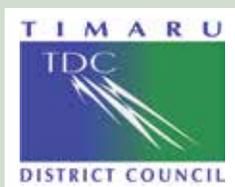




# Long Term Plan 2015-2025

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Including the Annual Plan 2015/2016



**Timaru District Council  
Long Term Plan 2015-25**

For the year beginning 1 July 2015

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# An Introduction from your Mayor and Chief Executive

## We're there!!

After 18 months of work, we have now completed the 2015/25 Long Term Plan (LTP).

This has been a mammoth effort, involving the entire Council operation, elected members, community boards and most importantly - you - as the residents and ratepayers we serve.

Through our 'Are We There Yet?' LTP consultation, we received a record number of submissions, focused around the key issues we sought feedback on, along with a range of other topics.

Our LTP consultation covered some pretty difficult issues, such as addressing a road funding shortfall, adjusting differentials for the general rate and considering how we deal with the issues faced by our heritage facilities into the future.

## After 18 months of work, we have now completed the 2015/25 Long Term Plan

This included:

- considering and reviewing our strategic direction
- carrying out an LTP pre-consultation to determine potential issues
- considering and reviewing key policies
- developing a new Significance and Engagement Policy
- developing a new Infrastructure Strategy
- reviewing all our activities, including their direction, budgets and future work programmes
- identifying issues and options to be included in a new LTP Consultation Document
- developing an Economic Development Strategy and considering future direction
- consulting on the LTP via our "Are We There Yet?" consultation document
- listening, considering, debating and discussing your feedback on the proposals

Thanks to those who made the effort to give us input. We really do appreciate it and considered all of the points you made. You can read more about the decisions made by the Council later in this section.

Timaru District is going well. Latest economic growth statistics have us above the national average. The district continues to grow steadily.

The LTP sets out the Council's contribution to supporting this future growth, such as how we will continue to maintain and develop critical infrastructure, like roads, sewerage systems, water supplies and stormwater.

Some of the projects planned over the next ten years include:

- Roading upgrades such as bridge replacements, seal widening and new footpaths
- Significant upgrades to district water supplies, particularly Timaru, Temuka, Te Moana and Downlands
- A new art store at the Aigantighe Art Gallery
- Potential future development of the South Canterbury Museum
- Upgrades to stormwater schemes to meet new rules
- Development of a Resource Recovery Park and Waste Sorting Facility at Redruth
- The District Plan review
- Upgrades to the Theatre Royal, Temuka pool, and CBay outdoor pool
- Development of a new cemetery for Timaru

In addition, we'll continue to provide all our other services - recreational facilities like parks and the library, regulatory roles such as district planning and building control, waste minimisation activities and so on. This document details how this will happen.

The outcome of the LTP development has resulted in an average annual rate increase of 4.3% (including inflation) over the next ten years. The 2015/16 increase is 3.86%. Increases will vary depending on where you live, the nature of your property, the services you receive and the impact of the decisions made through this LTP on your property. Some properties will notice a larger increase due to the impact of our decision to adjust differentials.

So, we're there, at least with this LTP. However, as is the norm, life in local government circles will continue as we seek to achieve our vision and respond to the ever-changing environment around us.

We look forward to it.



Damon Odey  
Mayor



Peter Nixon  
Chief Executive



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An aerial photograph of a park in Timaru, New Zealand. The foreground is dominated by a large, lush green weeping willow tree. To the right, there is a formal garden with intricate hedges and a winding path. In the middle ground, a wide, open lawn stretches towards a paved walkway lined with palm trees and other plants. In the background, a large body of water, likely the Timaru Harbour, is visible under a clear blue sky. The overall scene is bright and sunny, with a clear horizon line.

We look forward to working with you in progressing our vision of Lifestyle - Economy - Identity - Leadership and making our Timaru District prosperous with a lifestyle truly second to none.



# Your Council and Community Boards



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

## Temuka Community Board

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

# What's an LTP?

## What's the Long Term Plan all about?

We call it the LTP for short and it is a plan that presents the Council's blueprint for the delivery of its activities over the next ten years. It sets out what the Council will do, how it will be paid for and when it will happen. It is the critical document that sets the direction and intent of how the Council intends to make the Timaru District an even better place to live, work and play.

The LTP is reviewed every three years and at that time, Council looks for input from the residents, ratepayers and other stakeholders in the district.

## What has it got to do with me?

The LTP has got a lot to do with you! It isn't just Council's document, it's yours as well and Council rely on community input to make sure it's on the right track. For LTP 2015-25 we sought to maximise community input through our LTP Consultation Document "Are we there yet?" We'll talk more about your input shortly, but it was pleasing to see increased feedback overall than in previous years. The LTP includes:

- Issues that will influence the Council over the next ten years
- Information about the array of activities the Council is involved with
- Key projects planned

- How your rates will be spent.
- How the Council's work will be funded
- Financial performance

The Plan outlines how we collectively can create the future we all want, and the role that the Council will play in that.

## What's new this time around?

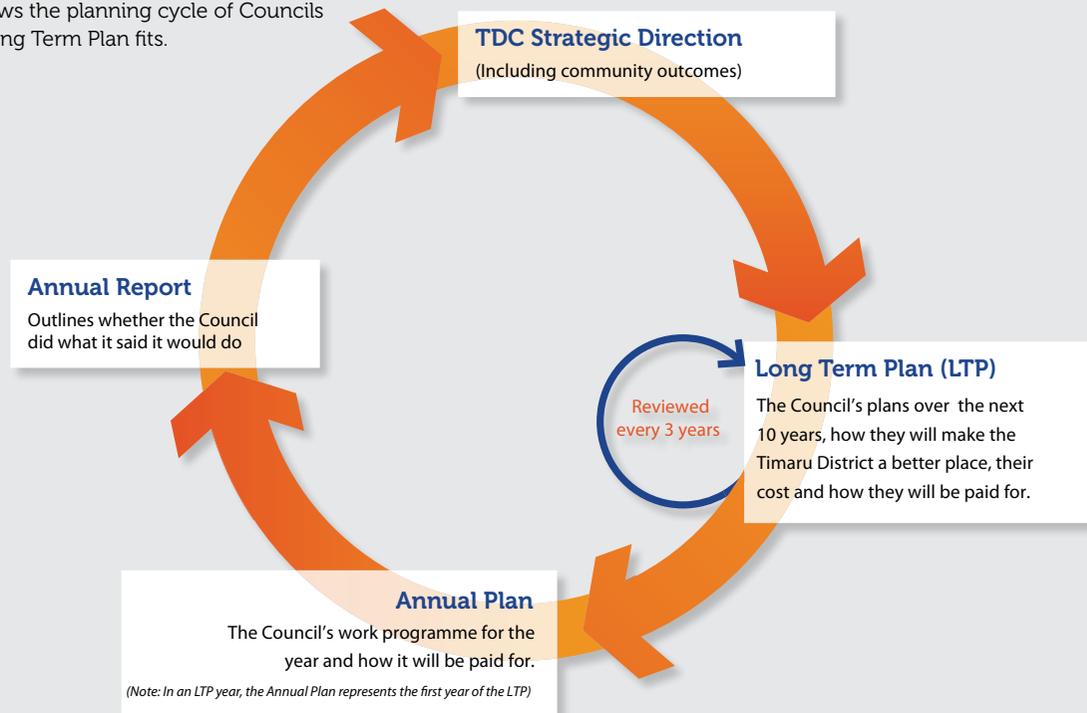
The law has changed since we last reviewed the LTP. While much of the LTP process remained the same, there were important changes to two key areas.

Firstly, Councils are now required to prepare a thirty year Infrastructure Strategy (or IS). At a minimum, the IS covers the big stuff provided by Council including the roads and footpaths you drive and walk on, sewage collection, treatment and management, the systems delivering clean, fresh water to your tap and the stormwater systems that handle heavy rainfall. The full IS is included in Section Three.

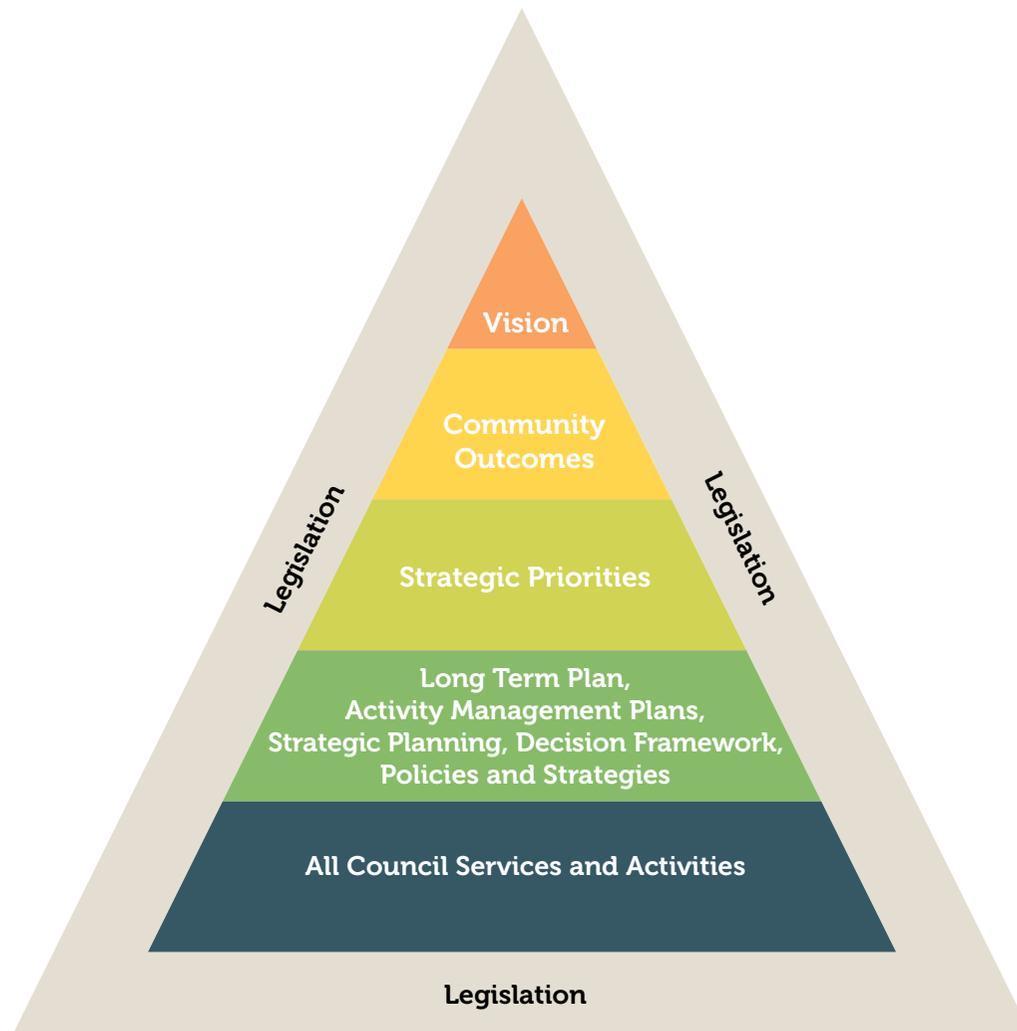
Secondly, the Council consulted on the LTP using a new Consultation Document (or CD). This highlighted the key issues that the Council particularly wanted input on and provided options, including the option the Council particularly supported. This document was supported by a range of information, much of which makes up the final LTP document.

## The Local Government Planning Cycle

This diagram shows the planning cycle of Councils and where the Long Term Plan fits.



# Strategic Direction



The diagram illustrates how the elements of Council's strategic direction fit together and their linkages to Council's long term planning and other documents.

# Strategic Direction

## 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

## 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

## 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

## 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

# Strategic Direction

## 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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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

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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.

**Key tasks the Council has identified to help achieve these strategic priorities and overall linkages to the Council's activities are identified in the tables on the following pages.**

# Strategic Direction

## Strategic Priority 1: Investing in Community

| Priority Areas                                | Leadership and Advocacy   | Partnerships and Communications   | Recreation and Leisure  | Social Support  |
|---|---|---|---|---|
| <b>What will be done</b>                      | <ul style="list-style-type: none"> <li>Plan for the District's future and Council's role in that future</li> <li>Advocate and submit on key issues, government plans and policy impacting on the district and Council services</li> <li>Ensure people and communities are represented and community views heard</li> <li>Advocate for secure critical infrastructure provision (e.g. electricity, communications, irrigation)</li> <li>Maintain affordable service provision to the Timaru District</li> <li>Provide responsive and efficient Council services</li> </ul> | <ul style="list-style-type: none"> <li>Nurture strong communities through leadership, partnership, and advocacy</li> <li>Support partnerships that improve community wellbeing</li> <li>Regularly inform and engage the community via a range of mediums</li> <li>Modernise Council's communication through use of new tools</li> </ul> | <ul style="list-style-type: none"> <li>Maintain high quality and affordable recreational, sporting and leisure facilities</li> <li>Ensure leisure, sporting and recreational spaces keep up with modern trends</li> <li>Develop Timaru District community infrastructure and facilities to meet future community needs</li> </ul>   | <ul style="list-style-type: none"> <li>Help ensure positive social outcomes for the district</li> <li>Work together to ensure safe communities are maintained and promoted</li> <li>Build strong, resilient communities</li> <li>Provide support for individuals, projects and events</li> <li>Provide support for vulnerable individuals in need of housing</li> </ul> |
| <b>Key Actions and Projects</b>               | <ul style="list-style-type: none"> <li>Annual and Long Term Planning</li> <li>Community Board and Council meetings</li> <li>Advocacy</li> <li>Consultation</li> <li>Rating and Financial policy/strategy reviews</li> <li>Elections (3 yearly)</li> <li>Representation Reviews (6 yearly)</li> <li>Submissions</li> <li>Council representation on community groups</li> <li>Council service reviews</li> <li>Memorandum of understanding with Arowhenua</li> </ul>  | <ul style="list-style-type: none"> <li>Community partnerships and programmes</li> <li><i>Communications strategy</i></li> <li>Regular website updates</li> <li><i>Social media presence</i></li> <li>Two yearly Community Survey</li> <li>Council media releases and publications</li> </ul>  | <ul style="list-style-type: none"> <li>Recreation and Leisure facilities maintenance and provision</li> <li>Strategic review of district sporting facilities</li> <li>Strategic review of future cultural facilities development – South Canterbury Museum, Art Gallery, Theatre Royal, Library</li> <li>Walking and cycling tracks development programme</li> <li>Temuka Pool upgrade</li> <li>CBAY outdoor pool upgrade</li> <li>Exhibitions and public programmes</li> </ul> | <ul style="list-style-type: none"> <li>Council Social Housing provision and renewals</li> <li>Community Grants and Loans</li> <li>Creative Communities fund</li> <li>Safer Communities projects</li> <li>Project Turnaround</li> <li>Youth-at-risk initiatives</li> <li>Project Y</li> <li>Emergency Management Training and Volunteers</li> </ul>                      |
| <b>Related strategies/plans/policy</b>        | <ul style="list-style-type: none"> <li>Annual Plan</li> <li>Activity Management Plans</li> <li>Long Term Plan</li> <li>Rating and Financial Policies</li> <li>Financial strategy</li> <li>Council Policy Register</li> <li>Infrastructure Strategy</li> </ul>   | <ul style="list-style-type: none"> <li>Activity Management Plans</li> <li>Long Term Plan</li> </ul>   | <ul style="list-style-type: none"> <li>Reserve Management Plans</li> <li>Parks Strategy</li> <li>Off-Road Walking and Biking Strategy</li> <li>Art Gallery/Museum Feasibility Study</li> <li>Active Transport Strategy</li> <li>Activity Management Plans</li> <li>Long Term Plan</li> </ul>  | <ul style="list-style-type: none"> <li>Community Funding policy</li> <li>Activity Management Plans</li> <li>Long Term Plan</li> </ul>   |
| <b>Council Activity Areas</b>                 | <ul style="list-style-type: none"> <li>Governance and Leadership</li> <li>Timaru District Holdings Limited (CCO)</li> </ul>   | <ul style="list-style-type: none"> <li>Community Funding</li> <li>Governance and Leadership</li> <li>Safer Communities</li> </ul>   | <ul style="list-style-type: none"> <li>Community Funding</li> <li>Cultural and Learning Facilities</li> <li>Parks, Recreation and Swimming Pools</li> <li>District Planning</li> <li>Governance and Leadership</li> </ul>   | <ul style="list-style-type: none"> <li>Community Funding</li> <li>Community Facilities</li> <li>Emergency Management</li> <li>Safer Communities</li> <li>Social Housing</li> <li>Governance and Leadership</li> </ul>   |
| Existing Action<br><i>Possible New Action</i> |   |   |   |   |

# Strategic Direction

## Strategic Priority 2: Promote integrated, highly liveable communities

| Priority Areas                         | Integrated planning and development   | Attractive communities and environment   | Safe and healthy communities   |
|--|---|--|--|
| <b>What will be done</b>               | <ul style="list-style-type: none"> <li>Promote quality urban design in district communities</li> <li>Ensure commercial vibrancy of Timaru central business district</li> <li>Maintain vibrant and compact village centres in smaller communities</li> </ul> | <ul style="list-style-type: none"> <li>Create and encourage a high quality natural and built environment</li> <li>Maintain Caroline Bay as the district's 'jewel in the crown'</li> <li>Value, preserve and celebrate our heritage and history</li> <li>Effective waste reduction towards a zero waste environment</li> </ul>  | <ul style="list-style-type: none"> <li>Proactively monitor and regulate the built environment in line with legislation, bylaws and guidance</li> <li>Support initiatives to improve urban air quality</li> <li>Provide stormwater infrastructure that efficiently disposes of stormwater to appropriate design levels and environmental standards</li> <li>Promote road safety initiatives</li> <li>Improve safety of roads, footpaths and street networks</li> <li>Prepare for and coordinate responses to emergency events</li> </ul>          |
| <b>Key Actions and Projects</b>        | <ul style="list-style-type: none"> <li>District Plan review</li> <li>Integrated planning approach</li> <li>District CBD Refresh/Revitalisation</li> <li>Local area planning</li> <li>Growth management</li> </ul>   | <ul style="list-style-type: none"> <li>District Plan review</li> <li>3-2-1-zero waste minimisation scheme</li> <li>TAG (Totally Against Graffiti) project</li> <li>Heritage painting and enhancement fund</li> <li><i>Reserve Management plan reviews</i></li> <li>Native planting programmes</li> <li>Parks maintenance and development</li> <li>Public toilet upgrades</li> <li>Waste Minimisation education/business support</li> <li>Esplanade reserves and strips</li> <li>Significant Natural Areas (SNA) fund</li> <li>LED streetlighting replacements</li> <li>Redruth Waste sorting facility</li> </ul> | <ul style="list-style-type: none"> <li>Food Act implementation</li> <li>Earthquake prone buildings policy review, assessments and action</li> <li>Regulatory Services monitoring, assessment and regulation</li> <li>Clean air partnerships</li> <li>Stormwater infrastructure upgrades and planning</li> <li>Minor Transport network improvements programme</li> <li>Animal control</li> <li>Council bylaw monitoring and review</li> <li>Emergency Management response, training and exercises</li> <li>Timaru cemetery replacement</li> </ul> |
| <b>Related strategies/plans/policy</b> | <ul style="list-style-type: none"> <li>District Plan</li> <li>Activity Management Plans</li> <li>Council bylaws</li> <li>Infrastructure Strategy</li> <li>Long Term Plan</li> </ul>   | <ul style="list-style-type: none"> <li>Reserve Management Plans</li> <li>District Plan</li> <li>Parks Development Plans</li> <li>Active Transport Strategy</li> <li>Waste Management and Minimisation Plan</li> <li>Significant Natural Areas policy</li> <li>Council bylaws</li> <li>Long Term Plan</li> </ul>  | <ul style="list-style-type: none"> <li>District Plan</li> <li>Earthquake Prone buildings policy</li> <li>Activity Management Plans</li> <li>Council bylaws</li> <li>Civil Defence Emergency Management Plan</li> <li>Rural Fire Plan</li> <li>Stormwater Management Plans</li> <li>Long Term Plan</li> </ul>   |
| <b>Council Activity Areas</b>          | <ul style="list-style-type: none"> <li>Building Control</li> <li>District Planning</li> <li>Economic Development and District Promotions</li> <li>Roading and Footpaths</li> <li>Community Facilities</li> <li>Governance and Leadership</li> </ul>         | <ul style="list-style-type: none"> <li>Building Control</li> <li>Community Funding</li> <li>Community Facilities</li> <li>District Planning</li> <li>Parks and Recreation</li> <li>Safer Communities</li> <li>Waste Minimisation</li> <li>Governance and Leadership</li> </ul>   | <ul style="list-style-type: none"> <li>Community Facilities</li> <li>District Planning</li> <li>Building Control</li> <li>Emergency Management</li> <li>Environmental Health</li> <li>Safer Communities</li> <li>Stormwater</li> <li>Governance and Leadership</li> <li>South Canterbury Rural Fire District</li> </ul>  |

Existing Action  
Possible New Action

# Strategic Direction

## Strategic Priority 3: Support areas of economic and district strength

| Priority Areas                                | Enable economic success  | Resident and Visitor emphasis   | Nurture and market our identity  |
|---|--|---|--|
| <b>What will be done</b>                      | <ul style="list-style-type: none"> <li>Support and enable areas of economic strength to thrive and maximise local economic growth</li> <li>Provide key infrastructure that meets business and industry requirements</li> <li>Ensure sufficient land is available to meet development demands</li> <li>Support availability and delivery of training and employment opportunities and initiatives</li> <li>Celebrate and promote business innovation and success</li> <li>Advocate in areas that maximise economic opportunity and benefits for the district</li> <li>Make Council processes easy for business</li> </ul> | <ul style="list-style-type: none"> <li>Provide events for our people and visitors</li> <li>Promote district to residents and visitors, with a lesser focus on international tourists</li> <li>Grow Timaru District's appeal as a visitor destination</li> <li>Maximise benefits from district visitors</li> </ul> | <ul style="list-style-type: none"> <li>Strengthen Timaru District identity</li> <li>Reinforce residents pride in Timaru District</li> <li>Improve the external image of Timaru District</li> <li>Treasure and support diversity and heritage of communities</li> <li>Support people and groups contributing to improving our image</li> <li>Support the protection of significant built and natural heritage where community safety not compromised</li> <li>Support and foster district creativity</li> </ul> |
| <b>Key Actions and Projects</b>               | <ul style="list-style-type: none"> <li>Economic Development Strategy implementation</li> <li>ADBT funding and support</li> <li>Realignment of ADBT priorities</li> <li>CBD parking provision</li> <li>District CBDs Refresh/Revitalisation</li> <li>Business Awards</li> <li>District Plan review</li> </ul>   | <ul style="list-style-type: none"> <li>Economic Development Strategy implementation</li> <li>Visitor promotion initiatives</li> <li>ADBT funding and support</li> <li>Realignment of ADBT priorities</li> <li>Te Ana Maori Rock Art Centre support</li> </ul>   | <ul style="list-style-type: none"> <li>Cultural events and celebrations</li> <li>Exhibitions showcasing local talent and creativity</li> <li>Greater use of promotional materials/avenues/mediums</li> <li>Creative and community group support</li> <li>Heritage and art collections</li> <li>District entrance enhancements</li> <li>Recreation and Leisure facilities provision</li> <li>ADBT funding and support</li> </ul>  |
| <b>Related strategies/plans/policy</b>        | <ul style="list-style-type: none"> <li>ADBT Statement of Intent</li> <li>Activity Management Plans</li> <li>Digital strategy</li> <li>Economic Development Strategy</li> <li>Long Term Plan</li> </ul>   | <ul style="list-style-type: none"> <li>Events strategy</li> <li>ADBT Statement of Intent</li> <li>Activity Management Plans</li> <li>Economic Development Strategy</li> <li>Long Term Plan</li> </ul>   | <ul style="list-style-type: none"> <li>Activity Management Plans</li> <li>ADBT Statement of Intent</li> <li>Events strategy</li> <li>Economic Development Strategy</li> <li>Long Term Plan</li> </ul>  |
| <b>Council Activity Areas</b>                 | <ul style="list-style-type: none"> <li>Airport</li> <li>Aoraki Development Business and Tourism (ADBT) (CCO)</li> <li>Canterbury Economic Development Company Limited</li> <li>District Planning</li> <li>Economic Development and District Promotions</li> <li>Governance and Leadership</li> <li>Transport</li> <li>Sewer</li> <li>Stormwater</li> <li>Timaru District Holdings Limited</li> <li>Water Supply</li> </ul>   | <ul style="list-style-type: none"> <li>Community Funding</li> <li>Economic Development and District Promotions</li> <li>Aoraki Development Business and Tourism (ADBT) (CCO)</li> <li>Governance and Leadership</li> </ul>  | <ul style="list-style-type: none"> <li>Community Funding</li> <li>Economic Development and District Promotions</li> <li>Governance and Leadership</li> <li>Cultural and Learning Facilities</li> <li>Parks, recreation and swimming pools</li> </ul>   |
| Existing Action<br><i>Possible New Action</i> |  |   |  |

# Strategic Direction

## Strategic Priority 4: Ensure critical infrastructure meets future needs

| Priority Areas                         | Water Supply   | Wastewater treatment and disposal  | Roading and transport network   |
|--|--|--|---|
| <b>What will be done</b>               | <ul style="list-style-type: none"> <li>Provide good quality potable water to district communities</li> <li>Ensure sustainable water quantities are available for urban, business and rural needs</li> <li>Plan for water supply infrastructure to meet future community needs</li> <li>Ensure adequate water available for emergency situations</li> </ul>               | <ul style="list-style-type: none"> <li>Effectively treat and dispose of wastewater with minimal impact on the environment</li> <li>Plan for sewer infrastructure to meet future community needs</li> </ul> | <ul style="list-style-type: none"> <li>Provide a well maintained and designed roading network</li> <li>Enhance strategic district roading routes</li> <li>Ensure bridge infrastructure meets capacity requirements</li> <li>Provide rural roads that are sufficient for community needs</li> <li>Ensure Timaru airport remains commercially functional and viable</li> <li>Encourage walking and cycling options to be available across the district</li> </ul> |
| <b>Key Actions and Projects</b>        | <ul style="list-style-type: none"> <li>Compliance with Drinking Water standards</li> <li>Geraldine Area Wide Water Supply strategy</li> <li>Downlands Water Supply upgrades</li> <li>Pareora water supply pipeline renewal</li> <li>Temuka water supply upgrades</li> <li>Water supply infrastructure renewals and upgrades</li> <li>Water quality monitoring</li> </ul> | <ul style="list-style-type: none"> <li>Wastewater Treatment Plant operation</li> <li>Sewer infrastructure renewals and upgrades</li> </ul>   | <ul style="list-style-type: none"> <li>Improved rural road maintenance</li> <li>Bridge replacements and renewal programme</li> <li>Footpath renewal programme</li> <li>One formed footpath provided on every urban street</li> <li><i>Implementation of Active Transport Strategies</i></li> <li>Evans Street (State Highway One) four-laning</li> <li>Southern Port access</li> </ul>  |
| <b>Related strategies/plans/policy</b> | <ul style="list-style-type: none"> <li>Geraldine Area Wide Water Supply Strategy</li> <li>Activity Management Plans</li> <li>Water Supply Safety Plans</li> <li>Canterbury Water Management Strategy</li> <li>Infrastructure Strategy</li> <li>Long Term Plan</li> </ul>   | <ul style="list-style-type: none"> <li>Timaru Wastewater Management Strategy</li> <li>Activity Management Plans</li> <li>Infrastructure Strategy</li> <li>Long Term Plan</li> </ul>                        | <ul style="list-style-type: none"> <li>Timaru Transportation strategy</li> <li>Active Transport Strategies</li> <li>Activity Management Plans</li> <li>Regional Transport Plan</li> <li>Infrastructure Strategy</li> <li>Long Term Plan</li> </ul>  |
| <b>Council Activity Areas</b>          | <ul style="list-style-type: none"> <li>Water Supply</li> <li>Governance and Leadership</li> </ul>  | <ul style="list-style-type: none"> <li>Sewer</li> <li>Governance and Leadership</li> </ul>   | <ul style="list-style-type: none"> <li>Roading and Footpaths</li> <li>Airport</li> <li>Governance and Leadership</li> </ul>   |

Existing Action

*Possible New Action*

# Key Issues for Council over the next 10 years

There are issues facing the district that affect all of us, including the Council. These issues dictate how Council plan for the future and what direction is taken. They may impact on how the Council delivers services. For more detail on issues affecting Council services, refer to Section Two.

## 1. Meeting environmental standards

New environmental standards will impact on some Council services over the next ten years. These will impact particularly on activities like stormwater, sewer, water supply and waste minimisation as improved results for the environment are sought. Doing this on behalf of the community creates considerable cost. It is however essential that we take a responsible attitude to leaving our environment in a better state for our children, and theirs.

## 2. Increasing cost of providing services

Cost increases to items such as electricity, petrol, raw materials, pipes and pumps impact on the Council, just like cost increases impact on your own household budget. For the Council, this occurs within an expectation of doing more with less or improving our efficiency to ensure more can be achieved with less money. The Council aims to continually balance the affordable provisions of services against the needs of our community and continuing to build our District's future.

## 3. Growth and demand

Many different growth factors impact on the delivery of Council services. These include changes in population, households and population demographics. Population and household projections<sup>1</sup> commissioned for the LTP indicate:

- Timaru District population is projected to increase to around 48,853 in 2033, (an increase of 7.6%) peaking around 2038 at 49,041 persons and declining very slightly over the remaining projection period to 48,660 in 2063.
- Virtually all growth in future years will be in age groups 65+, with the proportion of 65+ increasing from 20.1% in 2013 to

1 Jackson, N.O. (2014). Timaru District Council – Population and Household projections 2013-2063 (Medium Scenario). 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.

31% in 2033.

- Timaru District will see the population shifting from natural increase (more births than deaths) to natural decline from 2023.
- One person households will increase reflecting the structural ageing of the population. This will drive demand for particular types of dwellings.

The change in the demographic make-up of the district's population will place different pressures on Council provided services; for example social housing, recreational facilities and footpaths.

Changes in growth and demand do not occur uniformly across the district. Some areas may grow more than others, impacted by industry and business development.

The use of land in the Timaru District has changed substantially in the last 15 years. Potential areas where land use change may be impacted by growth and demand are:

- Washdyke as the main industrial growth area
- Increased commercial activity through the port
- Timaru CBD, and potentially the Showgrounds for commercial use
- Residential growth continuing in Gleniti and Old North Road areas
- Rural townships growth
- Rural land intensification

These may bring increased pressure on services and infrastructure. Careful planning and preparation for changes in these areas is required to ensure the Council provides services in a sustainable manner both now and in the future.

Other growth factors will impact on specific Council services, such as increased traffic, higher demand for water, changes in business types or numbers, changes in the type of traffic (e.g. more heavy truck traffic). One-off demands may come from a major business moving into the district. Demands to meet new technology expectations may also impact on the demand and growth for services.

The Council will continue to monitor demand and growth through activity planning and plan for upcoming changes in delivering its services, where necessary.

## 4. Legislative and regulatory change/reform

As a creature of statute, the Council is constantly subject to government legislative changes that impact on how services are delivered. These may impact on a particular service (e.g. environmental health) or the whole Council operation (e.g. local government reform).

Regulatory reform also occurs at a regional level, with changes to Environment Canterbury policy such as the Land and Water Regional Plan placing obligations on the Council.

All Council activities are subject to legislative changes, such as the District Planning and Regulatory Services group with changes to the Resource Management Act and Building Act expected and implementation of the Food Act. These changes can have a significant effect on how Council delivers its services including changes to systems and business processes and upskilling of staff. Other changes signalled are improved stormwater quality before it is discharged, and meeting Drinking Water Standards, as well as those that impact on the Council organisation such as Health and Safety reform. Regular change to the legislative environment places added pressure on Council to change the way services are delivered to meet the required levels of compliance.

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The Council is fully aware of the need to keep rates affordable, but must also balance this against the needs of our community and continuing to build our District's future.

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# Key Issues for Council over the next 10 years

## 5. Delivering on community expectations while keeping it affordable

There is ongoing pressure from the community for higher quality facilities and services to be provided for most Council activities. Smoother roads, modern technology and convenience are some examples. The expectation is for a higher level of service for the same amount of money – in other words doing more with less.

Community expectations can be influenced by numerous drivers such as generational change, legislation, environmental standards, facilities experienced elsewhere and new technology. The increase in expectations is not unique to Timaru District and is a nationwide trend. Council facilities must cater for the expectations of the community by remaining accessible, well maintained and fit for purpose.

All of this costs money, and must be balanced and prioritised against building our district's future and the ability of the community to pay.

## 6. Funding Pressures

Central government reviews of local government funding sources has placed pressure on some activities. A new approach for allocating central government funding has seen a significant drop in funding for maintenance, improvements and renewals within the roading activity – in excess of \$1M annually. After consultation with the community and stakeholders through the LTP, Council has decided to partially fund the gap, with the remaining gap being accounted for through trimming the level of service. This is compounded by increasing costs to this activity, such as increased heavy vehicles causing more wear and tear, changing land use affecting the use of particular roads within the district and the volatile costs of oil.

## 7. Ageing Infrastructure

A significant amount of our core infrastructure is getting older and will require replacing over the next 30 years. This includes roads, footpaths, sewer pipes, and water supply assets. Over \$130 million is planned for building and replacing roading infrastructure, such as reconstruction of roads, renewal and

bridge replacements. Around \$60M is planned on replacing old water supply network assets. Around \$17M is planned to replace sewer network assets.

## 7. External influences

Other influences impact on Council activities such as climate change, the global economic climate, international commodity prices, oil prices, and globalisation. These all impact on the district and the delivery of Council services in various ways and must be considered in their future delivery.

# LTP 2015-25 Consultation - Are we there yet?

Our LTP consultation, branded “Are we there yet?”, invited community input on 6 key issues.

## Long Term Plan 2015-25 The big issues

As a district, Council and Community face some big issues in the next 10 years.

Together we have to decide how to best deal with each of them:

### Funding our future

Our road funding shortfall, what direction should we take?

### Making the district tick

How shall we fund replacing all our pipes, roads and pumps in the future?

### Handling our heritage and culture

A new museum or re-build the existing one? What do you think?

Tell us what you think about the issues.

### Funding the future

Slicing the General Rate pie, what way is fair to all?

### Making the district tick

Securing our future water supplies, what's the best option?



Find out more at [www.timaru.govt.nz](http://www.timaru.govt.nz) and follow the simple steps on how to make a submission.



Council received a record 292 submissions on a wide variety of topics and issues. The “big issues” highlighted in the Consultation Document received the most comment.

Council officers responded with hundreds of comments in relation to 55 topics raised through the submissions process.

Submissions came from individuals and several district organisations, such as South Canterbury Federated Farmers and the Aorangi Park Association.

Council spent two days hearing 45 submitters present their submissions and debating the topics covered by submissions. Along with hundreds of responses covering the six big issues, other topics were submitted on such as those below:

| Topic                       | No of Submissions |
|-----------------------------|-------------------|
| Roads and Footpaths - other | 47                |
| Parks and Reserves          | 34                |
| Economic Development        | 26                |
| CBay, Swimming Pools        | 23                |
| District Plan               | 16                |
| Consultation Process        | 15                |
| Issue with TDC              | 13                |
| Water Supply – General      | 12                |
| Art Gallery                 | 10                |
| Rates – other               | 10                |

There were some diverse opinions from submitters on issues. Rooding submissions focused on issues like roading and footpath improvements, increased funding for road infrastructure, seal extension, alternatives to four laning State Highway One and cycleways.

In the Parks and Recreation area, submitters focused on a multitude of issues including enhancing Caroline Bay and supporting development of existing facilities such as the Caledonian Ground cycletrack and Aorangi Park.

Many submitters talked about recreational facilities, such as the Art Gallery, Theatre Royal, Swimming pools and the Museum.



# LTP 2015-25 Consultation - Are we there yet?

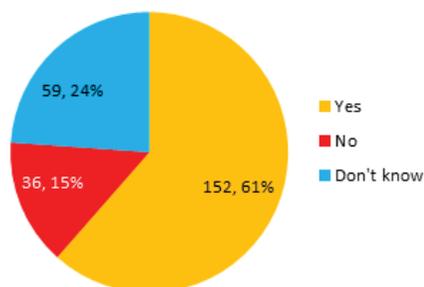
## The 'Big Six' CD issues

Through the LTP Consultation Document, the Council requested community feedback on six key issues, including a preferred option presented together with alternatives. These are summarised below, including the feedback received\*.

### 1) Road Funding Shortfall

*Question: The changes to how central government financially assists the Council to fund the Timaru District's roading network will potentially result in a considerable funding shortfall. The Council have indicated a preferred option for addressing this issue, including partial funding of the shortfall. Do you support this option?*

**Roading Funding Shortfall**



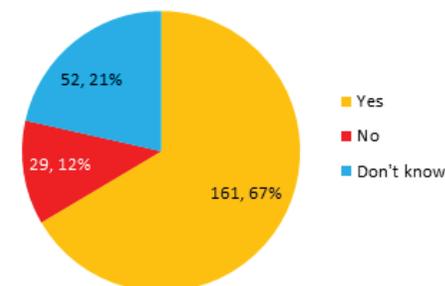
*Council decision:* Council decided that it would partially meet the funding gap presented by the remodelling of NZTA's funding model. It was deemed unfair to transfer the full cost burden directly to ratepayers. However, given the magnitude of the gap it was decided that funding of between \$300K and \$500K be set aside annually, together with any savings through efficiencies and reductions in levels of service. Some levels of service reductions were identified, including reductions in funding for street cleaning, kerb and channel, resurfacing, intersection works and seal widening.

### 2) Replacing our Roads, Pipes and Pumps in the Future

*Question: We are not putting enough money aside to replace our roads, pipes and pumps in the future. Council would like to fund this shortfall gradually over the next 10 years. Do you support this option?*

*Council Decision:* Council has prepared a 30 year Infrastructure Strategy to plan long-term for the maintenance and renewal of key infrastructure assets, relating to roading and footpaths, and the three waters (Water supply, Wastewater and Stormwater). This exercise highlighted that Council needed to put more money aside to afford the replacement of assets to ensure that today's ratepayers are paying enough towards their replacement. Council agreed with the proposed approach. To "smooth the bumps" in funding, Council has decided to gradually build up towards funding the annual shortfall over the next ten years.

**Replacing our roads, pipes and pumps**



### 3) Handling our Heritage and Culture

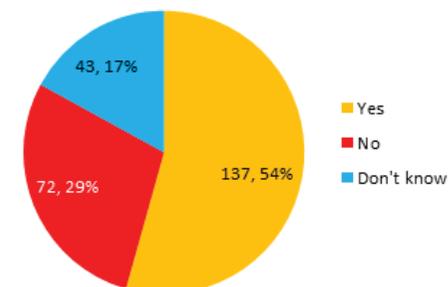
*Question: We want your input on a future direction for the South Canterbury Museum and addressing other issues with our cultural facilities. Council have included funding to redevelop the existing museum building or build a new museum. Do you support this option?*

*Council Decision:* Council indicated a provisional sum of \$10M for the redevelopment of the South Canterbury Museum in the CD. After taking further advice and considering LTP submissions, it has decided to investigate further options.

The cultural assets owned by the Council all have a variety of needs, and Council decided to take a more holistic and strategic view. A strategic review of the current state of the South Canterbury Museum, the Aigantighe Art Gallery, Library and the Theatre Royal will be carried out to determine the best approach going forward. \$25,000 was allocated to the Museum/Art Gallery/Library review.

Funding of \$5M has been included in the budget for museum development in year five. The \$480,000 for additional art gallery storage remains, and \$50,000 per year is included to cover the cost of rent for a temporary storage facility for the museum until other options have been fully investigated.

**Handling our heritage and culture**



\* Pie charts show results in terms of number of responses and percentage

# LTP 2015-25 Consultation - Are we there yet?

## 4) Slicing the General Rate Pie

*Question: We are looking to adjust how the General Rate is paid for to more fairly reflect the impact of rural intensification on the District's roading network. Do you support this option?*

*Council Decision:* Significant intensification of Primary sector activities, such as dairy farming, has increased the pressure on the district's rural roading network. Increased volumes of heavy vehicles have led to increased wear and tear. Higher maintenance costs for rural roads have been a consequence, which has until now been covered by all ratepayers. Council have decided it is time to adjust the proportions of the General Rate pie paid by each sector to more fairly reflect what is happening. The Primary sector will therefore pay slightly more, while other sectors (Commercial, Residential and Multi-Unit) will pay slightly less. The change will be phased in over a three year period with the Primary sector proportion of the General Rate Pie increasing from 18.8% to 26.2%.

## 5) Securing our Future Water Supplies (Timaru)

*Question: The Pareora water supply pipeline to Timaru is nearing the end of its useful life. Council would prefer to renew the existing pipeline in sections. Do you support this option?*

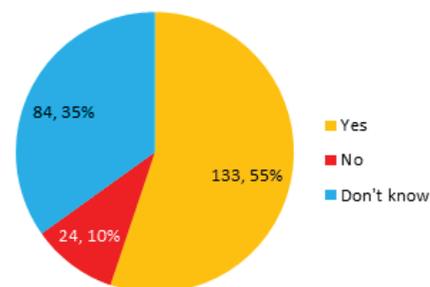
*Council Decision:* Council had to make a decision whether to replace sections of the pipeline and upgrade it, or find a new source to secure Timaru's future water supply. They decided to replace sections of the pipeline to maintain the current approach to taking water, but will continue to monitor alternative sources being explored.

## 6) Securing our Future Water Supplies (Temuka)

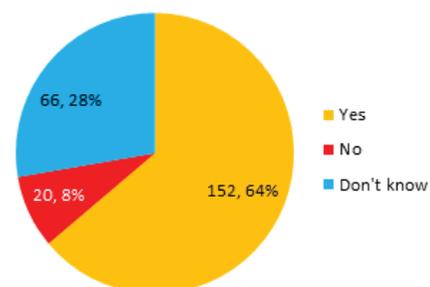
*Question: The Temuka water supply needs some work to ensure adequate water is available in the future. Council would prefer to investigate an additional water source, likely to be a bore. Do you support this option?*

*Council Decision:* Council have decided to secure Temuka's future water supply by retaining the existing water sources and adding a new source, yet to be determined, but possibly a bore located near to the existing treatment plant. The estimated cost of this work is \$300,000.

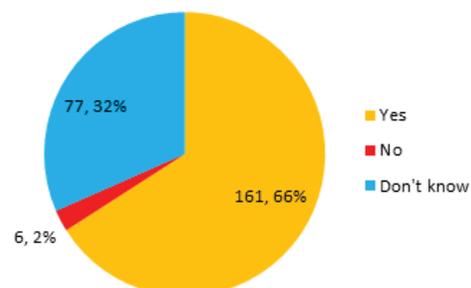
Slicing the General Rate Pie



Securing our Future Water Supplies (Timaru)



Securing our Future Water Supplies: Temuka



## Other Council Decisions

Other decisions made by Council relating to the LTP consultation are summarised below:

### Aorangi Stadium/Aorangi Park

User groups made submissions to Council requesting that facilities at Aorangi Park, including Aorangi Stadium were developed further in the future to accommodate demand. Council acknowledged that the recreation and leisure environment had changed since the Aorangi Park Master Plan was completed (e.g. increasing demand for stadium space, CBAY in operation).

Council agreed to strategically review leisure facilities, including Aorangi Park and other district facilities, in order to better inform any decisions about future development. Funding of \$25,000 was allocated. The plan would involve all stakeholders, including Sport Canterbury.

### Swimming Pools

Council received submissions requesting a discount to CBay for the elderly, either via the Gold Card or some other mechanism. Council requested a report on options for discounts, based on more analysis.

Council also decided to further consult and prepare an options report on the redevelopment of the Temuka Swimming Pool.

### District Plan

Submissions relating to District Planning issues were referred to the District Plan review. Council also decided to explore the possibility of forming an Urban Design Panel, to assist Council and developers with urban plan guidelines.

### Other Recreational Facilities

Several submissions were received on recreational facilities, including parks, the art gallery and museum. Key decisions are outlined below:

- Caroline Bay - Reports were requested on the possible enhancement of facilities at Caroline Bay (Timaru Boys High submission), and further tarsealing on the Bay to attract roller skating events (SC Roller Skating Club submission)

# LTP 2015-25 Consultation - Are we there yet?

- Art Gallery - submissions supported funding to extend the Art Store. This funding was retained.
- Museum - funding was included to cover leasing of space for short-term storage

## **Economic Development**

Submissions were received on the Economic Development Strategy (EDS) and proposed changes to the delivery of economic development services. Council made some minor changes to the EDS objectives and endorsed the way forward, including the offer of direct communication support as the transition committee determines the best way forward. In the meantime, economic development services would be delivered as normal and funding retained at current levels.

## **Theatre Royal**

Submissions debated future expenditure at the Theatre and highlighted the backstage area and other technical facilities as out of date and inadequate. Council decided to have a strategic review commissioned to cover potential future development at the theatre, including the Council owned land at the rear of the theatre. \$30,000 was allocated to the review. Development priorities would then be determined.

## **Eco Design Advisor**

Council debated submissions relating to requests for an Eco Design Advisor to provide a district-wide service. A report is to be prepared on the possibility of initiating this service.

## **Roading Issues**

Many of the roading issues raised were already in hand through existing or planned work underway or Council policy. Council agreed to include funding for extending the Geraldine Security camera network.

## **Smokefree Policy**

Council agreed to continue to promote healthy, active lifestyles and support a Smokefree NZ through working collaboratively with stakeholders.

# Summary of Projects

The Council will continue to provide all existing activities. These pages summarises a selection of **some** of the planned projects over the next ten years. For more detail on these and other projects, please refer to Section Two.

## Group of Activities

|   |  |
|---|--|
| <span style="color: red;">■</span> Community Support            | <span style="color: orange;">■</span> Sewer              |
| <span style="color: teal;">■</span> Planning and Regulatory     | <span style="color: purple;">■</span> Stormwater         |
| <span style="color: green;">■</span> Recreation and Leisure     | <span style="color: yellow;">■</span> Waste Minimisation |
| <span style="color: lightblue;">■</span> Roothing and Footpaths | <span style="color: lightgreen;">■</span> Water Supply   |

### Timaru Cemetery Replacement

A new cemetery for Timaru

|                        |             |
|------------------------|-------------|
| <b>2015/16</b>         | \$58,000    |
| <b>2016/17</b>         | \$0         |
| <b>2017/18</b>         | \$525,200   |
| <b>2018/19-2024/25</b> | \$3,418,800 |

### Airport Runway shoulder reseal

Resealing of the airport runway shoulders

|                        |           |
|------------------------|-----------|
| <b>2015/16</b>         | \$225,000 |
| <b>2016/17</b>         | \$0       |
| <b>2017/18</b>         | \$0       |
| <b>2018/19-2024/25</b> | \$0       |

## Community Support

Projects planned in the Community Support group include:

- The replacement of Timaru cemetery. Potential sites will be identified, with the intention to purchase around 2018.
- The refurbishing and upgrade of Social Housing units
- Upgrades to public toilets in Timaru, Temuka and rural areas
- Upgrades to the airport, including the water reticulation and runway shoulders
- Maintenance of emergency management, civil defence and rural fire equipment

### District Plan Review

10 year review of the District Plan – Council’s land use plan

|                        |             |
|------------------------|-------------|
| <b>2015/16</b>         | \$320,000   |
| <b>2016/17</b>         | \$348,300   |
| <b>2017/18</b>         | \$273,100   |
| <b>2018/19-2024/25</b> | \$1,842,000 |

## District Planning and Regulatory Services

The major project is the District Plan review. This is required under the Resource Management Act 1991 every ten years. The District Plan provides the framework for future developments, land use and what is a permitted activity for each type of land designation. The District Plan Review (DPR) is an opportunity to reconsider everything in the District Plan. It's not exactly starting from fresh, but uses the existing provisions as a starting point. If the review finds we need to completely reconsider our approach to a particular issue, then there is scope to do that. It is estimated that the DPR will take approximately seven years to complete and funding of \$2.78M has been budgeted by Council to complete the project.

# Summary of Projects

## Temuka Pool Renewal

Temuka's 33m swimming pool to be upgraded, with design to be determined

|                 |           |
|-----------------|-----------|
| 2015/16         | \$20,000  |
| 2016/17         | \$0       |
| 2017/18         | \$110,600 |
| 2018/19-2024/25 | \$377,200 |

## South Canterbury Museum Extension/Construction

Following a strategic review, potential redevelopment of the museum facility.

|                 |             |
|-----------------|-------------|
| 2015/16         | \$0         |
| 2016/17         | \$0         |
| 2017/18         | \$0         |
| 2018/19-2024/25 | \$5,537,400 |

## Art Gallery Building Renewals/Extension

Extension to the art gallery art store and building renewals.

|                 |           |
|-----------------|-----------|
| 2015/16         | \$0       |
| 2016/17         | \$0       |
| 2017/18         | \$504,200 |
| 2018/19-2024/25 | \$50,200  |

## Recreation and Leisure

Projects include:

- Upgrading the 50m outdoor pool at the Caroline Bay Trust Aoraki Centre (CBay) with ageing plant and machinery upgraded or replaced. This project will cost over \$1.5M but will secure the future use of the outdoor pool.
- The Temuka swimming pool is to be upgraded, subject to consultation on design with the Temuka community. The projected cost for the upgrade is just over \$0.5M.
- Shared Urban Tracks development will be supported by Council, receiving funding of just over \$100K annually.
- Strategic reviews of key facilities will be undertaken, including the Museum/Art Gallery/Library and Theatre Royal to determine the best options for future development of these facilities. Funding has been allocated for projects, subject to these reviews.
- The Art Gallery store will be extended to ensure safe and suitable storage of the expanding collection
- Parks assets will be upgraded and replaced, including park furniture, playgrounds, road sealing, carparks, fences and signs with several million allocated over the ten year period.
- The library roof will be replaced with funding of nearly \$650,000

## Parks – Shared Urban Tracks

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

|                 |           |
|-----------------|-----------|
| 2015/16         | \$106,000 |
| 2016/17         | \$108,600 |
| 2017/18         | \$111,300 |
| 2018/19-2024/25 | \$875,600 |

## Theatre Royal Projects

Following a review, Theatre upgrades, including potentially seating and refurbishment of backstage areas

|                 |           |
|-----------------|-----------|
| 2015/16         | \$0       |
| 2016/17         | \$358,600 |
| 2017/18         | \$210,100 |
| 2018/19-2024/25 | \$103,700 |

## Parks – Courts Resurfacing

Resurfacing of playing courts in Temuka, Pleasant Point and Timaru, subject to club contributions.

|                 |           |
|-----------------|-----------|
| 2015/16         | \$389,600 |
| 2016/17         | \$163,000 |
| 2017/18         | \$231,100 |
| 2018/19-2024/25 | \$0       |

## CBay Trust Aoraki Centre

Replacement of plant for the 50m outdoor pool at CBAY, a new carpark and other work as required.

|                 |           |
|-----------------|-----------|
| 2015/16         | \$398,000 |
| 2016/17         | \$998,900 |
| 2017/18         | \$26,300  |
| 2018/19-2024/25 | \$355,400 |

## Parks – Reseal Programme

Programme to reseal roads, carparks and paths in the district's recreation areas.

|                 |             |
|-----------------|-------------|
| 2015/16         | \$250,000   |
| 2016/17         | \$189,500   |
| 2017/18         | \$105,000   |
| 2018/19-2024/25 | \$1,651,900 |

# Summary of Projects

| Chip Seals/Asphalt Renewals  | Structural Bridge Replacements  | Minor Improvements Works  | Southern Port Access   |
|--|---|---|--|
| Renewals of chip seal and hot mix road surfaces in the district.   | The replacement or structural reinforcing of bridges in the district.   | General improvements to the roading network (e.g. safety improvements or upgrades). | Improvement to the southern access to the Port, via a new bridge   |
| 2015/16 \$2,920,000  | 2015/16 \$600,000   | 2015/16 \$805,000   | 2015/16 \$0  |
| 2016/17 \$2,991,600  | 2016/17 \$922,100   | 2016/17 \$824,700   | 2016/17 \$0  |
| 2017/18 \$3,067,200  | 2017/18 \$945,400   | 2017/18 \$845,600   | 2017/18 \$210,100  |
| 2018/19-2024/25 \$25,770,500   | 2018/19-2024/25 \$7,433,900   | 2018/19-2024/25 \$6,649,300   | 2018/19-2024/25 \$5,227,000  |
| Renewals – Footpaths   | Seal Extensions/Widening  | Pavement Rehabilitations  | District CBD Renewals  |
| Renewals of footpaths across the district.   | Seal extension of unsealed roads and seal widening in the district.   | Reconstruction of roading in the district.  | A freshen up of the district's Central Business Districts.   |
| 2015/16 \$1,036,000  | 2015/16 \$630,000   | 2015/16 \$1,200,000   | 2015/16 \$1,000,000  |
| 2016/17 \$999,900  | 2016/17 \$645,500   | 2016/17 \$1,229,400   | 2016/17 \$0  |
| 2017/18 \$1,077,800  | 2017/18 \$1,081,900   | 2017/18 \$1,260,500   | 2017/18 \$0  |
| 2018/19-2024/25 \$8,164,100  | 2018/19-2024/25 \$5,023,300   | 2018/19-2024/25 \$10,737,800  | 2018/19-2024/25 \$254,900  |
| Roading and Footpaths  | <ul style="list-style-type: none"> <li>\$11.28M on renewals of the district's footpaths</li> <li>\$4.51M on Washdyke Network Improvements to facilitate current commercial activities in the area and provide infrastructure for future development</li> <li>\$1.25M for a freshen up of the Central Business Districts in Timaru and the district's rural townships.</li> <li>\$1.1M for the completion of the Factory Road bridge two-laning project</li> <li>\$1.4M for the replacement of streetlights with LED streetlighting</li> <li>\$862,000 for a new Timaru CBD carpark</li> <li>\$1.2M for Temuka roading upgrades</li> </ul> |   | Washdyke Network Improvements  |
| <p>The district's roads and footpaths are one of Council's core expenditure areas. Numerous projects are planned over the ten years to improve the roading network, ensure it can meet district demands and facilitate economic growth.</p> <p>Projects and funding planned over 2015-25 include:</p> <ul style="list-style-type: none"> <li>The replacement or structural reinforcing of bridges is planned with around \$9.9M funded</li> <li>\$35M to be spent on chip seal and asphalt renewals</li> <li>\$5.43M for the North Street Overbridge to improve southern road access to Timaru port.</li> <li>\$14.42M on the districts road pavement rehabilitations</li> </ul> |   |   | Improvement of the Washdyke roading network to better facilitate activity and provide infrastructure for future development. |
|  |   |   | 2015/16 \$800,000  |
|  |   |   | 2016/17 \$512,300  |
|  |   |   | 2017/18 \$840,300  |
|  |   |   | 2018/19-2024/25 \$2,357,700  |

# Summary of Projects

## Sewer – Small Mains Renewals and upgrades

Replacement of pipes and other sewer assets across the district.

|                 |              |
|-----------------|--------------|
| 2015/16         | \$2,185,000  |
| 2016/17         | \$1,485,500  |
| 2017/18         | \$1,523,100  |
| 2018/19-2024/25 | \$11,602,500 |

## Sewer - Reticulation extensions

Extension of sewer reticulation to enable residential development

|                 |           |
|-----------------|-----------|
| 2015/16         | \$900,000 |
| 2016/17         | \$256,100 |
| 2017/18         | \$105,000 |
| 2018/19-2024/25 | \$826,000 |

## Sewer

With the completion of the Timaru District-wide Sewer strategy, attention will be focused on renewing ageing infrastructure, maintaining sewer networks and allowing for extensions where possible. Over 2015-25, projects will include \$16.8M spent on replacing sewer pipes and assets. The Geraldine siphon upgrade is planned in later years and reticulation extensions to facilitate residential development.

## Timaru Stormwater – Capital Upgrades

Co-ordinated projects to update and improve stormwater infrastructure.

|                 |           |
|-----------------|-----------|
| 2015/16         | \$25,000  |
| 2016/17         | \$51,200  |
| 2017/18         | \$63,000  |
| 2018/19-2024/25 | \$847,900 |

## Temuka/Geraldine Stormwater – Capital Upgrades

Co-ordinated projects to update and improve stormwater infrastructure.

|                 |             |
|-----------------|-------------|
| 2015/16         | \$125,000   |
| 2016/17         | \$235,725   |
| 2017/18         | \$399,200   |
| 2018/19-2024/25 | \$1,060,200 |

## Stormwater – Renewals

Renewals of stormwater assets across the district

|                 |             |
|-----------------|-------------|
| 2015/16         | \$200,500   |
| 2016/17         | \$41,500    |
| 2017/18         | \$42,700    |
| 2018/19-2024/25 | \$1,784,700 |

## Stormwater

Upgrading of stormwater infrastructure will be carried out across the district between 2015-25. Along with specific projects in some locations, this will also focus on meeting the requirements of the Canterbury Land and Water Regional Plan to improve the quality of stormwater discharges, following the completion of Stormwater Management Plans.

## Sorting Facility

Development of a Waste Sorting Facility at Redruth to sort waste for recycling or recovery.

|                 |           |
|-----------------|-----------|
| 2015/16         | \$0       |
| 2016/17         | \$910,800 |
| 2017/18         | \$0       |
| 2018/19-2024/25 | \$0       |

## Resource Recovery Park

Development of a Resource Recovery Park at Redruth.

|                 |           |
|-----------------|-----------|
| 2015/16         | \$0       |
| 2016/17         | \$0       |
| 2017/18         | \$553,600 |
| 2018/19-2024/25 | \$0       |

## Landfill Cell

Construction of new landfill cells, including drainage

|                 |             |
|-----------------|-------------|
| 2015/16         | \$20,000    |
| 2016/17         | \$41,000    |
| 2017/18         | \$21,000    |
| 2018/19-2024/25 | \$1,984,500 |

## Waste Minimisation

Waste Minimisation projects include:

- \$910K to develop a Waste Sorting Facility in 2016/17
- \$554K to develop a Resource Recovery Park at Redruth, starting in 2017/18.

Both these projects will reduce the amount of waste going to landfill and provide another revenue stream, benefiting both the environment and community.

Other projects include construction of a new landfill cell in 2021/22 and flare station in 2017/18.

# Summary of Projects

## Temuka and Pleasant Point Treated Water Storage

A new treated water storage facility alongside the existing facility to increase storage capacity for the network.

|                 |             |
|-----------------|-------------|
| 2015/16         | \$50,000    |
| 2016/17         | \$819,600   |
| 2017/18         | \$189,100   |
| 2018/19-2024/25 | \$2,263,500 |

## Urban Reticulation and Services Renewals

Replacement of valves, pipes, hydrants and other water supply assets.

|                 |              |
|-----------------|--------------|
| 2015/16         | \$1,495,000  |
| 2016/17         | \$1,531,600  |
| 2017/18         | \$1,570,400  |
| 2018/19-2024/25 | \$13,113,200 |

## Downlands – Te Ngawai Trunk Main Renewal

Renewal of the Te Ngawai pipeline will be replaced and upgraded on the Downlands water supply.

|                 |             |
|-----------------|-------------|
| 2015/16         | \$3,649,000 |
| 2016/17         | \$3,738,380 |
| 2017/18         | \$2,584,066 |
| 2018/19-2024/25 | \$0         |

## Te Moana Downs Network Capacity

The network capacity of the Te Moana network is being increased and enhanced to accommodate being supplied from the Geraldine supply.

|                 |             |
|-----------------|-------------|
| 2015/16         | \$601,000   |
| 2016/17         | \$1,404,600 |
| 2017/18         | \$1,209,000 |
| 2018/19-2024/25 | \$0         |

## Temuka Trunk Main Replacement

Renewal of the Temuka trunk main for the Temuka water supply.

|                 |           |
|-----------------|-----------|
| 2015/16         | \$930,000 |
| 2016/17         | \$0       |
| 2017/18         | \$0       |
| 2018/19-2024/25 | \$0       |

## Seadown - Reticulation Renewals

Replacement of valves, pipes, hydrants and other water supply assets on the Seadown Water Supply

|                 |           |
|-----------------|-----------|
| 2015/16         | \$30,000  |
| 2016/17         | \$15,400  |
| 2017/18         | \$78,800  |
| 2018/19-2024/25 | \$619,500 |

## Fixed Plant and Equipment

Replacement of plant and equipment at treatment plants, including telemetry and electrical equipment.

|                 |             |
|-----------------|-------------|
| 2015/16         | \$1,021,000 |
| 2016/17         | \$378,900   |
| 2017/18         | \$222,700   |
| 2018/19-2024/25 | \$6,235,600 |

## Pareora Pipeline replacement

Renewal of the Pareora pipeline for the Timaru water supply.

|                 |              |
|-----------------|--------------|
| 2015/16         | \$0          |
| 2016/17         | \$102,500    |
| 2017/18         | \$4,201,700  |
| 2018/19-2024/25 | \$19,742,900 |

## Water Supply

Water Supply expenditure is a large focus of the plan. This includes upgrade to supplies to meet higher standards, projects to ensure the ongoing security of supply, replacement of ageing infrastructure and projects to expand the availability of water to the district. These upgrades and renewals projects include:

- \$177M for water reticulation and service renewals
- \$24M to replace the Pareora water supply pipeline for the Timaru water supply to secure future water supplies to Timaru.
- \$300,000 for an upgrade to the Temuka water supply source
- \$126,600 for upgrades to the Seadown water supply source and treatment
- \$1.71M for replacement of the Timaru water supply reservoir covers
- \$9.97M for the replacement of the Te Ngawai Trunk Main for the Downlands Water Supply
- 6.7M for an upgrade to the Te Ngawai Treatment Plant for the Downlands Water Supply

# Financial Strategy - Let's talk about the numbers

## Summary

Council's Financial Strategy guides Council's financial direction, including information around revenue, expenditure, rating, debt and investments.

