

# Annual Report 2015-16



**Timaru District Council  
Annual Report 2015/16**

For the year ended 30 June 2016

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# Mayor/Chief Executive's Welcome

Welcome to Timaru District Council's Annual Report for 2015/16. This is our chance to tell you about our performance over the past year.

2015/16 was the first year of our 10 year Long Term Plan 2015-25. Our focus has been on implementing the plan for the 12 month period as agreed with the community.

Like in previous years a significant portion of the budget was spent on maintaining and investing in essential infrastructure, looking after the environment and supporting community development. Much of this is not headline news and sometimes can be taken for granted, but we've been actively working to improve the quality and efficiency of our services.

## Service Performance

Some of the Key infrastructure work included:

- Completion of the Factory Road two – lane bridge.
- Completion of a new landfill cell at the Redruth site.
- Ongoing upgrading and renewal of a number of sewer mains and stormwater and water supply systems throughout the District.

There were also a number of highlights at our recreational facilities, many of which saw record attendance numbers:

- Greater than ever use of our libraries as a community hub with a wide range of residents using the facilities, including book discussion & music groups, community workshops and guest author sessions.
- Topical exhibitions at both the Museum and Art Gallery such as "Sounds Like Us" NZ Radio History, "Aves Nova Zealandia – Bird Images", "Battle Flag – the HMS New Zealand Ensign for the Battle of Jutland", exhibitions by a number of local and visiting artists including Minkisi Art and Belief in West Africa, and the Nigel Brown "I Am/We Are" exhibition that has since gone on tour within New Zealand.
- More visits to the District's swimming pools, including swimming lessons and aqua fitness classes, than last year.

During the year we made significant progress on the District Plan Review with completion of the scoping phase and the District Town Centre study. The District Plan is the key tool for managing land use and development with the district and this multi-year review is an important part of forward planning for the district.

## Financial Performance

In terms of our finances, we are pleased to deliver an Annual Report that shows the Council's finances are in a significantly better position than forecast in the Annual Plan 2015/2016. This strong financial position was the result of a number of factors including:

- Vested assets from subdivisions within the district, valued at \$2,984,000, being received during the year.
- Ongoing low interest rates, combined with delayed capital expenditure and strong cashflow, resulting in lower interest costs.
- Depreciation expense is below budget due to delayed capital expenditure.
- The value of investment properties and forestry assets has increased during the year.
- Waste tonnes to the landfill have increased during the year due to the amount of commercial activity. A decrease in the expected remaining life of the Redruth landfill, means an increase in the required aftercare provision.

Many of these financial items are not cash transactions and therefore do not affect the amount of rates required to provide the Council's services. It is not expected that there will be a significant reduction in the amount of rates required in future years as a result of the reported surplus in the current year.

## Community Views

We took heart from the results of the 2016 Community Survey that showed a majority of Timaru District residents surveyed are highly satisfied with the overall work of the council and think the District is a great place to live. Of the residents surveyed 77% of residents expressed overall satisfaction with the Council's performance, 82% were satisfied with the overall services and facilities provided by the Council, and 71% said they thought the Council provided value for money.

These regular surveys give us important feedback on areas where we are doing well, and more importantly areas we can focus on improving in.

## Managing Health & Safety

From 1 April 2016 the new Health & Safety at Work Act placed greater responsibility on elected members. The Council takes the safety of staff, contractors, volunteers, and the public seriously. While we have had tertiary level ACC accreditation for a number of years, our focus is always on achieving continuous improvement. This year our staff training targeted understanding the requirements of the new Act and ensuring we as a Council implement these in a way that achieves the best possible outcome for both staff and residents alike.

## Finally

We invite you to read on for more detail about the year, and our performance and achievements.

Once again we would like to thank the community, councillors, community board members, staff, and contractors alike for the contributions everyone has made to ensuring our District continues to be a great place to live.



**Damon Odey**  
Mayor



**Peter Nixon**  
Chief Executive



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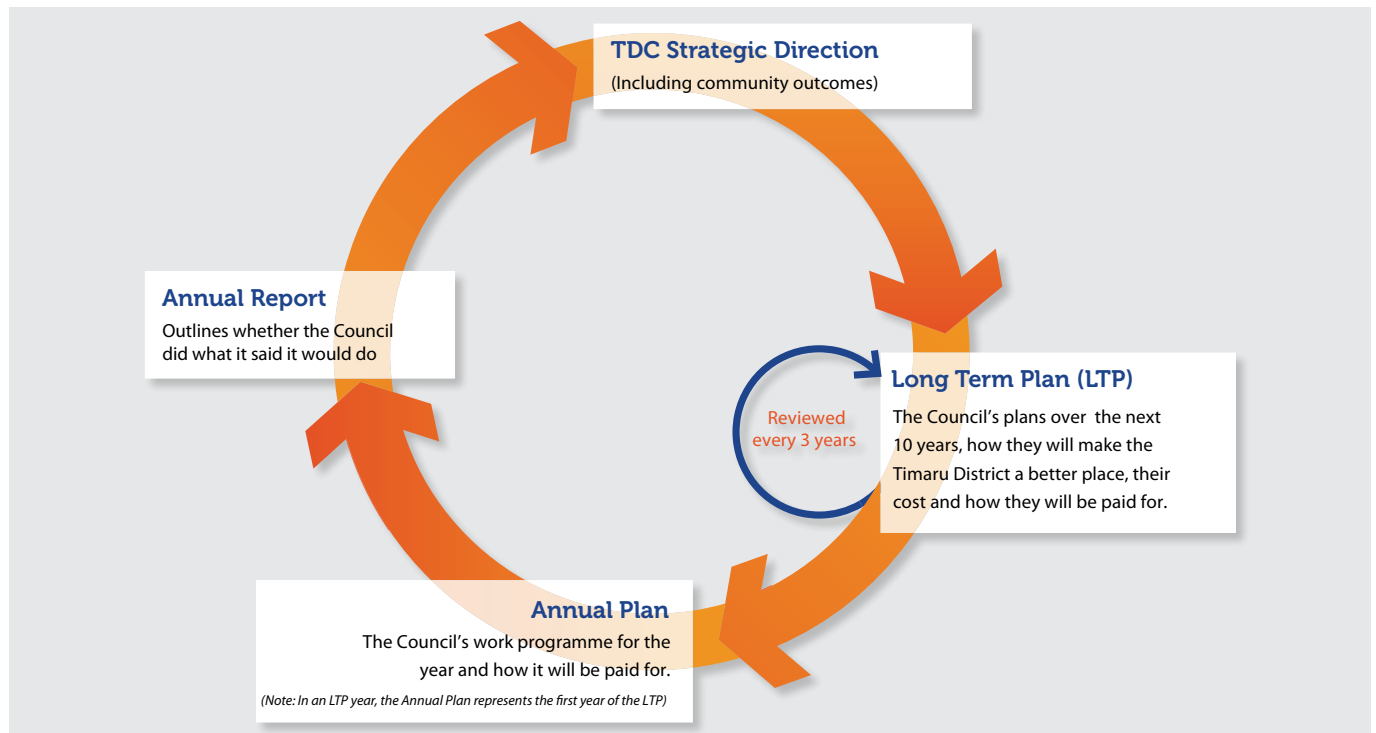


# Overview

# About the Annual Report

The purpose of the Annual Report is to explain how we delivered on the 2015/16 Annual Plan (or Year one of the 2015-25 Long Term Plan) as required by Section 98 of the Local Government Act 2002.

The diagram below shows our planning and reporting cycle:



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

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



## Vision

Lifestyle – Economy – Identity – Leadership



- Fantastic, sustainable lifestyle second to none
- Thriving and innovative economy where opportunities abound
- Strong and enviable reputation and identity
- Inspiring, people-focused leadership

## 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.*

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
- We care for and respect our elderly
- 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

## Identity

**Strong and enviable reputation and identity**

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

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 and individuality
- We value, encourage and celebrate cultural diversity
- We celebrate and sell our story

## Economy

**Thriving and innovative economy where opportunities abound**

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

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 while valuing 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 planned for and have balanced growth that keeps our businesses, population and youth local
- We maintain and build on our district's strong economic diversification
- Our district's opportunities attract people, skilled workers and families here to live, work and play
- New businesses choose Timaru District
- Our businesses and other agencies work together for maximum district benefit

## 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.*

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
- Our leaders make decisions that enable our community and economy to prosper

## Community Outcomes

Community Outcomes represent the outcomes that the Council “aims to achieve in meeting the current and future needs of communities for good-quality local infrastructure, local public services, and performance of regulatory functions.”



The Council will continue to work with numerous organisations (e.g. health, business, environmental, community, government departments) to contribute to the strategic direction and identify future issues.

Other agencies may also contribute to these outcomes through the activities and services they provide.

There are six community outcomes the Council have identified:

### High quality infrastructure to meet community and business needs

Infrastructure provision represents a core role of the Council. Provision of high quality infrastructure is essential to strong communities and economic prosperity.

### Smart, diversified economic success and growth supported and enabled

The Timaru District economy is one of the most diversified in New Zealand. The Council is committed to providing great customer service and being recognised as a business friendly Council – putting out the red carpet, not the red tape.

### Communities that are safe, vibrant and growing

We all want to live in places that are full of energy and vitality and where we feel safe. The provision of recreational facilities, core infrastructure and effective regulation helps create this sense of community.

### People enjoying a high quality of life

Council’s activities are a fundamental contributor to everyone’s quality of life. Whether the clean and fresh water flowing from the tap, the road you use daily to get to school or work or the playground your grandchildren enjoy, each service makes a contribution.

### A strong identity forged and promoted

Our identity defines our place in New Zealand and the world. We have much to celebrate and promote. The Council is a key player in promoting our identity and enabling it to develop.

### A valued, healthy and accessible environment

Without a healthy environment, many of these aspirational goals will not be achieved. Many of the Council’s activities contribute towards both protecting and enhancing the physical environment.

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# Strategic Direction

## Strategic Priorities

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



### Investing in Community

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

### Promote integrated, highly liveable communities

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

### Support areas of economic and district strength

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

### Ensure critical infrastructure meets future needs

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

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Read more about our strategic direction in the Long Term Plan 2015-25, available from:  
[www.timaru.govt.nz](http://www.timaru.govt.nz)

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## Highlights of the year

### Ongoing upgrading for some of our key recreational facilities

- Work has started on upgrading the mezzanine floor exhibition areas at the Museum. Once completed this will provide more scope for showing regular and specialist exhibitions.
- Extension of the carpark at CBay was completed to provide a further 20 parking spaces to cater for the growing number of visitors to the complex.
- Further upgrading was undertaken at the Temuka Domain as part of the multi-year development project. Carpark work was completed and redevelopment of the former house site commenced.
- The Theatre Royal received a facelift with new carpet, improved external lighting and restoration of the foyer hand rails and bannisters.



### Survey shows high satisfaction with Council

Council's biennial community survey shows a majority of the district's residents surveyed are highly satisfied with the overall work of the council and think the district is a great place to live.

For the first time the researchers also measured the council's reputation using a standardised measure. Analysis over a range of questions showed 77% of residents had positive feelings towards the council and recognised it was doing a good job. Amongst the 12 local authorities currently using this measure, Timaru District Council came out highest.

These regular surveys give Council important feedback on areas where we are doing well, and more importantly areas we can focus on improving in.

Areas identified for improvement included that around only 68% were happy with the overall communication from the council and 46% of residents were satisfied that they had an influence on council's decision making.

One particular area of focus was our speed of responsiveness and resolution of issues. So while the residents surveyed were satisfied or very satisfied with the outcome, it took too long to get a response or the outcome. A team has been put together to find ways we can improve in this area.

Survey results are spread throughout the report and available on the Council's website.

### Roading Collaboration reaps financial benefits

Increasing collaboration amongst Mid and South Canterbury Councils has resulted in new common roading contracts with financial benefits to participating Councils.

- A new road maintenance contract awarded in November 2015 for the next 5 years has reduced road maintenance costs. The road maintenance contract is a common document for the Timaru, Ashburton, Mackenzie and Waimate District Councils and was prepared collaboratively. The contract for each of the four districts was tendered at the same time and reaped financial savings. The contracts continue to be managed collaboratively.
- A joint road resurfacing contract for Timaru, Mackenzie and Waimate District Councils was awarded in 2015 for two years. This joint contract for the three districts is managed by Timaru District Council.



# The Year in Review 2015/16

## Our Gardens of National Significance

As the Trevor Griffiths Rose Garden at Caroline Bay matures its impact on residents and visitors grows. The garden was reassessed again this year by the NZ Gardens Trust and retained its 5 Star status. This award sits alongside the "Garden of Excellence" status that has been awarded by the International Federation of Rose Societies.

The garden joins the Timaru Botanic Gardens which also holds the 5 Star status.



## Consent processing with the customer in mind

Council has legislative responsibilities in terms of processing and granting resource consents for land use and subdivision development and building consents. Both of these activities are an important part of ongoing commercial and residential development in the district.

This year high numbers of both resource consents and building consents were received and processed by Council. While numbers of applications were high, both types of consents were processed well within the legislative timeframes and recorded lower average processing time than previous years.

## Bigger Planes and more capacity

Air NZ advised that a larger aircraft would be servicing the Timaru – Wellington route from March 2016 as part of its revamped regional routes. This has meant that the terminal building and the carpark require upgrading and expansion.

Council has continued to strongly advocate that the flight schedule, as well as the aircraft, is tailored to meet local demands.



May 2016

### IPWEA NZ Excellence in Public Works Awards 2016

Badhams Bridge Widening – Opus international Consultants, Timaru District Council

Category 2: Excellence in Maximising Asset Performance

## Timaru District collects awards on the national stage

Just because we are a relatively small district doesn't mean we can't produce great things. During the year the Council collected a range of national awards:

- Timaru District Council's consultation document "Are We There Yet?" was judged the best of the 2015-25 LTP consultation documents at the Society of Local Government Managers (SOLGM) Community Plan Conference, demonstrating the qualities of an effective Consultation Document.
- The major Factory Road Bridge upgrading project to provide a two lane bridge on a key freight link to the Clandeboye Dairy Factory won an Institute of Public Works Engineering Australasia (IPWEA) "Excellence in Maximising Asset Performance" award.
- The multi year Timaru District Wastewater Strategy received an "Excellence In Strategic Planning" award at the Institute of Public Works Engineering Australasia (IPWEA) June 2016 Excellence awards.
- The Council's Building Unit was recognised at the 2016 Building Officials Institute of NZ Conference receiving a Unit and individual staff member award for commitment to training.

## Highlights of the year

### Ever changing exhibitions at the Art Gallery and Museum

There's always something new to see at the Aigantighe Art Gallery and the South Canterbury Museum, where exhibitions during the year are a mix of local focus and visiting displays. Particularly popular this year were:

At the Art Gallery:

- 'The Tutors' - Aoraki Polytechnic Staff Art Show Exhibition
- Hamish Mio and Tonga Contemporary exhibition
- Minkisi Art and Belief in West Africa.
- Nigel Brown exhibition 'I am/We are' which then went on to tour within New Zealand
- 'Hope and Connections' - Debbie Templeton-Page and Cindy King
- 'Hybrids' - Clarissa Lim
- 'Clive Humphries and Rachel Ratten dual opening.

At the Museum:

- 'Sounds Like Us' (NZ radio history)
- 'Dinosaur Footprints' - NZ dinosaur footprints from Nelson
- 'Rock'n Roll Part 1' - local music history from the 1960s
- 'Aves Nova Zelandia' - Bird images by photographer Ron Lindsay
- 'Equipped to Survive' - WW1 soldiers' equipment
- 'Battle Flag' - the HMS New Zealand ensign from the Battle of Jutland.



### Project Turnaround

The Project Turnaround Team has had another successful year. This restorative justice service is an important part of the community wide effort to make Timaru a safe place to live. The team attained Ministry of Social Development Accreditation, a requirement of the new contract, and successfully delivered all of the requirements of the annual contract.

### Moving forward with Economic Development

Attracting and sustaining business growth in the district is one of Council's most important challenges. During the year the Council Controlled Organisation (ADBT) was restructured to focus solely on economic development and promoting the Timaru District as "THE Place to Live and Do Business".

The tourism promotion aspect is now managed directly by Council using a mix of other agencies and existing services to provide information centres and marketing campaigns. The Council has also taken responsibility for developing a new visitor information website and this will be launched in early 2016/17.

The new arrangements will commence on 1 July 2016.

### South Canterbury Road Safety message goes global

An innovative road safety campaign targeting visiting drivers was launched throughout the district. A regional road map poster was developed and placed in public toilets across the district. This showed common crash locations and short messages in several languages of steps to take to avoid the risk of a crash.

The campaign attracted international media attention spinning a positive story about the maps in public toilets targeting people stopping for a much needed toilet break being a captive audience!



# The Year in Review 2015/16

## New arrangements for Environmental Health Services

As of July 2015 the Council's Environmental Health Services were contracted to Food and Health Standards (2006) Ltd. This contract, which is managed by the Timaru District Council, delivers specialist environmental health inspection and monitoring services on behalf of the Timaru, Waimate and Mackenzie District Councils.

In addition, a new regime for registration, administration, monitoring and enforcement for food premises as required by the Food Act 2014, was introduced. A joint consultation was conducted with Mackenzie and Waimate District Councils prior to new fees being established. These came into force on 1 July 2016.

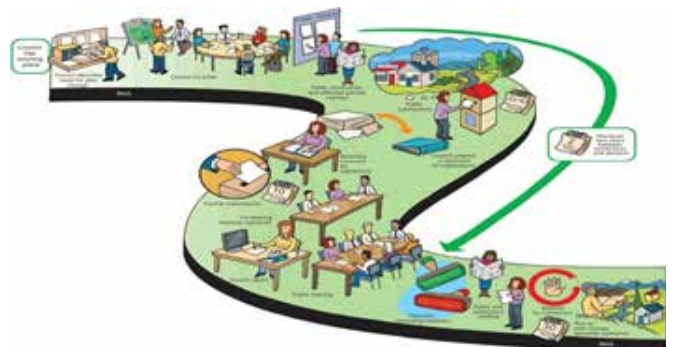
Collaboration with neighbouring Councils meant food service providers across the region have some consistency, as well as enabling the new legislative requirements to be implemented in the most cost effective way for the regions ratepayers.

## Reviewing the District Plan

The District Plan review is a multi-year project required by the Resource Management Act that says Councils must review each of the provisions of the plan every ten years.

The review is being done in stages, with the Scoping Phase and the Town Centre study completed during the year, and work on the Stage 2 Issues and Options phase getting underway.

This is a cornerstone document that guides land use and development in the district, so the review process and input from residents is vitally important.



## Roading Improvements ongoing

Every year Council spends a significant portion of the rates it collects on maintaining and upgrading the districts roads. During the year:

- The two laning and upgrading of the bridge on Factory Road was completed.
- Work on the Arundel/Belfield road realignment and rail crossing was completed.
- Seal extensions, seal widening and footpath renewal work was undertaken in a number of priority areas across the district
- Additional funding from NZ Transport Agency was secured for LED streetlight conversions. This is part of an ongoing project to convert to LED lighting to secure savings in power consumption and maintenance costs.



# The Year in Review 2015/16

## Our libraries as community hubs

There's much more to our Libraries and Service Centres than books. Providing an up to date collection of books, CD's, DVD's, talking books, magazines and other materials is a core focus for the library. But alongside this is a growing range of other activities hosted by our 3 Libraries/Service Centres. These activities continue to attract high numbers of visitors.

Particularly popular this year were book discussion groups, visiting authors, yarn bombing workshops and gaming technology sessions.

With the high foot traffic in the library, the foyer areas are ideal places for many local organisations to promote their messages. Almost weekly there are displays from groups including the local Heart Foundation, Genealogy Society, Drama league, home based child care groups, to list a few.



## Swimming - a popular pastime for residents of all ages

The swimming complex at CBay is one of our most frequented community facilities. This year record numbers visited for lessons, fitness or just to have a swim. During the year there were:

- Over 300,000 admissions to the pool
- 29,122 swimming lessons – a 20% increase on last year
- 350 aqua fitness classes – increased due to public demand
- Regular school participation in the SwimSafe programme
- Competitive swimmers attending training camps and regional swim meets



Exhibition - historic naval flag opening

## Where Young meets Old

Through the popular Heritage Education Service and the Museum Explorers Club a growing number of our school students are visiting the Museum.

Significantly more school students took part in the Museum's Heritage Education Service than in the previous year. This service has become an integral part of the regular school programme for many local schools.

The Museum Explorers Club has begun a new era with the development of collectible badges and a new "passport" system for members. Membership of the primary school student-aged club has more than doubled in 6 months, with over 1,000 members by the end of June. Members receive email updates about new exhibitions and children's programmes, as well as receiving rewards for frequent visitation.



# The Year in Review 201516

## Performance at a glance

**97%**

Occupancy of Council social housing units

**29**   
thousand swimming lessons at CBay

**625,107**

library items issued

**92%** resident satisfaction with the Museum

**10.3km**

of footpaths resurfaced

**Airport Accreditation retained**

**51**

kilometres of off road cycle and walking tracks



**82%**

residents satisfied with overall services and facilities

**1,410** 

building consents processed.

**95%**

of residents satisfied with street lighting

**13,995 tonnes**

of material processed at the Composting Facility

**97.8%**

of Liquor premises compliant with legislation

**71%**

of residents think Council provides value for money

**90%** 

user satisfaction with water supply services

**100%**

of Resource Consents processed with statutory timeframes. Average processing time now 10.5 days (last year 12.5 days)

## Day-to-day we...

Maintain over 1,700km of sealed and unsealed roads, 289 bridges and 309 km of footpaths.

Run libraries at Timaru, Temuka and Geraldine, with an increasing focus on libraries as a community hub for a range of recreational, cultural and learning opportunities for all residents.

Provide and manage over 540 hectares of parks, reserves, sports grounds and gardens throughout the district.

Process and issue building and resource consents.

**Operate 12 individual water supplies throughout the district that service 16,000 properties.**

Manage 51km of off road walking and cycling tracks.

**Promote dog registration and responsible dog ownership as part of enhancing the safety of residents.**

Manage and maintain 40 public toilets in the CBD, local parks and in rural areas.

**Operate 4 swimming complexes across the district.**

Manage and maintain an art gallery, museum and libraries that are free to visit for all residents and visitors to the district.

**Manage a sewer asset base of oxidation ponds and wastewater treatment plants, 24 sewer pump stations, 346km of pipelines and 4000 manholes.**

# The Year in Review 2015/16

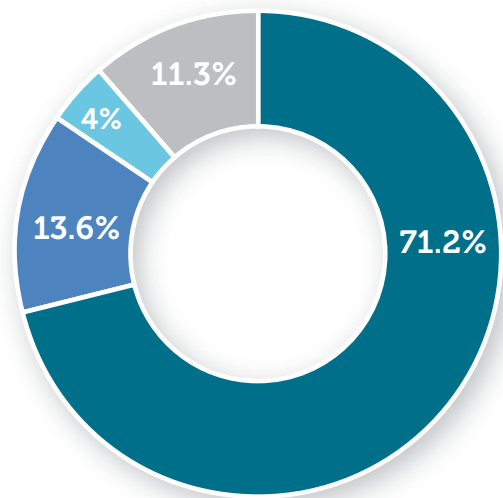
## Measuring up

Council measures its performance each year using a core set of indicators that are determined through the Long Term Plan.

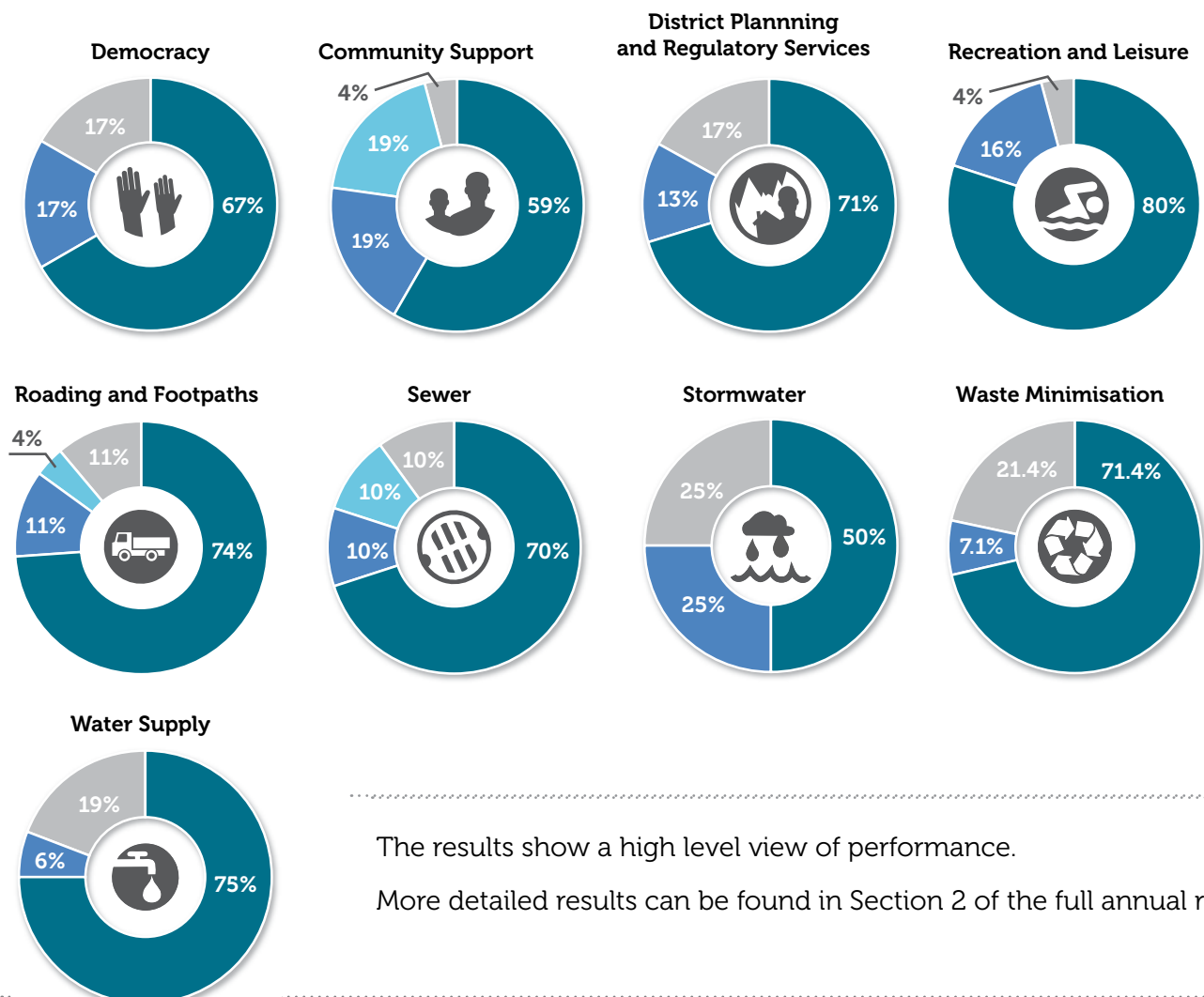
We have 177 performance measures that we report on across 9 groups of activities.

We achieved 126 of these, nearly achieved 24, and 20 were not achieved. 7 were not measured this year due to measurement systems still being developed.

Overall Performance Summary



Performance Summary by Group of Activities



The results show a high level view of performance.

More detailed results can be found in Section 2 of the full annual report.

## Performance Measures by Activity – Summary

The following is a selection of our significant performance measures

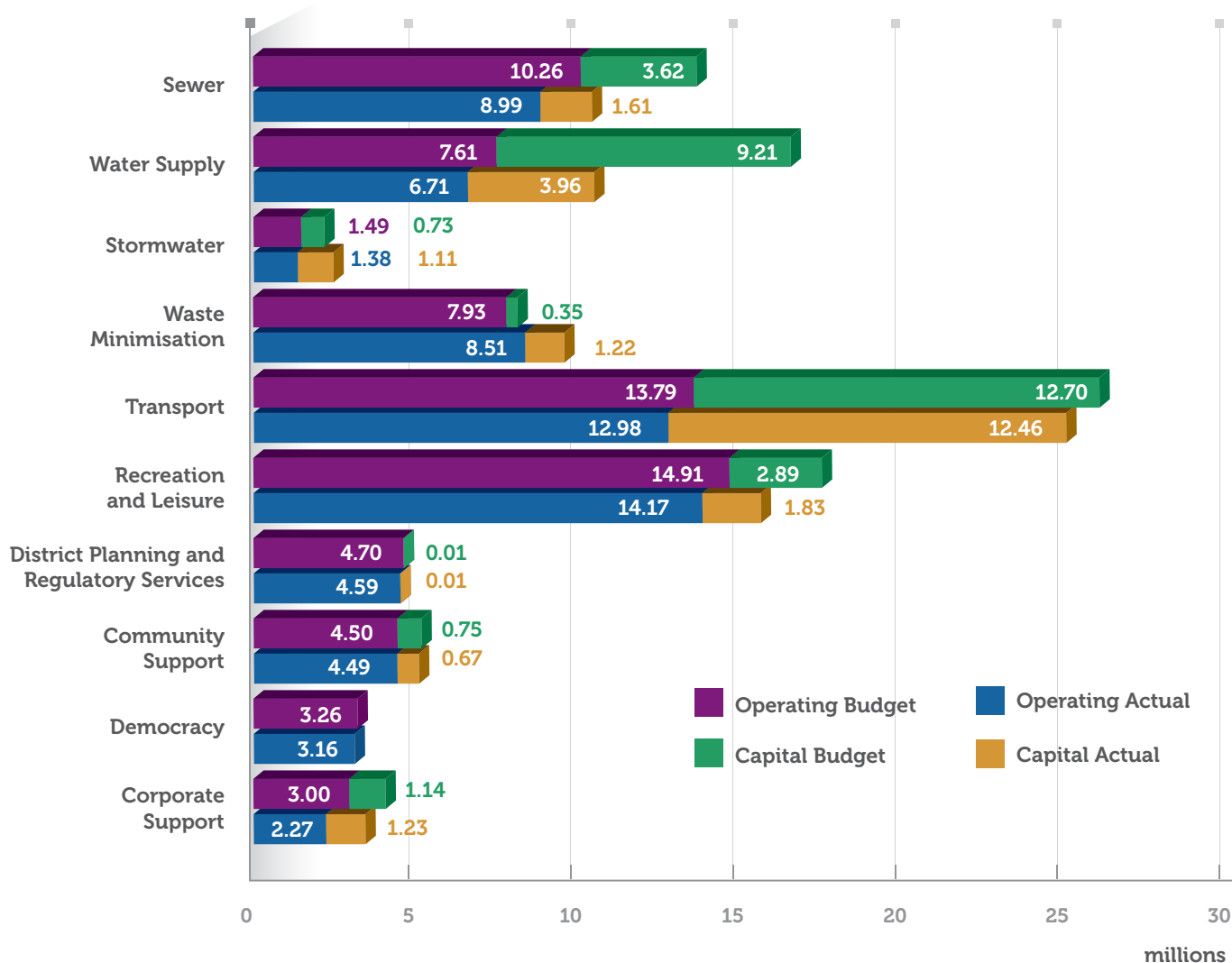
What we measure	How did we go?	Target met?
<b>Democracy</b>		
Council meetings items in open meeting	90%	✓
Resident influence on Council decision making	46%	X (target 50%)
<b>Community Support</b>		
Resident Satisfaction with facilities		
<ul style="list-style-type: none"> <li>■ Public Toilets</li> <li>■ Cemeteries</li> <li>■ Airport</li> </ul>	<ul style="list-style-type: none"> <li>61%</li> <li>83%</li> <li>90%</li> </ul>	<ul style="list-style-type: none"> <li>✓</li> <li>✓</li> <li>✓</li> </ul>
Social Housing occupancy	97%	X (target 98%)
<b>District Planning and Regulatory Services</b>		
Resource Consents issued within statutory timeframes	100%	✓
Average processing time for building consents reduces	10.5 days	✓
Retain accreditation as Building Consent Authority	Achieved	✓
Food Premises – Food Control Plan audits	85%	✓
<b>Recreation and Leisure</b>		
Resident Satisfaction with facilities		
<ul style="list-style-type: none"> <li>■ Art Gallery</li> <li>■ Museum</li> <li>■ Parks and Reserves</li> <li>■ Libraries</li> <li>■ Swimming Pools</li> </ul>	<ul style="list-style-type: none"> <li>96%</li> <li>92%</li> <li>95%</li> <li>94%</li> <li>86%</li> </ul>	<ul style="list-style-type: none"> <li>✓</li> <li>✓</li> <li>✓</li> <li>✓</li> <li>✓</li> </ul>
Off Road walking and cycling tracks	51km	✓

# The Year in Review 2015/16

What we measure	How did we go?	Target met?
<b>Roading and Footpaths</b>		
Footpaths resurfaced annually	10.3km	✓
Resurfacing of sealed roads annually	6.8% (65.3 km)	✓
Resident satisfaction with:		
■ Maintenance of sealed roads	77%	✓
■ Safety of road network	93%	✓
■ Street lighting in urban areas	96%	✓
<b>Sewer</b>		
Sewer overflow faults - median attendance and resolution time	attendance 0.7 hours	✓
	resolution 5.1 hours	✓
Complaints per 1,000 connections	10.7	X (target<10)
User satisfaction with service	92%	✓
Resident satisfaction with value for money	85%	✓
<b>Stormwater</b>		
Habitable floors affected in 50 year return flooding event	0.05 per 1000 connections	X (target 0)
Median time to attending flooding event	26 minutes	✓
Resident satisfaction with stormwater services	69%	X (target 75%)
<b>Waste Minimisation</b>		
Resident satisfaction with Kerbside Service		
■ Recycling	95%	✓
■ Managing Green waste	92%	✓
■ Managing General Waste	88%	X (target 90%)
Waste diverted from landfill to:		
■ Composting Facility	13,995 tonnes	X (target 14,500 tonnes)
■ Resource Recovery	328 tonnes	✓
<b>Water Supply</b>		
Compliance with Drinking Water Standards	13 treatment plants & 19 reticulation zones comply	X target 15 treatment plants & 20 reticulation zones
Urgent call outs – median attendance time	Urban 0.6 hours	✓
	Rural 1.3 hours	✓
Resident Satisfaction with water services	90%	✓

# The Year in Review 2015/16

## Expenditure by Activity 2015/2016



## Revenue and Expenditure 2015/2016

	ACTUAL	BUDGET
Rates Revenue	\$45.4M	\$44.5M
Other Revenue	\$30.4M	\$31.6M
Operating Expenditure	\$67.3M	\$71.4M
Capital Expenditure	\$24.1M	\$31.4M
Investments	\$58.1M	\$44.4M
Borrowings	\$93.7M	\$99.0M
Reserve Funds	\$36.3M	\$27.6M

# Your Council and Community Boards

(as at September 2016)



**Damon Odey**

**Mayor**

mayorspa@timdc.govt.nz  
(03) 687 7200 (work)  
(03) 684 9325 (home)  
027 201 1920



**Richard Lyon**

**Deputy Mayor**

**Pleasant Point-Temuka  
Ward Councillor**

richard.lyon@timdc.govt.nz  
(03) 614 7369 (home)  
027 426 9735



**Pat Mulvey**

**Pleasant Point-Temuka  
Ward Councillor**

pat.mulvey@timdc.govt.nz  
(03) 615 8130 (home)  
027 309 0500



**Kerry Stevens**

**Geraldine Ward Councillor**

kerry.stevens@timdc.govt.nz  
(03) 693 7442 (home)  
021 043 6651



**Steve Earnshaw**

**Timaru Ward Councillor**

steve.earnshaw@timdc.govt.nz  
(03) 688 5701 (home)  
027 433 5862



**Dave Jack**

**Timaru Ward Councillor**

dave.jack@timdc.govt.nz  
(03) 686 9320 (home)  
027 770 000

# Your Council and Community Boards

(as at September 2016)



## Anthony Brien

Timaru Ward Councillor

anthony.brien@timdc.govt.nz  
(03) 686 0275 (home)  
027 623 7158



## Peter Burt

Timaru Ward Councillor

peter.burt@timdc.govt.nz  
(03) 688 4002 (home)  
027 688 2013



## Tracy Tierney

Timaru Ward Councillor

tracy.tierney@timdc.govt.nz  
(03) 684 7743 (home)  
027 438 0159



## Steve Wills

Timaru Ward Councillor

steve.wills@timdc.govt.nz  
(03) 686 9072 (home)  
027 621 8404

## Geraldine Community Board

Wayne O'Donnell (Chair)	03 693 7066	w.d.odonnell@extra.co.nz
Jarrold Marsden (Deputy Chair)	03 693 7308	marsdeneng@gmail.com
Shaun Cleverley	03 693 9300	shaun@vlime.co.nz
Jan Finlayson	03 693 7297	janfinlayson@extra.co.nz
Chris Fisher	03 697 4840	rochelle.chris@extra.co.nz
McGregor Simpson	03 693 9696	margesimpson@clear.net.nz

Plus Geraldine Ward Councillor Kerry Stevens

## Pleasant Point Community Board

John McDonald (Deputy Chair)	03 614 7619	pleasantpoint@foursquare-si.co.nz
Neville Gould	03 614 7760	tengawai@slingshot.co.nz
Raewyn Hessel	03 614 7356	sturaehessel@extra.co.nz
Karalyn Reid	03 614 7858	karalynjoyce@extra.co.nz
Bernie Wilson	03 614 7097	goodstock@extra.co.nz

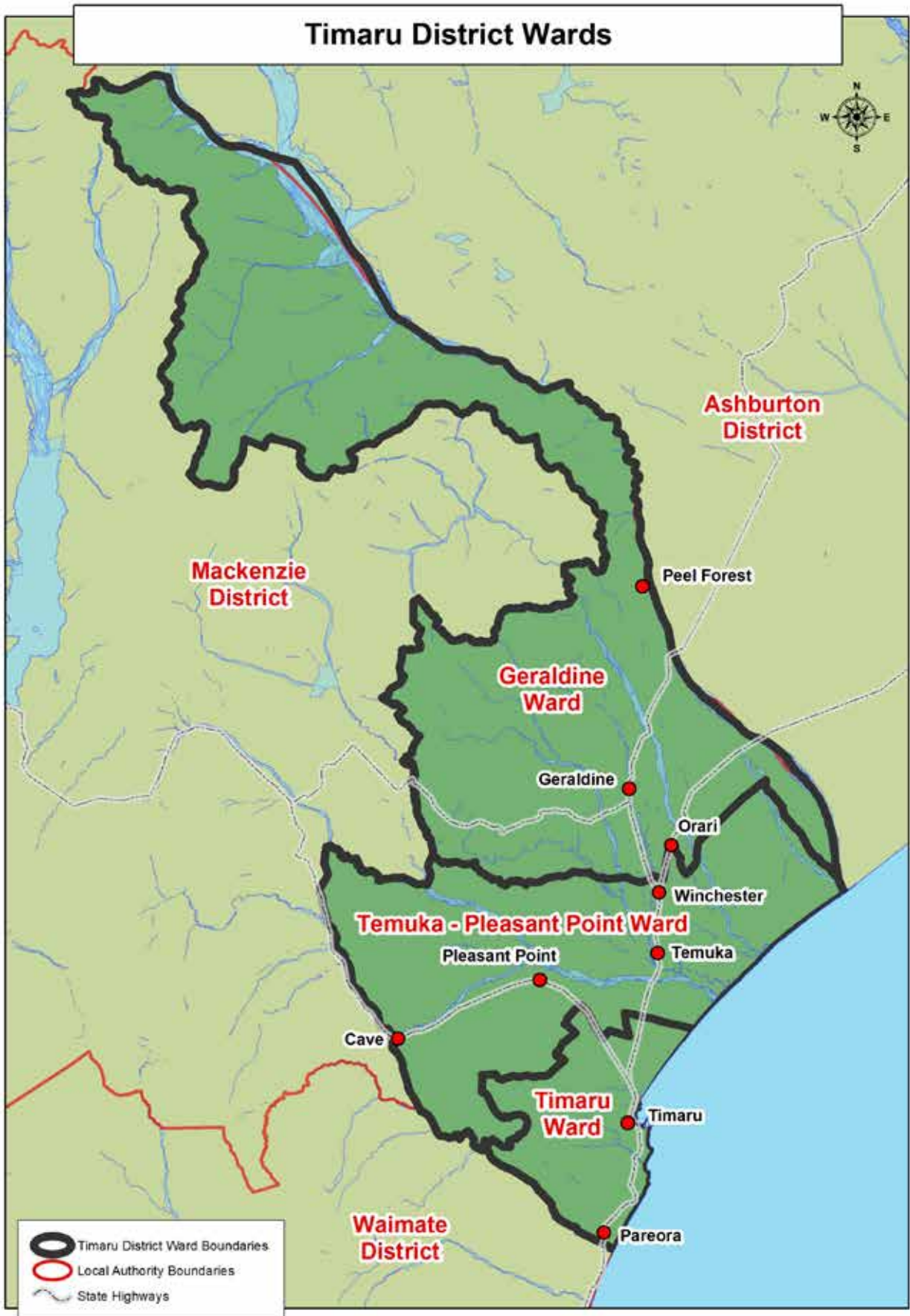
Plus Pleasant Point-Temuka Ward Councillors Richard Lyon (Chair) and Pat Mulvey

## Temuka Community Board

Paddy O'Reilly (Deputy Chair)	03 615 7281	patrickajoreilly@gmail.com
Noeline Clarke	03 615 8111	j.n.clarke@extra.co.nz
Lloyd McMillan	03 615 8231	mcmillan-clan@extra.co.nz
Charles Scarsbrook	03 615 9444	homemade@extra.co.nz
Alison Talbot	03 615 9189	steveali@extra.co.nz

Plus Pleasant Point-Temuka Ward Councillors Pat Mulvey (Chair) and Richard Lyon

# Timaru District Wards





# About Timaru District

## Geography & Climate

Timaru District covers 2,737 square kilometres of South Canterbury. Two rivers naturally define its northern and southern boundaries, the Rangitata and Pareora, with the district stretching along the gentle curve of the South Canterbury coastline. Timaru District is the fourth largest district by population and sixth largest

by area in the Canterbury region. It has a population density of 16.5 persons per square kilometre.

