Dividends paid	-	-	-	-	-	-	-	-	-
Equity at beginning of year	766,417	17,074	783,491	767,477	19,630	787,107	709,115	708,422	705,540
Equity at end of year	780,755	17,659	798,414	766,417	17,074	783,491	720,127	710,878	709,115

Financial Position as at 30 June

	GROUP ¹			PARENT	
	Actual 2013	Actual 2012	Actual 2013	Budget 2013	Actual 2012
	\$000	\$000	\$000	\$000	\$000
Equity - Parent	780,755	766,417	720,127	710,878	709,115
Equity - Minority Interests	17,659	17,074	-	-	-
Total Equity	798,414	783,491	720,127	710,878	709,115
Current assets	44,433	39,763	37,574	22,768	31,996
Non-current assets	878,309	863,125	786,375	795,077	773,768
Current liabilities	49,439	49,515	28,933	24,459	36,767
Non-current liabilities	74,889	69,882	74,889	82,508	59,882

Cash Movements for the year ended 30 June

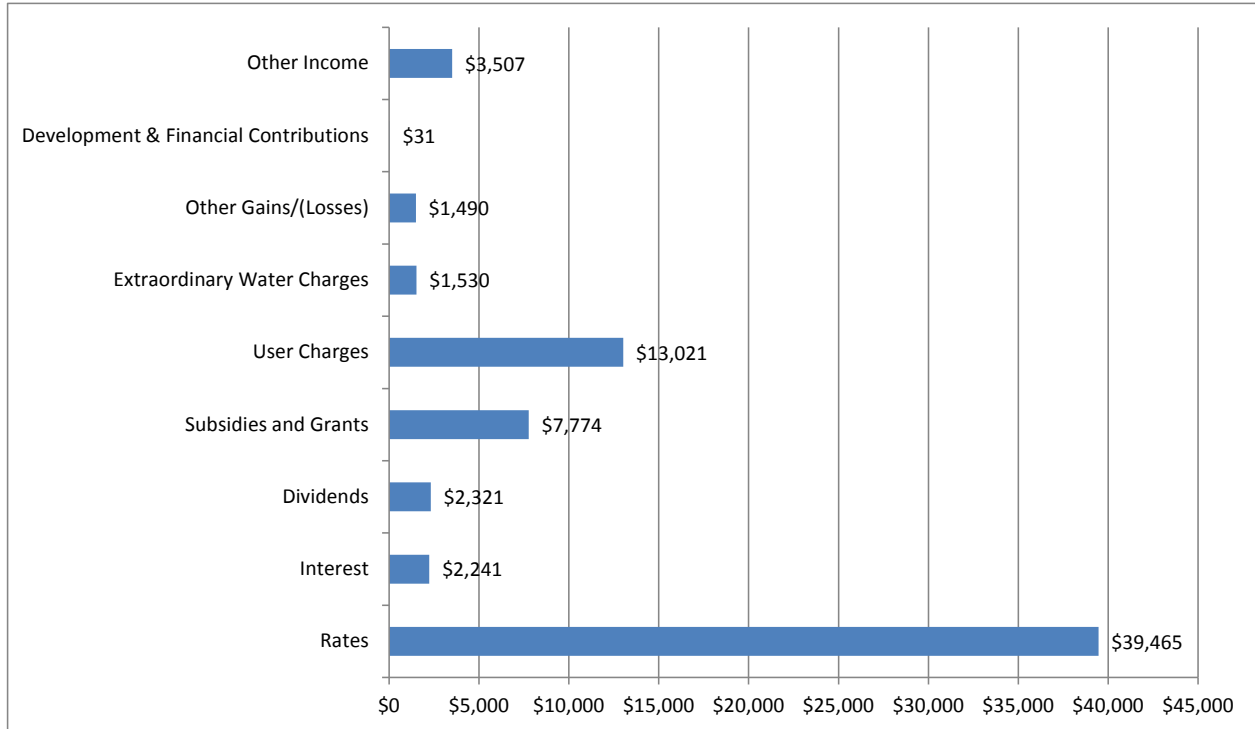
	GROUP ¹			PARENT	
	Actual 2013	Actual 2012	Actual 2013	Budget 2013	Actual 2012
	\$000	\$000	\$000	\$000	\$000
Cash Balance - 1 July	10,633	10,740	6,949	9,479	8,988
Net cash from operating	26,704	24,170	24,248	19,309	19,357
Net cash from investing	(23,521)	(35,548)	(21,428)	(34,929)	(35,296)
Net cash from financing	10,376	11,271	11,376	15,632	13,900
Cash Balance - 30 June	24,192	10,633	21,145	9,491	6,949