The full strategy is included in Section Four of this document.

A key part of the Council's consideration of the Long Term Plan has been the affordability for the community of the plan's work programme. The Council continues to face financial pressures while maintaining levels of service and meeting environmental, legislative and community demands.

The financial strategy has been prepared taking into account the Council's starting financial position and the factors that are expected to influence its financial position over the next 10 years. These include:

- Population growth and changing land use
- Inflation and known cost increases
- Asset development and renewal expenditure
- NZTA financial assistance
- Major Council projects (e.g. drinking water standards upgrades)

Key levels of service issues over the next 10 years include:

- Regulatory framework for stormwater
- Drinking Water Standards /Drinking Water Safety Plans
- Meeting competing demands for water resources
- Change in demands on road network
- Sustainable Transport/Active Transport
- Legislative change
- Community expectations and changes in demand
- Enabling participation and communication
- Ageing infrastructure

The Council is promoting a "Business as Usual" approach through its financial strategy. It will continue to maintain and renew our assets for current and future generations while providing the services that the community enjoy.

The implications of this strategy, combined with the requirement for prudent financial management, the necessity to manage a complex array of operations and assets with long lives, and continuing improvements in required levels of service stemming from either legislative change or

community demand means that there is little room for further significant projects within the next 10 years.

The Council has designed its financial policies to be prudent and fair to current and future ratepayers. Current ratepayers pay for the services they have available to them now, including a contribution to the cost of replacing the infrastructure they use. All ratepayers, current and future, pay for the costs involved in improving the quality of services.

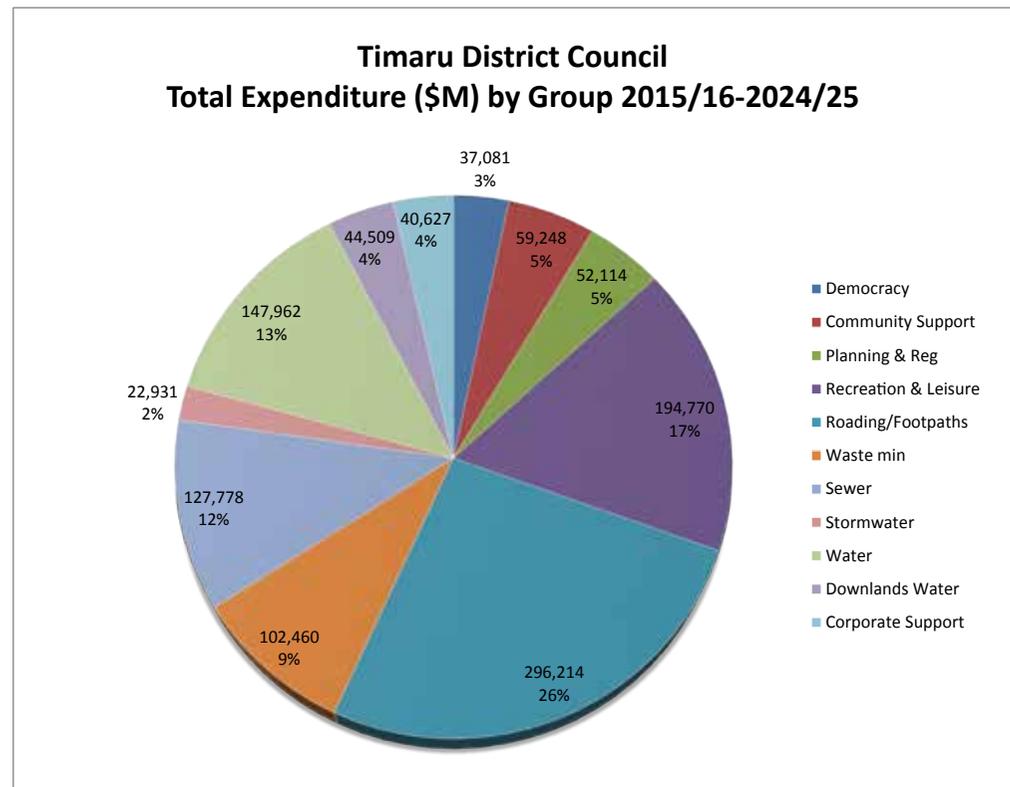
This approach will maintain the Council's sound financial position over the next 10 years and provide a sound base for maintaining the wellbeing of future generations.

The next section summarises the key forecast financial numbers of Council over the LTP period.

## Expenditure

Key points are:

- In total, Council plans to spend over \$1.1billion over the next ten years. The graph below illustrates where this will be spent across Council activities.
- By far the majority will be spent on core services, such as roading, sewer and water supplies.
- Around \$814M will be spent on operating expenditure, costs associated with running the day to day of Council activities and facilities, such as maintenance, labour, depreciation, electricity and so on.
- Around \$310M will be spent on capital expenditure, such as replacing worn out pipes, new roads and building new facilities.

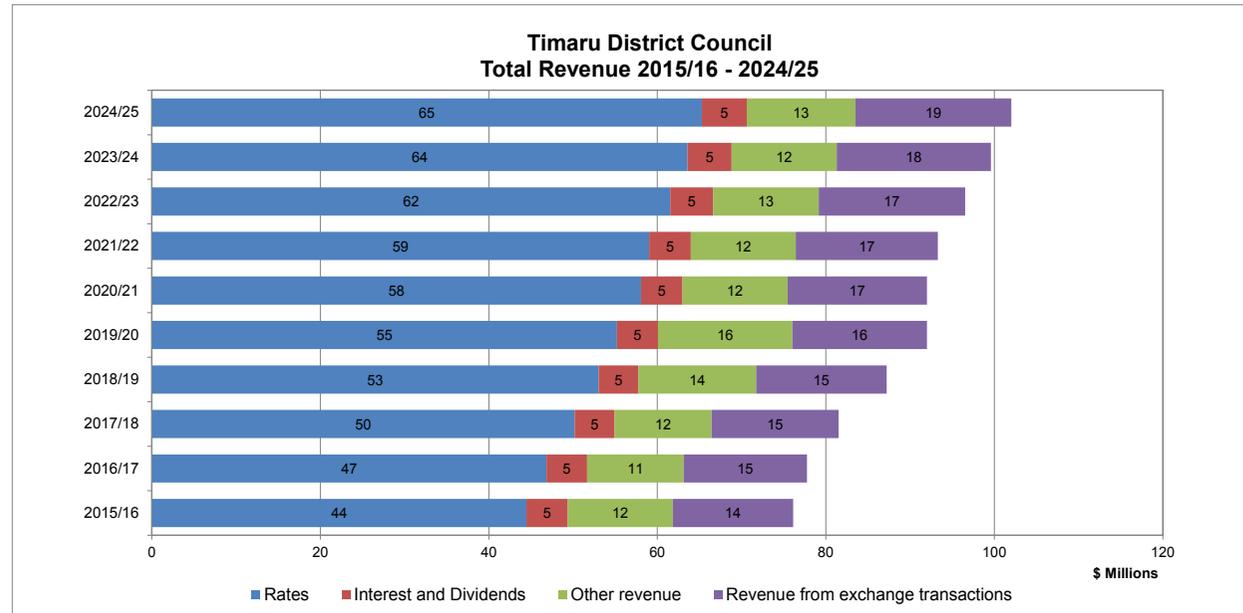


# Financial Strategy - Let's talk about the numbers

## Revenue

Key points are:

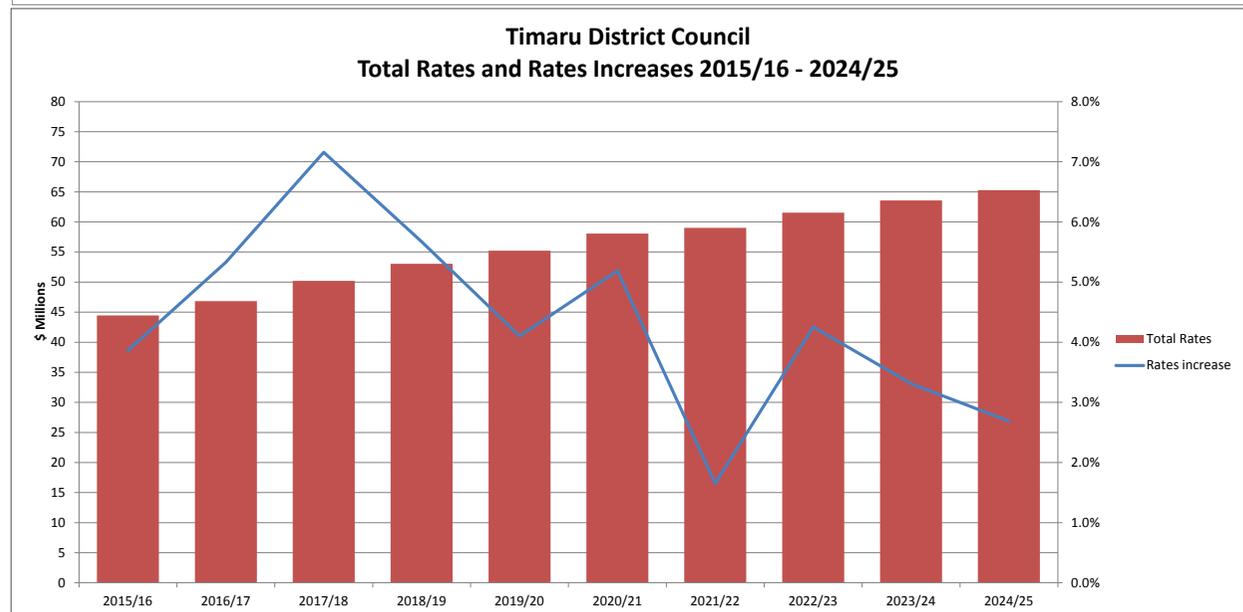
- A number of sources will be used to pay for Council expenditure.
- Rates will provide over half the funding annually.
- Other sources such as NZTA financial assistance, fees and charges (or revenue from exchange transactions), interest, dividends and other income will provide the remainder.
- Council's overall income and expenditure includes the annual impact of inflation, of around 2-3.5% annually based on Council assumptions.



## Rates

Key points are:

- Funding sourced from rates, will increase to around \$65M by 2024/25 (including the impact of inflation).
- Rates are forecast to rise over this period by 43% or around 4.3% annually.
- Annual rate increases are forecast to vary between 1.7% to 7.2% over this period.
- Rates as a percentage of total Council income will vary between 57-62%.
- Targeted rates (e.g. Water supply charge, Sewer charge) will represent around half of annual rates income, with General Rates (e.g. Uniform Annual General Charge, General Rate) covering the remainder.

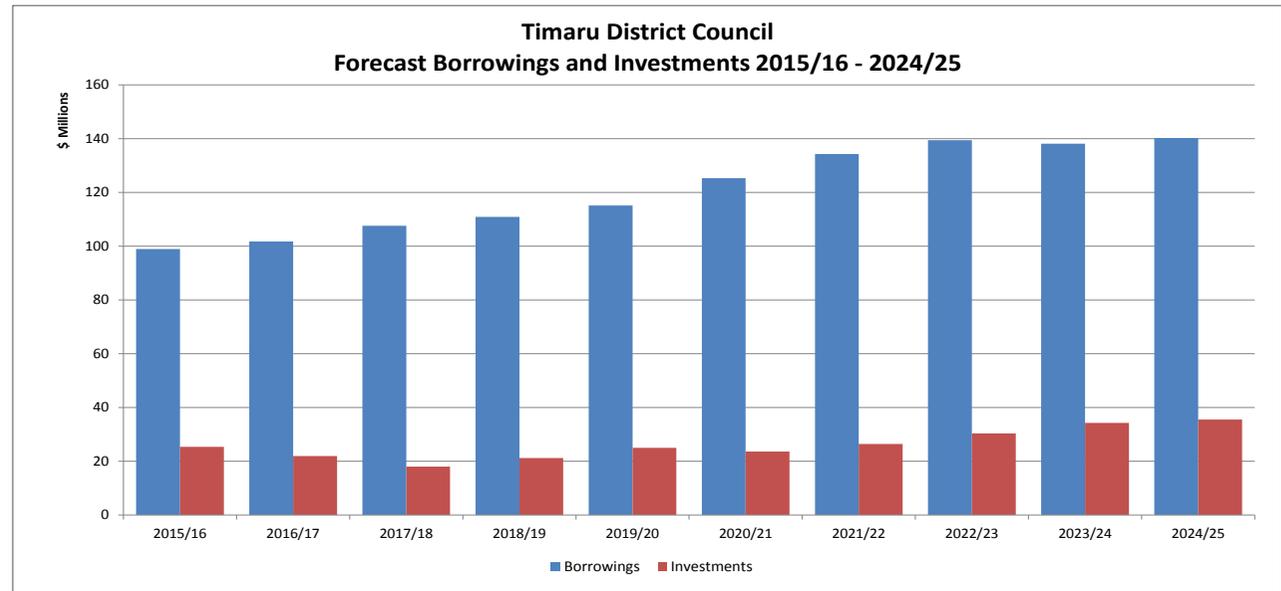


# Financial Strategy - Let's talk about the numbers

## Borrowings and Investments

Key points are:

- Council debt will increase to around \$140M by 2024/25, an increase of around 42%
- The value of Council investments will increase to around \$35M, an increase of around 40%
- During the 10 year period, the Council will remain within its ratios for borrowing relative to assets and revenue, and interest relative to revenue
- Debt is used to fund asset development expenditure proposed within the plan



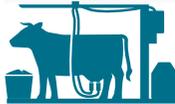
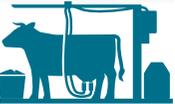
# The Breakdown - How will this affect you?

The graphic below illustrates the impact of the overall increase in rates revenue for 2015/16.

The property examples shown represent average land values for urban communities and example properties values for farming and commercial/industrial properties.

For 2015/16, the rate increase is 3.86%. Your own individual rate increase will vary depending on:

- Where you live in the district
- The services you receive
- The type and value of your property
- The impact of the changes agreed through the LTP

|   | Geraldine  | Pleasant Point   | Temuka   | Timaru   | Farming*   | Farming*   | Farming*   | Commercial/<br>Industrial**  |
|---|--|--|--|--|--|--|--|--|
|   | LAND VALUE<br>\$128,000<br> | LAND VALUE<br>\$110,000<br> | LAND VALUE<br>\$80,000<br> | LAND VALUE<br>\$110,100<br> | LAND VALUE<br>\$365,400<br> | LAND VALUE<br>\$1,400,000<br> | LAND VALUE<br>\$3,654,000<br> | LAND VALUE<br>\$317,800<br> |
| <b>General Rates \$</b><br>(including UAGC) | 864.40   | 814.00   | 730.00   | 814.28   | 834.86   | 1,766.00   | 3,794.60   | 4,427.65   |
| <b>Targeted Rates \$</b>                    | 1,225.84   | 1,038.50   | 1,203.50   | 1,200.86   | 155.50   | 290.00   | 583.02   | 1,526.95   |
| <b>Total Rates \$</b>                       | 2,090.24   | 1,852.50   | 1,933.50   | 2,015.14   | 990.36   | 2,056.00   | 4,377.62   | 5,954.60   |
| <b>Weekly Rates \$</b>                      | 40.20  | 35.63  | 37.18  | 38.75  | 19.05  | 39.54  | 84.19  | 114.51   |
| <b>Increase \$ over 14/15</b>               | 65.93  | 54.17  | 54.58  | 74.70  | 87.77  | 274.00   | 679.72   | 169.23   |
| <b>Increase % over 14/15</b>                | 3.26%  | 3.01%  | 2.90%  | 3.85%  | 9.72%  | 15.38%   | 18.38%   | 2.93%  |

All figures are GST inclusive

\* These examples do not include targeted rates for sewer, water supply or waste minimisation

\*\* This example includes one targeted rate for sewer, water supply or waste minimisation

# Where do my rates go?

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

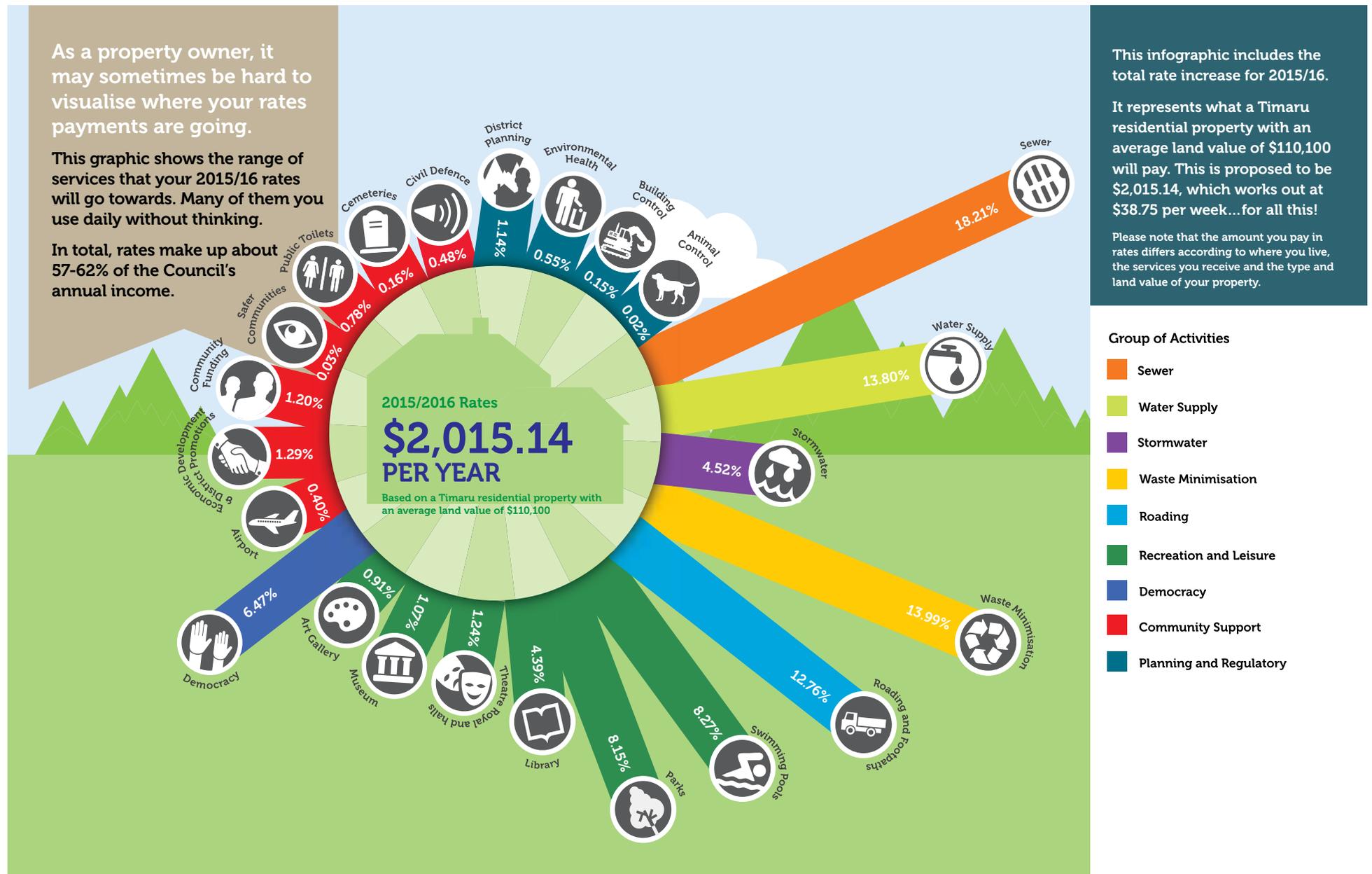
This graphic shows the range of services that your 2015/16 rates will go towards. Many of them you use daily without thinking.

In total, rates make up about 57-62% of the Council's annual income.

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

It represents what a Timaru residential property with an average land value of \$110,100 will pay. This is proposed to be \$2,015.14, which works out at \$38.75 per week... for all this!

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



## Group of Activities

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

# Timaru District, our Special Corner of the World

## 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.

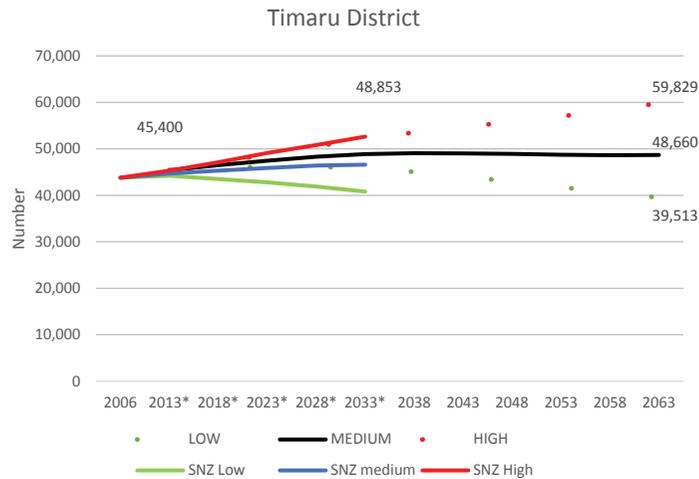
## Demographics

The estimated resident population of the Timaru District as at June 2014 was 45,900. The 2013 Census population was 43,929.

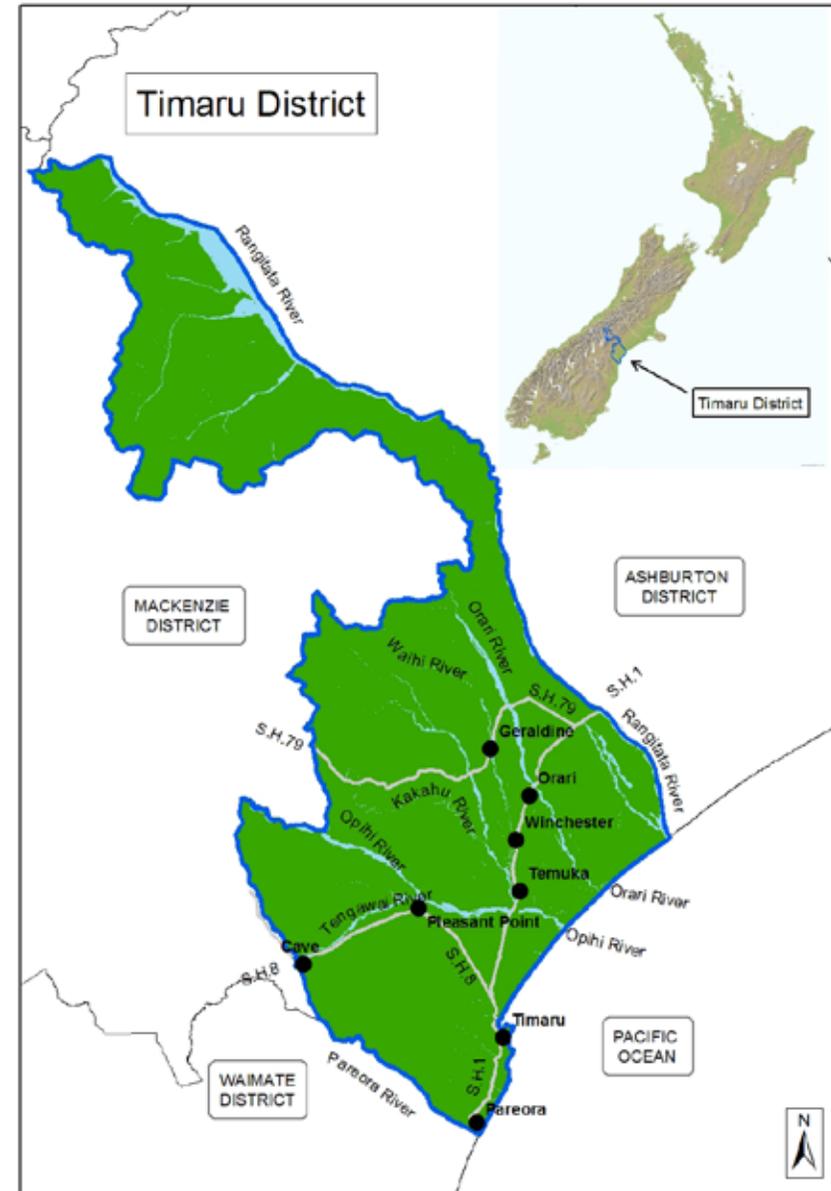
Population projections\*, based on a medium growth scenario project the District's Population to increase to 48,853 (+7.6%) by 2033, peaking in 2038 at 49,091, and declining slightly over the remaining period to 48,660 in 2063. The population is expected to increase to 48,293 (+6.4%) by 2028 which includes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



# Timaru District, our Special Corner of the World

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

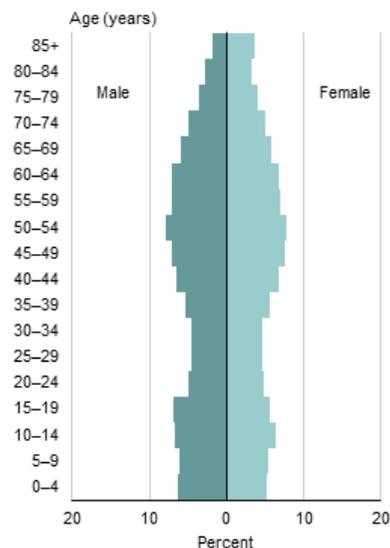
## Cultural Diversity

Timaru District residents are:

- 92.5% European (NZ: 74%)
- 74% 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 2014. As at February 2014, there were approximately 5,412 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. In a 2013 report from BERL, commissioned by Aoraki Business Development and Tourism, key performance indicators showed the local economy to be performing better than the national average across 5 of 7 indicators, as can be seen in the table.

| Key Performance Indicators    | Timaru District    | New Zealand |
|-------------------------------|--------------------|-------------|
|                               | % pa for 2013 year |             |
| Residential population growth | 0.7                | 0.8         |
| GDP growth                    | 3.4                | 2.7         |
| GDP per capita growth         | 2.7                | 1.8         |
| Employment growth             | 1.8                | 0.2         |
| Labour productivity growth    | 1.9                | 2.7         |
| Business units growth         | 1.3                | 0.7         |
| Business size growth          | 0.5                | -0.5        |

## Communities

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

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

## 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.

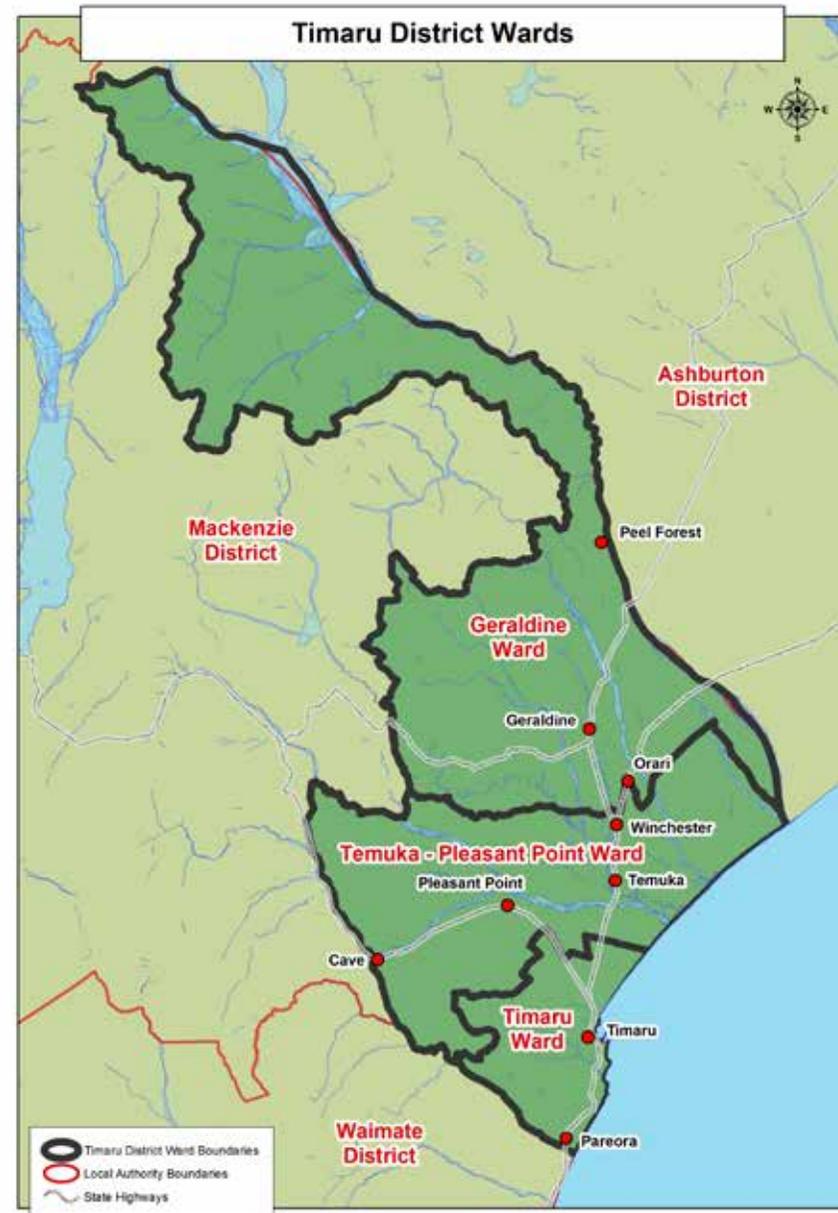
The coastal plains to the north and downlands to the south are highly modified for intensive cropping, meat, wool and dairy

# Timaru District, our Special Corner of the World

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.



# Audit Opinion

## Independent auditor's report

### Timaru District Council's 2015/25 Long-Term Plan

I am the Auditor-General's appointed auditor for Timaru District Council (the Council). Section 94 of the Local Government Act 2002 (the Act) requires an audit report on the Council's Long-Term Plan (the plan). I have carried out this audit using the staff and resources of Audit New Zealand. We completed the audit on 23 June 2015.

#### Opinion

In my opinion:

- the plan provides a reasonable basis for:
  - long-term, integrated decision-making and coordination of the Council's resources; and
  - accountability of the Council to the community;
- the information and assumptions underlying the forecast information in the plan are reasonable; and
- the disclosures on pages 242 to 244 represent a complete list of the disclosures required by Part 2 of the Local Government (Financial Reporting and Prudence) Regulations 2014 and accurately reflect the information drawn from the Council's audited information.

This opinion does not provide assurance that the forecasts in the plan will be achieved, because events do not always occur as expected and variations may be material. Nor does it guarantee complete accuracy of the information in the plan.

#### Basis of Opinion

We carried out our work in accordance with the Auditor-General's Auditing Standards, relevant international standards and the ethical requirements in those standards.<sup>1</sup>

We assessed the evidence the Council has to support the information and disclosures in the plan and the application of its policies and strategies to the forecast information in the

<sup>1</sup> The International Standard on Assurance Engagements (New Zealand) 3000 (Revised): Assurance Engagements Other Than Audits or Reviews of Historical Financial Information and The International Standard on Assurance Engagements 3400: The Examination of Prospective Financial Information.

plan. To select appropriate audit procedures, we assessed the risk of material misstatement and the Council's systems and processes applying to the preparation of the plan.

Our audit procedures included assessing whether:

- the Council's financial strategy, and the associated financial policies, support prudent financial management by the Council;
- the Council's infrastructure strategy identifies the significant infrastructure issues that the Council is likely to face over the next 30 years;
- the information in the plan is based on materially complete and reliable asset and activity information;
- the Council's key plans and policies have been consistently applied in the development of the forecast information;
- the assumptions set out within the plan are based on the best information currently available to the Council and provide a reasonable and supportable basis for the preparation of the forecast information;
- the forecast financial information has been properly prepared on the basis of the underlying information and the assumptions adopted and complies with generally accepted accounting practice in New Zealand;
- the rationale for the Council's activities is clearly presented and agreed levels of service are reflected throughout the plan;
- the levels of service and performance measures are reasonable estimates and reflect the main aspects of the Council's intended service delivery and performance; and
- the relationship between the levels of service, performance measures and forecast financial information has been adequately explained within the plan.

We did not evaluate the security and controls over the electronic publication of the plan.

#### Responsibilities of the Council and auditor

The Council is responsible for:

- meeting all legal requirements affecting its procedures, decisions, consultation, disclosures and other actions relating to the preparation of the plan;
- presenting forecast financial information in accordance with generally accepted accounting practice in New Zealand; and
- having systems and processes in place to enable the preparation of a plan that is free from material misstatement.

I am responsible for expressing an independent opinion on aspects of the plan, as required by sections 94 and 259C of the Act. I do not express an opinion on the merits of the plan's policy content.

#### Independence

We have followed the independence requirements of the Auditor-General, which incorporate those of the External Reporting Board.

Other than our work in carrying out all legally required external audits and issuing a report to the Council's debenture trustee, we have no relationship with or interests in the Council or its subsidiaries.



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





A scenic landscape featuring a green lawn, a gravel path, a wooden fence, and various trees under a clear blue sky. The foreground shows a gravel path leading towards a wooden fence. The middle ground is dominated by a large, well-maintained green lawn. In the background, there is a dense line of trees, including tall evergreens and deciduous trees with autumn-colored foliage. The sky is a clear, bright blue.

## Council activities



# Groups of Activities

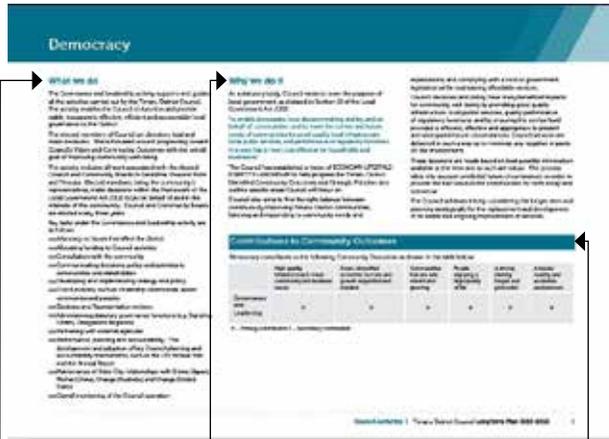
This section provides an overview of the Council's business, organised within the Council's nine Groups of Activities. Four of these groups are mandatory under the Local Government Act – Roading and Footpaths, Sewer, Stormwater and Water Supply.

A roadmap of the information within this section can be found on the next page.

| GROUP OF ACTIVITIES                       | ACTIVITIES   |   |
|---|--|---|
| Democracy                                 | Governance and Leadership  |   |
| Community Support                         | Airport<br>Community facilities (includes public toilets, cemeteries)<br>Community Funding (includes community funding, subsidised labour) | Economic Development and District Promotions<br>Emergency Management<br>Safer Communities<br>Social Housing |
| District Planning and Regulatory Services | Building Control<br>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) |
| 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   |   |

# Section roadmap

Sections within the activity statements are explained below:

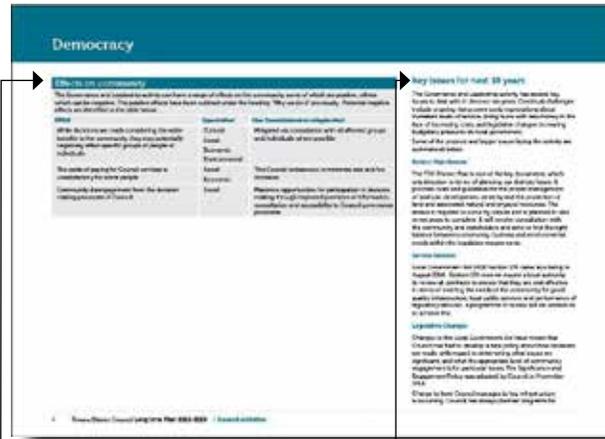


## What we do

This section gives an overview of the Group of Activities, and a description of the key work that the Council currently carries out within each activity in the Group.

## Why we do it

This outlines the reasons for our involvement with each activity. It particularly focuses on the contribution of each activity to improving the community. Also covered are the various legislative requirements that each activity must meet where applicable. The section also details the positive effects that activities have.



## Contribution to community outcomes

This table illustrates whether the activities within the group have a primary or secondary contribution to the Council's community outcomes.

## Effects on community

This table details the negative effects that the activity may have on community - economic, environmental, cultural or social. The table also summarises what the Council will seek to do to mitigate or address these effects.

## Key issues for the next 10 years

A summary of identified issues that will impact on activities within the group during the next 10 years. Some explanation is also given of how the Council will address these issues in its planning and service delivery, some of which may already be underway.



## What we plan to do and our levels of service

Outlined here are the services we will provide to the community for each Group of Activities.

This includes a summary of particular services the Council will deliver to achieve that service level.

Also included is how we will measure our performance in meeting this service level, including the targets that the Council will aim for.

This measurement framework will be monitored regularly during the year and results reported in the Council's Annual Report at the end of each financial year.

The Council's performance measurement framework

includes both factual and perception based measures. Factual measures are generally sourced from Council systems.

Perception based measures are surveyed through community surveys conducted every two years. In years where surveys are not conducted, the Council will report on any information it has available relevant to the measure.

Perception based measures are surveyed through community surveys conducted every two years. In years where surveys are not conducted, the Council will report on any information it has available relevant to the measure.

# Democracy



# Democracy

## What we do

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 focussed 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 LTP, 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

## Why we do it

As a statutory body, Council exists to meet the purpose of local government, as set out in Section 10 of the Local Government Act 2002:

*"to enable democratic local decision making and by, and on behalf of, communities; and to meet the current and future needs of communities for good quality local infrastructure, local public services, and performance of regulatory functions in a way that is most cost effective for households and businesses"*

The Council has established a vision of LIFESTYLE-ECONOMY-IDENTITY-LEADERSHIP to help progress the Timaru District. Identified Community Outcomes and Strategic Priorities also outline specific areas Council will focus on.

Council also aims to find the right balance between continuously improving Timaru District communities, listening and responding to community needs and

expectations, and complying with a host of government legislation while maintaining affordable services.

Council decisions and policy have many beneficial impacts for community well-being by providing good quality infrastructure, local public services, quality performance of regulatory functions; and by ensuring the service level provided is efficient, effective and appropriate to present and anticipated future circumstances. Council services are delivered in such a way as to minimise any negative impacts on the environment.

These decisions are made based on best possible information available at the time and as such are robust. The process takes into account predicted future circumstances in order to provide the best solution for communities for both today and tomorrow.

The Council achieves this by considering the longer term and planning strategically for the replacement and development of its assets and ongoing improvement of services.

## 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

# Democracy

## Effects on community

Democracy can have a range of effects on the community, some of which are positive, others which can be negative. The positive effects have been outlined under the heading "Why we do it". Potential negative effects are identified in the table below:

| Effect  | Type of effect                                  | How Council intends to mitigate effect  |
|---|---|---|
| While decisions are made considering the wider benefits to the community, they may potentially negatively affect specific groups of people or individuals | Cultural<br>Social<br>Economic<br>Environmental | Mitigated via consultation with all affected groups and individuals where possible  |
| The costs of paying for Council services is unsatisfactory for some people  | Social<br>Economic                              | The Council endeavours to minimise rate and fee increases   |
| Community disengagement from the decision making processes of Council   | Social  | Maximise opportunities for participation in decision making through improved provision of information, consultation and accessibility to Council governance processes |

## Key issues for next 10 years

The Governance and Leadership activity has several key issues in the next ten years. Continual challenges include ongoing rising community expectations about increased levels of service, doing more with less money in the face of increasing costs, and legislative changes increasing budgetary pressures on local government.

Some of the projects and bigger issues facing the activity are summarised below.

### District Plan Review

The TDC District Plan is one of the key documents, which sets direction in terms of planning our districts future. It provides rules and guidelines for the proper management of land use, development, amenity and the protection of land and associated natural and physical resources. The review is required to occur by statute and is planned to take seven years to complete. It will involve consultation with the community and stakeholders and aims to find the right balance between community, business and environmental needs within the legislative requirements.

### Service Reviews

Local Government Act 2002 Section 17A came into being in August 2014. Section 17A reviews require a local authority to review all contracts to ensure that they are cost effective in terms of meeting the needs of the community for good quality infrastructure, local public services and performance of regulatory services. A programme of review will be established to achieve this.

### Legislative Changes

Changes to the Local Government Act have meant that Council has had to develop a new policy about how decisions are made, with regard to determining what issues are significant, and what the appropriate level of community engagement is for particular issues. The Significance and Engagement Policy was adopted by Council in November 2014.

Council has always planned long term for infrastructure, however the changes to the LGA have now formalised how

# Democracy

the Council manages risk and makes decisions relating to key infrastructure, by requiring the development of an Infrastructure Strategy which plans for the next 30 years. The strategy is developed in conjunction with the LTP and ties in very closely with the Financial Strategy.

Other recent legislative changes include the introduction of the Sale and Supply of Alcohol Act 2012 and the Psychoactive Substances Act 2013; both of which have affected how Council deliver services in those areas.

Other legislative change that will impact on Council services over the next three years include the full implementation of the Food Act 2014 and potential changes to the Building Act 2004 and the Resource Management Act 1991.

## Collaboration

Council consistently makes efforts to collaborate with suitable and appropriate external organisations for the mutual benefit of all parties. The benefits can vary and include shared technical knowledge, consistency in levels of service (e.g. the South Canterbury Rooding Collaboration), economic benefits through shared costs, and more effective advocacy on behalf of our community (e.g. combined submissions with other local authorities to central government on particular issues). Collaborative opportunities are likely to continue to grow into the future.

## Economic development

Council has economic development high on its list of priorities in terms of taking the district forward and making the district an even better place to work and live. Council is committed to work toward building on our success and encouraging more economic development, both with our established businesses and with those new businesses we attract to the district through promotion and collaboration. Part of this push will be delivered by the ongoing contracted services provided to Council by Aoraki Development Business and Tourism Limited (ADBT). Council adopted an Economic Development Strategy in February 2015 and is currently working through a review with ADBT to fine tune delivery of services in this area.

Further development of the local economy is anticipated through increasing activity at the port and associated

industries, as has already been witnessed since Timaru District Holdings Limited partnered with the Port of Tauranga Limited in late 2013.

## Growing community expectations

There is increasing pressure on Council to deliver current or improved levels of service in the face of ongoing increasing costs and demand. The community have high expectations about levels of service, which sometimes exceed what is operationally viable. As a consequence, Council faces increasing pressure to achieve more with less money and is always seeking further efficiencies. These might include efficiencies in terms of scale by sharing some costs with other organisations if appropriate, by making effective change to processes, by analysing data to provide better information so assets can be used beyond their original life expectancy, and further gains through the use of technology, such as tablets for field officers and extending the use of digital technology.

## Canterbury governance

While there are no immediate plans for local government restructuring in South Canterbury, the government is reviewing the future governance of Environment Canterbury. A new structure is supposed to be in place for the 2016 elections. The review will cover governance structure, membership and powers, and functions relating to resource management issues. This may impact on TDC depending on the outcome.

# Democracy

## What we plan to do and our levels of service

### 1. Make decisions in an open, transparent manner

|                                   |  |  |   |
|-----------------------------------|--|--|---|
| <b>How we do it</b>               | <ul style="list-style-type: none"> <li>Lead, govern and make decisions about the overall direction of the Council on behalf of the community</li> <li>Carry out regular Council, Community Board and Standing Committee meeting programmes</li> <li>Develop and implement planned policy review programme</li> <li>Review, develop and adopt existing and new policy for issues as they arise</li> <li>Maintain relationships with district iwi</li> </ul> |  |   |
| <b>How we measure performance</b> | Proportion of main items held in open meetings <sup>1</sup>  | Year 1 – 3 target: 2015/16 – 2017/18<br>≥ 90% main business items held in open meeting | Year 4 – 10 target: 2018/19 – 2024/25<br>≥ 90% main business items held in open meeting |
|                                   | Resident satisfaction with influence on Council decision making <sup>2</sup>   | 2015/16 and 2017/18 target is resident satisfaction level of 50% or greater            | Resident satisfaction level of 50% or greater   |

<sup>1</sup> This refers to the main business topics on the full Council agenda and existing four Standing Committees

<sup>2</sup> Council currently conducts community surveys once every two years

### 2. Advocate for the Community

|                                   |   |   |  |
|-----------------------------------|---|---|--|
| <b>How we do it</b>               | <ul style="list-style-type: none"> <li>Prepare submissions on issues that will impact on the Timaru District community</li> <li>Advocate on district issues on behalf of the community</li> <li>Maintain, collaborate and develop relationships and partnerships with other agencies to provide solutions to district issues</li> </ul> |   |  |
| <b>How we measure performance</b> | Formal TDC submissions on issues made to agencies   | Year 1 – 3 target: 2015/16 – 2017/18<br>10 submissions made | Year 4 – 10 target: 2018/19 – 2024/25<br>10 submissions made |

# Democracy

## 3. Communicate with the Community

|                                   |   |  |   |
|-----------------------------------|---|--|---|
| <b>How we do it</b>               | <ul style="list-style-type: none"> <li>Provide opportunities for community engagement, including informal and formal consultative processes, including Special Consultative Procedures (SCPs)</li> <li>Communicate Council work to the community via the Council Noticeboard, website and other mediums</li> <li>Maintain an up to date Council website</li> <li>Review, develop and implement a communications strategy</li> </ul> |  |   |
| <b>How we measure performance</b> | Resident satisfaction with adequacy of Council published information  | Year 1 – 3 target: 2015/16 – 2017/18   | Year 4 – 10 target: 2018/19 – 2024/25         |
|                                   |   | 2015/16 and 2017/18 the survey target is resident satisfaction level of 50% or greater | Resident satisfaction level of 50% or greater |

## 4. Monitor the Council organisation

|                                   |   |  |  |
|-----------------------------------|---|--|--|
| <b>How we do it</b>               | <ul style="list-style-type: none"> <li>Monitor the performance of the overall Council operation</li> <li>Monitor the performance and activities of Council Controlled Organisations</li> <li>Prepare and adopt statutory accountability documents (e.g. Annual Report)</li> </ul> |  |  |
| <b>How we measure performance</b> | Clear audit opinion for Annual Report   | Year 1 – 3 target: 2015/16 – 2017/18     | Year 4 – 10 target: 2018/19 – 2024/25    |
|                                   |   | Unmodified opinion for end of year audit | Unmodified opinion for end of year audit |

## 5. Meet our statutory obligations

|                                   |   |  |  |
|-----------------------------------|---|--|--|
| <b>How we do it</b>               | <ul style="list-style-type: none"> <li>Prepare and adopt statutory planning documents (e.g. Annual Plan and Long Term Plan)</li> <li>Conduct elections every three years and by-elections as required</li> <li>Conduct Representation Reviews every six years</li> <li>Review Triennial Agreement following Council elections</li> <li>Meet other statutory requirements as required (e.g. LGOIMA)</li> </ul> |  |  |
| <b>How we measure performance</b> | Compliance with LGA Planning and Accountability requirements  | Year 1 – 3 target: 2015/16 – 2017/18   | Year 4 – 10 target: 2018/19 – 2024/25  |
|                                   |   | Statutory Local Government Act Planning and Regulatory requirements are achieved | Statutory Local Government Act Planning and Regulatory requirements are achieved |

# Democracy

## How this activity is funded

Operating expenditure for activities within the Democracy group are funded through a variety of mechanisms, as summarised in the table below:

|                           | General Rates | Uniform Annual General Charges | Targeted rates | User fees and charges | Interest | Dividends from investments | Financial Contributions | Grants and subsidies | Other Sources |
|---------------------------|---------------|--------------------------------|----------------|-----------------------|----------|----------------------------|-------------------------|----------------------|---------------|
| Governance and Leadership | ✓             | ✓                              |                | ✓                     |          |                            |                         |                      |               |

For further information on how this activity is funded, refer to the Revenue and Financing Policy and Funding Impact Statement.

# Democracy

## Funding Impact Statement

|   | Budget<br>2014/15<br>\$'000 | Budget<br>2015/16<br>\$'000 | Budget<br>2016/17<br>\$'000 | Budget<br>2017/18<br>\$'000 | Budget<br>2018/19<br>\$'000 | Budget<br>2019/20<br>\$'000 | Budget<br>2020/21<br>\$'000 | Budget<br>2021/22<br>\$'000 | Budget<br>2022/23<br>\$'000 | Budget<br>2023/24<br>\$'000 | Budget<br>2024/25<br>\$'000 |
|---|-----------------------------|-----------------------------|-----------------------------|-----------------------------|-----------------------------|-----------------------------|-----------------------------|-----------------------------|-----------------------------|-----------------------------|-----------------------------|
| <b>Sources Of Operating Funding</b>                                     |                             |                             |                             |                             |                             |                             |                             |                             |                             |                             |                             |
| General Rates, Uniform annual general charges, rates penalties          | 3,213                       | <b>3,554</b>                | 3,688                       | 4,072                       | 3,980                       | 4,130                       | 4,370                       | 4,363                       | 4,478                       | 4,840                       | 4,770                       |
| Targeted Rates  | 19                          | <b>19</b>                   | 20                          | 20                          | 21                          | 21                          | 22                          | 22                          | 23                          | 24                          | 25                          |
| Subsidies and grants for operating purposes                             |                             |                             |                             |                             |                             |                             |                             |                             |                             |                             |                             |
| Fees and charges  | 3                           | <b>3</b>                    | 3                           | 3                           | 3                           | 3                           | 3                           | 3                           | 3                           | 3                           | 3                           |
| Internal charges and overheads recovered                                |                             |                             |                             |                             |                             |                             |                             |                             |                             |                             |                             |
| Local authorities fuel tax, fines, infringement fees and other receipts |                             |                             |                             |                             |                             |                             |                             |                             |                             |                             |                             |
| <b>Total Operating Funding</b>  | <b>3,235</b>                | <b>3,576</b>                | 3,710                       | 4,095                       | 4,003                       | 4,154                       | 4,395                       | 4,388                       | 4,504                       | 4,867                       | 4,798                       |
| <b>Applications Of Operating Funding</b>                                |                             |                             |                             |                             |                             |                             |                             |                             |                             |                             |                             |
| Payments to staff and suppliers   | 1,229                       | <b>1,146</b>                | 1,177                       | 1,285                       | 1,160                       | 1,350                       | 1,361                       | 1,298                       | 1,440                       | 1,533                       | 1,395                       |
| Finance costs   |                             |                             |                             |                             |                             |                             |                             |                             |                             |                             |                             |
| Internal charges and overheads applied                                  | 1,963                       | <b>2,110</b>                | 2,174                       | 2,233                       | 2,283                       | 2,340                       | 2,399                       | 2,475                       | 2,551                       | 2,638                       | 2,726                       |
| Other operating funding applications                                    |                             |                             |                             |                             |                             |                             |                             |                             |                             |                             |                             |
| <b>Total Applications Of Operating Funding</b>                          | <b>3,193</b>                | <b>3,256</b>                | 3,351                       | 3,519                       | 3,443                       | 3,689                       | 3,759                       | 3,773                       | 3,992                       | 4,171                       | 4,121                       |
| <b>Surplus/(Deficit) Of Operating Funding</b>                           | <b>42</b>                   | <b>320</b>                  | 359                         | 576                         | 560                         | 465                         | 635                         | 615                         | 513                         | 697                         | 677                         |
| <b>Sources Of Capital Funding</b>                                       |                             |                             |                             |                             |                             |                             |                             |                             |                             |                             |                             |
| Subsidies and grants for capital expenditure                            |                             |                             |                             |                             |                             |                             |                             |                             |                             |                             |                             |
| Development and financial contributions                                 |                             |                             |                             |                             |                             |                             |                             |                             |                             |                             |                             |
| Increase/(decrease) in debt   |                             |                             |                             |                             |                             |                             |                             |                             |                             |                             |                             |
| Gross proceeds from the sale of assets                                  |                             |                             |                             |                             |                             |                             |                             |                             |                             |                             |                             |
| Lump sum contributions  |                             |                             |                             |                             |                             |                             |                             |                             |                             |                             |                             |
| Other dedicated capital funding   |                             |                             |                             |                             |                             |                             |                             |                             |                             |                             |                             |
| <b>Total Sources Of Capital Funding</b>                                 | <b>0</b>                    | <b>0</b>                    | 0                           | 0                           | 0                           | 0                           | 0                           | 0                           | 0                           | 0                           | 0                           |
| <b>Applications Of Capital Funding</b>                                  |                             |                             |                             |                             |                             |                             |                             |                             |                             |                             |                             |
| Capital expenditure   |                             |                             |                             |                             |                             |                             |                             |                             |                             |                             |                             |
| - to meet additional demand   |                             |                             |                             |                             |                             |                             |                             |                             |                             |                             |                             |
| - to improve the level of service                                       |                             |                             |                             |                             |                             |                             |                             |                             |                             |                             |                             |
| - to replace existing assets  |                             |                             |                             |                             |                             |                             |                             |                             |                             |                             |                             |
| Increase/(decrease) in reserves   | 42                          | <b>320</b>                  | 359                         | 576                         | 560                         | 465                         | 635                         | 615                         | 513                         | 697                         | 677                         |
| Increase/(decrease) of investments                                      |                             |                             |                             |                             |                             |                             |                             |                             |                             |                             |                             |
| <b>Total Applications Of Capital Funding</b>                            | <b>42</b>                   | <b>320</b>                  | 359                         | 576                         | 560                         | 465                         | 635                         | 615                         | 513                         | 697                         | 677                         |
| <b>Surplus/(Deficit) Of Capital Funding</b>                             | <b>(42)</b>                 | <b>(320)</b>                | (359)                       | (576)                       | (560)                       | (465)                       | (635)                       | (615)                       | (513)                       | (697)                       | (677)                       |
| <b>Funding Balance</b>  | <b>0</b>                    | <b>0</b>                    | (0)                         | 0                           | 0                           | 0                           | 0                           | 0                           | 0                           | 0                           | 0                           |

# Community Support



# Community Support

## What we do

The Community Support group of activities provided by Council includes the following:

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

### Airport

The Council manages the Richard Pearse airport located in the Levels area of Timaru District, about 10 kilometres northwest of Timaru CBD. The airport provides a key business and community link from the district to Wellington with several weekly return flights. The Council owns, administers and manages the asset – the main airport facility, including the terminal building and runway. It also ensures the airport is run to legislative and Civil Aviation rules and provides other services such as car parking and land for lease. Sites are leased for commercial and private aircraft hangars and aviation orientated industry.

### Community Facilities

Community Facilities includes cemeteries and public toilets. Council currently operates seven cemeteries for burial and cremation interments at Timaru, Temuka, Pleasant Point, Geraldine, Arundel and Pareora West. Council is also responsible for Mesopotamia and Woodbury cemeteries, which are operated by local communities.

Council provides 45 public toilet facilities throughout the district. Toilet facilities range from central city complexes that are open 24 hours, to envirotilets in remote areas. Services associated with public toilets (e.g. cleaning, maintenance) are managed by the Council and carried out by contract.

### Community Funding

Community Funding involves assisting groups with projects and activities through various funding schemes, where they

comply with Council policies. Council policy is focused on local events, rural community halls, museums and community services and on substantial donations or loans for improved or new facilities. Funding support is also provided to community groups through low interest loans. Council administers the Creative Communities Scheme supported by Creative NZ. This activity also includes internal grants for rate remissions, a sport and recreation sewer charge and over 80's swimming.

### Economic Development and District Promotions

This activity is concerned with promoting and assisting economic development and visitor opportunities in the district. This is delivered in partnership with a Council Controlled Organisation (CCO), Aoraki Development Business and Tourism (ADBT), the economic and tourism development agency for Timaru District.

Council makes a major contribution to economic development through the provision of infrastructure and facilities and other services provided to the community. It is an advocate for district and individual businesses where needed (e.g. irrigation).

Council funds a significant portion of ADBT's work and provides financial support for events and other initiatives as they arise. ADBT's role is to provide a range of services to the local business community in South Canterbury to help facilitate business success and grow the wellbeing of Timaru District and South Canterbury. This includes business start-up and expansion advice, business skills training, advocacy work and clusters in industry sectors. While ADBT currently has a major role in marketing South Canterbury to visitors, businesses and events, the Council will assume some of this responsibility directly during the first three years of the LTP. This includes the southcanterbury.org.nz website and information services in Timaru, Temuka and Geraldine. ADBT helps facilitate local business events.

### Emergency Management

Emergency Management is concerned with communities being prepared, responding to and recovering from emergencies when they happen. Two key activities – Civil Defence and Rural Fire – are involved, whose role is summarised by the '4Rs': Readiness, Reduction, Response and

Recovery.

Civil Defence is about developing resilient communities in an effective, adaptable and sustainable way. Creating community and agency response plans, forming strong communication networks and maximising coverage occurs within the '4Rs' framework. Planning and education means people can better understand the risks in their communities. Volunteer training and resourcing increases a community's readiness to respond. By coordinating partner emergency, health and welfare agencies, emergency events can be managed more effectively and in a manner that the community can support. TDC is an active member of the Canterbury Civil Defence Emergency Management Group (CDEM) and closely coordinates with neighbouring local authorities and other agencies to deliver services.

The Timaru District Council is a member of the South Canterbury Rural Fire District, whose role is to protect rural property and vegetation from the threat of fire. The Authority was created by Mackenzie, Waimate and Timaru District Councils, Forest Owners Group, the Department of Conservation and the New Zealand Fire Service. The South Canterbury Rural Fire District Committee was formed to meet and administer the Authority's obligations. Rural Fire provides services such as volunteer training, hazard assessment, coordination, response to and recovery from incidents.

### Safer Communities

The Safer Communities activity exists to enhance the safety, both now and in the future of the community. There are two distinct services provided:

- Project Turnaround (Restorative Justice)
- Safer Communities

By running particular programmes within these services the activity, together with other strategic partners, works to reduce crime, raise awareness of issues, facilitate communication for better outcomes and deliver a highly successful restorative justice programme for the Ministry of Justice.

# Community Support

## Why we do it

Community Support contributes to all aspects of the Council's vision. This group primarily includes activities that help:

- build strong and supportive communities
- meet specific needs for expected community facilities
- support people, organisations and the business community
- help ensure healthy communities
- assist vulnerable people in our communities
- enable prepared and resilient individuals and communities in times of adversity

## Airport

Airport land is specifically designated for aerodrome purposes. The airport is a strategic asset for connecting South Canterbury residents and businesses to the rest of New Zealand and the world. It provides an essential transportation link from South Canterbury to enable movement of people, goods and services. It is also important as a base for recreational pursuits and aeronautically linked businesses.

## Community Facilities

Cemeteries and Public Toilets are essential community facilities expected by district residents and visitors. Public Toilets are important to maintain public health and correct disposal of human waste. High profile public toilets can help create a good impression for visitors to the district. Cemeteries provide spaces for remembrance of loved ones and an important historical record for future generations. This also ensures public health is maintained through proper burial. Cemeteries provide some amenity values through their preservation as parkland once they have reached capacity. Local authorities also have a legal obligation under the Burial and Cremations Act 1964 to ensure sufficient cemeteries are provided.

## Community Funding

Where Council policy criteria is met, community funding support helps encourage the provision of services and facilities that meet and enhance the community's social and cultural needs. This contributes to creating a more vibrant district and supports high quality events. Funding support is

also provided to a variety of cultural, social and recreational organisations that meet various district needs and contribute to enhancing the district's identity.

## Economic Development and District Promotions

Economic Development is essential to enabling people and communities improve their standard of living and lifestyle. This activity supports this through helping create a vibrant and innovative business community, facilitating the creation of employment and business opportunities, encouraging and supporting business enterprise and innovation and enhancing quality of life for residents. This includes ensuring the district has a positive profile and will attract visitors, events and investment.

## Emergency Management

Emergency Management is concerned with safeguarding life and property through providing a crucial coordination role to prepare for, respond to and recover from emergencies. A safer, more resilient community is promoted. This includes understanding the risks of natural hazards in communities and reducing that risk where possible through contributing to district planning and infrastructure development.

Communities and individuals are prepared through education, volunteer and staff training, relationship building and establishment of communications networks that will function in adverse conditions. A prepared and more resilient community enables the potential impacts of disaster to be reduced and quicker recovery following an emergency event.

Requirements under key legislation such as the Civil Defence Emergency Management Act 2002 and Forest and Rural Fires Act 1977 also drive local authority involvement in these activities.

## Safer Communities

Safer Communities aims to enhance the safety of people in the Timaru district, both now and in the future. Activities encourage a coordinated approach to emerging district crime issues. This increases community participation, ownership and involvement in these issues, enabling effective local solutions to be developed and implemented and a reduction of negative effects. Council no longer directly mentor 'At

risk' youth, but contribute financially toward that activity with a partner agency. Working together with other agencies means strategies for reducing rates of youth crime can be implemented.

Restorative justice is a proven tool for reducing offending and improving outcomes for victims of crime. Actions contribute to maintaining and improving the image and perception of the district, both through physical actions such as graffiti removal and through addressing issues that could damage the district's reputation.

## Social Housing

Social housing fills a need for adequate quality housing units that are comfortable and affordable. Provision reflects a society that cares for its most vulnerable citizens. Units provide an alternative to other providers such as central government community housing, rest homes, and the private sector. Demand for housing has remained constant with strong occupancy rates. Council policy requires social housing to be self-funding and not subsidised by other income sources, such as rates.