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

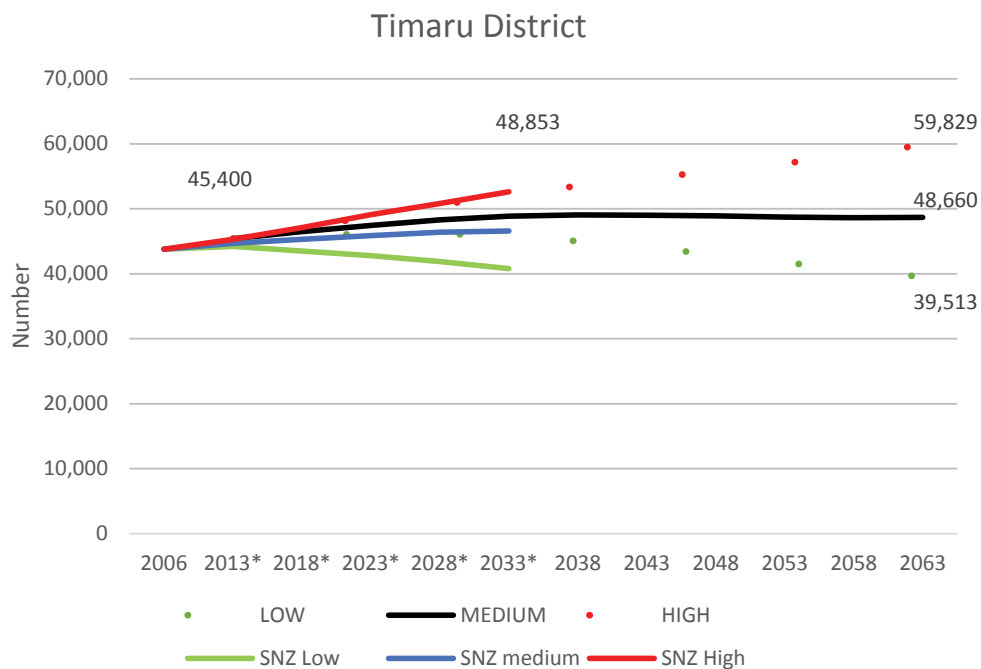
## Demographics

The estimated resident population of the Timaru District as at June 2015 was 46,200. The 2013 Census population was 43,929.

Population projections\*, based on a medium growth scenario project the District's Population to increase to 48,853 (+7.6%) by 2033, peaking in 2038 at 49,091, and declining slightly over the remaining period to 48,660 in 2063. The population is expected to increase to 48,293 (+6.4%) by 2028 which includes the 2015-25 LTP period.

The population of Timaru District is expected to age significantly in the future. Virtually all growth in future years is projected to be in age groups 65+, with the proportion of 65+ increasing from 20.1% in 2013 to 31% in 2033\*.

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



\* Jackson, N.O. (2014). Timaru District Council – Population and Household projections 2013-2063. Report Commissioned by Timaru District Council. August 2014. Natalie Jackson Demographics Ltd as a sub-contract to the National Institute of Demographic and Economic Analysis (NIDEA), University of Waikato.

# About Timaru District

The following outlines the demographics of the Timaru District population, based on the 2013 Census:

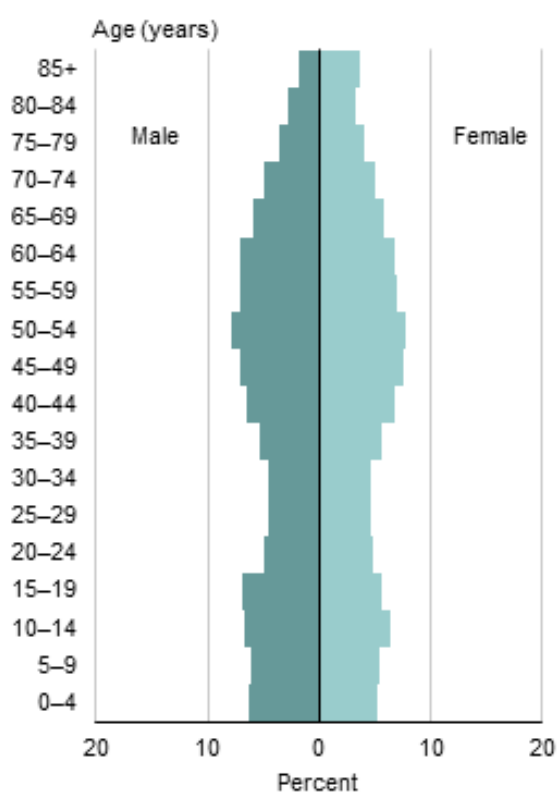
## Cultural Diversity

Timaru District residents are:

- 92.5% European (NZ: 74%)
- 7.4% Maori (NZ: 14.9%)
- 1.1% Pacific Peoples (NZ: 7.4%)
- 2.3% Asian (NZ: 11.8%)
- 2.7% Other Ethnicities (NZ: 2.9%)

## Age-Sex Profile

48.6% of Timaru District residents are male. 51.4% are female. The following illustrates the age-sex profile of Timaru District:



Source: Statistics New Zealand

## Household Composition

In Timaru District:

- 67.3% are one-family households (NZ: 68.3%)
- 28.4% are one-person households (NZ: 23.5%)

The average household size is 2.3 people (NZ: 2.7 people)

The medium scenario for the district's households project growth to 21,105 households in 2033 (+13.1%), peaking in 2043 at 21,451 households, and declining slightly to 21,355 by 2063. Households are expected to increase to 20,680 (+10.8%) by 2028 which includes the 2015-25 LTP period. The increase in family households is for primarily couples without children (i.e. couples who do not yet have children, couples who do not/will not have children, couples whose children have left home). One-person households will increase, reflecting the structural ageing of the population.

## Families

In Timaru District:

- 50.8% are couples without children (NZ: 40.9%)
- 35.5% are couples with children (NZ: 41.3%)
- 13.7% are one parent with children families (NZ: 17.8%)

## Work

The most common occupational group in Timaru District are 'labourers', followed by 'managers' and 'professionals'. Of those in the labour force, 75% are employed full time, with the remainder employed part time.

## Income

In Timaru District:

- For those aged 15 or above, the median income is \$26,900 (NZ: \$28,500)
- 37.7% have an annual income of \$20,000 or less (NZ: 38.2%)
- 22.9% have an annual income of \$50,000 or more (NZ: 26.7%)

## Economy

The Timaru economy is strongly influenced by its agricultural heritage. Agriculture is diverse, including dairy, sheep and deer farming and land suitable for all kinds of cropping. Significant businesses are located in the district, including Fonterra's Clondeboye dairy factory, McCain's food processing plant, NZ Light Leathers, Hilton Haulage, Alliance Group Smithfield plant, Sanfords, Talleys, Silver Fern Farms Pareora plant and Barkers Fruit Processors. The district is centrally located for distribution and PrimePort Timaru provides a gateway for exports and imports.

Employment in the district is strong, with the majority of people employed in manufacturing, health care and social assistance, retail trade, agriculture, forestry and fishing, and construction industries as at February 2015. As at February 2015, there were approximately 5,601 businesses operating in the district (2004: 4,736). The Agriculture, Forestry and Fishing industry sector accounts for around 23% of these businesses.

Visitors are a significant contributor to the district's economy, with the district providing a gateway to the central South Island. The latest Infometrics report for the quarter ended December 2015 shows progress for some key economic indicators, compared to the NZ situation.

# About Timaru District

Key Performance Indicators	Timaru District	New Zealand
	Annual average % change	
Gross Domestic Product	00.2%	02.3%
Traffic Flow	00.8%	04.2%
Residential Consents	06.3%	011%
Non-Residential Consents	016%	010%
House Prices*	07.5%	09.7%
House Sales	04.0%	019%
Guest Nights	01.8%	05.8%
Retail Trade	00.8%	02.8%
Car Registrations	04.1%	04.9%
Commercial Vehicle Registrations	03.0%	04.2%
Job Seekers	02.4%	01.4%

\* Annual percentage change (latest quarter compared to a year earlier)

Source: Quarterly Economic Monitor Timaru District March 2016 - Infometrics

## Communities

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

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

## Environment

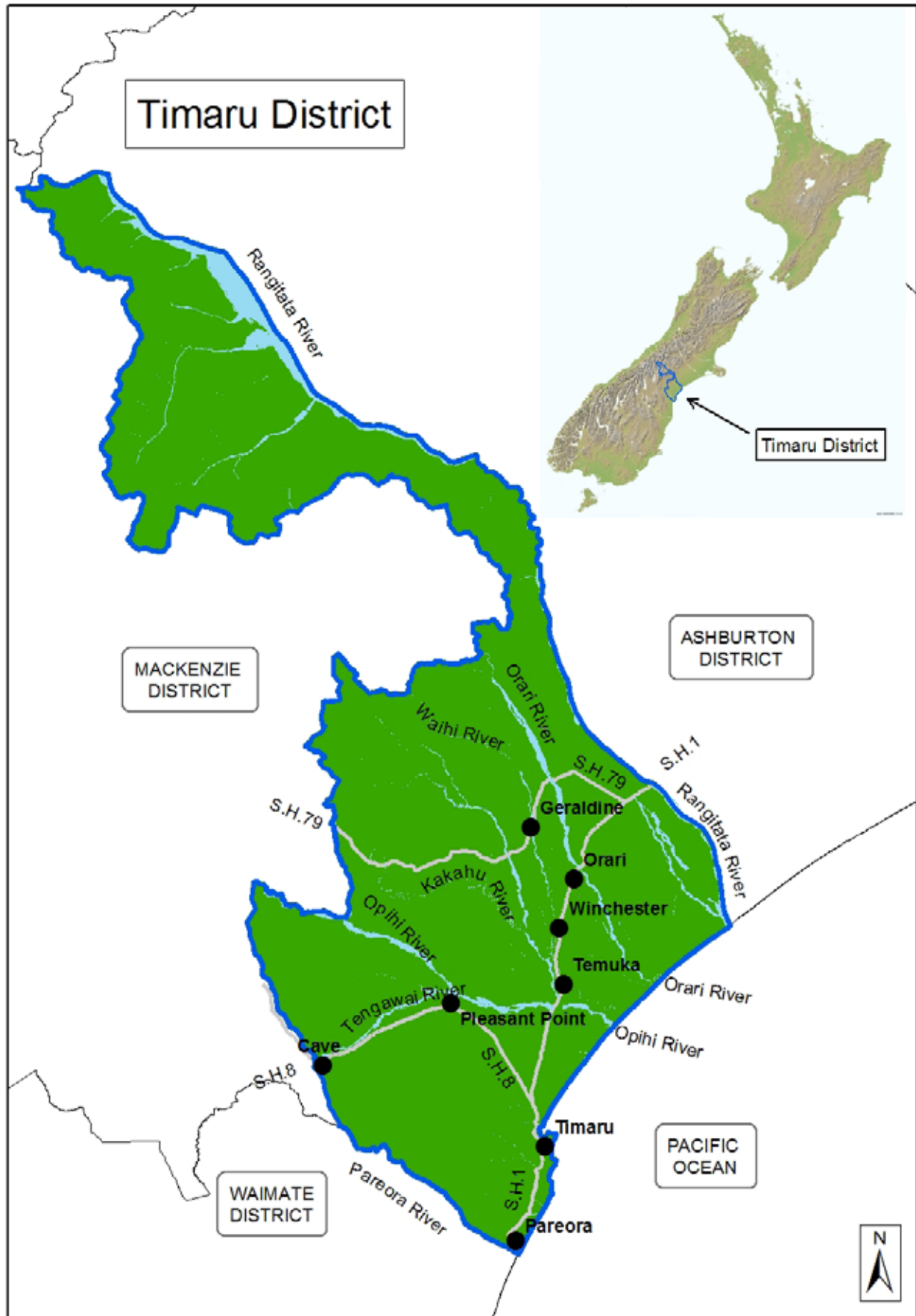
The diverse landscapes of the Timaru District include rolling downlands, tussock land, coastal plains and wetlands, forest remnants, river gorges and rugged mountain ranges.

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

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

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

# About Timaru District



# Statement of Compliance

## Compliance


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

## Responsibility

- 2 The Council and management of Timaru District Council accept responsibility for the preparation of the annual Financial Statements and the judgements used in them.
- 3 The Council and management of Timaru District Council accept responsibility for establishing and maintaining a system of internal control designed to provide reasonable assurance as to the integrity and reliability of financial reporting.
- 4 In the opinion of Council and management of Timaru District Council, the annual Financial Statements for the year ended 30 June 2016 fairly reflect the financial position and operations of Timaru District Council.



Damon Odey  
Mayor  
25 October 2016



Peter Nixon  
Chief Executive  
25 October 2016

## Independent Auditor's Report

### To the readers of Timaru District Council and group's annual report for the year ended 30 June 2016

The Auditor-General is the auditor of Timaru District Council (the District Council) and group. The Auditor-General has appointed me, Ian Lothian, using the staff and resources of Audit New Zealand, on her behalf, to:

- audit the information included in the District Council and group's annual report that we are required to audit under the Local Government Act 2002 (the audited information);
- report on whether the District Council and group has complied with the requirements of Schedule 10 of the Local Government Act 2002 that apply to the annual report and the Local Government (Financial Reporting and Prudence) Regulations 2014.

### Opinion on the audited information

In our opinion:

- the financial statements on pages 85 to 132:
  - present fairly, in all material respects:
    - the District Council and group's financial position as at 30 June 2016;
    - the results of its operations and cash flows for the year ended on that date; and
  - comply with generally accepted accounting practice in New Zealand and have been prepared in accordance with Tier 1 Public Benefit Entity Accounting (PBE) standards.
- the funding impact statement on page 90, presents fairly, in all material respects, the amount of funds produced from each source of funding and how the funds were applied as compared to the information included in the District Council's Long-term plan;
- the statement of service provision (referred to in the annual report as the Council's Activities Performance) on pages 34 to 81:
  - presents fairly, in all material respects, the District Council's levels of service for each group of activities for the year ended 30 June 2016, including:
    - the levels of service achieved compared with the intended levels of service and whether any intended changes to levels of service were achieved;
    - the reasons for any significant variation between the levels of service achieved and the intended levels of service; and
  - complies with generally accepted accounting practice in New Zealand;
- the statement about capital expenditure for each group of activities on pages 34 to 81, presents fairly, in all material respects, actual capital expenditure as compared to the budgeted capital expenditure included in the District Council's Long-term plan;
- the funding impact statement for each group of activities on pages 34 to 81, presents fairly, in all material respects, the amount of funds produced from each source of funding and how the funds were applied as compared to the information included in the District Council's Long-term plan.

### Compliance with requirements

The District Council and group has:

- complied with the requirements of schedule 10 of the Local Government Act 2002 that apply to the annual report; and
- made the disclosures on pages 34 to 134 which are required by the Local Government (Financial Reporting and Prudence) Regulations 2014 which represent a complete list of required disclosures and accurately reflects the information drawn from the District Council and group's audited information.

Our audit was completed on 25 October 2016. This is the date at which our opinion is expressed.

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

### Basis of opinion

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

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

An audit involves carrying out procedures to obtain audit evidence about the amounts and disclosures in the information we audited. The procedures selected depend on our judgement, including our assessment of risks of material misstatement of the information we audited, whether due to fraud or error. In making those risk assessments, we consider internal control relevant to the District Council and group's

# Audit Report

preparation of the information we audited in order to design procedures that are appropriate in the circumstances but not for the purpose of expressing an opinion on the effectiveness of the District Council and group's internal control.

An audit also involves evaluating:

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

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

When reporting on whether the District Council and group complied with the requirements of Schedule 10 of the Local Government Act 2002 that apply to the annual report, we limited our procedures to making sure the annual report included the required information and identifying material inconsistencies, if any, with the information we audited. We carried out this work in accordance with International Standard on Auditing (New Zealand) 720; The Auditor's Responsibilities Relating to Other Information in Documents Containing Audited Financial Statements.

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

## Responsibilities of the Council

The Council is responsible for meeting all legal requirements that apply to its annual report.

The Council's responsibilities arise under the Local Government Act 2002 and the Local Government (Financial Reporting and Prudence) Regulations 2014.

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

## Responsibilities of the Auditor

We are responsible for expressing an independent opinion on the annual report in accordance with the reporting requirements of the Local Government Act 2002 and the Local Government (Financial Reporting and Prudence) Regulations 2014. Our responsibility arises from the Public Audit Act 2001.

## Independence

When carrying out our audit, we followed the independence requirements of the Auditor-General, which incorporate the independence requirements of the External Reporting Board. Other than this audit, and a limited assurance report on the District Council's Debenture Trust Deed, we have no relationship with or interests in the District Council or any of its subsidiaries.



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







**Council  
Activities  
Performance**

# Council Activities – Summary

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

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

Council has nine groups of activities as outlined below:

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



## Description

The Governance and Leadership activity supports and guides all the activities carried out by the Timaru District Council. The activity enables the Council to function and provide stable, transparent, effective, efficient and accountable local governance to the District.

The elected members of Council set direction, lead and make decisions. This is focused around progressing toward Council's Vision and Community Outcomes with the overall goal of improving community well-being.

The activity includes all work associated with the elected Council and Community Boards in Geraldine, Pleasant Point and Temuka. Elected members, being the community's representatives, make decisions within the framework of the Local Government Act 2002 (LGA) on behalf of and in the interests of the community. Council and Community Boards are elected every three years.

Key tasks under the Governance and Leadership activity are as follows:

- Advocacy on issues that affect the district
- Allocating funding to Council activities
- Consultation with the community
- Communicating decisions, policy and activities to communities and stakeholders
- Developing and implementing strategy and policy
- Civic functions, such as citizenship ceremonies, award ceremonies and parades
- Elections and Representation reviews
- Administering statutory governance functions (e.g. Standing Orders, Delegations Registers)
- Partnering with external agencies
- Performance, planning and accountability. The development and adoption of key Council planning and accountability mechanisms, such as the Long Term Plan, Annual Plan and the Annual Report
- Maintenance of Sister City relationships with Eniwa (Japan), Weihai (China), Orange (Australia) and Orange (United States)
- Overall monitoring of the Council operation
- Working regionally to ensure joint approaches on various issues.

## Key Achievements and Projects

During the year:

- Council prepared the 2016/17 Annual Plan. As there were no significant or material variations from Year 2 of the 2015-25 LTP there was no formal consultation round held with the community. An Information publication highlighting the key plans and projects in the 2016/17 Annual Plan was distributed to all households.
- The biennial Community Survey was conducted over the period February - June 2016. Residents reported high levels of satisfaction with the services, infrastructure and facilities that are provided and maintained by Council. Overall 77% of residents were satisfied with Council's performance.
- Timaru District Council's Consultation Document "Are We There Yet?" was judged the best 2015-25 LTP consultation document at the Society of Local Government Managers (SOLGM) Community Plan Conference, demonstrating the qualities of an effective CD.
- A joint Mackenzie, Timaru and Waimate District Councils consultation, including submissions and hearings, was conducted in April - June 2016 regarding new Food Act 2014 fees.
- Council continued to advocate for the district by responding to numerous proposed changes in legislation, and government policy announcements including the Resource Management Legislation Amendment Bill, Next Steps for Freshwater, and the Dog Control Act.
- The Council hosted a range of civic events, including the Community Awards recognising outstanding efforts of residents and citizenship ceremonies.
- The Council continued to communicate with the community on Council decisions, policy and activities through the Council Noticeboard in the Timaru Herald, the Courier, the TDC website and various Council publications.
- Council's 2014/15 Annual Report was completed with a clear audit opinion.



Council (August 2016)

## Contributions to Community Outcomes

Democracy contributes to the following Community Outcomes as shown in the table below:

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

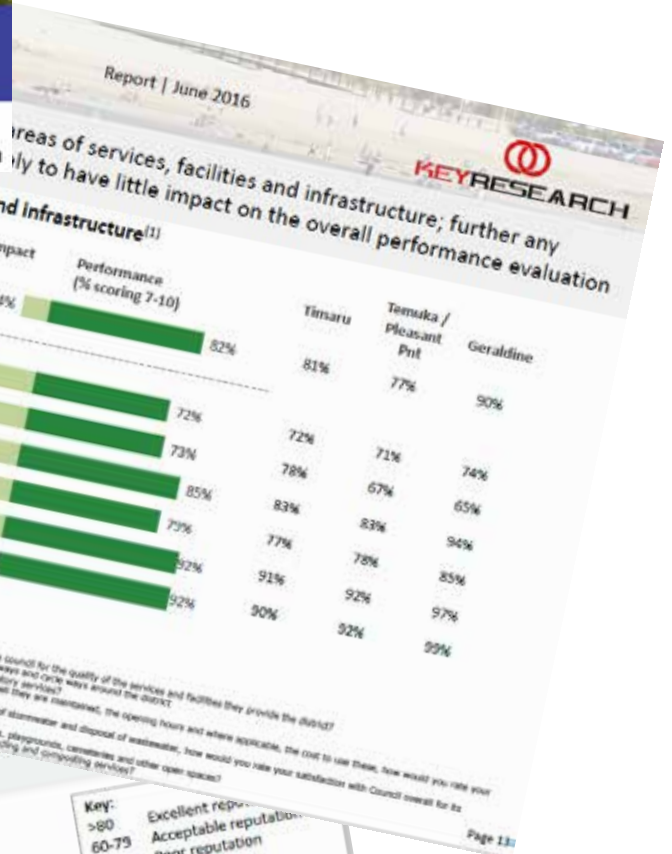
P – Primary contribution S – Secondary contribution



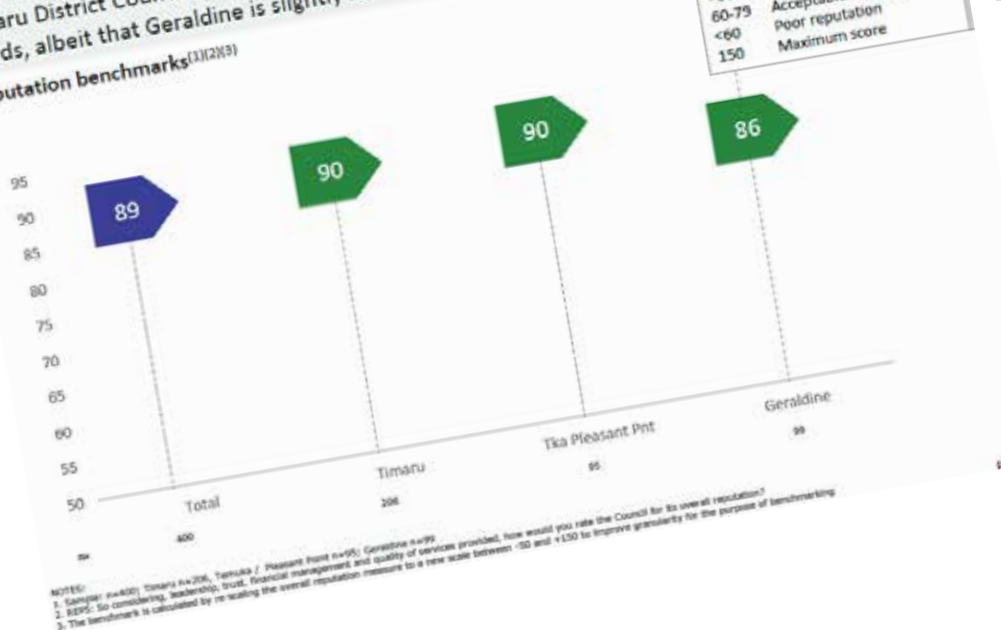
## Timaru District Council Annual Residents' Survey



Report | June 2016



## Timaru District Council has a particularly strong reputation and reputation benchmarks



## Performance

Level of Service statement	Measure/Target	Result
Make decisions in an open, transparent manner	≥ 90% main items of Council Business* held in open meetings	90% of main items of Council Business were held in open meetings. Reasons for excluding the public were to protect people's privacy, enable negotiations to take place, to maintain legal professional privilege and to protect commercially sensitive information.
	Resident satisfaction with influence on Council decision making. ≥ 50%	46% of residents were satisfied with the level of influence that residents have on Council's decision making. Satisfaction was higher in the Timaru ward (50%) than in the rural wards (Temuka/Pleasant Point 47%, Geraldine 29%). A further 34% said they were "indifferent" on this matter, having no particular view.
Advocate for the community	10 formal TDC submissions on issues made to agencies	6 submissions were made to various agencies during the year including the Canterbury Pest Management Strategy, Canterbury Regional Transport Plan, Dog Control Act 1996 – expressing concern at dog attacks and effectiveness of legislation, Next Steps for Freshwater, Resource Management Legislation Amendment Bill and the National Policy statement on Urban Development Capacity. Some of these were part of Canterbury wide submissions.
Communicate with the community	Resident satisfaction with adequacy of Council published information is ≥ 50%	68% of residents are satisfied with how the Council keeps the public informed and involved in decision making. (Note: New survey design for 2016. Question asked was "How would you rate council for keeping the public informed and involved in its decision making?")
Monitor the Council organisation	Clear audit opinion for Council Annual Report and audit	A clear (unmodified) audit opinion was received for the 2014/15 Annual Report and end of year audit.
Meet our statutory obligations	Compliance with LGA planning and accountability requirements are achieved.	Statutory requirements were met including preparation and adoption of the Annual Plan 2015/16 and Annual Report 2014/15.

**Notes:**

\* This refers to the main business topics on the full Council agenda and existing four standing committees

## Major Variations - 2015/16 Work Programme

There were no variances to the planned 2015/16 work programme.



**Citizenship Ceremony**

## Timaru District Council: Funding impact statement for 2015/16 Democracy

	2014/15 Long-term plan (\$000)	2014/15 Actual (\$000)	2015/16 Long-term plan (\$000)	2015/16 Actual (\$000)
<b>Sources of Operating Funding</b>				
General Rates, Uniform annual general charges, rates penalties	2,990	3,029	3,554	3,479
Targeted Rates (other than a targeted rate for water supply)	17	4	19	3
Subsidies and grants for operating purposes				
Fees charges and targeted rates for water supply	6	0	3	0
Internal charges and overheads recovered				
Local authorities fuel tax, fines, infringement fees and other receipts				
<b>Total operating funding (A)</b>	<b>3,013</b>	<b>3,033</b>	<b>3,576</b>	<b>3,482</b>
<b>Applications of operating funding</b>				
Payments to staff and suppliers	1,057	1,026	1,146	1,045
Finance costs				
Internal charges and overheads applied	1,921	1,965	2,110	2,111
Other operating funding applications				
<b>Total applications of operating funding (B)</b>	<b>2,978</b>	<b>2,991</b>	<b>3,256</b>	<b>3,156</b>
<b>Surplus (deficit) of operating funding (A - B)</b>	<b>35</b>	<b>42</b>	<b>320</b>	<b>326</b>
<b>Sources of capital funding</b>				
Subsidies and grants for capital expenditure				
Development and financial contributions				
Increase (decrease) in debt				
Gross proceeds from sale of assets				
Lump sum contributions				
<b>Total sources of capital funding (C)</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>Application of capital funding</b>				
Capital expenditure	0	0	0	0
- to meet additional demand				
- to improve the level of service				
- to replace existing assets				
Increase (decrease) in reserves	35	42	320	326
Increase (decrease) of investments				
<b>Total applications of capital funding (D)</b>	<b>35</b>	<b>42</b>	<b>320</b>	<b>320</b>
<b>Surplus (deficit) of capital funding (C - D)</b>	<b>(35)</b>	<b>(42)</b>	<b>(320)</b>	<b>(326)</b>
<b>Funding balance ((A - B) + (C - D))</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>

# Community Support

## Description

Community Support includes the following activities provided by the Council:

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

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

Some of these activities, such as cemeteries and public toilets are necessary to ensure healthy communities. Others, such as Emergency Management, provide support to enable individuals and communities to be prepared and resilient in times of adversity. Social Housing provides assistance to vulnerable people in our community.



**Richard Pearse Airport, Timaru**

## Contributions to Community Outcomes

Community Support contributes to the following Community Outcomes as shown in the table below:

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

P – Primary contribution S – Secondary contribution



**New Timaru - Wellington Air New Zealand Flight**

# Community Support

## Key Achievements and Projects

During the year:

- Air NZ advised that a larger aircraft would be servicing Timaru from March 2016. As a result upgrading and expansion of the terminal building and carpark is required. The work will commence in 2016/17.
- A successful Civil Aviation Authority audit of Timaru airport has resulted in a new Part 139 Operating Certificate and ongoing accreditation.
- Public toilets at King Street, Temuka were upgraded with retiling of the walls and floors. One of the smaller toilet blocks at Caroline Bay were also upgraded with new floor tiles, repainting and provision of a unisex accessible toilet with baby change facilities.
- The programme of upgrading rural toilets continued with the installation of two modified portaloos at Arundel and Rangitata.
- Ongoing upgrading of Council owned housing units continued with the installation of 37 heat pumps, 14 ovens and 9 new shower/wet areas.
- The Emergency Management Team developed a comprehensive Volunteer training schedule that has been rolled out during the year.
- Opportunities to help increase community emergency preparedness were resourced - such as participation in neighbours days at Temuka and Geraldine.
- All planned funding rounds for community funding scheme grants and loans were held and funds distributed to a wide range of community groups.
- The Project Turnaround team attained MSD accreditation, a requirement of the new contract, and continued to successfully deliver the Ministry of Justice restorative justice service in the district.
- Preliminary work has commenced on the Development Plan for a new cemetery in Timaru, with completion of a review of potential Council land that may be suitable.
- Completion of the restructure of the Council's CCO Aoraki Development Business and Tourism, to focus solely on economic development and promoting the Timaru District as "THE Place to Live and Do Business". The tourism promotion aspect is now managed directly by Council using other agencies to provide information centres and marketing campaigns. The Council has also taken responsibility for developing a new visitor information website and this will be launched in early 2016/17. The new arrangements will commence on 1 July 2016.
- New providers in Timaru and Geraldine are delivering the Visitor Information service, alongside the Council's Library/Service Centre in Temuka.



Aoraki Development BUSINESS & TOURISM

Aoraki Development Business and Tourism is a Council Controlled Organisation that is concerned with economic development and promotion of the district.

Some of the work progressed during the year included:

- Provided support to existing businesses including training courses, business advisory services and business mentoring.
- Maintained the website [www.southcanterbury.org.nz](http://www.southcanterbury.org.nz) as an information hub for businesses and visitors.
- Ongoing engagement with key strategic partners both locally and further afield including NZ Trade and Enterprise, Work and Income NZ, Regional Business Partner service providers, Regional Tourism operators, Canterbury Development Corporation, Canterbury Employers Chamber of Commerce, Education South Canterbury and a wide range of industry experts,
- Delivery of Capability Development Vouchers to qualifying businesses for a variety of business planning, marketing and sustainability services, as part of the Canterbury Regional Business Partner Programme.
- Facilitated and hosted South Canterbury Business Excellence awards
- Proactive media liaison campaign to promote the district, including Air NZ Kia Ora feature, targeted press releases and associated media commentary.



# Community Support

## Performance

Level of Service statement	Measure/Target	Result
Community facilities are well maintained, clean and safe	≥ 80% user satisfaction with the airport	90% of airport users completing the survey were satisfied with the overall provision of services (note: small sample size). The survey indicated that cleanliness of facilities and ease of access to the terminal scored the highest, with car parking scoring the lowest.
	Public Toilets ≥ 60% resident satisfaction ≥ 70% user satisfaction	The 2015/16 survey results were: <ul style="list-style-type: none"> <li>61% of residents were satisfied with public toilets</li> <li>61% of users were satisfied with public toilets</li> </ul> User satisfaction was highest for Geraldine public toilets at 74%, with Timaru the lowest at 55%.
	Cemeteries ≥ 80% resident satisfaction ≥ 85% visitor satisfaction	The 2015/16 survey results were: <ul style="list-style-type: none"> <li>83% of residents were satisfied with cemeteries</li> <li>96% of visitors were satisfied with cemeteries</li> </ul> Visitor and residents satisfaction was particularly high in Geraldine.
	Complaints about Public Toilet cleaning standards* ≤ 3 year average	There was 1 complaint received during the year. (* A complaint represents when a cleaning standard is not being met, not when a request for cleaning is made. Vandalism and anti-social use of toilets can occur between cleaning, the effects of which result in a request to clean.)
	Cemeteries contractor compliance - ≤ 10 non-complying items with cemeteries contract	There were no non-complying items identified during the year.
	Airport Civil Aviation Authority accreditation - CAA audits identify no significant problems that prevent ongoing accreditation	The CAA audit was completed in March 2016 and the Airport has successfully retained its accreditation.
Future provision of community facilities to meet community needs and expectations is planned for	Commence planning for a new Timaru cemetery	A review of potential Council land suitable for a new cemetery in Timaru has been carried out by consultants. Council will now consider options and next steps.
Social housing units are tenanted and well managed	≥ 98% occupancy rate of Social Housing units	97% occupancy was maintained. An upgraded unit at Pye Court was tenanted in the 2nd quarter. This significant upgrade will be used as a template for upgrading further units at Pye Courts as finances allow. The upgrade is the quality of a new build without the cost.
	≥ 85% tenant satisfaction	88% tenant satisfaction achieved through a survey of a sample of tenants.
	100% of urgent Social Housing requests responded to within 24 hours	100% of urgent requests were actioned within 24 hours.
Provide accessible, accurate cemetery records	100% cemetery records updated within one month	100% records updated within one month.
Improve individual, community and business awareness of the risks from hazards and assist them to build resilience to emergency events	Two Community Response Plans (CRP) completed	Rangitata Huts CRP completed and Butlers Hut CRP has commenced and is due to be completed by the end of the 2016 calendar year.