Note: ¹ Timaru District Council group consists of Timaru District Council and its subsidiaries, Timaru District Holdings Development Trust, Aoraki Development Business and Tourism Ltd (all 100% owned) and Downlands Water Supply Joint Venture (82% owned)

Operating Revenue (Parent)

The Council received \$71.4m of operating revenue during the year, with \$39.5m (55.3%) from rates.

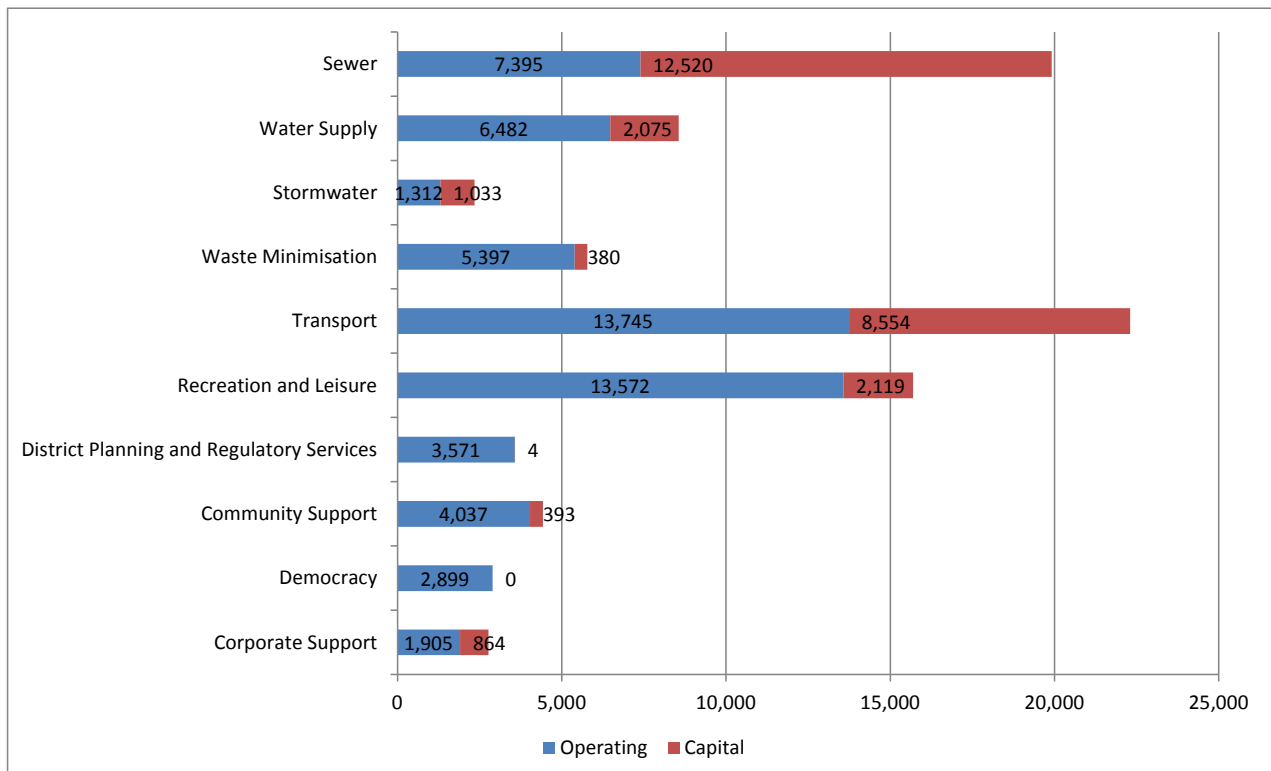
Timaru District Council Operating Revenue by type 2012/13