# Community Support

## 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 & 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

# Community Support

## Effects on community

Community Support can have a range of effects on the community, some of which are positive, others which can be negative. The positive effects have been outlined under the heading "Why we do it". Potential negative effects are identified in the table below:

| Effect  | Type of effect          | How Council intends to mitigate effect   |
|---|-------------------------|--|
| <b>Airport</b>  |                         |  |
| Noise nuisance caused by airport activities to surrounding landowners | Social<br>Environmental | Monitor activities according to standard defined in the District Plan and respond to complaints  |
| Deterioration of airport structures and facilities                    | Environmental           | Facilities maintained to defined standards, guidelines and policies. Funding will be maximised to ensure appropriate maintenance of the airport facilities and structures. |

## Community Facilities

|   |                         |  |
|---|-------------------------|--|
| Rural public toilets can impact on the environment through wastewater contamination                       | Environmental           | Rural toilets with ageing septic tanks are being replaced with self-contained Envirotoilets. To date several septic tanks have been replaced, improving the service considerably.                |
| Public toilets can be targets for vandalism and antisocial behaviour, causing significant cost to Council | Social<br>Economic      | Anti-graffiti paint, security cameras, gating and locking toilets in recurring vandalised areas will be used as necessary  |
| New public toilet blocks and cemeteries can be regarded as unwelcome by neighbouring property owners      | Social                  | New toilet blocks to be constructed as far away as is practical from urban housing. Where possible screening from neighbouring properties will be provided.                                      |
| Cemeteries can potentially cause contamination of waterways   | Social<br>Environmental | Consents require cemetery developments to be set back an appropriate distance from watercourses. Plantings and integration of cemeteries into the local environment to improve their aesthetics. |

## Community Funding

|  |                                  |   |
|--|----------------------------------|---|
| Funding is limited and not all organisations can benefit | Cultural<br>Social<br>Economical | Criteria are clearly outlined in Council's Donations and Loans Policy. The policy was reviewed in November 2014 and will continue to be reviewed periodically. Integrated management of community funding mechanisms combined with effective advocacy on behalf of the community at central government level. |
|--|----------------------------------|---|

# Community Support

## Effects on community (continued)

| Effect   | Type of effect | How Council intends to mitigate effect   |
|--|----------------|--|
| May lead to a culture of reliance on Council funding | Social         | All applications are considered individually by Council committees and there is no certainty of ongoing funding for applicants |

### Economic Development and District Promotions

|  |  |  |
|--|--|--|
| There are no negative effects from this activity |  |  |
|--|--|--|

### Emergency Management

|  |                                |   |
|--|--------------------------------|---|
| Lack of volunteer base or adequate resourcing could put effective emergency response at risk | Cultural<br>Social<br>Economic | Volunteers are actively recruited and training is provided. Partnerships are formed and fostered with other agencies. The community is kept aware via education, development of community response plans and regular advertising. |
| Response to emergencies can have potential negative short term effects on the environment    | Cultural                       | Environmental impacts will be mitigated where possible  |

### Safer Communities

|  |  |  |
|--|--|--|
| There are no negative effects from this activity |  |  |
|--|--|--|

### Social Housing

|   |                    |   |
|---|--------------------|---|
| Existing income stream not meeting costs due to inflation, increasing fixed and maintenance costs | Social<br>Economic |   |
| Most units being insured for indemnity insurance only   | Social<br>Economic | If a major disaster occurs, flats will be unable to be rebuilt causing potential housing depletion in the community |

## Key issues for next 10 years

The Community Support group of activities covers a variety of services and functions. Although activities vary, several are subject to the same issues. This section will outline some of the issues common to all activities, and some more specific issues affecting particular activities within the group.

### Meeting community expectations

This group of activities has direct contact with and impact on the community such as facilitating access to and from Timaru district via the airport, providing public toilets, responding to disasters, funding community events or programmes and providing social housing at lower than market rents. With such immediate contact with those using these services and the Council, the community expectations associated with the services are communicated directly and often. The expectation from the community is for levels of service to be maintained or higher levels of service delivered for the current level of funding. For example, expectations may be for a higher standard of public toilets or greater amounts of community funding available. It is an ongoing challenge for Council to meet these expectations in the face of increasing costs.

Some projects are planned to meet community expectations. Upgrades are planned to public toilets on Caroline Bay, Strathallan Street in Timaru CBD and King Street in Temuka. Council will continue to maintain and manage key facilities, such as cemeteries and public toilets. This includes work such as repairing damaged headstones to maintain safety in local cemeteries.

### Making use of new technology

The ongoing implementation of upgraded technology is planned to continue and will improve services to the community. An example of improvements include the use of Envirotiletoilets or similar in place of old rural long drop facilities. The old facilities are planned to be replaced at the rate of one per year during the period covered by this LTP. Other examples include the use of improved heat pump technology, Eco-heaters and insulation in social housing units. These improvement programmes, together with upgraded showers

# Community Support

where needed, are planned to be completed within the next three years. Use of portable IT, website portals and communications devices for Civil Defence and Rural Fire teams will allow targeted community response to occur quicker and in a more informed way.

## Changing needs – Meeting demand

Activities within this group are subject to various drivers and demands. A report commissioned by Council on future population and household projections predicts a slowly growing district population, with a shift in the median age, with a significant increase in the proportion of elderly (proportion of 65+ years to rise from 20.1% to approximately 31% in 2033). Such a shift in demographics within the population will present a change in demand for Council across some of the activities within this group. Council will monitor the demand placed on services and respond appropriately as is necessary.

Council Social Housing units continue to be in demand with high waiting lists. Council plans to convert the existing Pye Courts in Temuka from bedsit to single bedroom units, enabling them to be more attractive to prospective tenants. There are no current plans or funding available to build additional units.

Deaths are projected to increase in the future as the population ages, a shift from a relatively static current death rate. While many of the district's cemeteries have sufficient space, Timaru will require a new cemetery in the future, with investigations and work underway (see Development of new cemetery sites).

Changes in legislation can impact on the delivery of services within this group. This can particularly impact on the Emergency Management (including civil defence and rural fire) and Cemeteries activities who operate within specific legislative frameworks.

Demand for community funding has been steady over the years. Demand in some areas is likely to increase, such as for over 80s swimming. Council have reviewed community funding policy and slightly refocused with a reduced focus on annual grants and greater emphasis on events, rural community halls, heritage and community services.

## Economic Development

The district has a diverse and thriving economy covering a wide spectrum of business and industry. The economy will change according to local demand and in response to external factors such as changes in world markets. It is a key function of Council and its CCO, Aoraki Development Business and Tourism Limited (ADBT), to promote the district and encourage sustainable growth where possible. The challenge is for Council and ADBT to remain flexible and adapt to any changes in the district's economic environment to ensure the best possible outcomes for the district. Many of the activities Council undertakes make a significant contribution to economic development.

Council and the board of ADBT have recently developed an Economic Development Strategy with a view to meeting the future needs of the district in this activity. Council and ADBT have agreed to form a working party, with representatives of both organisations involved, to oversee the development of a transition plan. Once a transition plan has been finalised, the desired changes in service delivery will be introduced.

## Airport – service changes coming

Air New Zealand has signalled a change to air services to Timaru from March 2016. While the frequency of flights is set to drop, the number of seats overall will increase with the use of a larger aircraft. This change in service will present different pressure points on the airport facilities than currently exist, in terms of baggage handling and car parking. It may also impact on revenue generated by the facility in landing fees. These operational matters will have to be assessed once the frequency of flights and uptake of the new services by the community is known. Upgrading of facilities can then be considered to accommodate the change in service.

## Ageing social housing stock

The social housing stock currently sits at 236 units and varies in age from those built quite recently to the oldest being built 60 years ago. The programme exists to assist those in the community who have the most need for social housing. It is a self-funding activity; the rent charged is below the market level but sufficient to fund the activity. The needs of people seeking housing 60 years ago were far different to the needs

of people today, and upgrading our older units is becoming increasingly necessary to meet tenant's needs.

The project to upgrade Council's social housing units will continue with upgrades to showers, ongoing renovations of units when they become vacant and ongoing insulation, heating and maintenance projects. Upgrades are taking place over time so as not to place the burden of significant rent increases on tenants. There will be a rent increase of \$5 per week across all tenancies in July 2015, after which the rent level will be reassessed. The activity intends to remain self-funding, with no ratepayer input.

## Development of new cemetery sites

The Temuka cemetery has recently been expanded and now has an estimated remaining capacity of 80 years. The cemeteries in the district range in remaining capacity, from Timaru at 14 years through to Pleasant Point and Geraldine at 150 years. Council is currently developing a plan to purchase a new site to replace the Timaru cemetery. Land will be purchased with sufficient time to develop the site. Council has budgeted to investigate potential sites within the next 3 years, with a view to purchasing land in 5 to 10 years' time. Funding has been included in the 2015 LTP to achieve this.

# Community Support

## What we plan to do and our levels of service

### 1. Community facilities are well maintained, clean and safe

|  |   |   |                |                |                           |
|--|---|---|----------------|----------------|---------------------------|
| <b>How we do it</b>                          | <ul style="list-style-type: none"> <li>■ Provide, clean and maintain public toilets</li> <li>■ Regularly inspect and audit public toilet cleanliness and condition</li> <li>■ Public toilet facilities in high-use localities are regularly cleaned at prescribed times</li> <li>■ Provide, operate and maintain Timaru Airport facilities</li> <li>■ Provide and maintain sufficient cemetery plots and beams available for interments in four main cemeteries</li> <li>■ Maintain district cemeteries, including headstone maintenance programme</li> <li>■ Manage community facilities contracts, including contracts for regular maintenance and cleaning</li> <li>■ Retain Civil Aviation Authority (CAA) accreditation by satisfying annual audit</li> <li>■ Provision of 24-7 Customer Service Request System for public to notify Council of any shortfall in services/damage</li> <li>■ Investigate and rectify community facilities complaints</li> </ul> |   |                |                |                           |
| <b>How we measure performance</b>            | <b>Airport users satisfaction with facility</b>   | <b>Year 1 – 3 target</b>  |                |                | <b>Year 4 – 10 target</b> |
|  |   | <b>2015/16</b>  | <b>2016/17</b> | <b>2017/18</b> | <b>2018/19 - 2024/25</b>  |
|  |   | 80% or greater of airport users are satisfied with the airport facility | 81%            | 82%            | 83%                       |
|  | <b>Resident satisfaction with district cemeteries</b>   | 80% or greater of residents are satisfied with cemeteries               | No Survey      | 80%            | 80%                       |
|  | <b>Visitor satisfaction with district cemeteries</b>  | 85% or greater of visitors are satisfied with cemeteries                | No Survey      | 85%            | 85%                       |
|  | <b>Resident satisfaction with public toilets</b>  | 60% or greater of residents are satisfied with public toilets           | No Survey      | 61%            | 61%                       |
| <b>User satisfaction with public toilets</b> | 70% or greater of users are satisfied with public toilets   | No Survey   | 71%            | 72%            |                           |

# Community Support

|   |  |   |   |
|---|--|---|---|
| <b>How we measure performance</b><br><i>(Continued)</i> | Complaints about public toilet cleaning standards <sup>1</sup> | Year 1 – 3: 2015/16 – 2017/18<br>3 or less complaints per year                                      | Year 4 – 10: 2018/19 – 2024/25<br>3 or less complaints per year                                     |
|   | Cemeteries contractor compliance                               | 10 or less non-complying items per year identified during the year in contract audits               | 10 or less non-complying items per year identified during the year in contract audits               |
|   | Airport Civil Aviation Authority accreditation                 | Annual CAA accreditation audits identify no significant problems that prevent ongoing accreditation | Annual CAA accreditation audits identify no significant problems that prevent ongoing accreditation |

<sup>1</sup> A complaint represents when a cleaning standard is not met, not when a request for cleaning is made. Vandalism and anti-social use of facilities can occur between cleaning, the effects of which result in a request to clean.

## 2. Future provision of community facilities to meet community needs and expectations is planned for

|                                   |   |   |  |
|-----------------------------------|---|---|--|
| <b>How we do it</b>               | <ul style="list-style-type: none"> <li>Review of public toilets standards</li> <li>Future planning provision of upgraded or new facilities</li> <li>Monitor ongoing demand for and usage of facilities</li> <li>Capital expenditure programme for provision of new and upgraded facilities</li> <li>Develop future cemetery plan for Timaru cemetery</li> </ul> |   |  |
| <b>How we measure performance</b> | Future development plan for main Timaru cemetery  | Year 1 – 3 target: 2015/16 – 2017/18<br>Commence planning for a new Timaru cemetery | Year 4 – 10 target: 2018/19 – 2024/25<br>Purchase land for new Timaru cemetery |

## 3. Social housing units are tenanted and well managed

|                                   |   |  |   |
|-----------------------------------|---|--|---|
| <b>How we do it</b>               | <ul style="list-style-type: none"> <li>Maintain a waiting list, interview and place prospective tenants according to Council's eligibility criteria</li> <li>Manage issues associated with the social housing portfolio</li> <li>Maintain units as notified through the Council's service request system</li> </ul> |  |   |
| <b>How we measure performance</b> | Tenant satisfaction levels  | Year 1 – 3 target: 2015/16 – 2017/18<br>85% or greater level of satisfaction as determined by survey | Year 4 – 10 target: 2018/19 – 2024/25<br>88% or greater level of satisfaction as determined by survey |
|                                   | Occupancy rate of social housing units  | 98% or greater occupancy   | 98% or greater occupancy  |
|                                   | Social housing requests for urgent service  | 100% of urgent service requests responded to within 24 hours   | 100% of urgent service requests responded to within 24 hours  |

# Community Support

## 4. Provide accessible and up to date cemetery records

|                                   |  |   |   |
|-----------------------------------|--|---|---|
| <b>How we do it</b>               | <ul style="list-style-type: none"> <li>Maintain and update electronic cemetery database</li> </ul> |   |   |
| <b>How we measure performance</b> | Cemetery records updated   | Year 1 – 3 target: 2015/16 – 2017/18                | Year 4 – 10 target: 2018/19 – 2024/25               |
|                                   |  | 100% of cemetery records are updated within a month | 100% of cemetery records are updated within a month |

## 5. Improve individual, community and business awareness of the risks from hazards and assist them to build resilience to emergency events

|                                   |  |   |  |
|-----------------------------------|--|---|--|
| <b>How we do it</b>               | <ul style="list-style-type: none"> <li>Educate and inform the public and businesses about the risks to their communities from hazards via presentations, media campaigns and printed material in order to improve community resilience</li> <li>Review Civil Defence Plan/Rural Fire Plan</li> <li>Identify hazards that require research for risk reduction and assist in the delivery of results from research as part of ongoing community education</li> <li>Assist communities in understanding the hazardscape in South Canterbury to enable them to develop appropriate and useful response plans for their communities</li> <li>Provide training for volunteers and staff so they can respond to emergency events in a manner that supports our communities</li> <li>Monitor hazard information (e.g. Rural Fire weather station) and events as they progress</li> </ul> |   |  |
| <b>How we measure performance</b> | Community Response Plans (CRP)   | Year 1 – 3 target: 2015/16 – 2017/18  | Year 4 – 10 target: 2018/19 – 2024/25                                    |
|                                   |  | <ul style="list-style-type: none"> <li>Year 1: Rangitata Huts and Butlers Huts CRP's completed</li> <li>Year 2: Waipopo/Pattersons Park CRP's completed</li> <li>Year 3: Stratheona Huts CRP completed</li> </ul> | Pleasant Point CRP completed   |
|                                   | Emergency responders and volunteers are prepared for emergencies   | Annual volunteer training schedule prepared and implemented   | Annual volunteer training schedule prepared and implemented              |
|                                   | Annual Group Exercise  | Council, staff and partner agencies participate in annual group exercise  | Council, staff and partner agencies participate in annual group exercise |

# Community Support

## 6. Manage and allocated community funding scheme grants and loans

|                                   |  |   |   |
|-----------------------------------|--|---|---|
| <b>How we do it</b>               | <ul style="list-style-type: none"> <li>Administration, promotion and management of the Council's community funding schemes, community loans and the Creative Communities Scheme</li> <li>Provide and manage subsidised labour schemes</li> <li>Assist youth through various initiatives</li> </ul> |   |   |
| <b>How we measure performance</b> | <b>Annual funding rounds</b>   | <b>Year 1 – 3 target: 2015/16 – 2017/18</b>   | <b>Year 4 – 10 target: 2018/19 – 2024/25</b>  |
|                                   |  | TDC: General grants, Substantial grants, Community Loans: 2, TDC Youth Initiatives: 2, Creative Communities Fund: 4 | TDC: General grants, Substantial grants, Community Loans: 2, TDC Youth Initiatives: 2, Creative Communities Fund: 4 |
|                                   | <b>% Accountability forms returned</b>   | 90% or greater accountability forms are returned as required  | 90% or greater accountability forms are returned as required  |

## 7. Respond to existing and emerging crime trends with community sanctioned initiatives and operate Project Turnaround programme

|                                   |  |  |  |
|-----------------------------------|--|--|--|
| <b>How we do it</b>               | <ul style="list-style-type: none"> <li>Meeting the needs of the Project Turnaround programme participants and community by being available, flexible, culturally aware and professional</li> <li>Respond to crime trends with community sanctioned initiatives</li> <li>Network and promote the work of Safer Communities in the community</li> <li>Arrange and facilitate victim/offender conferences to achieve positive outcomes (Project Turnaround)</li> <li>Promote restorative justice in the community (Project Turnaround)</li> </ul> |  |  |
| <b>How we measure performance</b> | <b>Timely initiatives when crime trends identified</b>   | <b>Year 1 – 3 target: 2015/16 – 2017/18</b>  | <b>Year 4 – 10 target: 2018/19 – 2024/25</b>   |
|                                   |  | Appropriate response identified within 3 months to existing or new crime issues where feasible | Appropriate response identified within 3 months to existing or new crime issues where feasible |
|                                   | <b>Ministry of Justice (MoJ) targets.</b>  | 100% of MoJ targets met  | 100% of MoJ targets met  |

# Community Support

## 8. Contribute to the economic development of the Timaru District

|  |  |  |   |
|--|--|--|---|
| <b>How we do it</b>  | <ul style="list-style-type: none"> <li>■ Provide funding support for Economic Development and District Promotions</li> <li>■ Monitor CCO delivery of services against Statement of Intent using Key Performance Indicators (KPIs)</li> <li>■ Maintain a business friendly Council approach to customer relationships</li> <li>■ Ensure economic development is a high priority in decision-making</li> <li>■ Develop closer relationship between Council and ADBT</li> <li>■ Finalise implementation of the Economic Development Strategy</li> <li>■ Proactively facilitate and assist business development through Council processes</li> </ul> |  |   |
| <b>How we measure performance</b>  |  | <b>Year 1 – 3 target: 2015/16 – 2017/18</b>  | <b>Year 4 – 10 target: 2018/19 – 2024/25</b>                    |
|  | CCO reporting to Council   | Quarterly reports to Council   | Quarterly reports to Council                                    |
|  | Economic growth  | Annual Economic growth above the national average  | Annual Economic growth above the national average               |
|  | Job Creation   | Annual job creation of 300 new jobs  | Annual job creation of 300 new jobs                             |
|  | Sector Collaboration   | Measures to be developed   | Measures to be developed  |
|  | Perception of living in Timaru District  | Increase in local spend by residents, industry and travellers                            | Increase in local spend by residents, industry and travellers   |
|  |  | Increase in new families/businesses settling in Timaru district                          | Increase in new families/businesses settling in Timaru district |
| Increase in positive perceptions about Timaru District as a place to live, work and play |  | Increase in positive perceptions about Timaru District as a place to live, work and play |   |

# Community Support

## How this activity is funded

Operating expenditure for activities within the Community Support group are funded through a variety of mechanisms, as summarised in the table below:

|  | General Rates | Uniform Annual General Charges | Targeted rates | User fees and charges | Interest | Dividends from investments | Financial Contributions | Grants and subsidies | Other Sources |
|--|---------------|--------------------------------|----------------|-----------------------|----------|----------------------------|-------------------------|----------------------|---------------|
| Airport                                      | ✓             | ✓                              |                | ✓                     |          |                            |                         |                      |               |
| Community Facilities                         | ✓             | ✓                              |                | ✓                     |          |                            |                         |                      |               |
| Community Funding                            | ✓             | ✓                              |                |                       | ✓        |                            |                         | ✓                    |               |
| Economic Development and District Promotions | ✓             | ✓                              |                |                       |          |                            |                         | ✓                    |               |
| Emergency Management                         | ✓             | ✓                              | ✓              |                       |          |                            |                         | ✓                    | ✓             |
| Safer Communities                            | ✓             | ✓                              |                |                       |          |                            |                         | ✓                    |               |
| Social Housing                               | ✓             | ✓                              |                | ✓                     |          |                            |                         |                      |               |

For further information on how this activity is funded, refer to the Revenue and Financing Policy and Funding Impact Statement.

# Community Support

## Projects

| ID    | Project Title   | Summary  | Expenditure |         |         |                 |
|-------|---|--|-------------|---------|---------|-----------------|
|       |   |  | 2015/16     | 2016/17 | 2017/18 | 2018/19-2024/25 |
| CSH1  | Housing-Shower Upgrades                                   | Project to upgrade social housing units in Council's care to have appropriate bathroom facilities. The project will be completed in 2015/16.   | 142,000     | 0       | 0       | 0               |
| CSH2  | Housing-Refurbishment                                     | The ongoing refurbishment of the Council's social housing units to ensure they remain fit for purpose by replacing ovens, upgrading bathrooms and converting bedsits to units.   | 90,000      | 102,500 | 115,500 | 1,173,100       |
| CSH3  | Housing-Heat Pumps  | Council has allocated funding for upgrading the heating system in some Council owned units with heat pumps.  | 92,500      | 95,300  | 0       | 0               |
| CSP1  | Public Toilets-Renewals                                   | The renewal or upgrading of public toilets within the district, including the toilet block behind the Bay Hall at Caroline Bay, the block on Strathallan Street in Timaru and the block on King Street in Temuka. In addition, rural "long drop" type toilets are to be replaced with modern environmentally friendly toilets. | 48,000      | 71,700  | 84,000  | 329,400         |
| CSA1  | Airport-Fixtures and Furniture                            | Replacement and upgrading of fixtures and furniture at the Timaru Airport, including a new heat pump.  | 21,000      | 0       | 0       | 63,800          |
| CSA2  | Airport-Aviation Park Development                         | Airport land has been set aside for lease to aviation enthusiasts at Timaru Airport, for those who want access to the runway and a residence with an aircraft hangar attached. The project is dependent upon interest from potential lessees. Council funding will be used for fencing and road access.                        | 0           | 67,600  | 0       | 0               |
| CSA3  | Airport-Water Reticulation                                | The replacement of the airport water reticulation system.  | 0           | 0       | 0       | 5,700           |
| CSA4  | Airport-Main Runway Shoulders Reseal                      | The shoulders of the main runway have degraded over time and now require resealing.  | 225,000     | 0       | 0       | 0               |
| CSC1  | Cemeteries-Timaru District Replacement Site Investigation | Land is required to replace the Timaru Cemetery and provide a facility for the future. Funding has been set aside for investigating potential sites with a view to purchasing land in about 2018.  | 58,000      | 0       | 525,200 | 3,418,800       |
| CSC2  | Cemeteries-Reseal and roading programme                   | Resealing and repairing roads within the district's cemeteries. This includes provision for extending the access road to the new cemetery area at Temuka.  | 35,500      | 26,200  | 0       | 91,200          |
| CSC3  | Cemeteries-Concrete Beams                                 | Concrete beams are installed in larger cemeteries to mark plot locations and provide a base for memorials.   | 11,400      | 11,700  | 12,000  | 94,200          |
| CSCD1 | Civil Defence-Communication Equipment                     | The purchase of radio equipment and other electronic equipment to facilitate communications between field operatives, welfare centres and Area HQs during Civil Defence emergencies.   | 8,000       | 5,100   | 5,300   | 41,400          |
| CSCD2 | Civil Defence-Sirens                                      | Installation of new warning sirens at Washdyke, Timaru and Waipopo/Pattersons Park   | 0           | 44,100  | 25,200  | 41,000          |
| CSRF1 | Rural Fire-Vehicles                                       | The replacement of Rural Fire vehicles to maintain operational capabilities.   | 0           | 107,600 | 0       | 518,900         |
| CSRF2 | Rural Fire-Equipment                                      | The purchase of radio equipment and other equipment such as generators and hoses to support the response of the district's Volunteer Rural Fire teams.   | 18,000      | 8,100   | 8,400   | 66,000          |
| CSRF3 | Rural Fire-Buildings                                      | Development of storage and training facilities at Peel Forest and Geraldine.   | 0           | 0       | 63,000  | 0               |

# Community Support

## Funding Impact Statement

|   | Budget<br>2014/15<br>\$'000 | Budget<br>2015/16<br>\$'000 | Budget<br>2016/17<br>\$'000 | Budget<br>2017/18<br>\$'000 | Budget<br>2018/19<br>\$'000 | Budget<br>2019/20<br>\$'000 | Budget<br>2020/21<br>\$'000 | Budget<br>2021/22<br>\$'000 | Budget<br>2022/23<br>\$'000 | Budget<br>2023/24<br>\$'000 | Budget<br>2024/25<br>\$'000 |
|---|-----------------------------|-----------------------------|-----------------------------|-----------------------------|-----------------------------|-----------------------------|-----------------------------|-----------------------------|-----------------------------|-----------------------------|-----------------------------|
| <b>Sources Of Operating Funding</b>                                     |                             |                             |                             |                             |                             |                             |                             |                             |                             |                             |                             |
| General Rates, Uniform annual general charges, rates penalties          | 2,367                       | <b>2,413</b>                | 2,489                       | 2,539                       | 2,614                       | 2,693                       | 2,857                       | 3,003                       | 3,071                       | 3,143                       | 3,245                       |
| Targeted Rates  | 180                         | <b>189</b>                  | 194                         | 202                         | 206                         | 215                         | 219                         | 230                         | 234                         | 245                         | 251                         |
| Subsidies and grants for operating purposes                             | 178                         | <b>212</b>                  | 217                         | 222                         | 228                         | 234                         | 241                         | 249                         | 257                         | 265                         | 275                         |
| Fees and charges  | 1,564                       | <b>1,623</b>                | 1,694                       | 1,750                       | 1,796                       | 1,845                       | 1,899                       | 1,957                       | 2,019                       | 2,087                       | 2,160                       |
| Internal charges and overheads recovered                                |                             |                             |                             |                             |                             |                             |                             |                             |                             |                             |                             |
| Local authorities fuel tax, fines, infringement fees and other receipts | 24                          | <b>24</b>                   | 25                          | 25                          | 26                          | 27                          | 27                          | 28                          | 29                          | 30                          | 31                          |
| <b>Total Operating Funding</b>  | <b>4,313</b>                | <b>4,461</b>                | 4,618                       | 4,739                       | 4,870                       | 5,014                       | 5,243                       | 5,466                       | 5,610                       | 5,769                       | 5,962                       |
| <b>Applications Of Operating Funding</b>                                |                             |                             |                             |                             |                             |                             |                             |                             |                             |                             |                             |
| Payments to staff and suppliers   | 3,374                       | <b>3,474</b>                | 3,581                       | 3,651                       | 3,749                       | 3,851                       | 3,980                       | 4,083                       | 4,220                       | 4,355                       | 4,535                       |
| Finance costs   | 154                         | <b>162</b>                  | 158                         | 171                         | 180                         | 170                         | 251                         | 330                         | 321                         | 309                         | 298                         |
| Internal charges and overheads applied                                  | 421                         | <b>456</b>                  | 468                         | 479                         | 489                         | 500                         | 512                         | 526                         | 541                         | 558                         | 575                         |
| Other operating funding applications                                    |                             |                             |                             |                             |                             |                             |                             |                             |                             |                             |                             |
| <b>Total Applications Of Operating Funding</b>                          | <b>3,949</b>                | <b>4,093</b>                | 4,207                       | 4,301                       | 4,418                       | 4,521                       | 4,743                       | 4,940                       | 5,082                       | 5,222                       | 5,408                       |
| <b>Surplus/(Deficit) Of Operating Funding</b>                           | <b>364</b>                  | <b>368</b>                  | 411                         | 437                         | 452                         | 493                         | 501                         | 526                         | 528                         | 547                         | 554                         |
| <b>Sources Of Capital Funding</b>                                       |                             |                             |                             |                             |                             |                             |                             |                             |                             |                             |                             |
| Subsidies and grants for capital expenditure                            | 43                          | <b>0</b>                    | 0                           | 0                           | 0                           | 0                           | 0                           | 0                           | 0                           | 0                           | 0                           |
| Development and financial contributions                                 |                             |                             |                             |                             |                             |                             |                             |                             |                             |                             |                             |
| Increase/(decrease) in debt   | 108                         | <b>66</b>                   | 53                          | 401                         | (133)                       | (105)                       | 3,314                       | (150)                       | (225)                       | (228)                       | (221)                       |
| Gross proceeds from the sale of assets                                  |                             |                             |                             |                             |                             |                             |                             |                             |                             |                             |                             |
| Lump sum contributions  |                             |                             |                             |                             |                             |                             |                             |                             |                             |                             |                             |
| Other dedicated capital funding   |                             |                             |                             |                             |                             |                             |                             |                             |                             |                             |                             |
| <b>Total Sources Of Capital Funding</b>                                 | <b>151</b>                  | <b>66</b>                   | 53                          | 401                         | (133)                       | (105)                       | 3,314                       | (150)                       | (225)                       | (228)                       | (221)                       |
| <b>Applications Of Capital Funding</b>                                  |                             |                             |                             |                             |                             |                             |                             |                             |                             |                             |                             |
| Capital expenditure   |                             |                             |                             |                             |                             |                             |                             |                             |                             |                             |                             |
| - to meet additional demand   | 30                          | <b>53</b>                   | 40                          | 326                         | 40                          | 20                          | 1,730                       | 97                          | 22                          | 23                          | 23                          |
| - to improve the level of service                                       | 264                         | <b>370</b>                  | 310                         | 442                         | 156                         | 142                         | 1,879                       | 207                         | 146                         | 151                         | 163                         |
| - to replace existing assets  | 127                         | <b>326</b>                  | 190                         | 71                          | 188                         | 65                          | 237                         | 82                          | 195                         | 70                          | 209                         |
| Increase/(decrease) in reserves   | 94                          | <b>(316)</b>                | (75)                        | (0)                         | (65)                        | 162                         | (31)                        | (11)                        | (60)                        | 76                          | (62)                        |
| Increase/(decrease) of investments                                      |                             |                             |                             |                             |                             |                             |                             |                             |                             |                             |                             |
| <b>Total Applications Of Capital Funding</b>                            | <b>515</b>                  | <b>434</b>                  | 465                         | 839                         | 319                         | 388                         | 3,815                       | 376                         | 303                         | 319                         | 333                         |
| <b>Surplus/(Deficit) Of Capital Funding</b>                             | <b>(364)</b>                | <b>(368)</b>                | (412)                       | (438)                       | (452)                       | (493)                       | (501)                       | (526)                       | (528)                       | (547)                       | (554)                       |
| <b>FUNDING BALANCE</b>  | <b>0</b>                    | <b>0</b>                    | 0                           | 0                           | 0                           | 0                           | 0                           | 0                           | 0                           | 0                           | 0                           |

# District Planning and Regulatory Services



 **TIMARU DISTRICT COUNCIL**  
**DOG PARK**



# District Planning and Regulatory Services

## What we do

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. Another major function of the group is 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.

This activity administers the District Licensing Committee which is a recent creation 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.

## Why we do it

District Planning and Regulatory Services particularly contribute to the economy, lifestyle and identity aspects of the Council's vision. The group includes activities that help ensure:

- The district's built and natural environment is safe to live, work and play in
- Building or land developments are managed in a safe and sustainable way and land is used appropriately through enforcing building and planning rules and legislation
- Negative effect of activities that may occur in the district are minimised or managed (e.g. noise, animals, overhanging trees)
- Commercial food premises practice a high standard of hygiene
- Communities and individuals are kept safe from nuisances
- The natural and built environment is protected and enhanced to promote sustainable development

### Building Control

Building Control services are provided to ensure a safe residential and commercial built environment exists for people to use in accordance with the provisions of the Building Act. The Council has a responsibility as the regulator and Building Consent Authority (BCA) to ensure the purposes of the Building Act 2004 are met. This varies from inspecting and consenting building developments to strict standards set by legislation to ensuring existing buildings are safe and hazards dealt with.

### District Planning

District Planning services are provided to ensure that development by people and businesses does not adversely affect the environment. The Council has a responsibility under the Timaru District Plan and Resource Management Act 1991 to manage the effects of development on the natural and physical resources of the district and protect the environment's life supporting capacity. This means that people and businesses can develop land and other resources in ways that fit with the surrounding community and environment. Decisions made by District Planning influence

# District Planning and Regulatory Services

the nature of Timaru District communities and how the district will develop in the future.

## Environmental Health

The Council provides environmental health services to ensure that people, communities and the environment are kept safe and nuisances are mitigated or managed. This varies from dealing with dangerous dogs to ensuring high standards of hygiene are maintained at food premises in the district to enforcing district bylaws that set out expected standards in the district. This occurs under several pieces of legislation, including the Dog Control Act, Food Act, Sale and Supply of Alcohol Act and the Health Act.

## 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

## Effects on community

District Planning and Regulatory Services can have a range of effects on the community, some of which are positive, others which can be negative. The positive effects have been outlined under the heading “Why we do it”. Potential negative effects are identified in the table below:

| Effect  | Type of effect     | How Council intends to mitigate effect  |
|---|--------------------|---|
| <b>Building Control</b>   |                    |   |
| Cost of compliance and building consent conditions may be a barrier for some people | Social<br>Economic | Costs are set according to Council’s policy and recognise benefits are primarily to property owners and developers. Consent conditions are set by the NZ Building Code requirements.                |
| Can be conflicting views on what is the best outcome                                | Economic           | The Building Control Unit provides education and information on legislative and Building Code requirements  |
| <b>District Planning</b>  |                    |   |
| Enforcement of district planning requirements may impact upon economic development  | Social<br>Economic | Development proposals are subject to the District Plan and adverse environmental effects must be avoided, remedied, or mitigated. Appeal and review by the Environment Court options are available. |
| Cost of compliance and consent conditions may be a barrier for some people          | Social<br>Economic | Costs are set according to Council’s policy and recognise benefits are primarily to property owners and developers. Consent conditions are set by the Council’s District Plan and legislation.      |

# District Planning and Regulatory Services

| Effect   | Type of effect                                  | How Council intends to mitigate effect  |
|--|---|---|
| Often conflicting views on what is the best outcome  | Cultural<br>Social<br>Economic<br>Environmental | Appeal and review by the Environment Court options are available  |
| <b>Environmental Health</b>  |   |   |
| Closures due to unsafe water contamination may affect opportunity for public recreation  | Social<br>Environmental                         | Closures are to safeguard public health and are withdrawn when this is no longer threatened   |
| Some people believe their rights are restricted by regulations such as those managed by this activity  | Social<br>Environmental                         | The Environmental Services Unit provides education and information on legislative requirements  |
| Cost of compliance (e.g. dog fees) may be a barrier to some people and closure of premises for non-compliance could have an adverse economic effect on operators | Social<br>Environmental                         | Costs are set according to Council's policy and recognise benefits are primarily to individuals or services regulated through this activity. Some fees are set by government legislation. |

## Key issues for next 10 years

The District Planning and Regulatory Services group cover a variety of functions and services on behalf of the Council under numerous statutes, policies and plans. The group is subject to changes in that legislative framework, as has been the case in recent times with the introduction of the Sale and Supply of Alcohol Act 2012, Psychoactive Substances Act 2013, and changes signalled to the Building Act 2004 and the Resource Management Act 1991. Key issues for the activities in this group therefore tend to relate to changes in the legislative environment. The key issues for this group of activities are described below.

### Legislative change

Ongoing legislative changes to how the District Planning and Regulatory Services group delivers services occur regularly. Constantly striving to meet the new demands placed on services, while maintaining a constant level of service and skilled staff, contributes to a heavy workload on staff resources. For example, at the time of writing, changes to the Resource Management Act 1991 have been signalled by government with a view to finding efficiencies in the planning process. This includes speeding up processing while maintaining the necessary levels of protection for Council and community. Effects on Council levels of service remain unknown but the services provided currently will have to change to meet the requirements of the new legislative environment once enacted.

Another significant legislative change is the introduction of the Food Act 2014. The new requirements will increase the workload on Council Environmental Health staff in the auditing and inspection of food premises but will enhance stakeholders' proficiency and safety around food preparation systems. These changes are to be implemented before 1 March 2016.

The review of the Earthquake-Prone, Dangerous and Insanitary Building Policy 2006 is on hold pending the release of amendments to the Building Act, post Canterbury earthquakes. The amendments will likely be confirmed in the second half of 2015, at which point the TDC policy will be reviewed and updated to reflect the amended legislation.

# District Planning and Regulatory Services

2014 saw the introduction of the new liquor licensing regime under the Sale and Supply of Alcohol Act 2012. Council had to undertake a major shift in how this service had been delivered in the past, taking on much of the licensing decision-making at the local level, when previously it had been with the Alcohol Regulatory and Licensing Authority in Wellington. It was decided to provide a combined District Licensing Committee for Timaru, Waimate and Mackenzie Districts and systems have been developed to accommodate this arrangement. As well as the change to structure, the fees regime changed from a fixed fee model effectively subsidised by ratepayers, to a risk based user pays model, which saw significant increases in fees for many stakeholders. The new regime has been operating successfully since its implementation on 18 December 2013.

## Meeting changes in demand

Demand for regulatory services is influenced strongly by the economic climate. Council is required to maintain at least a minimum level of service which commits it to significant cost. Reduced demand may reduce income, meaning additional ratepayer input to maintain an adequate level of service. Local factors influencing local economic growth can also place additional pressure on services to meet legislative deadlines.

## Using technology to improve our services

The introduction of new technology is planned to improve service to the community. These include Building Advisors using electronic tablets while in the field. The use of these tablets creates efficiencies during inspections, and an electronic consents process will eventually allow customers to monitor the progress of their consent applications online. Increased use of tablets is to be introduced for Environmental Health Officers and Licensing Inspectors to gain efficiencies during inspections. Increased efficiencies should lead to quicker turnaround times for building consents, inspections or any subsequent action required.

## Meeting increasing customer expectations

This group of activities is founded on meeting legislative requirements to maintain public safety and a healthy and

sustainable environment. Enforcing these rules can cause tension between Council and some customers. While Council must in the first instance meet its legal obligations, it will endeavor to assist customers as much as possible within the framework that exists. Customers who pay fees for Council services under this group also have a high expectation in terms of level of service, and it can be an ongoing challenge for the Council to meet these expectations with the resources available.

## Maintaining Building Accreditation and qualified staff

The TDC (Building Unit) must maintain its accreditation as a Building Consent Authority, first attained in 2008. The accreditation has to be audited and scrutinised every two years with systems and skills being assessed as such to ensure accreditation continues with International Accreditation New Zealand (IANZ). The next accreditation audit is due in February 2016. In addition to the ongoing need to meet the required IANZ standards, Building Officials now need to obtain a nationally recognised qualification by 2016, the Diploma in Building Surveying. The appropriate staff have already obtained the diploma or are studying towards it.

## District Plan Review

The major issue facing the District Planning Unit in the next LTP period is the District Plan review. The District Plan is one of the core Council documents for planning the districts future in alignment with the Vision and Community Outcomes. The review itself is a major undertaking and required by the Resource Management Act 1991 every ten years. The previous District Plan preparation took thirteen years to complete. The project requires significant resources from Council and will involve ongoing consultation with the community throughout the development process.

## Food Act implementation

The major issue facing the Environmental Service Unit is the increase in workload which is a likely consequence of the implementation of the new Food Act. It will increase the number of food premises subjected to a Council Health Officer's Food Control Plan audit, and therefore increase the amount of time spent on premises. The new regime

once implemented will impact existing resources and will require an increase in costs to compensate and enable the Council to carry out its statutory obligations. It has also been signalled by the Ministry for Primary Industries that a form of accreditation for Council Health Officers will be required for them to carry out food audits of Food Control Plans. The form of the accreditation and prerequisite form of competency assessment has yet to be determined.

## SmokeFree Policy

Council has been an active leader in the promotion of healthy, active lifestyles and part of that has been support for a smokefree policy. Council intends to work collaboratively with all stakeholders towards a Smokefree New Zealand.

# District Planning and Regulatory Services

## What we plan to do and our levels of service

### 1. Perform statutory functions as a regulator under key legislation

|                                   |   |  |   |
|-----------------------------------|---|--|---|
| <b>How we do it</b>               | <ul style="list-style-type: none"> <li>Administer all legislative requirements under District Planning and Regulatory Services related legislation</li> <li>Meet requirements to remain accredited as a Building Consent Authority</li> <li>Meet requirements to gain accreditation as may be required under the Food Act 2014</li> </ul> |  |   |
| <b>How we measure performance</b> | Retain accreditation as Building Consent Authority  | Year 1 – 3 target: 2015/16 – 2017/18<br>Associated audit processes ensure accreditation retained | Year 4 – 10 target: 2018/19 – 2024/25<br>Associated audit processes ensure accreditation retained |
|                                   | Retain accreditation as Food Registration Authority   | Associated audit processes ensure accreditation retained   | Associated audit processes ensure accreditation retained  |

### 2. Deliver timely, efficient processing of consents and related requirements

|                                   |   |   |   |
|-----------------------------------|---|---|---|
| <b>How we do it</b>               | <ul style="list-style-type: none"> <li>Process and grant building consents</li> <li>Process and grant resource consents</li> <li>Process and issue Land Information Memorandums (LIMs) and Project Information Memorandums (PIMs)</li> <li>Process and issue other Building Act requirements (e.g. notices to fix)</li> <li>Process Resource Management Act requirements (e.g. alterations to designations)</li> <li>Allocate and maintain urban and rural numbering in the district</li> </ul> |   |   |
| <b>How we measure performance</b> | Building consent processing within statutory timeframes and average processing time   | Year 1 – 3 target: 2015/16 – 2017/18<br>100% of building consents granted within 20 working days.<br>Average building consent processing time reduces   | Year 4 – 10 target: 2018/19 – 2024/25<br>100% of building consents granted within 20 working days.<br>Average building consent processing time reduces  |
|                                   | Resource Consent processing to take place within statutory timeframes and average processing time   | 100% processed within 20 working days (non-notified) or 70 working days (notified) and 90% of resource consents processed within 80% of the prescribed time<br>Average Resource Consent processing time reduces | 100% processed within 20 working days (non-notified) or 70 working days (notified) and 90% of resource consents processed within 80% of the prescribed time<br>Average Resource Consent processing time reduces |
|                                   | All Resource Consent decisions, reports and other written material are robust and defensible  | Successful objections and appeals limited to less than 3 per year   | Successful objections and appeals limited to less than 3 per year   |
|                                   |   |   |   |

# District Planning and Regulatory Services

## 3. Provide useful, timely and consistent advice and education on building, planning and regulatory enquiries

|                                   |  |   |  |
|-----------------------------------|--|---|--|
| <b>How we do it</b>               | <ul style="list-style-type: none"> <li>Provide advice to customers throughout consent processes and on enquiries</li> <li>Maintain a duty building and district planning officer</li> <li>Provide up to date application forms and information sheets</li> <li>Provide education opportunities via brochures, sector sessions and other methods</li> </ul> |   |  |
| <b>How we measure performance</b> | Customer satisfaction levels from users of building services   | Year 1 – 3 target: 2015/16 – 2017/18<br>Customer satisfaction level of 74% or greater | Year 4 – 10 target: 2018/19 – 2024/25<br>Customer satisfaction level of 74% or greater |
|                                   | Customer satisfaction levels from users of district planning services  | Customer satisfaction level of 60% or greater   | Customer satisfaction level of 60% or greater  |
|                                   | Customer satisfaction levels from users of environmental health services   | Customer satisfaction level of 80% or greater   | Customer satisfaction level of 80% or greater  |

## 4. Maintain an up-to-date and responsive regulatory policy environment

|                                   |   |   |  |
|-----------------------------------|---|---|--|
| <b>How we do it</b>               | <ul style="list-style-type: none"> <li>Maintain up to date knowledge of the regulatory legislative environment</li> <li>Review policy and Bylaws in accordance with the Policy Review Work Programme</li> <li>All Resource Consent related work to be of a high standard to ensure decisions are robust and defensible</li> </ul> |   |  |
| <b>How we measure performance</b> | Maintain up-to-date knowledge of legislation and regularly review policy  | Year 1 – 3 target: 2015/16 – 2017/18<br>Review policies as dictated by Policy Review Work Programme and legislation | Year 4 – 10 target: 2018/19 – 2024/25<br>Review policies as dictated by Policy Review Work Programme and legislation |

# District Planning and Regulatory Services

## 5. Register known dogs

|                                   |  |   |   |
|-----------------------------------|--|---|---|
| <b>How we do it</b>               | <ul style="list-style-type: none"> <li>Registration process for all known dogs in the District</li> <li>Follow up unregistered known dogs</li> <li>Investigate complaints of non-dog registration</li> </ul> |   |   |
| <b>How we measure performance</b> | Percentage of known dogs in District registered  | Year 1 – 3 target: 2015/16 – 2017/18    | Year 4 – 10 target: 2018/19 – 2024/25   |
|                                   |  | 95% or greater of known dogs registered | 95% or greater of known dogs registered |

## 6. Ensure public buildings, building work, swimming pools, food and liquor premises inspected are safe and comply with rules

|                                   |   |   |   |
|-----------------------------------|---|---|---|
| <b>How we do it</b>               | <ul style="list-style-type: none"> <li>Inspect building work for which consents are granted</li> <li>Issue code of Compliance Certificates where building work is completed to required standards</li> <li>Administer requirements of the Building Warrant of Fitness and Fencing of Swimming Pools regimes</li> <li>Inspect and/or audit registered food premises, health premises and licensed premises selling or supplying alcohol</li> </ul> |   |   |
| <b>How we measure performance</b> | Carry out audits and/or inspections of registered food premises (those premises under a Food Control Plan [FCP] and those not under a FCP), bylaws premises, health premises and liquor premises  | Year 1 – 3 target: 2015/16 – 2017/18  | Year 4 – 10 target: 2018/19 – 2024/25   |
|                                   |   | <ul style="list-style-type: none"> <li>Food premises:                             <ul style="list-style-type: none"> <li>80% or greater of premises on FCP's have undergone audit</li> <li>80% or greater of premises not on FCP's have been inspected.</li> </ul> </li> <li>80% or greater of Health regulated premises and Bylaw regulated premises have been inspected.</li> <li>100% of non-compliant premises found above subsequently become compliant.</li> <li>95% or greater of liquor premises monitored annually are compliant.</li> </ul> | <ul style="list-style-type: none"> <li>Food premises:                             <ul style="list-style-type: none"> <li>80% or greater of premises on FCP's have undergone audit</li> <li>80% or greater of premises not on FCP's have been inspected.</li> </ul> </li> <li>80% or greater of Health regulated premises and Bylaw regulated premises have been inspected.</li> <li>100% of non-compliant premises found above subsequently become compliant.</li> <li>95% or greater of liquor premises monitored annually are compliant.</li> </ul> |
|                                   |   | 100% of non-compliant buildings identified by the audit have corrective action taken.   | 100% of non-compliant buildings identified by the audit have corrective action taken.   |
|                                   |   | 100% of non-compliant swimming pools identified by the audit have had corrective action taken   | 100% of non-compliant swimming pools identified by the audit have had corrective action taken   |
|                                   | Public buildings comply with public buildings regulations<br><small>(measured from an audit of 5% of public buildings conducted through the year)</small>   |   |   |
|                                   | Swimming pools comply with swimming pool regulations<br><small>(measured from an audit of 10% of swimming pools conducted through the year)</small>   |   |   |

# District Planning and Regulatory Services

## 7. Investigate and respond to public complaints

|                                   |  |  |  |
|-----------------------------------|--|--|--|
| <b>How we do it</b>               | <ul style="list-style-type: none"> <li>Respond to regulatory services complaints in a timely fashion <sup>1</sup></li> <li>Monitor and enforce conditions of consents</li> </ul> |  |  |
| <b>How we measure performance</b> | <b>Respond in a timely fashion to complaints<sup>1</sup></b>   | <b>Year 1 – 3 target: 2015/16 – 2017/18</b>  | <b>Year 4 – 10 target: 2018/19 – 2024/25</b>   |
|                                   |  | Response time to complaints:<br>1. Routine - 100% within 10 working days<br>2. Urgent - 100% within 3 working days<br>3. Emergency - 100% within 2 hours | Response time to complaints:<br>1. Routine - 100% within 10 working days<br>2. Urgent - 100% within 3 working days<br>3. Emergency - 100% within 2 hours |
|                                   | <b>Compliance of resource consents with conditions issued</b>  | 100% of consents monitored within 3 months of the consent being given effect to  | 100% of consents monitored within 3 months of the consent being given effect to  |

<sup>1</sup> response refers to contact with the complainant and not necessarily a resolution to the issue

## How this activity is funded

Operating expenditure for activities within the District Planning and Regulatory Services group are funded through a variety of mechanisms, as summarised in the table below:

|                        | General Rates | Uniform Annual General Charges | Targeted rates | User fees and charges | Interest | Dividends from investments | Financial Contributions | Grants and subsidies | Other Sources |
|------------------------|---------------|--------------------------------|----------------|-----------------------|----------|----------------------------|-------------------------|----------------------|---------------|
| Building Control       | ✓             |                                |                | ✓                     |          |                            |                         |                      |               |
| District Planning      | ✓             |                                |                | ✓                     |          |                            |                         |                      |               |
| Environmental Services | ✓             | ✓                              |                | ✓                     |          |                            |                         |                      |               |

For further information on how this activity is funded, refer to the Revenue and Financing Policy and Funding Impact Statement.

# District Planning and Regulatory Services

## Projects

| ID         | Project Title               | Summary   | Expenditure |         |         |                 |
|------------|-----------------------------|---|-------------|---------|---------|-----------------|
|            |                             |   | 2015/16     | 2016/17 | 2017/18 | 2018/19-2024/25 |
| <b>DP1</b> | <b>District Plan Review</b> | A major overhaul and review of the Timaru District Council District Plan. The review is prescribed to take place by legislation every 10 years and will take several years to complete. | 320,000     | 348,300 | 273,100 | 1,842,000       |
| <b>RS1</b> | <b>Dog Control Signage</b>  | Replace and renew dog control signage in the district as required.  | 5,000       | 5,100   | 5,300   | 41,400          |

# District Planning and Regulatory Services

## Funding Impact Statement

|   | Budget<br>2014/15<br>\$'000 | Budget<br>2015/16<br>\$'000 | Budget<br>2016/17<br>\$'000 | Budget<br>2017/18<br>\$'000 | Budget<br>2018/19<br>\$'000 | Budget<br>2019/20<br>\$'000 | Budget<br>2020/21<br>\$'000 | Budget<br>2021/22<br>\$'000 | Budget<br>2022/23<br>\$'000 | Budget<br>2023/24<br>\$'000 | Budget<br>2024/25<br>\$'000 |
|---|-----------------------------|-----------------------------|-----------------------------|-----------------------------|-----------------------------|-----------------------------|-----------------------------|-----------------------------|-----------------------------|-----------------------------|-----------------------------|
| <b>Sources Of Operating Funding</b>                                     |                             |                             |                             |                             |                             |                             |                             |                             |                             |                             |                             |
| General Rates, Uniform annual general charges, rates penalties          | 348                         | 303                         | 306                         | 314                         | 321                         | 329                         | 338                         | 348                         | 358                         | 370                         | 383                         |
| Targeted Rates  | 783                         | 1,193                       | 1,236                       | 1,192                       | 1,218                       | 1,401                       | 1,385                       | 1,295                       | 1,392                       | 1,065                       | 1,065                       |
| Subsidies and grants for operating purposes                             | 0                           | 0                           | 0                           | 0                           | 0                           | 0                           | 0                           | 0                           | 0                           | 0                           | 0                           |
| Fees and charges  | 3,134                       | 3,166                       | 3,241                       | 3,322                       | 3,407                       | 3,499                       | 3,599                       | 3,707                       | 3,824                       | 3,950                       | 4,088                       |
| Internal charges and overheads recovered                                | 8                           | 28                          | 28                          | 28                          | 28                          | 28                          | 28                          | 28                          | 28                          | 28                          | 28                          |
| Local authorities fuel tax, fines, infringement fees and other receipts | 36                          | 15                          | 15                          | 16                          | 16                          | 17                          | 17                          | 18                          | 18                          | 19                          | 19                          |
| <b>Total Operating Funding</b>  | <b>4,309</b>                | <b>4,704</b>                | <b>4,826</b>                | <b>4,870</b>                | <b>4,989</b>                | <b>5,274</b>                | <b>5,367</b>                | <b>5,395</b>                | <b>5,620</b>                | <b>5,432</b>                | <b>5,582</b>                |
| <b>Applications Of Operating Funding</b>                                |                             |                             |                             |                             |                             |                             |                             |                             |                             |                             |                             |
| Payments to staff and suppliers   | 3,313                       | 3,651                       | 3,747                       | 3,767                       | 3,864                       | 4,124                       | 4,192                       | 4,189                       | 4,381                       | 4,158                       | 4,271                       |
| Finance costs   |                             |                             |                             |                             |                             |                             |                             |                             |                             |                             |                             |
| Internal charges and overheads applied                                  | 989                         | 1,071                       | 1,098                       | 1,123                       | 1,145                       | 1,169                       | 1,195                       | 1,227                       | 1,259                       | 1,296                       | 1,334                       |
| Other operating funding applications                                    |                             |                             |                             |                             |                             |                             |                             |                             |                             |                             |                             |
| <b>Total Applications Of Operating Funding</b>                          | <b>4,302</b>                | <b>4,722</b>                | <b>4,844</b>                | <b>4,890</b>                | <b>5,009</b>                | <b>5,293</b>                | <b>5,386</b>                | <b>5,415</b>                | <b>5,641</b>                | <b>5,454</b>                | <b>5,605</b>                |
| <b>Surplus/(Deficit) Of Operating Funding</b>                           | <b>7</b>                    | <b>(18)</b>                 | <b>(18)</b>                 | <b>(19)</b>                 | <b>(19)</b>                 | <b>(19)</b>                 | <b>(20)</b>                 | <b>(21)</b>                 | <b>(21)</b>                 | <b>(22)</b>                 | <b>(22)</b>                 |
| <b>Sources Of Capital Funding</b>                                       |                             |                             |                             |                             |                             |                             |                             |                             |                             |                             |                             |
| Subsidies and grants for capital expenditure                            |                             |                             |                             |                             |                             |                             |                             |                             |                             |                             |                             |
| Development and financial contributions                                 |                             |                             |                             |                             |                             |                             |                             |                             |                             |                             |                             |
| Increase/(decrease) in debt   |                             |                             |                             |                             |                             |                             |                             |                             |                             |                             |                             |
| Gross proceeds from the sale of assets                                  |                             |                             |                             |                             |                             |                             |                             |                             |                             |                             |                             |
| Lump sum contributions  |                             |                             |                             |                             |                             |                             |                             |                             |                             |                             |                             |
| Other dedicated capital funding   |                             |                             |                             |                             |                             |                             |                             |                             |                             |                             |                             |
| <b>Total Sources Of Capital Funding</b>                                 | <b>0</b>                    |
| <b>Applications Of Capital Funding</b>                                  |                             |                             |                             |                             |                             |                             |                             |                             |                             |                             |                             |
| Capital expenditure   |                             |                             |                             |                             |                             |                             |                             |                             |                             |                             |                             |
| - to meet additional demand   |                             |                             |                             |                             |                             |                             |                             |                             |                             |                             |                             |
| - to improve the level of service                                       | 53                          | 3                           | 3                           | 3                           | 3                           | 3                           | 3                           | 3                           | 3                           | 3                           | 3                           |
| - to replace existing assets  | 3                           | 3                           | 3                           | 3                           | 3                           | 3                           | 3                           | 3                           | 3                           | 3                           | 3                           |
| Increase/(decrease) in reserves   | (49)                        | (23)                        | (23)                        | (25)                        | (25)                        | (25)                        | (25)                        | (26)                        | (27)                        | (28)                        | (29)                        |
| Increase/(decrease) of investments                                      |                             |                             |                             |                             |                             |                             |                             |                             |                             |                             |                             |
| <b>Total Applications Of Capital Funding</b>                            | <b>7</b>                    | <b>(18)</b>                 | <b>(18)</b>                 | <b>(19)</b>                 | <b>(19)</b>                 | <b>(19)</b>                 | <b>(19)</b>                 | <b>(20)</b>                 | <b>(21)</b>                 | <b>(22)</b>                 | <b>(22)</b>                 |
| <b>Surplus/(Deficit) Of Capital Funding</b>                             | <b>(7)</b>                  | <b>18</b>                   | <b>18</b>                   | <b>19</b>                   | <b>19</b>                   | <b>19</b>                   | <b>19</b>                   | <b>20</b>                   | <b>21</b>                   | <b>22</b>                   | <b>22</b>                   |
| <b>FUNDING BALANCE</b>  | <b>0</b>                    |

# Recreation and Leisure



# Recreation and Leisure

## What we do

Recreation and Leisure includes the following activities provided by the Council:

- 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. Aigantighe is a public art gallery that 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 programmes for schools both at the museum and around the District (Government funded). The museum is open 6 days a week with free admission.

### 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. Library facilities are heavily

used. 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, relaxation and communication. The libraries are also meeting places for groups and a place for the sharing of community information.

Timaru District libraries cooperate nationally with other agencies to enable access to Interloan services and various online databases. Free broadband and computer use is provided via the Aotearoa People's Network Kaharoa, funded jointly by the government and Council. Deliveries are also made to housebound people and rest homes. Timaru Library is open seven days per week and Temuka and Geraldine Library/Service Centres six days. All facilities are free to visit and membership is free to Timaru District residents.

### Halls and Theatres

The Council provides the Theatre Royal in Timaru. This Category B Heritage building seats up to 1,000 people. The theatre is the premier venue for visiting cultural and entertainment shows and also available for community use.

The Council also provides or supports a number of other venues, including:

- *Facilities owned and managed solely by TDC*  
These include the Caroline Bay Hall, lounge, entertainment centre and Sound Shell, Pleasant Point Hall, Temuka Alpine Energy Centre and Washdyke Community Hall and Sports Centre. These facilities are managed entirely by Council, including hall bookings, maintenance, upgrades and payment of rates and insurance.
- *Facilities owned by Council and managed by committees*  
Eleven community halls are owned by Council (e.g. Clandeboye, Pleasant Valley, Taiko Halls), with a further twelve halls owned by committees (e.g. Claremont, Fairview, Seadown Halls). These halls are managed by local communities through hall committees, who are responsible for upkeep and annual expenses. The Westend Hall in Timaru is also owned by Council and available to the public but leased and managed by the Masonic Lodge. Council will occasionally provide funding for major structural or capital work, or support halls through existing TDC community funding schemes.

- *Facilities operated by the Council but not owned*  
Since 1 February 2012, the Council has leased the Aorangi Stadium from the Aorangi Stadium Trust and will promote and manage this facility in conjunction with the Caroline Bay Trust Aoraki Centre.

## Parks, Recreation and Swimming Pools

### Parks and Recreation

Parks and Recreation provides and manages over 540 hectares (excluding Crown leases) of parks, reserves, sports grounds and gardens throughout the district. The district's parks network is grouped into five main categories as follows:

- *Premier Parks*  
Premier Parks are parks of particular significance to the district and are generally developed and maintained to a high standard. Examples are the Timaru Botanic Gardens, Caroline Bay and parts of Temuka and Geraldine Domains.
- *Sports and Recreation Parks*  
Sports and Recreation Parks are primarily used for active sport and recreation and may provide for other community activities. Examples include the Pleasant Point Domain, Gunnion Square in Temuka and Aorangi Park in Timaru.
- *Neighbourhood Parks*  
Neighbourhood Parks are developed urban parks and usually contain a children's playground. Examples include Cornwall Park and Lough Park in Timaru.
- *Amenity Parks*  
Amenity Parks cover a wide range of purposes, from developed areas with mown grass, gardens or trees through to undeveloped natural green areas providing corridors for native fauna along rivers and streams. Generally these areas enhance the environment with open spaces and plantings. Examples include Kennedy Park in Geraldine, independently managed rural domains, Patiti Point Reserve and Centennial Park in Timaru.
- *Natural Parks*  
Natural Parks provide opportunities for people to experience nature. Predominantly located in rural areas, these include native bush areas, wetlands and riparian areas. Many of the areas include walking tracks, mountain biking tracks and picnic areas with facilities in each area

# Recreation and Leisure

to support the particular activities catered for. Examples include the Claremont Bush in Claremont Timaru and Pekapeka Gully in Geraldine.

Other park categories include Special Purpose Parks (e.g. Cultural Heritage Parks such as memorials and historic structures and places) and Civic Spaces. Exclusive Use Land is also leased or occupied by sporting and community groups and generally not freely available to the public.

The level of park development varies from location to location. A rural esplanade reserve or scenic reserve may have virtually no improvements, whereas a premier urban park will contain buildings, structures, lighting, paths, vehicle access ways and car parks, signs, fencing, furniture, services and a range of vegetation from grass to mature trees.

Parks encompass a number of uses such as the new area in Redruth, Timaru designated as a dog park. Outdoor events are often held using park facilities and several clubs and organisations use them for their activities, including hockey, croquet, cricket, bowling, cycling, soccer, rugby league, tennis, netball and pistol shooting.

Some recreation planning, co-ordination and provision is also managed through this activity, and is currently contracted to Sport Canterbury. A parks strategy provides a vision for parks in the Timaru District that, while not binding, gives an indication of Council's intentions for the future provision of park land in the district.

## Swimming Pools

Caroline Bay Trust Aoraki Centre (CBay) is located at Maori Park. CBay opened in July 2012. It incorporates a 50 metre outdoor pool and a brand new indoor complex featuring a ten-lane 25 metre lap pool, a programme pool, a 250m<sup>2</sup> leisure pool with a lazy river and learn to swim area, an attached toddlers pool and wet playground, a chillax area featuring a spa pool, a steam room and sauna as well as a Fitness facility. Pool complexes are also provided at the following locations:

- Geraldine - 25 metre outdoor pool and learners pool
- Pleasant Point - 25 metre outdoor pool and learners pool
- Temuka - 30 metre outdoor pool and toddlers pool

## Forestry

The Council manages a small forestry programme comprising mixed aged and species plantations. Forestry is planted primarily on over 238 hectares of reserve land unsuitable for other uses, with 58 separate sites. The primary species planted are Radiata Pine (65%), Douglas Fir/Oregon Pine (28%), Macrocarpa (5%) and Poplar/Other species (2%). The forestry resource is wholly owned by the Council and is operated as a land management activity, with some investment return.