# Community Support

Level of Service statement	Measure/Target	Result
	Annual volunteer training schedule is prepared and implemented	The 2016 Training Schedule was finalised by March 2016. The first half of the training will be delivered by the end of the 2016 calendar year. Contact was made with the Youth Council and Arowhenua Marae to increase their presence in existing community networks and invest in youth participation in event response.
	Council staff and partner agencies participation in annual group training exercise	The annual training exercise was delivered in the second quarter, and included a SWOT analysis and Corrective Action Plan. A national tsunami exercise programme has commenced.
Manage and allocate community funding scheme grants and loans	Annual Funding rounds held <ul style="list-style-type: none"> <li>■ TDC: General grants, Substantial grants, Community loans: 2</li> <li>■ TDC Youth Initiatives: 2</li> <li>■ Creative Communities fund: 4</li> </ul>	Council grants and funding schemes were managed in accordance with Council policy. During the year: <ul style="list-style-type: none"> <li>■ 2 TDC funding rounds were held</li> <li>■ 2 Youth Initiative funding rounds were held</li> <li>■ 4 Creative NZ funding rounds held</li> </ul>
	≥ 90% accountability forms returned	<ul style="list-style-type: none"> <li>■ 89% of accountability forms were returned (2014/15: 89%).</li> </ul>
Respond to existing and emerging crime trends with community sanctioned initiatives and operate Project Turnaround programme	Appropriate response identified within 3 months to existing or new crime issues where feasible	Effectively maintained stakeholder relationships. Aside from the regular addressing of graffiti, South Canterbury continued to be a predominantly incident-free community.
	Project Turnaround - 100% of Ministry of Justice targets are met	Note: The new Ministry of Justice contract no longer has specific targets. For the year 1 July 2015 - 30 June 2016 : 302 standard pre-conferences, 159 family violence pre-conferences with 45 family violence conferences held and 83 standard conferences held.
Contribute to the economic development of the Timaru District	Aoraki Development Business and Tourism CCO reporting quarterly to Council	Aoraki Development Business and Tourism have provided quarterly reports to Council.
	Annual District economic growth above the national average	Data is available to December 2015. This shows an increase in GDP of 1.2% in the district compared with 2.4% for all of NZ ( as estimated by Infometrics).
	Annual job creation of 300 new jobs	Data on numbers of new jobs is not available. Unemployment rate remains of 3.7% as at December 2015 remains below the national average of 5.8%.
	Sector collaboration (measures yet to be developed)	
	Perception of living in the Timaru District <ul style="list-style-type: none"> <li>■ Increase in local spend by residents, industry and travellers</li> <li>■ Increase in new families/businesses settling in Timaru district</li> <li>■ Increase in positive perceptions about Timaru district as a place to work, live and play</li> </ul>	<p>Data not available</p> <p>Data not available</p> <p>43% of residents believe Timaru is a better place to live than 3 years ago. 48% believe it is the same (2013/14: Better 42% and 52% the same). 39% of residents believe Timaru is a better place to do business than 3 years ago. 43% believe it is the same ( 2013/14: Better 30% and 52% the same).</p>

# Community Support

## Major Variations - 2015/16 Work Programme

- **Timaru Airport** - Replacement and upgrading of fixtures and furniture at the Timaru Airport has been put on hold until the terminal upgrade required for the larger aircraft now using the airport has been completed.



## Civil Defence Volunteer Training and Equipment

# Community Support

## Timaru District Council: Funding impact statement for 2015/16 Community Support

	2014/15 Long-term plan (\$000)	2014/15 Actual (\$000)	2015/16 Long-term plan (\$000)	2015/16 Actual (\$000)
<b>Sources of Operating Funding</b>				
General Rates, Uniform Annual General Charge, rates penalties	2,377	2,398	2,413	2,403
Targeted Rates (Other than a targeted rate for water supply)	163	180	189	186
Subsidies and grants for operating purposes	217	270	212	342
Fees, charges and targeted rates for water supply	1,461	1,550	1,623	1,627
Internal charges and overheads recovered				
Local authorities fuel tax, fines, infringement fees, and other receipts	24	18	24	17
<b>Total operating funding (A)</b>	<b>4,242</b>	<b>4,416</b>	<b>4,461</b>	<b>4,575</b>
<b>Applications of operating funding</b>				
Payments to staff and suppliers	3,320	3,311	3,474	3,603
Finance costs	152	234	162	23
Internal charges and overheads applied	344	428	456	458
Other operating funding applications				
<b>Total applications of operating funding (B)</b>	<b>3,816</b>	<b>3,973</b>	<b>4,093</b>	<b>4,084</b>
<b>Surplus (deficit) of operating funding (A - B)</b>	<b>426</b>	<b>443</b>	<b>368</b>	<b>491</b>
<b>Sources of capital funding</b>				
Subsidies and grants for capital expenditure	43	105	0	11
Development and financial contributions				
Increase (decrease) in debt	37	(61)	66	(89)
Gross proceeds from sale of assets		0		(7)
Lump sum contributions				
<b>Total sources of capital funding (C)</b>	<b>80</b>	<b>44</b>	<b>66</b>	<b>(85)</b>
<b>Application of capital funding</b>				
Capital expenditure				
- to meet additional demand	110	52	53	41
- to improve the level of service	66	310	370	360
- to replace existing assets	117	200	326	271
Increase (decrease) in reserves	213	(75)	(316)	(266)
Increase (decrease) of investments				
<b>Total applications of capital funding (D)</b>	<b>506</b>	<b>487</b>	<b>434</b>	<b>406</b>
<b>Surplus (deficit) of capital funding (C - D)</b>	<b>(426)</b>	<b>(443)</b>	<b>(368)</b>	<b>(491)</b>
<b>Funding balance ((A - B) + (C - D))</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>INTERNAL LOANS</b>				
Opening Balance		1,779		1,881
Additions		174		235
Repayments		(72)		(77)
Closing Balance		1,881		2,039
Interest		82		70

### Financial Variations - Explanation

#### 2014/15 Actual compared to budget (per LTP)

Additional capital expenditure was incurred in 2014/15 upgrading Social Housing Units, as approved by Council as part of the 2013/14 Annual Plan.

# District Planning and Regulatory Services

## Description

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

- Building Control
- District Planning
- Environmental Health

This group is concerned with monitoring and enforcement functions across a wide cross-section of statutes, focusing on the protection of community health, safety and amenity. This includes processing consents under the Building Act 2004 and the Resource Management Act 1991.

### Building Control

Building Control is responsible for administering and implementing the provisions of the Building Act 2004 (the Act). Under the Act, TDC must maintain accreditation as a Building Consent Authority (BCA). It is responsible for processing and granting building consents, inspecting and monitoring building work, issuing Code Compliance Certificates (CCC's), issuing Certificates of Public Use (CPU's), processing Land and Project Information Memorandums, providing advice on building related matters and enforcing numerous other provisions under the Act. The Act's main purpose is to provide for the regulation of building work, the establishment of a licensing regime for building practitioners, and the setting of performance standards for buildings. The activity is concerned with balancing delivery of a customer focused service within legislative requirements, while managing the risk to Council and to the public.

### District Planning

The District Planning Activity is primarily concerned with managing how land is used and how subdivision is undertaken in the district. The key tool for managing this is the Timaru District Plan. This outlines the district's resource management issues and objectives, policies, methods and rules. These will be used to achieve integrated management of the effects of

the use, development, or protection of land and associated natural and physical resources of the district. On a day to day basis, the activity is concerned with providing advice on district planning matters, processing land use and subdivision consent applications, providing policy advice and monitoring work. The activity also provides policy advice on planning and development, conservation, design, heritage and environmental issues that affect the Timaru District.

### Environmental Health

The Environmental Health activity is primarily concerned with improving, preserving and promoting public health and safety in the Timaru District. It deals with a multitude of issues such as food safety, disease containment, noise control, housing and accommodation, hazardous substances, liquor licensing, environmental nuisance, gambling control, parking enforcement and animal control. The activity is also responsible for the general administration, review and enforcement of the Timaru District Consolidated Bylaw 2013. The bylaws cover a wide variety of issues in the community that require rules, ranging from premises such as tattooists and ear piercing businesses, to overgrown or overhanging vegetation.

Council has two shared service arrangements with Mackenzie District Council and Waimate District Council, to provide environmental health and liquor licensing services.

Environmental Health Services are now contracted to Food and Health Standards (2006) Ltd.

This activity also administers the District Licensing Committee which was created following the implementation of the Sale and Supply of Alcohol Act in December 2013. The Committee considers applications and renewals relating to liquor licences, including Special Licences obtained for selling liquor at events or special occasions. This function had previously been undertaken by a central licensing body in Wellington. That body, now known as Alcohol Regulatory and Licensing Authority (ARLA), exists to deal with appeals and significant enforcement matters.

## Contributions to Community Outcomes

District Planning and Regulatory Services contributes to the following Community Outcomes as shown in the table below:

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

P – Primary contribution S – Secondary contribution



# District Planning and Regulatory Services

## Key Achievements and Projects

During the year the Building Control Unit:

- Passed the IANZ accreditation audit with no corrective actions being identified and accreditation has been successfully retained until the next audit in February 2018.
- Processed more Building Consents and Code of Compliance Certificates than the previous year, while still achieving excellent performance for processing times.

	2015/16	2014/15
	Processed	Compliance with legislative timeframes
		Result
Building Consents	1,410	99% (1,281 (98%))
Code Compliance Certificates (CCC)	1,302	99% (1,278 (99%))

- Received a Unit wide and an individual staff member awards for Training Commitment at the 2016 Building Officials Institute of NZ Conference.

During the year the District Planning Unit:

- Processed 266 resource consents, 100% of these were within statutory timeframes (2014/15: 238 at 100%).
- Progressed the District Plan Review, including:
  - Completion of Stage 1 (scoping phase)
  - Commenced Stage 2 (issues and options phase)
  - Completed the District Town Centre Study
  - Progressed the District Growth Strategy

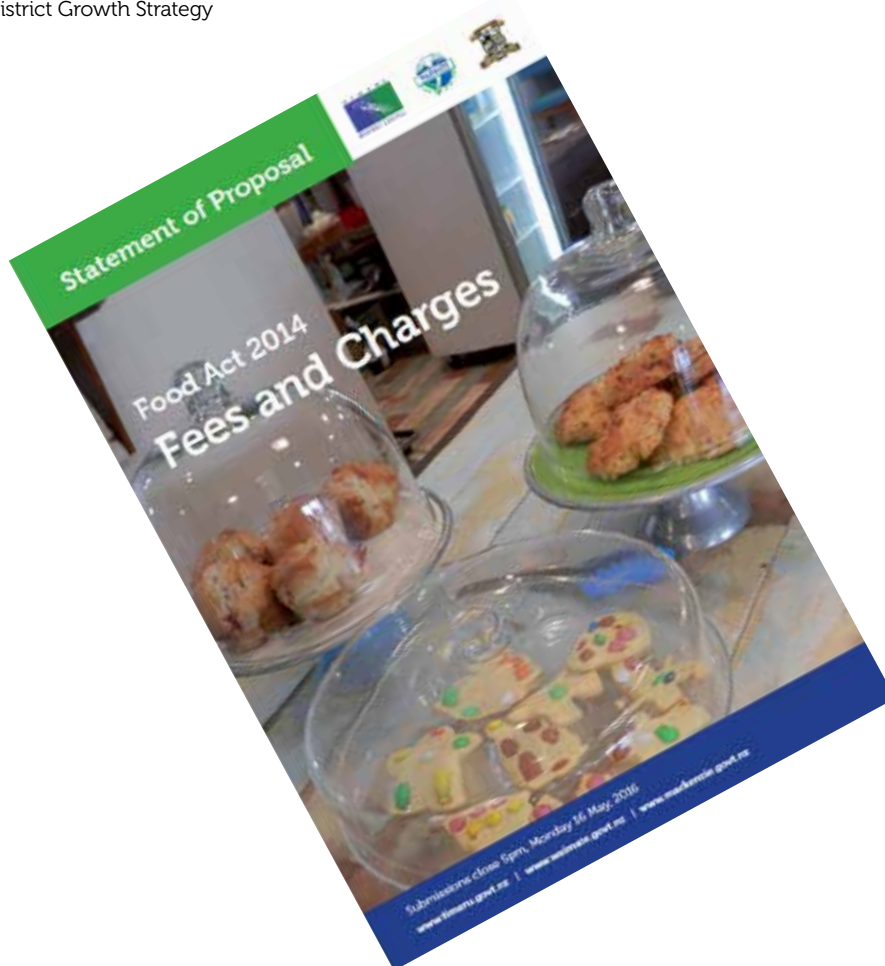
During the year the Animal Control Unit:

- Responded to animal control complaints, undertook patrols and impounded wandering dogs. There were 2,049 (2014/15: 2,039) service requests (complaints) relating to dogs, mostly about lost, found, barking or wandering dogs.
- Received 217 (2014/15: 209) complaints regarding dog attacks on people or animals. There were no prosecutions this year (2014/15: Zero) requiring resolution by the courts but 171 (2014/15: 117) infringement notices were issued.

During the year, the Environmental Health Unit:

- Successfully implemented the new contract with Food and Health Standards (2006) Ltd for Environmental Health services.
- Introduced a new regime for registration, administration, monitoring and enforcement for food premises as required by the Food Act 2014. A joint consultation was conducted with Mackenzie and Waimate District Councils prior to new fees being established. These came into force on 1 July 2016.
- The Local Alcohol Policy came into force on 24 March 2016, with the exception of one way door policy and maximum trading hours which came into force on 7 June 2016.
- Inspected 149 of the 214 Licensed Liquor premises - 98% of these were compliant.
- Completed several Controlled Purchase operations designed to monitor and enforce the provisions relating to the sale of liquor to minors in the Sale and Supply of Alcohol Act 2012
- Met targets for responding to all service requests (complaints) for 1,393 environmental health service requests.

All service requests are acknowledged via telephone/email and relevant appointments are made for investigation.



# District Planning and Regulatory Services

## Performance

Level of Service statement	Measure/Target	Result
Perform statutory functions as a regulator under key legislation	Retain accreditation as a Building Consent Authority	The biannual IANZ audit was carried out in February 2016 with 100% pass rate and no corrective actions identified. Accreditation has been retained until the next audit due in February 2018.
	Retain accreditation as a Food Registration Authority	Accreditation is not currently a requirement of food safety legislation unless Council elects to pursue verification activities in relation to Custom Food Control Plans (accreditation to ISO/IEC 17020 Type A required as well as a Quality Management System - a system is currently being developed). Council does however perform its statutory functions under the Food Act 2014 via a contract with Food and Health Standards Ltd
Deliver timely, efficient processing of consents and related requirements	100% Building Consent Processing within statutory timeframes of 20 working days	99.74% (2014/15: 98%) of the 1410 Building Consents were granted and issued within the 20 working day statutory timeframe. Reasons for consents not being processed within statutory timeframes were due to minor clerical errors.
	Average building consents processing time is reducing	The average processing time was 10.5 days (2014/15: 12.5 days).
	100% Resource Consent Processing within statutory timeframes of 20 working days (non-notified) or 70 working days (notified)	100% of the 266 resource consents were processed within the 20 day statutory timeframe (non-notified) and 70 working days (notified).
	90% of resource consents processed within 80% of the prescribed time	65% of resource consents were processed within 80% of the prescribed time.
	Average resource consents processing time is reducing	Average processing time was 14.2 days (2014/15: 15.7 days).
	Successful objections and appeals limited to less than 3 per year	There were a total of 3 partially successful objections for the year.
Provide useful, timely and consistent advice and education on building, planning and regulatory enquiries	100% of resource consents monitored within 3 months of the consent being given effect to	Achieved. 100% of resource consents monitored within 3 months of the consent being given effect to
	≥ 74% customer satisfaction with building services*	The Building Unit survey recorded a 78.60% customer satisfaction result through an internally conducted survey. The Council Community Survey recorded 70% customer satisfaction. Both surveys sample sizes were small. The Unit survey was sent to those who had used the service and not all surveys were returned. The Community Survey respondents are drawn from a random sample of the community, but respondents understanding of "contact with the council about building consents" may vary.
	≥ 60% customer satisfaction with district planning services*	The District Planning Unit survey recorded a 92% customer satisfaction result through an internally conducted survey. The Council Community Survey recorded 66% customer satisfaction. Both surveys sample sizes were small. The Unit survey was sent to those who had used the service and not all surveys were returned. The Community Survey respondents are drawn from a random sample of the community, but respondents understanding of "contact with the council about resource consents" may vary.
	≥ 80% customer satisfaction with environmental health services*	The 2015/16 Community Survey questioned respondents on specific services within Environmental Health Services. (Note: sample sizes were small for all services) <ul style="list-style-type: none"> <li>■ Animal Control: 71% customer satisfaction</li> <li>■ Liquor Licensing: 88% customer satisfaction</li> <li>■ Licensing of premises: 46% customer satisfaction</li> </ul>
*Results should be treated with caution as all sample sizes were small		

# District Planning and Regulatory Services

Level of Service statement	Measure/Target	Result
Maintain an up-to-date and responsive regulatory policy environment	Policies reviewed in line with Policy Review Programme and legislation	<p>Policies were reviewed in line with the Council Policy Review Programme. Work completed was:</p> <ul style="list-style-type: none"> <li>Local Alcohol Policy was adopted on 21 December 2015 following resolution of appeals. All parts of the policy were fully implemented as of 7 June 2016.</li> <li>Food Act Fees adopted under Food Act 2014, and became operative 1 July 2016.</li> <li>The Building (Earthquake-prone Buildings) Amendment Act 2016 received Royal Assent in May 2016. It is likely that this will replace the Council's own policy, and will require a new assessment and review regime for buildings deemed earthquake prone.</li> <li>Road Naming policy reviewed.</li> <li>Heritage Protection Fund policy reviewed.</li> </ul>
Register known dogs	≥ 95% known dogs registered	98.3% of known dogs were registered (2014/15: 98.8%). Of the 9,166 known dogs, 156 are unregistered. This good result has been achieved due to a concerted effort by staff to follow up owners who were late in registering their dogs.
Ensure public buildings, building work, swimming pools, food and liquor premises inspected are safe and comply with rules	Food premises compliance with regulations: <ul style="list-style-type: none"> <li>80% of premises on food control plans have undergone audit.</li> </ul>	85% (2014/15: 84%) of food premises in the Mackenzie, Waimate and Timaru Districts, on a Food Control Plan, were audited (137 of the 161 premises on a FCP).
	<ul style="list-style-type: none"> <li>80% of premises not on food control plans have been inspected</li> </ul>	67% (2014/15 results not available) of food premises in the Mackenzie, Waimate and Timaru districts, not on a Food Control Plan, were audited (200 of the 297 premises not on a FCP).
	Health regulated and Bylaw regulated premises <ul style="list-style-type: none"> <li>≥ 80% of premises have been inspected</li> </ul>	73 % of the registered health premises (including food premises) were inspected (451 of the 611 health premises).
	<ul style="list-style-type: none"> <li>100% of non compliant premises found above subsequently become compliant</li> </ul>	Of these 100% were found to subsequently be compliant.
	<ul style="list-style-type: none"> <li>≥ 95% of liquor premises monitored annually are compliant</li> </ul>	97.8% of liquor premises monitored were compliant (138 of 214 liquor premises).
	Public buildings comply with public building regulations: <sup>1</sup> <ul style="list-style-type: none"> <li>100% of non-compliant public buildings identified by the audit have had corrective action taken</li> </ul>	4 of the targeted 37 buildings have been audited this financial year with 100% compliance. 2 were compliant at the time of inspection. The 2 non compliant buildings have now had corrective action taken. The target number of buildings has not been met due to continuously high work loads processing priority building consents.
	Swimming Pools comply with swimming pool regulations: <sup>2</sup> <ul style="list-style-type: none"> <li>100% of non-compliant swimming pools identified by the audit have had corrective action taken</li> </ul>	78 of the targeted 90 swimming pools have been audited this financial year with 100% compliance. 41 were compliant at the time of inspection. The 37 non compliant pools have now had corrective action taken. The target has not been met due to continuously high work loads processing priority building consents.
Investigate and respond to public complaints	Response* time to complaints:	
	<ul style="list-style-type: none"> <li>Routine - 100% within 10 working days</li> </ul>	Achieved 100% response within 10 working days
	<ul style="list-style-type: none"> <li>Urgent - 100% within 3 working days</li> </ul>	Achieved 100% response within 3 working days



# District Planning and Regulatory Services

Level of Service statement	Measure/Target	Result
	<ul style="list-style-type: none"> <li>Emergency** - 100% within 2 hours</li> </ul>	Achieved 100% response within 2 hours

<sup>1</sup> Measured from an audit of 5% of public buildings conducted during the year. Buildings non-compliant are followed up by the Building Unit to ensure compliance is achieved.

<sup>2</sup> Measured from an audit of 10% of swimming pools conducted during the year. Swimming Pools non-compliant are followed up by the Building Unit to ensure compliance is achieved.

\* Response refers to contact with the complainant, not necessarily resolution of the issue

\*\*Emergency complaints refer to situations where physical danger exists to people

## Major Variations - 2015/16 Work Programme

There were no variances to the planned 2015/16 work programme.



# District Planning and Regulatory Services

## Timaru District Council: Funding impact statement for 2015/16 District Planning and Regulatory Services

	2014/15 Long-term plan (\$000)	2014/15 Actual (\$000)	2015/16 Long-term plan (\$000)	2015/16 Actual (\$000)
<b>Sources of Operating Funding</b>				
General Rates, Uniform annual general charges, rates penalties	264	254	303	357
Targeted Rates (other than a targeted rate for water supply)	751	810	1,193	1,000
Subsidies and grants for operating purposes	0	0	0	0
Fees charges and targeted rates for water supply	2,485	3,109	3,166	3,172
Internal charges and overheads recovered	58	8	28	27
Local authorities fuel tax, fines, infringement fees and other receipts	31	26	15	14
<b>Total operating funding (A)</b>	<b>3,589</b>	<b>4,207</b>	<b>4,704</b>	<b>4,570</b>
<b>Applications of operating funding</b>				
Payments to staff and suppliers	2,673	3,155	3,651	3,547
Finance costs				
Internal charges and overheads applied	916	997	1,071	1,062
Other operating funding applications				
<b>Total applications of operating funding (B)</b>	<b>3,589</b>	<b>4,152</b>	<b>4,722</b>	<b>4,609</b>
<b>Surplus (deficit) of operating funding (A - B)</b>	<b>0</b>	<b>55</b>	<b>(18)</b>	<b>(39)</b>
<b>Sources of capital funding</b>				
Subsidies and grants for capital expenditure				
Development and financial contributions				
Increase (decrease) in debt				
Gross proceeds from sale of assets				
Lump sum contributions				
<b>Total sources of capital funding (C)</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>Application of capital funding</b>				
Capital expenditure				
- to meet additional demand	0	0	0	0
- to improve the level of service	3	58	3	6
- to replace existing assets	3	14	3	0
Increase (decrease) in reserves	(6)	(17)	(23)	(45)
Increase (decrease) of investments				
<b>Total applications of capital funding (D)</b>	<b>0</b>	<b>55</b>	<b>(18)</b>	<b>(39)</b>
<b>Surplus (deficit) of capital funding (C - D)</b>	<b>0</b>	<b>(55)</b>	<b>(18)</b>	<b>(39)</b>
<b>Funding balance ((A - B) + (C - D))</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>

## Financial Variations - Explanation

### 2014/15 Actual compared to budget (per LTP)

In 2014/15, fees and charges increased from budget due to large increases in the number of building consents processed.

In addition, fees and charges have increased due to changes in legislation relating to Liquor Licences. In 2014/15, this also contributed to the increase in costs to complete the required work. These increases were not quantified in the LTP.

# Recreation and Leisure

## Description

Recreation and Leisure includes the following activities:

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

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

### Cultural and Learning Facilities

#### Aigantighe Art Gallery

The Aigantighe (pronounced egg-and- tie) Art Gallery is a public art gallery in Timaru. It collects, exhibits, preserves, researches and educates about visual art. Its rich and growing permanent art collection is shown in the original House Gallery through revolving exhibitions, while temporary exhibitions of non-collection artworks are held in the 1978 extension. The Aigantighe is regarded as the regional art gallery of South Canterbury due to its focus on regional art both in the permanent collection and in temporary exhibition programme. The gallery is open 6 days a week and is free to visit.

#### South Canterbury Museum

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

#### Timaru District Libraries

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

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

#### Halls and Theatres

The Council provides the Theatre Royal in Timaru. The theatre is the premier venue for visiting cultural and entertainment shows

and is also available for community use. The Council also provides or supports a number of other venues, including:

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

### Parks, Recreation and Swimming Pools

#### Parks and Recreation

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

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

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

#### Swimming Pools

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

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

## Contributions to Community Outcomes

Recreation and Leisure contributes to the following Community Outcomes as shown in the table below:

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

P – Primary contribution S – Secondary contribution

# Recreation and Leisure

## Key Achievements and Projects

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

- Mounted a number of exhibitions, including:
  - 'The Tutors' - Aoraki Polytechnic Staff Art Show Exhibition
  - Hamish Mio and Tonga Contemporary exhibition
  - Minkisi Art and Belief in West Africa.
  - Nigel Brown exhibition, 'I am/We are', which then went on to tour within New Zealand - firstly to Napier City Art Gallery.
  - Dual exhibition 'Hope and Connections' exhibition by Debbie Templeton-Page and Cindy King, and 'Hybrids' by Clarissa Lim.
  - Dual opening by Clive Humphries and Rachel Ratten.
- Acquired 19 new works of which 12 were gifted and 7 purchased.
- Commenced work on upgrading house lighting, and furniture and equipment, to improve visitor experience.

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

- Held 6 exhibitions including:
  - Sounds Like Us (NZ radio history)
  - Dinosaur Footprints – NZ dinosaur footprints from Nelson
  - Rock'n Roll Part 1 – local music history from the 1960s
  - Aves Nova Zelandia – Bird images by photographer Ron Lindsay
  - Equipped to Survive – WW1 soldiers' equipment
  - Battle Flag – the HMS New Zealand ensign from the Battle of Jutland.
- Hosted significantly more school students as part of the Museum's Heritage Education Service than in the previous year. This service has become an integral part of the regular school programme for many local schools.
- The Museum Explorers Club has begun a new era with the development of collectible badges and a new "passport" system for members. Membership of the primary school student-aged club has more than doubled in 6 months, with over 1,000 members by the end of June. Members receive email updates about new exhibitions and children's programmes, as well as receiving rewards for frequent visitation.
- Commenced upgrading of the mezzanine floor exhibition areas in the Museum
- Added a further 155 separate acquisitions and accessions to the Museum's collections of specimens, artefacts, documents and images.
- Commenced work on developing new off site storage to house Museum collection items.

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

- Issued over 600,000 books and other materials.
- Spent approximately \$350,000 on new books, DVDs, CDs, talking books, newspapers, magazines and other materials to keep the collections up to date.
- Made significant progress with the Collection Management Project with a focus on deselection/weeding of adult library collection.
- Instigated regular monthly columns in local newspapers to raise the profile of the library and the range of services that are available.
- Supported and hosted a wide range of groups and events including:
  - Book discussion groups
  - Ukulele group
  - Wide variety of displays including "The Artworks" and knitted art, along with numerous topical displays

- Author visits
- Preschool and school visits
- School holiday programmes
- Display of Eniwa Sister City children's artworks and stories, and sent art work from a local high school and books in return.
- Provided 16 Aotearoa Peoples Network Kaharoa (APNK) computers with nearly 90,000 individual sessions during the year. While the availability of free WiFi has increased, this service continues to meet a need in the community.

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

- Had the Trevor Griffiths Rose Garden reassessed as a 5 Star Garden by NZ Gardens Trust
- Partnered with Timaru author Keith Bartholomew on the publication of "History of Timaru Botanic Gardens".
- Continued upgrading work at Temuka Domain Development including completing car park work and commencing redevelopment of the former house site.
- Carried out planting on Taumatakahu Stream and Barton Road Esplanade Reserves.
- Completed the renewal of playground equipment at Aynsley Street, Dunkirk Street and Tweedy Park in Timaru.
- Commenced planning work on the Spaces and Places project that will provide a stocktake of existing sporting and active recreation facilities across South Canterbury and look at what is needed for the next 20 years.

During the year, the **Caroline Bay Trust Aoraki Centre and Local Swimming Pools:**

- Recorded swimming pool visitor numbers exceeding 300,000.
- Provided 29,122 individual Learn To Swim lessons, over 20% more than the previous year.
- Completed carpark extensions at CBay to provide an additional 20 parks.
- Continued schools SwimSafe programme with subsidised lessons for Years 3-6.
- Saw a further increase in the number of aqua fitness classes due to public demand, with over 350 classes held.
- Hosted several swim meets, and training camps for visiting swim teams.
- Achieved Pool Safe accreditation for all four district pools.

During the year, **Halls and Theatres:**

- Completed upgrades at the Theatre Royal including new carpet, improved external lighting and restoration of foyer hand rails and bannisters.
- Replaced the roof of the Pleasant Point Hall.



**Glenavy School Library Visit**

# Recreation and Leisure

## Performance

Level of Service statement	Measure/Target	Result
Recreation and leisure facilities, programmes and materials are accessible to district residents, schools and visitors	<p>Annual visitor numbers:</p> <ul style="list-style-type: none"> <li>Art Gallery <math>\geq</math> 21,000</li> <li>Museum <math>\geq</math> 23,000</li> <li>School student users at the Museum <math>\geq</math> 4,000</li> <li>School visits to Art Gallery <math>\geq</math> 50</li> </ul> <p>Online users:</p> <ul style="list-style-type: none"> <li>Art Gallery numbers increase annually</li> <li>Museum numbers increase annually</li> </ul> <p>Library:</p> <ul style="list-style-type: none"> <li><math>\geq</math> 12.3 visits per capita annually</li> <li><math>\geq</math> 690,000 issues</li> <li>Aotearoa People's Network Kaharoa (APNK) usage - <math>\geq</math> 103,000 sessions</li> <li>Stock turnover <math>\geq</math> 4 average issues per item annually</li> </ul>	<ul style="list-style-type: none"> <li>Art Gallery - 19,674 visitors, including outreach visits.</li> <li>Museum - 23,441 visitors, including school student users.</li> <li>There were 7,119 school student users at the museum.</li> <li>There were 47 school visits to the Art Gallery, including 23 schools visiting during Artarama in August 2015.</li> <li>Art Gallery - there were 3,125 users to the main Art Gallery website page (2014/15: 3,136). Of these 2,210 were new users, an increase of 6.76% (2014/15: 2,070). In addition there were 498 Facebook page likes, 38 online education requests and 12 for collection loans.</li> <li>Museum - there were 8,846 users to the main Museum website page (2014/15: 8,515). Of these 8,668 were new users, an increase of 4.28% (2014/15: 8,312). In addition there were 1,036 Facebook likes and 309 direct service users.</li> <li>Library - 11.6 visits per capita (based on population 43,929, foot traffic count all libraries 324,586, database hits 13,387, website hits 103,986).</li> <li>There were 625,107 library issues. This is an increase on the previous year (614,158 issues).</li> <li>89,611 sessions (2014/15: 66,398 sessions). While the result is an increase on the previous year, it is under target due in a large part to the increased availability of free WiFi around the district.</li> <li>A stock turnover of 4 was achieved (2014/15: 2.73).</li> </ul>



Swim champions



Swimming lessons

# Recreation and Leisure

Level of Service statement	Measure/Target	Result
Provide a high quality experience at district recreation and leisure facilities	<p>Art Gallery:</p> <ul style="list-style-type: none"> <li>■ ≥ 80% resident satisfaction</li> <li>■ ≥ 90% user satisfaction</li> </ul> <p>Libraries:</p> <ul style="list-style-type: none"> <li>■ ≥ 91% resident satisfaction</li> <li>■ ≥ 97% user satisfaction</li> </ul>	<p>96% resident satisfaction and 98% user satisfaction was achieved.</p> <p>94% resident satisfaction and 93% user satisfaction was achieved. There is an ongoing programme of maintaining and enhancing all library facilities.</p>
	<p>Museum:</p> <ul style="list-style-type: none"> <li>■ ≥ 80% resident satisfaction</li> <li>■ ≥ 95% user satisfaction</li> </ul> <p>Parks and Recreation:</p> <ul style="list-style-type: none"> <li>■ ≥ 90% resident satisfaction</li> <li>■ ≥ 92% user satisfaction</li> </ul> <p>Swimming Pools:</p> <ul style="list-style-type: none"> <li>■ ≥ 80% resident satisfaction</li> <li>■ ≥ 75% user satisfaction</li> </ul>	<p>92% resident satisfaction and 96% user satisfaction was achieved.</p> <p>95% resident satisfaction and 94% user satisfaction was achieved.</p> <p>86% resident satisfaction and 87% visitor satisfaction was achieved.</p>
Recreation and leisure facilities provide regular and varied services, exhibitions and programmes to support community wellbeing	<p>Art Gallery:</p> <ul style="list-style-type: none"> <li>■ ≥ 16 exhibitions</li> </ul>	<ul style="list-style-type: none"> <li>■ 16 exhibitions were held during the year. In addition to this extra public programme events such as floor talks also took place.</li> </ul>
	<p>Museum:</p> <ul style="list-style-type: none"> <li>■ ≥ 5 presentations</li> <li>■ ≥ 50 external articles</li> <li>■ ≥ 500 items added to collections and webpage</li> <li>■ ≥ 30 facebook posts</li> <li>■ 3-4 exhibitions</li> </ul>	<ul style="list-style-type: none"> <li>■ 7 presentations delivered</li> <li>■ 54 external articles written</li> <li>■ 389 items added to collections and webpage</li> <li>■ 90 Facebook posts</li> <li>■ 6 exhibitions held during the year</li> </ul>
	<p>Library:</p> <ul style="list-style-type: none"> <li>■ ≥ 59,000 database "hits"</li> </ul>	<ul style="list-style-type: none"> <li>■ 13,387 database hits (excluding Press displays - usage of this facility is increasing)</li> <li>■ 103,986 website hits</li> </ul>
	<p>4 Holiday programmes per year provided at Art Gallery, Library and Museum</p>	<ul style="list-style-type: none"> <li>■ Museum: 4</li> <li>■ Art Gallery: 4</li> <li>■ Library: 6 (including the national reading challenge and a winter reading challenge). Participation has increased and all programmes were well received.</li> </ul>
	<p>Swimming Pools</p> <ul style="list-style-type: none"> <li>■ ≥ 20,000 swimming lessons</li> <li>■ ≥ 300 Aqua Fitness classes</li> </ul>	<ul style="list-style-type: none"> <li>■ Over 29,100 swim lessons completed (2014/15: 23,000)</li> <li>■ Over 350 Aqua Fitness classes held</li> </ul>

# Recreation and Leisure

Level of Service statement	Measure/Target	Result
Recreation and leisure facilities are safe, fit for purpose and well maintained	<p>Facilities (Art Gallery, Libraries, Museum, Swimming Pools, Theatre Royal) have current:</p> <ul style="list-style-type: none"> <li>■ Building Warrant of Fitness (WOF)</li> <li>■ Fire Regulation Compliance</li> <li>■ Licence requirements</li> </ul>	<ul style="list-style-type: none"> <li>■ Art Gallery: All requirements are current</li> <li>■ Libraries: All requirements are current</li> <li>■ Museum: All requirements are current</li> <li>■ Swimming Pools: CBay and District Pools passed PoolSafe certification in March 2016. All other requirements are current.</li> <li>■ Theatre Royal: All requirements are current.</li> </ul>
	100% maintenance and capital work programmes achieved within budget and timeframe for Art Gallery, Libraries, Museum, Swimming Pools, Theatre Royal	<ul style="list-style-type: none"> <li>■ Art Gallery: Maintenance work and capital projects completed with the exception of the security upgrade which has been carried forward.</li> <li>■ Libraries: Purchase of books and resources completed with the exception of those from the MacKay bequest which was under budget as purchases were delayed due to space restrictions. New furniture and equipment purchases completed. Work on upgrading the security system and replacing the Timaru Library roof is underway.</li> <li>■ Museum: New shelving, office furniture and flooring replacement completed. Work on upgrading the mezzanine exhibition areas is underway. The theatre AV system and a replacement dehumidifier has been delayed.</li> <li>■ Swimming Pools: Additional carparks at CBay were completed. Work on a new heating plant for the Geraldine pool will be completed prior to the 2016/17 swimming season.</li> <li>■ Theatre Royal: Replacement carpet and security lighting to south side walkway has been completed. The seating upgrade has been deferred pending the assessment of the Stage and Backstage facilities.</li> </ul>
	95% compliance with sportsfields grass lengths contract standards	There was 100% compliance with contract conditions for grass lengths.
	Zero closures of playground equipment due to safety issues*	No closures of playground equipment were necessary due to safety issues.
Collections of local heritage and art objects, records and information preserved for and available to the community and visitors	<p>Art Gallery:</p> <ul style="list-style-type: none"> <li>■ All new acquisitions are catalogued</li> <li>■ 50 existing collection works are re catalogued annually</li> <li>■ ≥3 art works conserved annually</li> </ul> <p>Museum:</p> <ul style="list-style-type: none"> <li>■ Targeted acquisitions are made in line with Museum policy</li> <li>■ ≥90% collection items held in acceptable conditions</li> <li>■ ≥85 collection items documented to acceptable standards</li> </ul>	<p>All 19 new acquisitions have been catalogued into the collection.</p> <p>1,028 existing works have been photographed and recatalogued.</p> <p>14 art works have been conserved for the collection.</p> <p>A total of 155 acquisitions were made, and these were in line with the requirements of the Museum Collection policy.</p> <p>At least 90% of the Museum collection items are held in acceptable conditions.</p> <p>At least 85% of the Museum collection items have been documented to acceptable standards.</p>
Develop and maintain Recreation and Leisure facilities to meet future expectations and demand	<ul style="list-style-type: none"> <li>■ ≥5% long term museum displays modified</li> </ul>	At least 5% of long term displays have been modified. Following the multi year redevelopment at the museum, 40% of displays will change.

# Recreation and Leisure

Level of Service statement	Measure/Target	Result
	Parks: <ul style="list-style-type: none"> <li>■ 48km of off road walking and biking tracks provided</li> <li>■ 0.93 playgrounds per 1,000 residents under 15 years of age</li> <li>■ 12.5 park hectares per 1,000 district residents</li> <li>■ Retain 1 Garden of National Significance and 1 Garden of Significance</li> </ul>	There are 51km of off-road tracks as at 30/6/2016.  0.98 playgrounds per 1,000 residents under 15 years of age.  11.6 park hectares per 1,000 residents.  Trevor Griffiths Garden has been reassessed as Garden of National Significance (5 Star). Timaru Botanic Gardens is assessed as a Garden of National Significance.