Expenditure (Parent)

The Council spent \$60.3m on operating expenditure and finance costs and \$27.9m on capital expenditure during the year.

Timaru District Council Expenditure by Activity 2012/13



1. 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 summary financial statements have been extracted from the full financial statements, which were authorised for issue on October 29, 2013.

The full financial statements have been prepared in accordance with NZ GAAP. As disclosed in the full financial statements, 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.

The full financial report and this summary received an unqualified audit opinion. The full financial report was authorised by the Council on 29 October 2013. This summary was authorised by the Timaru District Council Corporate Services Group Manager, Tina Rogers on 25 November 2013.

This summary report cannot be expected to provide a complete understanding as provided by the full financial report. The full financial report is available from Council's Service Centres and website - www.timaru.govt.nz.

Timaru District Holdings Limited (TDHL) has a loan outstanding from TDC of \$22.2M (2012: \$22.2M). There are no fixed repayment terms for this loan. Dividends of \$2.3M (2012: \$2.1M) were paid by TDHL to TDC during the year.

TDC has contingent liabilities, including:

- Housing NZ has provided \$1.1M as at 30 June 2013 (2012: \$1.1M) towards the construction of social housing units. This advance is repayable with interest, if the Council withdraws its investment in joint funded social housing.
- 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).

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.

2. Changes in Accounting Policy

All policies have been applied on a basis consistent with those used in the prior year.

3. 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.

4. 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 note 38 of the full annual report.

Overview

The full Annual Report includes a detailed explanation of work completed and performance for the Council's seven groups of activities. A summary is included below by Council group:

Democracy

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.

Summary of Activities

During the year, the Council completed the six yearly Representation Review and review of the District Bylaws, including the Dog Control Policy.

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 provided leadership and advocacy on various district and national issues. It responded to several proposed changes to legislation. Civic events such as the Community Awards were held and relationships maintained

Community Support

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.

The group includes the following activities:

- Airport
- Community Facilities
- Community Funding
- Economic Development and District Promotions
- Emergency Management
- Safer Communities
- Social Housing



New citizens with the Mayor at a Citizenship Ceremony 2013

with sister cities. Local district events were supported.

The Council met statutory planning and reporting requirements. It continued to communicate with the community on decisions, policy and activities via mediums such as the Council Noticeboard.

Summary of Activities

The Gleniti Park public toilet was replaced with a new facility and several public toilets were renovated or improved. The Timaru Cemetery extension in Collins Street was completed ready for use, with resource consents obtained for the Temuka Cemetery extension in Domain Avenue, Temuka. The airport maintained Civil Aviation Authority (CAA) accreditation, with the aircraft fuelling pumps on the airport apron replaced.

Funding opportunities were provided through various funding schemes, including general Council grants and the Creative Communities Scheme.

Summary of Performance

Of 8 performance measures, targets for 3 were achieved and 1 was not achieved. Four were not measured in 2012/13 due to survey timing.

Aoraki Development Business and Tourism (ADBT) supported district businesses through several initiatives, including business and personal development courses, a wide range of support, advice and referrals to industry and businesses and support for events, hosting four cruise ships and supporting three industry clusters.

The Canterbury Regional Tsunami Signage Project and Pareora Community Response Plan were completed. A new Timaru Response Team was recruited. Exercise Te Ripahapa, based on an Alpine Fault earthquake was conducted, with responses to the August 2012 flooding event and June 2013 flooding and snow event. The South Canterbury Rural Fire District responded to 137 fire incidents across the region and held the Annual Regional Rural Fire challenge at Raincliff.