## Fishing Huts and Motor Camps

Council manages two fishing huts sites and four motor camps on reserve land, subject to the Reserves Act 1977. Fishing huts sites are located at South Rangitata and Stratheona near Pleasant Point. Land on which privately owned fishing huts are located is leased to hut owners, who are responsible for all hut and site maintenance.

Four motor camps are managed on domain reserves at Geraldine, Temuka, Pleasant Point and South Rangitata. Geraldine and Temuka are open permanently, while Pleasant Point and South Rangitata are seasonal. All motor camps are leased under management agreements.

## Why we do it

Recreation and Leisure contribute to the economy and lifestyle aspects of the Council's vision. This group primarily includes activities that help:

- Meet the community's recreational needs
- Provide venues for sporting and recreational events
- Facilitate learning and literacy
- Enable the care and preservation of valuable art and heritage
- Encourage water confidence and competence
- Encourage a strong community identity and an active lifestyle

## Cultural and Learning Facilities

Cultural and Learning Facilities are essential community facilities and enrich individual and community wellbeing. They are a necessary part of the fabric of a civilised and democratic society. They provide recreational and educational opportunities that people could not individually afford.

Facilities are a focal point for local heritage and art works. They enable access to unique local collections and a range of regional, national and international exhibitions. They are crucial to celebrating and storing our creativity, heritage and local diversity. They enable communities and individuals to research where they have come from.

District identity is enhanced and district pride stimulated through the preservation and promotion of local heritage and culture. Facilities act as visitor attractions educating about the district, including its heritage and visual art. They benefit the district economy, both through providing employment and supporting businesses and employees with information and resources.

Facilities provide shared community meeting spaces and venues for study, relaxation, learning and recreation. They are key venues for lifelong learning and an essential source for information. They build understanding and promote enjoyment of our District's heritage.

Preservation and safe storage of collections of art, objects, images, documents and information is provided through this activity for the benefit of present and future generations.

# Recreation and Leisure

Provision and management of these facilities enables the Council to fulfil legal obligations in respect of donated buildings, art works, funds and heritage.

Community halls are important venues in times for emergency. Service Centres also provide access to Council services. Partnerships with local institutions, businesses and community groups enhance community ownership and pride.

## Parks, Recreation and Swimming Pools

Parks and swimming pools are essential facilities for enhancing people's health and wellbeing. They enable and promote active, healthy lifestyles and greater participation. Individuals and teams are able to enjoy recreational and sporting pursuits and learn and develop skills. A controlled pool environment provides a safe venue for learning to swim, developing water confidence and generally having fun in the water. Swimming pool facilities can also have therapeutic benefits in helping heal injury and ease aches and pains. These facilities are an integral part of the fabric of the community, providing spaces for events, entertainment, recreational pursuits and other activities. They are a public

good best provided collectively, so ensuring everyone in the community has equal opportunity for access. Local parks can also provide a focal point for smaller suburbs.

Parks are the 'shop window' for the district promoting its unique character, and a significant contributor to community pride. Facilities contribute to the district economy through providing employment, facilitating business opportunities and are a drawcard for visitors. Forestry provides some investment income. Parks and gardens help enhance and improve the environment, through enhancing open spaces, suppressing pest plants and animals, enabling native revegetation programmes and providing habitats for native wildlife. They also act as a carbon sink. Esplanade strips enable the filtering of contaminants to improve water quality.

Many parks are protected through legislation, their ownership status and previous Council policies. A large portion of parkland is vested in the Council under the Reserves Act 1977 for Recreation Reserve, with some also for Local Purpose, Scenic or Historic Reserves. Where vested under the Reserves Act, the Council is statutorily required to manage these reserves.

## 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

## Effects on community

Recreation and Leisure can have a range of effects on the community, some of which are positive, others which can be negative. The positive effects have been outlined under the heading "Why we do it". Potential negative effects are identified in the table below:

| Effect   | Type of effect                 | How Council intends to mitigate effect   |
|--|--------------------------------|--|
| <b>Cultural and Learning Facilities</b>  |                                |  |
| Fees for some activities provided by these activities are unsatisfactory for some people | Cultural<br>Social<br>Economic | Mitigated via consultation with all affected groups and individuals where possible   |
| Use of library collections uneven with some branch materials not circulating enough      | Cultural<br>Social<br>Economic | Collections are floated, meaning books go to all branches according to demand from users with usage evened out   |
| Closure of local halls could adversely affect local communities                          | Cultural<br>Social             | Any proposed closure of halls would normally be initiated by the hall committee. It would be subject to prior consultation with relevant community groups and discussions with the committee to assess their ability to continue management. The closure and disposal of such halls would go through the Council's committee processes |
| Facility upgrades can be costly and beyond the ability of the community to pay           | Cultural<br>Social<br>Economic | Funding sources other than the ratepayer are investigated and used where possible  |

## Parks, Recreation and Swimming Pools

|   |                           |   |
|---|---------------------------|---|
| Fees for this activity are unsatisfactory for some people                     | Social<br>Economic        | Fees are set according to Council policy based on cost. A significant proportion of facility provision is funded by rates. Some discounts are available (e.g. over 80's swim for free)  |
| Swimming pool facilities are high energy users                                | Economic<br>Environmental | Swimming pool facilities use solar heating, heat recovery technology, insulating pool covers and recycle water. This reduces water usage and retains heat, thereby using less energy and lowering the Council's carbon footprint. CBay uses a wood fired boiler to meet some of its energy needs. |
| Forestry market is difficult to predict, potentially leading to lower returns | Economic                  | Returns will be maximised where possible  |
| CBay revenue does not meet forecasts  | Social<br>Economic        | Operation will be monitored on an ongoing basis to ensure a balance between level of service provided and affordability   |

## Key issues for next 10 years

### Meeting community expectations

There is ongoing pressure from the community and users for higher quality facilities and services to be provided for most of the activities under this group. The expectation is for a higher level of service for the same amount of money – in other words doing more with less. The increase in expectations is not particular to Timaru District and is a nationwide trend. Out of town visitors also expect a high quality experience, often driven by what they have experienced in other centres. Council facilities must cater for the expectations of users by remaining accessible, well maintained, engaging to a wide section of the community and by making use of technology where appropriate. Council has indicated the importance of meeting community expectations by reflecting these themes in its Vision, Community Outcomes and Strategic Priorities for the district (refer Section 1).

### Meeting needs - changing demand

Council commissioned a study from Professor Natalie Jackson in 2013 to give some predictions as to the changes expected in Timaru District population demographic and households between 2013 and 2063. The report predicts slow population growth but a shift in the average age, with a significant increase in the proportion of elderly (medium prediction for proportion of 65+ in the population from 20.1% in 2013 to approximately 31% in 2033). Such a shift within the population could present challenges for Council across the activities within this group unless it monitors the relevance of service levels and changes to meet demand. Examples of changes likely required are increasing consideration given to accessibility issues to outdoor facilities, and the type and number of swimming programmes available at swimming pool facilities.

### Making use of new technology

Technological change both fuels community expectations and provides new opportunities for delivery of services. Rapid advances in technology have meant that facilities such as libraries and museums are effectively open virtually 24 hours a day, seven days a week. Examples of technological change impacting on these facilities include:

# Recreation and Leisure

- Increasing digitisation of materials
- eBooks and eReaders
- Increasing availability of information from multiple sources
- Sophisticated new multimedia and IT equipment
- Social media

While technology can enhance the user experience, there is often a significant ongoing cost to maintaining new services. Technological change is challenging the traditional modes of delivery and may mean significant changes to the future level of service provision. Usage of new technology requires staff upskilling, and purchase and maintenance of new equipment. The Council will continue to monitor technological changes and introduce aspects where appropriate, and where budget and resources allow.

## Changing lifestyles and encouraging physical activity

Our rapidly changing lifestyles have meant that many people are time poor. Changing work patterns, the ability to access information anywhere anytime, and a vast array of information accessible are all impacting on the nature of the services being delivered. Physical activity in particular is an aspect of daily life diminishing in today's society. Provision of high quality facilities and programmes helps facilitate improved health outcomes for society and develop skills and confidence in individuals, while fostering a sense of belonging and providing opportunity to socialise.

## South Canterbury Museum redevelopment and addressing collection storage issues

Over the last few years, we have been working on finding solutions to issues faced by the museum, art gallery and library regarding issues covered in this section relating to rapidly growing collections, storage space and modernisation.

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

The current museum building has reached the limits of

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

Collections at both the Aigantighe Art Gallery and South Canterbury Museum are held in climate controlled environments that meet professional, international standards. Ongoing conservation work is required for parts of the collections at both venues to maintain it for future generations.

Collection storage is nearing capacity at both the art gallery and museum. Further bequests are expected at both venues which will impose further space constraints. A strategy to address these issues has been confirmed as part of the plan and is outlined below.

## Cultural Facilities Strategic Reviews

Funding has been included for reviews of Cultural and Learning Facilities. Strategic reviews of facilities will be undertaken, including the Museum./Art Gallery/Library and Theatre Royal to determine the best options for future development. \$25,000 has been included for Museum/Art Gallery/Library with \$30,000 included for the Theatre Royal. The facilities will continue to operate "business as usual" while the reviews are completed. The Museum/Art Gallery/Library review will cover all aspects including location, current and projected needs. Once complete, they will provide the foundation for Council to consider the best development options for the community's cultural needs in the future.

The Theatre Royal review will cover potential future development at the theatre, including the Council owned land at the rear of the theatre. The backstage facilities at the Theatre Royal need reviewing to ensure their suitability for modern productions going forward. Development priorities will then be determined.

Funding has been allocated for projects, subject to these reviews. Council has set aside funding of \$5M toward the redevelopment of the South Canterbury Museum in year five. Council has included \$480K to resolve storage issues at the Aigantighe Art gallery through construction of a new art store.

A further \$50K has been allocated annually to cover the rental of a suitable interim storage facility for the South Canterbury Museum's growing collection. Funding is included for Theatre Royal projects from 2016/17.

## Aorangi Park/Stadium strategic review

User groups made submissions to Council requesting that facilities at Aorangi Park, including Aorangi Stadium were developed further in the future to accommodate demand. Council acknowledged that the recreation and leisure environment had changed since the Aorangi Park Master Plan was completed (e.g. increasing demand for stadium space, CBAY in operation).

Council agreed to strategically review leisure facilities, including Aorangi Park and other district facilities, in order to better inform any decisions about future development. Funding of \$25,000 was allocated. The plan would involve all stakeholders, including Sport Canterbury.

## Climate change

Changes in climate conditions and the increasing frequency of extreme weather events can potentially affect the delivery of some services. Effects might include:

- Coastal erosion of footpaths and coastal plantings.
- Increased frequency of flooding or drought and the consequences of those changes on parks and reserves in terms of damage and maintenance.
- Wind damage to Council owned plants and trees.
- Increased or decreased rates of vegetation growth due to changing climate and the subsequent impact on maintenance.

# Recreation and Leisure

## What we plan to do and our levels of service

### 1. Recreation and leisure facilities, programmes and materials are accessible to district residents, schools and visitors

| How we do it  | <ul style="list-style-type: none"> <li>Ensure cultural and learning facilities, parks and swimming pools are accessible and open to the community and visitors according to opening hours</li> <li>Provide access to view physical collections at the museum and art gallery through exhibitions and online</li> <li>Provide access to physical collections at the library facilities and online</li> </ul> |  |  |  |
|---|---|--|--|--|
| How we measure performance  | Year 1 – 3 target:  |  |  | Year 4 – 10 target:                            |
|   | 2015/16   | 2016/17  | 2017/18  | 2018/19 – 2024/25                              |
| Visitors to the Art Gallery per year                                    | 21,000 visitors or greater  | 21,000   | 22,000   | 22,000   |
| Users per year at Museum  | 23,000 visitors or greater  | 24,000   | 25,000   | 5% increase per annum                          |
| School student users at the Museum per year                             | 4,000 school users or greater   | To be confirmed: Dependent on external funding | To be confirmed: Dependent on external funding | To be confirmed: Dependent on external funding |
|   | Year 1 – 3 target: 2015/16 – 2017/18  |  |  | Year 4 – 10 target: 2018/19 – 2024/25          |
| Online users Museum/Art Gallery   | Number of online users increases annually   |  |  | Number of online users increases annually      |
| School visits to the Art Gallery per year                               | 50 or greater school visits per year  |  |  | 50 or greater school visits per year           |
| Library visits per capita per year                                      | 12.3 or greater visits per capita annually  |  |  | 12.3 or greater visits per capita annually     |
| Library issues of materials per year                                    | 690,000 or greater issues per year  |  |  | 690,000 or greater issues per year             |
| Aotearoa People's Network Kaharoa (APNK) Wifi library sessions per year | 103,000 or greater sessions per year  |  |  | 103,000 or greater sessions per year           |
| Stock turnover at Libraries per year                                    | 4 or greater average issues per item per year   |  |  | 4 or greater average issues per item per year  |

# Recreation and Leisure

## 2. Provide a high quality experience at district recreation and leisure facilities

| How we do it               | <ul style="list-style-type: none"> <li>■ Ensure cultural and learning facilities, parks and swimming pools are accessible, clean and well maintained for the community and visitors</li> <li>■ Provide skilled staff to assist with research queries and access to research resources</li> <li>■ Provide quality print and digital collections and online resources made findable and accessible 7 days a week in Timaru and 6 days a week in Temuka and Geraldine</li> <li>■ Provide an annual programme - of exhibitions, displays and events - at all facilities</li> </ul> |   |           |                     |                   |
|----------------------------|--|---|-----------|---------------------|-------------------|
| How we measure performance | Year 1 – 3 target:   |   |           | Year 4 – 10 target: |                   |
|                            | Overall satisfaction with Recreation and Leisure facilities:   | 2015/16                                   | 2016/17   | 2017/18             | 2018/19 – 2024/25 |
|                            | Art Gallery  | 80% or greater of residents are satisfied | No survey | 80% or greater      | 80% or greater    |
|                            | Libraries  | 91% or greater of residents are satisfied | No survey | 92% or greater      | 92% or greater    |
|                            | Museum   | 80% or greater of residents are satisfied | No survey | 80% or greater      | 80% or greater    |
|                            | Parks and Recreation   | 90% or greater of residents are satisfied | No survey | 90% or greater      | 90% or greater    |
|                            | Swimming Pools   | 80% or greater of residents are satisfied | No survey | 85% or greater      | 85% or greater    |

# Recreation and Leisure

| How we measure performance<br><i>(Continued)</i> | Visitor/User satisfaction with Recreation and Leisure facilities: | Year 1 – 3 target:                             |           |                | Year 4 – 10 target: |
|--|---|--|-----------|----------------|---------------------|
|  |   | 2015/16  | 2016/17   | 2017/18        | 2018/19 – 2024/25   |
|  | <b>Art Gallery</b>  | 90% or greater of residents are satisfied      | No survey | 90% or greater | 90% or greater      |
|  | <b>Libraries</b>  | 97% or greater of users are satisfied          | No survey | 98% or greater | 98% or greater      |
|  | <b>Museum</b>   | 95% or greater of visitors are satisfied       | No survey | 95% or greater | 95% or greater      |
|  | <b>Parks and Recreation</b>                                       | 92% or greater of user/visitors are satisfied  | No survey | 92% or greater | 92% or greater      |
|  | <b>Swimming Pools</b>   | 75% or greater of visitors/users are satisfied | No survey | 75% or greater | 75% or greater      |

# Recreation and Leisure

## 3. Recreation and leisure facilities provide regular and varied services, exhibitions and programmes to support community wellbeing

|                                   |  |   |                        |   |                    |  |              |  |         |         |         |                   |                             |                             |                        |                        |
|-----------------------------------|--|---|------------------------|---|--------------------|--|--------------|--|---------|---------|---------|-------------------|-----------------------------|-----------------------------|------------------------|------------------------|
| <b>How we do it</b>               | <ul style="list-style-type: none"> <li>■ Mount, research and promote short and long term exhibitions at the Aigantighe Art Gallery and South Canterbury Museum</li> <li>■ Provide school holiday programmes at all cultural and learning facilities</li> <li>■ Promote cultural and learning facilities public programmes and services</li> <li>■ Provide formal education programmes for schools in museum and around the region (LEOTC-funded)</li> <li>■ Provide Learn to Swim and other swimming and recreational programmes to the community</li> <li>■ Manage a recreation contract with Sport Canterbury</li> </ul> |   |                        |   |                    |  |              |  |         |         |         |                   |                             |                             |                        |                        |
| <b>How we measure performance</b> | Provide holiday programmes at the Art Gallery, Libraries and Museum  | Year 1 – 3 target: 2015/16 – 2017/18  |                        | Year 4 – 10 target: 2018/19 – 2024/25   |                    |  |              |  |         |         |         |                   |                             |                             |                        |                        |
|                                   |  | 4 holiday programmes provided annually  |                        | 4 holiday programmes provided annually  |                    |  |              |  |         |         |         |                   |                             |                             |                        |                        |
|                                   | Online database 'hits' at district libraries   | 59,000 or greater hits per year   |                        | 59,000 or greater hits per year   |                    |  |              |  |         |         |         |                   |                             |                             |                        |                        |
|                                   | Annual exhibitions at the Art Gallery  | 16 or greater exhibitions per year  |                        | 16 or greater exhibitions per year  |                    |  |              |  |         |         |         |                   |                             |                             |                        |                        |
|                                   | Presentations and published information annually by the Museum   | 5 or greater presentations, 50 external articles, 500 items added to collections online webpage and 30 Facebook posts   |                        | 5 or greater presentations, 50 external articles, 500 items added to collections online webpage and 30 Facebook posts |                    |  |              |  |         |         |         |                   |                             |                             |                        |                        |
|                                   | Aqua Fitness programmes provided at Swimming Pools per year  | 300 or greater programmes provided per year   |                        | 300 or greater programmes provided per year   |                    |  |              |  |         |         |         |                   |                             |                             |                        |                        |
|                                   | Swimming lessons provided at Swimming Pools per year   | 20,000 or greater lessons provided per year   |                        | 20,000 or greater lessons provided per year   |                    |  |              |  |         |         |         |                   |                             |                             |                        |                        |
|                                   | Annual exhibitions at the Museum   | <table border="1"> <tr> <td colspan="2" data-bbox="842 970 1285 1010">Year 1 – 3 target:</td> <td colspan="2" data-bbox="1296 970 1733 1010">Year 4 – 10:</td> </tr> <tr> <td data-bbox="842 1018 981 1050">2015/16</td> <td data-bbox="992 1018 1131 1050">2016/17</td> <td data-bbox="1137 1018 1285 1050">2017/18</td> <td data-bbox="1296 1018 1733 1050">2018/19 – 2024/25</td> </tr> <tr> <td data-bbox="842 1058 981 1134">3 to 4 exhibitions per year</td> <td data-bbox="992 1058 1131 1134">3 to 4 exhibitions per year</td> <td data-bbox="1137 1058 1285 1134">4 exhibitions per year</td> <td data-bbox="1296 1058 1733 1134">4 exhibitions per year</td> </tr> </table> |                        |   | Year 1 – 3 target: |  | Year 4 – 10: |  | 2015/16 | 2016/17 | 2017/18 | 2018/19 – 2024/25 | 3 to 4 exhibitions per year | 3 to 4 exhibitions per year | 4 exhibitions per year | 4 exhibitions per year |
|                                   | Year 1 – 3 target:   |   | Year 4 – 10:           |   |                    |  |              |  |         |         |         |                   |                             |                             |                        |                        |
| 2015/16                           | 2016/17  | 2017/18   | 2018/19 – 2024/25      |   |                    |  |              |  |         |         |         |                   |                             |                             |                        |                        |
| 3 to 4 exhibitions per year       | 3 to 4 exhibitions per year  | 4 exhibitions per year  | 4 exhibitions per year |   |                    |  |              |  |         |         |         |                   |                             |                             |                        |                        |

# Recreation and Leisure

## 4. Recreation and leisure facilities are safe, fit for purpose and well maintained

|                                   |  |  |   |
|-----------------------------------|--|--|---|
| <b>How we do it</b>               | <ul style="list-style-type: none"> <li>■ Maintain facilities, parks buildings and assets to established standards</li> <li>■ Provide sportsgrounds for seasonal use for various sports and recreational activities</li> <li>■ Periodic replacement or refurbishment of plant to maintain existing level of service</li> <li>■ Provide safe, modern buildings and community spaces</li> </ul> |  |   |
| <b>How we measure performance</b> | Facilities meet legislative safety requirements (Art Gallery, Libraries, Museum, Swimming Pools, Theatre Royal)  | Year 1 – 3 target: 2015/16 – 2017/18<br>Building Warrant of Fitness (WOF), Fire Regulations and Licence requirements are current | Year 4 – 10 target: 2018/19 – 2024/25<br>Building Warrant of Fitness (WOF), Fire Regulations and Licence requirements are current |
|                                   | Annual maintenance programme at Art Gallery, Libraries, Museum, Swimming Pools, Theatre Royal  | 100% maintenance and work programme achieved within budget and timeframes  | 100% maintenance and work programme achieved within budget and timeframes   |
|                                   | Sportsfield grass lengths maintained within specified conditions   | 95% compliance with sportsfield grass length contract conditions   | 95% compliance with sportsfield grass length contract conditions  |
|                                   | Closures of playground equipment due to safety issues  | No playground equipment closures due to safety issues  | No playground equipment closures due to safety issues   |



# Recreation and Leisure

## 5. Collections of local heritage and art objects, records and information preserved for and available to the community and visitors

|  |  |  |                |  |
|--|--|--|----------------|--|
| <b>How we do it</b>  | <ul style="list-style-type: none"> <li>■ Maintain and improve collection care, documentation and access</li> <li>■ Accept new collection items in line with museum and art gallery collection policies</li> <li>■ Catalogue and preserve art work and history collections</li> <li>■ Document and care for the collections to a high standard</li> </ul> |  |                |  |
| <b>How we measure performance</b>                                      | Cataloguing and re-cataloguing of new acquisitions and existing collection works at the Art Gallery  | Year 1 – 3 target: 2015/16 – 2017/18   |                | Year 4 – 10 target: 2018/19 – 2024/25  |
|  |  | All new acquisitions are catalogued, 50 collection works are re-catalogued annually                                |                | All new acquisitions are catalogued, 50 collection works are re-catalogued annually                                |
|  | Preservation of art works at the Art Gallery   | 3 or greater art works conserved through budgeted funding and from funding from Friends of the Aigantighe annually |                | 3 or greater art works conserved through budgeted funding and from funding from Friends of the Aigantighe annually |
|  | Acquisitions per year at the Museum  | Targeted acquisitions are made in alignment with the Museum Collection Policy                                      |                | Targeted acquisitions are made in alignment with the Museum Collection Policy                                      |
|  | % of collection items held in acceptable conditions at the Museum  | Year 1 – 3 target:   |                | Year 4 – 10 target:  |
|  |  | 2015/16  | 2016/17        | 2017/18  |
| % of collection items documented to acceptable standards at the Museum | 90% or greater held in acceptable conditions   | 95% or greater   | 95% or greater | 95% or greater   |
| % of collection items documented to acceptable standards at the Museum | 85% or greater of collection documented  | 90% or greater   | 95% or greater | 95% or greater   |

# Recreation and Leisure

## 6. Develop and maintain Recreation and Leisure facilities to meet future expectations and demand

|  |   |  |  |  |  |
|--|---|--|--|--|--|
| <b>How we do it</b>  | <ul style="list-style-type: none"> <li>Develop future development plans for all cultural and learning facilities</li> <li>Maintain and provide for quality outdoor community spaces</li> <li>Encourage active lifestyles by providing for off road transport options</li> </ul> |  |  |  |  |
| <b>How we measure performance</b>  | <b>% of long term displays modified at the Museum</b>   | <b>Year 1 – 3 target:</b>                  |  |  | <b>Year 4 – 10 target:</b>                 |
|  |   | <b>2015/16</b>                             | <b>2016/17</b>                             | <b>2017/18</b>   | <b>2018/19 – 2024/25</b>                   |
|  |   | 5% or greater                              | 40% or greater                             | 2% or greater  | Between 2 – 50%                            |
|  | <b>Length of off-road walking and biking tracks</b>   | 48km of off road walking and biking tracks | 49km of off road walking and biking tracks | 51km of off road walking and biking tracks                     | 65km of off road walking and biking tracks |
|  |   | <b>Year 1 – 3: 2015/16 – 2017/18</b>       |  |  | <b>Year 4 – 10: 2018/19 – 2024/25</b>      |
| <b>Playgrounds per 1,000 residents under 15 years of age</b>                                       | 0.93 playgrounds per 1,000 residents under 15 years of age  |  |  | 0.9 playgrounds per 1,000 residents under 15 years of age      |  |
| <b>Park hectares per 1,000 residents</b>   | 12.5 park hectares per 1,000 residents  |  |  | 12.5 park hectares per 1,000 residents                         |  |
| <b>Trevor Griffiths Rose Garden and Timaru Botanic Gardens retained as Gardens of Significance</b> | 1 Garden of National Significance and 1 Garden of Significance  |  |  | 1 Garden of National Significance and 1 Garden of Significance |  |

# Recreation and Leisure

## How this activity is funded

Operating expenditure for activities within the Recreation and Leisure group are funded through a variety of mechanisms, as summarised in the table below:

|                                  | General Rates | Uniform Annual General Charges | Targeted rates | User fees and charges | Interest | Dividends from investments | Financial Contributions | Grants and subsidies | Other Sources |
|----------------------------------|---------------|--------------------------------|----------------|-----------------------|----------|----------------------------|-------------------------|----------------------|---------------|
| Cultural and Learning Facilities | ✓             | ✓                              | ✓              | ✓                     |          |                            | ✓                       | ✓                    |               |
| Parks and Recreation             | ✓             | ✓                              | ✓              | ✓                     |          |                            | ✓                       |                      | ✓             |

For further information on how this activity is funded, refer to the Revenue and Financing Policy and Funding Impact Statement.



# Recreation and Leisure

## Projects

| ID            | Project Title  | Summary   | Expenditure |         |         |                 |
|---------------|--|---|-------------|---------|---------|-----------------|
|               |  |   | 2015/16     | 2016/17 | 2017/18 | 2018/19-2024/25 |
| <b>RLDL1</b>  | <b>Libraries - Purchase Books and Resources</b>          | Funding used for the purchase of books and resources to ensure the district's libraries are able to deliver a high level of service to the community.                         | 350,000     | 353,500 | 357,100 | 2,767,200       |
| <b>RLDL2</b>  | <b>Libraries - Dowling Bequest</b>                       | Funding provided by the Dowling bequest for the purchase of Christian books.  | 3,000       | 3,100   | 3,200   | 20,800          |
| <b>RLDL3</b>  | <b>Libraries - MacKay Bequest</b>                        | Funding provided by the MacKay bequest for the purchase of art literature.  | 7,000       | 7,200   | 7,400   | 57,900          |
| <b>RLDL4</b>  | <b>Libraries - Equipment/ Furniture</b>                  | Purchase of equipment and furniture for the district libraries and service centres.   | 24,000      | 4,100   | 4,200   | 35,200          |
| <b>RLDL5</b>  | <b>Libraries - Timaru Library Car Park Resurfacing</b>   | The resurfacing of the Timaru Library car park.   | 0           | 0       | 0       | 44,300          |
| <b>RLDL6</b>  | <b>Libraries – Self-Check Out</b>                        | The installation of a self-check out system at the Timaru Library.  | 0           | 32,300  | 50,900  | 0               |
| <b>RLDL7</b>  | <b>Libraries - Replacement of Library Carpets</b>        | As carpets in the district's libraries come to the end of their useful life they will be replaced.  | 0           | 46,100  | 115,500 | 120,200         |
| <b>RLDL8</b>  | <b>Libraries - Replacement of Security System</b>        | Replacement of the security system at district libraries.   | 96,000      | 0       | 0       | 0               |
| <b>RLDL9</b>  | <b>Libraries - Timaru Library Heating System Upgrade</b> | Upgrade of the heating system for the Timaru Library to ensure there is adequate heating for users.   | 0           | 0       | 5,300   | 0               |
| <b>RLDL10</b> | <b>Libraries - Timaru Library Roof</b>                   | The roof of the Timaru Library is approaching the end of its useful life and is to be replaced.   | 160,000     | 163,900 | 315,100 | 0               |
| <b>RLAG1</b>  | <b>Art Gallery - Sevicke-Jones Bequest</b>               | Funding used for the purchase of art works from the Sevicke-Jones bequest.  | 600         | 600     | 600     | 5,000           |
| <b>RLAG2</b>  | <b>Art Gallery - Lattimore Bequest</b>                   | Funding used for the purchase of art works from the Lattimore bequest.  | 2,200       | 2,300   | 2,300   | 18,300          |
| <b>RLAG3</b>  | <b>Art Gallery - Art works</b>                           | Funding used for the purchase of art works from rates.  | 6,200       | 6,400   | 6,500   | 51,300          |
| <b>RLAG4</b>  | <b>Art Gallery - Building Renewals/Extension</b>         | Refurbishment of Art Gallery buildings and additions/extensions to the Art Gallery's art stores for growing collection to ensure art works are housed in suitable conditions. | 0           | 0       | 504,200 | 50,200          |
| <b>RLAG5</b>  | <b>Art Gallery - House Lighting Upgrade</b>              | The Aigantighe Art Gallery lighting in the main house is to be upgraded to improve the user experience.   | 40,000      | 0       | 0       | 0               |
| <b>RLAG6</b>  | <b>Art Gallery - Furniture and Equipment</b>             | Purchase of furniture and equipment for the art gallery.  | 12,000      | 5,100   | 15,800  | 75,600          |
| <b>RLAM1</b>  | <b>Museum - Exhibition Upgrades</b>                      | Upgrade of exhibition areas in the South Canterbury Museum to ensure the continued delivery of a high level of service.   | 30,000      | 0       | 78,800  | 259,200         |
| <b>RLAM2</b>  | <b>Museum - Security System</b>                          | Replacement of the security system at the museum in 2019/20.  | 0           | 0       | 0       | 33,200          |
| <b>RLAM3</b>  | <b>Museum - Smoke Detection System</b>                   | Replacement of the smoke detection system at the museum in 2018/19.   | 0           | 0       | 0       | 43,100          |
| <b>RLAM4</b>  | <b>Museum - Shelving/Map Units</b>                       | Funding for further shelving and map units to allow for the growing collection of large paper items at the museum.  | 17,500      | 2,600   | 8,400   | 0               |

# Recreation and Leisure

| ID    | Project Title  | Summary  | Expenditure |         |         |                 |
|-------|--|--|-------------|---------|---------|-----------------|
|       |  |  | 2015/16     | 2016/17 | 2017/18 | 2018/19-2024/25 |
| RLAM5 | Museum - Theatre AV System   | Refurbishment of the museum theatre AV system.   | 20,000      | 0       | 0       | 0               |
| RLAM6 | Museum - Replace Dehumidifier/Heating/Flooring                           | Replace the museums dehumidifiers and heating system to ensure the right environment for storing the districts heritage is maintained. Some flooring replacements are also planned for 2015/16   | 16,000      | 45,500  | 55,900  | 0               |
| RLAM7 | Museum - Office Furniture, Fittings and Equipment                        | The replacement of office furniture, fittings and equipment as required.   | 1,500       | 1,500   | 1,600   | 12,400          |
| RLAM8 | Museum - Off-Site Storage  | Development of an off-site storage area in a suitable building to house Museum collection items.   | 70,000      | 71,700  | 0       | 0               |
| RLAM9 | Museum - Building redevelopment  | Redevelopment of the South Canterbury Museum with redevelopment option yet to be decided. Options include extending or rebuilding the current building, or building a facility elsewhere for exhibitions and retaining the current building for storage, exhibition development and research.  | 0           | 0       | 0       | 5,537,400       |
| RLHT1 | Halls & Theatres - Theatre Royal Upgrades                                | A review of the Theatre Royal facility is to occur in 2015/16. Funding has been included for seating replacement, curtains, battens and flying system upgrades. This is subject to the outcome of the review.  | 0           | 358,600 | 210,100 | 103,700         |
| RLHT2 | Halls & Theatres - Theatre Royal - northside carpark and walkway upgrade | Demolition of old shops at 126/128 Stafford Street followed by carpark development on the north side for parking of trucks for theatre productions and also buses and cars for those attending shows. Also upgrade to walkway on south side of the Theatre Royal, including security lighting. | 10,000      | 0       | 0       | 44,300          |
| RLHT3 | Halls & Theatres - Foyer Carpet  | Replacement of the foyer carpet in the Theatre Royal.  | 45,000      | 0       | 0       | 0               |
| RLHT4 | Halls & Theatres - Renewals  | Renewals of stage lighting at the Theatre Royal as required, with the intention to slowly convert to LED stage lighting as bulbs fail.   | 7,000       | 7,200   | 7,400   | 82,500          |
| RLHT5 | Halls & Theatres - Community Centre Upgrades                             | The replacement of the Pleasant Point Community Hall roof.   | 81,500      | 0       | 0       | 0               |
| RLHT6 | Halls & Theatres - Caroline Bay Hall Roof Renewal                        | Maintenance of Caroline Bay Hall roof.   | 0           | 66,600  | 0       | 0               |
| RLHT7 | Halls & Theatres - Furniture and Equipment Replacements                  | Replacement of furniture and equipment in any community halls in the district as required.   | 19,000      | 4,100   | 4,200   | 33,000          |
| RLSP1 | Swimming Pools - Geraldine Pool Renewals                                 | Renewals of heating plant and equipment at the Geraldine Pool.   | 180,000     | 4,800   | 0       | 0               |
| RLSP2 | Swimming Pools - Temuka Pool Upgrade/Renewal                             | Following consultation, the 33m Temuka swimming pool is proposed to be upgraded and refurbished. The bulk of the work will take place in 2018/19.  | 20,000      | 0       | 110,600 | 377,200         |

# Recreation and Leisure

| ID     | Project Title   | Summary  | Expenditure |         |         |                 |
|--------|---|--|-------------|---------|---------|-----------------|
|        |   |  | 2015/16     | 2016/17 | 2017/18 | 2018/19-2024/25 |
| RLSP3  | Swimming Pools - Caroline Bay Trust Aoraki Centre – Renewals                      | Construction of an additional carpark at CBAY. Refurbishment of the 50m outdoor pool is also planned, with heating/ filtration plant 46 years old and in need or replacement. Consultants will be engaged in 2015/16 with work planned to take place in 2016/17.   | 398,000     | 998,900 | 26,300  | 355,400         |
| RLPR1  | Parks and Recreation - Courts Resurfacing   | Projects to resurface playing courts in the district. Projects include resurfacing of the tennis/netball courts at Pleasant Point (former Pleasant Point High School site) in 2015/16. Together with the Association of Pleasant Point Sports, the Council will develop these courts to provide a surface capable of supporting multiple sports. Also included is resurfacing of courts at the Temuka Domain and Caledonian Track in Timaru, subject to club contribution. | 389,600     | 163,000 | 231,100 | 0               |
| RLPR2  | Parks and Recreation - Structures   | Replacement of retaining walls, bridges and minor structures in the district's parks.  | 55,300      | 25,600  | 217,900 | 495,900         |
| RLPR3  | Parks and Recreation - Reseal Programme   | Resurfacing of the hard surfaces in the district's parks, as they come to the end of their useful life.  | 250,000     | 189,500 | 105,000 | 1,651,900       |
| RLPR4  | Parks and Recreation - Replace/Install new Playground Equipment & Under-surfacing | Replacement of playground equipment and under-surfacing in the district's parks and the installation of new equipment/under-surfacing.   | 55,400      | 77,300  | 61,900  | 1,541,800       |
| RLPR5  | Parks and Recreation -Furniture and Signs   | Replacement and installation of new park furniture and signage   | 29,000      | 20,100  | 21,700  | 233,800         |
| RLPR6  | Parks and Recreation -Fences  | Replacement of fences in the district's parks.   | 15,500      | 15,900  | 16,300  | 128,100         |
| RLPR7  | Parks and Recreation -Services  | Replacement of parks services such as water mains, drains and culverts.  | 19,000      | 13,200  | 12,900  | 215,300         |
| RLPR8  | Parks and Recreation -Rural Plantings   | Rural plantings at the district's parks.   | 3,300       | 3,400   | 3,500   | 27,400          |
| RLPR9  | Parks and Recreation -Temuka Domain Development                                   | The continuing re-development of the Temuka Domain. Capital expenditure includes roading, carparks, relocate monuments, planting, earthworks, aviary alterations, footpaths and signage.   | 152,900     | 156,600 | 160,600 | 1,262,900       |
| RLPR10 | Parks and Recreation -Shared Urban Tracks   | The implementation and development of the Off-road walking and biking strategy.  | 106,000     | 108,600 | 111,300 | 875,600         |
| RLPR11 | Parks and Recreation -Walkway Esplanade Enhancement                               | The redevelopment of walkways and planting along esplanade strips.   | 32,800      | 33,600  | 34,500  | 270,900         |
| RLPR12 | Parks and Recreation - Pleasant Point Domain carpark                              | Improvement to carparking on the State Highway 8 side of the Domain for sports people and spectators using the new facilities for cricket and football.  | 0           | 61,500  | 0       | 0               |
| RLPR13 | Parks and Recreation - Esplanade Reserves Acquisition                             | Purchase of land for esplanade reserves.   | 49,100      | 50,300  | 51,600  | 405,700         |

# Recreation and Leisure

| ID           | Project Title                                | Summary  | Expenditure |         |         |                 |
|--------------|--|--|-------------|---------|---------|-----------------|
|              |  |  | 2015/16     | 2016/17 | 2017/18 | 2018/19-2024/25 |
| <b>RLF1</b>  | <b>Forestry -Fencing Renewals</b>            | Renewals of fencing in and around Council owned forest land.                             | 37,800      | 7,400   | 8,800   | 124,800         |
| <b>RLFH1</b> | <b>Fishing Huts - Stratheona CD Siren</b>    | Installation of a civil defence siren at the Stratheona Fishing Huts                     | 0           | 0       | 0       | 33,200          |
| <b>RLMC1</b> | <b>Motor Camps -Renewals</b>                 | The replacement of power supply equipment in the district's motor camps.                 | 36,000      | 36,900  | 37,800  | 78,700          |
| <b>RLMC2</b> | <b>Motor Camps -Road Reseals</b>             | Resealing of roads within the district's motor camps as required.                        | 0           | 0       | 15,800  | 34,200          |
| <b>RLMC3</b> | <b>Motor Camps - Pleasant Point Renewals</b> | Funding for maintenance such as painting or new carpet at the Pleasant Point motor camp. | 3,500       | 0       | 0       | 0               |
| <b>RLMC4</b> | <b>Motor Camps - Temuka Renewals</b>         | Completion of the renewal of the Temuka motor camp water main.                           | 39,000      | 0       | 0       | 0               |

# Recreation and Leisure

## Funding Impact Statement

|   | Budget<br>2014/15<br>\$'000 | Budget<br>2015/16<br>\$'000 | Budget<br>2016/17<br>\$'000 | Budget<br>2017/18<br>\$'000 | Budget<br>2018/19<br>\$'000 | Budget<br>2019/20<br>\$'000 | Budget<br>2020/21<br>\$'000 | Budget<br>2021/22<br>\$'000 | Budget<br>2022/23<br>\$'000 | Budget<br>2023/24<br>\$'000 | Budget<br>2024/25<br>\$'000 |
|---|-----------------------------|-----------------------------|-----------------------------|-----------------------------|-----------------------------|-----------------------------|-----------------------------|-----------------------------|-----------------------------|-----------------------------|-----------------------------|
| <b>Sources Of Operating Funding</b>                                     |                             |                             |                             |                             |                             |                             |                             |                             |                             |                             |                             |
| General Rates, Uniform annual general charges, rates penalties          | 8,971                       | <b>9,461</b>                | 9,928                       | 10,318                      | 10,712                      | 11,068                      | 11,578                      | 11,727                      | 12,091                      | 12,519                      | 12,878                      |
| Targeted Rates  | 1,964                       | <b>2,023</b>                | 2,056                       | 2,095                       | 2,107                       | 2,131                       | 2,160                       | 2,183                       | 2,221                       | 2,246                       | 2,279                       |
| Subsidies and grants for operating purposes                             | 31                          | <b>113</b>                  | 48                          | 6                           | 7                           | 7                           | 7                           | 7                           | 7                           | 8                           | 8                           |
| Fees and charges  | 3,217                       | <b>3,214</b>                | 3,179                       | 3,256                       | 3,270                       | 3,640                       | 3,575                       | 3,505                       | 3,628                       | 4,002                       | 3,624                       |
| Internal charges and overheads recovered                                | 196                         | <b>159</b>                  | 159                         | 159                         | 159                         | 159                         | 159                         | 159                         | 159                         | 159                         | 159                         |
| Local authorities fuel tax, fines, infringement fees and other receipts | 27                          | <b>27</b>                   | 21                          | 19                          | 18                          | 17                          | 20                          | 21                          | 20                          | 27                          | 32                          |
| <b>Total Operating Funding</b>  | <b>14,406</b>               | <b>14,997</b>               | 15,391                      | 15,853                      | 16,273                      | 17,021                      | 17,498                      | 17,601                      | 18,126                      | 18,959                      | 18,980                      |
| <b>Applications Of Operating Funding</b>                                |                             |                             |                             |                             |                             |                             |                             |                             |                             |                             |                             |
| Payments to staff and suppliers   | 9,806                       | <b>10,277</b>               | 10,420                      | 10,615                      | 10,968                      | 11,137                      | 11,539                      | 11,851                      | 12,115                      | 12,660                      | 12,926                      |
| Finance costs   | 993                         | <b>1,003</b>                | 1,032                       | 1,040                       | 1,075                       | 1,143                       | 1,235                       | 1,248                       | 1,261                       | 1,276                       | 1,276                       |
| Internal charges and overheads applied                                  | 1,279                       | <b>1,310</b>                | 1,342                       | 1,373                       | 1,401                       | 1,432                       | 1,465                       | 1,505                       | 1,545                       | 1,591                       | 1,639                       |
| Other operating funding applications                                    |                             |                             |                             |                             |                             |                             |                             |                             |                             |                             |                             |
| <b>Total Applications Of Operating Funding</b>                          | <b>12,078</b>               | <b>12,590</b>               | 12,795                      | 13,028                      | 13,443                      | 13,712                      | 14,238                      | 14,604                      | 14,921                      | 15,527                      | 15,841                      |
| <b>Surplus/(Deficit) Of Operating Funding</b>                           | <b>2,328</b>                | <b>2,407</b>                | 2,596                       | 2,825                       | 2,830                       | 3,309                       | 3,260                       | 2,998                       | 3,205                       | 3,432                       | 3,139                       |
| <b>Sources Of Capital Funding</b>                                       |                             |                             |                             |                             |                             |                             |                             |                             |                             |                             |                             |
| Subsidies and grants for capital expenditure                            | 500                         | <b>90</b>                   | 80                          | 155                         | 75                          | 2,500                       | 0                           | 0                           | 0                           | 0                           | 0                           |
| Development and financial contributions                                 |                             |                             |                             |                             |                             |                             |                             |                             |                             |                             |                             |
| Increase/(decrease) in debt   | (153)                       | <b>(698)</b>                | (768)                       | 589                         | (44)                        | 2,541                       | 192                         | 188                         | 218                         | 226                         | (220)                       |
| Gross proceeds from the sale of assets                                  |                             |                             |                             |                             |                             |                             |                             |                             |                             |                             |                             |
| Lump sum contributions  |                             |                             |                             |                             |                             |                             |                             |                             |                             |                             |                             |
| Other dedicated capital funding   | 0                           | <b>55</b>                   | 0                           | 55                          | 0                           | 0                           | 0                           | 0                           | 0                           | 0                           | 0                           |
| <b>Total Sources Of Capital Funding</b>                                 | <b>347</b>                  | <b>(553)</b>                | (688)                       | 799                         | 31                          | 5,041                       | 192                         | 188                         | 218                         | 226                         | (220)                       |
| <b>Applications Of Capital Funding</b>                                  |                             |                             |                             |                             |                             |                             |                             |                             |                             |                             |                             |
| Capital expenditure   |                             |                             |                             |                             |                             |                             |                             |                             |                             |                             |                             |
| - to meet additional demand   | 293                         | <b>338</b>                  | 76                          | 99                          | 78                          | 114                         | 83                          | 121                         | 88                          | 91                          | 94                          |
| - to improve the level of service                                       | 382                         | <b>479</b>                  | 717                         | 797                         | 391                         | 6,020                       | 390                         | 415                         | 397                         | 410                         | 421                         |
| - to replace existing assets  | 1,541                       | <b>2,074</b>                | 2,356                       | 2,087                       | 1,402                       | 1,074                       | 989                         | 1,209                       | 1,168                       | 1,225                       | 1,330                       |
| Increase/(decrease) in reserves   | 459                         | <b>(1,037)</b>              | (1,241)                     | 641                         | 990                         | 1,143                       | 1,989                       | 1,442                       | 1,770                       | 1,931                       | 1,074                       |
| Increase/(decrease) of investments                                      |                             |                             |                             |                             |                             |                             |                             |                             |                             |                             |                             |
| <b>Total Applications Of Capital Funding</b>                            | <b>2,675</b>                | <b>1,854</b>                | 1,908                       | 3,623                       | 2,860                       | 8,351                       | 3,452                       | 3,186                       | 3,422                       | 3,658                       | 2,919                       |
| <b>Surplus/(Deficit) Of Capital Funding</b>                             | <b>(2,328)</b>              | <b>(2,407)</b>              | (2,596)                     | (2,825)                     | (2,830)                     | (3,309)                     | (3,260)                     | (2,998)                     | (3,205)                     | (3,432)                     | (3,139)                     |
| <b>FUNDING BALANCE</b>  | <b>0</b>                    | <b>0</b>                    | 0                           | 0                           | 0                           | 0                           | 0                           | 0                           | 0                           | 0                           | 0                           |

# Roading and Footpaths



# Roading and Footpaths

## What we do

Roading and Footpaths includes the following activities provided by Council:

- Roothing and Footpaths
- Cycleways and Walkways

Roothing 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. Roothing and Footpaths delivers both assets (such as roads, signs, and infrastructure) and non-asset functions (such as street cleaning, garden/berm maintenance, temporary traffic management and road safety initiatives).

Council currently manages over 1,700km 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 Roothing 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.

## Why we do it

Quality roading and footpaths infrastructure is critical for community wellbeing in the Timaru District. It allows communities to connect and receive services. Roothing and Footpaths is a core function of Council and the activity aims to achieve the following vision:

*"We will provide a Transport System that promotes Community Prosperity."*

Roothing and Footpaths provides access for the movement of people and goods, access to properties, public corridors for utility services, and is integral to prosperity, growth and connected communities. An efficient transport network is critical to support businesses to enable efficient freight movement and a prerequisite for attracting new enterprises. It significantly contributes to current and future economic growth. Roothing infrastructure is essential for maintaining and facilitating road based utility infrastructure (e.g. power, telecommunications, gas, water, wastewater, stormwater). It allows visitors to travel through and around the district and district residents to visit other locations.

The network facilitates community interaction through providing access to places of work, training and interests (e.g. schools, recreational facilities, attractions). Good networks enhance communities as places to live. Adequate parking facilities are essential to local businesses.

Road corridors are public spaces. The Council is statutorily defined as the Road Controlling Authority (RCA) and acts as the custodian of the road corridor. There are numerous legislative requirements that Council must consider and comply with.

The activity is working towards sustainability through such actions as making travel routes more efficient, providing active transport infrastructure (e.g. walkways, cycleways), promoting active transport modes (e.g. walking, cycling), education, developing travel plans for schools, workplaces and events, upgrading transport assets to be more energy efficient (e.g. street lights), promoting public transport use and providing associated infrastructure (e.g. bus shelters) and use of recycled or reusable materials for construction.

The transport network helps encourage healthy lifestyles by supporting active transport modes. It also enables delivery of

# Roading and Footpaths

public passenger transport options. A network of formed and unformed roads provides ongoing public access to the natural environment.

Cycleways and Walkways are often integrally tied into the roading and footpaths network. Many of the reasons for involvement in that activity also apply. Good networks enhance communities as places to live and provide opportunity to use active transport modes, such as cycling and walking.

## Contributions to Community Outcomes

Roading 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 |
|------------------------|--|--|--|--|---------------------------------------|--|
| Roading and Footpaths  | P  | P  | S  | P                                      | S                                     | S  |
| Cycleways and Walkways | P  | S  | P  | P                                      | S                                     | S  |

P – Primary contribution S – Secondary contribution

## Effects on community

Roading and Footpaths can have a range of effects on the community, some of which are positive, others which can be negative. The positive effects have been outlined under the heading “Why we do it”. Potential negative effects are identified in the table below:

| Effect  | Type of effect                                  | How Council intends to mitigate effect  |
|---|---|---|
| <b>Roading and Footpaths</b>  |   |   |
| Road and environment factors can contribute to crashes, particularly those that involve loss of control | Social<br>Economic<br>Environmental             | <ul style="list-style-type: none"> <li>Monitor through Crash Analysis System</li> <li>Develop and implement crash reduction studies</li> <li>Maximise funding for road safety and minor safety programmes</li> </ul>  |
| Amenity value affected by design of land transport facilities   | Cultural<br>Social<br>Economic<br>Environmental | <ul style="list-style-type: none"> <li>Managed through community consultation, good urban design and well defined standards</li> </ul>  |
| Contaminated road water runoff causing environmental degradation  | Environmental                                   | <ul style="list-style-type: none"> <li>Managed through contracts, standards and policies</li> <li>Monitor work done and possible contaminated road water runoff</li> <li>Encourage off road stock corridors and road underpasses</li> <li>Stormwater treatment initiatives e.g. rain gardens</li> </ul> |

# Roading and Footpaths

| Effect   | Type of effect                                  | How Council intends to mitigate effect  |
|--|---|---|
| Dust from unsealed roads and noise can affect surrounding land, properties and the environment                     | Social<br>Economic<br>Environmental             | <ul style="list-style-type: none"> <li>■ Managed through standards and policies</li> <li>■ Maximise funding and commitment to seal extension programme where possible</li> <li>■ Use of limestone, and review of dust suppressant option</li> <li>■ Use of smooth surfaces in urban areas</li> <li>■ Promotion of active and alternative transport options</li> </ul> |
| Increase in traffic volumes leads to congestion on roads contributing to greater travel times and associated costs | Cultural<br>Social<br>Economic<br>Environmental | <ul style="list-style-type: none"> <li>■ Monitor traffic counts</li> <li>■ Increase the availability, options, and infrastructure for active and alternative transport</li> <li>■ Promotion of and education about active and alternative transport options</li> </ul>  |
| Road deterioration where renewals are not completed affects vehicles through increased wear and associated costs   | Cultural<br>Social<br>Economic<br>Environmental | <ul style="list-style-type: none"> <li>■ Managed through maintenance contracts, standards and levels of service</li> <li>■ Maximise funding for maintenance and renewals</li> <li>■ Good Road Assessment and Maintenance Management (RAMM) data</li> <li>■ Forward planning of works</li> </ul>   |
| Insufficient road corridor space for non-vehicle users such as utilities   | Social<br>Economic<br>Environmental             | <ul style="list-style-type: none"> <li>■ Managed through standards, guidelines and policies</li> <li>■ Co-ordination of programmes between transport and utilities</li> <li>■ Good urban design to protect the road carriageway integrity by having underground utilities in the berm area</li> </ul>   |

# Roading and Footpaths

## Key issues for next 10 years

This group of activities is one of the key functions of Council in terms of providing quality infrastructure to meet the needs of the community today and in the future. This is one of the requirements of the Local Government Act, both as a core function outlined in Section 10 and further evidenced by its inclusion in the new Infrastructure Strategy which helps Council's plan for infrastructure for the next 30 years. Issues tend to relate to growth, demand and affordability.

The diagram here summarises some of the main issues facing the Roothing and Footpaths activity:

### Funding pressures and Affordability

The Government Policy Statement on Land Transport has indicated less financial assistance for councils for the maintenance and renewal of roading infrastructure. In addition, the government have conducted a major review of how they will assist Councils in funding local roads in the future. The government review has resulted in changes across the country to all Council Financial Assistance Rates (or FARs). The FAR represents the amount of money the government will contribute towards local road works. TDC will be funded at 55% for 2015/16, reducing by 1% annually until a flat rate of 51% is reached. This will have a significant impact on how the activity is funded into the future.

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

The introduction of the One Network Road Classification (ONRC) by government will also potentially impact on availability of funding for district roads. The ONRC is a new system of road hierarchy that will apply to all roads nationwide.

This effect of this has been to create a funding shortfall. Council has decided that it would partially meet the funding gap presented by the remodelling of NZTA's funding model. It

### Ageing Infrastructure

- Some assets nearing end of useful life
- Costly renewals ie bridges, trunk mains
- Humps of renewals in the future
- Increasing maintenance cost

### Changing Land Use and Demand

- Dairy conversions and irrigation
- Increasing and changing freight logistics - port
- Increased freight demand
- Expansion of urban area
- Industrial expansion in Washdyke
- Traffic growth

### Increasing Standards and Expectations

- Regional land and water plan stormwater requirements
- Discharge consents standards increasing conditions
- Decreasing customer tolerance
- One Network Road Classification
- Increasing compliance
- Continually changing legislative environment

### Affordability

- Adequate Renewal funding provisions
- Declining road government financial assistance
- Increasing costs
- Debt
- Rating constraints

### Resilience and Long Term Sustainability

- Climate Change
- Demographic Change
- Environmental Impacts
- New Technology
- Road Safety
- Sustainable Transport

was deemed unfair to transfer the full cost burden directly to ratepayers. However, given the magnitude of the gap it was decided that funding of between \$300K and \$500K be set aside annually, together with any savings through efficiencies and reductions in levels of service. Some levels of service reductions were identified, including reductions in funding for street cleaning, kerb and channel, resurfacing, intersection works and seal widening.

### Managing growth and demand

Growth and demand on the transport network comes from many different pressures. Key activities planned to manage growth in the future include:

- Progressing the implementation of the Timaru Transportation Strategy, expanding the scope and integrating the strategy within other Council documents
- Ensuring continued designation for the southern port access in Timaru
- Initiating various Plan Changes to the Timaru District Plan to improve road management
- Progressing the Active Transport Strategy recommendations and implementing them
- Continue to develop forward renewals works programme utilising modelling tools such as dTIMS
- Developing Freight Strategy in conjunction with South Island Freight Strategy
- Regional coordination of Transport Activities

The key drivers and issues affecting the activity over the next ten years are summarised in the table (over page). Some of the key drivers are further covered in this section.

The Timaru Transportation Strategy, supported by the Timaru District Council, is a model used to predict future traffic patterns in Timaru. Timaru's roads are expected to carry 50 per cent more traffic over the next 25 years. The strategy includes options for the greater use of rail for freight and further development of the public transport, walking and cycling network and improvements to local roads and the state highways. Particular areas where Timaru pressure points are expected is on State Highway 1 (Evans Street), increasing use of Selwyn/Old North Roads as a State Highway 1 alternative and increasing congestion at the Wai iti/Otipua

# Roading and Footpaths

Road intersection. Future projects are likely to address these issues. The Council will continue to partner with the NZ Transport Agency to address State Highway 1 issues, although funding and work will be subject to NZTA budgets.

Steady population and household growth will impact the district's roading network as traffic volumes increase. The population is expected to increase to 48,293 (+6.4%) by 2028 which includes the 2015 LTP period. Households are expected to increase to 20,680 (+10.8%) by 2028 which includes the 2015 LTP period. The ageing of the population will also cause potential changes in transportation modes. However, other growth factors are likely to have a greater impact on the district's roading network.

## Land use change

Global commodity markets are driving changing land use in the rural sector. There has been a significant increase in dairy farming with many dry stock farm conversions to dairy. The availability of irrigation has allowed intensive farming with more stock units per land area than historically through greater reliability of feed. There has also been an increase in crop farming again driven by the availability of irrigation.

Intensive dairy and crop farming has significantly increased the number of vehicle trips on rural roads, particularly heavy vehicles and large farm machinery. Dairy tankers service farms twice a day and often additional feed is transported to farms. Farm practices have also changed with farms operated in a more business-like manner. Some farm operations are now contracted with large machinery transported around rural areas servicing many farms. The increased heavy vehicle trips increase road deterioration rates on rural roads, previously designed for low-volume use. This reduces the effective lives of rural roads and road infrastructure such as bridges, increasing costs associated with road renewal and frequency of upgrades through road widening and strengthening.

With the intensification of the primary sector there are increased residential dwellings on farms to cater for farm workers. Increasing rural population along with the development of increasing numbers of lifestyle blocks on the fringes of urban areas creates a different demand on rural roads. These lifestyle blocks generate 'urban' vehicle trip numbers significantly increasing traffic volumes on such

| Demand driver    | Issues  |
|------------------|---|
| Growth           | <ul style="list-style-type: none"> <li>■ Population increase</li> <li>■ Demographic change</li> <li>■ Land use change</li> <li>■ Industrial/commercial growth</li> <li>■ Freight</li> </ul>   |
| Level of Service | <ul style="list-style-type: none"> <li>■ Increasing community expectations</li> <li>■ External influences</li> <li>■ New Technology</li> <li>■ Travel behaviour change</li> <li>■ Tourism growth</li> <li>■ Ageing infrastructure</li> <li>■ Utilities</li> </ul> |
| Sustainability   | <ul style="list-style-type: none"> <li>■ Road safety</li> <li>■ Environmental protection</li> <li>■ Health</li> <li>■ Improved urban design</li> <li>■ Funding affordability</li> </ul>   |

roads. Although this traffic is generally light vehicles that have a low impact on roads, many of these residences are on unsealed rural roads and dust nuisance can become an issue. This increases the demand on Council to seal roads.

## Freight volumes set to increase

The volume of freight transported by road is increasing. The Canterbury Region Freight Study indicates substantial growth in the volume of freight transported on Canterbury roads. This is predominately due to ongoing rural intensification in Canterbury, particularly dairy, arable farming and forestry harvesting. The study estimated increases in freight for these sectors as:

- 93% increase in milk production by 2041, increasing annual HV movements from 263,500 (2010) to 507,300 (2041)
- 365% increase in Arable & Horticultural production by 2041, additional 250,000 HV movements per annum
- 337% increase in log production by 2026, additional 121,250 HV movements per annum
- 157% increase in aggregate production by 2041

Most of the future freight growth is expected to be transported by road. A government initiative to help address this issue has been to increase the heavy vehicle mass limits through initiatives such as High Productivity Motor Vehicles (HPMV) and 50MAX permits. This improves productivity and potentially reduces the growth in heavy vehicles. However, the increased number and mass of such vehicles creates greater demands on the road infrastructure such as road pavements themselves and bridges. These will need to be strengthened or managed through a higher maintenance regime at greater cost.

The Timaru State Highway 1 northern corridor is an area that is already facing congestion problems. Existing congestion issues are expected to worsen in the future due to PrimePort activity, developments along Evans Street such as the proposed Showgrounds Hills retail development and general district-wide economic growth. The northern corridor is an important part of the Timaru road network providing access for southbound traffic entering Timaru and congestion should ideally be minimal.

Freight logistics are a challenge and can change rapidly particularly around Port activity. Timaru Port freight growth has increased substantially recently with the partnership with the Port of Tauranga. This growth is expected to continue in the future placing increasing pressure on the roading network. Currently, the Council still proposes to improve the southern access to the port, most likely through an overpass off North Street, but other options are being investigated.

## Customer expectations

High community expectations exist in this activity, such as for good quality roads, increased seal extension, adequate street lighting, smoother footpaths and improved road safety. For the community, businesses, and visitors to travel safely and efficiently around the District, a well-managed and maintained, reliable transportation infrastructure is essential.

One of the key functions of the LTP is to plan for the future, matching community expectations with levels of service provided. High customer expectations need to be matched with their willingness and ability to pay for the expected services, which can vary between communities.

Issues for addressing include conflicts between road users,

# Roading and Footpaths

congested traffic flows in certain locations, pedestrian and cycle safety and access on busy roads, dust nuisance from unsealed rural roads, change in usage such as increased mobility scooter traffic, public transport preferences, growth causing increased traffic movements and road design.

The Council regularly monitor customers' (community) expectations through surveying and consultation. Roading and footpaths budgets are targeted towards many of the issues raised, particularly where these are ongoing. This can be limited by the money available and conflicting priorities.

## Planning and funding framework for roading and footpaths

Government and Regional Land Transport policies, strategies and legislation have a significant impact on funding of the activity and the targets it has to meet.

Key legislation includes the Land Transport Management Act 2003 (LTMA) and Local Government Act 2002 (LGA). The purpose of the LTMA is to contribute to an effective, efficient, and safe land transport system in the public interest.

A complex planning and funding framework exists for transport, which encompasses local, regional and central government.

Roading projects are subject to a regional approval process through the Canterbury Regional Transport Committee. This in turn is subject to the priorities identified by government through the Government Policy statement on Land Transport. The recent policy statement review has changed the priorities for transport improvements and focus with new targets legally required to make a contribution to at a local level. As government funding priorities and strategy change, this will continue to impact on regional and local projects.

Currently, the final approved national Land Transport programme occurs in August annually, following Council's consultation on and adoption of the LTP (see comments under Funding Pressures). This means that funding is not guaranteed for projects identified in the Council's programme.

## Ageing infrastructure

A significant amount of the district's roading, bridge and footpaths infrastructure was constructed between 50 and 80 years ago, during "pioneer" or "boom" times that provided

access to land, industry, rail and ports. At this time there was significant optimism of continued growth; infrastructure was often designed to accommodate these future demands. While this foresight has had benefits, a proportion of the district's roading assets are nearing the end of their useful life.

Provision has been made in the LTP with over \$134M to build and replace roading infrastructure. The planned work includes reconstruction of roads, renewal of kerb and channel, footpaths, traffic signals and signs, resealing, bridge replacements and culvert renewals.