\* Other than for routine maintenance, vandalism or catastrophic events

## Major Variations - 2015/16 Work Programme

- **Art Gallery – Lighting upgrade** – Upgrading of lighting in the main house has commenced and will be completed in 2016/17.
- **Museum – Replacement of Heating/ Dehumidifiers/Flooring** Flooring replacement work is underway and is expected to be completed early in 2016/17. Replacement of the Heating and Dehumidifiers has been deferred until 2016/17.
- **Museum – Theatre AV System**– Refurbishment of the museum theatre AV system has been delayed and is now expected to be completed by September 2016.
- **Museum - Exhibition Upgrades** - Planning and initial purchases for the upgrading of exhibition areas in the Museum have been completed and the Contractor has been engaged for Stage 1. The total project is expected to be completed by June 2017.
- **Libraries - Security System upgrade** - Tenders are being reviewed and the first stage of the project is expected to be completed by June 2017.
- **Libraries - Replacement Roof** - This project is now scheduled for completion in 2016/17.
- **Parks and Recreation - Courts Resurfacing Pleasant Point** - A User group is currently fundraising for their contribution to the project and the start date is dependent on securing this funding.
- **Swimming Pools - Geraldine Pool renewals** – Renewal of heating plant and equipment at the Geraldine Pool is underway and will be completed prior to the start of the 2016/17 summer season.



Geraldine Cemetery



School Holiday Programme January 2016



# Recreation and Leisure

## Timaru District Council: Funding impact statement for 2015/16 Recreation and Leisure

	2014/15 Long-term plan (\$000)	2014/15 Actual (\$000)	2015/16 Long-term plan (\$000)	2015/16 Actual (\$000)
<b>Sources of Operating Funding</b>				
General Rates, Uniform annual general charges, rates penalties	8,621	8,821	9,461	9,246
Targeted Rates (other than a targeted rate for water supply)	1,888	1,983	2,023	1,989
Subsidies and grants for operating purposes	6	88	113	87
Fees charges and targeted rates for water supply	3,026	3,108	3,214	3,077
Internal charges and overheads recovered	268	196	159	159
Local authorities fuel tax, fines, infringement fees and other receipts	27	144	27	189
<b>Total operating funding (A)</b>	<b>13,836</b>	<b>14,340</b>	<b>14,997</b>	<b>14,747</b>
<b>Applications of operating funding</b>				
Payments to staff and suppliers	8,866	9,775	10,277	10,219
Finance costs	1,069	890	1,003	796
Internal charges and overheads applied	1,142	1,288	1,310	1,318
Other operating funding applications				
<b>Total applications of operating funding (B)</b>	<b>11,077</b>	<b>11,953</b>	<b>12,590</b>	<b>12,333</b>
<b>Surplus (deficit) of operating funding (A - B)</b>	<b>2,759</b>	<b>2,387</b>	<b>2,407</b>	<b>2,414</b>
<b>Sources of capital funding</b>				
Subsidies and grants for capital expenditure	500	336	90	122
Development and financial contributions				
Increase (decrease) in debt	(716)	(153)	(698)	(818)
Gross proceeds from sale of assets	0	0	0	11
Lump sum contributions	0	0	0	0
Other dedicated capital fundings	0	0	55	27
<b>Total sources of capital funding (C)</b>	<b>(216)</b>	<b>183</b>	<b>(553)</b>	<b>(658)</b>
<b>Application of capital funding</b>				
Capital expenditure				
- to meet additional demand	66	95	338	377
- to improve the level of service	533	400	479	325
- to replace existing assets	1,474	855	2,074	1,123
Increase/(decrease) in reserves	470	1,220	(1,037)	(69)
Increase/(decrease) of investments				
<b>Total applications of capital funding (D)</b>	<b>2,543</b>	<b>2,570</b>	<b>1,854</b>	<b>1,756</b>
<b>Surplus (deficit) of capital funding (C - D)</b>	<b>(2,759)</b>	<b>(2,387)</b>	<b>(2,407)</b>	<b>(2,414)</b>
<b>Funding balance ((A - B) + (C - D))</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>INTERNAL LOANS</b>				
Opening Balance		65		63
Additions		0		0
Repayments		(2)		(2)
Closing Balance		63		61
Interest		3		2

# Roading and Footpaths

## Description

Roading and Footpaths includes the following activities provided by Council:

- Roding and Footpaths
- Cycleways and Walkways

Roding and Footpaths is concerned with provision of the roading and footpaths network throughout the district.

Timaru District acts as a regional transportation hub, servicing significant agricultural areas, associated processing plants and a significant port operation. Roding and Footpaths delivers both assets (such as roads, signs, and infrastructure) and non-asset functions (such as street cleaning, garden/berm maintenance, temporary traffic management and road safety initiatives).

Council currently manages over 1,700km of sealed and unsealed roads, 289 bridges, 309km of footpath, drainage facilities (e.g. soak pits, culverts), street furniture, signs, bus stops, carparks, traffic signals, kerb and channel, 4,665 street lights, road marking and other minor structures.

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

Overall management of the facilities is provided by the Council, with operational work carried out by contractors. The activity also includes managing the parking asset (e.g. parking meters and carparks). Monitoring parking compliance in the district is carried out by the Regulatory Services Group.

Delivery of the Roding and Footpaths Activity is influenced by a complex array of Government policies, national and regional strategies and legislative framework. The Council also has several strategies that help guide delivery, headlined by the Timaru Transportation Strategy, with other strategies for active transport, demand management, road safety, lifecycle management and sustainable transport.

Council provides many cycleways and walkways throughout the district. These range from cycleways in the road corridor, to combined walkways and cycleways that are off-street, such as beside urban and rural streams. Off road walkways and cycleways are often managed jointly between the Parks and Land Transport units. Strategies, such as Active Transport Strategies and the Off-Road Walking and Cycling Strategy contribute to the direction for this activity.



## Contributions to Community Outcomes

Roding and Footpaths contributes to the following Community Outcomes as shown in the table below:

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

P – Primary contribution S – Secondary contribution

# Roading and Footpaths

## Key Achievements and Projects

During the year:

- The two laning of the Factory Road bridge was completed. This project was a winner of an Institute of Public Works Engineering Australasia (IPWEA) excellence award for "Excellence in maximising asset performance".
- Excellent road user satisfaction survey results showing a very high level of satisfaction with road maintenance and management.
- Additional funding was secured from the NZ Transport Agency for LED streetlight conversions. Part of the streetlighting in Temuka was able to be replaced. This will result in a reduction in power consumption and will also reduce maintenance costs.
- An innovative road safety campaign targeting overseas drivers with information on major vehicle crash sites attracted international media interest.
- A new common road maintenance contract for each of the Timaru, Waimate, Mackenzie and Ashburton Districts was awarded.
- South Canterbury Councils collaborated on a road resurfacing contract which was tendered and has now been awarded.
- Work was completed on the Arundel/Belfield road realignment and rail crossing, an area that has seen several truck crashes in recent years.
- Roading, footpaths and transport related projects were completed including:
  - Bridge replacements on Wisely and Hall Roads, and the Benvenue Footbridge
  - Reconstruction of sections of road that were at the end of their design life, including sections of Badham Road, Winchester-Geraldine Road, and commenced work on Hally Terrace in Temuka
  - Renewal of kerb and channel in Talbot Street in Geraldine, and Oxford Street, Hillview Crescent and Jackson Street in Timaru
  - Renewal of a number of footpaths in Timaru, Temuka, Geraldine and rural townships
  - Seal extensions on Te Moana Road and Downs Road in Geraldine were completed with 50% ratepayer contributions
  - Seal widening was completed on Orari Station Road.



**Arundel Belfield Road**



**Arundel Belfield Road Realignment**

# Roading and Footpaths

## Performance

Level of Service statement	Measure/Target	Result
Roads are designed and maintained to community expectations	<p>≥ 80% ratepayers believe they get value for money</p> <p>≥70% of customer service requests are responded to within contract response timeframes</p>	<p>Road user survey results for period July 2015 to June 2016 show 92% of those surveyed believe that they get value for money.</p> <p>Data not available</p> <p>For 2016/17 the measurement of this target is being developed within the new road maintenance contract and will be reported on this basis in the future.</p>
Roads are fit for purpose and provide for comfortable and efficient travel	Timaru journey times on key transport routes are maintained at 2005 +10% levels	<ul style="list-style-type: none"> <li>■ The measured combined morning peak time on key routes in June 2016 was 870 minutes (2015: 90.4). In 2005, it was 876.</li> <li>■ The measured combined evening peak time on key routes in June 2016 was 90.2 minutes (2015: 92.0). In 2005, it was 87.8.</li> </ul> <p>The reduction in travel times is predominately due to improved optimisation of traffic signals.</p>
	≤ 10 complaints about traffic disruption due to maintenance and renewal work	No complaints were received.
	Average Smooth Travel Exposure Index on all district roads is ≥90%	The average Smooth Travel Exposure Index for local sealed roads to date is 94%.
	<p>≥75% residents are satisfied with maintenance of sealed roads</p> <p>≥75% residents are satisfied with maintenance of unsealed roads</p>	<ul style="list-style-type: none"> <li>■ Survey results for period July 2015 to June 2016 show 77% (2014/15: 77%) of sealed road residents users believe the roads are fit for purpose and well maintained.</li> <li>■ Survey results for period July 2015 to June 2016 show 63% (2014/15: 68%) of unsealed road residents users believe the roads are fit for purpose and well maintained.</li> </ul> <p>Road user satisfaction for sealed roads met target but unsealed roads did not meet the target.</p> <p>It should be noted that most people surveyed answered "don't know" for unsealed road maintenance therefore the data numbers were small.</p>
	4% of the sealed road network is resurfaced annually	6.8% (65.3km) of the 962km of sealed road network was resurfaced. Council took advantage of lower bitumen prices and was able to achieve more resurfacing with the same budget.
Bridges are accessible to road users and well maintained	50% of bridges on all primary collector and higher hierarchy roads are two-way	<p>Currently we have 289 bridges.</p> <p>There are 34 bridges on primary collector or higher hierarchy roads and 32 (94%) of these are two lane.</p>
	95% of bridges are not weight restricted	A recent inspection and condition assessment report has identified 5 of the 289 bridges as weight restricted therefore 98% of bridges are not weight restricted.
Footpaths are safe, well designed and well maintained	≥70% residents are satisfied with the smoothness, safety and maintenance of footpaths	Road user survey results for period July 2015 to June 2016 show 73% satisfaction with the smoothness and safety of footpaths.
	75% of footpaths to be average or better condition	<p>Based on condition assessment undertaken 91% of footpaths are average condition or better.</p> <p>This is a new measure and data has been collected for the first time. The actual condition is much better than expected hence the low target compared to the actual.</p>
	9km of footpaths resurfaced annually	10.3km of footpaths were resurfaced. In addition, nearly 0.5km of new footpaths were constructed in Temuka and Geraldine.

# Roading and Footpaths

Level of Service statement	Measure/Target	Result
Traffic signals, road signage and markings provide clear guidance	≥95% residents are satisfied that road signs and markings provide guidance that is helpful and effective	Road user survey results for period July 2015 to June 2016 show 100% satisfaction with road signage (2014/15: 98%).
Street and amenity lighting enables safe and efficient movement	≥ 95% residents are satisfied that there is sufficient lighting of streets and intersections in urban areas	Survey results for period July 2015 to June 2016 show 96% (2014/15 92%) of residents are satisfied with street lighting.
Road works and road safety initiatives help promote district road safety and awareness	85% residents believe the road network is safe	Road user survey results for period July 2015 to June 2016 show 93% satisfaction with the overall safety of roads ( 2014/15: 88%).
	Number of fatalities and serious injury crashes on the local road network is less than the previous financial year on an annual basis	The number of crashes on our roads to date is a total of 158. Of these 3 were fatal and 92 were injury crashes. This is less than the same period last year of 271 crashes of which 7 were fatal and 99 injury crashes (new measure for 2015/16). (Data source: combined crash list detail report run on 5/10/2016)
	40% residents are aware of road safety programmes or advertisements	Survey results for period July 2015 to June 2016 show that 38% (2014/15: 31%) of residents were aware of road safety initiatives. An advertising strategy is being developed to improve awareness.
Carparks are available, fit for purpose and easy to access	75% or residents are satisfied that access to Council provided carparking is adequate	Road user survey results for period July 2015 to June 2016 show 82% satisfaction with the access to car parking.
	80% of residents are satisfied with the location, design and maintenance of carparking	Road user survey results for period July 2015 to June 2016 show 90% satisfaction with the location, design and maintenance of car parking.
	Parking fees are reviewed annually and the activity is self funding	A review of the parking fees has been undertaken and recommendations for several minor fee increases in targeted carparks presented to Council as part of the Annual Plan. The activity continues to be self funding.
Sustainable transport options* are facilitated and provided	90% of users are satisfied with the quality of public transport services	Recent survey results show that 97% of users are satisfied with the Timaru bus service. (Source: Environment Canterbury survey)
	1 school travel plan completed or reviewed annually	A school travel plan for Sacred Heart Primary School was completed. Presently working with Grantlea Downs Primary School. Support for the implementation and action continues.
	Use of Active/Public Transport modes: <ul style="list-style-type: none"> <li>■ 80% residents regularly walk</li> <li>■ 30% residents regularly cycle</li> <li>■ 15% residents use public transport</li> </ul>	Survey results for period July 2015 to June 2016 show: <ul style="list-style-type: none"> <li>■ 81% of residents regularly walk (2014/15: 90%)</li> <li>■ 23% of residents regularly cycle (2014/15: 25%)</li> <li>■ 7.5% of residents use public transport (2014/15: 11.5%)</li> </ul> <p>The target for walking was met but not for cycling and public transport. Cycling declined in the last six months but public transport showed a small increase.</p>

\* Sustainable transport options refers to walking opportunities (eg school travel plans), cycling opportunities (eg cycleways) and public transport.

# Roading and Footpaths

## Major Variations - 2015/16 Work Programme

- **Intersection Upgrades/ Safety Improvements (subsidised)** – possible projects had been identified but have not yet been approved for installation.
- **CBD Renewals** - Initial consultation with stakeholders is planned for 2016/17. The project is expected to be completed by June 2017.
- **District Welcome Signs** - The replacement of district entrance signage project has been deferred to 2016/17.
- **Washdyke Network Improvements** - Issues regarding stormwater treatment/disposal for catchment needs to be resolved before design can commence. Progress is being made.
- **Christmas Decorations replacement** - Funding for this has been deferred until 2016/17.



**Badhams Bridge Widening**

# Roading and Footpaths

## Timaru District Council: Funding impact statement for 2015/16 Roothing and Footpaths

	2014/15 Long-term plan (\$000)	2014/15 Actual (\$000)	2015/16 Long-term plan (\$000)	2015/16 Actual (\$000)
<b>Sources of Operating Funding</b>				
General Rates, Uniform annual general charges, rates penalties	551	438	806	716
Targeted Rates (other than a targeted rate for water supply)	7,878	8,231	8,208	7,319
Subsidies and grants for operating purposes	2,801	3,064	2,788	2,370
Fees charges and targeted rates for water supply	1,014	1,007	1,082	1,193
Internal charges and overheads recovered	1,484	1,594	1,486	1,505
Local authorities fuel tax, fines, infringement fees and other receipts				
<b>Total operating funding (A)</b>	<b>13,728</b>	<b>14,334</b>	<b>14,370</b>	<b>13,103</b>
<b>Applications of operating funding</b>				
Payments to staff and suppliers	6,936	7,399	7,113	6,864
Finance costs	856	624	852	664
Internal charges and overheads applied	2,099	2,224	2,189	2,167
Other operating funding applications				
<b>Total applications of operating funding (B)</b>	<b>9,891</b>	<b>10,247</b>	<b>10,153</b>	<b>9,695</b>
<b>Surplus (deficit) of operating funding (A - B)</b>	<b>3,837</b>	<b>4,087</b>	<b>4,217</b>	<b>3,408</b>
<b>Sources of capital funding</b>				
Subsidies and grants for capital expenditure	4,900	5,621	5,175	5,669
Development and financial contributions				
Increase (decrease) in debt	1,763	2,096	739	770
Gross proceeds from sale of assets	0	0	0	0
Lump sum contributions	0	0	0	0
Other dedicated capital funding	0	205	165	81
<b>Total sources of capital funding (C)</b>	<b>6,663</b>	<b>7,922</b>	<b>6,079</b>	<b>6,520</b>
<b>Application of capital funding</b>				
Capital expenditure				
- to meet additional demand	54	35	1,184	1,533
- to improve the level of service	4,189	5,065	2,971	2,002
- to replace existing assets	7,059	6,596	8,548	7,570
Increase (decrease) in reserves	(802)	313	(2,407)	(1,177)
Increase (decrease) of investments				
<b>Total applications of capital funding (D)</b>	<b>10,500</b>	<b>12,009</b>	<b>10,296</b>	<b>9,928</b>
<b>Surplus (deficit) of capital funding (C - D)</b>	<b>(3,837)</b>	<b>(4,087)</b>	<b>(4,217)</b>	<b>(3,408)</b>
<b>Funding balance ((A - B) + (C - D))</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>INTERNAL LOANS</b>				
Opening Balance		93		87
Additions		0		0
Repayments		(6)		(6)
Closing Balance		87		81
Interest		4		3

## Financial Variations - Explanation

### 2015/16 actual compared to 2014/15 actual & 2015/16 budget

Capital expenditure to improve the level of service has reduced due to expenditure on the Factory Road bridge upgrade in 2014/15. Rates requirement is reduced from both budget and 2014/15 due to delayed capital expenditure on renewals and Washdyke Network. Payments to staff and suppliers have reduced from both 2014/15 actual and budget due to the reduction in funding from NZTA meaning that expenditure had to be decreased.

## Description

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

In 1996, TDC commenced developing the Timaru's District Wide Sewer Strategy to carry out district-wide upgrading of existing facilities, construction of additional facilities, and improvements in treatment and disposal processes highlighted by the separation of domestic and industrial wastewater flows and treatments.

Wastewater asset and process improvements have been carried out since the initiation of the Sewer Strategy in 1996, culminating with the completion of the upgrading of the domestic wastewater treatment plant in January 2015.

As a result of these improvements, wastewater from the inland towns of Geraldine, Pleasant Point and Temuka are no longer discharged to the rivers. Wastewater is piped via the inland towns pipeline to the maturation pond at the Timaru Wastewater Treatment Plant and discharged through the ocean outfall in Timaru.

Timaru's industrial wastewater stream is now treated separately from the domestic wastewater stream. Primary treatment is done on-site by industries to comply with tradewaste discharge limits set by TDC before discharging to the public wastewater system.

In managing the Sewer Activity, TDC looks after an asset base consisting of the 3 oxidation ponds at the inland towns of Geraldine, Pleasant Point and Temuka, 24 sewer pump stations, 346 km of pipeline and nearly 4,000 manholes. The assets at the main wastewater treatment plant at Aorangi Road in Timaru consist of a milliscreen plant for industrial wastewater; oxidation ponds, wetland pond, biofilter/odour bed, domestic pump station, and screening structures for domestic wastewater; flow splitters, tanker reception facility and an ocean outfall.

ECan has granted TDC consent to discharge to the ocean until 2045.

Approximately 80% of the total district residential population receives the sewer service. Additional sewer services are not currently available for any rural zoned areas. Rural houses manage their own effluent.



**Canada Street Sewermain Rehabilitation**

## Key Achievements and Projects

- Sewermain renewal work was completed in Canada Street, Church Street, Hewlings Street, and Douglas Street in Timaru.
- Sewermain renewal work was underway in Kitchener Square, Dunkirk Street, Blair Street, and Domain Avenue in Timaru.
- Work commenced on replacing pumps and controls that have reached the end of their useful life in Harris Place, Fraser Street, Kabul Street in Pleasant Point, and Ashbury Park in Timaru.
- The Timaru District Wide Wastewater Strategy received an "Excellence in Strategic Planning" award at the June 2016 Institute of Public Works Engineering Australasia (IPWEA) Excellence Awards.



**Hewling Street Sewermain Renewal**

## Contributions to Community Outcomes

Sewer contributes to the following Community Outcomes as shown in the table below:

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

P – Primary contribution S – Secondary contribution



## Performance

Level of Service statement	Measure/Target	Result
Maintain excellent sewer network services	≤1 recorded dry weather overflows per 1000 connections	3.76 dry weather overflows per 1000 connections were recorded (61 blocked and overflow complaints were received; 16,225 connections).
Deliver sewer services according to required environmental services	Compliance with resource consents* - no abatement notices, infringement notices, enforcement order or convictions	No abatement notices, infringement notices, enforcement orders and convictions were received.
Provide management of trade waste services	Liaise with and monitor 13 major industries 6 times per year	Liaised with and monitored 13 major industries 6 times per year. Meetings occurred with two industries regarding improvements required to the quality of the effluent discharge.
Maintain excellent customer service	Attendance and resolution times to sewerage overflow faults <ul style="list-style-type: none"> <li>■ Median attendance** time less than 1 hour</li> <li>■ Median resolution*** time less than 8 hours</li> </ul>	<ul style="list-style-type: none"> <li>■ Median attendance time: 0.7 hours</li> <li>■ Median resolution time: 5.1 hours</li> </ul>
	≤ 10 total complaints per 1,000 connections received about: <ol style="list-style-type: none"> <li>1. Sewage odour</li> <li>2. Sewerage system faults</li> <li>3. Sewerage system blockages issues</li> <li>4. TDC response to sewerage system issues</li> </ol>	10.7 complaints per 1,000 connections were received (174 complaints, 16,225 connections). Of the 174 complaints, 13 were related to odour. The remainder related to the other categories of blockages and system faults.
	≥85% users are satisfied with sewer services where a service is provided	Community survey results for period July 2015 to June 2016 indicate 92% user satisfaction (2014/15: 94%).
	≥80% residents are satisfied with sewer services	This measure was inadvertently omitted from the 2016 Community survey so no results are available. 2014 survey results indicated 83% resident satisfaction.
Deliver affordable sewer services	≥85% users think sewer services are good value for money	Community survey results for period July 2015 to June 2016 indicate 85% user satisfaction (2014/15: 87%).
	Operating costs of combined sewer services are within budget	Achieved. Excluding corporate overhead, depreciation and loan expenses, the revised budgeted total operating expenditure for sewer services was \$2,371,500 and the actual expenditure was \$1,858,300.

\*Excluding minor non-compliances as reported by Environment Canterbury  
 \*\* Attendance response time applies from the time Council receives notification to the time service personnel reach the site  
 \*\*\* Resolution response time applies from the time the Council receives notification to the time the service personnel confirm resolution of the fault

## Major Variations - 2015/16 Work Programme

- Sewer Reticulation Extensions to enable development (Urban Zone) - Blair Street Sewermain extension - Detailed Design is underway and Brough's Gully Infrastructure Plan has been drafted. Further work will continue in 2016/17.
- Completion of the domestic wastewater treatment plant upgrade at Aorangi Road, Timaru - Security fences have been completed and the project is expected to be finished December 2016.
- Sewer capital projects underway include:
  - Domain Ave Temuka sewermain – Currently in Detail Design. Completion is expected in 2016/17.
  - Kitchener Square, Church Street and Dunkirk Street sewermain renewal - Projects using trenchless technology installation in progress.
  - Canada Street and Ansley Street Storage Overflow pipe - In progress.
- Upgrading of the milliscreen plant conveyors and presses - Deferred to 2016/17 as not required at present.
- Inland Towns Ponds Screens and Aerators Renewals - Design has been completed and a new screen ordered. Project expected to be completed June 2017.



Church Street Sewermain Renewal

## Timaru District Council: Funding impact statement for 2015/16 Sewer

	2014/15 Long-term plan (\$000)	2014/15 Actual (\$000)	2015/16 Long-term plan (\$000)	2015/16 Actual (\$000)
<b>Sources of Operating Funding</b>				
General Rates, Uniform Annual General Charge, rates penalties				
Targeted Rates (Other than a targeted rate for water supply)	7,100	6,852	6,900	6,965
Subsidies and grants for operating purposes	0	0	0	0
Fees, charges and targeted rates for water supply	2,500	2,515	2,530	2,577
Internal charges and overheads recovered	0	2	0	2
Local authorities fuel tax, fines, infringement fees, and other receipts	0	4	0	3
<b>Total operating funding (A)</b>	<b>9,600</b>	<b>9,373</b>	<b>9,430</b>	<b>9,547</b>
<b>Applications of operating funding</b>				
Payments to staff and suppliers	1,671	1,709	2,200	1,761
Finance costs	3,879	3,184	3,687	2,636
Internal charges and overheads applied	1,216	1,384	1,462	1,464
Other operating funding applications				
<b>Total applications of operating funding (B)</b>	<b>6,766</b>	<b>6,277</b>	<b>7,348</b>	<b>5,861</b>
<b>Surplus (deficit) of operating funding (A - B)</b>	<b>2,834</b>	<b>3,096</b>	<b>2,082</b>	<b>3,686</b>
<b>Sources of capital funding</b>				
Subsidies and grants for capital expenditure	30	326	190	202
Development and financial contributions				
Increase (decrease) in debt	(1,253)	(4,516)	(300)	3,773
Gross proceeds from sale of assets	0	0	0	0
Lump sum contributions				
<b>Total sources of capital funding (C)</b>	<b>(1,223)</b>	<b>(4,190)</b>	<b>(110)</b>	<b>3,975</b>
<b>Application of capital funding</b>				
Capital expenditure				
- to meet additional demand	0	0	900	0
- to improve the level of service	0	1,559	108	139
- to replace existing assets	1,447	897	2,616	978
Increase (decrease) in reserves	164	(3,550)	(1,652)	6,544
Increase (decrease) of investments				
<b>Total applications of capital funding (D)</b>	<b>1,611</b>	<b>(1,094)</b>	<b>1,972</b>	<b>7,661</b>
<b>Surplus (deficit) of capital funding (C - D)</b>	<b>(2,834)</b>	<b>(3,096)</b>	<b>(2,082)</b>	<b>(3,686)</b>
<b>Funding balance ((A - B) + (C - D))</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>INTERNAL LOANS</b>				
Opening Balance		2,131		3,895
Additions		2,000		0
Repayments		(236)		(2,236)
Closing Balance		3,895		1,659
Interest		95		73

### Financial Variations - Explanation

#### 2015/16 actual compared to budget (per LTP) & 2014/15 actual

Payments to staff and suppliers are less than budget due to delay in getting a consent variation for desludging treatment ponds at Pleasant Point. Finance costs are below budget due to reduced interest rates.

# Stormwater

## Description

Timaru District Council manages the operation of stormwater schemes for communities in Timaru, Temuka, Geraldine, Pleasant Point, Winchester, Cave and Milford-Ohapi. Approximately 83% of the total district resident population is serviced.

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

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

The activity looks after an asset base of around 144km of pipeline, 33km of open channel, 4 detention dams, 2 pump stations, over 2,000 manholes and over 3,000 sumps.

Stormwater schemes in residential areas are designed to cope with a 1 in 5-year return rainfall event (i.e. the event has a 20% chance of occurring in any one year). In industrial and commercial zones they are designed to cope with a 1 in 10 year return rainfall event (i.e. the event has a 10% chance of occurring in any one year). Rainfall events of this size may cause temporary ponding, while some surface flooding may result where events exceed this size.

For larger rainfall events, stormwater systems are designed to flow along escape routes or secondary flow paths such as roads and gullies to prevent damage to structures. These are generally designed for a 1 in 50 year return rainfall event (i.e. the event has a 2% chance of occurring in any one year).

## Key Achievements and Projects

During the year:

- Waimataitai Catchment, Garden Gully, Whales Creek and Otipua stormwater catchment manhole surveys have been completed. This will improve and update the information the Council uses for stormwater management.
- Swale construction and pipe renewal across Milford Clandeboye Road was completed.
- Rural Stormwater upgrading has continued including renewal of rural culverts, sump and soakpits.
- Work commenced on the Stormwater Reticulation Extension project that will enable further residential development in the urban zone. The analysis of Timaru rainfall has been completed, and the Washdyke Industrial Expansion Zone stormwater analysis is in progress.
- Progress is being made on the development of Stormwater Management plans (SMP). The Geraldine SMP is currently being externally reviewed to fill in any gaps that may be identified before progressing to the Assessment of Environmental Effects (AEE). Work is underway on scoping the terms of reference for the remaining three SMPs based on the Geraldine SMP Review.



Connolly Street Soakpits Renewal

## Contributions to Community Outcomes

Stormwater contributes to the following Community Outcomes as shown in the table below:

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

P – Primary contribution S – Secondary contribution

## Performance

Level of Service statement	Measure/Target	Result
Maintain excellent stormwater network services	<ul style="list-style-type: none"> <li>Zero flooding for events* up to a one in 50 year return period</li> <li>Zero habitable floors affected in events* up to one in 50 year return period per 1,000 connections</li> </ul>	<ul style="list-style-type: none"> <li>1 flooding event was recorded in the 12 month period 1 July 2015-30 June 2016.</li> <li>0.05 habitable floors per 1,000 connections were affected during the 12 month period (1 habitable floor affected, 21,965 stormwater rated properties).</li> </ul>
Deliver stormwater services according to required environmental standards	Compliance with Resource consent conditions for discharge from stormwater systems - no abatement notices, infringement notices, enforcement order or convictions	There were no abatement notices, infringement notices, enforcement orders or convictions issued.
Maintain excellent customer service	Median time to attend a flooding event* will be less than one hour	1 flooding event was recorded in the 12 month period 1 July 2015-30 June 2016. There was 1 complaint received, and the median response time was 26 minutes.
	≤ 10 total complaints per 1,000 connections received about performance of the stormwater system*	1.73 complaints per 1,000 connections were received (38 complaints in total, 21,965 connections). 17 of the complaints related to the 19 January 2016 rain event - a 1 in 7 years 24 hour return event.
	<ul style="list-style-type: none"> <li>≥80% users are satisfied with stormwater services where a service is provided</li> <li>≥75% of residents are satisfied with stormwater services</li> </ul>	<ul style="list-style-type: none"> <li>Community survey results for period July 2015 to June 2016 indicate 69% user satisfaction (2014/15: 93%)</li> <li>Community survey results for period July 2015 to June 2016 indicate 69% resident satisfaction (2014/15: 81%)</li> </ul>
Deliver affordable stormwater services	Operating costs of combined stormwater services are within budget	Achieved. Excluding corporate overhead, depreciation and loan expenses, the budgeted total operating expenditure for stormwater services was \$449,400 and the actual expenditure was \$351,900.

\*Flooding event means an event where stormwater enters a habitable floor.

## Major Variations - 2015/16 Work Programme

- **Geraldine Stormwater upgrades** - The Geraldine Dam Throttling project requires modelling of Serpentine Creek to be able to design the throttling mechanism for the dam. Completion is expected in 2016/17.
- **Timaru Number 1 Drain Upgrade**- This project has been deferred, awaiting decisions in conjunction with Environment Canterbury on potential stormwater improvements in the Washdyke industrial area.
- **Timaru Stormwater Reticulation Extensions** - The Washdyke Industrial Expansion Zone stormwater analysis portion of this project is underway with completion now expected in 2016/17.
- **Timaru Stormwater Capital Upgrades** - The Rhodes Street stormwater upgrade to improve stormwater conveyance in the reticulation has been delayed as there are alignment issues that need to be investigated and resolved. Completion is expected in 2016/17.

## Timaru District Council: Funding impact statement for 2015/16 Stormwater

	2014/15 Long-term plan (\$000)	2014/15 Actual (\$000)	2015/16 Long-term plan (\$000)	2015/16 Actual (\$000)
<b>Sources of Operating Funding</b>				
General Rates, Uniform Annual General Charge, rates penalties				
Targeted Rates (Other than a targeted rate for water supply)	1,375	1,266	1,491	1,495
Subsidies and grants for operating purposes				
Fees, charges and targeted rates for water supply	0	0	0	0
Internal charges and overheads recovered				
Local authorities fuel tax, fines, infringement fees, and other receipts				
<b>Total operating funding (A)</b>	1,375	1,266	1,491	1,495
<b>Applications of operating funding</b>				
Payments to staff and suppliers	373	201	430	329
Finance costs	53	26	29	20
Internal charges and overheads applied	133	173	180	184
Other operating funding applications				
<b>Total applications of operating funding (B)</b>	559	400	639	533
<b>Surplus (deficit) of operating funding (A - B)</b>	816	866	852	962
<b>Sources of capital funding</b>				
Subsidies and grants for capital expenditure	0	17	0	0
Development and financial contributions				
Increase/(decrease) in debt	(42)	(27)	71	21
Gross proceeds from the sale of assets				
Lump sum contributions	20	126		
Other dedicated capital funding			35	69
<b>Total sources of capital funding (C)</b>	(22)	116	106	90
<b>Application of capital funding</b>				
Capital expenditure				
- to meet additional demand	0	0	100	0
- to improve the level of service	0	0	350	0
- to replace existing assets	399	554	276	368
Increase (decrease) in reserves	395	428	232	684
Increase (decrease) of investments				
<b>Total applications of capital funding (D)</b>	794	982	958	1,052
<b>Surplus (deficit) of capital funding (C - D)</b>	(816)	(866)	(852)	(962)
<b>Funding balance ((A - B) + (C - D))</b>	0	0	0	0
<b>INTERNAL LOANS</b>				
Opening Balance		568		541
Additions		25		150
Repayments		(52)		(54)
Closing Balance		541		637
Interest		26		21

# Waste Minimisation

## Description

Waste Minimisation includes the following activities provided by Council:

- Compost, Recycling and Refuse

Waste Minimisation addresses the management of waste generated in the Timaru District. In 2006, the Council implemented the 3-2-1-ZERO waste minimisation system in the District. This highly successful scheme has meant that 82% of the district is provided with kerbside collection services for organic waste, recycling and rubbish. Bins are collected regularly with materials sorted and managed at the Redruth Resource Recovery Park. The vision is:

*"A sustainable community that is able to reuse, recycle and recover discarded resources and minimise residual waste to landfill, while ensuring protection of public health and the environment."*

Council manages the overall activity including services listed below and owns waste minimisation sites and facilities where activity occurs. Operational work is carried out by contractors. Waste Management New Zealand Ltd (WMNZ) is contracted until June 2021 to provide kerbside collection, transfer stations, landfill, composting and recycling operations. Council services provided are:

- kerbside collection service to urban and some rural residents for organic waste, recycling and rubbish
- transfer station facilities at Geraldine, Pleasant Point, Temuka and Timaru (Redruth) incorporating:
  - Recycling, composting and rubbish drop-off

- E-scrap drop-off facilities
- Household hazardous waste drop-off
- Reusable goods drop-off
- Waste Minimisation facilities at Redruth Resource Recovery Park including:
  - A landfill
  - Recycling and composting facilities
- A retail shop for reusable materials called "The Crow's Nest" at Redruth. This also offers a kerbside collection service for reusable goods.
- An off-site scrap metal recycling facility.
- Information and education resources for the public and businesses.
- A Waste Exchange listing service
- 3-2-1-ZERO waste minimisation support for public events
- Implementation of business and community waste minimisation programmes such as the modern cloth nappy programme

Under the Waste Minimisation Act 2008, Councils must complete a Waste Management and Minimisation Plan every six years that assesses the provision of existing services and provides options for the delivery of future services.

The next full review will occur with the next LTP 2018-28.



Geraldine Public Bins

## Contributions to Community Outcomes

Waste Minimisation contributes to the following Community Outcomes as shown in the table below:

	High quality infrastructure to meet community and business needs	Smart, diversified economic success and growth supported and enabled	Communities that are safe, vibrant and growing	People enjoying a high quality of life	A strong identity forged and promoted	A valued, healthy and accessible environment
Compost, Recycling and Refuse	P	S	S	P	S	P

P – Primary contribution S – Secondary contribution

# Waste Minimisation

## Key Achievements and Projects

During the year:

- Excellent Community satisfaction survey results recorded a very high level of satisfaction with the waste minimisation service.
- The Geraldine Public Place Recycling project initially saw the installation of three sets of bins on Cox Street. Demand and usage was so great that a fourth set was installed at the corner of Talbot and Cox Streets.
- Construction of a new landfill cell 3.4 at the Redruth site was completed.
- Swale planting has been established at Redruth site.
- Ongoing replacement of wheelie bins as they come to the end of their servicable life.



Swale Planting



Redruth Landfill Cell 3.4 Construction - Leachate System



# Waste Minimisation

## Performance

Level of Service statement	Measure/Target	Result
Waste Minimisation facilities are adequate and available to the community, including provision of regular kerbside collection services to enable separation of waste for recycling and compost	<ul style="list-style-type: none"> <li>■ ≥90% resident satisfaction with waste minimisation services</li> <li>■ ≥90% user satisfaction with waste minimisation services</li> </ul>	<p>Community survey results for period July 2015 to June 2016 indicate high levels of resident and user satisfaction that collectively exceed targets. A new survey format shows:</p> <ul style="list-style-type: none"> <li>■ Kerbside service:               <ul style="list-style-type: none"> <li>● Resident and user satisfaction - recycling 95%, managing green waste 92%, managing general waste 88%</li> </ul> </li> <li>■ Transfer station:               <ul style="list-style-type: none"> <li>● Resident satisfaction - recycling 95%, managing green waste 92%, managing general waste 88%</li> <li>● User satisfaction - recycling 100%, managing green waste 90%, managing general waste 86%</li> </ul> </li> </ul> <p>(previous survey 2013/14: user satisfaction kerbside service 90%, transfer station 88%)</p>
No adverse effects on the environment or human health from the operation of waste minimisation services	Compliance with resource consent conditions*	Full compliance was achieved. Liaison between Council, Waste Management New Zealand and Environment Canterbury resolved 1 large scale litter event. No minor non compliance notice was issued.
Waste is diverted from the landfill via the Materials Recovery Facility (MRF)	3,750 recycling nett tonnes processed at the MRF	3,230 tonnes processed. This measure is under target because of the volume of non recyclable materials being received at the Materials Recovery Facility.
Waste is diverted from the landfill via the Compost Facility	14,500 nett tonnes processed at the Composting Facility	13,995 tonnes processed. This is 96.5% of the target.
Waste is diverted from the landfill via resource recovery	200 nett tonnes diverted via recycling other than MRF recyclables format	328 tonnes diverted via recycling
Waste is diverted from the landfill via re-use	17,500 transactions at the Crow's Nest reuse shop	17,399 transactions (new measure for 2015/16 and is based on estimated data)
Waste is diverted from the landfill via Pyrolysis Facility	800 nett tonnes diverted at the Pyrolysis Facility	189 tonnes diverted. Note the plant is still in its commissioning phase.