During the year, the Safer Communities operation underwent major changes due to a loss of contracts. The Youth Support services contract was lost to another agency. 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. Project Turnaround continues to

District Planning and Regulatory Services

This group includes activities that maintain and promote safe communities, protect and enhance the natural and built environment and ensure the appropriate use of land.

The group includes the following activities:

- Building Control
- District Planning
- Environmental Health

operate from the Safer Communities offices.

236 social housing units were managed and provided district-wide, with several units were refurbished as they became vacant and other upgrade work included installation of wet area showers, replacement windows and double glazing.

Summary of Activities

Council maintained good performance in processing building and resource consents, with 95% and 98% processed within statutory timeframes respectively.

District plan changes for the Washdyke Industrial Expansion and Geraldine Downs development progressed with decisions or further hearings due later in 2013. An investigation of potential Industrial land in the Geraldine Ward was completed.

During the year the Timaru District Consolidated Bylaw and Dog Control Policy were reviewed and made operative. Signage was improved at local rivers and streams to warn of cyanobacteria contamination. Work

Summary of Performance

Of 24 performance measures, targets for 16 were achieved and 1 was not achieved. Two targets were nearly achieved*. Five were not measured in 2012/13 due to survey timing.

*Nearly achieved means the result where applicable was within 10% of the target.

commenced towards implementation of the requirements under the new Sale and Supply of Alcohol Act 2012.

The Environmental Health Unit maintained high compliance with dog registration and micro-chipping requirements. Targets for responding to all service requests (complaints) were met and all but a few premises complied with health regulations.

Summary of Performance

Of 17 performance measures, targets for 9 were achieved and 3 were not achieved. Three targets were nearly achieved*. Two were not measured in 2012/13 due to survey timing.

*Nearly achieved means the result where applicable was within 10% of the target.



Recreation and Leisure

This group includes activities that meet the community's recreational needs, provide venues for events, facilitate learning and literacy and enable the care and preservation of valuable art and heritage.

The group includes the following activities:

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

Summary of Activities

In July 2012, the district's brand new Aquatic Centre, the Caroline Bay Trust Aoraki Centre (CBAY) was opened by the Prime Minister, John Key. The CBAY outdoor pool was refurbished and opened in November 2012. Four regional pool parties were held promoting the district outdoor pools. The Learn to Swim programme was highly successful, with on average 1,000 users per term. Over 277,000 visitors have visited since the Centre opened.

Exhibitions highlights at the Aigantighe Art Gallery included the hugely popular *SteamPunk'd*, *Animal Sign/Animal Mind* by leading North American, Pitcairn and NZ painters and Graham Bennett's *Weighting & Waiting* large sculptural exhibition. South Canterbury Museum exhibition highlights included *Ancient Giants: NZ Dinosaurs*, *Downtown*, *Building the Backbone*, *Our Night Sky* and *Green & Black: 125 Years of South Canterbury Rugby*. A number of successful events and programmes were held at both facilities, including

exhibition openings, school holiday programmes, public talks and a Star Party. Onsite visitors to these facilities maintained numbers at nearly 50,000, with continued good usage by educational (off-site) users.

Over 800,000 books and materials were issued at Timaru District Libraries during the year, including around 10,000 eBooks. A new library management system, Kotui, was introduced. Facilities were upgraded including new 24hr return facilities. Numerous displays across all three libraries covering topics as diverse as Margaret Mahy to dinosaurs and

events were held to promote library and community services.

Several projects were progressed at district parks, reserves and walkways, including further development of the Pit Road lizard reserve, the installation of sportsfield irrigation points and realignment of fences at Sir Basil Arthur Park, plantings across the district, new playground equipment in some locations and completing walking and biking tracks in Temuka and Pleasant Point. The new Mulcahy Park in Gleniti, Timaru was established with the planting of 20+ specimen trees and 1,200 mixed native plants. A penguin

survey was conducted at Caroline Bay in partnership with the Department of Conservation to discover the numbers of penguins present.