While the district's 289 bridges are generally in good condition, many are ageing and will require replacement in 10-20 years time. Larger and heavier farm vehicles are also demanding a higher level of service for bridges, many of which are rural, one-lane, narrow bridges. Funding will increase in future years as more bridges need replacement, with a larger increase beyond 2020.

## Road safety

Road safety issues in Timaru District include speed, intersections, alcohol, poor observation and young drivers. Improving road safety is about changing behaviour and attitudes. This can often take generations and there are no quick fix solutions.

In recent years, some gains have been made and crash statistics have continually trended downwards, but work is ongoing and includes both improvements to the existing road network and educating drivers about appropriate behaviour. TDC aims to work with partner agencies to improve road safety in the district.

## Active transport promotion

It is a goal of Council to encourage active lifestyles within the district and the Active Transport Strategy forms part of that. The strategy will continue to be implemented as funding permits and aims to provide a framework for recognising that our roads are public spaces and not simply the domain of vehicles. The strategy provides for planning for the future, by recognising our network also has to cater for other modes of transport such as cycling, walking and the use of public transport.

## Stormwater Quality improvements

New requirements under the Canterbury Land and Water Plan will require stormwater quality to be improved. This will have implications for the activity as it will potentially require treatment or retention options to be built into the roading renewals. For example, this could include swales, rain gardens or permeable paving. Challenges in achieving this will include land availability in the road reserve, ongoing maintenance costs and the capital installation cost.

# Roading and Footpaths

## What we plan to do and our levels of service

The following tables describe what and how the Council delivers the service, and how that service will be measured in terms of performance. Where levels of customer satisfaction are the performance measure, this is determined by a customer bi-annual survey.

### 1. Roads are designed and maintained to community expectations

|                                   |  |   |   |
|-----------------------------------|--|---|---|
| <b>How we do it</b>               | <ul style="list-style-type: none"> <li>■ Manage and maintain all aspects of the roading and footpath network</li> <li>■ Maximise financial assistance from government</li> <li>■ Prepare and complete RLTP (3 yearly) and NZTA financial assistance applications, claims and reporting</li> <li>■ Provide a customer service request system 24 hours a day, 7 days a week</li> <li>■ Investigate and rectify roading and footpaths complaints</li> <li>■ Prepare, manage and supervise roading and footpaths contracts</li> <li>■ Manage and update asset data, transport model and related information</li> <li>■ Manage inspection and condition rating of network assets</li> <li>■ Provide engineering, survey and design services for transport projects</li> <li>■ Update the roading and footpaths forward works renewals and improvements programme</li> <li>■ Undertake transport planning to ensure future needs for all transport modes</li> <li>■ Investigate improvement projects and long term network needs</li> <li>■ Review and develop transport strategies and plans</li> </ul> |   |   |
| <b>How we measure performance</b> |  | <b>Year 1 – 3 target: 2015/16 – 2017/18</b>   | <b>Year 4 – 10 target: 2018/19 – 2024/25</b>  |
|                                   | <b>Ratepayer satisfaction with value for money</b>   | 80% or greater of ratepayers believe they get value for money                                   | 85% or greater of ratepayers believe they get value for money                                   |
|                                   | <b>Response to customer service requests</b>   | 70% or greater of customer service requests are responded to within contract response timeframe | 70% or greater of customer service requests are responded to within contract response timeframe |

# Roading and Footpaths

## 2. Roads are fit for purpose and provide for comfortable and efficient travel

|                                   |   |  |  |
|-----------------------------------|---|--|--|
| <b>How we do it</b>               | <ul style="list-style-type: none"> <li>■ Manage renewals and maintenance projects to minimise disruption for the road user</li> <li>■ Renewals implemented at the right time and the right treatment</li> <li>■ Determine future roading projects based on defined prioritisation approach and future demand</li> <li>■ Implement local road improvements in the Timaru Transportation Strategy</li> <li>■ Ensure Traffic Management Plans are in place for all road works sites</li> <li>■ Manage notified and emergency road closures</li> <li>■ Manage vehicles crossing and road opening processes</li> <li>■ Develop and implement Corridor Management Plan with utility providers</li> <li>■ Monitor, inspect and audit roading network assets</li> <li>■ Monitor the state of the roading network, including traffic counts, pavement roughness and condition</li> </ul> |  |  |
| <b>How we measure performance</b> |   | <b>Year 1 – 3 target: 2015/16 – 2017/18</b>  | <b>Year 4 – 10 target: 2018/19 – 2024/25</b>   |
|                                   | <b>Timaru travel times on key transport routes</b>  | Travel journey times on key Timaru transport routes are maintained at 2005 levels plus 10%   | Travel journey times on key Timaru transport routes are maintained at 2005 levels plus 15%   |
|                                   | <b>Effect of roading maintenance and renewals work on travel times</b>  | 10 or less complaints per year about traffic disruption due to maintenance and renewal works   | 10 or less complaints per year about traffic disruption due to maintenance and renewal works   |
|                                   | <b>Road condition</b>   | Average quality of ride on sealed local road network:<br>The average Smooth Travel Exposure Index on all district roads greater than 90% | Average quality of ride on sealed local road network:<br>The average Smooth Travel Exposure Index on all district roads greater than 90% |
|                                   | <b>Resident satisfaction with maintenance of sealed roads</b>   | 75% or more of residents are satisfied with the maintenance of sealed roads  | 85% or more of residents are satisfied with the maintenance of sealed roads  |
|                                   | <b>Resident satisfaction with maintenance of unsealed roads</b>   | 75% or more of residents are satisfied with the maintenance of unsealed roads  | 80% or more of residents are satisfied with the maintenance of unsealed roads  |
|                                   | <b>Resurfacing of road network</b>  | 4% of the sealed road network is resurfaced annually   | 4.5% of the sealed road network is resurfaced annually   |

# Roading and Footpaths

## 3. Bridges are accessible to road users and well managed

|                                   |  |  |  |
|-----------------------------------|--|--|--|
| <b>How we do it</b>               | <ul style="list-style-type: none"> <li>■ Maintain existing bridge network</li> <li>■ Manage renewals and maintenance projects on bridges to minimise disruption for the road user</li> <li>■ Determine future bridge projects based on defined prioritisation approach and future demand</li> <li>■ Plan for provision of walking and cycling links on key district bridges</li> </ul> |  |  |
| <b>How we measure performance</b> |  | <b>Year 1 – 3 target: 2015/16 – 2017/18</b>                                    | <b>Year 4 – 10 target: 2018/19 – 2024/25</b>                                   |
|                                   | Percentage of two way bridges on all primary collector and higher hierarchy roads  | 50% of bridges on all primary collector and higher hierarchy roads are two way | 50% of bridges on all primary collector and higher hierarchy roads are two way |
|                                   | Percentage of bridges that are not weight restricted   | 95% of bridges are not weight restricted                                       | 98% of bridges are not weight restricted                                       |

## 4. Footpaths are safe, well designed and well maintained

|                                   |   |  |  |
|-----------------------------------|---|--|--|
| <b>How we do it</b>               | <ul style="list-style-type: none"> <li>■ Maintain the existing footpath network</li> <li>■ Manage footpath renewals and maintenance projects</li> <li>■ Determine future footpath projects based on defined prioritisation approach and future demand</li> <li>■ Plan for future provision of footpaths where not currently provided</li> <li>■ Monitor, inspect and audit footpath assets</li> </ul> |  |  |
| <b>How we measure performance</b> |   | <b>Year 1 – 3 target: 2015/16 – 2017/18</b>  | <b>Year 4 – 10 target: 2018/19 – 2024/25</b>   |
|                                   | Resident satisfaction with footpaths  | 70% or more residents are satisfied with the smoothness, safety and maintenance of the footpaths | 75% or more residents are satisfied with the smoothness, safety and maintenance of the footpaths |
|                                   | Change in footpath condition  | 75% of footpaths to be average or better condition   | 75% of footpaths to be average or better condition   |
|                                   | Kilometres of footpaths resurfaced  | 9km of footpaths resurfaced annually   | 9km of footpaths resurfaced annually   |

# Roading and Footpaths

## 5. Traffic signals, road signage and markings provide clear guidance

|                                   |   |   |   |
|-----------------------------------|---|---|---|
| <b>How we do it</b>               | <ul style="list-style-type: none"> <li>■ Maintain existing traffic signals, signage and road markings on the transport network</li> <li>■ Manage traffic signals, signage and road markings renewals and maintenance</li> <li>■ Determine future traffic signals, signage and road markings projects based on defined prioritisation approach and future demand</li> <li>■ Plan for future provision of traffic signals, signage and road markings where not currently provided</li> <li>■ Review traffic signals systems at least every three years</li> </ul> |   |   |
| <b>How we measure performance</b> |   | <b>Year 1 – 3 target: 2015/16 – 2017/18</b>   | <b>Year 4 – 10 target: 2018/19 – 2024/25</b>  |
|                                   | <b>Resident satisfaction with signage and road markings</b>   | 95% or more residents are satisfied that road signs and markings provide guidance that is helpful and effective | 95% or more residents are satisfied that road signs and markings provide guidance that is helpful and effective |

## 6. Street and amenity lighting enables safe and efficient movement

|                                   |   |  |  |
|-----------------------------------|---|--|--|
| <b>How we do it</b>               | <ul style="list-style-type: none"> <li>■ Maintain the existing street lighting network and amenity lighting</li> <li>■ Upgrade streetlighting to LED lighting over time</li> <li>■ Manage street and amenity lighting renewals and maintenance projects</li> <li>■ Determine future street and amenity lighting projects based on defined prioritisation approach and future demand</li> <li>■ Plan for future provision of street and amenity lighting where not currently provided</li> <li>■ Manage annual installation of festive street decorations and banners</li> </ul> |  |  |
| <b>How we measure performance</b> |   | <b>Year 1 – 3 target: 2015/16 – 2017/18</b>  | <b>Year 4 – 10 target: 2018/19 – 2024/25</b>   |
|                                   | <b>Resident satisfaction with street lighting</b>   | 95% of residents are satisfied that there is sufficient lighting of streets and intersections in urban areas | 95% of residents are satisfied that there is sufficient lighting of streets and intersections in urban areas |

# Roading and Footpaths

## 7. Roothing works and road safety initiatives help promote district road safety and awareness

|                                   |   |   |   |
|-----------------------------------|---|---|---|
| <b>How we do it</b>               | <ul style="list-style-type: none"> <li>■ Implement a road safety strategy</li> <li>■ Conduct safety audits on aspects of the districts roading network</li> <li>■ Deliver quality community road safety campaigns to improve road behaviour and awareness</li> <li>■ Monitor road accident statistics and locations</li> <li>■ Maintain Timaru CBD surveillance camera network</li> </ul> |   |   |
| <b>How we measure performance</b> |   | <b>Year 1 – 3 target: 2015/16 – 2017/18</b>   | <b>Year 4 – 10 target: 2018/19 – 2024/25</b>  |
|                                   | Resident satisfaction with overall safety of road network   | 85% of residents believe the road network is safe   | 90% of residents believe the road network is safe   |
|                                   | Road fatalities and serious injury crashes  | Number of fatalities and serious injury crashes on the local road network is less than the previous financial year on an annual basis | Number of fatalities and serious injury crashes on the local road network is less than the previous financial year on an annual basis |
|                                   | Road safety awareness   | 40% of residents are aware of road safety programmes or advertisements  | 50% of residents are aware of road safety programmes or advertisements  |

## 8. Carparks are available, fit for purpose and easy to access

|                                   |   |  |  |
|-----------------------------------|---|--|--|
| <b>How we do it</b>               | <ul style="list-style-type: none"> <li>■ Maintain and operated Timaru District parking facilities in urban communities</li> <li>■ Manage carparking renewals and maintenance</li> <li>■ Determine future carparking requirements based on future demand</li> <li>■ Plan for future provision of carparking requirements where not currently provided</li> <li>■ Monitor and enforce district wide parking compliance</li> </ul> |  |  |
| <b>How we measure performance</b> |   | <b>Year 1 – 3 target: 2015/16 – 2017/18</b>  | <b>Year 4 – 10 target: 2018/19 – 2024/25</b>   |
|                                   | Resident satisfaction with access to carparking   | 75% of residents are satisfied that access to Council provided carparking is adequate  | 80% of residents are satisfied that access to Council provided carparking is adequate  |
|                                   | Resident satisfaction with location, design and maintenance of carparking   | 80% of residents are satisfied with the location, design and maintenance of carparking | 85% of residents are satisfied with the location, design and maintenance of carparking |
|                                   | Timaru parking activity is self-funding   | Parking fees are reviewed annually and activity is self-funding                        | Parking fees are reviewed annually and activity is self-funding                        |

# Roading and Footpaths

## 9. Sustainable transport options\* are facilitated and provided

|  |  |   |   |
|--|--|---|---|
| <b>How we do it</b>                                | <ul style="list-style-type: none"> <li>■ Undertake transport planning to ensure future needs for all transport modes</li> <li>■ Maximise financial assistance from government</li> <li>■ Support provision of Timaru public transport services (ECan provided)</li> <li>■ Implement and review Active Transport Strategies and initiatives</li> <li>■ Support Off-road walkways and cycleways maintenance</li> <li>■ Develop and implement plans to increase use of active transport modes (e.g. school travel plans)</li> </ul> |   |   |
| <b>How we measure performance</b>                  |  | <b>Year 1 – 3 target: 2015/16 – 2017/18</b>   | <b>Year 4 – 10 target: 2018/19 – 2024/25</b>          |
|  | School travel plans developed  | 1 school travel plan completed or reviewed annually   | 1 school travel plan completed or reviewed annually   |
|  | User satisfaction with public transport services   | 90% of users satisfied with public transport services   | 90% of users satisfied with public transport services |
| Community use of active and public transport modes | 80% of residents regularly walk, 30% of residents regularly cycle and 15% of residents use public transport  | 80% of residents regularly walk, 30% of residents regularly cycle and 15% of residents use public transport |   |

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

# Roading and Footpaths

## How this activity is funded

Operating expenditure for activities within the Roothing and Footpaths group are funded through a variety of mechanisms, as summarised in the table below:

|                        | General Rates | Uniform Annual General Charges | Targeted rates | User fees and charges | Interest | Dividends from investments | Financial Contributions | Grants and subsidies | Other Sources |
|------------------------|---------------|--------------------------------|----------------|-----------------------|----------|----------------------------|-------------------------|----------------------|---------------|
| Roothing and Footpaths | ✓             | ✓                              | ✓              | ✓                     |          |                            | ✓                       | ✓                    |               |
| Cycleways and Walkways | ✓             |                                |                |                       |          |                            |                         | ✓                    | ✓             |

For further information on how this activity is funded, refer to the Revenue and Financing Policy and Funding Impact Statement.

# Roading and Footpaths

## Projects

| ID   | Project Title  | Summary  | Expenditure |           |           |                 |
|------|--|--|-------------|-----------|-----------|-----------------|
|      |  |  | 2015/16     | 2016/17   | 2017/18   | 2018/19-2024/25 |
| RF1  | <b>Structural Bridge Replacements (subsidised)</b>               | The replacement of bridges in the district, which are at the end of their design life. This includes additional funding from 2016/17 for strengthening of rural bridges to provide capacity for full High Productivity Motor Vehicles (HPMV's - vehicles up to 65 tonne) in conjunction with bridge renewals | 600,000     | 922,100   | 945,400   | 7,433,900       |
| RF2  | <b>Pavement Rehabilitations (subsidised)</b>                     | Reconstruction of roading in the district at the end of its design life to ensure maintenance costs are reduced.   | 1,200,000   | 1,229,400 | 1,260,500 | 10,737,800      |
| RF3  | <b>Minor Improvements Works</b>                                  | General improvements to the roading network, such as safety improvements, upgrades or new cycle ways.  | 805,000     | 824,700   | 845,600   | 6,649,300       |
| RF4  | <b>Kerb and Channelling – Renewals</b>                           | Renewals of kerb and channelling in the district, including enhancements to create safer speed environments.   | 950,000     | 973,300   | 997,900   | 9,659,900       |
| RF5  | <b>New Kerb and Channelling</b>                                  | New kerbing and channelling in the district's roading network.   | 150,000     | 102,500   | 157,600   | 2,882,900       |
| RF6  | <b>Chip Seal Renewals</b>  | Renewals of chip seal road surfaces in the district.   | 2,420,000   | 2,479,300 | 2,542,000 | 21,640,700      |
| RF7  | <b>Asphalt Surface Renewals</b>                                  | Renewals of asphalt road surfaces in the district.   | 500,000     | 512,300   | 525,200   | 4,129,800       |
| RF8  | <b>Unsealed Road Metalling Renewals</b>                          | Renewals of road metal on unsealed roads across the district.  | 500,000     | 512,300   | 525,200   | 3,389,600       |
| RF9  | <b>Intersection Upgrades/ Safety Improvements (subsidised)</b>   | Safety improvements to intersections, which may include traffic signals, roundabouts or the upgrading of intersections to improve traffic safety and flow.   | 200,000     | 256,100   | 105,000   | 2,782,300       |
| RF10 | <b>District Footpath Improvements/Renewals (non- subsidised)</b> | Renewals of footpaths across the district, including Geraldine, Temuka, Timaru, Pleasant Point and other rural townships.  | 1,036,000   | 999,900   | 1,077,800 | 8,164,100       |
| RF11 | <b>New District Footpaths (non-subsidised)</b>                   | New footpaths across the district, including Geraldine, Temuka, Timaru, Pleasant Point and other rural townships.  | 130,000     | 153,700   | 110,300   | 1,154,300       |
| RF12 | <b>Signage Renewals</b>  | Renewals of damaged, vandalised or stolen road signs and signage that has reached the end of its useful life.  | 110,000     | 112,700   | 115,500   | 908,700         |
| RF13 | <b>New Signs</b>   | Provide new signs for the Timaru District roading network.   | 80,000      | 82,000    | 84,000    | 660,700         |
| RF14 | <b>Traffic Light Renewals</b>                                    | The replacement of district traffic lights at the end of their useful life or when damaged.  | 30,000      | 30,700    | 31,500    | 247,800         |
| RF15 | <b>Culvert Renewals</b>  | Renewals of culverts in the districts roading network.   | 40,000      | 41,000    | 42,000    | 330,500         |
| RF16 | <b>New Culverts</b>  | New culverts in the district's roading network.  | 90,000      | 92,200    | 94,500    | 743,500         |
| RF17 | <b>Street Light and Lantern Renewals</b>                         | Replacement of street lights, bulbs and lanterns. Also included are subdivision contributions where required to enhance lighting or services provided by the developers of new subdivisions, if the enhancement is for the public good.  | 44,000      | 45,100    | 46,200    | 363,200         |
| RF18 | <b>Streetlighting - LED Lantern replacements</b>                 | Active replacement of streetlights with LED lanterns allowing for lower maintenance and energy costs.  | 130,000     | 133,200   | 136,600   | 1,073,800       |
| RF19 | <b>Seal Extensions</b>   | Seal extension of unsealed roads according to Council policy.  | 330,000     | 338,100   | 346,600   | 1,925,100       |
| RF20 | <b>Seal Widening</b>   | Seal widening of roads across the district.  | 300,000     | 307,400   | 735,300   | 3,098,200       |

# Roading and Footpaths

| ID   | Project Title                                | Summary   | Expenditure |         |         |                 |
|------|--|---|-------------|---------|---------|-----------------|
|      |  |   | 2015/16     | 2016/17 | 2017/18 | 2018/19-2024/25 |
| RF21 | <b>CBD Renewals</b>                          | A freshen up of all the districts Central Business Districts, including the application of a new surface to the footpath tiles in the Timaru CBD.   | 1,000,000   | 0       | 0       | 254,900         |
| RF22 | <b>Security Cameras projects</b>             | New security cameras to add to the current Timaru (18/19, 22/23), Temuka (16/17) and Geraldine (2015/16-17/18) CBD surveillance systems.  | 12,000      | 36,900  | 12,600  | 45,800          |
| RF23 | <b>Welcome signage upgrades</b>              | Upgrading to signage welcoming people to Timaru (18/19, 22/23) and Geraldine (15/16-16/17, 24/25).  | 5,000       | 5,100   | 0       | 54,200          |
| RF24 | <b>District Welcome Signs Replacement</b>    | Replacement of district entrance signage at sites throughout the district.  | 120,000     | 0       | 0       | 0               |
| RF25 | <b>Bus Shelters-Relocations</b>              | The relocation of district bus shelters.  | 10,000      | 10,200  | 10,500  | 21,900          |
| RF26 | <b>Temuka Road Upgrades</b>                  | Upgrade of roading in the north-western part of Temuka to facilitate residential development. This includes installation of kerb and channelling and footpaths in Grant Street, Wallingford Road, Donald Street and Lachlan Street. | 0           | 0       | 0       | 1,192,500       |
| RF27 | <b>Southern Road Access-Port</b>             | Project to improve the southern access to the port of Timaru through the construction of a new bridge.  | 0           | 0       | 210,100 | 5,227,000       |
| RF28 | <b>Washdyke Network Improvements</b>         | The project to improve the Washdyke roading network continues, to better facilitate commercial activity in the area and to provide infrastructure for future development.   | 800,000     | 512,300 | 840,300 | 2,357,700       |
| RF29 | <b>Factory Road Bridge Widening</b>          | The final phase in the project to widen the Factory Road bridge to two lanes.   | 1,100,000   | 0       | 0       | 0               |
| RF30 | <b>Christmas Decorations replacement</b>     | Replacement Christmas decorations for Timaru (17/18, 18/19) and Geraldine (15/16-17/18).  | 2,500       | 2,600   | 107,600 | 107,800         |
| RF31 | <b>Timaru CBD Carparking</b>                 | Funding has been set aside in 2018/19 to create an additional Timaru CBD car park.  | 0           | 0       | 0       | 862,300         |
| RF32 | <b>Carparks - Resealing</b>                  | The resealing of carparks in the district.  | 0           | 0       | 57,800  | 103,700         |
| RF33 | <b>Carparking - Pay and Display machines</b> | Replacement of pay and display machines across the district   | 0           | 0       | 0       | 81,400          |
| RF34 | <b>Office Equipment</b>                      | The replacement of specialist engineering equipment in the Land Transport Unit.   | 8,000       | 0       | 8,400   | 0               |

# Roading and Footpaths

## Funding Impact Statement

|   | Budget<br>2014/15<br>\$'000 | Budget<br>2015/16<br>\$'000 | Budget<br>2016/17<br>\$'000 | Budget<br>2017/18<br>\$'000 | Budget<br>2018/19<br>\$'000 | Budget<br>2019/20<br>\$'000 | Budget<br>2020/21<br>\$'000 | Budget<br>2021/22<br>\$'000 | Budget<br>2022/23<br>\$'000 | Budget<br>2023/24<br>\$'000 | Budget<br>2024/25<br>\$'000 |
|---|-----------------------------|-----------------------------|-----------------------------|-----------------------------|-----------------------------|-----------------------------|-----------------------------|-----------------------------|-----------------------------|-----------------------------|-----------------------------|
| <b>Sources Of Operating Funding</b>                                     |                             |                             |                             |                             |                             |                             |                             |                             |                             |                             |                             |
| General Rates, Uniform annual general charges, rates penalties          | 564                         | <b>806</b>                  | 658                         | 669                         | 681                         | 695                         | 709                         | 725                         | 744                         | 765                         | 788                         |
| Targeted Rates  | 8,098                       | <b>8,208</b>                | 8,810                       | 9,428                       | 10,689                      | 11,517                      | 12,540                      | 11,980                      | 12,857                      | 13,802                      | 14,134                      |
| Subsidies and grants for operating purposes                             | 2,844                       | <b>2,788</b>                | 2,481                       | 1,834                       | 2,426                       | 2,073                       | 1,739                       | 2,652                       | 1,992                       | 1,616                       | 1,170                       |
| Fees and charges  | 1,056                       | <b>1,082</b>                | 1,118                       | 1,156                       | 1,195                       | 1,236                       | 1,282                       | 1,333                       | 1,387                       | 1,446                       | 1,510                       |
| Internal charges and overheads recovered                                | 1,576                       | <b>1,486</b>                | 1,712                       | 1,758                       | 1,807                       | 1,893                       | 1,913                       | 1,973                       | 2,038                       | 2,109                       | 2,184                       |
| Local authorities fuel tax, fines, infringement fees and other receipts |                             |                             |                             |                             |                             |                             |                             |                             |                             |                             |                             |
| <b>Total Operating Funding</b>  | <b>14,139</b>               | <b>14,370</b>               | 14,779                      | 14,844                      | 16,798                      | 17,412                      | 18,183                      | 18,661                      | 19,017                      | 19,738                      | 19,786                      |
| <b>Applications Of Operating Funding</b>                                |                             |                             |                             |                             |                             |                             |                             |                             |                             |                             |                             |
| Payments to staff and suppliers   | 7,302                       | <b>7,113</b>                | 7,301                       | 7,478                       | 8,004                       | 8,228                       | 8,471                       | 8,733                       | 9,022                       | 9,340                       | 9,685                       |
| Finance costs   | 751                         | <b>852</b>                  | 789                         | 889                         | 992                         | 1,079                       | 1,134                       | 1,156                       | 1,151                       | 1,139                       | 1,125                       |
| Internal charges and overheads applied                                  | 2,247                       | <b>2,189</b>                | 2,431                       | 2,492                       | 2,554                       | 2,654                       | 2,689                       | 2,768                       | 2,852                       | 2,945                       | 3,042                       |
| Other operating funding applications                                    |                             |                             |                             |                             |                             |                             |                             |                             |                             |                             |                             |
| <b>Total Applications Of Operating Funding</b>                          | <b>10,300</b>               | <b>10,154</b>               | 10,521                      | 10,859                      | 11,550                      | 11,960                      | 12,293                      | 12,657                      | 13,025                      | 13,424                      | 13,852                      |
| <b>Surplus/(Deficit) Of Operating Funding</b>                           | <b>3,839</b>                | <b>4,217</b>                | 4,257                       | 3,985                       | 5,247                       | 5,452                       | 5,890                       | 6,005                       | 5,993                       | 6,314                       | 5,934                       |
| <b>Sources Of Capital Funding</b>                                       |                             |                             |                             |                             |                             |                             |                             |                             |                             |                             |                             |
| Subsidies and grants for capital expenditure                            | 6,196                       | <b>5,175</b>                | 4,565                       | 5,117                       | 6,610                       | 6,181                       | 5,941                       | 5,067                       | 5,437                       | 5,804                       | 6,266                       |
| Development and financial contributions                                 |                             |                             |                             |                             |                             |                             |                             |                             |                             |                             |                             |
| Increase/(decrease) in debt   | 2,329                       | <b>739</b>                  | 86                          | 624                         | 2,234                       | 860                         | 723                         | (46)                        | (121)                       | (242)                       | (189)                       |
| Gross proceeds from the sale of assets                                  |                             |                             |                             |                             |                             |                             |                             |                             |                             |                             |                             |
| Lump sum contributions  |                             |                             |                             |                             |                             |                             |                             |                             |                             |                             |                             |
| Other dedicated capital funding   | 0                           | <b>165</b>                  | 169                         | 173                         | 178                         | 183                         | 188                         | 0                           | 200                         | 0                           | 214                         |
| <b>Total Sources Of Capital Funding</b>                                 | <b>8,525</b>                | <b>6,079</b>                | 4,820                       | 5,915                       | 9,022                       | 7,224                       | 6,852                       | 5,021                       | 5,516                       | 5,563                       | 6,291                       |
| <b>Applications Of Capital Funding</b>                                  |                             |                             |                             |                             |                             |                             |                             |                             |                             |                             |                             |
| Capital expenditure   |                             |                             |                             |                             |                             |                             |                             |                             |                             |                             |                             |
| - to meet additional demand   | 3,174                       | <b>1,184</b>                | 96                          | 277                         | 3,982                       | 2,064                       | 574                         | 110                         | 78                          | 581                         | 381                         |
| - to improve the level of service                                       | 3,126                       | <b>2,971</b>                | 2,738                       | 3,400                       | 2,555                       | 3,023                       | 4,693                       | 2,120                       | 2,966                       | 3,050                       | 3,942                       |
| - to replace existing assets  | 7,367                       | <b>8,548</b>                | 7,881                       | 8,295                       | 9,258                       | 9,027                       | 9,212                       | 9,607                       | 9,852                       | 10,371                      | 10,841                      |
| Increase/(decrease) in reserves   | (1,302)                     | <b>(2,407)</b>              | (1,638)                     | (2,072)                     | (1,524)                     | (1,439)                     | (1,737)                     | (811)                       | (1,388)                     | (2,125)                     | (2,940)                     |
| Increase/(decrease) of investments                                      |                             |                             |                             |                             |                             |                             |                             |                             |                             |                             |                             |
| <b>Total Applications Of Capital Funding</b>                            | <b>12,364</b>               | <b>10,296</b>               | 9,077                       | 9,900                       | 14,270                      | 12,676                      | 12,742                      | 11,026                      | 11,508                      | 11,877                      | 12,224                      |
| <b>Surplus/(Deficit) Of Capital Funding</b>                             | <b>(3,839)</b>              | <b>(4,217)</b>              | (4,257)                     | (3,985)                     | (5,247)                     | (5,452)                     | (5,890)                     | (6,005)                     | (5,992)                     | (6,314)                     | (5,934)                     |
| <b>FUNDING BALANCE</b>  | <b>0</b>                    | <b>0</b>                    | 0                           | 0                           | 0                           | 0                           | 0                           | 0                           | 0                           | 0                           | 0                           |

# Sewer



# Sewer

## What we do

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 domestic 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.

## Why we do it

Sewer particularly contributes to the economy and lifestyle aspects of the Council's vision.

Sewer schemes support and underpin the health, wellbeing and financial prosperity of Timaru District communities.

Collective provision is the only realistic option to ensure large populations enjoy the benefits of these services. Provision of quality, affordable sewer systems are core services expected by the community.

Removal and mitigation of the adverse impacts of wastewater on the environment benefits current and future generations. It safeguards district waterways and the environment from direct discharges and helps protect their life-supporting capacity.

Sewer services infrastructure is an essential element to maintaining district prosperity and promoting economic

development. Well planned infrastructure facilitates the continued development of industry and future proofed systems attract business to the district. Ongoing maintenance of wastewater systems occurs to ensure minimal impact on businesses and essential services.

Safe treatment and disposal of sewage are of vital importance to the protection of the quality of life and public health of district residents.

The provision of sewer services is a core service under the Local Government Act. The delivery of sewer services is guided and governed by several Acts and regional and local plans and policies, including the:

- Local Government Act 2002
- Resource Management Act 1991
- Health Act 1956
- Regional Coastal Environment Plan (Environment Canterbury)
- Canterbury Land and Water Plan (Environment Canterbury)
- Canterbury Water Management Strategy (Environment Canterbury)
- NZ Coastal Policy Statement
- National Policy Statement for Freshwater Management
- Timaru District Plan (TDC)
- Timaru District Consolidated Bylaw 2013 (TDC)

## 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

## Effects on community

Sewer can have a range of effects on the community, some of which are positive, others which can be negative. The positive effects have been outlined under the heading "Why we do it". Potential negative effects are identified in the table below:

| Effect  | Type of effect                      | How Council intends to mitigate effect   |
|---|-------------------------------------|--|
| Periodic foul odours from oxidation ponds can be emitted where natural biological processes are disrupted by dissolved oxygen levels, cold weather conditions, shock loadings or parasitic infections | Cultural<br>Social<br>Environmental | Oxidation ponds are monitored to provide early identification of poor performance and enable mitigation measures to be implemented   |
| Standard of the effluent being discharged into coastal waters can have negative effects (e.g. on marine life, closure of beaches)   | Cultural<br>Social<br>Environmental | Effluent quality and impacts on the receiving environment are monitored to minimise adverse effects. The upgraded Timaru wastewater treatment facility will reduce the negative effects.   |
| The occurrence of overflows, spills and odours from the sewer network   | Social<br>Environmental             | Systematic identification, prioritisation and implementation of network improvements reduce the risk of such occurrences.  |
| Discharge of effluent into the ocean is regarded by Maori as offensive, although the area is not a traditional food gathering area and is seldom used for other purposes including recreational use   | Cultural                            | The wastewater treatment facility upgrade includes a wetland prior to ocean discharge as a means of further mitigating negative cultural effects. Significant negative cultural effects have been effectively eliminated through not discharging effluent to rivers at Temuka, Geraldine and Pleasant Point. |
| The cost of improving effluent treatment is very high, which will result in increased charges for domestic and industrial users and potential for wider economic effects                              | Social<br>Economic                  | Charges will be monitored and set at as affordable level as possible   |

## Key issues for next 10 years

The main issues for the Sewer activity are expected to come from meeting environmental standards for treatment and disposal, replacing ageing infrastructure and meeting demand. These are discussed further below.

### Replacing below ground sewer infrastructure

The Timaru District Wastewater Strategy implemented in the last 10 years has resulted in upgrading and construction of new sewerage treatment facilities and will be largely completed once the Timaru Wastewater Treatment Plant upgrade has been commissioned in 2015. This has enabled a district-wide system of sewer treatment to be implemented along with meeting the requirements of resource consents. Following commissioning of the new treatment processes, there will be significant ongoing operational and monitoring requirements.

Attention is now shifting to addressing the poor condition of some below ground pipes along with the removal of sludge from oxidation ponds. Poor pipe condition has led to higher rates of inflow and infiltration where rain and groundwater enters the sewers through pipe defects and unauthorised connections. Based on the assessed remaining life of these assets, there is an estimated \$172 million sewer mains renewal cost in the next 10 years, at 1.72M per year.

### Growth and Development

Demand for sewer services is primarily driven by demographic and economic growth factors. While population and household are expected to slowly increase, they are not expected to significantly impact on sewer services in the next ten years. Future demand may, however, come from communities not currently connected to the existing Inland Towns pipeline, such as Winchester and Seadown. The extension of urban services at the periphery of residential zones will increase the cost of services, compared to infill development.

Industrial and commercial growth is expected to remain gradual and manageable within the existing capacity of the sewerage systems provided. However, if a major 'wet' industry left or established in Timaru District, the impact could be

# Sewer

significant either on wastewater quantities or maintaining the affordability of the scheme.

## Climate change

Climate change may cause issues in the future with wastewater networks. The main potential impact may be as a result of increased inflow from intense rainfall events. These events may result in sewer overflows or other service failure if the network cannot deal with the inflows or rainfall is beyond the levels the system is designed for. Greater effort will be required in investigating major rain events and their impact on sewer asset capacity, and in inspecting assets and monitoring performance. High rainfall events can also increase the level of infiltration into the system.

## Maintaining affordability and meeting community expectations

The community expects a high quality delivery of service (i.e. their waste disappearing down the toilet never to be seen again) and that sewage will have a minimal impact on environmental quality. The Council must balance these expectations with the ability of the community to pay, the need to meet environment standards, the impact on community wellbeing and the need to plan effectively for the district's future needs.

## Monitoring sewer systems usage

In 2014, Trade Waste Agreements were made with all the major industries discharging to the Timaru District Sewer System. These set the volume and strength limits of their trade waste discharges. Some are currently outside their permitted loadings, and monitoring will be required to ensure industries are complying.

Active monitoring will be required to ensure tankered discharges disposed of at TDC treatment facilities are meeting requirements and not impacting negatively on the TDC operation.

## Network Extensions

In some residentially zoned vacant land areas there are no sewer or stormwater pipes to service potential building sites. Council has allocated funding to enable trunk sewer and

stormwater pipes to be installed to service this land. Council will recoup the costs of the installation over time, from each developer as the land is subdivided for building purposes. Roads, footpaths and water mains will also be provided by the developer at their own cost.

## What we plan to do and our levels of service

### 1. Maintain excellent sewer network services

|                                   |  |   |   |
|-----------------------------------|--|---|---|
| <b>How we do it</b>               | <ul style="list-style-type: none"> <li>■ Maintain wastewater scheme networks and respond to service failures</li> <li>■ Manage growth of network</li> <li>■ Manage sewer services contracts</li> <li>■ Monitor condition and performance of wastewater reticulation and assets</li> <li>■ Complete capital expenditure programme associated with improving and developing the network</li> </ul> |   |   |
| <b>How we measure performance</b> |  | <b>Year 1 – 3 target: 2015/16 – 2017/18</b>                     | <b>Year 4 – 10 target: 2018/19 – 2024/25</b>                    |
|                                   | Number of dry weather overflows from the sewerage system   | 1 or fewer recorded dry weather overflows per 1,000 connections | 1 or fewer recorded dry weather overflows per 1,000 connections |

### 2. Deliver sewer services according to required environmental standards

|                                   |   |  |  |
|-----------------------------------|---|--|--|
| <b>How we do it</b>               | <ul style="list-style-type: none"> <li>■ Manage and monitor sewage treatment and disposal systems under conditions of resource consents</li> <li>■ Monitor quality of effluent</li> <li>■ Monitor ongoing regulatory change for wastewater activities</li> <li>■ Treatment and disposal of domestic and industrial wastewater via the wastewater schemes</li> <li>■ Manage collection and disposal of tankered waste product</li> <li>■ Update and review Risk Management Strategy</li> </ul> |  |  |
| <b>How we measure performance</b> |   | <b>Year 1 – 3 target: 2015/16 – 2017/18</b>                                    | <b>Year 4 – 10 target: 2018/19 – 2024/25</b>                                   |
|                                   | Compliance with Resource Consent conditions   | No abatement notices, infringement notices, enforcement orders and convictions | No abatement notices, infringement notices, enforcement orders and convictions |

### 3. Provide management of trade waste services

|                                   |   |  |  |
|-----------------------------------|---|--|--|
| <b>How we do it</b>               | <ul style="list-style-type: none"> <li>■ Monitor compliances with trade waste agreement conditions</li> <li>■ Take enforcement action as required</li> <li>■ Negotiate and review new or existing agreements as required</li> </ul> |  |  |
| <b>How we measure performance</b> |   | <b>Year 1 – 3 target: 2015/16 – 2017/18</b>                  | <b>Year 4 – 10 target: 2018/19 – 2024/25</b>                 |
|                                   | Monitoring and reporting on trade waste agreements with industry  | Liaise with and monitor 13 major industries 6 times per year | Liaise with and monitor 13 major industries 6 times per year |

## 4. Maintain excellent customer service

|                                   |   |   |                |   |                          |
|-----------------------------------|---|---|----------------|---|--------------------------|
| <b>How we do it</b>               | <ul style="list-style-type: none"> <li>■ Provide a customer service request system 24 hours a day, 7 days a week</li> <li>■ Investigate and rectify sewer services and wastewater odour complaints</li> <li>■ Maintain wastewater scheme networks and respond to service failures or faults</li> <li>■ Manage the collection, treatment and disposal of domestic and industrial wastewater</li> <li>■ Monitor demand on all wastewater schemes</li> </ul> |   |                |   |                          |
| <b>How we measure performance</b> |   | <b>Year 1 – 3 target: 2015/16 – 2017/18</b>   |                | <b>Year 4 – 10 target: 2018/19 – 2024/25</b>  |                          |
|                                   | <b>Median attendance and resolution times to sewerage overflow faults in the network<sup>#</sup></b>  | <ul style="list-style-type: none"> <li>■ Median attendance time will be less than 1 hour</li> <li>■ Median resolution time will be less than 8 hours</li> </ul> |                | <ul style="list-style-type: none"> <li>■ Median attendance time will be less than 1 hour</li> <li>■ Median resolution time will be less than 8 hours</li> </ul> |                          |
|                                   | <b>Total complaints received about:</b><br>1) Sewage odour<br>2) Sewerage system faults<br>3) Sewerage system blockages<br>4) The TDC response to sewerage system issues  | 10 or fewer complaints received per 1,000 connections   |                | 10 or fewer complaints received per 1,000 connections   |                          |
|                                   |   | <b>Year 1 – 3 target:</b>   |                | <b>Year 4 – 10 target:</b>  |                          |
|                                   | <b>Sewer services user satisfaction levels</b>  | <b>2015/16</b>  | <b>2016/17</b> | <b>2017/18</b>  | <b>2018/19 – 2024/25</b> |
|                                   | <b>Sewer services overall satisfaction levels</b>   | 85% or greater are satisfied with sewer services where a service is provided  | No survey      | 85% or greater  | 85% or greater           |

<sup>#</sup>Attendance – Response time applies from the time the local authority receives notification to the time service personnel reach the site

Resolution – Response time applies from the time the local authority receives notification to the time service personnel confirm resolution of the fault.

## 5. Deliver affordable sewer services

|                                   |  |   |           |                |                                     |
|-----------------------------------|--|---|-----------|----------------|-------------------------------------|
| <b>How we do it</b>               | <ul style="list-style-type: none"> <li>■ Maintain wastewater scheme networks and respond to service failures</li> <li>■ Manage sewer services contracts</li> <li>■ Manage growth of the sewer network</li> <li>■ Complete capital expenditure programme</li> </ul> |   |           |                |                                     |
| <b>How we measure performance</b> |  | Year 1 – 3 target:  |           |                | Year 4 – 10 target:                 |
|                                   | Customer satisfaction with value for money of sewer services   | 2015/16   | 2016/17   | 2017/18        | 2018/19 – 2024/25                   |
|                                   |  | 85% or greater of users think sewer services are good value for money | No survey | 85% or greater | 85% or greater                      |
|                                   | Operating cost of combined sewer services  | Actual operating cost within budget                                   |           |                | Actual operating cost within budget |

### How this activity is funded

Operating expenditure for activities within the Sewer group are funded through a variety of mechanisms, as summarised in the table below:

|       | General Rates | Uniform Annual General Charges | Targeted rates | User fees and charges | Interest | Dividends from investments | Financial Contributions | Grants and subsidies | Other Sources |
|-------|---------------|--------------------------------|----------------|-----------------------|----------|----------------------------|-------------------------|----------------------|---------------|
| Sewer |               |                                | ✓              | ✓                     |          |                            | ✓                       |                      |               |

For further information on how this activity is funded, refer to the Revenue and Financing Policy and Funding Impact Statement.

# Sewer

## Projects

| ID           | Project Title  | Summary  | Expenditure |           |           |                 |
|--------------|--|--|-------------|-----------|-----------|-----------------|
|              |  |  | 2015/16     | 2016/17   | 2017/18   | 2018/19-2024/25 |
| <b>SEW1</b>  | <b>Drainage/Sewer-Small Mains Renewals and Capital Upgrades</b>              | Replacement of pipes and other sewer assets across the district as they reach the end of their useful life.  | 2,185,000   | 1,485,500 | 1,523,100 | 11,602,500      |
| <b>SEW2</b>  | <b>Maintenance Generated Renewals</b>  | Renewals generated as a result of planned maintenance to the sewer network.  | 40,000      | 41,000    | 42,000    | 330,500         |
| <b>SEW3</b>  | <b>Model Analysis and Calibration</b>  | Wastewater network modelling and flow monitoring for model calibration purposes.   | 25,000      | 25,600    | 26,300    | 347,200         |
| <b>SEW4</b>  | <b>Bio Filters/Trunk Main Ventilation</b>                                    | Investigation and implementation of strategies to ensure sewer trunk main ventilation.   | 22,000      | 0         | 0         | 0               |
| <b>SEW5</b>  | <b>Pump Renewals</b>   | Renewal of pumps as they come to the end of their useful life.   | 88,000      | 131,100   | 121,800   | 809,200         |
| <b>SEW6</b>  | <b>Data Capture Equipment Repairs</b>  | Repair of sewer sampling and monitoring equipment.   | 16,000      | 16,400    | 16,800    | 132,000         |
| <b>SEW7</b>  | <b>Mechanical Plant and equipment Renewals</b>                               | Replacement of plant and equipment that has reached the end of its design life, including electrical equipment, Programme Logic Controllers (PLC) and telemetry. | 50,000      | 51,200    | 189,100   | 1,501,000       |
| <b>SEW8</b>  | <b>Conveyor and Presses Upgrade</b>  | Upgrading of the milliscreen plant conveyors and presses.  | 70,000      | 0         | 73,500    | 0               |
| <b>SEW9</b>  | <b>Inland Towns Ponds Screens and Aerators Renewals</b>                      | Renewals of pond screens and aerators that have reached the end of their useful life.  | 90,000      | 0         | 42,000    | 110,700         |
| <b>SEW10</b> | <b>Building and equipment renewals</b>                                       | Renewals at buildings and equipment associated with the sewer network  | 30,000      | 15,400    | 15,800    | 195,200         |
| <b>SEW11</b> | <b>Talbot Street, Geraldine Siphon Upgrade</b>                               | Installation of a new siphon, in addition to the existing one, to improve sewer network capacity downstream to the Geraldine Pond.                               | 8,000       | 0         | 0         | 646,700         |
| <b>SEW12</b> | <b>Domestic Treatment</b>  | Completion of the domestic wastewater treatment plant upgrade in Aorangi Road, Timaru.   | 100,000     | 0         | 0         | 0               |
| <b>SEW13</b> | <b>Sewer Reticulation Extensions to enable development (Urban Zone Only)</b> | The extension of reticulation in Sewer networks to enable residential development in urban areas.  | 900,000     | 256,100   | 105,000   | 826,000         |

## Funding Impact Statement

|   | Budget<br>2014/15<br>\$'000 | Budget<br>2015/16<br>\$'000 | Budget<br>2016/17<br>\$'000 | Budget<br>2017/18<br>\$'000 | Budget<br>2018/19<br>\$'000 | Budget<br>2019/20<br>\$'000 | Budget<br>2020/21<br>\$'000 | Budget<br>2021/22<br>\$'000 | Budget<br>2022/23<br>\$'000 | Budget<br>2023/24<br>\$'000 | Budget<br>2024/25<br>\$'000 |
|---|-----------------------------|-----------------------------|-----------------------------|-----------------------------|-----------------------------|-----------------------------|-----------------------------|-----------------------------|-----------------------------|-----------------------------|-----------------------------|
| <b>Sources Of Operating Funding</b>                                     |                             |                             |                             |                             |                             |                             |                             |                             |                             |                             |                             |
| General Rates, Uniform annual general charges, rates penalties          |                             |                             |                             |                             |                             |                             |                             |                             |                             |                             |                             |
| Targeted Rates  | 6,750                       | <b>6,900</b>                | 7,000                       | 7,150                       | 7,350                       | 7,400                       | 7,450                       | 7,450                       | 7,450                       | 7,450                       | 7,500                       |
| Subsidies and grants for operating purposes                             |                             |                             |                             |                             |                             |                             |                             |                             |                             |                             |                             |
| Fees and charges  | 2,500                       | <b>2,530</b>                | 2,596                       | 2,664                       | 2,737                       | 2,816                       | 2,901                       | 2,994                       | 3,093                       | 3,201                       | 3,319                       |
| Internal charges and overheads recovered                                | 0                           | <b>0</b>                    | 0                           | 0                           | 0                           | 0                           | 0                           | 0                           | 0                           | 0                           | 0                           |
| Local authorities fuel tax, fines, infringement fees and other receipts | 0                           | <b>0</b>                    | 0                           | 0                           | 0                           | 0                           | 0                           | 0                           | 0                           | 0                           | 0                           |
| <b>Total Operating Funding</b>  | <b>9,250</b>                | <b>9,430</b>                | <b>9,596</b>                | <b>9,814</b>                | <b>10,087</b>               | <b>10,216</b>               | <b>10,351</b>               | <b>10,444</b>               | <b>10,543</b>               | <b>10,651</b>               | <b>10,819</b>               |
| <b>Applications Of Operating Funding</b>                                |                             |                             |                             |                             |                             |                             |                             |                             |                             |                             |                             |
| Payments to staff and suppliers   | 1,779                       | <b>2,200</b>                | 2,056                       | 2,192                       | 2,092                       | 2,236                       | 2,667                       | 2,283                       | 2,343                       | 2,440                       | 2,647                       |
| Finance costs   | 3,653                       | <b>3,687</b>                | 3,678                       | 3,567                       | 3,433                       | 3,256                       | 3,279                       | 3,273                       | 3,269                       | 3,255                       | 3,237                       |
| Internal charges and overheads applied                                  | 1,381                       | <b>1,462</b>                | 1,525                       | 1,407                       | 1,452                       | 1,455                       | 1,488                       | 1,547                       | 1,568                       | 1,613                       | 1,683                       |
| Other operating funding applications                                    |                             |                             |                             |                             |                             |                             |                             |                             |                             |                             |                             |
| <b>Total Applications Of Operating Funding</b>                          | <b>6,812</b>                | <b>7,348</b>                | <b>7,258</b>                | <b>7,166</b>                | <b>6,978</b>                | <b>6,946</b>                | <b>7,433</b>                | <b>7,103</b>                | <b>7,180</b>                | <b>7,308</b>                | <b>7,566</b>                |
| <b>Surplus/(Deficit) Of Operating Funding</b>                           | <b>2,438</b>                | <b>2,082</b>                | <b>2,338</b>                | <b>2,648</b>                | <b>3,109</b>                | <b>3,270</b>                | <b>2,918</b>                | <b>3,341</b>                | <b>3,364</b>                | <b>3,343</b>                | <b>3,253</b>                |
| <b>Sources Of Capital Funding</b>                                       |                             |                             |                             |                             |                             |                             |                             |                             |                             |                             |                             |
| Subsidies and grants for capital expenditure                            | 30                          | <b>190</b>                  | 160                         | 130                         | 130                         | 130                         | 130                         | 130                         | 130                         | 130                         | 130                         |
| Development and financial contributions                                 |                             |                             |                             |                             |                             |                             |                             |                             |                             |                             |                             |
| Increase/(decrease) in debt   | 95                          | <b>(300)</b>                | (1,673)                     | (2,842)                     | (1,249)                     | (287)                       | (129)                       | (109)                       | (68)                        | (389)                       | (231)                       |
| Gross proceeds from the sale of assets                                  |                             |                             |                             |                             |                             |                             |                             |                             |                             |                             |                             |
| Lump sum contributions  |                             |                             |                             |                             |                             |                             |                             |                             |                             |                             |                             |
| Other dedicated capital funding   |                             |                             |                             |                             |                             |                             |                             |                             |                             |                             |                             |
| <b>Total Sources Of Capital Funding</b>                                 | <b>125</b>                  | <b>(110)</b>                | <b>(1,513)</b>              | <b>(2,712)</b>              | <b>(1,119)</b>              | <b>(157)</b>                | <b>1</b>                    | <b>21</b>                   | <b>62</b>                   | <b>(259)</b>                | <b>(101)</b>                |
| <b>Applications Of Capital Funding</b>                                  |                             |                             |                             |                             |                             |                             |                             |                             |                             |                             |                             |
| Capital expenditure   |                             |                             |                             |                             |                             |                             |                             |                             |                             |                             |                             |
| - to meet additional demand   | 0                           | <b>900</b>                  | 256                         | 105                         | 108                         | 111                         | 114                         | 117                         | 121                         | 125                         | 130                         |
| - to improve the level of service                                       | 1,368                       | <b>108</b>                  | 0                           | 0                           | 647                         | 0                           | 0                           | 0                           | 0                           | 0                           | 0                           |
| - to replace existing assets  | 1,986                       | <b>2,616</b>                | 1,766                       | 2,050                       | 1,457                       | 2,369                       | 2,162                       | 2,171                       | 2,153                       | 2,376                       | 2,340                       |
| Increase/(decrease) in reserves   | (791)                       | <b>(1,652)</b>              | (1,197)                     | (2,220)                     | (221)                       | 633                         | 644                         | 1,073                       | 1,151                       | 584                         | 682                         |
| Increase/(decrease) of investments                                      |                             |                             |                             |                             |                             |                             |                             |                             |                             |                             |                             |
| <b>Total Applications Of Capital Funding</b>                            | <b>2,563</b>                | <b>1,972</b>                | <b>825</b>                  | <b>(64)</b>                 | <b>1,990</b>                | <b>3,113</b>                | <b>2,919</b>                | <b>3,362</b>                | <b>3,425</b>                | <b>3,085</b>                | <b>3,152</b>                |
| <b>Surplus/(Deficit) Of Capital Funding</b>                             | <b>(2,438)</b>              | <b>(2,082)</b>              | <b>(2,338)</b>              | <b>(2,648)</b>              | <b>(3,109)</b>              | <b>(3,270)</b>              | <b>(2,918)</b>              | <b>(3,341)</b>              | <b>(3,364)</b>              | <b>(3,343)</b>              | <b>(3,253)</b>              |
| <b>FUNDING BALANCE</b>  | <b>0</b>                    |

# Stormwater



# Stormwater

## What we do

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)

## Why we do it

Stormwater services particularly contribute to the economy and lifestyle aspects of the Council's vision.

Stormwater schemes underpin the safety of Timaru District communities, people and property via collection and redirection of rainwater. These systems ensure rainfall is quickly and efficiently removed and prevent ongoing economic damage as a result of extreme weather events.

Stormwater schemes are core community assets. Providing the service collectively is the only realistic option in urban areas to ensure large populations enjoy the benefits of these services.

Systems are vital to maintaining economic prosperity and promoting district development. Business assets and activities are provided with protection against flooding or ponding of stormwater within design levels of service.

Stormwater is of vital importance to the quality of life and public health of the district's residents. Treatment of stormwater is becoming more important to ensure adverse environmental impacts are minimised.

The provision of stormwater services is a core service under the Local Government Act. The delivery of stormwater

services is guided and governed by several Acts and regional and local plans and policies. These include the:

- Local Government Act 2002 and 1974
- Resource Management Act 1991
- Health Act 1956
- Canterbury Natural Resources Regional Plan (Environment Canterbury)
- Canterbury Regional Policy Statement (Environment Canterbury)
- Regional Coastal Environment Plan (Environment Canterbury)
- Canterbury Water Management Strategy (Environment Canterbury)
- New Zealand Coastal Policy Statement 2010
- National Policy Statement for Freshwater Management 2014
- National Environmental Standards for Sources of Human Drinking Water
- National Environmental Standard for Assessing and Managing Contaminants in Soil to Protect Human Health
- Timaru District Plan (TDC)
- Timaru District Consolidated Bylaw 2013 (TDC)

## 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

# Stormwater

## Effects on community

Stormwater can have a range of effects on the community, some of which are positive, others which can be negative. The positive effects have been outlined under the heading "Why we do it". Potential negative effects are identified in the table below:

| Effect  | Type of effect          | How Council intends to mitigate effect   |
|---|-------------------------|--|
| Highly engineered stormwater systems may result in the loss of connected community greenspace along waterways in urban centres, which is of increasing value to communities   | Cultural<br>Social      | Alternatives to traditional stormwater control using low impact design techniques (e.g. swales, retention dams) are being investigated and used where possible in new developments or retrofitting existing areas.   |
| Highly engineered stormwater systems in urban areas can have a significant negative impact on the environment, through increased runoff volumes overloading downstream areas, sediment being carried away and streambed erosion | Social<br>Environmental | Alternatives to traditional stormwater control using low impact design techniques (e.g. swales, retention dams) are being investigated and used where possible in new developments or retrofitting existing areas. Systematic identification, prioritisation and implementation of network improvements will be used to help address environmental effect. |
| Adverse impacts for property result from damage to secondary (or overland) flow paths   | Social<br>Economic      | Refer above.   |
| Absence of or an inadequate stormwater system can have severe economic effects for communities  | Social<br>Economic      | Systems are designed to a certain capacity based on the community's ability to pay. These can potentially be exceeded in severe weather events.  |
| Localised adverse impacts for property result from blocked or damaged stormwater drains during storm events   | Social<br>Economic      | Renewals, maintenance, and prompt responses to reactive issues minimise the impacts  |

## Key issues for next 10 years

The main issues for Stormwater are expected to come from meeting the requirements of legislation and policies relating to the treatment and discharge of stormwater.

### Meeting requirements of legislation and policy

Legislation and regional policy is driving local authorities to improve the environmental quality of stormwater discharge. The most significant focus over the next ten years will be meeting the requirements imposed by the Canterbury Land and Water Regional Plan (CLWRP). This plan sets discharge requirements and conditions for installing and using stormwater infrastructure.

The LWRP has increased the complexity of obtaining resource consents for stormwater discharge and the potential for resource consent conditions which may have significant implications. For example this is likely to require treatment of stormwater prior to discharge to waterways and the ocean to mitigate the risk of poor quality discharges that would harm the environment.

To obtain resource consents for stormwater discharges, TDC is required to prepare Stormwater Management Plans for all stormwater catchments in the district. With approximately 120 stormwater catchments in the Timaru District, this is a significant task that requires significant additional expenditure in the stormwater activity. Resource consents are required by 2018, with compliance with those consents achieved by 2025.

### Meeting the cost of compliance

The LWRP requires a commitment to progressive improvement of stormwater discharges to meet water quality standards by 2025. This is likely to include treatment and attenuation (stormwater retention) of stormwater prior to disposal to waterways and the ocean. There will be significant cost implications in meeting these requirements, including:

- preparing stormwater management plans
- obtaining resource consents
- new or additional assets that may need to be acquired or built
- stormwater quality improvements that need to be carried out (e.g. riparian or creek improvements)

# Stormwater

## Climate Change

Climate change predictions are for potential increases in high intensity rainfall for the district. Existing stormwater systems may not meet their intended level of service as detailed in *What we do*. To counter this, the Council is implementing alternative low impact design retention methods (e.g. swales and retention dams) to manage stormwater runoff in a more sustainable manner.

## Secondary/overland flow paths

Secondary or overland flow paths are currently not clearly identified and protected. They are important to mitigate localised flooding where obstructions impede the flow of the runoff. A strategy to identify secondary flow paths and protect them needs to be addressed in the updating of the District Plan. TDC has started the process in identifying the secondary flow paths by creating a Stormwater Modelling Strategy and Stormwater Road Map.

## Growth and Development

Growth and land use changes have the dual impacts of increasing impervious areas (i.e. concrete and paved surfaces) in the district and degrading secondary flow paths for stormwater.

During the 1970s and 80s most open stormwater channels that ran along the bottom of the stormwater catchments were piped. This has meant land use in these areas has changed. Building and solid fencing have contributed to the degradation of secondary stormwater flow paths and short-term storage areas. These lifestyle shifts have increased impervious areas in stormwater catchments (primarily in Timaru and Geraldine) by 60-90% over that assumed when the pipes for these main gully stormwater drains were originally designed.

Population and household number changes are not expected to significantly impact on stormwater services in the next ten years. Future demand may, however, come from communities not currently connected to the reticulated system. The extension of services will increase the cost of services. Industrial and commercial growth is expected to remain gradual. However, if more areas are built-up, or with increasing infill development, more natural spaces for

stormwater subsidence are occupied and more impervious areas are created. This puts greater pressure on the existing capacity of stormwater pipes/systems and will increase infrastructure requirement to manage stormwater flows.

Shifting population trends in the district, residential infill, and rezoning and development on the fringes of communities may also influence the ability of stormwater systems to cope with stormwater flows. To address these issues, the Council has looked to implement low impact options, such as short term retention dams, swales and other soft engineering solutions. These have been built into new residential zones such as Residential Zone 6 - Gleniti.

The District Plan Review is taking place over the next few years and will present an opportunity for the community and stakeholders to influence policy, including how onsite stormwater treatment is permitted, funded and the required amount of treatment. The policy may also provide for some guidelines about land use in relation to overland stormwater flowpaths.

## Replacing stormwater infrastructure

Due to a limited amount of physical condition assessment of pipe assets, renewals based on remaining life shows significant amounts of small mains needs renewals. TDC plans to carry out CCTV inspection and re-assess asset lives in the next 3 years and build a more accurate picture.

Provision is being made for the necessary expenditure in the future, with funding over the next ten years to renew and / or upgrade stormwater infrastructure. There is an estimated \$5.84 million asset renewal and improvement cost in the next 10 years. Meeting the requirements of the resource consents will shape the renewals and/or development of stormwater assets in the future.

## Maintaining affordability and meeting community expectations

Community expectations are constantly increasing for an improved service. TDC must balance these expectations with the ability of the community to pay and the need to plan effectively for the District's future needs. Also, the cost to maintain levels of service may not be acceptable to consumers. There is greater effort required to educate the

public on stormwater responsibility. Consumers need to be aware of their responsibilities for onsite devices to treat water quality and assist TDC with quantity issues.

## Network Extensions

In some residentially zoned vacant land areas there are no sewer or stormwater pipes to service potential building sites. Council has allocated funding to enable trunk sewer and stormwater pipes to be installed to service this land. Council will recoup the costs of the installation over time, from each developer as the land is subdivided for building purposes. Roads, footpaths and water mains will also be provided by the developer at their own cost.

# Stormwater

## What we plan to do and our levels of service

### 1. Maintain excellent stormwater network services

|                                   |   |   |   |
|-----------------------------------|---|---|---|
| <b>How we do it</b>               | <ul style="list-style-type: none"> <li>■ Maintain stormwater scheme networks and respond to service failures</li> <li>■ Develop and implement system for recording flooding events</li> <li>■ Manage growth of network</li> <li>■ Manage stormwater services contracts</li> <li>■ Monitor demand on all stormwater schemes</li> <li>■ Collection and disposal of stormwater via stormwater schemes</li> <li>■ Monitor condition and performance of stormwater reticulation and assets</li> <li>■ Construction/implementation of stormwater treatment options on urban schemes</li> <li>■ Complete capital expenditure programme associated with improving and developing the network</li> </ul> |   |   |
| <b>How we measure performance</b> |   | <b>Year 1 – 3 target: 2015/16 – 2017/18</b>   | <b>Year 4 – 10 target: 2018/19 – 2024/25</b>  |
|                                   | <b>Number of flooding events in the Timaru district<sup>#</sup></b>   | Zero flooding for events up to a one in 50 year return period                                     | Zero flooding for events up to a one in 50 year return period                                     |
|                                   | <b>Number of habitable floors affected by flooding events in the Timaru district<sup>#</sup></b>  | Zero habitable floors affected in events up to one in 50 year return period per 1,000 connections | Zero habitable floors affected in events up to one in 50 year return period per 1,000 connections |

<sup>#</sup> Flooding event means an event where stormwater enters a habitable floor.