Waste Sort Trial at Redruth Transfer Station November 2015

# Waste Minimisation

Level of Service statement	Measure/Target	Result
Public information and programmes promote waste minimisation and appropriate sorting of waste	Kerbside collection and waste minimisation: <ul style="list-style-type: none"> <li>■ Distribution of 2,000 items of Kerbside Collection information per year</li> <li>■ Distribution of 1,000 items of general Waste Minimisation information per year</li> <li>■ Zero Waste event and business support, talks and tours:               <ul style="list-style-type: none"> <li>● 52 or greater businesses supported</li> <li>● 25 or greater events supported</li> <li>● 52 talks and/or tours</li> <li>● 40 participants in modern cloth nappy programme per year</li> </ul> </li> </ul>	<ul style="list-style-type: none"> <li>■ 2,100 items of kerbside collection information were distributed over the 12 month period.</li> <li>■ 1,950 items of general waste minimisation information were distributed over the 12 month period.</li> <li>■ 45 businesses supported (2014/15: 26).</li> <li>■ 27 events supported (2014/15: 23) during the year.</li> <li>■ 71 talks and tours were provided during the year.</li> <li>■ 56 participants over the 12 month period 1 July 2015 - 30 June 2016.</li> </ul>

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

## Major Variations - 2015/16 Work Programme

- **Redruth Landfill Stage 3 Development** – 2015/16 funding was to purchase capping material. However, no suitable materials are available as yet so project deferred to 2017/18.
- **Redruth Site Drainage** - Stage 1 of the leachate recirculation project was completed with the Stage 2 swale wetland established. The Stage 2 stormwater improvement investigations have shown it is prudent for other work to progress before this project, which has now been deferred to 2017.
- **Compost Site** - The Maturation pads quote has been received. However, progress is subject to the Stage 1 strategy. Stage 1 strategy recommends other work progress before this project. The project has therefore been deferred to 2017.
- **Landfill Gas System** – Wells are installed, but analysis of monitoring and legislative requirements recommend the installation of a passive flare system does not progress due to the small volume of gas within the landfill cell. A Landfill Gas management review will be undertaken in 2017.

# Waste Minimisation

## Timaru District Council: Funding impact statement for 2015/16 Waste Minimisation

	2014/15 Long-term plan (\$000)	2014/15 Actual (\$000)	2015/16 Long-term plan (\$000)	2015/16 Actual (\$000)
<b>Sources of Operating Funding</b>				
General Rates, Uniform Annual General Charge, rates penalties				
Targeted Rates (Other than a targeted rate for water supply)	5,748	6,922	5,778	3,468
Subsidies and grants for operating purposes	130	157	135	173
Fees, charges and targeted rates for water supply	2,040	2,539	2,345	2,897
Internal charges and overheads recovered				
Local authorities fuel tax, fines, infringement fees, and other receipts				
<b>Total operating funding (A)</b>	<b>7,918</b>	<b>9,618</b>	<b>8,258</b>	<b>6,538</b>
<b>Applications of operating funding</b>				
Payments to staff and suppliers	6,224	6,044	6,548	6,189
Finance costs	408	306	459	243
Internal charges and overheads applied	360	371	396	391
Other operating funding applications				
<b>Total applications of operating funding (B)</b>	<b>6,992</b>	<b>6,721</b>	<b>7,403</b>	<b>6,823</b>
<b>Surplus (deficit) of operating funding (A - B)</b>	<b>926</b>	<b>2,897</b>	<b>855</b>	<b>(285)</b>
<b>Sources of capital funding</b>				
Subsidies and grants for capital expenditure				
Development and financial contributions				
Increase (decrease) in debt	955	(971)	(686)	1,318
Gross proceeds from sale of assets				
Lump sum contributions				
<b>Total sources of capital funding (C)</b>	<b>955</b>	<b>(971)</b>	<b>(686)</b>	<b>1,318</b>
<b>Application of capital funding</b>				
Capital expenditure				
- to meet additional demand	1,464	1,461	41	852
- to improve the level of service	332	97	121	136
- to replace existing assets	53	119	192	235
Increase (decrease) in reserves	32	249	(185)	(190)
Increase (decrease) of investments				
<b>Total applications of capital funding (D)</b>	<b>1,881</b>	<b>1,926</b>	<b>169</b>	<b>1,033</b>
<b>Surplus (deficit) of capital funding (C - D)</b>	<b>(926)</b>	<b>(2,897)</b>	<b>(855)</b>	<b>285</b>
<b>Funding balance ((A - B) + (C - D))</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>

## Financial Variations - Explanation

### 2015/16 actual compared to budget (per LTP) & 2014/15 actual

Fees and charges have increased in both years due to improved economic conditions in the Timaru District, as well as a contractor reverting to using the Redruth facility after several years of taking waste out of the district. Capital expenditure to meet additional demand has increased due to the construction of Cell 3.4 at Redruth, as budgeted.

# Water Supply

## Description

Water Supply provides for the safe and effective treatment, storage and distribution of water to urban and rural parts of the district. This includes the permitted taking of water from various sources (e.g. rivers, bores) through allocations granted by Environment Canterbury (ECan). Quality water is delivered for residential, commercial, industrial and stockwater purposes. Water is not supplied for irrigation or horticultural purposes.

Over 16,000 properties are served through 12 individual water supplies operated on behalf of the residents of the Timaru District. Schemes are provided (in order of largest to smallest population served) to:

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

Urban water schemes operate as individual water supplies but are funded as a single scheme. The Downlands scheme covers and is operated by Timaru District Council on behalf of residents of the Timaru, Mackenzie and Waimate Districts. Policy for this scheme is determined by a Joint Standing Committee of the three Councils.

Water sources for the schemes include rivers, bores and surface springs. ECan allocates water to the Council via resource consents, which set upper limits on the amount of water that can be taken from water sources. Water supply assets managed include 19 water intakes, 11 treatment plants, 27 reservoirs, 18 storage tanks and 21 pump stations. Total length of the pipe networks is about 1,820 kilometres.

The urban schemes are generally on-demand at the tap.

The rural drinking water and stockwater schemes are flow control supplies (using restrictors) to private storage tanks, except the Seadown scheme which supplies directly to stockwater troughs.

The Rangitata-Orari water race scheme supplies stockwater to water races on or adjacent to scheme properties.

## Key Achievements and Projects

During the year:

- Renewal of part of the Temuka trunk main that conveys water to the reticulation network in the Temuka township from the Orari Treatment Plant was commissioned. This has resulted in a significant reduction in water leakage.
- Watermain renewals have been completed at Mountainview Road, Waimataitai St, Spring Rd, Woodlands Road, Oxford Street Richard Pearse Drive and Te Moana Water Supply. A watermain extension was completed at McKenzie Street as part of ongoing upgrading of infrastructure.
- Pipe condition sampling of urban watermains has been completed. This provides information to assist with planning for ongoing maintenance and renewal of the network.
- A failing pipe bridge across Little Pareora River was replaced.
- Additional storage has been provided on the Winchester Water Supply Scheme, and the connection to the Temuka main trunk has been completed.
- Work to increase the network capacity and improve the water of the Te Moana Downs supply is underway.
- Due to another season of drought conditions during the year restrictions were required on all water schemes although these were able to be lifted earlier this year compared to 2014/15.
- Re-covering, lining and pipework renewals at Downlands Scheme reservoirs is underway.



**Winchester Water Storage**

## Contributions to Community Outcomes

Water Supply contributes to the following Community Outcomes as shown in the table below:

	High quality infrastructure to meet community and business needs	Smart, diversified economic success and growth supported and enabled	Communities that are safe, vibrant and growing	People enjoying a high quality of life	A strong identity forged and promoted	A valued, healthy and accessible environment
Water Supply	P	P	P	P	S	P

P – Primary contribution S – Secondary contribution

# Water Supply

## Performance

Level of Service statement	Measure/Target	Result
Provide Safe Drinking Water	All schemes comply with Drinking Water Standards Part 4) – Bacterial Compliance	<ul style="list-style-type: none"> <li>■ 13 water treatment plants were compliant with the bacterial requirements of the Drinking Water Standards New Zealand (DWSNZ).</li> <li>■ 2 Treatment plants were non-compliant with the bacterial requirements of the DWSNZ:               <ul style="list-style-type: none"> <li>● The Temuka Treatment plant was non-compliant as water went turbid because of ground disturbance during installation of a new bore during January 2016.</li> <li>● The Pareora pipeline does not have a treatment process and therefore is non-compliant.</li> </ul> </li> <li>■ 19 reticulation zones were compliant with the DWSNZ.</li> <li>■ 1 reticulation zone was non-compliant with the DWSNZ               <ul style="list-style-type: none"> <li>● Pareora Pipeline - It is known that e-coli is present. A very small number of consumers are supplied from the Pareora pipeline before the water enters Claremont Water Treatment Plant. Those consumers are advised to treat their own water</li> </ul> </li> </ul>
	Compliance with Drinking Water Standards (Part 5) – Protozoal Compliance 1. Downlands – Pareora – Hadlow 2. Orari 3. Pleasant Point 4. Seadown 5. Temuka 6. Geraldine 7. Timaru	<ul style="list-style-type: none"> <li>■ Protozoal compliance was achieved in Pleasant Point, Seadown and Geraldine.</li> <li>■ Protozoal compliance was not achieved in 3 treatment plants which have a process than can disinfect protozoa:               <ul style="list-style-type: none"> <li>● The Temuka Treatment plant which feeds Temuka and Orari was non-compliant as water went turbid during installation of a new bore and during January.</li> <li>● The Claremont Treatment Plant which feeds Timaru and Hadlow was non-compliant. There were a number of short term non-compliance periods following start up and for longer periods when the water was very cold. The water requires a higher contact time (Ct) when cold, however the Ct does not account for the ozone in the water after it leaves the treatment plant, which is more significant in cold water.</li> <li>● Pareora township – The turbidity exceeded 2 NTU for 2 hours while the Treatment Plant was running on the 19 January 2016.</li> </ul> </li> </ul>
Maintain excellent water supply network services	Percentage of real water loss from TDC's networked reticulation systems - target to be determined	A 23% real water loss across all schemes was recorded for the 12 month period. (Real System Losses: 2,623,172 cubic metres, Total System Input: 11,457,067 cubic metres)
	All outages to urban and rural scheme properties >8 hours reported to Ministry of Health	Any outages were reported to the Ministry of Health within the required 8 hours.



Peel Forest Water Storage

# Water Supply

Level of Service statement	Measure/Target	Result
Maintain excellent customer service	The median time to attend* urgent callouts**:	Urgent urban callout and resolution times, and rural callout time targets were achieved. Rural resolution target was not achieved. <ul style="list-style-type: none"> <li>Urgent callouts median attendance time: <ul style="list-style-type: none"> <li>Urban callouts: 0.6 hours</li> <li>Rural callouts: 1.3 hours</li> </ul> </li> </ul>
	The median time to resolve***urgent	<ul style="list-style-type: none"> <li>Urgent call out median resolution time: <ul style="list-style-type: none"> <li>Urban resolution time: 3.3 hours</li> <li>Rural resolution time: 10 hours</li> </ul> </li> </ul>
	The median time to attend and resolve all non-urgent callouts will be reported.	The median time to attend and resolve non-urgent call outs was 69 hours. <p>*Attendance - response time applies from the time the local authority receives notification, to the time service personnel reach the site</p> <p>**An urgent callout is one that has a P1 priority rating and leads to a complete loss of supply of drinking water</p> <p>***Resolution - response time applies from the time the local authority receives notification, to the time service personnel confirm resolution of the fault or interruption.</p>
	10 or fewer complaints received per 1000 connections about:	20 complaints were received per 1000 connections. (416 complaints, 20,822 connections) <ul style="list-style-type: none"> <li>34 complaints regarding clarity</li> <li>7 complaints regarding taste</li> <li>6 complaints regarding odour</li> <li>82 complaints relating to drinking water pressure or flow</li> <li>285 complaints relating to continuity of supply</li> <li>2 complaints regarding the TDC response to these issues</li> </ul>
	<ul style="list-style-type: none"> <li>≥ 85% user satisfaction with water supply services where a service is provided</li> <li>≥ 85% resident satisfaction with water supply services where a service is provided</li> </ul>	<ul style="list-style-type: none"> <li>90% user satisfaction was reported in the 2016 Community survey (2013/14 91%)</li> <li>As 98% of those who completed the 2016 survey indicated they were on a water supply scheme, it is reasonable to conclude that this 90% satisfaction also applies for the resident result.</li> </ul>
Provide demand management of water supply services	Average consumption of drinking water per day per resident within the Timaru district - target to be determined	318.76 litres per person per day (determined by Water Balance calculations)
Deliver water services according to required environmental standards	Compliance with all consent conditions* *excluding minor non-compliances as reported by Environment Canterbury	Target achieved for all 16 consents to take water and 13 consents to discharge water, and 12 consents to allow works in rivers.
Deliver affordable water supply services	≥ 85% of users think the services are good value for money	From the 2016 Community survey 86% of users report that water services are good value for money (2013/14 86%)
	Operating costs are within budget	Achieved. Excluding corporate overhead, depreciation and loan expenses, the budgeted total operating expenditure for water supplies (including all (100%) of Downlands and the Rangitata Orari water race scheme) was \$3,998,600 and the actual expenditure was \$3,414,300.

# Water Supply

## Major Variations - 2015/16 Work Programme

- **Urban Water Supplies Fixed Plant and Equipment** – Winchester water - additional storage and connection to the Temuka trunk main has been completed. However, the electrical renewals will not be completed until 2016/17.
- **Urban Water Supplies Temuka Source Upgrade** – A new bore was installed in December 2015. Test pumping indicated a flow of 17l/s would be available and a variation to the consent has been approved by Environment Canterbury. This will allow pump installation in early 2016/17.
- **Urban Water Supplies – Upgrade to supply Te Moana from Geraldine** – New Reservoir locations need to be determined prior to commencing the upgrade of Geraldine network.
- **Te Moana Water Supply Network Capacity Upgrade** – The Geraldine Area Wide Water Supply options are to be reassessed due to estimates for the construction cost exceeding the approved budget.
- **Downlands Water Supply – Renewals and Te Ngawai Trunk Main Upgrade** – Requires further design consideration - investigation of the possibility of new intake location along the river is in progress to determine the location of the new water treatment site.
- **Downlands Water Supply – Reservoir Cover and Pipe Work** – Deferred until 2016/17 in order to carry out a Downlands water supply and reticulation optimization assessment to check the need for modification or abandoning current reservoirs after the Tengawai trunkmain and treatment upgrade project that is going to be implemented.



Replacement of 3.8km of trunk water main December 2015

# Water Supply

## Timaru District Council: Funding impact statement for 2015/16 - Water Supply

	2014/15 Long-term plan (\$000)	2014/15 Actual (\$000)	2015/16 Long-term plan (\$000)	2015/16 Actual (\$000)
<b>Sources of Operating Funding</b>				
General Rates, Uniform Annual General Charge, rates penalties				
Targeted Rates (Other than a targeted rate for water supply)	4,545	4,751	5,262	5,277
Subsidies and grants for operating purposes				
Fees, charges and targeted rates for water supply	1,520	1,567	1,563	1,585
Internal charges and overheads recovered	54	48	71	62
Local authorities fuel tax, fines, infringement fees, and other receipts	0	2	0	8
<b>Total operating funding (A)</b>	<b>6,119</b>	<b>6,368</b>	<b>6,896</b>	<b>6,932</b>
<b>Applications of operating funding</b>				
Payments to staff and suppliers	2,761	2,943	3,326	2,754
Finance costs	428	250	295	216
Internal charges and overheads applied	864	951	1,025	1,013
Other operating funding applications				
<b>Total applications of operating funding (B)</b>	<b>4,053</b>	<b>4,144</b>	<b>4,646</b>	<b>3,983</b>
<b>Surplus (deficit) of operating funding (A - B)</b>	<b>2,066</b>	<b>2,224</b>	<b>2,250</b>	<b>2,949</b>
<b>Sources of capital funding</b>				
Subsidies and grants for capital expenditure				
Development and financial contributions				
Increase/(decrease) in debt	(168)	(142)	537	(86)
Gross proceeds from the sale of assets				
Lump sum contributions	9	77		
Other dedicated capital funding			74	43
<b>Total sources of capital funding (C)</b>	<b>(159)</b>	<b>(65)</b>	<b>611</b>	<b>(43)</b>
<b>Application of capital funding</b>				
Capital expenditure				
- to meet additional demand	0	0	0	0
- to improve the level of service	400	0	1,103	106
- to replace existing assets	2,239	801	3,846	3,118
Increase (decrease) in reserves	(732)	1,358	(2,088)	(318)
Increase (decrease) of investments				
<b>Total applications of capital funding (D)</b>	<b>1,907</b>	<b>2,159</b>	<b>2,861</b>	<b>2,906</b>
<b>Surplus (deficit) of capital funding (C - D)</b>	<b>(2,066)</b>	<b>(2,224)</b>	<b>(2,250)</b>	<b>(2,949)</b>
<b>Funding balance ((A - B) + (C - D))</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>INTERNAL LOANS</b>				
Opening Balance		2,309		2,167
Additions		15		15
Repayments		(157)		(158)
Closing Balance		2,167		2,024
Interest		105		83

### Financial Variations - Explanation

#### 2015/16 actual compared to budget (per LTP) & 2014/15 actual

Delays in the timing of capital projects have caused reduction in the level of expenditure for replacement of current assets and consequently the increase in debt has also been delayed. The drought situation in the district in 2014/15 has caused these delays.



# Water Supply

## Timaru District Council: Funding impact statement for 2015/16 - Downlands Water Supply

	2014/15 Long-term plan (\$000)	2014/15 Actual (\$000)	2015/16 Long-term plan (\$000)	2015/16 Actual (\$000)
<b>Sources of Operating Funding</b>				
General Rates, Uniform Annual General Charge, rates penalties				
Targeted Rates (Other than a targeted rate for water supply)	1,107	1,081	1,189	1,189
Subsidies and grants for operating purposes				
Fees, charges and targeted rates for water supply	0	0	0	0
Internal charges and overheads recovered				
Local authorities fuel tax, fines, infringement fees, and other receipts	40	117	97	117
<b>Total operating funding (A)</b>	<b>1,147</b>	<b>1,198</b>	<b>1,286</b>	<b>1,306</b>
<b>Applications of operating funding</b>				
Payments to staff and suppliers	404	295	416	415
Finance costs	172	0	70	0
Internal charges and overheads applied	117	112	117	112
Other operating funding applications				
<b>Total applications of operating funding (B)</b>	<b>693</b>	<b>407</b>	<b>604</b>	<b>527</b>
<b>Surplus (deficit) of operating funding (A - B)</b>	<b>454</b>	<b>791</b>	<b>682</b>	<b>779</b>
<b>Sources of capital funding</b>				
Subsidies and grants for capital expenditure				
Development and financial contributions				
Increase/(decrease) in debt	1,640	0	2,153	0
Gross proceeds from the sale of assets				
Lump sum contributions	418	11		
Other dedicated capital funding			0	14
<b>Total sources of capital funding (C)</b>	<b>2,058</b>	<b>11</b>	<b>2,153</b>	<b>14</b>
<b>Application of capital funding</b>				
Capital expenditure				
- to meet additional demand	0	0	0	0
- to improve the level of service	0	0	0	0
- to replace existing assets	3,094	181	4,260	338
Increase (decrease) in reserves	(582)	621	(1,425)	455
Increase (decrease) of investments				
<b>Total applications of capital funding (D)</b>	<b>2,512</b>	<b>802</b>	<b>2,835</b>	<b>793</b>
<b>Surplus (deficit) of capital funding (C - D)</b>	<b>(454)</b>	<b>(791)</b>	<b>(682)</b>	<b>(779)</b>
<b>Funding balance ((A - B) + (C - D))</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>

### Financial Variations - Explanation

#### 2015/16 actual compared to budget (per LTP)

Ongoing delays in the timing of major capital projects have caused variance on capital expenditure and consequently the increase in debt has also been delayed.





**Financial  
Performance and Council  
Controlled Organisations**

# Section Overview

This section outlines the financial results of Council activities for 2015/16. It includes:

- *Statement of Comprehensive Revenue and Expense* - This can also be referred to as the Profit and Loss Statement, the Income Statement, or the Operating Statement. It shows the financial results of various Timaru District Council activities at the end of each period as either a surplus or deficit. It does not include asset purchases or disposals.
- *Statement of Changes in Equity* - Equity is the residual interest in the assets of Timaru District Council after the deduction of its liabilities. This statement shows movement in that interest.
- *Statement of Financial Position* - This shows the financial state of affairs at a particular time. It can also be referred to as the Balance Sheet.
- *Statement of Cashflows* - This describes the cash effect of transactions and is broken down into three components: operating, investing and financing activities.
- *Funding Impact Statement* - The Funding Impact Statement sets out the sources of operating and capital funding Council will use to fund its activities.
- *Council Controlled Organisations* - reports against the Council's CCO's policies, objectives, activities and performance targets.
- *Notes to the Financial Statements* - The notes contain additional information to facilitate greater understanding of the main financial statements, outlined above.
- *Disclosure Statement* - The purpose of this statement is to disclose the council's financial performance in relation to various benchmarks to enable the assessment of whether the council is prudently managing its revenues, expenses, assets, liabilities, and general financial dealings. The council is required to include this statement in its annual report in accordance with the Local Government (Financial Reporting and Prudence) Regulations 2014 (the regulations). Refer to the regulations for more information, including definitions of some of the terms used in this statement.
- *Policy Reports* – reports against Council policies.

# Statement of Comprehensive Revenue and Expense

for the year ended 30 June 2016

	Note	Council			Group	
		Actual 2016 \$000	Budget 2016 \$000	Actual 2015 \$000	Actual 2016 \$000	Actual 2015 \$000
<b>REVENUE</b>						
Rates, excluding targeted water supply rates	3	45,406	44,882	43,247	45,183	43,018
Fees, charges and targeted rates for water supply	4	16,831	16,399	16,207	16,851	16,289
Development and financial contributions		44	20	59	44	32
Subsidies and grants	5	8,500	8,287	9,041	8,500	9,041
Finance Revenue	6	2,510	2,612	3,183	1,780	2,294
Other Revenue	7	6,967	3,912	4,577	11,947	9,433
Other gains/(losses)	8	(1,493)	-	(526)	(2,737)	113
<b>TOTAL REVENUE</b>	2	<b>78,765</b>	<b>76,112</b>	<b>75,788</b>	<b>81,568</b>	<b>80,220</b>
<b>EXPENDITURE</b>						
Personnel costs	9	15,917	16,040	14,863	16,633	15,728
Operating costs	10	31,874	33,402	32,375	32,522	31,795
Finance costs	6	4,609	6,443	5,290	5,476	6,263
Depreciation and amortisation	17, 17a, 18	14,731	15,561	14,481	14,908	14,959
<b>TOTAL OPERATING EXPENDITURE</b>	2	<b>67,131</b>	<b>71,446</b>	<b>67,009</b>	<b>69,539</b>	<b>68,745</b>
<b>OPERATING SURPLUS / (DEFICIT) BEFORE TAX</b>		<b>11,634</b>	<b>4,666</b>	<b>8,779</b>	<b>12,029</b>	<b>11,475</b>
Share of associate surplus/(deficit)	21	-	-	-	4,988	5,203
Library collection debit Revaluation Reserve balance (expensed)/written back	27	(121)	-	(106)	(121)	(106)
<b>SURPLUS / (DEFICIT) BEFORE TAX</b>		<b>11,513</b>	<b>4,666</b>	<b>8,673</b>	<b>16,896</b>	<b>16,572</b>
Income Tax expense	11	-	-	-	(111)	(105)
<b>SURPLUS / (DEFICIT) AFTER TAX</b>		<b>11,513</b>	<b>4,666</b>	<b>8,673</b>	<b>16,785</b>	<b>16,467</b>
<i>Surplus/(deficit) attributable to:</i>						
Timaru District Council		11,513	4,666	8,673	16,785	16,467
Non-controlling interest		-	-	-	-	-
<b>OTHER COMPREHENSIVE REVENUE</b>						
Operating land revaluations		-	-	-	-	-
Financial instrument hedging		-	-	-	-	-
Income tax relating to financial instrument hedging		-	-	-	-	-
<b>TOTAL OTHER COMPREHENSIVE REVENUE</b>		<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>TOTAL COMPREHENSIVE REVENUE</b>		<b>11,513</b>	<b>4,666</b>	<b>8,673</b>	<b>16,785</b>	<b>16,467</b>
<i>Total comprehensive revenue attributable to:</i>						
Timaru District Council		11,513	4,666	8,673	16,785	16,467
Non-controlling interest		-	-	-	-	-

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

# Statement of Changes in Equity

for the year ended 30 June 2016

	Group 2016			Group 2015		
	Group 2016 \$000	Minority Interests \$000	Total \$000	Group 2015 \$000	Minority Interests \$000	Total \$000
Total comprehensive revenue	16,785	-	16,785	16,467	-	16,467
Prior year adjustment	29	-	29	-	-	-
Total revenue and expense	16,814	-	16,814	16,467	-	16,467
Recognition/(derecognition) of subsidiary	-	-	-	1,894	-	1,894
<b>Equity at the beginning of year</b>	814,763	-	814,763	796,402	-	796,402
<b>Equity at end of year</b>	831,577	-	831,577	814,763	-	814,763
				<b>Council</b>	<b>Council</b>	<b>Council</b>
				<b>Actual 2016 \$000</b>	<b>Budget 2016 \$000</b>	<b>Actual 2015 \$000</b>
Total comprehensive revenue				11,513	4,666	8,673
Total recognised revenue/(expense) for the year to 30 June				11,513	4,666	8,673
<b>Equity at the beginning of year</b>				739,957	738,207	731,284
<b>Equity at end of year</b>				751,470	742,873	739,957

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

# Statement of Financial Position

for the year ended 30 June 2016

	Note	Council			Group	
		Actual 2016 \$000	Budget 2016 \$000	Actual 2015 \$000	Actual 2016 \$000	Actual 2015 \$000
<b>ASSETS</b>						
<b>Current assets</b>						
Cash and cash equivalents	12	18,599	16,591	27,706	19,002	30,388
Trade and other receivables	13	6,218	7,261	8,403	7,106	9,000
Inventories	14	72	79	87	72	97
Other financial assets	15	30,817	19,058	13,928	35,095	16,378
<b>Total current assets</b>		<b>55,706</b>	<b>42,989</b>	<b>50,124</b>	<b>61,275</b>	<b>55,863</b>
<b>Non-current assets</b>						
Property, Plant and equipment	17	776,745	786,406	767,625	778,038	769,095
Intangible assets	18	1,557	1,497	1,497	1,557	1,497
Forestry	19	876	671	671	876	671
Investment Property	20	1,762	1,713	1,713	23,936	25,797
Investments in associates	21	-	-	-	87,824	82,836
Investment in CCOs and other similar entities	15	23,658	23,398	23,658	218	218
Other financial assets	15	5,773	1,957	4,445	5,914	4,586
Deferred tax	11	-	-	-	75	160
<b>Total non-current assets</b>		<b>810,371</b>	<b>815,642</b>	<b>799,609</b>	<b>898,438</b>	<b>884,860</b>
<b>Total Assets</b>		<b>866,077</b>	<b>858,631</b>	<b>849,733</b>	<b>959,713</b>	<b>940,723</b>
<b>LIABILITIES</b>						
<b>Current liabilities</b>						
Trade and other payables	23	7,593	8,732	10,629	7,091	9,982
Employee benefit liabilities	24	1,970	1,779	1,779	1,970	1,779
Borrowings	26	27,700	19,292	5,000	27,700	5,000
Derivative financial instruments	16	881	585	585	1,156	728
<b>Total current liabilities</b>		<b>38,144</b>	<b>30,388</b>	<b>17,993</b>	<b>37,917</b>	<b>17,489</b>
<b>Non-current liabilities</b>						
Provisions	25	6,939	3,669	5,701	6,939	5,701
Employee benefit liabilities	24	266	382	382	266	382
Borrowings	26	66,029	79,664	84,045	78,929	100,145
Derivative financial instruments	16	3,229	1,655	1,655	4,089	2,243
<b>Total non-current liabilities</b>		<b>76,463</b>	<b>85,370</b>	<b>91,783</b>	<b>90,219</b>	<b>108,471</b>
<b>Total liabilities</b>		<b>114,607</b>	<b>115,758</b>	<b>109,776</b>	<b>128,136</b>	<b>125,960</b>
<b>Net assets</b>		<b>751,470</b>	<b>742,873</b>	<b>739,957</b>	<b>831,577</b>	<b>814,763</b>
<b>EQUITY</b>						
Retained earnings	27	715,181	715,226	707,548	795,079	782,194
Other reserves	27	36,289	27,647	32,409	36,498	32,569
<b>Total Equity</b>		<b>751,470</b>	<b>742,873</b>	<b>739,957</b>	<b>831,577</b>	<b>814,763</b>

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

# Statement of Cashflows

for the year ended 30 June 2016

		Council			Group	
		Actual 2016 \$000	Budget 2016 \$000	Actual 2015 \$000	Actual 2016 \$000	Actual 2015 \$000
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>						
Cash was provided from	Note					
Rates		45,573	44,882	43,426	45,350	43,197
Other Revenue		27,608	26,283	27,366	30,993	31,187
Interest		2,694	2,612	3,005	1,956	2,084
Dividends		2,365	2,295	2,241	4,622	4,059
		78,240	76,072	76,038	82,921	80,527
Cash was disbursed to						
Suppliers & Employees		(48,511)	(49,378)	(44,530)	(49,359)	(45,979)
Interest Paid		(4,671)	(6,443)	(5,402)	(5,731)	(6,177)
Redeemable Preference Share dividends		-	-	-	-	-
Income Tax Expense		-	-	-	-	(4)
Net GST Movement		167	-	(5)	91	(43)
		(53,015)	(55,821)	(49,937)	(54,999)	(52,203)
<b>NET CASH INFLOW/ (OUTFLOW) FROM OPERATING ACTIVITIES</b>	28	25,225	20,251	26,101	27,922	28,324
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>						
Cash was provided from						
Sale of Fixed Assets and intangibles		132	45	69	219	69
Mortgage/Loan Repayments		86	220	77	86	72
Sale of Investments		18,533	24,373	22,458	18,538	22,458
		18,751	24,638	22,604	18,843	22,599
Cash was disbursed to						
Purchase of Fixed Assets and intangibles		(21,057)	(31,397)	(20,113)	(21,097)	(20,457)
Mortgage/Loan Advances		(135)	(215)	(200)	(135)	(200)
Purchase of Investments		(36,575)	(36,346)	(12,405)	(38,403)	(13,503)
		(57,767)	(67,958)	(32,718)	(59,635)	(34,160)
<b>NET CASH INFLOW/(OUTFLOW) FROM INVESTING ACTIVITIES</b>		(39,016)	(43,320)	(10,114)	(40,792)	(11,561)
<b>CASHFLOWS FROM FINANCING ACTIVITIES</b>						
Cash was provided from						
Debt Issues		5,000	24,613	5,000	5,000	5,000
Redeemable Preference Shares Issued		-	-	-	-	-
Shares Issued		-	-	-	-	-
		5,000	24,613	5,000	5,000	5,000
Cash was disbursed to						
Debt Repayment		(316)	(23,111)	(10,017)	(3,516)	(10,917)
Redeemable Preference Shares Repaid		-	-	-	-	-
Share buy back		-	-	-	-	-
Dividend Paid		-	-	-	-	-
		(316)	(23,111)	(10,017)	(3,516)	(10,917)
<b>NET CASH INFLOW/(OUTFLOW) FROM FINANCING ACTIVITIES</b>		4,684	1,502	(5,017)	1,484	(5,917)



# Statement of Cashflows

for the year ended 30 June 2016

		Council			Group	
		Actual 2016 \$000	Budget 2016 \$000	Actual 2015 \$000	Actual 2016 \$000	Actual 2015 \$000
<b>NET INCREASE/(DECREASE) IN CASH HELD</b>		(9,107)	(21,567)	10,970	(11,386)	10,846
Opening Cash Balance 1 July		27,706	38,158	16,736	30,388	19,542
Less cash removed on partial sale of subsidiary		-	-	-	-	-
		18,599	16,591	27,706	19,002	30,388
<b>REPRESENTED BY</b>						
Cash & cash equivalents	12	18,599	16,591	27,706	19,002	30,388
		18,599	16,591	27,706	19,002	30,388

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

# Funding Impact Statement

for the year ended 30 June 2016

	2014/15 Annual Plan (\$000)	2014/15 Actual (\$000)	2015/16 Annual Plan (\$000)	2015/16 Actual (\$000)
<b>Sources Of Operating Funding</b>				
General Rates, Uniform annual general charges, rates penalties	12,824	11,963	14,203	13,898
Targeted Rates (other than a targeted rate for water supply)	30,773	32,082	32,253	28,892
Subsidies and grants for operating purposes	3,199	3,579	3,263	2,974
Fees charges and targeted rates for water supply	16,270	16,599	16,662	17,298
Local authorities fuel tax, fines, infringement fees and other receipts	5,601	6,529	5,762	5,901
	68,666	70,752	72,143	68,963
<b>Total Operating Funding (A)</b>				
<b>Applications Of Operating Funding</b>				
Payments to staff and suppliers	46,889	45,726	49,285	46,886
Finance costs	6,682	5,772	6,837	4,820
Other operating funding applications	-	-	-	-
<b>Total Applications Of Operating Funding (B)</b>	53,571	51,498	56,122	51,706
<b>Surplus/(Deficit) Of Operating Funding (A - B)</b>	15,095	19,254	16,021	17,257
<b>Sources Of Capital Funding</b>				
Subsidies and grants for capital expenditure	6,769	6,404	5,455	6,002
Development and financial contributions	53	59	20	45
Increase/(decrease) in debt	8,699	(5,463)	1,507	4,475
Gross proceeds from the sale of assets	45	50	45	126
Lump sum contributions	-	-	-	-
Other dedicated capital funding	-	419	329	233
<b>Total Sources Of Capital Funding (C)</b>	15,566	1,469	7,356	10,881
<b>Applications Of Capital Funding</b>				
Capital expenditure				
- to meet additional demand	4,969	1,642	3,642	2,804
- to improve the level of service	8,179	7,720	6,058	3,554
- to replace existing assets	21,609	10,781	21,697	14,748
Increase/(decrease) in reserves	(4,096)	1	(8,020)	7,032
Increase/(decrease) of investments	-	579	-	-
<b>Total Applications Of Capital Funding (D)</b>	30,661	20,723	23,377	28,138
<b>Surplus/(Deficit) Of Capital Funding (C - D)</b>	(15,095)	(19,254)	(16,021)	(17,257)
<b>Funding Balance ((A - B) + (C - D))</b>	-	-	-	-

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

# Statement of Financial Involvement in Council Controlled Organisations

Timaru District Council has control over the following entities:

- Timaru District Holdings Limited
- Aoraki Development Business and Tourism Ltd.
- Aorangi Stadium Trust

It has a significant interest in PrimePort Timaru Limited and Alpine Energy Limited. Advances to subsidiaries includes loans to Timaru District Holdings Limited of \$22.2M on normal commercial terms (2015: \$22.2M).

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

	Dividends 2015/16 \$000	Interest 2015/16 \$000	Total 2015/16 \$000
<b>Subsidiaries</b>			
Timaru District Holdings Limited	2,326	928	3,254
Aoraki Development Business and Tourism Ltd.	0	0	0
	<b>2,326</b>	<b>928</b>	<b>3,254</b>
<b>Associates</b>			
Alpine Energy Limited	0	0	0
PrimePort Timaru Limited	0	0	0
<b>Total</b>	<b>2,326</b>	<b>928</b>	<b>3,254</b>

## Timaru District Holdings Limited (TDHL) and subsidiaries

Timaru District Holdings Limited (TDHL) was formed in October 1997 with the prime objective of providing an improved level of governance on behalf of the Council in respect of investment in various companies.

### Mission Statement:

To be a successful and growing business increasing the value of the Company and its return to its shareholder, while taking into account the special needs of the shareholder.

### Nature and Scope of Activities

TDHL's business is that of an investor in companies in which Council has a substantial interest; specifically Alpine Energy Ltd. - 47.5% shareholding and PrimePort Timaru Ltd - 50.0% shareholding. TDHL also owns a portfolio of investment properties located in the vicinity of PrimePort Timaru.

### Performance Measures and Targets:

TDHL oversees the governance of the subsidiary trading companies of Alpine Energy Limited and PrimePort Timaru Limited through monitoring the individual company's compliance with its Statement of Corporate Intent, regular monthly reporting against the company's budgets and meetings between representatives of the companies and TDHL, at both Board and Officer level.

Performance targets (Parent)	2015/16 Target	2015/16 Actual
Net profit after tax to shareholders funds	8.57%	8.74%
Net assets per fully paid share	\$52.26	\$51.38
Earnings per fully paid share	\$4.48	\$4.49
Dividend per fully paid share	\$2.25	\$2.33
Shareholders funds to total assets	58.36%	57.85%

# Statement of Financial Involvement in Council Controlled Organisations

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



Aoraki Development Business and Tourism (ADBT) is a Council Controlled Organisation focused on regional economic development and tourism promotion. It is 100% controlled by the Timaru District Council.

### Vision:

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

### Mission:

To facilitate and support smart, sustainable economic development.

### Objectives and Strategies:

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

A summary of some of the achievements against the objectives and strategies listed in the Statement of Corporate Intent 2014/15 is included below:

- Provided support to existing businesses including training courses, business advisory services and business mentoring.
- Maintained the website [www.southcanterbury.org.nz](http://www.southcanterbury.org.nz) as an information hub for businesses and visitors.
- Ongoing engagement with key strategic partners both locally and further afield including NZ Trade and Enterprise, Work and Income NZ, Regional Business Partner service providers,

Regional Tourism operators, Canterbury Development Corporation, Canterbury Employers Chamber of Commerce, Education South Canterbury and a wide range of industry experts,

- Delivery of Capability Development Vouchers to qualifying businesses for a variety of business planning, marketing and sustainability services, as part of the Canterbury Regional Business Partner Programme.
- Facilitated and hosted South Canterbury Business Excellence awards
- Proactive media liaison campaign to promote the district, including Air NZ Kia Ora feature, targeted press releases and associated media commentary.

Full details can be found in the ADBT report against the Statement of Intent 2015/16.