Summary of Performance

Of 35 performance measures, targets for 17 were achieved and 4 were not achieved. Four targets were nearly achieved*. Ten were not measured in 2012/13 due to survey timing.

**Nearly achieved means the result where applicable was within 10% of the target.*



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

Roading and Footpaths

This group is concerned with provision of the transport network for the district, particularly focused on roading, pedestrian and airport infrastructure. Transport delivers both assets (such as roads, signs, and infrastructure) and non asset functions (such as street cleaning, parking enforcement, temporary traffic management and road safety).

Summary of Activities

Major roading highlights during the year included the final stage of Factory Road pavement upgrading and the Denmark Street, Temuka pedestrian rail crossing completed in partnership with KiwiRail. The contract for the construction of the Elginshire Street extension in Washdyke was awarded, enabling an essential link from Meadows Road to Seadown Road that will allow traffic to access State Highway 1, with construction commencing in June 2013. Design work on the Factory Road bridge widening project also commenced.

The district achieved the lowest number of overall vehicle crashes on Timaru District council roads over the last five years. 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.

District Roding and Footpaths projects completed or nearly completed included seal extension of Brockley Road, nearly 3km of road reconstruction work, minor transport network projects, 55km of road resurfacing, seal widening of Arundel Rangitata road, 3.5km of new or renewed footpaths, and bridge renewals on local bridges including the Climie Terrace pedestrian bridge.

Summary of Performance

Of 23 performance measures, targets for 18 were achieved and 3 were not achieved. Two targets were nearly achieved*.

**Nearly achieved means the result where applicable was within 10% of the target.*



Brockley Road seal extension



Rangitata Gorge Road damage from flooding during the year

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.

Summary of Activities

Work continued on the Timaru Wastewater Upgrade Project with approximately 75% of the physical infrastructure completed, 25% of the wetlands construction and 44% of the pond construction. There were some delays due to weather.

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.

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. Other sewer projects progressed design for the upgrade of sewer services to the port's North Mole were completed, the Queen Street pump station refurbishment, Wai iti Road, Timaru sewer renewal, Station Street sewer reconfiguration and Dawson Street, Timaru rising main renewal.

Summary of Performance

Of 9 performance measures, targets for 5 were achieved and 1 was not achieved. Three were not measured in 2012/13 due to survey timing.



Work underway on the domestic screening structure as part of the Timaru Wastewater Upgrade Project

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.

Summary of Activities

Work commenced on Stormwater Management Plans (SMP) as required under the ECan Natural Resource Regional Plan. These are being developed for Geraldine (*expected completion early 2014*) and Washdyke (*expected completion late 2014*).

Projects completed during the year included the Fraser/King Street stormwater project (Temuka) and Sherrat Street (Timaru) stormwater upgrade project.

Summary of Performance

Of 6 performance measures, targets for 3 were achieved and 1 was not achieved. Two were not measured in 2012/13 due to survey timing.

Waste Minimisation

This group is concerned with the management of solid waste generated in the Timaru District.

The Council provides a kerbside collection service, transfer station facilities, a landfill at Redruth, recycling, composting and reuse facilities, and information and education resources.

Overall management of the facilities is provided by the Council, with operational work carried out by contractors, Transpacific Industries Ltd. (TPI).

Summary of Activities

Waste diversion from the landfill via recycling, composting and re-use was 18,210 tonnes. The Council supported the Ministry for the Environment TV takeback initiative with collection points at all transfer stations reaching 95% of the allocated quota. 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. 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.

Summary of Performance

Of 11 performance measures, targets for 5 were achieved and 2 were not achieved. Three targets were nearly achieved*. One was not measured in 2012/13 due to survey timing.