### 2. Deliver stormwater services according to required environmental standards

|                                   |  |  |  |
|-----------------------------------|--|--|--|
| <b>How we do it</b>               | <ul style="list-style-type: none"> <li>■ Manage and monitor stormwater systems under conditions of resource consents</li> <li>■ Monitor ongoing regulatory change for stormwater activities</li> <li>■ Develop a Demand Management Plan for the Stormwater Activity</li> <li>■ Update and review Risk Management Strategy</li> <li>■ Investigate options for stormwater treatment</li> <li>■ Develop stormwater quality monitoring systems</li> <li>■ Prepare and complete Stormwater Management Plans as required under the Canterbury Land and Water Regional Plan for Geraldine, Pleasant Point, Temuka and Timaru</li> <li>■ Apply for and receive stormwater resource consents by 2018</li> </ul> |  |  |
| <b>How we measure performance</b> |  | <b>Year 1 – 3 target: 2015/16 – 2017/18</b>                                    | <b>Year 4 – 10 target: 2018/19 – 2024/25</b>                                   |
|                                   | <b>Compliance with Resource Consent conditions for discharge from stormwater systems</b>   | No abatement notices, infringement notices, enforcement orders and convictions | No abatement notices, infringement notices, enforcement orders and convictions |

# Stormwater

## 3. Maintain excellent customer service

|   |  |   |                |                |   |
|---|--|---|----------------|----------------|---|
| <b>How we do it</b>                             | <ul style="list-style-type: none"> <li>Provide a customer service request system 24 hours a day, 7 days a week</li> <li>Investigate and rectify stormwater services complaints</li> <li>Maintain stormwater scheme networks and respond to service failures or faults</li> </ul> |   |                |                |   |
| <b>How we measure performance</b>               |  | Year 1 – 3 target: 2015/16 – 2017/18                              |                |                | Year 4 – 10 target: 2018/19 – 2024/25                             |
|   | Median response times to attending a flooding event <sup>#</sup>   | Median time to attend a flooding event will be less than one hour |                |                | Median time to attend a flooding event will be less than one hour |
|   | Total complaints received about performance of stormwater system <sup>#</sup>  | 10 or fewer per 1,000 connected properties                        |                |                | 10 or fewer per 1,000 connected properties                        |
|   | Stormwater services user satisfaction levels   | 2015/16   | 2016/17        | 2017/18        | 2018/19 – 2024/25   |
|   | 80% or greater are satisfied with stormwater services where a service is provided  | No survey   | 80% or greater | 80% or greater |   |
| Stormwater services overall satisfaction levels | 75% or greater of District residents are satisfied with stormwater services  | No survey   | 75% or greater | 75% or greater |   |

<sup>#</sup> Flooding event means an event where stormwater enters a habitable floor.

## 4. Deliver affordable stormwater services

|                                   |  |                                      |  |  |                                       |
|-----------------------------------|--|--------------------------------------|--|--|---------------------------------------|
| <b>How we do it</b>               | <ul style="list-style-type: none"> <li>Maintain stormwater scheme networks and respond to service failures</li> <li>Manage stormwater services contracts</li> <li>Manage growth of the stormwater network</li> <li>Complete capital expenditure programme</li> </ul> |                                      |  |  |                                       |
| <b>How we measure performance</b> |  | Year 1 – 3 target: 2015/16 – 2017/18 |  |  | Year 4 – 10 target: 2018/19 – 2024/25 |
|                                   | Operating cost of combined stormwater services   | Actual operating cost within budget  |  |  | Actual operating cost within budget   |

# Stormwater

## How this activity is funded

Operating expenditure for activities within the Stormwater group are funded through a variety of mechanisms, as summarised in the table below:

|            | General Rates | Uniform Annual General Charges | Targeted rates | User fees and charges | Interest | Dividends from investments | Financial Contributions | Grants and subsidies | Other Sources |
|------------|---------------|--------------------------------|----------------|-----------------------|----------|----------------------------|-------------------------|----------------------|---------------|
| Stormwater |               |                                | ✓              | ✓                     |          |                            | ✓                       |                      |               |

For further information on how this activity is funded, refer to the Revenue and Financing Policy and Funding Impact Statement.

# Stormwater

## Projects

| ID   | Project Title  | Summary  | Expenditure |         |         |                 |
|------|--|--|-------------|---------|---------|-----------------|
|      |  |  | 2015/16     | 2016/17 | 2017/18 | 2018/19-2024/25 |
| ST1  | Geraldine Stormwater Renewals  | General renewal of minor culverts, sumps and soak pits in Geraldine.   | 15,000      | 5,100   | 5,300   | 179,100         |
| ST2  | Geraldine Stormwater Capital Upgrades                                      | Upgrading of the Geraldine stormwater network, and other projects that will be identified in the Geraldine Stormwater Management Plan (SMP). | 75,000      | 0       | 0       | 530,100         |
| ST3  | Geraldine Hislop-Domain/Huffey Street Stormwater Upgrade                   | Upgrading the capacity of the stormwater network to improve flow and quality of discharge.   | 0           | 184,400 | 189,100 | 0               |
| ST4  | Temuka Stormwater Renewals   | General renewal of minor culverts, sumps and soak pits in Temuka.  | 15,500      | 5,600   | 16,300  | 349,000         |
| ST5  | Temuka Stormwater Capital Upgrades   | Upgrading of the Temuka stormwater network, and other projects that will be identified in the Temuka SMP.                                    | 50,000      | 51,200  | 0       | 530,100         |
| ST6  | Temuka - Fraser/King Street Stormwater Upgrades                            | Upgrading stormwater main in Fraser Street and King Street to improve stormwater flow and quality.   | 0           | 0       | 210,100 | 0               |
| ST7  | Timaru - Fixed Plant and Equipment Renewals                                | Renewal of plant and equipment that have reached the end of their useful life including electrical, instrumentation, controls and telemetry. | 0           | 0       | 37,800  | 95,300          |
| ST8  | Timaru Stormwater Network and Minor Renewals                               | General renewals of pipes, minor culverts, sumps and soak pits in Timaru.  | 155,000     | 15,400  | 15,800  | 1,192,000       |
| ST9  | Timaru - Gleniti Dams  | Construction of bunds to attenuate stormwater flow in the Gleniti area.  | 0           | 0       | 89,300  | 103,000         |
| ST10 | Timaru Stormwater Capital Upgrades   | Projects to improve stormwater network capacity and flow quality.  | 25,000      | 51,200  | 63,000  | 847,900         |
| ST11 | Timaru Stormwater Modelling  | Development of Stormwater Network Model in Timaru to improve the accuracy of stormwater analysis.  | 75,000      | 56,300  | 57,800  | 57,000          |
| ST12 | Timaru - Number 1 Drain Upgrade  | Increasing the capacity of the stormwater drain to improve network flow and quality of discharge.  | 200,000     | 0       | 0       | 0               |
| ST13 | Rural Stormwater Renewals  | General renewals of stormwater reticulation, minor culverts, sumps and soak pits in rural locations.   | 15,000      | 15,400  | 5,300   | 64,600          |
| ST14 | Rural Stormwater Capital Upgrades  | Projects to improve stormwater network capacity, flow and quality.   | 0           | 0       | 0       | 188,000         |
| ST15 | Stormwater Reticulation Extensions to enable development (Urban Zone Only) | The extension of reticulation in Stormwater networks to enable residential development in urban areas.                                       | 100,000     | 66,600  | 0       | 354,900         |

# Stormwater

## Funding Impact Statement

|   | Budget<br>2014/15<br>\$'000 | Budget<br>2015/16<br>\$'000 | Budget<br>2016/17<br>\$'000 | Budget<br>2017/18<br>\$'000 | Budget<br>2018/19<br>\$'000 | Budget<br>2019/20<br>\$'000 | Budget<br>2020/21<br>\$'000 | Budget<br>2021/22<br>\$'000 | Budget<br>2022/23<br>\$'000 | Budget<br>2023/24<br>\$'000 | Budget<br>2024/25<br>\$'000 |
|---|-----------------------------|-----------------------------|-----------------------------|-----------------------------|-----------------------------|-----------------------------|-----------------------------|-----------------------------|-----------------------------|-----------------------------|-----------------------------|
| <b>Sources Of Operating Funding</b>                                     |                             |                             |                             |                             |                             |                             |                             |                             |                             |                             |                             |
| General Rates, Uniform annual general charges, rates penalties          |                             |                             |                             |                             |                             |                             |                             |                             |                             |                             |                             |
| Targeted Rates  | 1,466                       | <b>1,491</b>                | 1,546                       | 1,579                       | 1,542                       | 1,595                       | 1,627                       | 1,684                       | 1,725                       | 1,774                       | 1,833                       |
| Subsidies and grants for operating purposes                             |                             |                             |                             |                             |                             |                             |                             |                             |                             |                             |                             |
| Fees and charges  | 0                           | <b>0</b>                    | 0                           | 0                           | 0                           | 0                           | 0                           | 0                           | 0                           | 0                           | 0                           |
| Internal charges and overheads recovered                                |                             |                             |                             |                             |                             |                             |                             |                             |                             |                             |                             |
| Local authorities fuel tax, fines, infringement fees and other receipts |                             |                             |                             |                             |                             |                             |                             |                             |                             |                             |                             |
| <b>Total Operating Funding</b>  | <b>1,466</b>                | <b>1,491</b>                | <b>1,546</b>                | <b>1,579</b>                | <b>1,542</b>                | <b>1,595</b>                | <b>1,627</b>                | <b>1,684</b>                | <b>1,725</b>                | <b>1,774</b>                | <b>1,833</b>                |
| <b>Applications Of Operating Funding</b>                                |                             |                             |                             |                             |                             |                             |                             |                             |                             |                             |                             |
| Payments to staff and suppliers   | 360                         | <b>430</b>                  | 463                         | 489                         | 421                         | 464                         | 470                         | 502                         | 535                         | 569                         | 606                         |
| Finance costs   | 31                          | <b>29</b>                   | 37                          | 51                          | 61                          | 67                          | 75                          | 85                          | 92                          | 92                          | 97                          |
| Internal charges and overheads applied                                  | 169                         | <b>180</b>                  | 188                         | 172                         | 178                         | 178                         | 182                         | 190                         | 192                         | 198                         | 207                         |
| Other operating funding applications                                    |                             |                             |                             |                             |                             |                             |                             |                             |                             |                             |                             |
| <b>Total Applications Of Operating Funding</b>                          | <b>560</b>                  | <b>639</b>                  | <b>687</b>                  | <b>712</b>                  | <b>660</b>                  | <b>709</b>                  | <b>727</b>                  | <b>777</b>                  | <b>819</b>                  | <b>859</b>                  | <b>910</b>                  |
| <b>Surplus/(Deficit) Of Operating Funding</b>                           | <b>906</b>                  | <b>852</b>                  | <b>859</b>                  | <b>867</b>                  | <b>882</b>                  | <b>886</b>                  | <b>901</b>                  | <b>907</b>                  | <b>906</b>                  | <b>916</b>                  | <b>924</b>                  |
| <b>Sources Of Capital Funding</b>                                       |                             |                             |                             |                             |                             |                             |                             |                             |                             |                             |                             |
| Subsidies and grants for capital expenditure                            |                             |                             |                             |                             |                             |                             |                             |                             |                             |                             |                             |
| Development and financial contributions                                 |                             |                             |                             |                             |                             |                             |                             |                             |                             |                             |                             |
| Increase/(decrease) in debt   | 102                         | <b>71</b>                   | 239                         | 331                         | 76                          | 169                         | 147                         | 263                         | (3)                         | 30                          | 161                         |
| Gross proceeds from the sale of assets                                  |                             |                             |                             |                             |                             |                             |                             |                             |                             |                             |                             |
| Lump sum contributions  |                             |                             |                             |                             |                             |                             |                             |                             |                             |                             |                             |
| Other dedicated capital funding   | 20                          | <b>35</b>                   | 46                          | 47                          | 27                          | 37                          | 38                          | 39                          | 53                          | 54                          | 56                          |
| <b>Total Sources Of Capital Funding</b>                                 | <b>122</b>                  | <b>106</b>                  | <b>285</b>                  | <b>378</b>                  | <b>103</b>                  | <b>206</b>                  | <b>185</b>                  | <b>302</b>                  | <b>49</b>                   | <b>84</b>                   | <b>217</b>                  |
| <b>Applications Of Capital Funding</b>                                  |                             |                             |                             |                             |                             |                             |                             |                             |                             |                             |                             |
| Capital expenditure   |                             |                             |                             |                             |                             |                             |                             |                             |                             |                             |                             |
| - to meet additional demand   | 100                         | <b>100</b>                  | 67                          | 89                          | 108                         | 0                           | 0                           | 117                         | 103                         | 0                           | 130                         |
| - to improve the level of service                                       | 247                         | <b>350</b>                  | 287                         | 462                         | 119                         | 343                         | 342                         | 352                         | 303                         | 313                         | 324                         |
| - to replace existing assets  | 729                         | <b>276</b>                  | 98                          | 138                         | 347                         | 419                         | 160                         | 282                         | 243                         | 239                         | 247                         |
| Increase/(decrease) in reserves   | (47)                        | <b>232</b>                  | 692                         | 555                         | 412                         | 330                         | 584                         | 458                         | 306                         | 448                         | 440                         |
| Increase/(decrease) of investments                                      |                             |                             |                             |                             |                             |                             |                             |                             |                             |                             |                             |
| <b>Total Applications Of Capital Funding</b>                            | <b>1,028</b>                | <b>958</b>                  | <b>1,144</b>                | <b>1,245</b>                | <b>985</b>                  | <b>1,092</b>                | <b>1,086</b>                | <b>1,210</b>                | <b>955</b>                  | <b>1,000</b>                | <b>1,141</b>                |
| <b>Surplus/(Deficit) Of Capital Funding</b>                             | <b>(906)</b>                | <b>(852)</b>                | <b>(859)</b>                | <b>(867)</b>                | <b>(882)</b>                | <b>(886)</b>                | <b>(901)</b>                | <b>(907)</b>                | <b>(906)</b>                | <b>(916)</b>                | <b>(924)</b>                |
| <b>FUNDING BALANCE</b>  | <b>0</b>                    |

# Waste Minimisation



# Waste Minimisation

## What we do

Waste Minimisation includes the following activities provided by Council:

- Compost, Recycling and Refuse

## Waste Minimisation Activities

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 solid waste 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.

## Why we do it

Waste Minimisation contributes to the economy and lifestyle aspects of the Council's vision. Provision of solid waste services is a core service for the community. The Council has been proactive in designing a system that will have regard to the NZ waste strategy, lengthen the life of the Redruth landfill, and ensure waste minimisation is a primary focus. The TDC system enables the best opportunity to separate waste materials and minimise waste.

Waste initiatives contribute to maintaining a healthy environment. Numerous environmental benefits stem from the separation of waste, including a reduction of waste to landfill, fewer greenhouse gas emissions, composting of green waste which eventually goes back onto the land to improve soil structure, and reusing waste materials which can lower the demand for raw materials. Managing waste locally avoids the significant financial and environmental cost of transporting waste for disposal out of district.

An effective waste management system also promotes Timaru district as sustainable and environmentally responsible, and maintains a tidy and attractive district. This activity is critical in protecting human health. Collection and appropriate disposal of waste reduces the potential for disease and vermin issues, and degradation of the environment (land and water). The activity positively impacts communities through creating a social ethic to 'do the right thing' with waste. Education of individuals, community groups, schools and workplaces helps to minimise waste and contributes to improved sustainability outcomes.

Landscaping of facilities and closed landfill areas can provide enhanced amenity areas (e.g. Saltwater Creek walkway) and recreational venues. The implementation of Council's Waste Management and Minimisation Plan has created new jobs in the district and opportunities for secondary industries. The recovery of waste material for recycling and composting has created new revenue streams that can be used to partially offset the cost of the activity.

Finally, the delivery of waste management services is guided and governed by several Acts and regional and local plans and policies that the Council must comply with, including the:

- Waste Minimisation Act (WMA) 2008

# Waste Minimisation

- NZ Waste Strategy 2010
- Local Government Act 2002
- Hazardous Substances and New Organisms Act 1996
- Resource Management Act 1991
- Canterbury Hazardous Waste Strategy
- Timaru District Council Waste Management and Minimisation Plan 2012 (WMMP)

## 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

## Effects on community

Waste Minimisation can have a range of effects on the community, some of which are positive, others which can be negative. The positive effects have been outlined under the heading "Why we do it". Potential negative effects are identified in the table below:

| Effect   | Type of effect                                  | How Council intends to mitigate effect  |
|--|---|---|
| Potential for odour, dust, vermin, litter and noise from Waste Minimisation facilities (e.g. landfills), which may affect neighbours and public health | Cultural<br>Social<br>Economic                  | Monitored and mitigated via operational management plans, monitoring site activities and ensuring compliance with resource consent conditions |
| Range of environmental effects possible from existing and closed landfills (e.g. gas, leachate contamination)  | Cultural<br>Social<br>Economic<br>Environmental | Site operational management plans implemented and sites monitored to reduce, mitigate, avoid or remedy effects                                |
| Cost of waste system is unsatisfactory for some people   | Social<br>Economic                              | Costs are set according to Council policies. Rates and charges will be set to ensure the costs of the activity are recovered.                 |
| Income from recyclable goods subject to cyclic and global market effects   | Cultural<br>Social<br>Economic                  | Development of local solutions to avoid market fluctuations   |
| Lack of buy-in to the "waste ethic" to separate waste  | Social<br>Environmental                         | Education, information and enforcement used to encourage compliance   |
| A decrease in local economic activity causes a significant drop in commercial waste levels   | Social<br>Economic                              | Monitor and mitigate by adjusting the level of service or deferring capital projects to minimise any costs to Council or ratepayers           |

# Waste Minimisation

## Key issues for next 10 years

### Legislation and Policy

National and regional plans and policies are continually evolving with associated changes that impact on Council's operations of its waste management services. Two examples are the requirement to develop a stormwater management plan, and to meet the National Environmental Standards for Air Quality. Council must comply with these policy and regulatory requirements to continue to operate its waste minimisation services. Council will consider the work and budget implications of these regulatory changes in a timely manner to minimise the financial impacts on ratepayers.

### Meeting needs – changing demand

Population and household growth in the District is not expected to have a significant impact on waste minimisation services during the next ten years. Capacity should be able to be met during the term of the contract with Waste Management New Zealand (WMNZ). However, growth may have an impact when the waste minimisation services contract ends.

Fluctuations in the local economy or weather (e.g. drought) may have an impact on the amount of commercial waste being received. This may require an adjustment to the level of service or to the amount paid by ratepayers to ensure the activity is funded at the correct level.

### Affordability and Community Expectations

Consumers expect waste minimisation services to be provided at a reasonable price. In the most recent community survey conducted in March 2014, 90% of residents were satisfied with waste minimisation services. Council will continue to investigate options to ensure waste services provided offer the most cost effective service to ratepayers. Charges will be monitored and set at the most affordable level possible.

### Further extending landfill life and Resource Recovery improvements

Council has a role in recovering materials from the waste stream and increasing demands for product stewardship. Opportunities for putting less into landfill further extending its life and generating new revenue streams are currently being investigated.

One example is funding for a waste sorting facility to improve the recovery of materials from the residual waste stream. This will potentially divert timber, metal and other materials from the landfill and further extend its life. The facility planned for the Redruth transfer station will allow for sorting of waste after it is dropped off. A machine with a grapple will extract timber, scrap metal, cardboard and other recyclables from waste. The waste remaining will then be compacted and transported to the landfill for disposal.

A further example is the intent to introduce collection and processing of treated timber in a new pyrolysis facility, in partnership with Waste Transformations Limited.

Improvements are also planned to the Redruth Resource Recovery Park to provide the public with enhanced facilities for safely dropping off a range of existing and future waste streams.

The Waste Minimisation Activity Management Plan was reviewed as part of the development of the 2015-15 LTP, with no significant changes to levels of service.

### Sustainable South Canterbury

The Sustainable South Canterbury Trust proposes to develop land at the Redruth Resource Recovery Park with the addition of a Sustainability Eco-Centre. The intention is to provide a facility to demonstrate practical solutions for sustainability. The site would be used to educate and engage the community in sustainability. Council has given its support in principle to the Trust.

# Waste Minimisation

## What we plan to do and our levels of service

### 1. 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

|                                   |   |   |  |
|-----------------------------------|---|---|--|
| <b>How we do it</b>               | <ul style="list-style-type: none"> <li>Manage and maintain all aspects of the solid waste operation including a competitive contract tender process and management of solid waste contract</li> <li>Provision of three-bin kerbside collection system</li> <li>Provision of a customer service request system 24 hours a day, 7 days a week</li> <li>Provide solid waste facilities according to set hours of opening</li> <li>Review and develop Waste Management and Minimisation Plan as required</li> <li>Update the Solid Waste forward works renewals and improvements programme</li> </ul> |   |  |
| <b>How we measure performance</b> |   | <b>Year 1 – 3 target: 2015/16 – 2017/18</b>                           | <b>Year 4 – 10 target: 2018/19 – 2024/25</b> |
|                                   | Overall satisfaction with waste minimisation services   | 90% or greater resident satisfaction with waste minimisation services | 90% or greater resident satisfaction         |
|                                   | User satisfaction with waste minimisation services  | 90% or greater user satisfaction with waste minimisation services     | 90% or greater user satisfaction             |

### 2. No adverse effects on the environment or human health from the operation of waste minimisation services

|                                   |  |   |   |
|-----------------------------------|--|---|---|
| <b>How we do it</b>               | <ul style="list-style-type: none"> <li>Manage solid waste facilities under the conditions of the Resource Consent</li> <li>Apply for renewal of solid waste consents as required</li> <li>Monitor ongoing regulatory change for solid waste activities</li> <li>Monitor compliance of existing and closed solid waste facilities with resource consent conditions</li> </ul> |   |   |
| <b>How we measure performance</b> |  | <b>Year 1 – 3 target: 2015/16 – 2017/18</b>       | <b>Year 4 – 10 target: 2018/19 – 2024/25</b>      |
|                                   | Compliance with Resource Consent conditions*   | Full compliance* with Resource Consent conditions | Full compliance* with Resource Consent conditions |

\*Excluding all minor non-compliance as reported by Environment Canterbury

# Waste Minimisation

## 3. Waste is diverted from the landfill via the Materials Recovery Facility (MRF)

|                                   |  |   |  |
|-----------------------------------|--|---|--|
| <b>How we do it</b>               | <ul style="list-style-type: none"> <li>Transfer station facilities open and available to the community</li> <li>Redruth Resource Recovery Park facilities operating for separation of waste</li> <li>Three – bin kerbside collection system operating for the separation of waste</li> <li>Provide services for collection, drop-off and sale of recyclable items</li> <li>Consider new methods, systems, innovation and technologies to improve waste minimisation</li> </ul> |   |  |
| <b>How we measure performance</b> |  | <b>Year 1 – 3 target: 2015/16 – 2017/18</b> | <b>Year 4 – 10 target: 2018/19 – 2024/25</b> |
|                                   | Recycling nett tonnages diverted   | 3,750 nett tonnes processed at the MRF      | 3,750 nett tonnes processed at the MRF       |

## 4. Waste is diverted from the landfill via the Compost Facility

|                                   |  |   |   |
|-----------------------------------|--|---|---|
| <b>How we do it</b>               | <ul style="list-style-type: none"> <li>Transfer station facilities open and available to the community</li> <li>Redruth Resource Recovery Park facilities operating for separation of waste</li> <li>Three – bin kerbside collection system operating for the separation of waste</li> <li>Consider new methods, systems, innovation and technologies to improve waste minimisation</li> </ul> |   |   |
| <b>How we measure performance</b> |  | <b>Year 1 – 3 target: 2015/16 – 2017/18</b>             | <b>Year 4 – 10 target: 2018/19 – 2024/25</b>            |
|                                   | Organic nett tonnages diverted   | 14,500 nett tonnes processed at the Composting Facility | 14,500 nett tonnes processed at the Composting Facility |

## 5. Waste is diverted from the landfill via resource recovery

|                                   |   |   |   |
|-----------------------------------|---|---|---|
| <b>How we do it</b>               | <ul style="list-style-type: none"> <li>Transfer station facilities open and available to the community</li> <li>Redruth Resource Recovery Park facilities operating for dropping off of reusable items</li> <li>Provide services for collection, drop-off and sale of reusable items</li> <li>Provide a waste exchange service</li> <li>Consider new methods, systems, innovation and technologies to improve waste minimisation</li> </ul> |   |   |
| <b>How we measure performance</b> |   | <b>Year 1 – 3 target: 2015/16 – 2017/18</b>                       | <b>Year 4 – 10 target: 2018/19 – 2024/25</b>                      |
|                                   | Recycling nett tonnages diverted via recycling other than for MRF recyclables   | 200 nett tonnes diverted via recycling other than MRF recyclables | 200 nett tonnes diverted via recycling other than MRF recyclables |

# Waste Minimisation

## 6. Waste is diverted from the landfill via re-use

|                                   |   |  |  |
|-----------------------------------|---|--|--|
| <b>How we do it</b>               | <ul style="list-style-type: none"> <li>Transfer station facilities open and available to the community</li> <li>Redruth Resource Recovery Park facilities operating for collection, drop-off and sale of reusable items</li> <li>Provide a waste exchange service</li> <li>Operation of the Crow's Nest under contract</li> <li>Consider new methods, systems, innovation and technologies to improve waste minimisation</li> </ul> |  |  |
| <b>How we measure performance</b> |   | <b>Year 1 – 3 target: 2015/16 – 2017/18</b>        | <b>Year 4 – 10 target: 2018/19 – 2024/25</b>       |
|                                   | No. of transactions at re-use shop  | 17,500 transactions at the Crow's Nest re-use shop | 17,500 transactions at the Crow's Nest re-use shop |

## 7. Waste is diverted from the landfill via Pyrolysis Facility

|                                   |  |  |  |  |  |
|-----------------------------------|--|--|--|--|--|
| <b>How we do it</b>               | <ul style="list-style-type: none"> <li>Pyrolysis Facility open and available for drop-off of sorted timber.</li> <li>Consider new methods, systems, innovation and technologies to improve waste minimisation</li> </ul> |  |  |  |  |
| <b>How we measure performance</b> | Material nett tonnages diverted  | <b>Year 1 – 3 target:</b>                          |  |  | <b>Year 4 – 10 target:</b>                           |
|                                   |  | <b>2015/16</b>                                     | <b>2016/17</b>                                       | <b>2017/18</b>                                       | <b>2018/19 - 2024/25</b>                             |
|                                   |  | 800 nett tonnes diverted at the Pyrolysis Facility | 1,000 nett tonnes diverted at the Pyrolysis Facility | 1,200 nett tonnes diverted at the Pyrolysis Facility | 1,200 nett tonnes diverted at the Pyrolysis Facility |

# Waste Minimisation

## 8. Public information and programmes promote waste minimisation and appropriate sorting of waste

|                                   |  |   |   |
|-----------------------------------|--|---|---|
| <b>How we do it</b>               | <ul style="list-style-type: none"> <li>■ Provide opportunities for the public, community organisations and businesses to learn about waste minimisation, including talks, tours, business support and event support</li> <li>■ Provide and disseminate written educational material to promote services available, waste minimisation and appropriate sorting of waste</li> <li>■ Conduct audits of three – bin kerbside collection system</li> <li>■ Measure contamination levels in waste minimisation activities</li> <li>■ Promote waste minimisation programmes</li> <li>■ Manage waste minimisation activity according to solid waste bylaw</li> </ul> |   |   |
| <b>How we measure performance</b> |  | <b>Year 1 – 3 target: 2015/16 – 2017/18</b>   | <b>Year 4 – 10 target: 2018/19 – 2024/25</b>  |
|                                   | Kerbside collection and general information is provided across a range of media  | Distribution of 2,000 items of Kerbside Collection information per year   | Distribution of 2,000 items of Kerbside Collection information per year   |
|                                   | Zero Waste event and business support, talks and tours   | Distribution of 1,000 items of general Waste Minimisation information per year<br><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> </ul> | Distribution of 1,000 items of general Waste Minimisation information per year<br><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> </ul> |
|                                   | Participants in modern cloth nappy programme   | 40 participants per annum   | 40 participants per annum   |

# Waste Minimisation

## How this activity is funded

Operating expenditure for activities within the Waste Minimisation group are funded through a variety of mechanisms, as summarised in the table below:

|                               | General Rates | Uniform Annual General Charges | Targeted rates | User fees and charges | Interest | Dividends from investments | Financial Contributions | Grants and subsidies | Other Sources |
|-------------------------------|---------------|--------------------------------|----------------|-----------------------|----------|----------------------------|-------------------------|----------------------|---------------|
| Compost, Recycling and Refuse | ✓             |                                | ✓              | ✓                     |          |                            |                         | ✓                    | ✓             |

For further information on how this activity is funded, refer to the Revenue and Financing Policy and Funding Impact Statement.

# Waste Minimisation

## Projects

| ID   | Project Title              | Summary  | Expenditure |         |         |                 |
|------|----------------------------|--|-------------|---------|---------|-----------------|
|      |                            |  | 2015/16     | 2016/17 | 2017/18 | 2018/19-2024/25 |
| WM1  | Stage 2 Development        | Capping existing landfill cells.   | 12,000      | 12,300  | 12,600  | 342,800         |
| WM2  | Stage 3 Development        | Construction of new landfill cells, including drainage. a new cell is planned for 2021/22.   | 20,000      | 41,000  | 21,000  | 1,984,500       |
| WM3  | Drainage                   | Drainage relating to pump replacements and leachate-system.  | 25,000      | 15,400  | 5,300   | 84,100          |
| WM4  | Land Fill Gas              | Funding for gas wells and reticulation extensions. Funding is also available for a flare station in 2017/18, to deal with the burn off of landfill gas to keep the development within the constraints of National Environmental Standards. | 30,000      | 20,500  | 490,500 | 159,200         |
| WM5  | Waste Sorting Facility     | Construction of the waste sorting facility at the Redruth Resource Recovery Park facilities to reduce rubbish going to the landfill, enable recovery of material for recycling and further extend the life of the landfill.                | 0           | 910,800 | 0       | 0               |
| WM6  | Resource Recovery Park     | Development of a Resource Recovery Park at Redruth. It will improve drop-off facilities for the public, improving resource recovery and reduce waste going to landfill.  | 0           | 0       | 553,600 | 0               |
| WM7  | Transfer Stations upgrades | Funding for the upgrade and upkeep of equipment for the district's transfer stations.  | 45,000      | 4,100   | 14,700  | 45,100          |
| WM8  | Compost Site               | The creation of new maturation pads for compost to meet increasing demand and new composting pads.   | 55,000      | 450,800 | 21,000  | 165,100         |
| WM9  | New Bins                   | Funding for new wheelie bins to meet growth.   | 40,700      | 43,000  | 45,200  | 362,200         |
| WM10 | Bin Renewals               | Replacing wheelie bins as they come to the end of their useful life.   | 122,100     | 173,100 | 224,800 | 4,847,400       |
| WM11 | Road Surfaces              | Renewal or repair of road surfaces at the district's waste minimisation facilities.  | 0           | 0       | 0       | 11,100          |
| WM12 | Public Place Recycling     | Install public place sets  | 4,000       | 4,100   | 2,100   | 10,800          |

# Waste Minimisation

## Funding Impact Statement

|   | Budget<br>2014/15<br>\$'000 | Budget<br>2015/16<br>\$'000 | Budget<br>2016/17<br>\$'000 | Budget<br>2017/18<br>\$'000 | Budget<br>2018/19<br>\$'000 | Budget<br>2019/20<br>\$'000 | Budget<br>2020/21<br>\$'000 | Budget<br>2021/22<br>\$'000 | Budget<br>2022/23<br>\$'000 | Budget<br>2023/24<br>\$'000 | Budget<br>2024/25<br>\$'000 |
|---|-----------------------------|-----------------------------|-----------------------------|-----------------------------|-----------------------------|-----------------------------|-----------------------------|-----------------------------|-----------------------------|-----------------------------|-----------------------------|
| <b>Sources Of Operating Funding</b>                                     |                             |                             |                             |                             |                             |                             |                             |                             |                             |                             |                             |
| General Rates, Uniform annual general charges, rates penalties          |                             |                             |                             |                             |                             |                             |                             |                             |                             |                             |                             |
| Targeted Rates  | 5,699                       | <b>5,778</b>                | 6,043                       | 6,212                       | 6,536                       | 6,638                       | 6,831                       | 7,050                       | 7,349                       | 7,516                       | 8,029                       |
| Subsidies and grants for operating purposes                             | 130                         | <b>135</b>                  | 135                         | 135                         | 135                         | 135                         | 135                         | 135                         | 135                         | 135                         | 135                         |
| Fees and charges  | 2,233                       | <b>2,345</b>                | 2,453                       | 2,565                       | 2,622                       | 2,683                       | 2,749                       | 2,820                       | 2,897                       | 2,981                       | 3,072                       |
| Internal charges and overheads recovered                                |                             |                             |                             |                             |                             |                             |                             |                             |                             |                             |                             |
| Local authorities fuel tax, fines, infringement fees and other receipts |                             |                             |                             |                             |                             |                             |                             |                             |                             |                             |                             |
| <b>Total Operating Funding</b>  | <b>8,063</b>                | <b>8,258</b>                | 8,631                       | 8,912                       | 9,292                       | 9,456                       | 9,715                       | 10,005                      | 10,381                      | 10,632                      | 11,236                      |
| <b>Applications Of Operating Funding</b>                                |                             |                             |                             |                             |                             |                             |                             |                             |                             |                             |                             |
| Payments to staff and suppliers   | 6,469                       | <b>6,548</b>                | 6,827                       | 7,070                       | 7,256                       | 7,453                       | 7,666                       | 7,896                       | 8,168                       | 8,414                       | 8,708                       |
| Finance costs   | 374                         | <b>459</b>                  | 419                         | 430                         | 438                         | 401                         | 378                         | 402                         | 414                         | 379                         | 344                         |
| Internal charges and overheads applied                                  | 376                         | <b>396</b>                  | 404                         | 412                         | 418                         | 425                         | 432                         | 442                         | 451                         | 462                         | 473                         |
| Other operating funding applications                                    |                             |                             |                             |                             |                             |                             |                             |                             |                             |                             |                             |
| <b>Total Applications Of Operating Funding</b>                          | <b>7,219</b>                | <b>7,403</b>                | 7,649                       | 7,911                       | 8,112                       | 8,279                       | 8,476                       | 8,739                       | 9,034                       | 9,255                       | 9,524                       |
| <b>Surplus/(Deficit) Of Operating Funding</b>                           | <b>844</b>                  | <b>855</b>                  | 982                         | 1,001                       | 1,180                       | 1,177                       | 1,239                       | 1,267                       | 1,347                       | 1,377                       | 1,712                       |
| <b>Sources Of Capital Funding</b>                                       |                             |                             |                             |                             |                             |                             |                             |                             |                             |                             |                             |
| Subsidies and grants for capital expenditure                            |                             |                             |                             |                             |                             |                             |                             |                             |                             |                             |                             |
| Development and financial contributions                                 |                             |                             |                             |                             |                             |                             |                             |                             |                             |                             |                             |
| Increase/(decrease) in debt   | 1,009                       | <b>(686)</b>                | 146                         | 589                         | (502)                       | (546)                       | (202)                       | 937                         | (543)                       | (543)                       | (543)                       |
| Gross proceeds from the sale of assets                                  |                             |                             |                             |                             |                             |                             |                             |                             |                             |                             |                             |
| Lump sum contributions  |                             |                             |                             |                             |                             |                             |                             |                             |                             |                             |                             |
| Other dedicated capital funding   |                             |                             |                             |                             |                             |                             |                             |                             |                             |                             |                             |
| <b>Total Sources Of Capital Funding</b>                                 | <b>1,009</b>                | <b>(686)</b>                | 146                         | 589                         | (502)                       | (546)                       | (202)                       | 937                         | (543)                       | (543)                       | (543)                       |
| <b>Applications Of Capital Funding</b>                                  |                             |                             |                             |                             |                             |                             |                             |                             |                             |                             |                             |
| Capital expenditure   |                             |                             |                             |                             |                             |                             |                             |                             |                             |                             |                             |
| - to meet additional demand   | 1,372                       | <b>41</b>                   | 43                          | 45                          | 47                          | 48                          | 50                          | 1,531                       | 53                          | 55                          | 57                          |
| - to improve the level of service                                       | 229                         | <b>121</b>                  | 1,440                       | 1,101                       | 110                         | 80                          | 424                         | 55                          | 87                          | 90                          | 337                         |
| - to replace existing assets  | 40                          | <b>192</b>                  | 193                         | 245                         | 386                         | 515                         | 758                         | 816                         | 818                         | 833                         | 862                         |
| Increase/(decrease) in reserves   | 212                         | <b>(185)</b>                | (547)                       | 199                         | 136                         | (12)                        | (194)                       | (199)                       | (154)                       | (144)                       | (87)                        |
| Increase/(decrease) of investments                                      |                             |                             |                             |                             |                             |                             |                             |                             |                             |                             |                             |
| <b>Total Applications Of Capital Funding</b>                            | <b>1,853</b>                | <b>169</b>                  | 1,128                       | 1,590                       | 678                         | 631                         | 1,038                       | 2,203                       | 804                         | 834                         | 1,169                       |
| <b>Surplus/(Deficit) Of Capital Funding</b>                             | <b>(844)</b>                | <b>(855)</b>                | (982)                       | (1,001)                     | (1,180)                     | (1,177)                     | (1,239)                     | (1,267)                     | (1,347)                     | (1,377)                     | (1,712)                     |
| <b>FUNDING BALANCE</b>  | <b>0</b>                    | <b>0</b>                    | 0                           | 0                           | 0                           | 0                           | 0                           | 0                           | 0                           | 0                           | 0                           |

# Water Supply



# Water Supply

## What we do

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

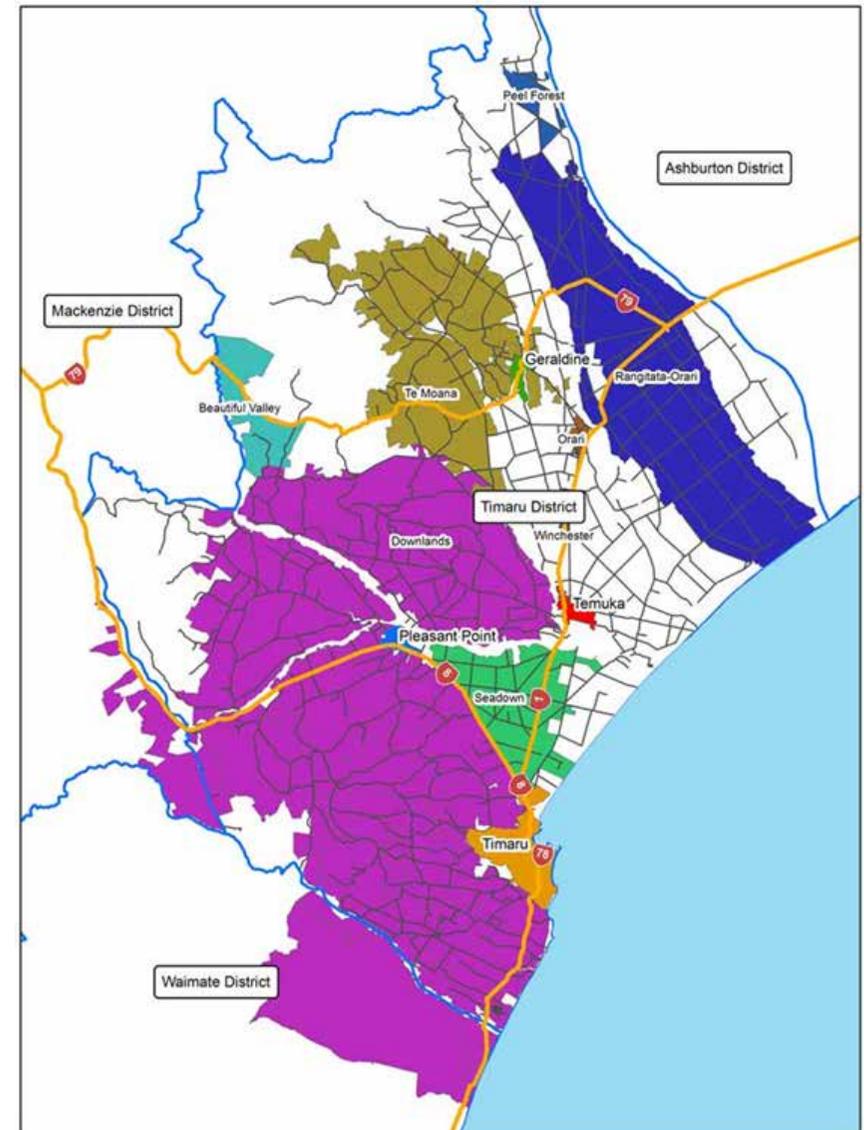
Urban water schemes operate as individual water supplies but are funded as a single scheme. The Downlands scheme covers and is operated by Timaru District Council on behalf of residents of the Timaru, Mackenzie and Waimate Districts. Policy for this scheme is determined by a Joint Standing Committee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

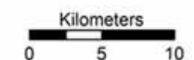
The urban schemes are generally on-demand at the tap.

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.



Timaru District Council Water Schemes



# Water Supply

## Why we do it

Water Supply particularly contributes to the economy and lifestyle aspects of the Council's vision.

Water supply is a core service expected by the community. Provision of potable water is an essential ingredient for life and healthy living. Collective provision is the only realistic option to ensure large populations enjoy the benefits of safe, collective treatment and distribution of water for human use.

Water is necessary for maintaining provision of critical public services and promoting economic growth. Industries, businesses, hospitals and schools require water to operate. High quality and a reliable quantity of water facilitates the continued development of public, private and business interests. Reliable and future proofed water supply systems attract business to the district.

Water abstraction must occur within allowable limits to safeguard the environment and protect cultural values of water bodies. Provision of water aims to provide the best balance between economic, environmental and community needs. Managing water use in a sustainable way minimises adverse impacts on the environment for the benefit of current and future generations, discourages water wastage and ensures water is directed to the best purposes.

Provision of safe public water supply is essential to maintain and protect public health. It also assists with fire fighting in most urban reticulated areas to protect public safety.

The delivery of water supply services is governed by national legislation and regional and local policy. These include the:

- Local Government Act
- Health Act
- Resource Management Act
- Drinking Water Standards for New Zealand (DWSNZ)
- National Policy Statement for Freshwater Management 2014
- National Environmental Standard for Sources of Human Drinking Water
- Canterbury Water Management Strategy (Environment Canterbury)
- Canterbury Land and Water Regional Plan (LWRP) (Environment Canterbury)
- Natural Resources Regional Plan (NRRP) (Environment

Canterbury)

- Opihi River Regional Plan 2000 (Environment Canterbury)
- Pareora Catchment Environmental Flow and Water Allocation Regional Plan (Environment Canterbury)
- Regional Policy Statement (Environment Canterbury)
- Timaru District Plan (TDC)
- Timaru District Consolidated Bylaw 2013 (TDC)

## 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

## Effects on community

Water Supply can have a range of effects on the community, some of which are positive, others which can be negative. The positive effects have been outlined under the heading "Why we do it". Potential negative effects are identified in the table below:

| Effect   | Type of effect                                  | How Council intends to mitigate effect  |
|--|---|---|
| Demand for greater volumes of water and consistency of supply even during periods of drought has the potential to negatively affect the natural water resources of the district  | Cultural<br>Social<br>Economic<br>Environmental | The Council will continue to carefully investigate options regarding available sources and their management. Preservation of the District's water resources is an important sustainable development issue.<br><br>Council will improve water use efficiency measures through timely repair of network defects and increased consumer education on water conservation. |
| The unavailability or severely restricted use of water can be critical for major industrial and commercial water users in the district and could result in substantial costs being incurred  | Social<br>Economic                              | As above  |
| Affordability to meet legislated water safety requirements. The capital cost and subsequent operational costs is potentially very high for some supplies, which may result in water supply charges becoming unaffordable to consumers. | Social<br>Economic                              | The Council will continue to investigate options for water supply sources and treatment in order to provide the most cost effective service. Charges will be monitored and set at as affordable level as possible.  |
| A major industrial consumer leaving or stopping operating in Timaru may result in increased charges for consumers  | Social<br>Economic                              | The Council will continue to investigate options and implement appropriate measures for increasing operational efficiency of water supply services to maintain affordability of water charges.  |
| Periods of drought or water networks service failure can lead to restrictions for water consumers  | Social<br>Economic                              | The Council will continue to carefully investigate options regarding available sources and their management.<br><br>Council will improve water use efficiency measures through timely repair of network defects and increased consumer education on water conservation.   |

## Key issues for next 10 years

The main issues for Water Supply are expected to come from the need for TDC to maintain affordability of the service while complying with standards and legislated requirements, and meeting consumer expectations. These are discussed further below.

### Meeting NZ Drinking Water Standards

Under amendments to the Health Act, Council is required to take all practicable steps to comply with the Drinking Water Standards for New Zealand (DWSNZ) for all drinking water supplies. An approved Water Safety Plan for drinking water schemes (formerly Public Health Risk Management Plans) must be implemented addressing identified public health risks within set timelines. Implementing these plans and meeting these standards is a major focus for the Water Supply activity over the next ten years.

While all drinking water supplies are safe, some risks have been identified in a number of TDC operated water supplies, largely requiring upgrading of water treatment processes and construction of water treatment infrastructure. Upgrades of water treatment facilities have already been completed at Pleasant Point, Temuka, Seadown and Pareora township (Downlands). Upgrades are planned for the remaining drinking water supplies. Rationalising water supply scheme intakes and treatment plants will be considered as part of the process.

### Changes in national/regional plans and policies

Water is a highly regulated resource, with national and regional policies, standards and plans directing how Council must use it (e.g. how much water Council can take, quality of drinking water supplies). These regulations are continually evolving with associated changes in requirements that impact on Council's operation of its water supplies. An example is the Canterbury Land and Water Regional Plan (LWRP) which will replace the relevant provisions of the NRRP on water supplies. More stringent water management under the LWRP may mean higher resource consent requirements for TDC's water supplies. Council must comply with these policy and regulatory requirements to continue to operate its water supplies. TDC's plans must consider the work and budget

# Water Supply

implications of these regulatory requirements.

## Climate Change

Climate change may accentuate competing demands for water resources through reduced overall rainfall, increased frequency and length of drought or increased frequency of high intensity rainfall.

Increased frequency of droughts diminishes the availability of source water and has associated water take restrictions. Increased frequency of high intensity rainfalls may impact on raw water quality and the need for more complex treatments. TDC will continue to carefully investigate options regarding available sources and their management.

## Meeting Competing Demands for Water Resources

Meeting the water supply requirements of consumers is the paramount objective of TDC's water supply services. However, there are many competing uses for water, from recreational to industry and agricultural use. Protecting the environment and maintaining the life giving capacity of streams, rivers and lakes is also critical. These competing demands place pressure on water resources in the Timaru District. The schemes managed by TDC are subject to resource consent conditions which limit the amount of water that can be taken from the source.

Growth in different industries has meant increased demand for water (e.g. dairy industry). New irrigation schemes have emerged to help meet demand, and this is expected to continue. While domestic growth, through projected population and demographic change is not expected to have a major impact, the impact of land use change and industry growth potentially will. Growth in demand for TDC's water supplies may result in the need for substantial infrastructure upgrades.

Six of the 12 schemes supply water for stock use. Most of these schemes have on farm flow control (using restrictors) and currently have limited ability to meet any future increases in agricultural demand. Water is not supplied for irrigation or horticultural purposes. TDC will continue to investigate options to improve delivery mechanisms in several schemes, including Downlands, Seadown and Te Moana.

TDC needs to consistently advocate for improved consumer

use of water to ensure that the Council's water supplies continue to meet demand now and in the future. Ongoing education of consumers in efficient water use is also important to improve water use behaviour and ensure water use remains sustainable.

## Replacing water supply infrastructure

A significant amount of the District's water supply network will need replacing based on age and performance issues. An assessment based on the remaining life of the pipe assets indicates there are significant renewal costs in the next ten years.

There is an estimated \$59.8M pipe renewal costs in the next 10 years. This includes approximately \$42.7M for the reticulation network in urban areas and \$17.1M for the rural networks.

TDC is carrying out further pipe condition assessment based on factors such as asset performance and maintenance history in order to confirm the renewals programme. The condition of ageing infrastructure will continue to be reviewed along with its current and future adequacy to meet consumer requirements.

## Maintaining affordability and meeting community expectations

Consumers expect good quality water to be available on demand in reasonable quantities at a reasonable price. The cost of water is likely to increase over the next 10 years as the above issues are addressed. TDC will continue to investigate options for water supply in order to provide the most cost effective service. Charges will be monitored and set as affordably as possible.

# Water Supply

## What we plan to do and our levels of service

### 1. Provide Safe Drinking Water

|  |  |  |  |   |                                    |
|--|--|--|--|---|------------------------------------|
| <b>How we do it</b>  | <ul style="list-style-type: none"> <li>Manage and monitor all water supplies under requirements of Drinking Water Standards</li> <li>Monitor ongoing regulatory change for water supply activities</li> <li>Implement Water Safety Plans for drinking water schemes</li> <li>Develop and implement Water Supply Services Strategies for Timaru, Downlands, Geraldine Area, Temuka Area and Seadown supplies</li> </ul> |  |  |   |                                    |
| <b>How we measure performance</b>  |  | Year 1 – 3 target:   |  |   | Year 4 – 10 target:                |
|  |  | 2015/16  | 2016/17  | 2017/18   | 2018/19 – 2024/25                  |
|  | Extent of compliance with Drinking Water Standards (Part 4) – Bacterial Compliance   | Bacterial compliance – all schemes   | Bacterial compliance – all schemes   | Bacterial compliance – all schemes  | Bacterial compliance – all schemes |
| Extent of compliance with Drinking Water Standards (Part 5) – Protozoal Compliance | Protozoal compliance:<br>1. Downlands – Pareora – Hadlow<br>2. Orari<br>3. Pleasant Point<br>4. Seadown<br>5. Temuka<br>6. Geraldine<br>7. Timaru  | Protozoal compliance:<br>1. Downlands – Pareora – Hadlow<br>2. Orari<br>3. Pleasant Point<br>4. Seadown<br>5. Temuka<br>6. Geraldine<br>7. Timaru<br>8. Winchester<br>9. Peel Forest | Protozoal compliance:<br>1. Downlands – Pareora – Hadlow<br>2. Orari<br>3. Pleasant Point<br>4. Seadown<br>5. Temuka<br>6. Geraldine<br>7. Timaru<br>8. Winchester<br>9. Peel Forest | Protozoal compliance:<br>1. Downlands – Pareora – Hadlow – Springbook – Rural Downlands<br>2. Orari<br>3. Pleasant Point<br>4. Seadown<br>5. Temuka<br>6. Geraldine<br>7. Timaru<br>8. Winchester<br>9. Peel Forest<br>10. Te Moana |                                    |

# Water Supply

## 2. Maintain excellent water supply network services

|                                   |  |   |   |
|-----------------------------------|--|---|---|
| <b>How we do it</b>               | <ul style="list-style-type: none"> <li>■ Maintain water supply scheme networks and respond to service failures</li> <li>■ Manage growth of network</li> <li>■ Manage water supply services contracts</li> <li>■ Monitor condition and performance of water supply reticulation and assets and analyse data to predict asset failure/identify priority improvements required</li> <li>■ Complete capital expenditure programme associated with improving the network</li> <li>■ Implement Leak Detection and Reduction Programme</li> <li>■ Develop Water Supply Services Strategies for Timaru, Downlands, Geraldine Area, Temuka Area and Seadown supplies</li> </ul> |   |   |
| <b>How we measure performance</b> | <b>Percentage of real water loss from TDC's networked reticulation systems</b>   | <b>Year 1 – 3 target: 2015/16 – 2017/18</b>         | <b>Year 4 – 10 target: 2018/19 – 2024/25</b>        |
|                                   |  | To be determined                                    | To be determined                                    |
|                                   | <b>Outages to urban and rural scheme properties</b>  | All outages >8 hours reported to Ministry of Health | All outages >8 hours reported to Ministry of Health |

# Water Supply

## 3. Maintain excellent customer service

|                                   |  |  |  |
|-----------------------------------|--|--|--|
| <b>How we do it</b>               | <ul style="list-style-type: none"> <li>■ Manage and monitor all water supplies</li> <li>■ Develop Water Supply Services Strategies for Timaru, Downlands, Geraldine Area, Temuka Area and Seadown supplies</li> <li>■ Respond to complaints about water appearance, taste and smell</li> <li>■ Provide a customer service request system 24 hours a day, 7 days a week</li> <li>■ Investigate and rectify water supply services complaints</li> <li>■ Maintain water supply schemes and respond to service failures or faults</li> </ul> |  |  |
| <b>How we measure performance</b> | <b>Median attendance and resolution times for urgent and non-urgent callouts for water supply faults or unplanned interruptions in the network**</b>   | <b>Year 1 – 3 target: 2015/16 – 2017/18</b> <ul style="list-style-type: none"> <li>■ The median time to attend urgent:               <ul style="list-style-type: none"> <li>● urban callouts - less than 1 hour</li> <li>● rural callouts - less than 4 hours</li> </ul> </li> <li>■ The median time to resolve urgent               <ul style="list-style-type: none"> <li>● urban callouts - less than 4 hours</li> <li>● rural callouts - less than 8 hours</li> </ul> </li> <li>■ The median time to attend and resolve all non-urgent callouts will be reported.</li> </ul> | <b>Year 4 – 10 target: 2018/19 – 2024/25</b> <ul style="list-style-type: none"> <li>■ The median time to attend urgent:               <ul style="list-style-type: none"> <li>● urban callouts - less than 1 hour</li> <li>● rural callouts - less than 4 hours</li> </ul> </li> <li>■ The median time to resolve urgent               <ul style="list-style-type: none"> <li>● urban callouts - less than 4 hours</li> <li>● rural callouts - less than 8 hours</li> </ul> </li> <li>■ The median time to attend and resolve all non-urgent callouts will be reported</li> </ul> |
|                                   | <b>Total complaints received about:</b> <ol style="list-style-type: none"> <li>1) Drinking water clarity</li> <li>2) Drinking water taste</li> <li>3) Drinking water odour</li> <li>4) Drinking water pressure or flow</li> <li>5) Continuity of supply</li> <li>6) The TDC response to these issues</li> </ol>  | 10 or fewer complaints received per 1000 connections   | 10 or fewer complaints received per 1000 connections   |

# Water Supply

|   | Year 1 – 3 target:  |           |                | Year 4 – 10 target: |
|---|---|-----------|----------------|---------------------|
|   | 2015/16   | 2016/17   | 2017/18        | 2018/19 – 2024/25   |
| Water Supply services user satisfaction levels    | 85% or greater are satisfied with water supply services where a service is provided                             | No survey | 85% or greater | 85% or greater      |
| Water Supply services overall satisfaction levels | 85% or greater of the District's residents are satisfied with water supply services where a service is provided | No survey | 85% or greater | 85% or greater      |

# Attendance - response time applies from the time the local authority receives notification, to the time service personnel reach the site

# Resolution - response time applies from the time the local authority receives notification, to the time service personnel confirm resolution of the fault or interruption.

\*An urgent callout is one that has a P1 priority rating and leads to a complete loss of supply of drinking water

## 4. Provide demand management of water supply services

|                                   |  |                                      |  |                                       |
|-----------------------------------|--|--------------------------------------|--|---------------------------------------|
| <b>How we do it</b>               | <ul style="list-style-type: none"> <li>■ Monitor demand on all water supply schemes</li> <li>■ Develop and implement a district wide Water Conservation Education Programme</li> <li>■ Provide water supply for domestic, commercial, firefighting, rural and industrial purposes</li> <li>■ Complete capital expenditure programme associated with developing the network</li> <li>■ Implement Leak Detection and Reduction Programme</li> <li>■ Develop and implement scheme level Demand Management Strategy appropriate to the conditions of the scheme</li> </ul> |                                      |  |                                       |
| <b>How we measure performance</b> | Average consumption of drinking water per day per resident within the Timaru district  | Year 1 – 3 target: 2015/16 – 2017/18 |  | Year 4 – 10 target: 2018/19 – 2024/25 |
|                                   |  | To be determined                     |  | To be determined                      |

# Water Supply

## 5. Deliver water services according to required environmental standards

|                                   |   |   |   |
|-----------------------------------|---|---|---|
| <b>How we do it</b>               | <ul style="list-style-type: none"> <li>Manage and monitor water supplies under conditions of water resource consents</li> <li>Apply for renewal of water supply consents as required</li> <li>Monitor ongoing regulatory change for water supply activities</li> <li>Develop and implement scheme level Demand Management Plan appropriate to the conditions of the scheme</li> <li>Review and update Risk Management Strategy</li> <li>Implement Water Safety Plans for drinking water supplies</li> <li>Treatment and distribution of water through various water supply schemes</li> </ul> |   |   |
| <b>How we measure performance</b> | Compliance with Resource Consent conditions*  | Year 1 – 3 target: 2015/16 – 2017/18    | Year 4 – 10 target: 2018/19 – 2024/25   |
|                                   |   | Compliance with all consent conditions* | Compliance with all consent conditions* |

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

## 6. Deliver affordable water supply services

|                                   |  |   |           |                |                                     |
|-----------------------------------|--|---|-----------|----------------|-------------------------------------|
| <b>How we do it</b>               | <ul style="list-style-type: none"> <li>Maintain water supply scheme networks and respond to service failures</li> <li>Manage water supply services contracts</li> <li>Manage growth of the water supply network</li> <li>Complete capital expenditure programme</li> </ul> |   |           |                |                                     |
| <b>How we measure performance</b> |  | Year 1 – 3 target:  |           |                | Year 4 – 10 target:                 |
|                                   |  | 2015/16   | 2016/17   | 2017/18        | 2018/19 – 2024/25                   |
|                                   | Customer satisfaction with value for money of water supply services  | 85% or greater of users think the services are good value for money | No survey | 85% or greater | 85% or greater                      |
|                                   | Operating cost of combined water supply services   | Actual operating cost within budget                                 |           |                | Actual operating cost within budget |

# Water Supply

## How this activity is funded

Operating expenditure for activities within the Water Supply group are funded through a variety of mechanisms, as summarised in the table below:

|              | General Rates | Uniform Annual General Charges | Targeted rates | User fees and charges | Interest | Dividends from investments | Financial Contributions | Grants and subsidies | Other Sources |
|--------------|---------------|--------------------------------|----------------|-----------------------|----------|----------------------------|-------------------------|----------------------|---------------|
| Water Supply |               |                                | ✓              | ✓                     |          |                            | ✓                       |                      |               |

For further information on how this activity is funded, refer to the Revenue and Financing Policy and Funding Impact Statement.