## Aorangi Stadium Trust

Aorangi Stadium Trust is incorporated in New Zealand under the Charitable Trusts Act 1957. The Trust is controlled by Timaru District Council and is a council-controlled organisation as defined in Section 6 of the Local Government Act 2002.

**Objectives:** To continue development, maintenance and operation of the Aorangi Stadium and adjoining areas on Aorangi Park, Timaru for the use of the public.

**Structure:** The Trust comprises a board of 4 Trustees who oversee the governance of the Trust. The facility is leased to Timaru District Council who manage the facility. Timaru District Council also undertake the administration associated with the Trust.

### Performance:

- **Target:** Significant maintenance projects are completed on time and on budget
- **Result:** The majority of projects, including roof renewals, were deferred until 2016/17 as the assets remained in a reasonable condition.
- **Target:** Regular liaison occurs with the tenant (Timaru District Council) on at least a six monthly basis to ensure the facility is operating to the satisfaction of both parties.
- **Result:** Regular discussions occur between the Council staff, trustees and the Council Recreation Facilities staff.

# Notes To The Financial Statements

for the year ended 30 June 2016

## 1. Statement of Accounting Policies for the year ended 30 June 2016

### REPORTING ENTITY

Timaru District Council (the Council) is a territorial local authority governed by the Local Government Act 2002 (LGA) and is domiciled and operates in New Zealand. The relevant legislation governing the Council's operations includes the LGA and the Local Government (Rating) Act 2002.

The group consists of the ultimate parent, Timaru District Council, and its subsidiaries Timaru District Holdings Ltd (100% owned), Aoraki Development Business and Tourism Ltd (100% owned), Aorangi Stadium Trust (100% owned) and Downlands Water Supply (82% owned). Timaru District Holdings Ltd owns associate companies PrimePort Timaru Ltd (50% owned) and Alpine Energy Ltd (47.5% owned). Council also has an interest in South Canterbury Rural Fire District and Canterbury Economic Development Ltd. All of these entities are incorporated and domiciled in New Zealand.

The primary objective of the Council is to provide infrastructure and public services for the community for social benefit rather than making a financial return. Accordingly, the Council has designated itself and the group as public benefit entities for financial reporting purposes.

The financial statements of the Council and group are for the year ended 30 June 2016. The financial statements were authorised for issue by the Council on 25 October 2016.

### BASIS OF PREPARATION

The financial statements have been prepared on the going concern basis, and the accounting policies have been applied consistently throughout the period.

### STATEMENT OF COMPLIANCE

The financial statements of the Council and group have been prepared in accordance with the requirements of the LGA: sections 95, 100, 101, 111 and Schedule 10 which include the requirement to comply with Generally Accepted Accounting Practice in New Zealand (NZ GAAP).

The financial statements have been prepared in accordance with Tier 1 Public Benefit Entity Accounting (PBE) Standards. These financial statements comply with PBE standards.

### PRESENTATION CURRENCY AND ROUNDING

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

### STANDARDS ISSUED AND NOT YET EFFECTIVE AND NOT EARLY ADOPTED

In May 2013, the External Reporting Board issued a new suite of PBE accounting standards for application by public sector entities for reporting periods beginning on or after 1 July 2014. The Council has applied these standards in preparing 30 June 2015 and 2016 financial statements.

In October 2014, the PBE suite of accounting standards was updated to incorporate requirements and guidance for the not-for-profit sector. These updated standards apply to PBEs with reporting periods beginning on or after 1 April 2015. The Council has applied these updated standards in preparing its 30 June 2016 financial statements. There are no changes in applying these

updated accounting standards.

In 2015, the External Reporting Board issued Disclosure Initiative (Amendments to PBE IPSAS 1), 2015 Omnibus Amendments to PBE Standards, and Amendments to PBE Standards and Authoritative Notice as a consequence of XRB A1 and Other Amendments. These amendments apply to PBEs with reporting periods beginning on or after 1 January 2016. The Council will apply these amendments in preparing its 30 June 2017 financial statements. The Council expects there will be no effect in applying these amendments.

### BASIS OF CONSOLIDATION

The consolidated financial statements are prepared by adding together like items of assets, liabilities, equity, revenue, and expenses of entities in the group on a line-by-line basis. All intragroup balances, transactions, revenues, and expenses are eliminated on consolidation.

### Subsidiaries

The Council consolidates in the group financial statements all entities where the Council has the capacity to control their financing and operating policies so as to obtain benefits from the activities of the subsidiary. This power exists where the Council controls the majority voting power on the governing body or where such policies have been irreversibly predetermined by the Council or where the determination of such policies is unable to materially affect the level of potential ownership benefits that arise from the activities of the subsidiary.

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

### Associates

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

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

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

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

The investment in the associate is carried at cost in the Council's parent entity financial statements.

# Notes To The Financial Statements

for the year ended 30 June 2016

## Joint Ventures

A joint venture is a binding arrangement whereby two or more parties are committed to undertake an activity that is subject to joint control. Joint control is the agreed sharing of control over an activity.

For jointly controlled operations, the Council and group recognises in its financial statements the assets it controls, the liabilities and expenses it incurs, and the share of revenue that it earns from the joint venture.

## REVENUE

Revenue is measured at fair value.

The specific accounting policies for significant revenue items are explained below:

### Rates Revenue

The following policies for rates have been applied:

- General rates, targeted rates (excluding water-by-meter), and uniform annual general charges are recognised at the start of the financial year to which the rates resolution relates. They are recognised at the amounts due. The Council considers the effect of payment of rates by instalments is not sufficient to require discounting of rates receivables and subsequent recognition of interest revenue.
- Rates arising from late payment penalties are recognised as revenue when rates become overdue.
- Revenue from water-by-meter rates is recognised on an accrual basis based on usage. Unbilled usage, as a result of unread meters at year end, is accrued on an average usage basis.
- Rate remissions are recognised as a reduction of rates revenue when the Council has received an application that satisfies its rates remission policy.
- Rates collected on behalf of Environment Canterbury are not recognised in the financial statements, as the Council is acting as an agent for Environment Canterbury.

### Vested Assets

Certain infrastructural assets have been vested to the Council as part of the subdivisional consent process. Such vested assets are recognised as revenue when the significant risks and rewards of ownership have been transferred to the Council and when the obligation to accept the transfer of the assets to the Council has been determined. Vested infrastructural assets have been valued based on the actual quantities of infrastructural components vested and the current "in the ground" cost of providing the identical services.

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

### New Zealand Transport Agency roading subsidies

The Council receives funding assistance from the New Zealand Transport Agency, which subsidises part of the costs of maintenance and capital expenditure on the local roading infrastructure. The subsidies are recognised as revenue upon entitlement, as conditions pertaining to eligible expenditure have been fulfilled.

### Interest

Interest revenue is recognised using the effective interest method.

### Dividends

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

## Agency Revenue

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

## BORROWING COSTS

Borrowing costs are recognised as an expense in the period in which they are incurred.

## FOREIGN CURRENCY TRANSACTIONS

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

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

## INCOME TAX

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

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

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

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

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

## LEASES

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

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

## CASH AND CASH EQUIVALENTS

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

# Notes To The Financial Statements

for the year ended 30 June 2016

cash management.

## TRADE AND OTHER RECEIVABLES

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

Loans, including loans to community organisations made by Council at below-market interest rates are initially recognised at the present value of their expected cash flows, discounted at the current market rate of return for a similar asset/investment. They are subsequently measured at amortised cost using the effective interest method. The difference between the face value and present value of expected future cash flows of the loan is recognised in the surplus or deficit.

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

## DERIVATIVE FINANCIAL INSTRUMENTS

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

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

## INVENTORIES

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

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

## INVESTMENTS

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

### Term Deposits

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

### Investments in debt and quoted equity securities

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

### Investment in Subsidiaries

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

### Community loans

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

### Other – Investments (Unquoted equity investments)

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

## NON CURRENT ASSETS HELD FOR SALE

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

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

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

## PROPERTY, PLANT & EQUIPMENT-VALUATION

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

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

### Council Land

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

# Notes To The Financial Statements

for the year ended 30 June 2016

Valuations as at 1 July 2005.

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

Acquisitions subsequent to 1 July 2005 are at cost.

## Council Buildings and Building improvements

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

Acquisitions subsequent to 1 July 2005 are at cost.

## Airport improvements

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

Acquisitions subsequent to 1 July 2005 are at cost.

## Parks and Pools plant and equipment

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

Acquisitions subsequent to 1 July 2005 are at cost.

## Plant and Equipment (including motor vehicles)

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

## Furniture and Office Equipment

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

Acquisitions subsequent to 1 July 2005 are at cost.

## Library books

The Timaru District Library, Temuka Library and Geraldine Library collections have been revalued as at 30 June 2016 at depreciated replacement cost calculated by the District Librarian in accordance with the library collection valuation guidelines prepared by the New Zealand Library Association in May 1992.

The Library collections are revalued on an annual basis.

## Art Works

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

Acquisitions subsequent to 1 July 2005 are at cost.

## Sewer, Stormwater, Water

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

Acquisitions subsequent to 1 July 2005 are at cost.

## Roads, Bridges and Lighting

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

Acquisitions subsequent to 1 July 2005 are at cost.

## Land under Roads

Land under roads has been stated at their deemed cost which is

at an average of adjacent "undeveloped land value" valued as at 1 July 2005 by Maunsell Limited.

Acquisitions subsequent to 1 July 2005 are at cost.

## Heritage Assets

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

Acquisitions subsequent to 1 July 2005 are at cost.

## PROPERTY, PLANT & EQUIPMENT - DEPRECIATION

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

Depreciation has been provided at the following rates.

Council related Land	Nil
Council Buildings and Building improvements	1-30% Straight Line
Airport Improvements	2-50% Straight Line
Parks and pools plant and equipment	2-33% Diminishing Value
Plant and Equipment	10-50% Diminishing Value
Motor Vehicles	5-25% Diminishing Value
Furniture and Office Equipment	20-50% Diminishing Value
Library Collections	0-12.5% Straight Line (0% permanent retention collection 12.5% current collection)
Art Works	Nil
Water	1-33% Straight Line
Sewerage	1-6% Straight Line
Stormwater	1-4% Straight Line
Roading	1-50% Straight Line
Bridges	1-3% Straight Line
Lighting	6-8% Straight Line
Land under Road	Nil
Heritage assets	1-7% Straight Line

## CAPITAL WORK IN PROGRESS

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

## INTANGIBLE ASSETS

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

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

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



# Notes To The Financial Statements

for the year ended 30 June 2016

## IMPAIRMENT

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

## FORESTRY ASSETS

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

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

## LANDFILL ASSETS

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

## INVESTMENT PROPERTY

Investment properties are properties which are held either to earn rental income or for capital appreciation or both. Investment properties are stated at fair value as determined annually by independent valuers with any gain or loss arising from a change in fair value being recognised in the surplus or deficit.

## LOANS

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

## EMPLOYEE ENTITLEMENTS

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

## PROVISION FOR LANDFILL POST CLOSURE COSTS

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

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

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

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

## EQUITY & RESERVES

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

- Retained Earnings
- Restricted reserves
  - Special funds

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

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

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

## GOODS & SERVICES TAX

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

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

## STATEMENT OF CASHFLOWS

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

Operating activities include cash received from all revenue sources of the Council, and expenditure payments made for the supply

# Notes To The Financial Statements

for the year ended 30 June 2016

of goods and services. Agency transactions such as collection of regional council rates are not recognised as receipts and payments in the Statement of Cash Flows.

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

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

## COST ALLOCATION

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

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

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

## CRITICAL ACCOUNTING ESTIMATES AND ASSUMPTIONS

In preparing these financial statements, estimates and assumptions have been made concerning the future. These estimates and assumptions may differ from the subsequent actual results. Estimates and assumptions are continually evaluated and are based on historical experience and other factors, including expectations or future events that are believed to be reasonable under the circumstances. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are discussed below.

Note 25 provides information about the estimates and assumptions surrounding the landfill aftercare provision.

# Notes To The Financial Statements

for the year ended 30 June 2016

## 2. Summary Revenue and Expenditure for Group of Activities

	Council		
	Actual 2016 \$000	Budget 2016 \$000	Actual 2015 \$000
<b>Revenue</b>			
Rates	45,406	44,462	43,247
Corporate Support	4,601	6,820	6,401
Democracy	-	2	-
Community Support	1,980	1,859	1,942
District Planning and Regulatory Services	3,186	3,181	3,136
Recreation and Leisure	3,612	3,499	3,662
Roading and Footpaths	10,666	9,210	9,897
Waste Minimisation	3,070	2,480	2,696
Sewer	3,277	2,720	2,888
Stormwater	814	65	146
Water Supply	2,153	1,814	1,773
<b>Total Revenue</b>	<b>78,765</b>	<b>76,112</b>	<b>75,788</b>
<b>Expenditure</b>			
Corporate Support	2,270	3,001	2,396
Democracy	3,158	3,257	2,993
Community Support	4,493	4,504	4,379
District Planning and Regulatory Services	4,587	4,701	4,148
Recreation and Leisure	14,052	14,907	13,795
Roading and Footpaths	12,983	13,785	13,441
Waste Minimisation	8,512	7,926	8,846
Sewer	8,988	10,261	9,000
Stormwater	1,380	1,491	1,241
Water Supply	6,708	7,613	6,770
<b>Total Expenditure</b>	<b>67,131</b>	<b>71,446</b>	<b>67,009</b>

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

## 3. Rates, excluding Targeted Water Supply Rates

	Council	
	Actual 2016 \$000	Actual 2015 \$000
General rates	23,223	21,996
Targeted rates attributable to activities		
Water, excluding targeted water supply rates	6,456	5,827
Sewerage	6,965	6,852
Solid Waste	5,038	5,390
Community Works and Services	3,227	2,687
Rates Penalties	497	495
<b>Total revenue from rates, excluding targeted water supply rates</b>	<b>45,406</b>	<b>43,247</b>

# Notes To The Financial Statements

for the year ended 30 June 2016

The Council is required by the LGFA Guarantee and Indemnity Deed to disclose in its financial statements (or notes) its annual rates revenue. That Deed defines annual rates revenue as an amount equal to the total revenue from any funding mechanism authorised by the Local Government (Rating Act) 2002 together with any revenue received by the Council from other local authorities for services provided by that Council for which those other Local Authorities rate. The annual rates revenue of the Council for the year ended 30 June 2016 for the purpose of the LGFA Guarantee and Indemnity Deed disclosure is shown below:

	Council	
	Actual 2016 \$000	Actual 2015 \$000
Rates, excluding targeted water supply rates	45,406	43,247
Targeted water supply rates	1,578	1,559
	46,984	44,806

## Ratings base

Revenue from rates for Timaru District Council was billed on the following information:

	Council	
	Actual 2016	Actual 2015
Number of rating units at end of preceding year	22,613	22,528

	Council	
	Actual 2016 \$000	Actual 2015 \$000
Total capital value of rating units at end of preceding year	11,933,089	9,934,014
Total land value of rating units at end of preceding year	6,066,229	4,798,420

## 4. Fees, Charges and Targeted Rates for Water Supply

	Council		Group	
	Actual 2016 \$000	Actual 2015 \$000	Actual 2016 \$000	Actual 2015 \$000
Targeted Rates for Water Supply	1,578	1,559	1,578	1,559
Trade Waste	2,354	2,335	2,354	2,335
Landfill Use	2,544	2,186	2,544	2,186
Consent Fees	2,360	2,299	2,360	2,299
Social Housing Rent	1,107	1,070	1,107	1,070
Parking Fees	1,064	911	1,064	911
Swimming Pool Admission Fees	836	843	836	843
Other Fees and Charges	4,988	5,004	5,008	5,086
<b>Total Fees, Charges and Targeted Rates for Water Supply</b>	<b>16,831</b>	<b>16,207</b>	<b>16,851</b>	<b>16,289</b>

## 5. Subsidies and Grants

	Council		Group	
	Actual 2016 \$000	Actual 2015 \$000	Actual 2016 \$000	Actual 2015 \$000
New Zealand Transport Rooding subsidies	7,861	8,486	7,861	8,486
Other subsidies and grants	639	555	639	555
<b>Total Subsidies and Grants</b>	<b>8,500</b>	<b>9,041</b>	<b>8,500</b>	<b>9,041</b>

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

# Notes To The Financial Statements

for the year ended 30 June 2016

## 6. Finance Revenue and Finance Costs

	Council		Group	
	Actual 2016 \$000	Actual 2015 \$000	Actual 2016 \$000	Actual 2015 \$000
<b>Finance revenue</b>				
Interest Revenue				
Term deposits	1,231	1,673	1,429	1,896
Related party loans	928	1,112	-	-
Community loans	8	8	8	8
Investments in debt securities	343	390	343	390
<b>Total Finance Revenue</b>	<b>2,510</b>	<b>3,183</b>	<b>1,780</b>	<b>2,294</b>
<b>Finance Costs</b>				
Interest expense				
Interest expense on borrowings	4,609	5,290	5,476	6,263
<b>Total Finance Costs</b>	<b>4,609</b>	<b>5,290</b>	<b>5,476</b>	<b>6,263</b>

## 7. Other Revenue

	Council		Group	
	Actual 2016 \$000	Actual 2015 \$000	Actual 2016 \$000	Actual 2015 \$000
Rental revenue from investment properties	87	147	1,995	1,995
Petrol tax	480	487	480	487
Dividend Revenue	2,365	2,241	4,716	4,137
Vested assets	2,984	53	2,984	53
Other	1,051	1,649	1,772	2,761
<b>Total Other Revenue</b>	<b>6,967</b>	<b>4,577</b>	<b>11,947</b>	<b>9,433</b>

## 8. Other gains/(losses)

	Council		Group	
	Actual 2016 \$000	Actual 2015 \$000	Actual 2016 \$000	Actual 2015 \$000
Gain/(loss) on changes in fair value of forestry assets (note 19)	253	96	253	96
Gain/(loss) on disposal of property, plant & equipment	10	14	(11)	14
Gain on changes in fair value of investment property (note 20)	114	89	(705)	1,377
Gain/(Loss) on changes in fair value of derivative financial instruments	(1,870)	(725)	(2,274)	(1,374)
<b>Total gains/(losses)</b>	<b>(1,493)</b>	<b>(526)</b>	<b>(2,737)</b>	<b>113</b>

## 9. Personnel costs

	Council		Group	
	Actual 2016 \$000	Actual 2015 \$000	Actual 2016 \$000	Actual 2015 \$000
Salaries and wages	15,405	14,321	16,121	15,186
Defined contribution plan employer contributions	437	394	437	394
Increase/(decrease) in employee benefit liabilities	75	148	75	148
<b>Total personnel costs</b>	<b>15,917</b>	<b>14,863</b>	<b>16,633</b>	<b>15,728</b>

Employer contributions to defined contributions plans include contributions to Kiwisaver.

# Notes To The Financial Statements

for the year ended 30 June 2016

## 10. Other expenses

	Council		Group	
	Actual 2016 \$000	Actual 2015 \$000	Actual 2016 \$000	Actual 2015 \$000
<b>Expenses include:</b>				
Fees to principal auditor				
Audit fees for financial statement audit	122	119	136	136
Audit fees for Long Term Plan audit	-	79	-	79
Fees to other auditors	-	-	2	7
Donations	-	-	3	3
Impairment of receivables (note 13)	16	(6)	16	(17)
Bad debts written off	19	11	19	11
Rates Remissions	170	158	170	158
Minimum lease payments under operating leases	252	235	252	962
Direct expenses from investment property generating revenue	11	6	653	270
Other operating expenses	31,284	31,773	31,271	30,186
<b>Total other expenses</b>	<b>31,874</b>	<b>32,375</b>	<b>32,522</b>	<b>31,795</b>

## 11. Tax

	Council		Group	
	Actual 2016 \$000	Actual 2015 \$000	Actual 2016 \$000	Actual 2015 \$000
Surplus/(deficit) before tax	11,513	8,779	12,029	11,475
Tax at 28% (2015: 28%)	3,224	2,458	3,368	3,213
Adjustments to current tax	(3,224)	(2,458)	(3,283)	(3,505)
Tax expense/(benefit)	-	-	85	(292)
Comprising of:				
Current tax	-	-	-	-
Deferred tax	-	-	85	105
Prior period adjustment	-	-	-	-
	-	-	85	105
Deferred tax benefit/(liability)				
Opening balance	-	-	160	265
Temporary differences				
Long Term assets	-	-	-	-
Prior period adjustment - Long Term assets	-	-	-	-
Employee entitlements	-	-	-	-
Others	-	-	(85)	(105)
Closing balance	-	-	75	160
Future tax benefit/(deferred taxation) is represented by:				
Long term assets	-	-	-	-
Employee entitlements	-	-	-	-
Tax losses	-	-	75	160
Others	-	-	-	-
	-	-	75	160

During the year, Timaru District Council made subvention payments to Timaru District Holdings Limited of \$1,112,349 (2015: \$934,114). As at 30 June 2016, subvention payments of \$927,763 (2015: \$1,112,349) to Timaru District Holdings Limited, are payable by Timaru District Council.

The Council's subsidiaries have imputation credits of \$10,683,000 (2015: \$9,806,000) which can be used to impute dividend payments to the Council.

# Notes To The Financial Statements

for the year ended 30 June 2016

## 12. Cash and cash equivalents

	Council		Group	
	Actual 2016 \$000	Actual 2015 \$000	Actual 2016 \$000	Actual 2015 \$000
Cash at bank and in hand	921	58	1,007	307
Short term deposits maturing 3 months or less from date of acquisition	17,678	27,648	17,995	30,081
<b>Total cash and cash equivalents</b>	<b>18,599</b>	<b>27,706</b>	<b>19,002</b>	<b>30,388</b>

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

The total value of cash and cash equivalents that can only be used for a specified purpose as outlined in the relevant trust deeds is \$10,500,000 (2015 \$9,000,000).

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

	Council		Group	
	Actual 2016 \$000	Actual 2015 \$000	Actual 2016 \$000	Actual 2015 \$000
Cash at bank and in hand	921	58	1,007	307
Short term deposits maturing 3 months or less from date of acquisition	17,678	27,648	17,995	30,081
	18,599	27,706	19,002	30,388

## 13. Debtors and other receivables

	Council		Group	
	Actual 2016 \$000	Actual 2015 \$000	Actual 2016 \$000	Actual 2015 \$000
Rates receivables	1,378	1,565	1,378	1,565
Other receivables	3,801	4,939	5,611	6,613
Related party receivables (note 30)	928	1,112	-	-
less provision for impairment of receivables	(88)	(72)	(88)	(72)
	6,019	7,544	6,901	8,106
Prepayments	199	859	205	894
<b>Total receivables</b>	<b>6,218</b>	<b>8,403</b>	<b>7,106</b>	<b>9,000</b>
Total receivables comprise:				
Receivables from non-exchange transactions - this includes outstanding amounts for rates, grants, infringements, and fees and charges that are partly subsidised by rates	4,453	5,900	3,525	4,788
Receivables from exchange transactions - this includes outstanding amounts for commercial sales and fees and charges that have not been subsidised by rates	1,566	1,644	3,376	3,318
	6,019	7,544	6,901	8,106

### Fair value

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

### Impairment

As at 30 June 2016 and 2015, all overdue receivables have been assessed for impairment and appropriate provisions applied. Timaru District Council does not hold collateral as security or other credit enhancements over receivables that are either past due or impaired.

# Notes To The Financial Statements

for the year ended 30 June 2016

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

The carrying amount of receivables that would otherwise be past due or impaired, whose terms have been renegotiated is \$11,192 (2015: \$58,466).

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

	2016			2015		
	Gross	Impairment	Net	Gross	Impairment	Net
	\$000	\$000	\$000	\$000	\$000	\$000
<b>Council</b>						
Not past due	4,326	-	4,326	5,717	-	5,717
Past due 1 - 60 days	232	(4)	228	229	(5)	224
Past due 61 - 120 days	63	(4)	59	29	(4)	25
Past due > 120 days	108	(33)	75	76	(26)	50
<b>Total</b>	<b>4,729</b>	<b>(41)</b>	<b>4,688</b>	<b>6,051</b>	<b>(35)</b>	<b>6,016</b>
<b>Group</b>						
Not past due	5,179	-	5,179	6,279	-	6,279
Past due 1 - 60 days	259	(4)	255	229	(5)	224
Past due 61 - 120 days	63	(4)	59	29	(4)	25
Past due > 120 days	110	(33)	77	76	(26)	50
<b>Total</b>	<b>5,611</b>	<b>(41)</b>	<b>5,570</b>	<b>6,613</b>	<b>(35)</b>	<b>6,578</b>

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

	2016			2015		
	Gross	Impairment	Net	Gross	Impairment	Net
	\$000	\$000	\$000	\$000	\$000	\$000
<b>Council</b>						
Not past due	1,213	-	1,213	1,317	-	1,317
Past due 1 year	87	-	87	145	-	145
Past due 2 years	27	-	27	45	-	45
Past due 3 years	10	(9)	1	16	(7)	9
Past due > 3 years	41	(38)	3	42	(30)	12
<b>Total</b>	<b>1,378</b>	<b>(47)</b>	<b>1,331</b>	<b>1,565</b>	<b>(37)</b>	<b>1,528</b>

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

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

	Council		Group	
	Actual 2016 \$000	Actual 2015 \$000	Actual 2016 \$000	Actual 2015 \$000
As at 1 July	72	78	72	78
Additional provisions made/(released) during the year	(3)	(17)	(3)	(17)
Receivables written off during year	19	11	19	11
<b>At 30 June</b>	<b>88</b>	<b>72</b>	<b>88</b>	<b>72</b>

The Council and group holds no collateral as security or other credit enhancements over receivables that are either past due or impaired.



# Notes To The Financial Statements

for the year ended 30 June 2016

## 14. Inventories

	Council		Group	
	Actual 2016 \$000	Actual 2015 \$000	Actual 2016 \$000	Actual 2015 \$000
Pool shop inventories	43	56	43	56
Other	29	31	29	41
<b>Total Inventories</b>	<b>72</b>	<b>87</b>	<b>72</b>	<b>97</b>

The carrying amount of inventories pledged as security for liabilities is \$nil (2014: \$nil).

## 15. Other financial assets

	Council		Group	
	Actual 2016 \$000	Actual 2015 \$000	Actual 2016 \$000	Actual 2015 \$000
<b>Current portion</b>				
Short term deposits	29,632	12,305	33,910	14,755
Community loans	133	79	133	79
Investments in debt securities	1,052	1,544	1,052	1,544
<b>Total Current Portion</b>	<b>30,817</b>	<b>13,928</b>	<b>35,095</b>	<b>16,378</b>
<b>Non-current portion</b>				
<i>Investments in CCOs and similar entities</i>				
Unlisted shares in NZ Local Government Insurance Corp. Limited	218	218	218	218
Investment in TDHL Ltd	1,000	1,000	-	-
Investment in ADAP Ltd	260	260	-	-
Loans to related parties (note 31)	22,180	22,180	-	-
Total investments in CCOs and similar entities	23,658	23,658	218	218
<i>Investments in other entities</i>				
Unlisted share in Levels Plain Irrigation Co	50	50	50	50
Unlisted shares in Greenfield's Co-operative Society Limited	1	1	1	1
Investment in Hunter Downs Irrigation	-	-	141	141
Community loans	265	161	265	161
Investments in LGFA	816	816	816	816
Investments in debt securities	4,641	3,417	4,641	3,417
Total investment in other entities	5,773	4,445	5,914	4,586
<b>Total Non-Current Portion</b>	<b>29,431</b>	<b>28,103</b>	<b>6,132</b>	<b>4,804</b>

### Fair Value

#### Short term deposits

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

#### Community loans

The fair value of community loans is \$398,000 (2015: \$240,000). Fair value has been determined using cash flows discounted at a rate based on the loan recipients risk factors of 10.0% (2015: 10.0%).

The face value of community loans is \$490,716 (2015: \$433,609).

Movements in the carrying value of community loans are as follows:

# Notes To The Financial Statements

for the year ended 30 June 2016

	Council		Group	
	Actual 2016 \$000	Actual 2015 \$000	Actual 2016 \$000	Actual 2015 \$000
At 1 July	240	196	240	196
Amount of new loans granted during the year	135	200	135	200
Fair value adjustment on initial recognition	101	(97)	101	(97)
Loans repaid during the year (principal and interest)	(86)	(62)	(86)	(62)
Impairment loss recognised during the year	-	-	-	-
Unwind of discount and interest charged	8	3	8	3
<b>At 30 June</b>	<b>398</b>	<b>240</b>	<b>398</b>	<b>240</b>

## Investments in debt securities

The fair value of investments in debt securities is \$5,692,114 (2015: \$4,961,080). Fair value has been determined based on current market values using yields of between 2.63% and 4.99% (2015: 3.38% and 5.03%).

## Loans to related parties

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

## Impairment

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

## 16. Derivative Financial Instruments

	Council		Group	
	Actual 2016 \$000	Actual 2015 \$000	Actual 2016 \$000	Actual 2015 \$000
<b>Current liability portion</b>				
Interest rate swaps	881	585	1,156	728
	881	585	1,156	728
<b>Non-current liability portion</b>				
Interest rate swaps	3,229	1,655	4,089	2,243
	3,229	1,655	4,089	2,243

The notional principal amounts of the outstanding interest rate swap contracts at 30 June 2016 were \$51,900,000 (2015: \$46,900,000). Maturity dates range from September 2016 to October 2025.

At 30 June 2016, the interest rates for interest rate swaps vary from 3.06% to 6.82% (2015: 3.56% to 6.82%).

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

# Notes To The Financial Statements

for the year ended 30 June 2016

## 17. Property, plant and equipment

### Insurance on Assets

The cost of the Canterbury earthquakes has highlighted the importance of good risk management and the part insurance and/or risk financing plays when it comes to rebuilding public assets. In many instances, Councils can provide services in the future only through the continuing use of their assets. Public entities have had to think carefully about how they are managing their risks and how they are using the insurance and risk finance options available to them.

### Water, Waste Water and Storm Water

These activities have a total asset value for insurance purposes of \$683,915,131.

The Council insures 40% of this direct with LAPP, with the remaining 60% being funded by Central Government.

### Roading, Bridges and Footpath Assets

These activities have a total book value of \$419,329,000.

Council would receive a minimum of 53% subsidy from the NZTA, with the remaining portion of the loss likely to be loan funded. The NZTA financial assistance rate is currently under review and may change.

### Art Works

The Council has a total asset value for insurance purposes of \$6,350,000, which is made up as follows: \$5,350,000 for Council owned art, \$500,000 for temporary loaned works and \$500,000 for artworks in transit.

### Land, Buildings, Plant & Equipment

These assets have a total value for insurance purposes of \$154,869,682, which is made up of buildings & improvements, runways & other airport improvements, furniture & equipment, heritage and library collections and plant & equipment.

### Vehicles

This activity has a total asset value for insurance purposes of \$1,758,857. All vehicles are insured for replacement value.

### Disaster Reserves

The council has a disaster recovery fund which provides for some self insurance of approximately \$2,562,000 and also holds depreciation funds which may be used in the event of a disaster.

### Work in progress

Property, plant, and equipment in the course of construction by class of asset is detailed below:

	Council and Group	
	Actual 2016 \$000	Actual 2015 \$000
Roading network	449	3,521
Water system	1,069	201
Drainage system	34	-
Sewerage system	218	38
Buildings and improvements	463	2,308
Plant and Equipment	375	30
	2,608	6,098

# Notes To The Financial Statements

for the year ended 30 June 2016

2016	Cost/ Revaluation 1 July 2015	Accum depn and impairment charges 1 July 2015	Carrying amount 1 July 2015	Current year additions	Current year transfers	Current year disposals	Current year impairment charges	Current year depn	Revaluations	Cost/ Revaluation 30 June 16	Accum depn and impairment charges 30 June 16	Carrying amount 30 June 16
<b>Council restricted assets</b>												
Land	24,349	-	24,349	-	-	(5)	-	-	-	24,344	-	24,344
Buildings and improvements	8,194	(3,293)	4,901	-	-	-	-	(201)	-	8,064	(3,364)	4,700
Total restricted assets	32,543	(3,293)	29,250	-	-	(5)	-	(201)	-	32,408	(3,364)	29,044
<b>Council operational assets</b>												
Land	12,353	-	12,353	343	-	-	-	-	-	12,696	-	12,696
Buildings and improvements	81,427	(13,089)	68,338	4,487	-	-	-	(1,643)	-	86,009	(14,827)	71,182
Runways & other airport impts	3,157	(966)	2,191	177	-	-	-	(90)	-	3,334	(1,056)	2,278
Furniture and equipment	7,636	(4,543)	3,093	477	-	-	-	(404)	-	8,496	(5,330)	3,166
Art Works	2,451	-	2,451	5	-	-	-	-	-	2,456	-	2,456
Heritage assets	1,541	(226)	1,315	-	-	-	-	(28)	-	1,541	(254)	1,287
Library collections	3,373	(1,559)	1,814	377	-	-	-	(191)	(121)	3,629	(1,750)	1,879
Plant and equipment	34,243	(11,549)	22,694	1,101	-	(52)	-	(1,671)	-	35,135	(13,063)	22,072
Work in progress	2,338	-	2,338	(1,693)	-	-	-	-	-	645	-	645
Total operational assets	148,519	(31,932)	116,587	5,274	-	(52)	-	(4,027)	(121)	153,941	(36,280)	117,661
<b>Council infrastructural assets</b>												
Land and buildings	42,494	(3,951)	38,543	150	-	-	-	(424)	-	42,644	(4,375)	38,269
Sewerage system treatment	19,049	(2,729)	16,320	119	-	-	-	(501)	-	19,168	(3,230)	15,938
Sewerage system reticulation	73,916	(14,930)	58,986	428	495	-	-	(1,811)	-	74,840	(16,742)	58,098
Water system treatment	10,216	(2,368)	7,848	286	-	-	-	(256)	-	10,502	(2,624)	7,878
Water system reticulation	69,289	(16,063)	53,226	1,939	394	-	-	(1,738)	-	71,622	(17,801)	53,821
Stormwater network	42,260	(7,949)	34,311	244	745	-	-	(845)	-	43,249	(8,794)	34,455
Roads and footpaths	237,322	(49,368)	187,954	9,277	1,350	-	-	(3,712)	-	247,977	(53,108)	194,869
Bridges	54,728	(7,596)	47,132	4,591	-	-	-	(786)	-	59,319	(8,382)	50,937
Land under roads	171,807	-	171,807	-	-	-	-	-	-	171,807	-	171,807
Lighting	2,744	(1,163)	1,581	283	-	-	-	(148)	-	3,027	(1,311)	1,716
Landfill - post closure costs	590	(270)	320	-	-	-	-	(31)	-	590	(301)	289
Work in progress	3,760	-	3,760	(1,797)	-	-	-	-	-	1,963	-	1,963
Total infrastructural assets	728,175	(106,387)	621,788	15,520	2,984	-	-	(10,252)	-	746,708	(116,668)	630,040
Total Timaru District Council property, plant and equipment	909,237	(141,612)	767,625	20,794	2,984	(57)	-	(14,480)	(121)	933,057	(156,312)	776,745
<b>Subsidiaries property, plant and equipment</b>												
Buildings	4,143	(2,736)	1,407	-	-	-	-	(166)	-	4,143	(2,902)	1,241
Furniture and equipment	165	(102)	63	14	-	(14)	-	(11)	-	163	(111)	52
Work in progress	-	-	-	-	-	-	-	-	-	-	-	-
Total subsidiaries	4,308	(2,838)	1,470	14	-	(14)	-	(177)	-	4,306	(3,013)	1,293
Total group property, plant and equipment	913,545	(144,450)	769,095	20,808	2,984	(71)	-	(14,657)	(121)	937,363	(159,325)	778,038

# Notes To The Financial Statements

for the year ended 30 June 2016

2015	Cost/ Revaluation 1 July 2014	Accum depn and impairment charges 1 July 2014	Carrying amount 1 July 2014	Current year additions	Current year transfers	Current year disposals	Current year impairment charges	Current year depn	Revaluations	Cost/ Revaluation 30 June 15	Accum depn and impairment charges 30 June 15	Carrying amount 30 June 15
<b>Council restricted assets</b>												
Land	24,349	-	24,349	-	-	-	-	-	-	24,349	-	24,349
Buildings and improvements	8,211	(3,078)	5,133	113	-	-	-	(345)	-	8,194	(3,293)	4,901
Total restricted assets	32,560	(3,078)	29,482	113	-	-	-	(345)	-	32,543	(3,293)	29,250
<b>Council operational assets</b>												
Land	12,170	-	12,170	189	-	(6)	-	-	-	12,353	-	12,353
Buildings and improvements	79,998	(11,448)	68,550	1,346	-	(12)	-	(1,546)	-	81,427	(13,089)	68,338
Runways & other airport impts	3,157	(875)	2,282	-	-	-	-	(91)	-	3,157	(966)	2,191
Furniture and equipment	6,917	(3,776)	3,141	336	-	-	-	(384)	-	7,636	(4,543)	3,093
Art Works	2,440	-	2,440	11	-	-	-	-	-	2,451	-	2,451
Heritage assets	1,541	(196)	1,345	-	-	-	-	(30)	-	1,541	(226)	1,315
Library collections	3,160	(1,370)	1,790	319	-	-	-	(189)	(106)	3,373	(1,559)	1,814
Plant and equipment	27,506	(10,268)	17,238	6,931	-	(37)	-	(1,438)	-	34,243	(11,549)	22,694
Work in progress	1,024	-	1,024	1,314	-	-	-	-	-	2,338	-	2,338
Total operational assets	137,913	(27,933)	109,980	10,446	-	(55)	-	(3,678)	(106)	148,519	(31,932)	116,587
<b>Council infrastructural assets</b>												
Land and buildings	30,118	(3,464)	26,654	12,376	-	-	-	(487)	-	42,494	(3,951)	38,543
Sewerage system treatment	12,531	(2,352)	10,179	6,518	-	-	-	(377)	-	19,049	(2,729)	16,320
Sewerage system reticulation	69,858	(13,111)	56,747	4,013	44	-	-	(1,818)	-	73,916	(14,930)	58,986
Water system treatment	10,088	(2,103)	7,985	128	-	-	-	(265)	-	10,216	(2,368)	7,848
Water system reticulation	68,524	(14,341)	54,183	758	7	-	-	(1,722)	-	69,289	(16,063)	53,226
Stormwater network	41,621	(7,111)	34,510	637	2	-	-	(838)	-	42,260	(7,949)	34,311
Roads and footpaths	228,747	(45,623)	183,124	8,547	-	-	-	(3,717)	-	237,322	(49,368)	187,954
Bridges	54,340	(6,816)	47,524	388	-	-	-	(780)	-	54,728	(7,596)	47,132
Land under roads	171,806	-	171,806	1	-	-	-	-	-	171,807	-	171,807
Lighting	2,697	(1,013)	1,684	47	-	-	-	(150)	-	2,744	(1,163)	1,581
Landfill - post closure costs	590	(239)	351	-	-	-	-	(31)	-	590	(270)	320
Work in progress	27,788	-	27,788	(24,028)	-	-	-	-	-	3,760	-	3,760
Total infrastructural assets	718,708	(96,173)	622,535	9,385	53	-	-	(10,185)	-	728,175	(106,387)	621,788
Total Timaru District Council property, plant and equipment	889,181	(127,184)	761,997	19,944	53	(55)	-	(14,208)	(106)	909,237	(141,612)	767,625
<b>Subsidiaries property, plant and equipment</b>												
Buildings	-	-	-	-	1,573	-	-	(166)	-	4,143	(2,736)	1,407
Furniture and equipment	147	(79)	68	23	-	(3)	-	(25)	-	165	(102)	63
Work in progress	-	-	-	-	-	-	-	-	-	-	-	-
Total subsidiaries	147	(79)	68	23	1,573	(3)	-	(191)	-	4,308	(2,838)	1,470
Total group property, plant and equipment	889,328	(127,263)	762,065	19,967	1,626	(58)	-	(14,399)	(106)	913,545	(144,450)	769,095

# Notes To The Financial Statements

for the year ended 30 June 2016

## 17a. Depreciation and amortisation expense by group of activity

	Council	
	Actual 2016 \$000	Actual 2015 \$000
Corporate Support	853	831
Democracy	2	2
Community Support	410	407
District Planning and Regulatory Services	5	3
Recreation and Leisure	1,983	2,162
Roading and Footpaths	4,791	4,786
Waste Minimisation	444	452
Sewer	3,129	2,724
Stormwater	847	841
Water Supply	2,267	2,273
	<b>14,731</b>	<b>14,481</b>

## 18. Intangible assets

	Council and Group		Council and Group
	Computer Software \$000	Carbon Credits \$000	Total \$000
Balance as at 1 July 2015			
Cost	3,399	124	3,523
Accumulated amortisation and impairment	(2,026)	-	(2,026)
Opening carrying amount	1,373	124	1,497
Year ended 30 June 2016			
Additions	193	118	311
Disposals	-	-	-
Amortisation charge	(251)	-	(251)
Amortisation reversed on disposals	-	-	-
Movement for the year	(58)	118	60
<b>Balance as at 30 June 2016</b>			
Cost	3,592	242	3,834
Accumulated amortisation and impairment	(2,277)	-	(2,277)
Closing carrying amount	1,315	242	1,557
Balance as at 1 July 2014			
Cost	3,236	89	3,325
Accumulated amortisation and impairment	(1,753)	-	(1,753)
Opening carrying amount	1,483	89	1,572
Year ended 30 June 2015			
Additions	163	35	198
Disposals	-	-	-
Amortisation charge	(273)	-	(273)
Amortisation reversed on disposals	-	-	-
Movement for the year	(110)	35	(75)
<b>Balance as at 30 June 2015</b>			
Cost	3,399	124	3,523
Accumulated amortisation and impairment	(2,026)	-	(2,026)
Closing carrying amount	1,373	124	1,497

# Notes To The Financial Statements

for the year ended 30 June 2016

## Carbon credits

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

## 19. Forestry assets

	Council		Group	
	Actual 2016 \$000	Actual 2015 \$000	Actual 2016 \$000	Actual 2015 \$000
Balance as at 1 July	671	604	671	604
Increases due to purchases		-		-
Gains/(losses) arising from changes in fair value	253	96	253	96
Decreases due to harvest	(48)	(29)	(48)	(29)
Balance as at 30 June	876	671	876	671

Timaru District Council owns 211.8 hectares of Radiata, Douglas fir, Macrocarpa, Corsican and Contorta Pine forest, which is at varying stages of maturity ranging from 1 to 66 years.