**Nearly achieved means the result where applicable was within 10% of the target.*



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



Temuka Strategic water main replacement

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 to Timaru, Downlands, Temuka, Geraldine, Te Moana, Pleasant Point, Seadown, Winchester, Orari, Peel Forest, Beautiful Valley and a water race scheme at Rangitata/Orari.

Summary of Activities

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

Projects completed included planned tank inspections and water restrictor jet renewals on the Te Moana scheme, watermain renewals on the Downlands scheme, small mains renewals and the Downlands Pipe Bridges Renewals Project to improve security of supply and reduce environmental risk.

Investigation and design for the Tengawai Trunk Main upgrade on the Downlands Water Supply commenced, with construction to begin March 2014. The Downlands Public Health Risk Management Plan was also completed.

Summary of Performance

Of 12 performance measures, targets for 6 were achieved and 1 was not achieved. Two targets were nearly achieved*. Three were not measured in 2012/13 due to survey timing.

**Nearly achieved means the result where applicable was within 10% of the target.*

Independent Auditor's Report

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

The summary annual report was derived from the annual report of Timaru District Council (the District Council) and group for the year ended 30 June 2013. We have considered whether the summary annual report represents, fairly and consistently, the information regarding the major matters dealt with in the annual report.

The annual report included full audited statements, and the summary annual report includes summary statements. We have audited the following summary statements reported in the summary annual report on pages 13 to 21:

- the summary statement of financial position as at 30 June 2013;
- the summaries of the statement of comprehensive income, statement of changes in equity and statement of cash movements for the year ended 30 June 2013;
- the notes to the summary financial statements that include accounting policies and other explanatory information; and
- the summary statement of service provision (referred to as the Activity Performance) of the District Council and group.

We expressed an unmodified audit opinion on the District Council and group's full audited statements in our report dated 29 October 2013.

Opinion

In our opinion:

- the summary annual report represents, fairly and consistently, the information regarding the major matters dealt with in the annual report; and
- the summary statements comply with FRS 43 (PBE): Summary Financial Statements.

Basis of opinion

Our audit was carried out in accordance with the Auditor General's Auditing Standards, which incorporate the International Standards on Auditing (New Zealand), and in particular with the International Standard on Auditing (New Zealand) 810: Engagements to Report on Summary Financial Statements. These standards require us to carry out procedures to confirm whether the summary annual report contains the information necessary, and at an appropriate level of aggregation, so as not to be misleading.

The summary statements and the full audited statements from which they were derived, do not reflect the effects of events that occurred subsequent to our report dated 29 October 2013 on the full audited statements.

The summary statements do not contain all the disclosures required for full audited statements under generally accepted accounting practice in New Zealand. Reading the summary statements, therefore, is not a substitute for reading the full audited statements in the annual report of the District Council and group.

Responsibilities of the Council and the Auditor

The Council is responsible for preparing the summary annual report so that it represents, fairly and consistently, the information regarding the major matters dealt with in the annual report. This includes preparing summary statements, in accordance with FRS 43 (PBE): Summary Financial Statements. The Council is also responsible for the publication of the summary annual report, whether in printed or electronic form.

We are responsible for expressing an opinion on whether the summary annual report represents, fairly and consistently, the information regarding the major matters dealt with in the annual report and whether the summary statements comply with FRS 43 (PBE): Summary Financial Statements.

Other than in our capacity as auditor, which includes our report on the full financial statements, 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
25 November 2013

Your Council (as at 30 June 2013)

MAYOR



Janie Annear

COUNCILLORS

Ward: Geraldine



Kerry Stevens

Ward: Pleasant Point - Temuka



Richard Lyon



Pat Mulvey

Ward: Timaru



Jane Coughlan



Steve Earnshaw



Hamish Fraser



Terry Kennedy



Damon Odey



Jo Taylor



Tracy Tierney

Timaru District Council Annual Report Summary

For the year ended 30 June 2013

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