# Water Supply

## Projects

| ID          | Project Title  | Summary   | Expenditure |           |           |                 |
|-------------|--|---|-------------|-----------|-----------|-----------------|
|             |  |   | 2015/16     | 2016/17   | 2017/18   | 2018/19-2024/25 |
| <b>WS1</b>  | <b>Urban Water Supplies -Reticulation and Services Renewals</b>              | Renewal of pipes, valves, hydrants and other water supply assets in the urban water schemes that have reached the end of their design life, including renewals generated as a result of maintenance to the water supply network | 1,495,000   | 1,531,600 | 1,570,400 | 13,113,200      |
| <b>WS2</b>  | <b>Urban Water Supplies -Fixed Plant and Equipment</b>                       | Renewals at urban water supplies, including pumps, reservoir pipeworks, plant equipment, instrumentation, electrical, controls, telemetry, intakes and treatment renewals   | 1,021,000   | 378,900   | 222,700   | 6,235,600       |
| <b>WS3</b>  | <b>Urban Water Supplies - Timaru Pareora Pipeline Renewal</b>                | Renewal of the Timaru Pareora pipeline due to condition and performance issues  | 0           | 102,500   | 4,201,700 | 19,742,900      |
| <b>WS4</b>  | <b>Urban Water Supplies - Temuka Trunk Main Renewal</b>                      | Renewal of the Temuka trunk main that conveys water to the reticulation network in the Temuka township from the Orari Treatment Plant   | 930,000     | 0         | 0         | 0               |
| <b>WS5</b>  | <b>Urban Water Supplies - Temuka Source Upgrade</b>                          | Project to improve the Temuka water source through the use of alternative ground water sources  | 300,000     | 0         | 0         | 0               |
| <b>WS6</b>  | <b>Urban Water Supplies -Temuka Treated Water Storage and Pumps</b>          | A new treated water storage facility for Temuka to increase storage capacity for the network  | 0           | 0         | 189,100   | 2,263,500       |
| <b>WS7</b>  | <b>Urban Water Supplies -Pleasant Point Treated Water Storage</b>            | A new treated water storage facility for Pleasant Point to increase storage capacity for the network  | 50,000      | 819,600   | 0         | 0               |
| <b>WS8</b>  | <b>Urban Water Supplies - Timaru Reservoir Cover</b>                         | Renewal of the Timaru Reservoir cover that has deteriorated due to age. This will occur in stages.  | 0           | 819,600   | 0         | 911,700         |
| <b>WS9</b>  | <b>Urban Water Supplies – Upgrade to Supply Te Moana from Geraldine</b>      | Upgrade of Geraldine network related to the supply of water to the Te Moana Scheme  | 152,000     | 108,600   | 111,300   | 0               |
| <b>WS10</b> | <b>Rangitata-Orari Renewals</b>  | Renewal of the stock races, intake protection and fish screens.   | 15,000      | 30,800    | 15,800    | 261,200         |
| <b>WS11</b> | <b>Seadown Water Supply Reticulation Renewals</b>                            | Renewal of pipes, valves, hydrants and other reticulation assets that have reached the end of their useful lives  | 30,000      | 15,400    | 78,800    | 619,500         |
| <b>WS12</b> | <b>Seadown Water Supply Source Upgrade</b>                                   | Upgrade of the Seadown water supply source  | 0           | 0         | 0         | 38,900          |
| <b>WS13</b> | <b>Seadown Water Supply Plant and Equipment renewals</b>                     | Renewal of plant and equipment that has reached the end of its useful life, including pump and VSD, electrical, instrumentation and controls  | 12,000      | 12,300    | 0         | 103,500         |
| <b>WS14</b> | <b>Seadown Water Supply Treatment Upgrade</b>                                | Upgrade to the treatment of the Seadown water supply to meet drinking water standards   | 0           | 0         | 63,000    | 24,700          |
| <b>WS15</b> | <b>Seadown Water Supply Leak Detection and Network Analysis and Metering</b> | Analysis of the water supply network and leak detection to improve supply delivery in the Seadown Scheme  | 2,000       | 12,200    | 2,100     | 40,900          |

# Water Supply

| ID  | Project Title   | Summary   | Expenditure |           |           |                 |
|---|---|---|-------------|-----------|-----------|-----------------|
|   |   |   | 2015/16     | 2016/17   | 2017/18   | 2018/19-2024/25 |
| WS16  | Seadown Water Supply Storage Upgrade                                      | Improvements to the water storage capacity for the Seadown water supply to industry standard of one days storage  | 0           | 41,000    | 378,200   | 32,300          |
| WS17  | Te Moana Downs Water Supply Reticulation Renewals                         | Replacement of pipes in the reticulation network that have reached the end of their useful life   | 300,000     | 307,400   | 315,100   | 2,478,000       |
| WS18  | Te Moana Downs Water Supply Network Capacity Upgrade                      | The network capacity of the Te Moana Downs supply is being increased and enhanced to accommodate being supplied from the Geraldine supply, and to improve water quality in the Te Moana network | 601,000     | 1,404,600 | 1,209,000 | 0               |
| WS19  | Te Moana Downs Water Supply - Renewals                                    | Replacement of jets, tanks, pump and chlorination equipment that have reached the end of their useful life  | 31,000      | 15,300    | 10,500    | 65,600          |
| WS20  | Te Moana Downs Water Supply Leak Detection, Network Analysis and Metering | Analysis of the network and leak detection to improve supply delivery in the scheme   | 10,000      | 10,200    | 10,500    | 128,400         |
| <b>Downlands Water Supply (82% owned by TDC - figures for TDC portion only)</b> |   |   |             |           |           |                 |
| WS21  | Mains, Tanks, Intake Renewals and Leak Detection                          | Programmed renewal of mains, intake renewals, and network leak detection and renewal of pipes, plant and other assets identified through maintenance of the network.                            | 196,800     | 201,638   | 292,822   | 2,302,970       |
| WS22  | Renewal of Jets and Equipment   | Renewal of jets, telemetry, switchboard and solar panels, pumps and chlorination equipment that have reached the end of their useful life   | 86,100      | 58,712    | 51,742    | 431,238         |
| WS23  | Network Analysis and Metering   | Water supply modelling and meters to establish water demand in particular areas of the Downlands water supply   | 0           | 20,992    | 0         | 49,938          |
| WS24  | Te Ngawai Trunk Main Renewal  | Renewal and upgrading of the Te Ngawai trunk main to enable future growth in the Downlands scheme from the Te Ngawai intake   | 3,649,000   | 3,738,380 | 2,584,066 | 0               |
| WS25  | Infiltration Gallery Upgrade and Low Lift Pumps                           | Upgrade of the Te Ngawai infiltration gallery and low lift pumps  | 0           | 0         | 1,291,992 | 0               |
| WS26  | Reservoir Cover and Pipework  | Re-covering, lining and pipework renewals at Downlands Scheme reservoirs  | 328,000     | 0         | 34,440    | 1,242,382       |
| WS27  | Opihi River Crossing  | Pipe replacement across Opihi River   | 0           | 0         | 0         | 176,792         |
| WS28  | Treatment Plant Upgrade   | Starting in 2021 the Te Ngawai Treatment Plant will be upgraded for supply to meet drinking water standards   | 0           | 0         | 0         | 6,722,770       |
| WS29  | Raw Water Storage   | Planned construction of raw water storage for the Downlands scheme starting in 2019   | 0           | 0         | 0         | 1,362,184       |
| WS30  | Treated Water Storage   | Project to increase the storage capacity of treated water in the Downlands system starting in 2020  | 0           | 0         | 0         | 1,027,952       |
| WS31  | Springbrook Treatment Upgrade   | The upgrading of the Springbrook water treatment facility for supply to meet drinking water standards   | 0           | 0         | 0         | 181,630         |

# Water Supply

## Funding Impact Statement

|   | Budget<br>2014/15<br>\$'000 | Budget<br>2015/16<br>\$'000 | Budget<br>2016/17<br>\$'000 | Budget<br>2017/18<br>\$'000 | Budget<br>2018/19<br>\$'000 | Budget<br>2019/20<br>\$'000 | Budget<br>2020/21<br>\$'000 | Budget<br>2021/22<br>\$'000 | Budget<br>2022/23<br>\$'000 | Budget<br>2023/24<br>\$'000 | Budget<br>2024/25<br>\$'000 |
|---|-----------------------------|-----------------------------|-----------------------------|-----------------------------|-----------------------------|-----------------------------|-----------------------------|-----------------------------|-----------------------------|-----------------------------|-----------------------------|
| <b>Sources Of Operating Funding</b>                                     |                             |                             |                             |                             |                             |                             |                             |                             |                             |                             |                             |
| General Rates, Uniform annual general charges, rates penalties          |                             |                             |                             |                             |                             |                             |                             |                             |                             |                             |                             |
| Targeted Rates  | 4,705                       | <b>5,262</b>                | 5,447                       | 5,938                       | 6,460                       | 6,726                       | 7,036                       | 7,696                       | 8,147                       | 8,358                       | 8,658                       |
| Subsidies and grants for operating purposes                             |                             |                             |                             |                             |                             |                             |                             |                             |                             |                             |                             |
| Fees and charges  | 1,503                       | <b>1,563</b>                | 1,647                       | 1,711                       | 1,801                       | 1,857                       | 1,917                       | 1,981                       | 2,051                       | 2,215                       | 2,378                       |
| Internal charges and overheads recovered                                | 71                          | <b>71</b>                   | 71                          | 71                          | 96                          | 96                          | 96                          | 96                          | 96                          | 96                          | 96                          |
| Local authorities fuel tax, fines, infringement fees and other receipts | 0                           | <b>0</b>                    | 0                           | 0                           | 0                           | 0                           | 0                           | 0                           | 0                           | 0                           | 0                           |
| <b>Total Operating Funding</b>  | <b>6,279</b>                | <b>6,896</b>                | 7,165                       | 7,720                       | 8,357                       | 8,679                       | 9,049                       | 9,773                       | 10,294                      | 10,669                      | 11,132                      |
| <b>Applications Of Operating Funding</b>                                |                             |                             |                             |                             |                             |                             |                             |                             |                             |                             |                             |
| Payments to staff and suppliers   | 3,123                       | <b>3,326</b>                | 3,318                       | 3,346                       | 3,449                       | 3,640                       | 3,720                       | 3,830                       | 3,872                       | 4,058                       | 4,172                       |
| Finance costs   | 335                         | <b>295</b>                  | 381                         | 580                         | 774                         | 844                         | 1,000                       | 1,314                       | 1,668                       | 1,852                       | 1,936                       |
| Internal charges and overheads applied                                  | 965                         | <b>1,025</b>                | 1,067                       | 1,011                       | 1,066                       | 1,046                       | 1,094                       | 1,135                       | 1,152                       | 1,184                       | 1,231                       |
| Other operating funding applications                                    |                             |                             |                             |                             |                             |                             |                             |                             |                             |                             |                             |
| <b>Total Applications Of Operating Funding</b>                          | <b>4,423</b>                | <b>4,646</b>                | 4,766                       | 4,937                       | 5,289                       | 5,530                       | 5,815                       | 6,279                       | 6,692                       | 7,094                       | 7,339                       |
| <b>Surplus/(Deficit) Of Operating Funding</b>                           | <b>1,856</b>                | <b>2,250</b>                | 2,399                       | 2,783                       | 3,069                       | 3,149                       | 3,234                       | 3,494                       | 3,602                       | 3,575                       | 3,793                       |
| <b>Sources Of Capital Funding</b>                                       |                             |                             |                             |                             |                             |                             |                             |                             |                             |                             |                             |
| Subsidies and grants for capital expenditure                            |                             |                             |                             |                             |                             |                             |                             |                             |                             |                             |                             |
| Development and financial contributions                                 |                             |                             |                             |                             |                             |                             |                             |                             |                             |                             |                             |
| Increase/(decrease) in debt   | 1,748                       | <b>537</b>                  | 2,200                       | 3,689                       | 2,362                       | (111)                       | 4,823                       | 4,796                       | 6,059                       | (449)                       | 3,022                       |
| Gross proceeds from the sale of assets                                  |                             |                             |                             |                             |                             |                             |                             |                             |                             |                             |                             |
| Lump sum contributions  |                             |                             |                             |                             |                             |                             |                             |                             |                             |                             |                             |
| Other dedicated capital funding   | 9                           | <b>74</b>                   | 74                          | 74                          | 74                          | 74                          | 74                          | 74                          | 74                          | 74                          | 74                          |
| <b>Total Sources Of Capital Funding</b>                                 | <b>1,757</b>                | <b>611</b>                  | 2,274                       | 3,762                       | 2,435                       | (38)                        | 4,897                       | 4,869                       | 6,133                       | (375)                       | 3,096                       |
| <b>Applications Of Capital Funding</b>                                  |                             |                             |                             |                             |                             |                             |                             |                             |                             |                             |                             |
| Capital expenditure   |                             |                             |                             |                             |                             |                             |                             |                             |                             |                             |                             |
| - to meet additional demand   |                             |                             |                             |                             |                             |                             |                             |                             |                             |                             |                             |
| - to improve the level of service                                       | 2,510                       | <b>1,103</b>                | 2,374                       | 1,951                       | 2,296                       | 69                          | 11                          | 0                           | 0                           | 0                           | 104                         |
| - to replace existing assets  | 2,855                       | <b>3,846</b>                | 3,236                       | 6,428                       | 2,253                       | 2,416                       | 9,640                       | 9,437                       | 9,674                       | 2,909                       | 7,251                       |
| Increase/(decrease) in reserves   | (1,752)                     | <b>(2,088)</b>              | (938)                       | (1,833)                     | 955                         | 626                         | (1,521)                     | (1,073)                     | 61                          | 290                         | (465)                       |
| Increase/(decrease) of investments                                      |                             |                             |                             |                             |                             |                             |                             |                             |                             |                             |                             |
| <b>Total Applications Of Capital Funding</b>                            | <b>3,613</b>                | <b>2,861</b>                | 4,672                       | 6,545                       | 5,504                       | 3,111                       | 8,131                       | 8,364                       | 9,735                       | 3,199                       | 6,889                       |
| <b>Surplus/(Deficit) Of Capital Funding</b>                             | <b>(1,856)</b>              | <b>(2,250)</b>              | (2,399)                     | (2,783)                     | (3,069)                     | (3,149)                     | (3,234)                     | (3,494)                     | (3,602)                     | (3,575)                     | (3,793)                     |
| <b>FUNDING BALANCE</b>  | <b>0</b>                    | <b>0</b>                    | 0                           | 0                           | 0                           | 0                           | 0                           | 0                           | 0                           | 0                           | 0                           |

# Water Supply

## Funding Impact Statement Downlands Water Supply

|   | Budget<br>2014/15<br>\$'000 | Budget<br>2015/16<br>\$'000 | Budget<br>2016/17<br>\$'000 | Budget<br>2017/18<br>\$'000 | Budget<br>2018/19<br>\$'000 | Budget<br>2019/20<br>\$'000 | Budget<br>2020/21<br>\$'000 | Budget<br>2021/22<br>\$'000 | Budget<br>2022/23<br>\$'000 | Budget<br>2023/24<br>\$'000 | Budget<br>2024/25<br>\$'000 |
|---|-----------------------------|-----------------------------|-----------------------------|-----------------------------|-----------------------------|-----------------------------|-----------------------------|-----------------------------|-----------------------------|-----------------------------|-----------------------------|
| <b>Sources Of Operating Funding</b>                                     |                             |                             |                             |                             |                             |                             |                             |                             |                             |                             |                             |
| General Rates, Uniform annual general charges, rates penalties          |                             |                             |                             |                             |                             |                             |                             |                             |                             |                             |                             |
| Targeted Rates  | 1,107                       | <b>1,189</b>                | 1,324                       | 1,550                       | 1,620                       | 1,656                       | 1,866                       | 2,337                       | 2,460                       | 2,460                       | 2,501                       |
| Subsidies and grants for operating purposes                             |                             |                             |                             |                             |                             |                             |                             |                             |                             |                             |                             |
| Fees and charges  | 0                           | <b>0</b>                    | 0                           | 0                           | 0                           | 0                           | 0                           | 0                           | 0                           | 0                           | 0                           |
| Internal charges and overheads recovered                                |                             |                             |                             |                             |                             |                             |                             |                             |                             |                             |                             |
| Local authorities fuel tax, fines, infringement fees and other receipts | 77                          | <b>97</b>                   | 49                          | 22                          | 27                          | 53                          | 66                          | 69                          | 71                          | 79                          | 90                          |
| <b>Total Operating Funding</b>  | <b>1,185</b>                | <b>1,286</b>                | <b>1,374</b>                | <b>1,572</b>                | <b>1,647</b>                | <b>1,710</b>                | <b>1,932</b>                | <b>2,406</b>                | <b>2,531</b>                | <b>2,539</b>                | <b>2,591</b>                |
| <b>Applications Of Operating Funding</b>                                |                             |                             |                             |                             |                             |                             |                             |                             |                             |                             |                             |
| Payments to staff and suppliers   | 412                         | <b>416</b>                  | 439                         | 451                         | 435                         | 416                         | 429                         | 511                         | 575                         | 596                         | 619                         |
| Finance costs   | 105                         | <b>70</b>                   | 219                         | 404                         | 528                         | 595                         | 790                         | 1,030                       | 1,109                       | 1,090                       | 1,094                       |
| Internal charges and overheads applied                                  | 112                         | <b>117</b>                  | 120                         | 118                         | 120                         | 121                         | 123                         | 126                         | 128                         | 130                         | 134                         |
| Other operating funding applications                                    |                             |                             |                             |                             |                             |                             |                             |                             |                             |                             |                             |
| <b>Total Applications Of Operating Funding</b>                          | <b>629</b>                  | <b>603</b>                  | <b>778</b>                  | <b>974</b>                  | <b>1,083</b>                | <b>1,132</b>                | <b>1,342</b>                | <b>1,667</b>                | <b>1,812</b>                | <b>1,816</b>                | <b>1,846</b>                |
| <b>Surplus/(Deficit) Of Operating Funding</b>                           | <b>556</b>                  | <b>682</b>                  | <b>595</b>                  | <b>598</b>                  | <b>564</b>                  | <b>578</b>                  | <b>590</b>                  | <b>739</b>                  | <b>719</b>                  | <b>723</b>                  | <b>745</b>                  |
| <b>Sources Of Capital Funding</b>                                       |                             |                             |                             |                             |                             |                             |                             |                             |                             |                             |                             |
| Subsidies and grants for capital expenditure                            |                             |                             |                             |                             |                             |                             |                             |                             |                             |                             |                             |
| Development and financial contributions                                 |                             |                             |                             |                             |                             |                             |                             |                             |                             |                             |                             |
| Increase/(decrease) in debt   | 3,280                       | <b>2,153</b>                | 2,434                       | 3,265                       | 530                         | 1,544                       | 4,445                       | 2,964                       | (544)                       | (47)                        | 168                         |
| Gross proceeds from the sale of assets                                  |                             |                             |                             |                             |                             |                             |                             |                             |                             |                             |                             |
| Lump sum contributions  |                             |                             |                             |                             |                             |                             |                             |                             |                             |                             |                             |
| Other dedicated capital funding   | 25                          | <b>0</b>                    | 0                           | 0                           | 442                         | 454                         | 187                         | 193                         | 199                         | 206                         | 213                         |
| <b>Total Sources Of Capital Funding</b>                                 | <b>3,305</b>                | <b>2,153</b>                | <b>2,434</b>                | <b>3,265</b>                | <b>972</b>                  | <b>1,998</b>                | <b>4,632</b>                | <b>3,157</b>                | <b>(345)</b>                | <b>159</b>                  | <b>381</b>                  |
| <b>Applications Of Capital Funding</b>                                  |                             |                             |                             |                             |                             |                             |                             |                             |                             |                             |                             |
| Capital expenditure   |                             |                             |                             |                             |                             |                             |                             |                             |                             |                             |                             |
| - to meet additional demand   |                             |                             |                             |                             |                             |                             |                             |                             |                             |                             |                             |
| - to improve the level of service                                       | 0                           | <b>0</b>                    | 0                           | 0                           | 177                         | 1,544                       | 4,766                       | 2,985                       | 0                           | 0                           | 0                           |
| - to replace existing assets  | 6,075                       | <b>4,260</b>                | 4,020                       | 4,255                       | 703                         | 361                         | 463                         | 775                         | 393                         | 450                         | 883                         |
| Increase/(decrease) in reserves   | (2,214)                     | <b>(1,425)</b>              | (990)                       | (392)                       | 657                         | 671                         | (7)                         | 136                         | (18)                        | 432                         | 244                         |
| Increase/(decrease) of investments                                      |                             |                             |                             |                             |                             |                             |                             |                             |                             |                             |                             |
| <b>Total Applications Of Capital Funding</b>                            | <b>3,861</b>                | <b>2,835</b>                | <b>3,029</b>                | <b>3,863</b>                | <b>1,536</b>                | <b>2,576</b>                | <b>5,222</b>                | <b>3,896</b>                | <b>374</b>                  | <b>882</b>                  | <b>1,127</b>                |
| <b>Surplus/(Deficit) Of Capital Funding</b>                             | <b>(556)</b>                | <b>(682)</b>                | <b>(595)</b>                | <b>(598)</b>                | <b>(564)</b>                | <b>(578)</b>                | <b>(590)</b>                | <b>(739)</b>                | <b>(719)</b>                | <b>(723)</b>                | <b>(746)</b>                |
| <b>FUNDING BALANCE</b>  | <b>0</b>                    |

# Projects unfunded following Council consideration

| Activity                      | Project  |            | Indicative cost |         |         |         |           |           |         |         |         |         |           |         |
|-------------------------------|--|------------|-----------------|---------|---------|---------|-----------|-----------|---------|---------|---------|---------|-----------|---------|
|                               |  |            | Year 1          | Year 2  | Year 3  | Year 4  | Year 5    | Year 6    | Year 7  | Year 8  | Year 9  | Year 10 | Yrs 10-15 |         |
| <b>Community Support</b>      |  |            |                 |         |         |         |           |           |         |         |         |         |           |         |
| Public Toilets                | Temuka toilet - beside walkway in Maude Street                       | Capital    |                 | 25,000  |         |         |           |           |         |         |         |         |           |         |
| Rural Fire                    | Fire Fighters welfare fund   | Operating  | 8,000           | 8,000   | 8,000   | 8,000   | 8,000     | 8,000     | 8,000   | 8,000   | 8,000   | 8,000   | 8,000     |         |
| <b>Recreation and Leisure</b> |  |            |                 |         |         |         |           |           |         |         |         |         |           |         |
| Art Gallery                   | Upgrade Toilets  | Capital    |                 |         |         | 50,000  |           |           |         |         |         |         |           |         |
| Art Gallery                   | Replace house gallery heavy doors                                    | Capital    |                 | 10,000  |         |         |           |           |         |         |         |         |           |         |
| Art Gallery                   | Install lift in House gallery  | Capital    |                 |         |         |         | 150,000   |           |         |         |         |         |           |         |
| Art Gallery                   | Upgrade flooring in entrance and main gallery                        | Capital    |                 |         | 20,000  |         |           |           |         |         |         |         |           |         |
| Parks                         | Sir Basil Arthur Park Master Plan                                    | Capital    |                 |         |         |         | 1,220,000 |           |         |         |         |         |           |         |
| Parks                         | Waitohi Bush Extension   | Operating  |                 |         |         |         |           | 35,000    |         |         |         |         |           |         |
| Parks                         | Development nature parks   | Capital    | 15,000          | 15,000  | 15,000  | 15,000  | 15,000    | 15,000    | 15,000  | 15,000  | 15,000  | 15,000  | 15,000    |         |
| Parks                         | Otipua Wetlands  | Operating  | 20,000          | 20,000  | 20,000  | 20,000  | 20,000    | 20,000    | 20,000  | 20,000  | 20,000  | 20,000  | 20,000    |         |
| Parks                         | Fraser Park/Sir Basil Arthur Park Feasibility Study                  | Operating  | 50,000          |         |         |         |           |           |         |         |         |         |           |         |
| Parks                         | Replace Caroline Bay paddling pool with a splash deck and water jets | Capital    |                 |         | 450,000 |         |           |           |         |         |         |         |           |         |
| Parks                         | Aorangi Road Intersection improvements                               | Capital    |                 | 25,000  |         |         |           |           |         |         |         |         |           |         |
| Parks                         | Peeress Park linkage with the Botanic Gardens                        | Capital    |                 | 34,000  | 22,000  |         |           |           |         |         |         |         |           |         |
| Parks                         | Taitarakahi Mouth Enhancement (fencing/planting)                     | Capital    | 31,000          | 61,000  |         |         |           |           |         |         |         |         |           |         |
| Parks                         | Garden Path Extensions at Botanic Gardens and Art Gallery            | Capital    |                 |         | 38,000  | 38,000  |           | 12,000    |         |         |         |         |           |         |
| Parks                         | Hedge removals at Marchwiell Park and Redruth Park                   | Operating  | 100,000         |         | 50,000  |         |           |           |         |         |         |         |           |         |
| Libraries                     | Replace Libraries shelving   | Capital    |                 |         |         |         |           |           |         |         |         |         |           | 140,000 |
| Libraries                     | Install glass walls and partitions                                   | Capital    |                 |         |         | 70,500  |           |           |         |         |         |         |           |         |
| Theatre Royal                 | Walkway  | Capital    |                 |         |         | 50,000  |           |           |         |         |         |         |           |         |
| Museum                        | Public programmes officer position                                   | Operating  | 29,000          | 29,000  | 29,000  | 60,000  | 60,000    | 60,000    | 60,000  | 60,000  | 60,000  | 60,000  | 60,000    |         |
| Museum                        | Curator of natural history position                                  | Operating  |                 | 31,000  | 62,000  | 62,000  | 62,000    | 62,000    | 62,000  | 62,000  | 62,000  | 62,000  | 62,000    |         |
| <b>Roading and Footpaths</b>  |  |            |                 |         |         |         |           |           |         |         |         |         |           |         |
| Subsidisable Roading          | McKechnie Street Extension   | Capital    |                 |         |         | 500,000 |           | 20,000    |         |         |         |         |           |         |
| Subsidisable Roading          | New Cycleways - On and Off road                                      | Capital    | 100,000         |         | 100,000 |         | 100,000   |           | 100,000 |         | 100,000 |         |           |         |
| Subsidisable Roading          | Bridges 2 laning (Te Ngawai and Raincliff)                           | Capital    |                 |         |         |         |           | 3,000,000 |         |         |         |         | 4,000,000 |         |
| Subsidisable Roading          | Rail Crossing upgrades   | Op/Capital |                 | 100,000 |         |         |           |           |         | 100,000 |         |         |           |         |

# Projects unfunded following Council consideration

| Activity                  | Project   |           | Indicative cost |         |         |         |         |         |         |         |         |         |           |
|---------------------------|---|-----------|-----------------|---------|---------|---------|---------|---------|---------|---------|---------|---------|-----------|
|                           |   |           | Year 1          | Year 2  | Year 3  | Year 4  | Year 5  | Year 6  | Year 7  | Year 8  | Year 9  | Year 10 | Yrs 10-15 |
| <b>Stormwater</b>         |   |           |                 |         |         |         |         |         |         |         |         |         |           |
| Timaru Stormwater         | Extend piped reticulation   | Capital   | 100,000         | 100,000 | 100,000 | 100,000 | 100,000 | 100,000 | 100,000 | 100,000 | 100,000 | 100,000 |           |
| <b>Waste Minimisation</b> |   |           |                 |         |         |         |         |         |         |         |         |         |           |
| Waste Minimisation        | Increased Zero Waste Advisor position                                   | Operating |                 | 18,000  | 18,000  | 18,000  | 18,000  | 18,000  | 18,000  | 18,000  | 18,000  | 18,000  |           |
| Waste Minimisation        | Special Organics Project  | Capital   |                 | 300,000 |         |         |         |         |         |         |         |         |           |
| <b>Water Supply</b>       |   |           |                 |         |         |         |         |         |         |         |         |         |           |
| Urban Water               | Water filling stations for contractors to access supplies to fill tanks | Capital   | 80,000          | 80,000  | 40,000  |         |         |         |         |         |         |         |           |
| Urban Water               | Washdyke Alternative Water Supply Main and additional capacity          | Capital   |                 |         |         |         |         |         |         |         |         |         | 4,500,000 |
| Urban Water               | Upgrades to meet fire fighting capacity                                 | Capital   | 226,000         | 205,400 | 214,400 | 251,400 | 260,000 | 228,400 | 222,400 | 251,520 | 269,120 | 261,520 |           |
| Urban Water               | Upgrades to meet fire fighting capacity - port area                     | Capital   |                 |         |         |         |         |         |         |         | 100,000 | 150,000 |           |
| <b>Corporate</b>          |   |           |                 |         |         |         |         |         |         |         |         |         |           |
| Corporate                 | Backscanning of building property files                                 | Operating | 250,000         | 250,000 | 250,000 |         |         |         |         |         |         |         |           |
| Corporate                 | Installation of additional mobile shelving                              | Capital   |                 |         | 30,000  | 15,000  |         |         |         |         |         |         |           |





# Infrastructure Strategy 2015-2045



# Infrastructure Strategy

# Infrastructure Strategy

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# Infrastructure Strategy

## 1.0 TIMARU DISTRICT

### 1.1 Background

#### 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 16.3 persons per square kilometre. The district has a temperate climate, with Timaru getting an annual average of 1,826 hours of sunshine and 573mm of rain. The district includes a variety of geographical environments ranging from densely populated low lying urban areas to remote sparsely populated mountain areas.

#### Demographics

In 2013, the Council engaged the services of Natalie Jackson Demographics Limited to complete the Timaru District Council Population and Household Projections 2013-2063 report. The report was completed in 2014 and was broadly based on and in line with statistics gathered in the 2013 Census. Some of the key (medium scenario) findings were as follows:

- The estimated population of the district in 2013 was 45,400
- Of the base population 22,100 are male and 23,300 are female
- Projected levels of migration are relatively constant and will remain stable
- Population is projected to increase 7.6% by 2033 to 48,853
- Proportion of elderly in the population is predicted to steadily increase with the 65+ demographic at 20.1% in 2013 increasing to 31% in 2033
- The number of households is projected to increase from 18,660 to 21,105 in 2033
- The median income for those aged 15 years and over is \$26,900 with 22.9% of those earning more than \$50,000

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

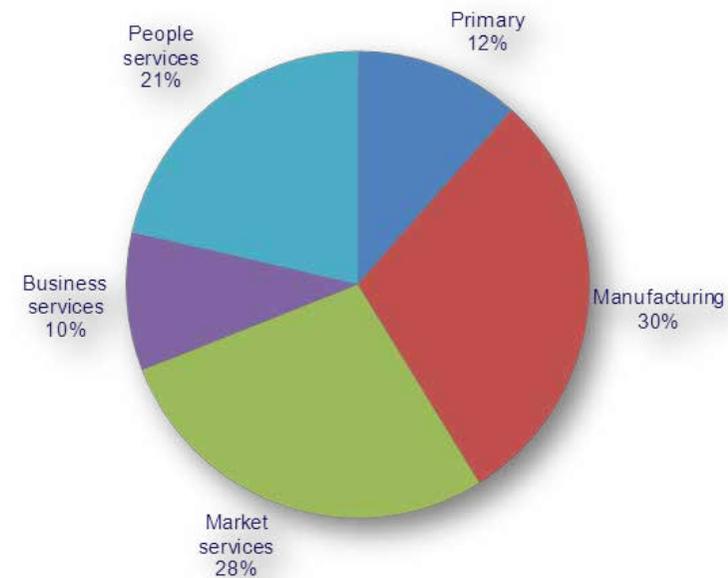
Employment in the district is strong, with the majority of people employed in food product manufacturing. Retail trade, health care and social assistance, agriculture, forestry and fishing and construction industries are also key employment sectors.

The number of businesses in the district has increased in the last few years. In 2013, there were approximately 5,328 businesses operating in the district, up from 5,262 in February of 2006 (an increase of 4.7%). The Agriculture, Forestry and Fishing industry sector accounts for nearly 25% of these businesses.

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

The diversity of the local economy is shown in Figure 1. (Figures quoted in the above section are solely from Statistics New Zealand 2013 Census information)

Figure 1: Timaru District's Economic Diversity



(Source: BERL)

# Infrastructure Strategy

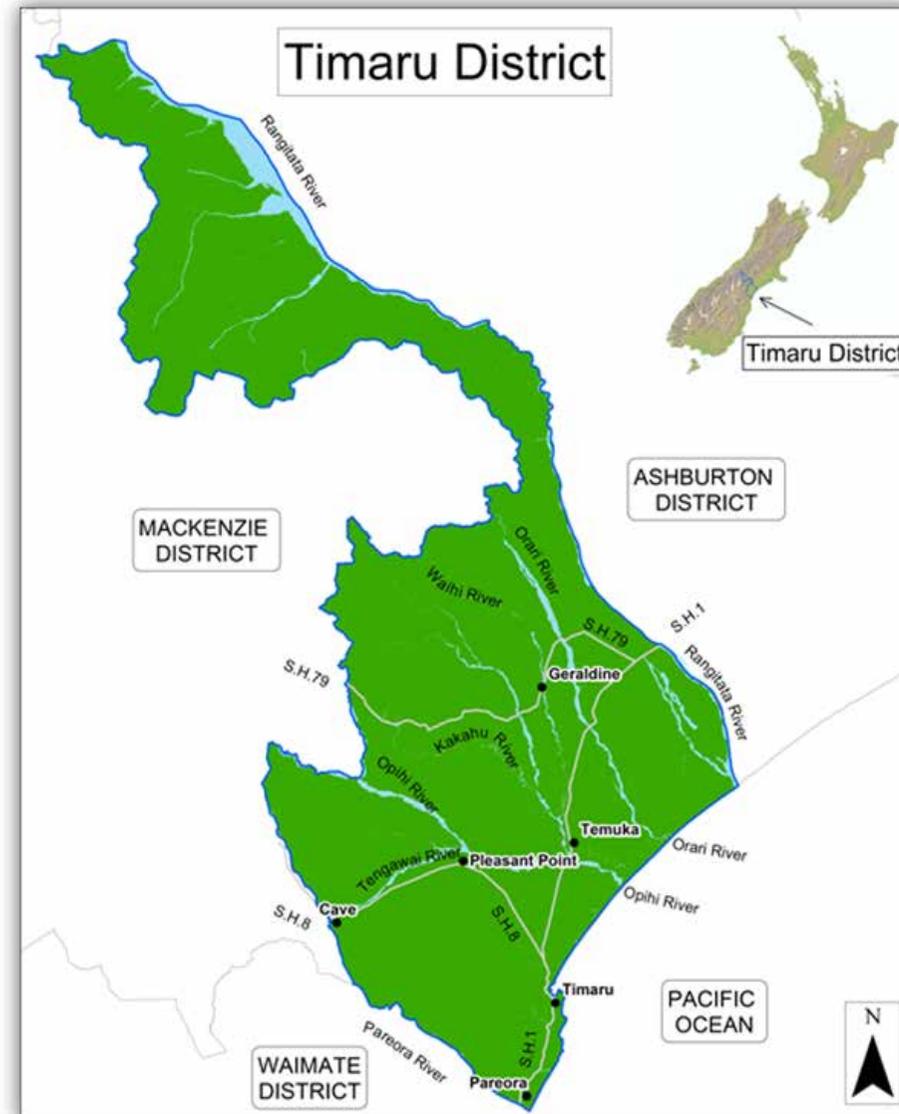
## Our Communities

Timaru is the largest community, housing nearly two thirds of the total population of the district (27,038). The next largest community is Temuka (4,050), followed by Geraldine (2,301) and Pleasant Point (1,278). 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 a major health provider, with the Aoraki Polytechnic providing tertiary educational services throughout the South Island.

## Our Environment

The diverse landscapes of the Timaru District include rolling downlands, tussock land, coastal plains and wetlands, forest remnants, river gorges and rugged mountain ranges. The coastal plains to the north and downlands to the south are highly modified for intensive cropping, meat, wool and dairy production. Pasture and exotic woodlots dominate the modified hills and downs from Peel Forest to Cave, with occasional shrub and forest remnants. Limestone outcrops and volcanic sediment add to the diversity of the landforms. The district is also defined by a number of waterways, including the Orari, Opihi, Rangitata, Waihi and Pareora Rivers. The Rangitata and Pareora physically define the district and all waterways are highly valued by the community for their recreational, social, natural amenity and economic values. The district has a number of outstanding natural features and landscapes, as well as areas of significant native vegetation habitats of native fauna. There are also numerous important heritage sites, buildings and places. Figure 2 shows a map of the district.

Figure 2: Timaru District Map



# Infrastructure Strategy

## The Vision

The Timaru District Council's Long Term Plan includes the Council's strategic framework. This encompasses a Vision, Community Outcomes and Strategic Priorities. The Community Outcomes and Strategic Priorities are created based on the Vision. The Council has established a vision of *Lifestyle-Economy-Identity-Leadership* to help progress the Timaru District into the future. It aims to achieve a fine balance between continuously improving Timaru District communities, listening and responding to community needs and expectations and complying with a host of government legislation. The Vision must also factor in the requirements of future proofing infrastructure, building in resilience and planning to enable work programmes to be realistic, attainable and affordable.

The Council intends to balance all these factors while maintaining affordable business as usual services. The vision is explained in Figure 3.

**Figure 3: Vision for Timaru District**

| Vision     |  | Explanation  |
|------------|--|--|
| Lifestyle  | Fantastic, sustainable lifestyle second to none            | We live in a pretty special place. We want to keep it that way. We want to make it even better for ourselves, our children, their children.            |
| Economy    | Thriving and innovative economy where opportunities abound | Our economy is essential to our future. We need it to grow innovatively and sustainably.   |
| Identity   | Strong and enviable reputation and identity                | We want to forge and strengthen a reputation and identity that makes us the envy of other places.  |
| Leadership | Inspiring, people-focused leadership                       | We want a district where we build on our strengths, minimize our weaknesses, challenge our threats and grasp our opportunities. This takes leadership. |

# Infrastructure Strategy

## 2.0 THIS INFRASTRUCTURE STRATEGY

This is Timaru District Council's first Infrastructure Strategy (IS). It has been prepared from Council's 2015 suite of Activity Management Plans and the Long Term Plan of which it forms part.

The issues discussed reflect the current legislative environment and the communities' priorities across the district/city.

The financial forecasts are estimates and the reliability of the forecasts decreases beyond ten years and towards the thirty year planning horizon.

### 2.1 Strategy Layout

The Strategy document sections and corresponding LGA Act sections are tabled below:

**Table 2.1: Strategy Layout**

| Strategy Section   | LGA 2002 as amended (Section 101B) |
|--|------------------------------------|
| 1 Identifies the district and provides context   | 2 (a)                              |
| 2 Identifies the core infrastructure included in this strategy   | 2(a) and 6                         |
| Discuss the significant infrastructure issues and the associated assumptions                                       | 2(a) & (b)                         |
| 3 Illustrate the linkage between strategic documents   | 2                                  |
| 4 Documents the strategic statements that will guide decision-making for the next 30 years                         | 2(b)                               |
| 5 Identifies the response options for the significant issues and documents benefits, cost, when and funding source | 2(b); 3(a) to (e) & 4(a)           |
| 6 Identifies the costs associated with the actions proposed  | 4(a) to (c)                        |

## 2.2 Core Infrastructure

The Local Government Act 2002 Section 101B – *Infrastructure Strategy* states:

1) *A local authority must prepare and adopt, as part of its long term plan, an infrastructure strategy for a period of at least 30 consecutive financial years*

and

6) *In this section, infrastructure assets includes*

*a) existing or proposed assets to be used to provide services by or on behalf of the local authority in relation to the following groups of activities:*

- i. water supply;*
- ii. sewerage and the treatment and disposal of sewage;*
- iii. stormwater drainage;*
- iv. flood protection and control works;*
- v. the provision of roads and footpaths; and*

*b) any other assets that the local authority, in its discretion, wishes to include in the strategy.*

### 2.2.1 Core Infrastructure Assets

The core Timaru District Infrastructure Assets for the IS are tabled below:

**Table 2.2: Timaru District Infrastructure Assets**

| Asset          | Description  | Replacement Value | % of total  |
|----------------|--|-------------------|-------------|
| Water          | Water extraction, treatment and distribution                               | \$72.22M          | 12%         |
| Sewerage       | Wastewater collection, treatment and discharge                             | \$84.11M          | 14%         |
| Stormwater     | Stormwater collection and discharge  | \$34.72M          | 6%          |
| Land Transport | Roads (arterial, collectors, local; curbs and gutters), bridges, footpaths | \$413.49M         | 68%         |
| <b>TOTAL</b>   |  | <b>\$604.54M</b>  | <b>100%</b> |

### 2.2.2 Other Activities

This Infrastructure Strategy is focused on core infrastructural assets – namely the Roading and Footpaths, Sewer, Stormwater and Water Supply activities. Consideration was given to extending it to other activities. However, due to the limited timeframes available for the preparation of the 2015 IS, these may be incorporated as part of the next Infrastructure Strategy development for the 2018- 2028 Long Term Plan.

### 2.2.3 Infrastructure Performance

In general, the Land Transport Networks and the Three Waters (*Sewer, Stormwater, Water Supply*) Networks function as expected and provide a consumer Level of Service commensurate with community expectations. Each network is made up of a number of groups of components each of

# Infrastructure Strategy

which contributes to the overall customer experience. The performance of each network is measured and monitored to ensure that levels of service as specified in Activity Management Plans and contract specifications are being met.

A number of networks public performance measures are included in the Long Term Plan and each Annual Plan. These performance measures are assessed and reported to Council after 6, 9 and 12 months of each financial year, with the Annual Report of the year and performance measures being subject to audit.

The performance of each network is detailed as follows:

## Land Transport

### Road User Surveys

The Timaru District Council conducts Road Users Surveys biannually, through an independent consultant, Key Research Ltd. The survey obtains the perceptions of a broad range of road users across the District, which is used to identify the transport levels of service customer performance. From the survey, this allows the Council to determine the areas for possible improvements.

### Condition Assessment

It is critical that Timaru District Council has clear knowledge of the condition of its assets and how they are performing. Condition data has been captured over a number of years, which has enabled the Timaru District Council to understand future expenditure patterns and management decisions regarding maintenance, replacement, and renewals.

The development and continued use of condition assessment data will allow preparation of verifiable predictive decay curves for particular asset types and hence permit prediction of remaining life. Consideration will still be required to allow for economic influences in the adopted life for the asset type. Asset condition is measured both by physical inspections (bridges, footpaths, unsealed roads, street furniture) and measuring defects – road carriageways pavements.

### Road Roughness

Road roughness, as defined in terms of NAASRA (National Association of Australian State Roadway Authority) counts is an

indicator of road condition and performance. These counts are measured by either a standard response meter or laser profilometer being averages every 100m for rural roads and 25m for urban roads.

- A count of <70 is the standard requirement for new construction and rehabilitation of sealed roads.
- A count of >150 is regarded as a "rough pavement" and depending on traffic volumes a smoothing treatment may be appropriate.

### Traffic Counts

Timaru District Council has 10 traffic counters that are utilised to perform 7-day average daily traffic counts on the District roads. The count sites are determined by Council staff using RAMM. The frequency of traffic counts is generally based on road hierarchy although traffic counts on all roads should be a maximum of five yearly intervals. The traffic counter setup, installation, and retrieval and data download is performed by a contractor. The traffic count data is stored in RAMM.

### Road Crash Statistics

The CAS database has been used to record details of road crashes since 1980. The system records all crashes whether fatal, injury, or non-injury, and is an important tool in the analysis of road, intersection, and road user groups safety. All road crashes have a standard crash report prepared by Police that records details about the driver, occupants, vehicle, crash factors, and crash events. A copy of the crash report is provided by Police to Council for information, and report is sent to NZTA for entering in the CAS database.

### Bridge Weight Restrictions

Bridges with posted weight restrictions are advertised and inspected annually. Our goal is to have no weight restricted bridges.

### Travel Time surveys

Travel time is measured annually on specified routes through Timaru. Travel time trends measure asset performance.

### Customer Complaints

Records are tracked through customer request database.

## Water Supply

TDC owns and operates six urban water schemes, four rural water schemes and two stockwater supplies. The twelve schemes serve 13,723 urban residential properties, 1,473 urban non-residential properties, 1,031 rural properties, and 211 properties within schemes for stockwater use only. Council aims to continue to operate the assets and deliver safe and sustainable water supply services.

Plant and reticulation capacities in all schemes are sufficient to meet current demand and levels of service. Asset performance issues have mainly been associated with declining condition of the pipe network. Leak detection and reduction is an ongoing demand management strategy. Renewals have been identified to mitigate risk of asset failure due to ageing/poor condition.

Bacterial/protozoal compliance is an issue in some drinking water supplies. Water Safety Plans prepared for the drinking water supplies have identified improvements necessary to meet DWSNZ. Upgrading of treatment plants/facilities and increasing storage and pipe capacities are major planned works that will enhance asset performance to meet DWSNZ.

The demographic profile of the District is projected to significantly change in the next 30 years, with growth in the number of households as population ages. This factor will be monitored and hydraulic modelling of the schemes will continue to be utilised to determine impact of demand changes to the capacity and performance of the assets. Strategies will be developed around ensuring assets will perform sustainably to ensure security of water supply services in the District.

## Sewer

Sewer systems are provided for households, industries and all other facilities in the urban areas of Timaru, Temuka, Geraldine and Pleasant Point. These systems are linked via pipelines to the main wastewater treatment plant and ocean outfall in Timaru. A small collection scheme also serves the Arowhenua community which feeds into Temuka for treatment. Approximately 80% of the total district resident population are serviced.

Timaru's District Wide Sewer Strategy implemented in

# Infrastructure Strategy

the last 10 years resulted in 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. Significant performance outcomes include:

- a) 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.
- b) Separation of Timaru industrial wastewater stream from the domestic wastewater stream for separate treatment
- c) Due to the construction of a separate facility for domestic wastewater treatment, there is now more plant capacity for industrial wastewater treatment in support of future industrial growth
- d) On-site primary treatment of wastewater by industry to comply with tradewaste discharge limits set by TDC

## Stormwater

TDC manages the operation of stormwater schemes for communities in Timaru, Temuka, Geraldine, Pleasant Point, Winchester, Cave and Milford-Ohapi. There are no significant stormwater services in other rural areas, although some drainage is managed by Environment Canterbury and partially funded by TDC. Schemes range from piped to open channel stormwater systems. Stormwater collected from schemes is disposed to soakpits, surface water bodies (e.g. rivers, ocean) and drains depending on the locality.

Stormwater schemes in residential areas are designed to cope with a 1 in 5 year return rainfall event (i.e. the event has a 20% chance of occurring in any one year). Stormwater schemes in industrial and commercial zones are designed to cope with a 1 in 10 year return rainfall event (i.e. the event has a 10% chance of occurring in any one year). Where rainfall exceeds design standards, escape routes or secondary flow paths are designed for a 1 in 50 year return rainfall event (i.e. the event has a 2% chance of occurring in any one year). Excess stormwater will flow overland along these flow paths (e.g. roads and gullies). These are designed to mitigate potential damage to structures. Runoffs from a rainfall event greater

than 5-year return period will be beyond the capacity of the District's existing piped or open channel systems and some temporary surface flooding may occur.

Environmental standards for stormwater discharges have increased and will impact directly on asset performance. The Proposed Canterbury LWRP requires treatment and attenuation of stormwater prior to disposal to waterways and the ocean. These requirements will shape the renewals and/or development of stormwater assets within the period of the Infrastructure Strategy. The resource consents that TDC will obtain from 2018 will require improvement of stormwater discharges to meet quality standards by 2025.

Demographic changes, land use change and lifestyle changes will be monitored to assess impact on existing asset capacity and address requirements to enable sustained performance in the long term.

## 2.2.4 Risks to Asset Performance

Each of the networks is subject to a number of Performance Risks. Some risks are common and some are network specific.

1. Legislative Changes
2. Climate Change
3. Availability of Resources
4. Physical events such as Tsunami, Earthquake, Windstorm, Rainstorm and Snowstorms
5. Ageing Assets

In addition each network may be the subject of specific risks, as follows:

### Land Transport

Risks are detailed in the land transport activity management plan. Other than the risks identified above the key risks are:

- Use beyond design parameters, e.g. HPMVs, significant increases in traffic volumes, overweight vehicles, that results in damage or premature deterioration of asset
- Hazards that may cause public harm
- Reduced external funding that may reduce renewal and operational programmes
- Failure to meet customer expectations or growth demands

### 3 Waters

Council's water supply, sewer and stormwater services are funded from rates and increasing cost of services is a financial risk on Council's ability to continue to operate and maintain the assets and deliver the required levels of service.

The increasing cost of complying with legislated requirements (e.g., environmental quality improvement, drinking water standards, etc) pose a risk of potentially being unaffordable to ratepayers, and may lead to reduced levels of service.

There are also financial risks associated with the changing demographics of the District, i.e., with new demand for expanding infrastructure to serve more areas, and with the existing areas served by an ageing infrastructure. The cost to build, operate, maintain and renew the infrastructure increases while the community is getting older, with more people on fixed incomes, and fewer with less income per household.

Another financial risk relates to the potential departure of high use industrial consumers. A large proportion of the cost to deliver water services is fixed, which will be incurred regardless of the total volume of water supplied or wastewater treated. Therefore if a high use industrial consumer were to depart Timaru District, these fixed costs could result in higher annual charges to consumers.

In wastewater services, Council requires businesses to treat tradewaste onsite. The risk of non-compliance with trade waste discharge agreements by businesses has financial implications to Council and the community as it could ultimately require more investment in industrial wastewater treatment for the District to comply with legislation.

# Infrastructure Strategy

## 2.3 Emerging Issues

The task of building, operating and maintaining infrastructure assets in an affordable manner is becoming increasingly difficult in view of:

### 2.3.1 Demographic Changes

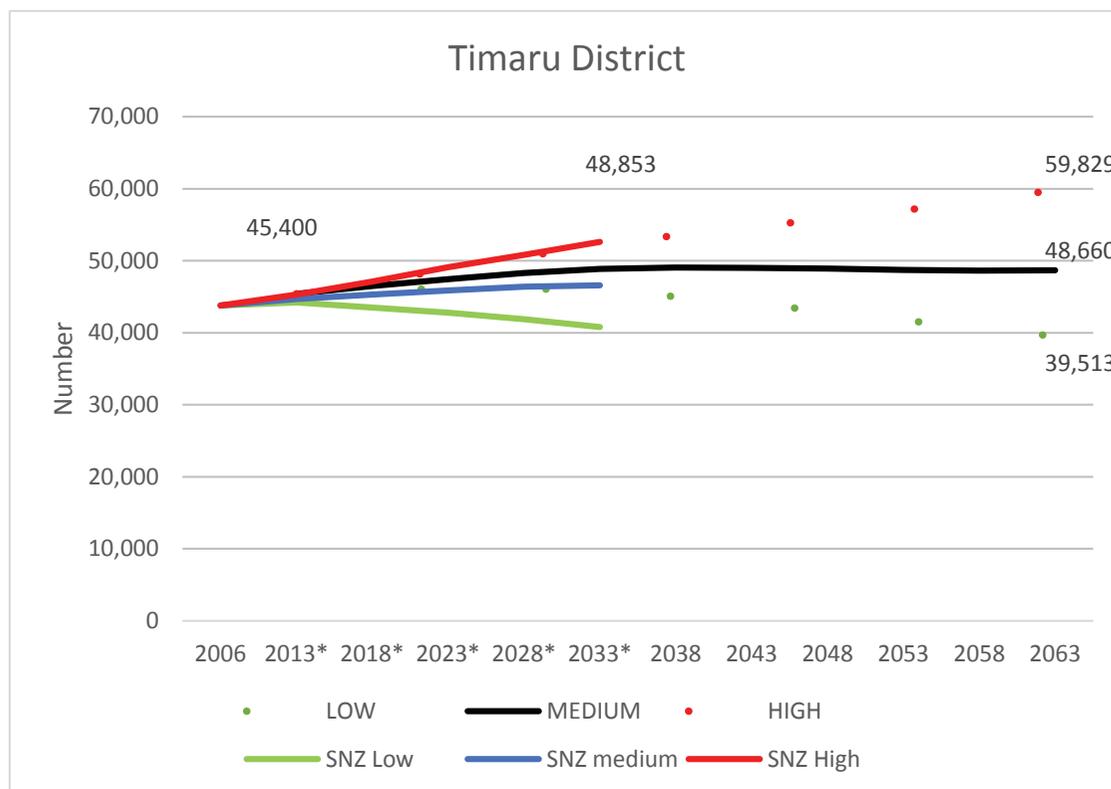
For the 2015-25 Long Term Plan, the Council commissioned revised population and household projections from Professor Natalie Jackson from Waikato University. These are based on the most recent Estimated Resident Population (ERP) data based on the 2013 census released in August 2014.

Key points from the projections (*under the recommended medium scenario*) are:

- Timaru District population is projected to increase to around 48,853 (+7.6 per cent) in 2033, peaking around 2038 at 49,041 persons and declining very slightly over the remaining projection period to 48,660 in 2063.
- Virtually all growth in future years will be in age groups 65+, with the proportion of 65+ increasing from 20.1% in 2013 to 31% in 2033.
- Timaru District will see the population shifting from natural increase (more than deaths) to natural decline from 2023
- Trends indicate the impact of structural ageing, with the shift to zero natural increase projected for 32 of NZ's TAs by 2031
- Total household/dwelling numbers increase from 18,660 in 2013 to 21,105 in 2033 (+13.1 per cent), peaking in 2043 at 21,451 households, then declining slightly to 21,355 by 2063 (+14.4 per cent over 2013).
- Family- and one-person households account for both the majority of household types (69 and 28 per cent respectively in 2013) and the majority of change
- 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
- The above household changes will drive demand for certain types of dwellings

The following graphs summarise the population and household projections:

**Figure 4: Projected Population of the Timaru District 2013-2063 and Comparison with Statistics New Zealand Projections 2006-2031, by Projection Scenario**



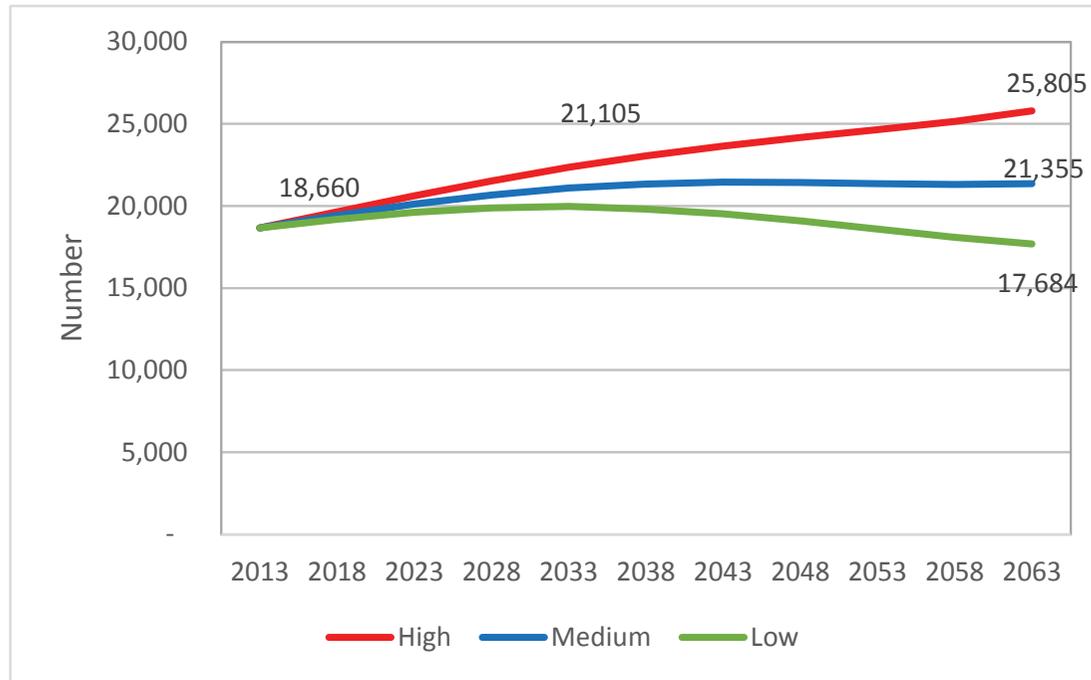
<sup>1</sup> Household means "One person usually living alone, or two or more people usually living together and sharing facilities (e.g. eating facilities, cooking facilities, bathroom and toilet facilities, a living area), in a private dwelling

<sup>2</sup> 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.

<sup>3</sup> The ERP represents the final revision of census night counts and includes adjustments for births, deaths and migration occurring between census night and 30 June 2013, adjustments for people temporarily overseas on census night and census night undercount. Projections are not forecasts but indicate what the future population size and structure might be if the underlying assumptions on births, deaths and migration prevail.

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Figure 5: Projected Number of Households in the Timaru District 2013-2063, by Projection Scenario



## 2.3.2 New Technologies

Technological advancements are an ongoing improvement that TDC aims to utilise in the roading and water utilities infrastructure assets.

For transport services, new technologies are developing rapidly, particularly in information management, logistics, and safety. Other technological advances include the development of alternatives to fossil fuels and other materials used for the roading network, which could provide new options for mitigating the negative environmental impacts, as well as increasing efficiency, safety, and convenience. As technology improves, new methods of funding transport infrastructure are added, such as the tolling systems.

Technology has also improved machinery and equipment used in the roading network, which could assist the District to improve in safety, time, design, monitoring and others. Some of these areas that are influenced by technology are:

- Improvement in road designs and safety;
- Improvement in bridge safety and capabilities;
- Improvement in vision for road and pedestrian facilities; and others;
- Increase in electronic commerce, home shopping, distance learning;
- Improvement in the efficiency of motor vehicles; and
- Improvement in interaction between different modes of transportation for freight, and even the community.

For water services, advanced technologies relating to high performance pipe materials, more effective and environmentally sustainable water treatment processes, non-destructive pipe condition assessments, and greater integration of Information and Communication Technology (ICT) tools in business processes are some of the technological improvements that can bring about significant efficiency gains in the operation of water assets and delivery of water supply, sewer and stormwater services.

Timaru District's road and water utilities infrastructure assets are aging and TDC is utilising technology advancements to analyse data that is collected to ensure assets perform as originally designed. Data analysis is the focus for TDC to predict asset failure, obtain condition data to assist prediction of failure, and utilise the data collected to help Council meet

# Infrastructure Strategy

its sustainability objectives.

New technologies are also utilised at the time of asset renewal progressively upgrading the infrastructure. Council use a whole of life Cost Benefit Analysis (CBA) in considering new technology. This provides the stakeholders with a coordinated approach that will deliver the greatest impact while balancing the cost implications and affordability.

## 2.3.3 Changing Government Priorities and Legislative Environment

The National Infrastructure Plan, March 2011, states that:

*There are two key outcomes the government would like to drive through its infrastructure strategy:*

- Better Use of Existing Infrastructure
- Better Allocation of New Investment

The Government's focus on growth and the economy as detailed in the Business Growth Agenda is a key influence on investment prioritisation.

The Government's focus is moving on from water quality as this has been addressed through the Health Act (Drinking Water) Amendment Act 2007 and the Drinking Water Standards for New Zealand and the focus is now changing to water quantity and the sensible, sustainable management thereof.

Environmental Compliance and progress is reflected through national policy statements and promulgated through regional and district plans.

## 2.3.4 Climate Change

The predicted effects of climate change on the ability of the Timaru District Council to maintain or improve current levels of service are significant. Predicted effects which may affect levels of service include changes in rainfall levels, droughts, increased frequency of extreme weather events and rising sea levels. For these reasons the Council is including information related to climate change predictions in its decision making, particularly in relation to infrastructure planning.

### Water Supply

The effects of climate change may include factors such as increased frequency of droughts, which diminish the

availability of source water and has associated water take restrictions; increased frequency of high intensity rainfalls, which impact on raw water quality increasing the need for more complex treatments; and causing more frequent river 'freshes' and subsequent forced changes in water usage as a consequence.

The risks associated with climate change relate to the availability and quality of source water and the increasing frequency of drought, resulting in the probability of severe restrictions being imposed increasing above the 5% chance of occurring in any one year. More frequent and intense rainfall can also affect the quality of raw water making it more difficult to treat to drinking water standards.

### Sewer

The effects of climate change on the sewer activity may include factors such as increased inflow from intense rainfall events, which may cause sustainability issues. These events may result in levels of service failure if the network is not able to deal with a 1 in 5 year (residential) and 1 in 10 year (commercial/industrial) return period rainfall events.

The rate of inflow and infiltration (I & I) of rainwater into the wastewater network is a key factor in future wastewater demands. Most urban systems across New Zealand experience I & I with stormwater making up 20% to 40% of wastewater volumes.

The longer dry spells and higher temperatures may lead to a decrease in I & I into the wastewater system. However higher intensity rainfall events can increase inflow into the sewer as flooding around gully traps and manholes can occur.

Incidents involving overflow from the sewer network due to high levels of I & I make it more likely that breaches of resource consents will occur.

### Stormwater

The effects of climate change on the district's stormwater networks are not quantifiable with complete accuracy. What is known is the district's urban stormwater networks are designed to meet a 1 in 5-year return rainfall event (i.e. a 20% chance of occurring in any one year) in residential areas and a 1 in 10 year return rainfall event (i.e. a 10% chance of occurring in any one year) in industrial and commercial areas.

Climate change predictions are for potential increases in high intensity rainfall for the district. Existing stormwater systems may not meet their intended level of service under such conditions. To counter this, the Council is implementing alternative low impact design retention methods (e.g. swales and retention dams) to manage stormwater runoff in a more sustainable manner.

Stormwater catchment analysis will be carried out and stormwater control strategies will be developed from which secondary flow paths can be established to try and mitigate the risks to the networks and subsequent levels of service posed by climate change.

### Land Transport

The effects of climate change on the districts roading network are known in terms of the predicted changes in weather patterns. The predicted increases in extreme weather events involving significant rainfall may lead to increased levels of surface water leading to subsequent ponding problems and blockages to drains for stormwater run-off.

The predicted increase in extreme rainfall events may cause scouring to occur at the edges of roads and also cause significant damage through scouring to the abutments of bridges in the district. Weather events which consist of rainfall over extended periods can cause landslips, which can affect the roading network in particular areas within the district

### Coastal Erosion

The district does not have significant roading or water treatment infrastructure subject to the immediate threat of coastal erosion, but it does have low lying recreation areas which are subject to it, for example the Otupua Wetlands and associated paths and bridges. The issue can be summarised as follows:

- Coastal erosion is occurring along the entirety of the South Canterbury Coastline with the exception of Caroline Bay, which is accreting.
- Erosion has been worsening in recent times as beach shingle is depleted, particularly in severe North Easterly swells.
- Most at risk from current levels of erosion are coastal walkways, the Rail Corridor for the East Coast main trunk

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railway line, Otipua Beach and the Otipua Wetlands as mentioned above.

Looking to the next 25 to 50 years, more significant assets in terms of infrastructure may be affected by coastal erosion. If sea levels rise as predicted together with more frequent extreme weather events, the rate of erosion will increase. This could potentially affect the following:

- Washdyke Lagoon – if the seaward side of the lagoon were to be completely eroded it would expose a main sewer line to the risk of damage from the effects of coastal erosion.
- Ashbury Park and surrounding low lying areas
- Waimataitai Beach – walkways and Rail Corridor
- Rangitata Fishing Huts on the South side of the Rangitata River mouth.

The TDC Wastewater Treatment Plant and Oxidation Ponds have been built outside the coastal erosion zone, as defined by Environment Canterbury. It is anticipated that the plant and ponds may be at risk but not within the 100 year timeframe.

## 2.3.5 Infrastructure Resilience and Long Term Sustainability

Customers have a high expectation of continuing functionality and service delivery. Resilience is based on a design philosophy which acknowledges that failure will occur.

Resilience requires early detection and recovery, but not necessarily through re-establishing the failed system. We have to consider managing and mitigating the risks to, and the resilience of, our infrastructure assets not only from natural disasters but also from the impact of development. Weakness in asset condition monitoring is also a major risk to asset performance.

To be resilient and sustainable, planning needs to look ahead and respond to both anticipated and unexpected changes. Canterbury faces disruption from acute events, such as floods, earthquakes or serious crashes; the design of infrastructure and provision of alternative routes can help alleviate these risks.

More gradual and predictable threats provide even greater challenges in the long-term. Changes in demand will occur due to population growth, demographic and economic changes. Other changes need to be anticipated and planned

for, such as climate change.

The current heavy reliance on non-renewable fuels and its contributions to climate change emissions is a sustainability issue. At a regional level, the infrastructure and services provided will make relatively little difference to these issues. More substantial progress requires national and international responses, including strong policy responses and the introduction of new technology.

The integration of infrastructure and services with land use planning also contributes to long term sustainability as it can reduce costs and enhance accessibility, amenity and safety. More accurate physical condition assessment of assets can improve targeting of renewals and increase resilience of the infrastructure networks.