The District Forester employed by Ashburton District Council has valued the forestry assets as at 30 June 2016. A pre-tax discount rate of 8% has been used in discounting the present value of expected cash flows.

### Financial risk management strategies

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

## 20. Investment property

	Council		Group	
	Actual 2016 \$000	Actual 2015 \$000	Actual 2016 \$000	Actual 2015 \$000
Balance as at 1 July	1,713	1,624	25,797	24,095
Additions from acquisitions		-	-	325
Write offs - demolitions	-	-	(1,015)	-
Disposals	(65)	-	(141)	-
Fair value gains/(losses) on valuation (note 8)	114	89	(705)	1,377
Balance as at 30 June	1,762	1,713	23,936	25,797

Timaru District Council's investment properties are valued annually at fair value effective 30 June 2016 by Ian Fairbrother VP (Urban) FNZIV FPINZ of Telfer Young. All investment properties are valued based on open market evidence.

Investment property held by Timaru District Holdings Limited was independently valued as at 30 June for the 2016 financial year by Ian Fairbrother VP (Urban) FNZIV, FPINZ, a registered valuer with Telfer Young (Canterbury) Limited. The valuation is based on fair value.

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

There are no contractual obligations in relation to investment properties at balance date but not recognised in the financial statements (2015: Nil)

# Notes To The Financial Statements

for the year ended 30 June 2016

## 21. Investments in associates

### PrimePort Timaru Ltd

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

	Group	
	Actual 2016 \$000	Actual 2015 \$000
Movements in the carrying amount of investments in associates		
Balance as at 1 July	22,393	20,707
Fair value at time of recognition	-	-
Disposal of investments during the year	-	-
Share of total recognised revenue and expenses	2,052	1,986
Share of dividend	(653)	(300)
Balance as at 30 June	23,792	22,393

Summarised financial information of PrimePort Timaru Limited presented on a gross basis

	Actual 2016 \$000	Actual 2015 \$000
Assets	77,546	55,350
Liabilities	29,204	9,806
Revenue	16,065	15,366
Total Comprehensive Revenue	4,104	3,973
Group's interest	50.00%	50.00%

### Alpine Energy Limited

Timaru District Holdings Limited has a 47.5% interest in Alpine Energy Limited and its reporting date is 31 March 2016.

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

An independent valuation of the Shares in Alpine Energy Limited was undertaken by Deloitte as at 31 March 2016. This valuation assessed the value of 100% of the shares in Alpine Energy Limited to be in the range of \$376.8 million to \$394.1 million as at 31 March 2016. Based on this valuation, Deloitte also provided a Fair Value of a 47.5% shareholding in Alpine Energy Limited as at 31 March 2016 to Timaru District Holdings Limited which was \$181 million.

	Group	
	Actual 2016 \$000	Actual 2015 \$000
Movements in the carrying amount of investments in associates		
Balance as at 1 July	60,443	56,926
New investments during the year	-	-
Disposal of investments during the year	-	-
Share of total recognised revenue and expenses	7,613	7,306
Share of dividend	(4,024)	(3,789)
Balance as at 30 June	64,032	60,443



# Notes To The Financial Statements

for the year ended 30 June 2016

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

	Group	
	Actual March 2016 \$000	Actual March 2015 \$000
Assets	221,292	202,062
Liabilities	90,241	78,566
Revenue	63,851	63,749
Total Comprehensive Revenue	16,027	15,380
Group's interest	47.50%	47.50%

Details of any contingent liabilities arising from the group's involvement in the associate are disclosed separately in note 30.

## 22. Joint Venture

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

	Council and Group	
	Actual 2016 \$000	Actual 2015 \$000
Current assets	3,734	3,354
Non-current assets	11,558	11,604
Current liabilities	43	105
Non-current liabilities	-	-
Revenue	1,307	1,209
Expenses	910	791

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

## 23. Trade and other payables

	Council		Group	
	Actual 2016 \$000	Actual 2015 \$000	Actual 2016 \$000	Actual 2015 \$000
Trade creditors and accruals	4,757	7,363	5,038	7,608
Amounts due to related parties (note 31)	928	1,112	-	-
Contract retentions	657	837	657	837
Deposits and bonds	398	364	398	364
Revenue in advance	241	279	375	480
Accrued interest expense	612	674	623	693
<b>Total trade and other payables</b>	<b>7,593</b>	<b>10,629</b>	<b>7,091</b>	<b>9,982</b>

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

# Notes To The Financial Statements

for the year ended 30 June 2016

## 24. Employee benefit liabilities

	Council		Group	
	Actual 2016 \$000	Actual 2015 \$000	Actual 2016 \$000	Actual 2015 \$000
Accrued salaries and wages	127	165	127	165
Annual leave	1,080	1,041	1,080	1,041
Long service leave	116	107	116	107
Sick leave	-	-	-	-
Retiring gratuities	913	848	913	848
<b>Total employee benefits</b>	<b>2,236</b>	<b>2,161</b>	<b>2,236</b>	<b>2,161</b>
Comprising:				
Current	1,970	1,779	1,970	1,779
Non-current	266	382	266	382
<b>Total employee benefits</b>	<b>2,236</b>	<b>2,161</b>	<b>2,236</b>	<b>2,161</b>

## 25. Landfill aftercare provision

	Council		Group	
	Actual 2016 \$000	Actual 2015 \$000	Actual 2016 \$000	Actual 2015 \$000
Opening balance	5,701	4,029	5,701	4,029
Increase/(decrease) due to discount rate changes and assessment of liability	1,109	1,541	1,109	1,541
Discount unwinding	128	131	128	131
<b>Closing balance</b>	<b>6,939</b>	<b>5,701</b>	<b>6,939</b>	<b>5,701</b>

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

The remaining capacity of the site is 726,093 tonnes (refuse, clean fill and cover).

The estimated remaining useful life is 26.9 years.

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

The cash outflows for the landfill and post-closure costs are expected to occur in one to thirty years time (or between 2016 and 2045).

The long term nature of the liability means that there are inherent uncertainties in estimating costs that will be incurred. The provision has been estimated taking into account existing technology and is discounted using a discount rate of 2.29% (2015: 2.99%).

## 26. Borrowings

	Council		Group	
	Actual 2016 \$000	Actual 2015 \$000	Actual 2016 \$000	Actual 2015 \$000
<b>Current</b>				
Secured loans	-	-	-	-
Bonds Issued	27,700	5,000	27,700	5,000
<b>Total current borrowings</b>	<b>27,700</b>	<b>5,000</b>	<b>27,700</b>	<b>5,000</b>
<b>Non-current</b>				
Secured loans	-	-	12,900	16,100
Bonds Issued	15,000	33,000	15,000	33,000
LGFA Debt	51,029	51,045	51,029	51,045
<b>Total non-current borrowings</b>	<b>66,029</b>	<b>84,045</b>	<b>78,929</b>	<b>100,145</b>

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

# Notes To The Financial Statements

for the year ended 30 June 2016

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

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

## Security

The overdraft is unsecured. The maximum amount that can be drawn against the overdraft facility is nil (2015: \$250,000). There are no restrictions on the use of this facility.

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

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

## Internal borrowings

Information about internal borrowings is provided on pages 33 - 82 of the Council's annual report. Internal borrowings are eliminated on consolidation of activities in the Council's financial statements.

## Fair values of non-current borrowings

Council	Carrying Amount		Fair Value	
	2016	2015	2016	2015
	\$000	\$000	\$000	\$000
Bonds	15,000	33,000	15,000	33,000
LGFA Debt	60,729	51,045	60,729	51,045
	<b>75,729</b>	<b>84,045</b>	<b>75,729</b>	<b>84,045</b>

Group	Carrying Amount		Fair Value	
	2016	2015	2016	2015
	\$000	\$000	\$000	\$000
Secured loans	12,900	16,100	12,900	16,100
Bonds	15,000	33,000	15,000	33,000
LGFA Debt	51,029	51,045	51,029	51,045
	<b>78,929</b>	<b>100,145</b>	<b>78,929</b>	<b>100,145</b>

The fair values are based on borrowing rates ranging from 2.51% to 5.99% (2015: 3.76% to 6.72%).

The carrying amounts of borrowings repayable within one year approximate their fair values, as the impact of discounting is not significant.

Long term borrowings are at market rates, therefore carrying amounts approximate their fair values.

# Notes To The Financial Statements

for the year ended 30 June 2016

## 27. Equity

	Council		Group	
	Actual 2016 \$000	Actual 2015 \$000	Actual 2016 \$000	Actual 2015 \$000
<b>Retained earnings</b>				
As at 1 July	707,548	699,458	782,194	764,576
Surplus/(deficit) for the year	11,513	8,673	16,785	16,467
Prior Year Adjustment	-	-	29	-
Adjustment on recognition of subsidiary	-	-	-	1,779
Transfers to:				
Special Funds	(18,312)	(16,682)	(18,363)	(16,737)
Transfers from:				
Special Funds	14,432	16,099	14,434	16,109
As at 30 June	715,181	707,548	795,079	782,194
<b>Special funds</b>				
As at 1 July	32,409	31,826	32,569	31,826
Interest	684	841	684	841
Transfers from:				
Retained earnings	17,628	15,841	17,679	16,011
Transfers to:				
Retained earnings	(14,432)	(16,099)	(14,434)	(16,109)
As at 30 June	36,289	32,409	36,498	32,569
<b>Asset revaluation reserves</b>				
As at 1 July	-	-	-	-
Revaluation gains/(losses)	(121)	(106)	(121)	(106)
Revaluation reserve written off	121	106	121	106
As at 30 June	-	-	-	-
Asset revaluation reserves consist of:				
Library books	-	-	-	-
Total	-	-	-	-
<b>Total Other Reserves</b>	36,289	32,409	36,498	32,569

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

# Notes To The Financial Statements

for the year ended 30 June 2016

Name of Fund	Activity	Purpose	2016			2015				
			Balance 1 July \$000	Transfer into fund \$000	Transfers out of fund \$000	Balance 30 June \$000	Balance 1 July \$000	Transfer into fund \$000	Transfers out of fund \$000	Balance 30 June \$000
Aquatic Centre contributions	Parks, Recreation and Swimming Pools	Funds donated towards Aquatic centre facility to be used for its construction and funding of interest payments.	181	3	120	64	351	10	180	181
Cemetery Future (Tu) Fund	Community Facilities	Development of future cemetery for Timaru.	112	4	16	100	108	4	-	112
Collett Bequest (Museum)	Cultural and Learning Facilities	For museum items.	504	15	-	519	484	20	-	504
Community Development Interest Fund	Community Funding	To make major grants (over \$10,000) to non profit community based organisations and clubs for improving or developing new or existing facilities which reflect credit or provide benefit to the Timaru District residents.	414	28	32	410	407	37	30	414
Community Development Loan Fund	Community Funding	To make major loans to non profit community based organisations and clubs for improving or developing new or existing facilities which reflect credit or provide benefit to the Timaru District residents.	125	64	-	189	294	31	200	125
Contingency Fund	All of Council	For emergency purposes as determined by Council.	482	314	240	556	464	18	-	482
Depreciation – General Fund	All of Council	For the renewal and/or replacement of district wide funded depreciable assets and for the repayment of loans associated with such assets.	7,957	7,675	8,150	7,482	5,157	7,501	4,701	7,957
Depreciation Fund – Beautiful Valley Water	Water Supply	For the renewal and/or replacement of Water depreciable assets and for the repayment of loans associated with such assets.	59	5	-	64	54	5	-	59
Depreciation Fund - Geraldine	Roading and Footpaths and Stormwater	For the renewal and/or replacement of Geraldine funded depreciable assets and for the repayment of loans associated with such assets. (excludes water related assets).	119	60	83	96	98	59	38	119
Depreciation Fund – Orari / Waiki Water	Water Supply	For the renewal and/or replacement of Water depreciable assets and for the repayment of loans associated with such assets.	1	-	-	1	1	-	-	1
Depreciation Fund – Orari Township Water	Water Supply	For the renewal and/or replacement of Water depreciable assets and for the repayment of loans associated with such assets.	220	7	-	227	212	8	-	220

# Notes To The Financial Statements

for the year ended 30 June 2016

Name of Fund	Activity	Purpose	2016			2015			
			Balance 1 July \$000	Transfer into fund \$000	Transfers out of fund \$000	Balance 30 June \$000	Transfer into fund \$000	Transfers out of fund \$000	Balance 30 June \$000
Depreciation Fund – Rangitata / Orari Water	Water Supply	For the renewal and/or replacement of Water depreciable assets and for the repayment of loans associated with such assets.	9	10	6	13	6	-	9
Depreciation Fund - Rural	Roading and Footpaths and Stormwater	For the renewal and/or replacement of Rural funded depreciable assets and for the repayment of loans associated with such assets. (excludes water related assets).	123	57	77	103	51	33	123
Depreciation Fund – Seadown Water	Water Supply	For the renewal and/or replacement of Water depreciable assets and for the repayment of loans associated with such assets.	579	86	42	623	81	2	579
Depreciation Fund - Sewer	Sewer	For the renewal and/or replacement of Sewer depreciable assets and for the repayment of loans associated with such assets.	-79	3,594	-	3,515	2,921	5,739	-79
Depreciation Fund – Te Moana Downs Water	Water Supply	For the renewal and/or replacement of Water depreciable assets and for the repayment of loans associated with such assets.	169	146	69	246	112	15	169
Depreciation Fund - Temuka	Roading and Footpaths and Stormwater	For the renewal and/or replacement of Temuka funded depreciable assets and for the repayment of loans associated with such assets. (excludes water related assets).	127	127	169	85	116	95	127
Depreciation Fund - Timaru	Roading and Footpaths and Stormwater	For the renewal and/or replacement of Timaru funded depreciable assets and for the repayment of loans associated with such assets. (excludes water related assets).	2,720	1,031	1,042	2,709	965	892	2,720
Depreciation Fund – Urban Water	Water Supply	For the renewal and/or replacement of Water depreciable assets and for the repayment of loans associated with such assets.	5,624	2,027	2,802	4,849	1,835	964	5,624
Depreciation Fund (Housing)	Social Housing	For the renewal and/or replacement of Housing depreciable assets and for the repayment of loans associated with such assets.	317	240	223	334	242	166	317
Development (Tu) Fund	All of Council	Funding of major developments within Timaru. Interest on this fund to be credited to the Community Development Interest Fund.	265	-	-	265	-	-	265
Disaster Relief Fund	All of Council	For the replacement of infrastructural assets excluding roading in the event of a natural disaster.	2,147	415	-	2,562	227	-	2,147
District Recreation Facilities Fund	All of Council	To be used for the development of significant recreation facilities in the district.	635	17	-	652	24	-	635

# Notes To The Financial Statements

for the year ended 30 June 2016

Name of Fund	Activity	Purpose	2016				2015			
			Balance 1 July \$000	Transfer into fund \$000	Transfers out of fund \$000	Balance 30 June \$000	Balance 1 July \$000	Transfer into fund \$000	Transfers out of fund \$000	Balance 30 June \$000
Dowling Bequest	Cultural and Learning Facilities	For the purchase of Christian fiction literature for the library.	28	-	2	26	28	1	1	28
Downlands Asset Replacement Fund	Water Supply	Replacement of infrastructural assets relating to Downlands Water Supply Scheme.	3,111	767	337	3,541	2,501	791	181	3,111
Downlands Capital Contribution Reserve	Water Supply	For the provision of capital expenditure financed from capital contributions.	94	14	-	108	83	11	-	94
Economic Development Fund	Economic Development and District Promotions, Community Funding and Governance and Leadership	For economic development support.	248	14	-	262	269	15	36	248
Election Expenses Fund	Governance and Leadership	To provide for meeting election expenses.	53	42	15	80	12	41	-	53
Endowment Land Geraldine Fund	All of Council	From the proceeds of Endowment Land. For the purchase of similar land.	419	19	-	438	396	23	-	419
Forestry Development Fund	Parks, Recreation and Swimming Pools	To provide funding for the development of forests within the District.	458	12	28	442	505	19	66	458
George Barclay Bequest	Cultural and Learning Facilities	Original bequest was \$600. Interest to be used for the purchase of reference books for the Timaru Children's Library.	2	-	-	2	2	-	-	2
Grants & Donations Fund	Community Funding	For the provision of grants & donations (created from the unspent grant allocation and carried forward balances)	20	115	88	47	21	30	31	20
Investment Fund	All of Council	1. For the repayment of district wide loans. 2. For the funding of district wide capital projects. 3. For provision of internal loans.	317	758	402	673	1,832	746	2,261	317

# Notes To The Financial Statements

for the year ended 30 June 2016

Name of Fund	Activity	Purpose	2016			2015			
			Balance 1 July \$000	Transfer into fund \$000	Transfers out of fund \$000	Balance 30 June \$000	Transfer into fund \$000	Transfers out of fund \$000	Balance 30 June \$000
Joan & Percy Davis Library Trust (Ger)	Cultural and Learning Facilities	Interest to be used to purchase books for the Geraldine Library. (8/7/82)	1	-	-	1	-	-	1
Lattimore W A (Tu) Bequest	Cultural and Learning Facilities	Interest to be used for the purchasing of art works for the Aigantighe Art Gallery.	19	1	2	18	-	2	19
Mackay Bequest (Art Gallery)	Cultural and Learning Facilities	For the purchase of paintings.	222	6	-	228	8	-	222
Mackay Bequest (Library)	Cultural and Learning Facilities	For the purchase of books relating to art for the Timaru Library.	159	4	4	159	6	3	159
Main Creative Communities NZ Fund	Community Funding	Carried forward balance of Creative Communities NZ fund – main committee.	5	10	-	15	2	-	5
Main Drains Cost Sharing Fund	Sewer, Stormwater and Water Supply	Extension of main drains on a cost sharing basis.	939	231	-	1,170	272	-	939
Mayor's Welfare Fund	Governance and Leadership	Help out the needy as determined by the Mayor.	16	-	1	15	1	1	16
McCarthy Bequest - Library	Cultural and Learning Facilities	For general purposes at the Timaru Public Library	26	1	-	27	44	18	26
McCarthy Bequest - Parks	Parks, Recreation and Swimming Pools	For general purposes at the Timaru gardens	44	1	-	45	44	-	44
Museum Acquisition Fund/Alan Ward Fund	Cultural and Learning Facilities	For the purchase of articles for the Museum.	9	-	-	9	-	-	9
Officials' Indemnity, Safety and Health Fund	All of Council	For the purpose of officials' indemnity insurance excess, and for providing funds to comply with Occupational Health and Safety Regulations.	587	16	29	574	22	15	587



# Notes To The Financial Statements

for the year ended 30 June 2016

Name of Fund	Activity	Purpose	2016			2015			
			Balance 1 July \$000	Transfer into fund \$000	Transfers out of fund \$000	Balance 30 June \$000	Transfer into fund \$000	Transfers out of fund \$000	Balance 30 June \$000
Parking Improvement (Tu) Fund	Roading and Footpaths	For the purchase of land buildings, or equipment which will be used for providing, or in association with, parking facilities within Timaru or for meeting the annual charges on any loan raised for any of these purposes.	361	7	208	160	18	217	361
Property Development Fund	All of Council	For the purchase or development of land and improvement projects within the District.	550	80	-	630	39	141	550
R C Hervey Fund	Cultural and Learning Facilities	For providing improved services to the Timaru Library.	71	2	-	73	3	-	71
Reserves Development (Tu) Fund	Parks, Recreation and Swimming Pools	For the planting of trees and general development of reserves owned by the District Council within Timaru.	11	-	-	11	1	-	11
Reserves from Subdivisions/ Development Levy	Parks, Recreation and Swimming Pools	Development of reserves within the District as set out in the Local Government Act 1974 Section 288.	108	45	67	86	60	45	108
Safer Community Funds	Safer Communities	For Safer Communities projects.	310	85	33	362	106	26	310
Social Housing Fund (TDC)	Social Housing	Funding of new social housing units and major maintenance.	-	-	-	-	-	-	-
Sport and Recreation Loan Fund	Community Funding	Sport and Recreation loans for facilities and/or major plant items in excess of \$2,000 total value.	1,081	45	135	991	72	-	1,081
Te Moana Water Capital Contributions	Water Supply	For the provision of extensions to the Te Moana water network.	311	9	-	320	33	-	311
Timaru Ward Capital Asset and Loan Repayment Fund	All of Council	For the purpose of repayment of Timaru Ward separate rate loans and/or Timaru Ward Capital Projects.	19	-	-	19	1	-	19
Winchester Domain Fund	Parks, Recreation and Swimming Pools	For maintenance and development of the Winchester Domain area	-	103	10	93	-	-	-
<b>Total Restricted Reserves</b>			<b>32,409</b>	<b>18,312</b>	<b>14,432</b>	<b>36,289</b>	<b>16,682</b>	<b>16,099</b>	<b>32,409</b>

# Notes To The Financial Statements

for the year ended 30 June 2016

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

	Council		Group	
	Actual 2016 \$000	Actual 2015 \$000	Actual 2016 \$000	Actual 2015 \$000
Surplus/(deficit) after tax	11,513	8,673	16,785	16,467
Add/(less) non-cash items:				
Share of associate surplus/(deficit)	-	-	(4,988)	(5,203)
Depreciation and amortisation	14,731	14,481	14,908	14,672
Impairment Charges	-	-	1,015	-
Vested assets	(2,984)	(53)	(2,984)	(53)
(Gains)/losses in fair value of biological assets	(253)	(96)	(253)	(96)
(Gains)/losses in fair value of investment property	(114)	(89)	705	(1,377)
Increase/(decrease) in deferred taxation	-	-	85	105
(Gains)/losses in fair value of derivatives	1,870	725	2,274	725
(Gains)/losses in fair value of debt instruments	(25)	(57)	(25)	(57)
Movement in provision	1,238	1,672	1,238	1,672
Other	(96)	186	(99)	183
Add/(less) items classified as investing or financing activities:				
(Gains)/losses on disposal of property, plant and equipment	(10)	(14)	11	(11)
(Gains)/losses on disposal of shares	-	-	-	-
Add/(less) movements in working capital items:				
Accounts receivable	1,842	(952)	1,988	(1,125)
Inventories	15	(8)	25	(12)
Accounts payable	(2,502)	1,633	(2,763)	2,434
Net cash inflow/(outflow) from operating activities	25,225	26,101	27,922	28,324

## 29. Capital commitments and operating leases

	Council		Group	
	Actual 2016 \$000	Actual 2015 \$000	Actual 2016 \$000	Actual 2015 \$000
<b>Capital commitments</b>				
Roading network	3,212	1,825	3,212	1,825
Water system	212	550	212	550
Sewerage system	895	425	895	425
Buildings and improvements	12	762	12	762
	4,331	3,562	4,331	3,562

Refer to note 20 for capital commitments for investment properties.

### Operating leases as lessee

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

	Council		Group	
	Actual 2016 \$000	Actual 2015 \$000	Actual 2016 \$000	Actual 2015 \$000
<b>Not later than one year</b>	200	114	200	114
Later than one year and not later than five years	339	64	339	64
Later than five years	-	-	-	-
<b>Total non-cancellable operating leases</b>	539	178	539	178

The total minimum future sublease payments expected to be received under non-cancellable subleases at balance date is \$nil (2015: \$nil).

# Notes To The Financial Statements

for the year ended 30 June 2016

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

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

## Operating leases as lessor

Timaru District Council leases its investment property under operating leases. These leases have a non-cancellable term of between 1 year and 15 years. The future aggregate minimum lease payments to be collected under non-cancellable operating leases are as follows:

	Council		Group	
	Actual 2016 \$000	Actual 2015 \$000	Actual 2016 \$000	Actual 2015 \$000
Not later than one year	73	79	1,479	1,259
Later than one year and not later than five years	254	286	4,542	5,962
Later than five years	429	521	7,268	6,596
Total non-cancellable operating leases	756	886	13,289	13,817

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

## 30. Contingencies

### Contingent Liabilities

	Council		Group	
	Actual 2016 \$000	Actual 2015 \$000	Actual 2016 \$000	Actual 2015 \$000
<b>Building Act Claims</b>	-	-	-	-
Housing NZ social housing advance	1,100	1,100	1,100	1,100
Other legal proceedings	-	-	-	-
	1,100	1,100	1,100	1,100

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 \$nil (2015: \$nil).

RiskPool provides public liability and professional indemnity insurance to its members. The Council was a member of RiskPool until 30/6/2016. The Trust Deed of RiskPool provides that, if there is a shortfall (whereby claims exceed contributions of members and reinsurance recoveries) in any Fund year, then the Board may make a call on members for the fund year. The Council received a notice during 2009 for a call for additional contributions in respect of the 2002/03 and 2003/04 Fund years as those funds are exhibiting deficits due to the "leaky buildings" issue.

Housing New Zealand Corporation has provided \$1,100,000 as at 30 June 2016 (2015: \$1,100,000) towards the construction of social housing units. This advance is repayable, with interest, if the Council withdraws its investment in the joint funded social housing.

Timaru District Council has 18,550,000 shares in Timaru District Holdings Limited at an issue price of \$1.35 each which have been paid to \$185.50 (2015: \$185.50). This uncalled capital is security for the Letter of Credit facility of \$25m with ANZ Bank for the credit facilities with Timaru District Holdings Limited.

### Local Government Funding Agency

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

Together with the shareholders of LGFA and other guarantors, Timaru District Council is a guarantor of all of LGFA's borrowings. At 30 June 2016, NZLGFA had borrowings totalling \$6.5 billion (2015: \$5.0 billion).

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.

# Notes To The Financial Statements

for the year ended 30 June 2016

## Joint Venture contingent liabilities

There are no contingent liabilities associated with Downlands Water Supply Joint Venture (2015: \$nil).

## Share of associates' contingent liabilities

Timaru District Council's share of contingent liabilities of PrimePort Timaru Limited and Alpine Energy Limited, incurred jointly with other investors, is \$nil (2015: \$nil).

## Contingent assets

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

## 31. Related party transactions

During the year to 30 June 2016, the Council entered into various transactions with its associate companies (PrimePort Timaru Limited and Alpine Energy Limited), subsidiaries (Timaru District Holdings Limited, Aorangi Stadium Trust and Aoraki Development and Promotions Limited), joint venture (Downlands Water Supply) and associated organisations (South Canterbury Rural Fire District and Canterbury Economic Development Company Limited).

The following transactions were carried out with related parties

	Actual 2016 \$000	Actual 2015 \$000
<b>Timaru District Holdings Limited</b>		
Rates paid to Timaru District Council	223	265
Interest paid to Timaru District Council	928	1,112
Services provided by Timaru District Council	99	102
Services provided to Timaru District Council	929	1,113
Loans payable to Timaru District Council	22,180	22,180
Accounts payable to Timaru District Council	949	1,122
Accounts receivable from Timaru District Council	928	1,112
Dividends paid to Timaru District Council	2,326	2,193
The loan payable to Timaru District Council is secured by a debenture over the company's assets.		
<b>PrimePort Timaru Limited</b>		
Services provided by Timaru District Council	12	51
Services provided to Timaru District Council	-	15
<b>Aoraki Development and Promotions Limited</b>		
Services provided by Timaru District Council	10	19
Services provided to Timaru District Council	552	729
Accounts payable to Timaru District Council	6	10
<b>Downlands Water Supply</b>		
Services provided by Timaru District Council	249	220
Services provided to Timaru District Council	-	3
Rates collected by Timaru District Council	1,192	1,128
Accounts payable to Timaru District Council	20	16
Accounts receivable from Timaru District Council	287	276
<b>Alpine Energy Limited</b>		
Services provided by Timaru District Council	39	29
Services provided to Timaru District Council	440	308
Accounts payable to Timaru District Council	2	1
Accounts receivable from Timaru District Council	44	17
<b>South Canterbury Rural Fire District</b>		
Services provided by Timaru District Council	45	43
Services provided to Timaru District Council	166	200
Accounts payable to Timaru District Council	5	5

# Notes To The Financial Statements

for the year ended 30 June 2016

	Actual 2016 \$000	Actual 2015 \$000
<b>Canterbury Economic Development Company Limited</b>		
Services provided by Timaru District Council	-	-
Services provided to Timaru District Council	-	1

## Key Management Personnel

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

During the year, Timaru District Council purchased goods and services from Parr & Co Limited, an organisation in which the Mayor is a Director. The transactions amounted to \$21,980 (2015: \$27,847). The balance outstanding as at 30 June 2016 is \$nil (2015: \$1,096).

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

No provision has been required, nor any expense recognised for impairment of receivables for any loans or other receivables to related parties (2015: \$nil).

## Key management personnel compensation

	Actual 2016 \$000	Actual 2015 \$000
Salaries and other short term employment benefits	1,526	1,472
Post employment benefits	-	-
Other long term benefits	-	-
Termination benefits	-	-
Total key management personnel compensation	1,526	1,472

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

## 32. Remuneration

### Elected representatives

	Total remuneration			
	Council		Group	
	2016	2015	2016	2015
Mayor Odey	108,471	103,723	139,885	135,137
Councillor Lyon	46,295	44,055	64,241	62,001
Councillor Mulvey	41,261	39,219	41,261	39,219
Councillor Earnshaw	34,482	32,768	52,428	50,714
Councillor Stevens	41,468	42,395	41,468	42,395
Councillor Tierney	41,004	38,956	41,004	38,956
Councillor Brien	34,482	32,768	34,482	32,768
Councillor Burt	34,482	32,768	39,482	37,768
Councillor Jack	34,482	32,768	34,482	32,768
Councillor Wills	41,004	38,956	41,004	38,956
Chief Executive	300,000	295,000	300,000	295,000

# Notes To The Financial Statements

for the year ended 30 June 2016

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

	Council 2016
<\$60,000	228
\$60,000 - \$79,999	49
\$80,000 - \$99,999	18
\$100,000 - \$119,999	8
\$120,000 - \$159,999	5
\$160,000 - \$319,999	4
	<b>312</b>

	Council 2015
<\$60,000	225
\$60,000 - \$79,999	42
\$80,000 - \$99,999	16
\$100,000 - \$139,999	9
\$140,000 - \$219,999	6
\$280,000 - \$299,999	1
	<b>299</b>

Total remuneration includes non-financial benefits provided to employees.

At balance date, the Council employed 181 full-time employees (2015: 175), with the balance of staff representing 51 full-time equivalent employees (2015: 48). A full-time employee is determined on the basis of working a 37.5 or 40-hour working week.

## 33. Capital Management

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

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

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

Timaru District Council has the following Council created reserves

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

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

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

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

## 34. Events after balance sheet date

There are no significant events subsequent to balance sheet date.

# Notes To The Financial Statements

for the year ended 30 June 2016

## 35. Financial instruments

### Financial Instrument Categories

	Council		Group	
	Actual 2016 \$000	Actual 2015 \$000	Actual 2016 \$000	Actual 2015 \$000
<b>FINANCIAL ASSETS</b>				
<b>Fair value through surplus or deficit - Held for trading</b>				
Derivative financial instrument assets	-	-	-	-
Other financial assets:				
- Investments in debt securities	5,693	4,961	5,693	4,961
<i>Total fair value through surplus or deficit</i>	<i>5,693</i>	<i>4,961</i>	<i>5,693</i>	<i>4,961</i>
<b>Loans and receivables</b>				
Cash and cash equivalents	18,599	27,706	19,002	30,388
Trade and other receivables	6,218	8,403	7,106	9,000
Other financial assets:				
- Term deposits	29,632	12,305	33,910	14,755
- Community loans	398	240	398	240
- Loans to related parties	22,180	22,180	-	-
<i>Total loans and receivables</i>	<i>77,027</i>	<i>70,834</i>	<i>60,416</i>	<i>54,383</i>
<b>Fair value through other comprehensive revenue</b>				
Other financial assets:				
- Unlisted shares	269	269	269	269
<b>FINANCIAL LIABILITIES</b>				
<b>Fair value through surplus or deficit - Held for trading</b>				
Derivative financial instrument liabilities	4,110	2,240	5,245	2,971
<b>Financial liabilities at amortised cost</b>				
Trade and other payables	7,593	10,629	7,091	9,982
Borrowings:				
- Secured loans	-	-	12,900	16,100
- Bonds	93,729	89,045	93,729	89,045
- Redeemable Preference Shares	-	-	-	-
<i>Total financial liabilities at amortised cost</i>	<i>101,322</i>	<i>99,674</i>	<i>113,720</i>	<i>115,127</i>

### Fair value

The Council carries certain financial assets and financial liabilities at fair value. In accordance with PBE IPSAS 30 - Fair Value Measurement, Council uses various methods in estimating the fair value of its financial instruments. The methods comprise:

- Level 1 - Quoted (unadjusted) market prices in active markets for identical assets or liabilities.
- Level 2 - Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable.
- Level 3 - Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable.

The fair value of Investment Properties is Level 2 as per Note 20.

# Notes To The Financial Statements

for the year ended 30 June 2016

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

	Valuation technique			
	Total	Quoted market price	Observable inputs	Significant non-observable inputs
	\$000	\$000	\$000	\$000
<b>30 June 2016 - Council</b>				
<b>Financial assets</b>				
Investments in debt securities	5,693	-	5,693	-
Shares	269	-	-	269
<b>Financial liabilities</b>				
Derivatives	4,110	-	4,110	-
<b>30 June 2016 - Group</b>				
<b>Financial assets</b>				
Investments in debt securities	5,693	-	5,693	-
Shares	269	-	-	269
<b>Financial liabilities</b>				
Derivatives	5,245	-	5,245	-
<b>30 June 2015 - Council</b>				
<b>Financial assets</b>				
Investments in debt securities	4,961	-	4,961	-
Shares	269	-	-	269
<b>Financial liabilities</b>				
Derivatives	2,240	-	2,240	-
<b>30 June 2015 - Group</b>				
<b>Financial assets</b>				
Investments in debt securities	4,961	-	4,961	-
Shares	269	-	-	269
<b>Financial liabilities</b>				
Derivatives	2,971	-	2,971	-

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

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

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

	2016 \$000	2015 \$000
Balance as at 1 July	270	270
Gain and losses recognised in the surplus or deficit	-	-
Gain and losses recognised in other comprehensive revenue	-	-
Purchases	-	-
Sales	-	-
Transfers into level 3	-	-
Transfers out of level 3	-	-
Balance as at 30 June	270	270

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



# Notes To The Financial Statements

for the year ended 30 June 2016

## Financial Instruments risks

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

### Market risk

#### Currency risk

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

#### Interest rate risk

##### Fair value interest rate risk

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

##### Cash flow interest rate risk

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

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

### Credit risk

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

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

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

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

	Council		Group	
	Actual 2016 \$000	Actual 2015 \$000	Actual 2016 \$000	Actual 2015 \$000
Cash at bank and term deposits	48,231	40,011	52,912	45,143
Trade and other receivables	6,218	8,403	7,106	9,000
Community loans	398	240	398	240
Related party loans	22,180	22,180	-	-
Investments in debt securities	5,693	4,961	5,693	4,961
Total credit risk	82,720	75,795	66,109	59,344

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

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

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

### Liquidity risk

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

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

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

Timaru District Council has a maximum amount that can be drawn down against its overdraft facility of \$nil (2015: \$250,000). There are no restrictions on the use of this facility.

# Notes To The Financial Statements

for the year ended 30 June 2016

## Contractual maturity analysis of financial liabilities, excluding derivatives

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

	Carrying amount	Less than 1 year	1-2 years	2-5 years	More than 5 years
	\$000	\$000	\$000	\$000	\$000
<b>Council 2016</b>					
Trade and other payables	7,593	7,593	-	-	-
Bonds	93,729	27,700	5,000	50,000	11,029
<b>Total</b>	<b>101,322</b>	<b>35,293</b>	<b>5,000</b>	<b>50,000</b>	<b>11,029</b>
<b>Group 2016</b>					
Trade and other payables	7,091	7,091	-	-	-
Secured loans	12,900	-	12,900	-	-
Bonds	93,729	27,700	5,000	50,000	11,029
<b>Total</b>	<b>113,720</b>	<b>34,791</b>	<b>17,900</b>	<b>50,000</b>	<b>11,029</b>
<b>Council 2015</b>					
Trade and other payables	10,629	10,629	-	-	-
Bonds	89,045	5,000	18,000	35,000	31,045
<b>Total</b>	<b>99,674</b>	<b>15,629</b>	<b>18,000</b>	<b>35,000</b>	<b>31,045</b>
<b>Group 2015</b>					
Trade and other payables	9,982	9,982	-	-	-
Secured loans	16,100	-	16,100	-	-
Bonds	89,045	5,000	18,000	35,000	31,045
<b>Total</b>	<b>115,127</b>	<b>14,982</b>	<b>34,100</b>	<b>35,000</b>	<b>31,045</b>

## Contractual maturity analysis of derivative financial instruments

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

	Less than 1 year	1-2 years	2-5 years	More than 5 years
	\$000	\$000	\$000	\$000
Council 2016	14,000	-	11,900	26,000
Council 2015	5,000	14,000	4,000	20,900
Group 2016	14,000	-	23,400	26,000
Group 2015	5,000	14,000	7,000	29,400

# Notes To The Financial Statements

for the year ended 30 June 2016

## Contractual maturity analysis of financial assets

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

	Less than 1 year	1-2 years	2-5 years	More than 5 years
	\$000	\$000	\$000	\$000
<b>Council 2016</b>				
Cash and cash equivalents	18,599	18,599	-	-
Trade and other receivables	6,218	6,218	-	-
Loans to related parties	22,180	-	-	22,180
Unlisted shares	269	-	-	269
Other financial assets:				
- term deposits	29,632	29,632	-	-
- community loans	398	133	185	80
- investment in debt securities	5,693	1,052	4,641	-
<b>Total</b>	<b>82,989</b>	<b>55,634</b>	<b>4,826</b>	<b>22,529</b>
<b>Group 2016</b>				
Cash and cash equivalents	19,002	19,002	-	-
Trade and other receivables	7,106	7,106	-	-
Unlisted shares	270	-	-	270
Other financial assets:				
- term deposits	33,910	33,910	-	-
- community loans	398	133	185	80
- investment in debt securities	5,693	1,052	4,641	-
<b>Total</b>	<b>66,379</b>	<b>61,203</b>	<b>4,826</b>	<b>350</b>
<b>Council 2015</b>				
Cash and cash equivalents	27,706	27,706	-	-
Trade and other receivables	8,403	8,403	-	-
Loans to related parties	22,180	-	-	22,180
Unlisted shares	269	-	-	269
Other financial assets:				
- term deposits	12,305	12,305	-	-
- community loans	240	79	107	54
- investment in debt securities	4,961	1,546	3,415	-
<b>Total</b>	<b>76,064</b>	<b>50,039</b>	<b>3,522</b>	<b>22,503</b>
<b>Group 2015</b>				
Cash and cash equivalents	30,388	30,388	-	-
Trade and other receivables	9,000	9,000	-	-
Unlisted shares	270	-	-	270
Other financial assets:				
- term deposits	14,755	14,755	-	-
- community loans	240	79	107	54
- investment in debt securities	4,961	1,546	3,415	-
<b>Total</b>	<b>59,614</b>	<b>55,768</b>	<b>3,522</b>	<b>324</b>

## 36. Severance payments

During the year, there were no severance payments made to employees (2015: \$nil).

# Notes To The Financial Statements

for the year ended 30 June 2016

## 37. Explanation of major variances against budget

Timaru District Council made a net surplus of \$11.513 million (budgeted surplus of \$4.666 million)

Revenue and expenditure	\$000
2015/2016 Annual Plan surplus	4,666
Increases/(Reductions)	
Other gains (on fair value of derivatives)	(1,870)
Other increases in revenue	4,523
Landfill aftercare provision increase	(1,238)
Depreciation	830
Finance costs	1,834
Other decreases in expenditure	2,768
	6,847
2015/2016 Annual Report surplus	11,513

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

- Unrealised loss on interest rate swaps of \$1,870,000, which is not budgeted due to inherent difficulties in forecasting market conditions.
- A large volume of residential developments occurred during the year, a result of which is that \$2,984,000 worth of infrastructure assets were vested in Council, which is shown as revenue for the year.
- Volumes of waste processed by the landfill increased, mainly due to a contractor reverting to using the Redruth facility after several years of taking waste out of the district. This resulted in waste minimisation revenue exceeding budget by \$552,000. Contributions towards capital projects were also in excess of budget by \$386,000 for the year.
- There has been an increase in the landfill aftercare provision of \$1,238,000 due to interest rate changes and increased usage as above resulting in reduction of estimated remaining useful life.
- Actual costs for depreciation were lower than forecast by \$830,000, mainly due to delays in significant capital projects.
- Finance costs were lower than budget by \$1,834,000 due to timing of expenditure on projects meaning that loans were not needed until later than expected, as well as ongoing reduced interest rates.

### Statement of financial position

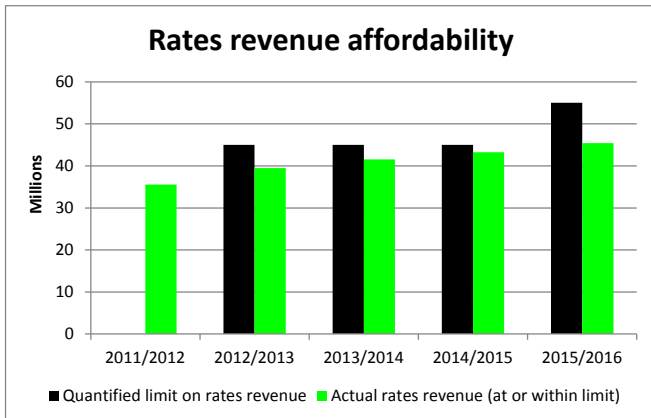
Due to delays in the timing of capital expenditure projects, partially offset by reduced depreciation, fixed assets are below budgeted level. As a result of the delays in capital expenditure, borrowings are also slightly less than budgeted, as some of these projects are being funded by borrowings. Some loan funding has been drawn down for delayed capital expenditure, which has resulted in increases in short-term investments.

# Disclosure Statement

Regulations were introduced in May 2014 requiring Council to disclose its performance in relation to specific benchmarks, as follows:

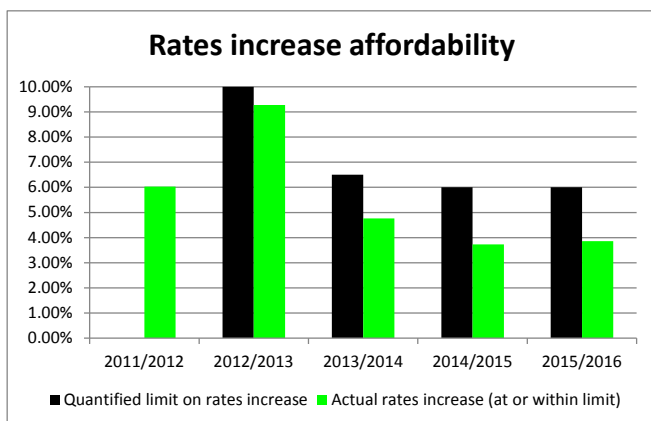
## 1. Rates (revenue) affordability benchmark

The following graph compares the Council's actual rates revenue with a quantified limit on rates contained in the financial strategy included in the Council's long-term plan. The quantified limit is \$45m (from 2012/13 to 2014/15) and \$55m (from 2015/16).



## 2. Rates (increase) affordability benchmark

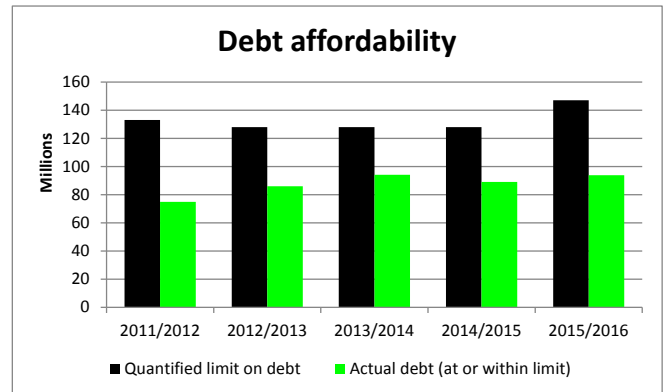
The following graph compares the Council's actual rates increases with a quantified limit on rates increases included in the financial strategy included in the Council's long-term plan. The quantified limit is 6% (from 2012/2013), except for the 2012/2013 year, where the limit is 10% and the 2013/2014 year, where the limit is 6.50%.



## 3. Debt affordability benchmark

The following graph compares the Council's actual borrowing with a quantified limit on borrowing stated in the financial strategy included in the Council's long-term plan. The quantified limit is \$128 million (from 2012/2013 to 2014/15) and \$147m (from 2015/16).

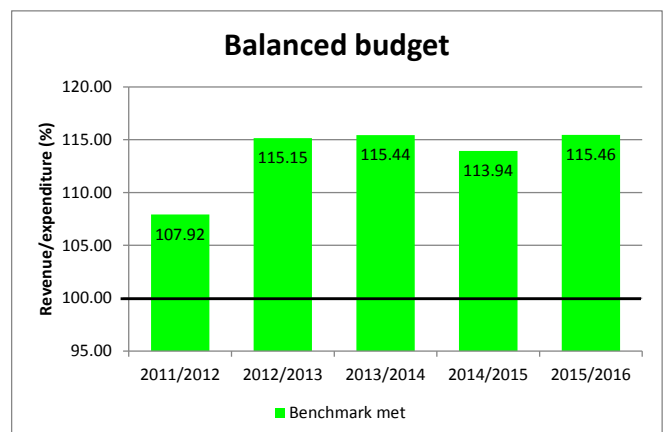
The Council meets the debt affordability benchmark if its actual borrowing is within each quantified limit on borrowing.



## 4. Balanced budget benchmark

The following graph displays the Council's revenue (excluding development contributions, financial contributions, vested assets, gains on derivative financial instruments, and revaluations of property, plant, or equipment) as a proportion of operating expenses (excluding losses on derivative financial instruments and revaluations of property, plant or equipment).

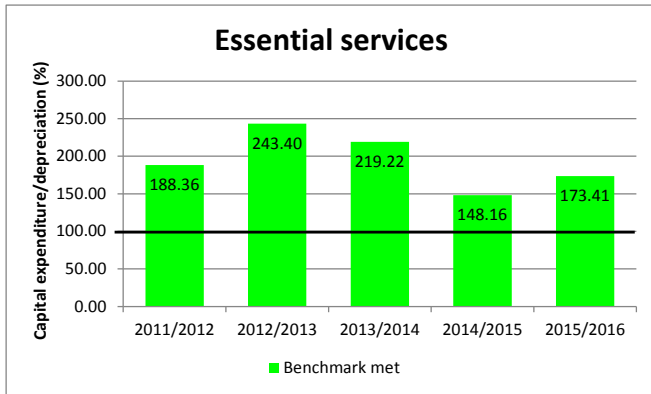
The Council meets this benchmark if its revenue equals or is greater than its operating expenses.



# Disclosure Statement

## 5. Essential services benchmark

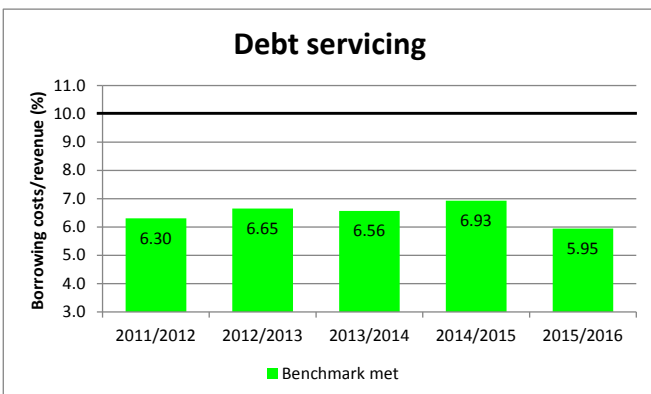
The following graph displays the Council's capital expenditure on network services as a proportion of depreciation on network services. The Council meets this benchmark if its capital expenditure on network services equals or is greater than depreciation on network services.



## 6. Debt servicing benchmark

The following graph displays the Council's borrowing costs as a proportion of revenue (excluding development contributions, financial contributions, vested assets, gains on derivative financial instruments, and revaluations of property, plant or equipment).

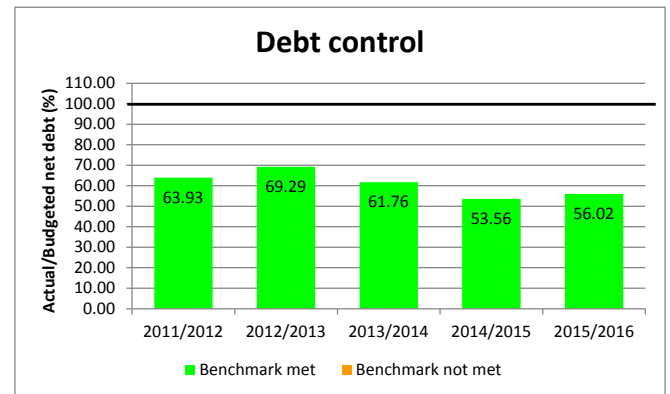
Because Statistics New Zealand projects the Council's population will grow more slowly than the national population growth rate, it meets the debt servicing benchmark if its borrowing costs equal or are less than 10% of its revenue.



## 7. Debt control benchmark

The following graph displays the Council's actual net debt as a proportion of planned net debt as per Council's long-term plan. In this statement, net debt means financial liabilities less financial assets (excluding trade and other receivables).

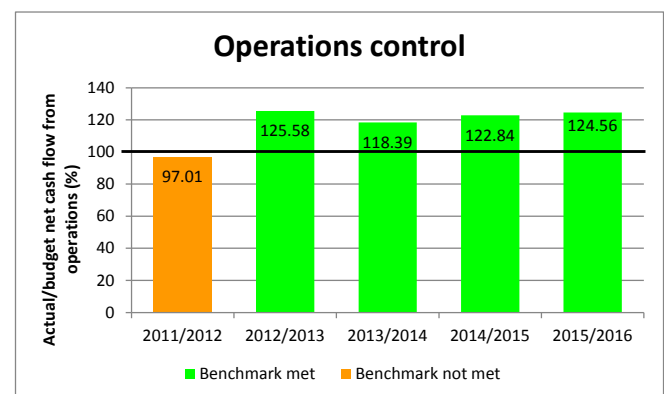
The Council meets the debt control benchmark if its actual net debt equals or is less than its planned net debt.



## 8. Operations control benchmark

This graph displays the Council's actual net cash flow from operations as a proportion of its planned net cash flow from operations.

The Council meets the operations control benchmark if its actual net cash flow from operations equals or is greater than its planned net cash flow from operations.



## Health and Safety Policy

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

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

### 2015/16 Corporate Objectives

- Objective:** To ensure consistent and timely compliance with Health and Safety policies across the organization at the ACC Tertiary level.

**Outcome:** This was achieved. All Unit plans reviewed, hazard / risk registers refined and ACC pre audit undertaken showing compliance with all performance indicators.
- Objective:** To maintain a comprehensive Health and Safety Induction programme for new employees.

**Outcome:** This was achieved. Induction training sessions for new staff were held 3 times during this period and introduced by Chief Executive on all occasions.
- Objective:** Provide all staff with at least three education or training opportunities during the period.

**Outcome:** This was achieved in a number of ways. Comprehensive organization wide training on the implications of the new Health and Safety at Work Act 2015 was undertaken at management and all staff levels with good attendance numbers. Staff with Health and Safety roles attended a number of ACC sponsored information days during the period. Staff at all levels of the organization were offered and undertook training on a wide range of issues relating to their specific Health and Safety needs eg STMP, Confined Spaces, First Aid etc. A "SunSmart" promotion was run in early summer 2015.
- Objective:** To achieve zero serious harm accidents and reduce the level of other accidents in the 2015/2016 year as compared to 2014/2015.

**Outcome:** Achieved. Accident statistics for this period show no serious harm accidents. The level of other accidents/ incidents for 2015/2016 compared with 2014/2015 are as follows:

	Incidents	
	Employee	Non Employee
2014/2015	34	29
2015/2016	70	160

The increases are largely due to improved incident reporting across all Council organisations.
- Objective:** Implement new legislation requirements. To ensure a smooth transition to meeting the requirements of the new Act through ongoing staff training, Health and Safety Committee, senior management, and elected members with the provision of a 6 monthly report to the Audit and Risk sub committee.

**Outcome:** This was undertaken in a number of ways and is ongoing. Staff training was undertaken and workshops on the new act attended by management staff and Health and Safety Committee. Regular communications with staff sought to emphasize the key components of the new Act – PCBU's, risk v hazard, near miss reporting, shared duties / responsibilities, consult coordinate, cooperate etc. An external review of the Health and Safety Policy was completed. Elected members were provided training by legal advisor. Regular reporting has been provided to the Audit and Risk subcommittee.
- Objective:** Greater Staff Involvement. Staff KPI's to be amended to require reporting of incidents and near misses to Human

Resources Unit and management (within 24 hours) along with logging of staff training. Health and Safety to feature as a static agenda item at all unit / team meetings and a greater involvement of all staff in identifying hazards.

**Outcome:** Achieved. Health and Safety now a regular static item agenda at contractor meetings, unit meetings and the like. Records lodged with Human Resources show an increase in incident, near miss reporting and logging of training undertaken, over the previous period. (See table in 4 above.) Revisions to the Health and Safety Policy Manual have also placed more emphasis in this area and are ongoing.

- Objective:** Review Health and Safety responsibilities and scope with other parties. To investigate and report to the Management Team the implications of new legislation (PCBU in particular) with regard to Timaru District Council responsibilities around working relationships with contractors, Council controlled organizations, consultants, hall committees, volunteers and others.

**Outcome:** Achieved. Responsibilities around other parties has been conveyed to management team in a number of ways (eg Simpson Grierson) and LGA training and releases, with a particular focus on the areas identified in (7) above. Liaison with Worksafe NZ has clarified issues around volunteers and a number of other working arrangements, as has attendance at various ACC seminars during the period. Significant consultation and communication has been undertaken with all regular Council contractors and updated information has been sought from them for inclusion in the register of Health and Safety Approved Contractors. A higher level of awareness and coordination between Council and contractors now exists. Site visits to various areas by the Health and Safety committee have focused on the much strengthened arrangements between PCBU's that are now a requirement. The annual Contractors meeting facilitated by Council also focuses on Health and Safety. Council Controlled Organizations have provided Council with information on Health and Safety within their organizations. Formalization of hall committee structures has been significantly progressed.

- Objective:** Review the role of the Health and Safety Committee. Review existing policy for the selection and rotation of staff committee members, the functions and expectations of members and associated training requirements.

**Outcome:** Achieved. The policy for the selection and composition of the Health and Safety Committee has been reviewed and discussed with the committee members. Members are happy (based on feedback from staff) that both member numbers and cross organization representation is appropriate at this time. A revision of duties for the Health and Safety Officer and Health and Safety Coordinator has been completed and implemented. The committee (due to their role) have had significant exposure to the requirements of the new Health and Safety at Work Act 2015 and training opportunities have been taken when presented and appropriate (eg ACC Seminars, Simpson Grierson presentations etc). Further training will be assessed and implemented to meet any identified needs and to maintain a current and up to date knowledge base.
- Objective:** Improved Accident / Injury Recording. Investigate the practicalities of implementing a TRIFR – Total Recordable Injuries Frequency Rate system for Council.

**Outcome:** Achieved. A TRIFR system is now operating via the Human Resources Unit and is linked to the Safehold programme which has also been implemented over this period

## 2015/16 Health and Safety Committee Objectives

- Objective:** To hold at least 11 meetings annually with all agendas, hazard register and accident statistics circulated seven days before each meeting to all committee members.  
**Outcome:** This was achieved.
- Objective:** To ensure a relevant Health and Safety article is included in the staff newsletter every month and to otherwise promote Health and Safety through recognition of excellence, posters and awareness campaigns.  
**Outcome:** Achieved. Newsletter items have been undertaken each month along with circulation of other health and safety information to the committee and where relevant to all staff. New posters featuring our own staff with key Health and Safety messages are being developed and distributed.
- Objective:** To continue to review and where possible improve "Online" access for Health and Safety related forms such as Incident, Accident, Hazard and health and safety contractor reporting so as to promote an improved level of staff participation in these functions.  
**Outcome:** Achieved. Online access to Incident reporting, training recording and Health and Safety Manual are now available on the intranet home page and staff are encouraged to access these via this source. Further accessibility to "Online" material will be undertaken as resources allow.
- Objective:** For the Health and Safety Officer and other Health and Safety Committee members to participate in at least 4 Unit Plan reviews and offer advice and assistance with the process.  
**Outcome:** Achieved. Health and Safety Officer participated in a number of Unit Plan reviews during the period including Planning Unit, Building Unit, Community Services Management Unit, Chief Executives Unit, District Services Management, Unit Parks Unit and Safer Communities Unit.
- Objective:** To arrange quarterly site visit for Health and Safety Committee members to Council facilities or project sites to increase their knowledge on Health and Safety issues at these locations.  
**Outcome:** Achieved. Site visits have been undertaken during this period to Redruth Landfill, Milliscreen, South Canterbury Museum and Jacks Point walkway.

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

Section 81 of the Local Government Act 2002 requires all local authorities to establish and develop ways that it can involve local Maori in the Council decision-making process.

Council has traditionally had a good relationship with local Maori, and values the cultural heritage and character of the people as vitally important to the district.

Council and Te Runanga O Arowhenua signed a Memorandum of Understanding in July 2015 that provides a framework for both parties to work together collaboratively to advance the interests of the rohe, in terms of cultural, economic, environmental and other perspectives.

Maori contribution to the decision-making process is very important to Council:

- A member of the Tangata Whenua is to be appointed as a full voting member on Council's Resource Planning and Regulation Committee
- There is Maori representation on the Safer Communities Committee and Local Arts Assessment Committee
- Council staff directly consult and liaise with Maori where decisions involve and are relevant to Maori
- Council's senior management team will meet with local Maori on an as required basis to maintain a good working relationship

Council continues to build and develop its relationship with local Maori to ensure their continued involvement in decision-making processes.





# Other Information

# Directory

## Postal Address:

Timaru District Council,  
PO Box 522,  
Timaru 7940

## Location

Timaru Main Office:  
2 King George Place, Timaru 7910  
Telephone: (03) 687-7200  
Facsimile: (03) 687-7209  
Email: [enquiry@timdc.govt.nz](mailto:enquiry@timdc.govt.nz)  
Website: [www.timaru.govt.nz](http://www.timaru.govt.nz)  
Hours (except statutory holidays): Mon – Fri, 8.30am – 5pm

## Temuka Service Centre:

72-74 King Street, Temuka 7920  
Telephone: (03) 687 7591  
Facsimile:(03) 615 9538  
Hours (except statutory holidays):  
Mon – Thu, 8.30am – 5pm,  
Fri, 8.30am – 6pm  
Sat, 10am – 1pm

## Geraldine Service Centre:

78 Talbot Street, Geraldine 7930  
Telephone: (03) 693-9336  
Facsimile: (03) 693 9451  
Hours (except statutory holidays):  
Mon – Thu, 8.30am – 5pm  
Fri, 8.30am – 6pm  
Sat, 10am – 1pm

## Bankers:

Bank of New Zealand,  
247 Stafford Street,  
Timaru 7910

## Auditors:

Audit New Zealand  
on behalf of the Controller and Auditor-General  
PO Box 99,  
Wellington 6140

## Solicitors:

Gresson Dorman and Co,  
24 The Terrace,  
PO Box 244,  
Timaru 7940

# Coat of Arms and Logo

## Coat of Arms



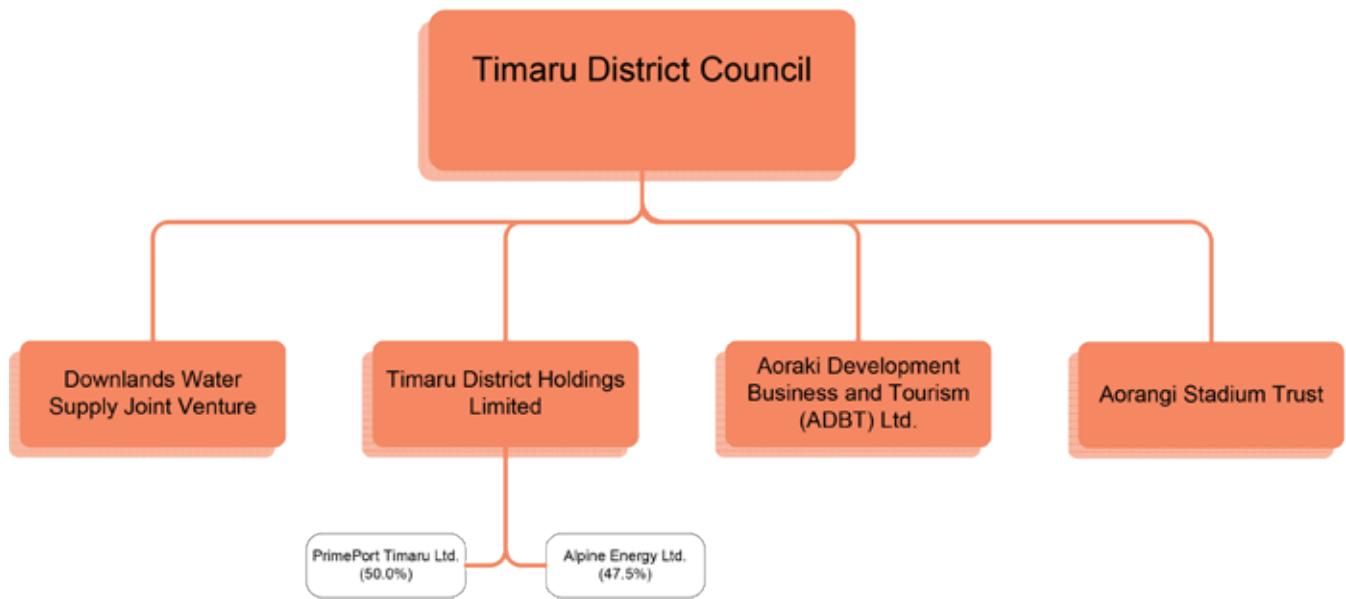
The grant of armorial bearings to the City of Timaru was made by the College of Heralds, London, by letters patent dated 18 October 1977. The original grants document with its impressive artwork and gold seals is displayed outside the Council Chambers in the upstairs foyer of the District Council Building,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

## Logo

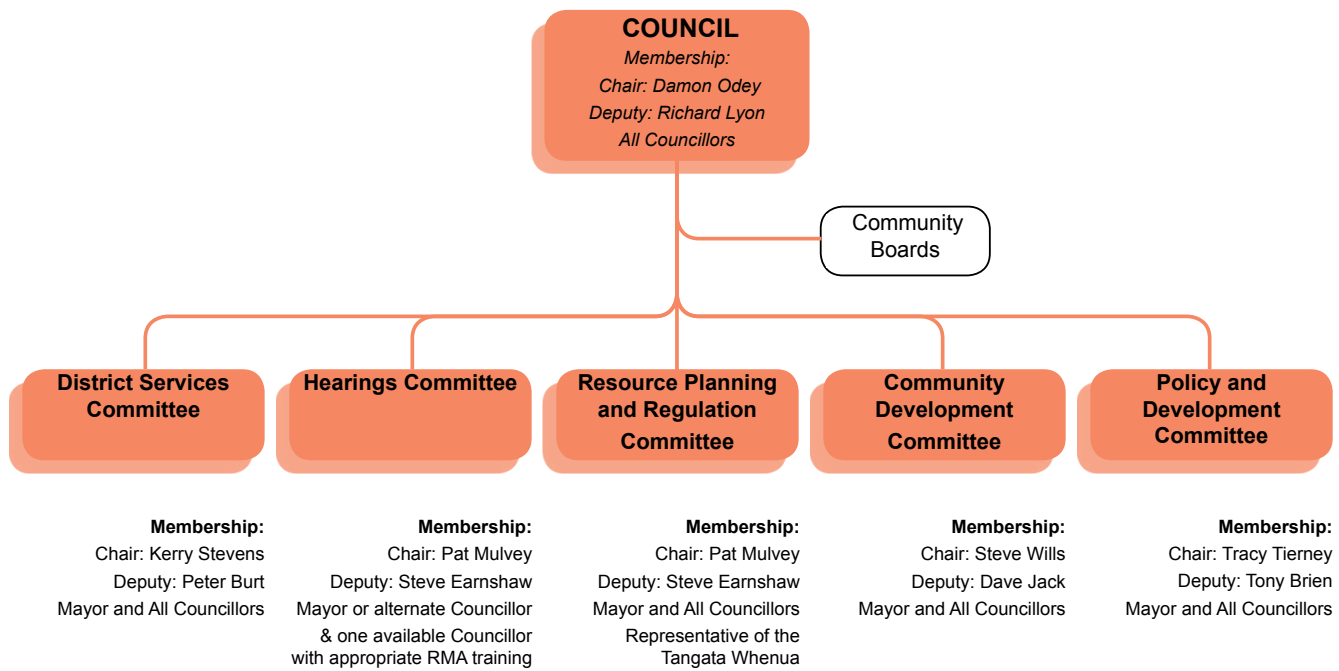


The Council Logo colours are blue and green - environmental colours depicting the sea meeting the land inside a unified format. The diagonal lines suggest upward movement, mountains, rivers, roads, energy, vitality, leadership - pointing to the TDC. The logo is used on all corporate documents, signs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

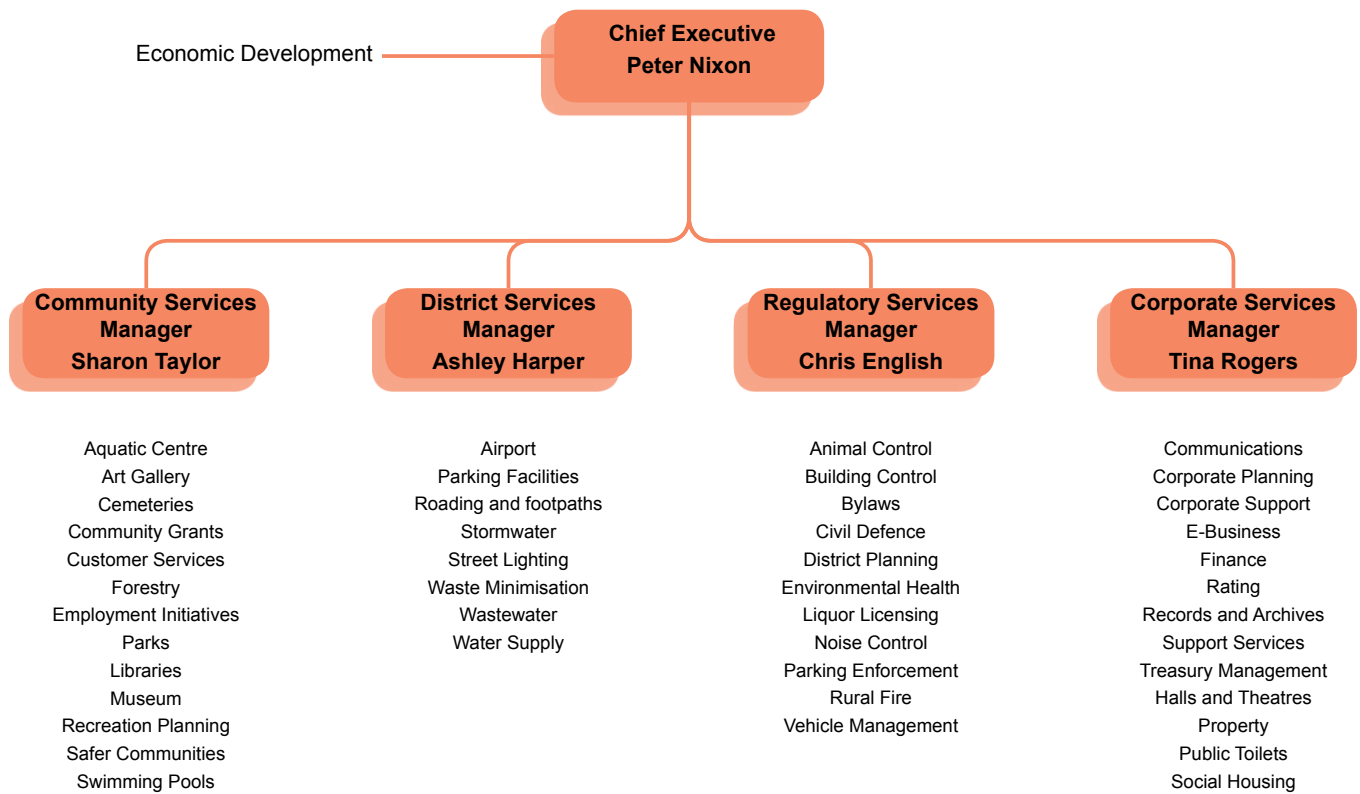
# Group Organisation Structure



# Council Committees (as at September 2016)



# Council Management



# Glossary

## Activity

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

## Annual Plan

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

## Annual Report

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

## Asset

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

## Activity/Asset Management Plan

A plan for managing an activity to ensure that its capacity to provide a service is maintained, future strategy is established, work is planned for and costs to provide an activity are identified.

## Borrowing

The raising of loans for capital items, such as a sewerage scheme.

## Capital Expenditure

Expenditure that will increase the value of the Council's assets. It generally involves building a new asset or replacing an existing asset.

## Capital Value

Value of land including any improvements.

## Community Boards

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

## Community Outcomes

Community Outcomes represent the outcomes that the Council "aims to achieve in meeting the current and future needs of communities for good-quality local infrastructure, local public services, and performance of regulatory functions".

## Consultation Document

A document used to consult on issues presented. This may include options and a preferred option.

## Council Controlled Organisations

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

## Financial Strategy

Guides Council's financial direction, including information around revenue, expenditure, rating, debt and investments. It is required under Section 101A of the Local Government Act.

## Financial Year

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

## General Rate

A rate levied across all properties for activities that benefit the whole District.

## Group of Activities

Several activities combined together (e.g. Recreation and Leisure).

## Infrastructure Strategy

A 30 year strategy that sets out significant infrastructure issues, expenditure forecasts, principal options and planned projects under Section 101B of the Local Government Act. At a minimum, the strategy must cover roading and footpaths, sewer, stormwater, flood control and water supply.

## Land Value

Value of land, excluding any improvements.

## Local Government Act 2002

The key legislation that defines the powers and responsibilities of local authorities like the Timaru District Council.

## Long Term Plan (LTP)

A ten-year plan that sets out the Council's strategic framework, work programme, performance framework, funding approach and budget for the next ten years.

## Operating Expenditure

Money the Council spends on day to day expenditure items such as salaries, materials, electricity and plant hire.

## Operating Revenue

Money earned through the activities in return for a service provided, or by way of a grant or assistance to ensure particular services or goods are provided. Examples include NZTA financial assistance, rental income, permits and fees.

## Operating Surplus/(Deficit)

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

## Performance Measure

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

## Rates

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

## Revenue and Financing Policy

This describes how the Council's work will be paid for and the

# Glossary

mechanisms used for gathering funds (e.g. general rate, targeted rates, fees, user charges, grants).

## Significance

In relation to any issue, proposal, decision, or other matter that concerns or is before a local authority, means the degree of importance of the issue, proposal, decision or matter, as assessed by the local authority.

## Significance and Engagement Policy

The Significance and Engagement Policy (SEP) enables the Council and its communities to identify the degree of significance attached to particular issues, proposals, assets, decisions and activities. It also provides clarity about how and when communities can expect to be engaged in decisions about different issues, assets or other matters.

## Statement of Cash Flows

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

## Statement of Comprehensive Revenue and Expense

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

## Statement of Financial Position

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

## Subsidies

Amounts received from other agencies for the provision of services.

## Targeted Rates

Any rate levied other than the general rate, which is targeted at users of a service such as water supply, sewer and waste minimisation.

## Transfer to/from Reserves

Transfers of funds to reserves are generally surpluses on operations. Transfers from reserves assist to fund capital expenditure.

## User Charges

Charges levied for use of Timaru District Council services (e.g. building consent fees, swimming pool entry fees).

## Working Capital

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







**Timaru District Council**

2 King George Place  
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72-74 King Street, Temuka  
**T** (03) 687 7591  
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73 Talbot Street, Geraldine  
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