## 2.3.6 Ageing infrastructure

The infrastructure is ageing and the district is approaching an important period to ensure that its infrastructure assets continue to meet the needs of the community in the future. TDC has adopted a 'failure mode' philosophy for renewals to pro-actively renew assets within the most appropriate time period.

TDC's renewal strategy is intended to provide for the progressive replacement of individual assets that have reached the end of their useful life. The rate of asset renewal is intended to maintain the overall condition of the asset system at a standard, which reflects its age profile, and ensures that the community's investment in the District's 3-Waters and Land Transport infrastructure is maintained.

In the 3-Waters services, the level of expenditure on cyclic replacement of assets varies from year to year, reflecting:

- The age profile of the system (Asset life)
- The condition profile of the system
- Criticality of the asset
- The ongoing maintenance demand
- Customer service issues
- Leakage reduction
- The differing economic lives of individual assets comprising the overall asset system
- Trend of materials that cause issues

In Land Transport, a significant amount of the infrastructure was constructed between 50 and 80 years ago during "pioneer" or "boom" times that provided access to land, industry, rail and ports. When installed there was significant optimism of continued growth and infrastructure was often designed to accommodate these future demands. An example of this was the 1965 Timaru Transportation study predicting population growth in Timaru urban area to increase from 27,000 to over 40,000 by the year 2000. In 2014, the population of Timaru is 43,929 (Census 2013).

This optimism had benefits with infrastructure having the capacity to meet future demands reducing the need for further investment. The economic downturn in the 1980's and 1990's resulted in very little investment. As a consequence the community have had the benefit of the past but a significant proportion of the assets are reaching the end of their useful life. This is most evident in the district's bridge stock where many will need replacing in 10 to 20 years time. Provision must be made for this "wave" of expenditure required.

Much of the transport infrastructure installed is nearing the end of its useful life and significant renewal programme is required. This is monitored by the following:

- Deterioration modelling (dTIMS)
- Effective and timely maintenance
- Lifecycle assets strategy and plan implemented.
- Renewals programmed and completed in effective and timely manner.
- Costs recorded and intervention actions based on whole of life costs.
- Condition monitoring

Affordability and funding determine the rate of renewal. Deferred renewals may affect level of service and increase maintenance costs.

## 2.3.7 Land Use Change

The use of land in the Timaru District has changed substantially in the last 15 years. Significant growth in demand for infrastructure services is expected to occur in the following parts of the District:

- Washdyke as main industrial growth area
- Timaru CBD and (potentially) the Show Grounds for

# Infrastructure Strategy

- commercial use
- Residential growth continuing in Gleniti areas as well as Old North Road area

At Washdyke, in 2011-14, Council rezoned 120 hectares of land from Rural to Industrial. This rezoning will result in developments that will require extensive new infrastructure, particularly roads, piped networks and electricity distribution systems. Council has determined that this newly zoned land will have infrastructure provided by developers at the time of development.

Rural land intensification has also occurred throughout the District with resultant impacts on infrastructure, particularly roads and bridges. In more recent times heavy trucks have been approved at a 50 tonne gross vehicle mass. The additional vehicle movements have resulted in extra costs in order to meet specified community levels of service.

Land use change impacts on water services are also significant. The increasing number of lifestyle blocks on the fringes of the District's urban areas has increased demand for extension of water supply services to these properties. Intensification of dairy farming and/or conversion of dry stock farms to dairy operations also have an associated higher requirement for treated water. As residential development continues, the extent of impervious areas grows and creates more demand for stormwater infrastructure services.

Revisions of the District Plan are expected to provide for the expected demand comfortably with progressive extensions to commercial, industrial and residential areas. The number of households will increase as persons per household decreases, mainly due to the increase in over 65s. Housing costs should be expected to remain at an affordable level, with demand reflecting the change in age distribution.

## 2.3.8 Funding

Capital and operational funding of the Land Transport and 3 Waters networks is complex and made up of a number of streams.

Existing funding sources are as follows:

### Land Transport

- Rates via land values

- NZ Transport Agency Financial Assistance
- Loans
- User charges
- Private parties
- Depreciation funds

### 3 Waters

- Rates via land values based on community of interest for stormwater
- Rates via uniform annual charges for water and sewer
- Rates via land area
- Rates via water volumes (rural)
- Subsidies for approved sewer schemes
- Loans
- User charges
- Private parties
- Depreciation funds

For details on how these activities are funded, refer to the Council's Revenue and Financing Policy that can be found in the Long Term Plan. This policy outlines the proportion of funding that will come from each source. Financial Contributions are charged under the current Financial Contributions policy in the District Plan. Currently, the Council does not use Development Contributions as provided for in the Local Government Act.

Rating for these activities differs according to where the property is located, the land value of the property and the services received.

Funding for Land Transport from government through NZTA is reducing. This is occurring through a number of changes as follows:

**Government Policy Statement (GPS)** - funding allocations are being held to 2009 levels effectively providing no allowance for cost escalation.

**Financial Assistance Rate (FAR)** - the NZTA FAR review has implemented a flat rate for all activities and the outcome for Timaru is a reduced FAR over the next 5 years from 55% average to 51%.

**Funding category changes** – a reduction in NZTA funding categories has resulted in reduced funding overall and the

need for business cases to be prepared to support national priorities and contestability issues.

**One Network Road Classification (ONRC)** – this is a national road hierarchy system and NZTA have indicated that funding will be based on the Level of Service (LoS) set for each road classification that may not be the current LoS.

# Infrastructure Strategy

## 2.4 Assumptions

The Assumptions in this Infrastructure Strategy follow the Long Term Plan General and Financial Assumptions which reflect the issues that may impact on Council activities in the next 30 years. These assumptions underpinned Council's determination of the most likely scenarios for management of its Land Transport and 3 Waters infrastructure assets, and the significant decisions on capital expenditure over the period of the strategy.

**Table 2.3: Significant Assumptions**

| Significant Assumptions   | Risk  | Consequence  | Mitigation  |
|---|---|--|---|
| <b>Macro-Level Assumptions</b>  |   |  |   |
| <p><b>Legislative demands on Council</b></p> <p>Government legislation relating to some activities that Councils are involved in will change over the period of the Infrastructure Strategy.</p> <p><i>Comment:</i> In the next three years, legislative impacts are expected in the following areas of Council Operations - Resource Management, Environmental Health, Local Government Planning and Reporting, Water Supply, Building and Transport. Some legislative changes have been signalled by government, but are not yet through the parliamentary cycle.</p> | <p>The impact of government legislation is more or less than expected.</p> <p>New legislation is introduced that alters the nature and scope of one or more Council activities.</p> | <p>Unrealised impacts of legislation may create greater impacts on Council operations, including operating budgets, workloads, time and resource availability. These may lead to additional costs for the resident or ratepayer.</p> | <p>Council will regularly monitor existing and potential legislative change across its activities as it moves through the parliamentary cycle.</p> <p>The Council will submit on legislation where appropriate to encourage reduced or improved impacts on Council operations and value for money for ratepayers.</p> <p>Where legislation requires review of Council processes or staffing, the Council will seek to achieve the most efficient and cost effective way forward.</p> <p>Where legislation requires Council to provide additional services or increased levels of service, this may require cost recovery through increases to rates or user fees.</p> |
| <p><b>Currency and oil price fluctuations</b></p> <p>Currency fluctuations are not forecast to cause significant variability in Council costs.</p> <p>Exchange rates are forecast to remain unchanged from current rates.</p> <p>Oil prices will continue to fluctuate due to international influences and exchange rate movement.</p>  | <p>Exchange rates fluctuate more than expected.</p> <p>Oil price fluctuations are greater than expected.</p>  | <p>Variability of prices from international suppliers could cause variability in Council costs. This may impact on the ability of Council to complete programmed work within budget.</p>   | <p>Council purchases goods predominantly from New Zealand suppliers with contracts in New Zealand dollars.</p> <p>Currency exchange rates and oil prices will be continually monitored. Work programmes may need adjustment depending on the scale of any changes.</p>  |

# Infrastructure Strategy

| Significant Assumptions  | Risk  | Consequence   | Mitigation  |
|--|---|---|---|
| <p><b>Inflation</b></p> <p>The Infrastructure Strategy is prepared on the inflation rates assumed in the table below for periods beyond 2015/16 which is based on Local Government Cost Index (LGCI) prepared by Berl Economics.</p> <ul style="list-style-type: none"> <li>■ 2016/17 2.45%</li> <li>■ 2017/18 2.53%</li> <li>■ 2018/19 2.61%</li> <li>■ 2019/20 2.75%</li> <li>■ 2020/21 2.90%</li> <li>■ 2021/22 3.04%</li> <li>■ 2022/23 3.19%</li> <li>■ 2023/24 3.36%</li> <li>■ 2024/25 3.53%</li> </ul> | <p>The rate of inflation differs from that assumed.</p>                     | <p>A significant change in inflation will result in changed revenue and expenditure. This could be significant and may adversely affect the ability of the Council to set rates at a level that is affordable to the community.</p>   | <p>The Council will review its budget annually through the LTP/Annual Plan process and may adjust work programmes/budgets when necessary.</p>   |
| <p><b>Climate Change</b></p> <p>Climate change will impact on the Council's operations and will require an appropriate response to adapt and prepare for potential impacts.</p> <p><i>Comment:</i> Climate change effects on Timaru District may include an increase in temperature, stronger winds, sea level rise, longer dry periods and more intense rainfall events.</p>  | <p>The effects of climate change are more or less severe than expected.</p> | <p>Unrealised effects of climate change are likely to create additional costs to mitigate their impacts, such as improving protection of critical infrastructure.</p> <p>More severe weather events resulting from climate change may increase damage to infrastructure and place pressure on Council finances.</p> | <p>Council activities will build appropriate mitigation responses into infrastructure development.</p> <p>The Council will continue to monitor climate change science and the response of central government and adapt its response where required.</p> |

# Infrastructure Strategy

| Significant Assumptions   | Risk   | Consequence  | Mitigation   |
|---|--|--|--|
| <b>District Level Assumptions</b>   |  |  |  |
| <p><b>Population Change</b></p> <p>The District's population is projected to increase 48,853 (+7.6%) by 2033, peaking in 2038 at 49,091 and declining slightly over the remaining period to 48,660 in 2063. This represents the medium scenario. The population is expected to increase to 48,293 (+6.4%) by 2028 which includes the 2015 Infrastructure Strategy period.</p> <p><i>Comment:</i> Population projections do not represent forecasts, but indicate what the future size and structure will be if the underlying assumptions regarding births, deaths and migration prevail. Projections use the 2013 Census-based Estimated Resident Population as a base and were prepared by Natalie Jackson Demographics Limited and Waikato University.</p> | <p>Population change across the District occurs at a higher or lower rate than expected.</p> | <p>A significant and consistent decline in population may adversely affect the ability of the Council to set rates at a level that is affordable to the community.</p> <p>A significant and consistent rise in population may adversely affect the ability of Council to deliver some services to existing service levels.</p> | <p>Council will continue to monitor population change in the District. Generally, small increases in population can be managed within the existing level of service. Declines in population will not necessarily reflect lower number of ratepayers as the number of people per household is declining.</p> <p>Where growth requires additional infrastructure (e.g., subdivisions), Council can require financial contributions for this work.</p> <p>Costs over this amount may result in additional Council expenditure which is likely to be funded out of debt.</p> |
| <p><b>Household Change</b></p> <p>The District's households are projected to grow to 21,105 in 2033 (+13.1%), peaking in 2043 at 21,451 households, and declining slightly to 21,355 by 2063. This represents the medium scenario. Households are expected to increase to 20,680 (+10.8%) by 2028 which includes the 2015 Infrastructure Strategy period.</p>   | <p>Household change across the District occurs at a higher or lower rate than expected.</p>  | <p>A slower rate of household growth may mean some activities have overinvested in infrastructure (i.e., have too much capacity too soon).</p>   | <p>Council will continue to monitor household change in the District. Existing infrastructure is being managed to address specific growth factors associated with an activity (e.g., traffic demand) which may be generated from an increase in households.</p> <p>Where growth requires additional infrastructure (e.g., subdivisions), Council can require financial contributions for this work.</p>  |

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| Significant Assumptions   | Risk  | Consequence   | Mitigation   |
|---|---|---|--|
| <p><b>Demographic Changes</b></p> <p>The District's population is expected to age significantly into the future.</p> <p><i>Comment:</i> The most notable change is a projected ageing population with an anticipated 31% (or over 15,000 people) of the Timaru District population above the age of 65 by 2033 (2013 Census: 20.5% or 9,003 people). Population increase is expected to be mainly in age groups above 65. All other age groups are expected to decline. Gender-wise, the population will see a slowly increasing proportion of female to male over time. Ethnically, the population is expected to remain largely NZ European/New Zealander with a slowly increasing Maori population. This represents the medium scenario. Projections do not represent forecasts, but indicate what the future size and structure will be if the underlying assumptions regarding births, deaths and migration prevail. Projections use the 2013 Census-based Estimated Resident Population as a base and were prepared by Natalie Jackson Demographics Limited and Waikato University.</p> | <p>Demographic changes across the District occur at a higher or lower rate than expected</p>  | <p>Changes to projected demographics may place pressure on some Council services due to increased demand over time, leading to provision of a lower level of service.</p> | <p>Forecast demographic changes for a rapidly ageing population have been projected for Western world economies for a number of years. Due to the makeup of the Timaru District population, it will feel these potential effects more acutely.</p>   |
| <p><b>Service Levels</b></p> <p>Levels of service do not significantly change.</p> <p><i>Comment:</i> Where there are increased community expectations or demand or a need to vary level of service across the District, there may be changes to levels of service. Government legislation may also impose significant new service levels on the Council.</p>   | <p>Significantly enhanced service levels are demanded by the community or imposed by the government on local authorities in one or more area of activity.</p> | <p>Increased or improved service levels inevitably require additional cost and/or resources to provide them.</p>  | <p>The Council regularly monitors existing service provision within its operation on a day to day basis and through activity management planning.</p> <p>Minor changes may be made to service levels where budget, contracts and resources allow. These will generally occur within existing budgets.</p> <p>Major changes in service levels will be confirmed with the community via consultation. These will generally require increase to fees or rates, depending on how the service involved is funded.</p> |

# Infrastructure Strategy

| Significant Assumptions   | Risk  | Consequence  | Mitigation   |
|---|---|--|--|
| <p><b>Demand</b><br/>Actual demand will be within projected levels.</p>   | Changes in demand are significantly higher or lower than expected.  | Significant and consistent variation from projected levels may adversely affect TDC's ability to meet levels of service at an affordable cost. | Council will continue to monitor growth and development changes and adapt or redirect activity provision to meet needs within reasonable costs.  |
| <p><b>Strategic Assets</b><br/>Council will remain involved in all activities involving strategic assets and continue to own and control all strategic assets.</p>  | Changes in control or ownership of strategic assets are required.   | Changes in control or ownership of strategic assets will likely affect the level of service provided to the community.                         | Changes in control or ownership of strategic assets must occur as part of an LTP development or amendment, with a full Special Consultative Procedure process required.  |
| <p><b>Useful Life of Significant Assets</b><br/>It is assumed that asset information is reliable and reflects the condition and performance of the assets. It is assumed that no significant assets will fail before the end of their useful lives as determined by the depreciation rates included in the accounting policies.</p> | Significant assets fail sooner or later than estimated.   | A significant change in the useful life of a major asset may have significant financial repercussions.   | Asset life is based on the estimates of engineers and valuers. These are regularly reviewed through asset monitoring and testing. In the event of assets wearing out earlier than anticipated, capital projects could be brought forward. This may affect borrowing and depreciation expenses. Negative impacts are likely to be at least partially offset by some assets lasting longer than estimated. Mitigation may also involve reprioritisation of the capital expenditure program.  |
| <p><b>Joint Venture or Shared Service Arrangements/Council Controlled Organisations (CCOs)</b><br/>Existing joint venture or shared service arrangements or Council Controlled Organisations (CCOs) are expected to remain over the life of this Infrastructure Strategy.</p>   | New arrangements are proposed due to circumstances beyond the Council's control or existing arrangements are no longer tenable. | Additional costs may be created as the result of the failure of an existing arrangement.   | <p>Joint venture or shared service arrangements or CCO creation are undertaken following analysis of the potential benefits and costs and any proposed changes are subject to robust analysis.</p> <p>Where government legislation is involved, this will be monitored for any impacts on joint venture arrangements.</p> <p>In addition, the Local Government Act 2002 Amendment Act 2014 introduced a requirement for Councils to review all such arrangements every six years. A programme of review and associated process will be developed to meet these requirements.</p> |

# Infrastructure Strategy

| Significant Assumptions   | Risk  | Consequence   | Mitigation  |
|---|---|---|---|
| <p><b>Availability of Contractors and Materials</b><br/>Contractors and materials will be available to undertake the work required to agreed standards, deadlines and cost.</p>   | <p>Projects could be delayed if there is a shortage of contractors or materials, or contractors will not deliver to agreed standards, costs and timeframes.</p> | <p>Might increase cost and/or delay projects.</p>   | <p>Spread projects a much as possible. Continue to engage with contractors.<br/>Ensure robust contracts are in place.<br/>Look at alternative resources such as concrete roads.</p>   |
| <p><b>Funding Sources</b><br/>Funding sources (including external funding sources) do not change over the life of this Infrastructure Strategy.<br/><i>Comment:</i> Funding sources are specified in the Revenue and Financing Policy and Financial Strategy. This applies to user fees, charges and external funding towards projects and assets. It is assumed that the policy of not collecting Development Contributions will continue.</p> | <p>Projected revenue from user charges financial assistance is not achieved.<br/>Levels and sources of funding differ from those forecast.</p>                  | <p>Revenues could reduce without the ability to reduce expenditure proportionately. In this event, the account would run in deficit, with charges reviewed for the next financial year.<br/>Project and asset funding could result in projects being revised or alternative funding sources used.</p> | <p>Levels of revenue from user charges have been set at realistic levels in accordance with the ratios outlined in the Revenue and Financing Policy.<br/>There is a concentration of risk associated with a small number of industrial consumers for some revenue streams (e.g., extraordinary water charges and trade waste charges). Regular liaison is maintained with these consumers.<br/>Funding for projects and assets is considered before the commencement of each project or asset.<br/>A significant impact from changes in funding or funding sources may result in a revised capital work programmes, or changes in the level of user fees and charges, borrowing or rating requirements.</p> |
| <p><b>Credit Availability</b><br/>Credit can be obtained from financial markets on competitive terms and conditions.</p>  | <p>Required credit cannot be obtained from financial institutions.</p>  | <p>Funding would need to be obtained from alternative sources or work programmes adjusted.</p>  | <p>Prudent debt levels are maintained to mitigate risk for financial institutions. Relationships are maintained with various financial institutions and Council regularly monitors credit markets.</p>  |
| <p><b>Costs</b><br/>Costs will remain stable over the period of the Infrastructure Strategy (refer also to Inflation assumption).<br/><i>Comment:</i> Maintenance expenditure has been based on historical trends.</p>  | <p>Costs are higher or lower than anticipated.</p>  | <p>Variability of prices, such as for oil, could cause variability in costs.</p>  | <p>The Council and management will review its budget annually through the LTP/Annual Planning process and may adjust work programmes/budgets where necessary.</p>   |

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| Significant Assumptions  | Risk   | Consequence   | Mitigation  |
|--|--|---|---|
| <p><b>Asset Depreciation Rates</b></p> <p>Asset depreciation rates will not change as shown in the Accounting Policies.</p>  | <p>Further work on planned capital works may alter the depreciation expense.</p>                           | <p>Increased depreciation costs would result from assets that have shorter useful lives.</p>  | <p>Asset life is based on the estimates of engineers and valuers. These are regularly reviewed through asset monitoring and testing. Negative impacts are likely to be at least partially offset by some assets lasting longer than estimated.</p>  |
| <p><b>Revaluation of Significant Assets</b></p> <p>The Council have adopted deemed cost as its approach to revaluation</p> <p><i>Comment:</i> This has been applied from 1 July 2005 for most assets. Investment properties and forest assets will be revalued annually in terms of their respective accounting policies</p>   | <p>Minimal risks as asset revaluations will not occur in the future for property, plant and equipment.</p> |   | <p>Revaluation affects the carrying value of fixed and infrastructural assets and the depreciation charge in the years subsequent to the revaluation. Annual revaluations are undertaken for investment properties and forestry assets.</p>   |
| <p><b>Rating Base</b></p> <p>The number of rating units will not change significantly over the period of the Infrastructure Strategy.</p>  | <p>Rating units could grow at an increased rate or could contract.</p>                                     | <p>An increase in the overall rating base could result in a decrease in rates for rating units as the total rates are spread across a larger base. If the rating base was to reduce, there could be an increase in rates.</p>   | <p>The rating base is reviewed annually when determining the rates for the year.</p>  |
| <p><b>Resource Consents</b></p> <p>Resource consents will be obtained with acceptable conditions, and expiring resource consents will be renewed with similar conditions during the period of the Infrastructure Strategy.</p> <p><i>Comment:</i> Resource consents due for renewal can be found within the relevant Activity Management Plan for individual activities. There are no major resource consent renewals during the period of the Infrastructure Strategy</p> | <p>Resource consent is not obtained or renewed, or conditions imposed are unacceptable.</p>                | <p>The non-granting or non-renewal of a major resource consent for a Council activity would have significant impacts on costs and the ability to provide that activity. A major non-renewal may mean an entirely new approach to the activity would be required. Non-granting of resource consent may delay project benefits.</p> | <p>Appropriate planning for resource consent applications/renewals should ensure that they are obtained.</p> <p>Monitoring of compliance with existing resource consent conditions will provide a record of compliance for future processes.</p> <p>The renewal of consents is dependent upon the legislative and environmental standards and expectations that exist at that time.</p>                             |
| <p><b>Natural Hazards/Local Natural Disaster</b></p> <p>There are no significant local disasters during the term of this Infrastructure Activity.</p> <p><i>Comment:</i> The District is at risk from natural hazards such as flooding, earthquakes, storms, tsunami and wildfire. These events can strike without warning.</p>  | <p>Natural disasters occur that have a significant impact on the District and Council services.</p>        | <p>A disaster event can potentially cause significant unbudgeted costs, beyond the capacity of the Council to cope.</p>   | <p>Council is a member of the Local Authority Protection Programme Disaster Fund Trust (LAPP) and has a variety of insurance cover which would cover some emergency works.</p> <p>Council also has a Disaster Relief Fund for the replacement of infrastructural assets excluding roading in the event of a natural disaster.</p> <p>Central government has role in disaster recovery after a natural disaster.</p> |

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| Significant Assumptions  | Risk   | Consequence  | Mitigation   |
|--|--|--|--|
| <b>Council Political Structure</b><br>There will be no changes to the Council political structure.   | Changes in the Council political structure are made.   | Changes in the political structure could either be minor or major depending on the nature of the changes. For example, an amalgamation will have a significant impact on the delivery of Council services.                           | Any changes in political structure will occur through either representation review processes or formal processes driven either by the community, Council or central government.  |
| <b>Sector-Specific Assumptions</b>   |  |  |  |
| <i>Land Transport</i>  |  |  |  |
| <b>NZ Transport Agency Financial Assistance</b><br>There will be no further changes to the financial assistance approach for transport funding administered by the New Zealand Transport Agency (NZTA), including funding criteria and NZTA funding.<br><br><i>Comment:</i> Financial assistance rates are currently between 53% and 63% depending on the nature of the project. | Changes in NZTA subsidy rates or to criteria for roading and footpath projects have a positive or negative effect on Council's transport budget. | Funding would need to be obtained from alternative sources or work programmes adjusted. Levels of service may need to be adjusted.<br><br>If sufficient funding is not available, it may mean that projects are delayed or scrapped. | The Council and management will review the budget annually through the LTP/Annual Plan process and may adjust work programmes/ budget where necessary.<br><br>NZTA Financial Assistance Rates have been set at 55% for 2015/16, 54% for 2016/17 and 53% for 2017/18. It will continue to reduce 1% annually to a final rate of 51%. These rates apply to all work. |
| <b>Maintenance of State Highways</b><br>State highways to continue being maintained by NZTA.   | Traffic pattern changes.   | Greater costs to Council.  | Rates increase.  |
| <i>Water Supply</i>  |  |  |  |
| <b>Water availability</b><br>Water availability is unchanged and not significantly adversely affected by climate change or other factors.  | Effects of climate change or other factors are more severe than expected.  | Severe effects of climate change may create additional costs to improve protection/repair damage to critical infrastructure.   | Monitoring of water sources and availability.  |
| <b>Water quality</b><br>Source water quality does not decrease due to climate change or change in land use.  | Effects of climate change and land use change are more severe than expected.   | The severe effects of climate and/or land use changes may create additional costs to meet the requirements of Drinking Water Standards New Zealand.  | Monitoring of sources.   |
| <b>Fire Fighting Requirement</b><br>Fire Fighting Code of Practice (FF COP) SNZ PAS 4509:2008 remains voluntary.   | FF COP becomes mandatory resulting in significant reticulation upgrades.   | Increased infrastructure costs.  | Consideration of progressive upgrades to meet FF COP requirements when renewals are programmed.<br><br>Monitoring of legislative changes.  |

# Infrastructure Strategy

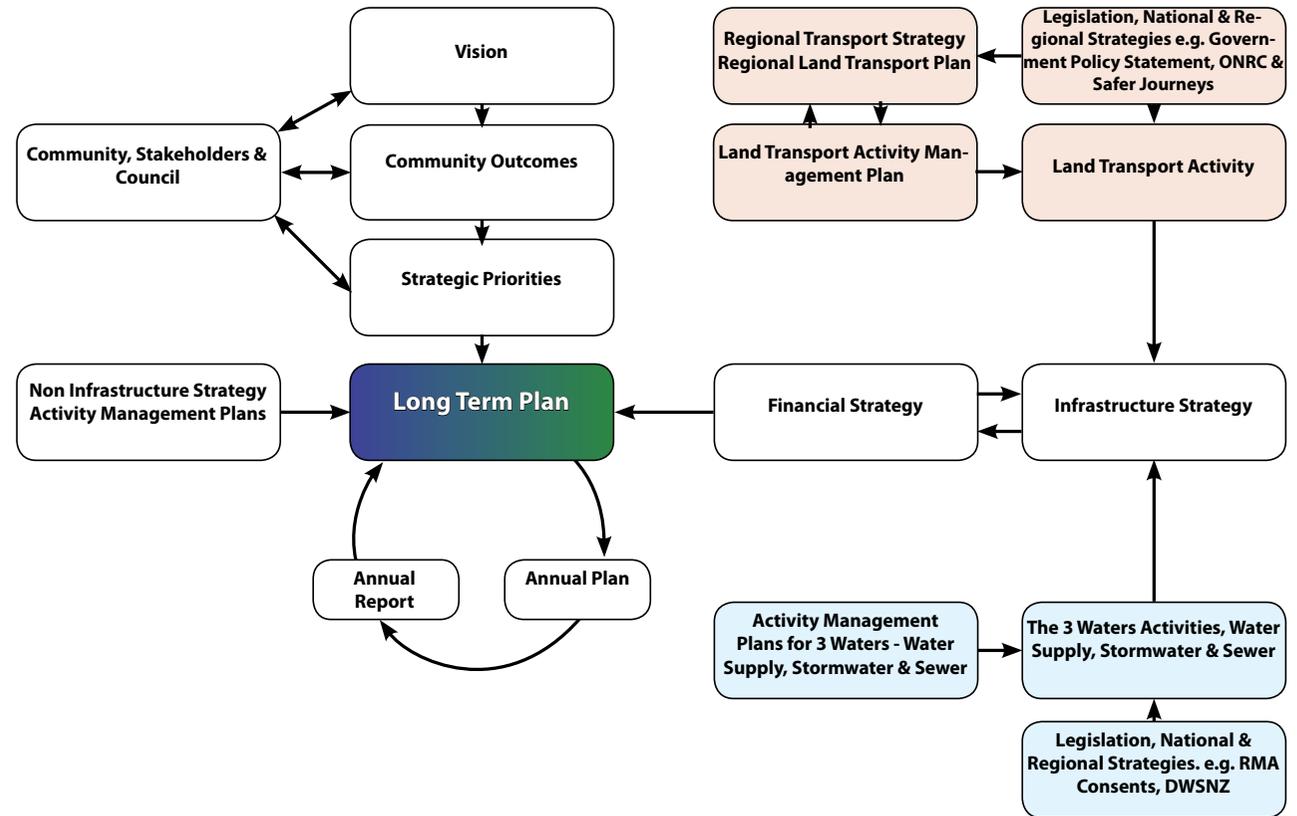
| Significant Assumptions  | Risk  | Consequence   | Mitigation  |
|--|---|---|---|
| <i>Sewer</i>   |   |   |   |
| <b>Compliance by Industry</b><br>Industries comply with tradewaste discharge agreements.                                 | Industries unable to comply with tradewaste discharge agreements. | Non-compliance may result in increased monitoring and compliance costs and ultimately industrial wastewater treatment upgrades. | Regular liaison with industry and close monitoring of industry compliance for early detection of issues.                                |
| <i>Stormwater</i>  |   |   |   |
| <b>Stormwater Discharge Quality</b><br>The deadline for meeting the environmental quality standards by 2025 is flexible. | No extension to the deadline.                                     | Significant cost will be needed to implement stormwater treatment and comply with statutory environmental quality standards.    | Regular liaison with ECan.<br>Monitoring of legislative changes.<br>Participation in catchment group recommendation to LWRP Chapter 14. |

# Infrastructure Strategy

## 3.0 LINKAGE WITH OTHER DOCUMENTS

In simple terms the Infrastructure Strategy (IS) feeds into the Corporate Planning Cycle as a foundation document. The IS and Financial Strategy must be closely integrated. The IS only covers the Land Transport and Three Waters Activities. The Activities are in turn informed by their particular Activity Management Plans, as well as other documents, strategies and legislation as shown in Figure 6 below.

Figure 6: Infrastructure Strategy Linkage with other Documents



# Infrastructure Strategy

## 4.0 THIRTY YEAR STRATEGY

In its role as Local Authority Timaru District Council will comply with the relevant New Zealand legislation, while working towards the Vision, Community Outcomes and Strategic Priorities. These were developed as part of the long term planning process.

### 4.1 Applying the Vision, Community Outcomes and Strategic Priorities to Infrastructure Planning

#### The Vision



**Lifestyle**  
**Fantastic, sustainable lifestyle second to none** - We live in a pretty special place. We want to keep it that way. We want to make it even better for ourselves, our children, their children.



**Economy**  
**Thriving and innovative economy where opportunities abound** - Our economy is essential to our future. We need it to grow innovatively and sustainably.



**Identity**  
**Strong and enviable reputation and identity** - We want to forge and strengthen a reputation and identity that other districts may aspire to.



**Leadership**  
**Inspiring, people-focused leadership** - We want a district where we build on our strengths, minimise our weaknesses, challenge our threats and grasp our opportunities. This takes leadership.

In terms of the Infrastructure Strategy, the Lifestyle and Economy related portions of the Vision are the most relevant.

#### Community Outcomes

Community Outcomes are derived from the Vision and represent the outcomes that the Council aims to achieve in order to promote the social, economic, environmental and cultural wellbeing of the District in the present and in the future. The Community Outcomes are as follows:

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

The first three in this list are strongly related to infrastructure and the management, maintenance and development of it for the future. The last three in the list can be more loosely related to infrastructure.

#### Strategic Priorities

Strategic Priorities are derived from the Community Outcomes and more clearly state areas of focus in order to contribute towards the Community Outcomes. They can all apply to infrastructure, which is explained more clearly below in paragraphs 4.1.1 to 4.1.4. The Strategic Priorities are as follows:

- Investing in Community
- Promote Integrated, Highly Liveable Communities
- Support Areas of Economic and District Strength
- Ensure Critical Infrastructure Meets Future Needs

#### 4.1.1 Investing in Community - Council will Lead, Advocate and Promote on behalf of the Community for the Community

The Council is an important player in the Timaru District, particularly in terms of dealing with issues around the delivery of infrastructure. It provides quality leadership supported by the best possible quality information from suitably qualified

# Infrastructure Strategy

individuals within, and external to the organisation. This foundation provides a platform for the Council to advocate on behalf of the community at National level and also to promote the benefits of living in the Timaru District. The investment in quality leadership, advocacy and promotion leads to the development of strong partnerships to ensure the most effective solutions to infrastructure issues are achieved for the betterment of the wider Timaru District.

## 4.1.2 Promote Integrated, Highly Liveable Communities - Council will Promote and Plan for Integrated Communities Now and Into the Future

The Council has a critical role in planning for our District's future. It will promote integrated planning to meet future infrastructure challenges and ensure the wise investment of resources. Successful planning for the future will ensure integrated, attractive and safe communities, which in turn will ensure a vibrant and resilient District going forward. Smart thinking and planning will involve taking all relevant information into account, consultation with our communities and ensuring that our decision making is in line with current legislative guidelines for local government.

## 4.1.3 Support Areas of Economic and District Strength - Council will Support Economic Growth

The long and short term planning for infrastructure needs, and projected needs for the future, provides security for local businesses for now and the future. The product of this is the provision of a foundation for planning for growth within the business sector as it relates to infrastructure. Therefore business confidence in the Council's infrastructure planning is a key factor in the Council's Strategic Priority to promote economic growth within the District.

## 4.1.4 Ensure Critical Infrastructure Meets Future Needs - Council will Deliver Resilient and Future Proof Infrastructure

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. Ensuring our infrastructure is resilient, as is reasonably practicable to

achieve within the framework of legislation, is also critical. By continuously planning and acting to meet future needs through maintenance and development of infrastructure, the Council will provide a solid foundation for the Timaru District's future.

## 4.2 The Organisation's Priorities

At high level, Council's priorities are:

- Replacing ageing infrastructure
- Maintaining level of service
- Managing the impacts of growth and land use change
- Compliance with legislative requirements
- Providing long term affordable services

## 4.3 Asset Management Strategy

In providing services to residents and visitors through the use of infrastructural assets, Council's management strategy is to be a prudent and knowledgeable asset manager that makes investment decisions based on asset age, condition, performance, deterioration and maintenance factors. Increasing legislated standards are acknowledged and actioned in all asset renewal projects.

Council utilizes a holistic life cycle approach to asset management that addresses not only infrastructure assets, but also the supporting resources, business processes, data and enabling technologies that are critical to sustainably delivering agreed levels of service. This holistic approach to life cycle asset management enables critical asset data, particularly condition and performance tracking, to be effectively managed and leveraged at a practical day-to-day business level. With this approach, Council aims to achieve optimum performance and full asset potential.

The rate of asset renewal is intended to maintain the overall condition of the asset system at a standard, which reflects its age profile, and ensures that the Community's investment in the District's infrastructure is maintained. The level of expenditure on cyclic asset replacement varies from year to year, reflecting:

- The age profile of the system (Asset life)
- The condition profile of the system
- Criticality of the Asset

- The ongoing maintenance demand
- Customer service issues
- Leakage and Inflow Infiltration reduction (for 3 waters)
- Trending for materials that fail ahead of time.

Deciding the timing of capital and maintenance expenditures will be based on Council's understanding of the current condition and capacity of the assets, as well as future capacity and reliability requirements. Council will also consider the cost and risk associated with implementing or deferring upgrades or improvements. Council's strategy will be to:

- Prioritise capital and renewal projects within the next ten year period based on the strategic objectives of the Timaru District's Long Term Plan and a holistic risk based condition assessment
- Forecast capital renewal, replacement and upgrade costs over the following 20 year period
- Forecast the funding requirements based on estimates of costs and asset valuations

## 4.4 Delivery of Services

In terms of Section 10 (Purpose of local government) of the Local Government Act 2002, there is a clear requirement to meet the current and future needs of communities for good-quality local infrastructure, local public services, and performance of regulatory functions in a way that is most cost-effective for households and businesses.

The Act defines good-quality, in relation to local infrastructure, local public services, and performance of regulatory functions, as infrastructure, services, and performance that are

- a) efficient; and
- b) effective; and
- c) appropriate to present and anticipated future circumstances

In order to deliver services that are efficient, effective and appropriate, Timaru District Council has adopted a philosophy of using a mix of in house resources and consultants/contractors to carry out its work programme.

Core work is carried out by a wide range of professionals, and support staff employed by the Timaru District Council. Such staff carry out a baseload of work and consultants are hired to

# Infrastructure Strategy

carry out specialised work and also when the volume of work is greater than the internal capacity. The cost of hiring staff versus utilising consultants is evaluated on a job by job basis.

Water and Wastewater treatment operations are carried out by TDC staff. The reason for this approach is that Council wishes to be risk averse where public health and environmental matters are a priority. The consequence of failure to comply with Drinking Water treatment standards or resource consent requirements are so important to the TDC organisation it has been determined that close and direct control is required and therefore these tasks are carried out in house.

As for service delivery, whether for maintenance or construction work TDC has determined that contractors will be utilised. The Timaru area is well resourced with contractors with many national companies having bases in the District. The engagement of contractors is by negotiation, quotation or tender. Evaluation and assessment of quotations and tenders is via lowest price, weighted attributes or Price Quality methods as specified by New Zealand Transport Agency.

The TDC has a procurement strategy that contains guidelines as well as a flow chart which is used to inform asset managers on how to procure external resources to carry out work.

The Local Government Act 2002 Amendment Act 2014 contains a new Section, S17A which requires Council to carry out a review of the Delivery of Services. The prescribed scope of such review is wide ranging and will be carried out progressively for the Land Transport and the 3 Waters Activities.

The first activity requiring review is Land Transport. Since mid 2013 TDC has been involved in a Mid/South Canterbury Rooding Collaboration initiative that has been reviewing governance, activity management, and service delivery options for the land transport activity of the Ashburton, Mackenzie, Timaru and Waimate Districts. The collaboration is now underpinned by a Memorandum of Understanding which sets out the objectives and actions for the short and medium term. The immediate outputs are that there will be greater collaboration at a technical level, two road resurfacing contracts from July 2015 and a common contract specification for the road maintenance activity from October 2015. The collaborative work meets the intent of and complies with Section 17A of the Local Government Act. This work will

be written up and therefore compliance with this legislative requirement will be achieved.

Subsequently the delivery of Water, Sewer and Stormwater activities will be reviewed, likely before the development of the second infrastructure strategy 2018-2048.

## 4.5 Addressing Resilience and Long Term Sustainability

Both physical and system resilience are crucial. This means:

- Design and construction standards (where cost effective) that ensure infrastructure is able to withstand natural hazards and long term changes in circumstances such as those resulting from climate change.
- Organisations and networks of organisations with the ability to identify hazards must share information, assess vulnerabilities, and plan for and respond to emergencies.
- Acknowledging the value of adaptability and redundancy in the network to improve business confidence.
- Identifying and managing cross-sectoral dependencies, such as power supply for communications infrastructure. Engineering Lifelines groups have already undertaken work in this area (NIP 2011)

In order to improve resilience, the Council approach will be to:

- Investigate options for alternative service provision and system redundancy
- Identify critical assets and ensure mitigation methods are developed
- Better integration of resiliency criteria in infrastructure design
- Improve accuracy of asset condition data for better targeting of renewals
- Strengthen integration of infrastructure services planning with land use planning
- Obtain insurance where this is deemed to be the most cost effective approach
- Plan for Resilience - Network Resilience Maintenance, Monitoring and Prioritised Improvement Plan in place and actionable.
- Do Proactive Maintenance - number of events where

journeys are lost due to loss of road function through proactive maintenance taking place

- Plan for Alternative Routes – a plan is in place that details an alternative route(s) available for vulnerable routes is robust in case of road closure
- Have an Emergency Response Plan - an Emergency Procedures and Response Plan (EPRP) is in place and actionable

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## 4.6 Significant Decisions Required

Taking a long term view to the management of infrastructural assets, Timaru District Council needs to make key decisions in a timely manner. In addressing Community desires and priorities the following key decisions have been identified.

| Key Decision   | Indicative Timeframe |
|--|----------------------|
| <p><i>Level of Service for fire fighting capacity provided by the water reticulation</i></p> <p>Whether to progressively upgrade the water reticulation network at the time of pipe renewal to meet the NZ Code of Practice for Fire Fighting requirement at schools, hospitals, aged care facilities and industrial sites in addition to that currently provided for residential fire fighting.</p>   | 2018                 |
| <p><i>Downlands water treatment</i></p> <p>Confirmation of upgraded water treatment process to fully comply with NZ Drinking Water Standards, including additional storage facilities (raw water and treated water), at locations to be determined.</p>  | 2015                 |
| <p><i>Timaru (Pareora) source</i></p> <p>Determine whether the Pareora source is to be retained or a viable alternative source is to be developed. If the Pareora source is retained, the Pareora pipeline renewal programme will be implemented.</p>  | 2015                 |
| <p><i>Timaru water treatment</i></p> <p>The treatment process at the Timaru (Claremont) Treatment Plant is to be upgraded to fully comply with DWSNZ 3-log treatment or to meet an improved 4-log treatment level of service.</p>  | 2020                 |
| <p><i>Stormwater treatment concepts</i></p> <p>Adoption of the strategy and concepts for treatment and flow mitigation to be implemented for stormwater (including roading) in order to meet resource consent conditions and environmental standards.</p>  | 2018                 |
| <p><i>Bridges: 2-laning and strengthening</i></p> <p>Adoption of a policy on future bridge renewal standards that may increase bridge capacity from 44 tonne mass to up to 65 tonne that will allow use by High Productivity Motor Vehicles (HPMV's).</p> <p>Adoption of policy to increase level of service of bridges on roads that are primary or secondary collector to widen these bridges from single lane to two lanes to allow wider vehicles.</p> | 2017                 |
| <p><i>Port southern access</i></p> <p>Decision on the timing and commitment for the construction of a new over bridge from North Street to the port over the South Island main trunk railway line.</p>   | 2016                 |
| <p><i>Affordability</i></p> <p>Consideration of policy on funding road activities eligible for but not financially assisted by above NZ Transport Agency and extend of such funding to maintain current level of service</p>   | 2015                 |

# Infrastructure Strategy

## 5.0 SIGNIFICANT INFRASTRUCTURE ISSUES

*The Local Government Act 2002 Section 101B – Infrastructure Strategy states:*

*(2) The purpose of the infrastructure strategy is to -*

*“(a) identify significant infrastructure issues for the local authority over the period covered by the strategy; and*

*“(b) identify the principal options for managing those issues and the implications of those options.*

In developing this 30 Year Strategy Council considered its long term service goals and strategic priorities and identified the anticipated significant infrastructure issues over the 30 years, and considered each significant action and the benefits of the action. The significant infrastructure issues faced by Timaru District Council with the benefits and costs are tabled below. It should be noted that the operational cost estimates are additional costs over existing (2014/15) operation costs. The amounts are for the years indicated and are not cumulative over the years that follow.

# Infrastructure Strategy

## 5.1 Water Supply

Goal: To support and underpin the health, wellbeing and financial prosperity of the community by providing a lawful, reliable, sustainable and cost effective supply of water to meet the needs of the consumer.

| Issue  | Most Likely Scenario  | Cost                 |   | Timeframe  | Growth | LoS | Renewal | Benefit  | Principal Alternative Option(s)  |
|--|---|----------------------|---|--|--------|-----|---------|--|--|
|  |   | Capital (Million)    | Operation (Thousand)  |  |        |     |         |  |  |
| Ageing Infrastructure<br>(IS 2015/WS1)   | Reticulation, plant and facilities renewals (all schemes)                           | \$8744 over 30 years | \$0   | Annually   |        |     | ✓       | Sustained level of service                                     | Defer renewal and increase maintenance costs, with higher risk of loss of water and service disruption   |
| Assumption and Strategic Fit:<br>The renewal programme assumes a like-for-like replacement which will be refined based on asset condition and performance. All projects are strategic investments in the District's critical assets, supporting growth and promoting liveable communities. |   |                      |   |  |        |     |         |  |  |
| Meeting DWSNZ<br>(IS 2015/WS2)   | Timaru treatment plant and intakes renewals/ upgrade                                | \$17.35              | \$0   | Treatment plant:<br>2025/30<br>2035/40<br><br>Intakes:<br>2015/16,<br>2021/22 to 2024/25 |        | ✓   | ✓       | Full compliance with DWSNZ (3 log)                             | Renew at lesser cost and not meet full compliance<br><br>Upgrade to 4 log treatment for higher LoS (\$20 million indicative cost)                          |
| Assumption and Strategic Fit :<br>Water source quality will not deteriorate. Project is a strategic investment, supports present and future critical infrastructure needs of the District and promotes a liveable Timaru community.  |   |                      |   |  |        |     |         |  |  |
| Meeting DWSNZ<br>(IS 2015/WS3)   | Te Moana network supplied from Geraldine Scheme, including network capacity upgrade | \$3.49               | From 2016/17:<br>+ \$32<br>2017/18:<br>+\$55<br><br>From 2018/19:<br>+ \$87pa | 2015/16 to 2017/18   | ✓      | ✓   |         | Additional water available that meets drinking water standards | Retain existing sources with subsequent water treatment to meet compliance with DWSNZ on a delayed timeline, at \$3.5 million with no additional capacity. |
| Assumption and Strategic Fit:<br>The Geraldine Area Wide Water Supply Strategy will remain feasible. Project is a strategic investment for present and future infrastructure needs and promotes a liveable community.  |   |                      |   |  |        |     |         |  |  |

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| Issue  | Most Likely Scenario   | Cost                       |  | Timeframe   | Growth | LoS | Renewal | Benefit  | Principal Alternative Option(s)   |
|--|--|----------------------------|--|---|--------|-----|---------|--|---|
|  |  | Capital (Million)          | Operation (Thousand)   |   |        |     |         |  |   |
| Meeting DWSNZ (IS 2015/WS4)  | Downlands Tengawai treatment plant, raw water and treated water storage and Waitohi treatment plant  | \$14.7 (TDC share \$12.09) | From 2022/23 to 2030/31: + \$117 pa (TDC share: +96pa)<br>From 2031/32: + \$172 pa (TDC share + 141pa) | Raw storage: 2019/20<br>Treated storage: 2020/21<br>Treatment plant: 2020/21/22 2030/35 | ✓      | ✓   |         | Full compliance with DWSNZ, plus additional capacity | Point of use treatment and no growth. A cost evaluation has determined that point of use treatment is more cost effective only if the number of connections is less than 100. |
|  | <p>Assumption and Strategic Fit:</p> <p>Storage will be sufficient to supplement the source and meet demand during dry periods. Project is a strategic investment, supports present and future critical infrastructure needs of the District and promotes a liveable Timaru community.</p>   |                            |  |   |        |     |         |  |   |
| Security of Supply (IS 2015/WS5)   | Pareora pipe renewal   | \$20.9                     | \$0  | 2016/17<br>2017/18<br>2020/21 to 2022/23  |        |     | ✓       | Sustained water quantity                             | Abandon Pareora source and find an alternative source. Until a viable alternative source is found, no costings can be determined.   |
|  | <p>Assumption and Strategic Fit:</p> <p>At this time it is assumed Council will retain the Pareora source. Renewal work of parts of the Pareora pipeline will start within the immediate three years of the Infrastructure Strategy. Project is a strategic investment supporting present and future critical infrastructure needs of the District</p> |                            |  |   |        |     |         |  |   |
| Security of Supply (IS 2015/WS6a)<br>Changing demand (IS 2015/WS6b)  | Alternative Washdyke supply main at different location to existing   | \$3.0                      | \$0  | 2026/30   |        | ✓   |         | Provide greater resilience to Washdyke area          | Status quo with reliance on existing structures and greater risk of disruption.   |
|  | Reticulation upgrade in conjunction with alternative main installation to provide additional capacity  | \$1.5                      | \$0  | 2026/30   | ✓      |     |         | Additional capacity to Washdyke                      | Limited potential for wet industry growth   |
| <p>Assumption and Strategic Fit:</p> <p>Demand will be at the projected level. Project is a strategic investment, promotes liveable community, and supports economic growth and infrastructure service needs at Washdyke area.</p> |  |                            |  |   |        |     |         |  |   |

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| Issue                               | Most Likely Scenario   | Cost                          |   | Timeframe                            | Growth | LoS | Renewal | Benefit  | Principal Alternative Option(s)  |
|-------------------------------------|--|-------------------------------|---|--------------------------------------|--------|-----|---------|--|--|
|                                     |  | Capital (Million)             | Operation (Thousand)  |                                      |        |     |         |  |  |
| Security of Supply<br>(IS 2015/WS7) | Pleasant Point headworks, treatment, storage and pumping   | \$1.48                        | From 2017/18: + \$2 pa  | 2015/16/17 and ongoing to 2044/45    |        | ✓   |         | Maintaining supply during treatment outages<br>Ability to allow direct on line connections<br>Fire fighting water availability | Status quo   |
|                                     | Assumption and Strategic Fit:<br>Storage will enable a supply of water to be maintained while treatment maintenance is occurring and supply increased peak flows for fire fighting. Project is a strategic investment, supports present and future critical infrastructure needs of the District and promotes a liveable Timaru community. |                               |   |                                      |        |     |         |  |  |
| Security of Supply<br>(IS 2015/WS8) | Downlands - Tengawai trunk main and intake upgrade   | \$11.90<br>(TDC share \$9.75) | From 2018/19: to 2030/31: - \$40 pa<br>(TDC share: \$33)<br>See WS4 | 2015/16 to 2017/18                   |        | ✓   |         | Additional capacity<br>Reduced disruption of supply  | To defer renewal or upgrade (no growth and increased operations/maintenance costs) |
|                                     | Assumption and Strategic Fit:<br>Consent for water extraction at Tengawai River allows 100 L/s. Project is a strategic investment supporting present and future infrastructure needs.  |                               |   |                                      |        |     |         |  |  |
| Security of Supply<br>(IS 2015/WS9) | Temuka reservoir and source upgrade  | \$2.58                        | From 2019/20: + \$20 pa   | 2026/17/18/19 and ongoing to 2044/45 | ✓      |     | ✓       | Maintaining supply during treatment and trunk main outages.<br>Improved firefighting capacity                                  | Status quo   |
|                                     | Assumption and Strategic Fit:<br>Storage will enable a supply of water to be maintained while treatment maintenance is occurring and supply increased peak flows for fire fighting. Project is a strategic investment, supports present and future critical infrastructure needs of the District and promotes a liveable community.        |                               |   |                                      |        |     |         |  |  |

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| Issue   | Most Likely Scenario  | Cost              |                      | Timeframe                                     | Growth | LoS | Renewal | Benefit  | Principal Alternative Option(s)  |
|---|---|-------------------|----------------------|---|--------|-----|---------|--|--|
|   |   | Capital (Million) | Operation (Thousand) |   |        |     |         |  |  |
| Improving the level of service for fire fighting at schools, hospitals, aged care facilities and industrial sites<br><i>(IS 2015/WS10)</i>  | Urban mains upgrades at the time of renewals for providing fire fighting capacity at existing and likely future sites at 50 L/s, in addition to 25 L/s currently provided for residential fire fighting | \$5.0             | \$0                  | In conjunction with mains renewals<br>2026/45 |        | ✓   |         | Meeting the NZ Code of Practice for Fire Fighting (COP FF) at key facilities | Maintain existing capacity when reticulation is renewed and individual facilities provide onsite fire fighting requirements (no additional TDC cost).<br><br>Proactively upgrade reticulation to meet 50 L/s capacity before renewals are due (accelerated timeline).<br><br>Upgrade reticulation to meet all NZ COP FF capacity requirements over entire networks (significant additional cost not determined). |
| <p>Assumption and Strategic Fit:<br/>The firefighting COP will not become mandatory. Project is a strategic investment supporting present and future needs. District Plan review will actively control location of development.</p> |   |                   |                      |   |        |     |         |  |  |

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## 5.2 Sewer

Goals:

- To ensure the health of the community where urban housing exists, thereby eliminating the need for individuals to provide their own wastewater system (which carries much higher health risks)
- To provide a cost effective trade waste disposal system for commercial and some industrial users, thereby eliminating the need for individuals to provide their own wastewater system
- To provide acceptable collection, treatment and disposal systems for the use of communities

| Issue   | Most Likely Scenario   | Cost                                    |                      | Timeframe               | Growth | LoS | Renewal | Benefit   | Principal Alternative Option(s)  |
|---|--|---|----------------------|-------------------------|--------|-----|---------|---|--|
|   |  | Capital (Million)                       | Operation (Thousand) |                         |        |     |         |   |  |
| Ageing infrastructure<br>(IS 2015/SEW1)                 | Reticulation, plant, and facilities renewals   | \$57.73 over 30 years                   | \$0                  | Annually                |        |     | ✓       | Sustained level of service  | Renew at lesser cost and non-compliance  |
|   | Assumption and Strategic Fit:<br>The renewal programme will be refined based on asset condition and performance. All projects are strategic investments in District's critical assets for present and future needs, supporting economic growth and promoting liveable communities.   |   |                      |                         |        |     |         |   |  |
| Ageing infrastructure<br>(IS 2015/SEW2)                 | Wastewater treatment plant renewals  | \$16.5 (industrial)<br>\$5.0 (domestic) | \$0                  | 2035/40<br>From 2025/45 |        |     | ✓       | Compliance with discharge consents  | No alternative   |
|   | Assumption and Strategic Fit:<br>Assets will sustainably deliver the required level of service within their estimated economic lifetime. Renewal of the plants is a strategic investment on critical assets, supports future needs and promotes liveability of communities in the District. RMA does not change significantly. |   |                      |                         |        |     |         |   |  |
| Increasing standards and expectations<br>(IS 2015/SEW3) | Geraldine siphon upgrade   | \$0.61                                  | \$0                  | 2018/19                 | ✓      | ✓   |         | Less surcharge upstream and additional capacity   | Status quo   |
|   | Assumption and Strategic Fit:<br>Inflow and infiltration are manageable/reduced. Growth in the area will be at projected level. Project is a strategic investment promoting a liveable community and supports present and future needs.  |   |                      |                         |        |     |         |   |  |
| Increasing standards and expectations<br>(IS 2015/SEW4) | Glenwood Storage   | \$0.90                                  | \$0                  | 2025/30                 | ✓      |     |         | Mitigate surcharge downstream   | Upgrade downstream reticulation  |
|   | The development in Gleniti Res 6 will occur within the projected period. The project is a strategic investment in a critical asset, supports a liveable community.   |   |                      |                         |        |     |         |   |  |
| Changing land use<br>(IS 2015/SEW5)                     | Extension of services within areas currently zoned residential   | \$3.95 over 30 years                    | \$0                  | Annually                | ✓      |     |         | Planned and coordinated service network, with costs recovered from developers over time | All extension of services are implemented by developers which may constrain development or provide inefficient networks. |
|   | Assumption and Strategic Fit:<br>Demand will be at the projected level. Project is a strategic investment, supports present and future needs.  |   |                      |                         |        |     |         |   |  |

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## 5.3 Stormwater

Goal: To provide for the collection and disposal of stormwater to acceptable environmental standards

| Issue  | Most Likely Scenario   | Cost   |  | Timeframe   | Growth | LoS | Renewal | Benefit   | Principal Alternative Option(s)  |
|--|--|--|--|---|--------|-----|---------|---|--|
|  |  | Capital (Million)  | Operation (Thousand)                               |   |        |     |         |   |  |
| Ageing infrastructure<br>(IS 2015/ST1)                 | Reticulation, plant, and facilities renewals all schemes   | \$8.49 over 30 years   | \$0  | Annually  |        |     | ✓       | Sustained level of service  | Renew at lesser cost and non-compliance  |
|  | Assumption and Strategic Fit:<br>The renewal programme will be refined based on asset condition and performance. All projects are strategic investments in District's critical assets for present and future needs, supporting economic growth and promoting liveable communities.   |  |  |   |        |     |         |   |  |
| Increasing standards and expectations<br>(IS 2015/ST2) | Stormwater Management Plans, resource consents, modelling and surveying, technical parameter assessments   | \$0.49 (indicative due to uncertainty in resource consent costs)                         | From 2015/16: \$300<br>2016/17: \$250              | 2015/16 - 2017/18<br>Modelling: 2020/21 then 5-yearly |        | ✓   |         | Compliance with Proposed Canterbury Land and Water Regional Plan (LWRP)                                 | No alternative (compliance with legislative requirements)  |
|  | Assumption and Strategic Fit:<br>Resource consents are granted by 2018. The activities are critical steps in to enable determination of appropriate stormwater infrastructure and services that meet legislated requirements and deliver the required levels of service within the period of the Infrastructure Strategy.  |  |  |   |        |     |         |   |  |
| Increasing standards and expectations<br>(IS 2015/ST3) | Capital upgrades (stormwater quality and quantity improvements)<br>(Also see Road Drainage in Section 5.4)   | \$7 over 30 years (indicative range due to uncertainty in resource consent requirements) | 2018/19: + \$16pa increasing to +\$90 from 2024/25 | Annually  | ✓      | ✓   |         | Compliance with Proposed Canterbury LWRP; minimised reticulation upgrades; reduced environmental impact | On-site private treatment and flow mitigation for all stormwater, with potential risk of consent non-compliance. |
|  | Assumption and Strategic Fit:<br>The timeframe for the required improvements can be extended beyond 2025. The District Plan will be strengthened to ensure on-site mitigation measures are identified and implemented by developers. The projects are strategic investments in critical assets, promote liveable communities and support present and future needs. |  |  |   |        |     |         |   |  |

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| Issue                                     | Most Likely Scenario   | Cost                 |                                    | Timeframe                        | Growth | LoS | Renewal | Benefit   | Principal Alternative Option(s)  |
|---|--|----------------------|------------------------------------|----------------------------------|--------|-----|---------|---|--|
|   |  | Capital (Million)    | Operation (Thousand)               |                                  |        |     |         |   |  |
| Changing land use<br><i>(IS 2015/ST4)</i> | Upgrade of No. 1 Drain for catchment stormwater treatment and disposal   | \$0.20               | <i>Included in Issue ST3 above</i> | 2015/16                          | ✓      |     |         | Facilitate industrial growth at Washdyke (greenfields)                                  | Property owners and roading provide individual treatment and flow mitigation   |
|   | Assumption and Strategic Fit:<br>Approval is obtained from ECan to upgrade the No.1 Drain. The project is a critical investment, supports economic growth and promotes a liveable community. |                      |                                    |                                  |        |     |         |   |  |
| Changing land use<br><i>(IS 2015/ST5)</i> | Extension of services within areas currently zoned residential   | \$1.07 over 30 years | \$0                                | 2015/16/17, 2018/19 and 3 yearly | ✓      |     |         | Planned and coordinated service network, with costs recovered from developers over time | All extension of services are implemented by developers which may constrain development or provide inefficient networks. |
|   | Assumption and Strategic Fit:<br>Demand will be at the projected level. Project is a strategic investment, supports present and future needs.  |                      |                                    |                                  |        |     |         |   |  |

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## 5.4 Roads and Footpaths

Goal: To provide a safe, affordable, sustainable land transport system that fully meets the environmental, economic and social needs of the district.

| Issue   | Most Likely Scenario                      | Cost                           |                          | Timeframe                      | Growth | LoS | Renewal | Benefit  | Principal Alternative Option(s)  |
|---|---|--------------------------------|--------------------------|--------------------------------|--------|-----|---------|--|--|
|   |   | Capital (Million)              | Operation (Thousand)     |                                |        |     |         |  |  |
| Ageing infrastructure<br>(IS 2015/RF1)  | <b>Renewals</b>                           |                                |                          |                                |        |     |         |  |  |
|   | ■ Pavements, kerb and channels, footpaths | \$238.0<br>(TDC share \$115.3) | \$0<br>for all scenarios | Based on remaining useful life |        |     | ✓       | Timely renewal intervention in accordance with good asset management practice to ensure long term maintenance costs are minimised, LoS is maintained and renewal costs optimised | Extend useful life of assets through increased maintenance and lower level service |
|   | <b>Renewals – Bridges</b>                 |                                |                          |                                |        |     |         |  |  |
|   | ■ General                                 | \$18.0<br>(TDC share \$8.82)   |                          | Annually                       |        |     | ✓       |  |  |
|   | ■ Forrest Creek                           | \$2.0<br>(TDC share \$0.98)    |                          | 2015-19                        |        |     |         |  |  |
| ■ Temuka-Waitohi  | \$3.0<br>(TDC share \$1.47)               |                                | 2040/45                  |                                |        |     |         |  |  |
|   | <b>Renewals – CBD Infrastructure</b>      |                                |                          |                                |        |     |         |  |  |
|   | ■ Carpark, Arcade, Piazza                 | \$3.0                          |                          | 2035/40                        |        |     | ✓       |  |  |
| Assumption and Strategic Fit:<br>Lifecycle Management Strategy, dTims modelling, bridge inventory data, outstanding works programmes. |   |                                |                          |                                |        |     |         |  |  |

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| Issue   | Most Likely Scenario                         | Cost              |                                       | Timeframe | Growth | LoS | Renewal | Benefit   | Principal Alternative Option(s)  |
|---|--|-------------------|---------------------------------------|-----------|--------|-----|---------|---|--|
|   |  | Capital (Million) | Operation (Thousand)                  |           |        |     |         |   |  |
| Increasing standards and expectations<br>(IS 2015/RF2)  | <i>Pavements</i>                             |                   | \$0 for all scenarios except Drainage |           |        |     |         |   |  |
|   | ■ Seal extension (2km yearly)                | \$12.0            |                                       | Annually  |        | ✓   |         | Dust Suppressant  | Do nothing   |
|   | <i>Footpaths</i>                             |                   |                                       |           |        |     |         |   |  |
|   | ■ New Footpaths                              | \$3.3             |                                       | Annually  |        | ✓   |         | Provides infrastructure for active transport modes to facilitate and encourage greater use of such transport modes as outlined in the TDC Active Transport Strategy | Maintain current LoS and not implement Active Transport Strategy                                       |
|   | ■ Footpath upgrades –<br>■ mobility scooters |                   |                                       |           |        |     |         |   |  |
| <i>Bridges</i>  |  |                   |                                       |           |        |     |         |   |  |
| ■ Factory Road bridge   | \$1.1M<br>(TDC share<br>(\$0.4))             |                   |                                       | 2015/16   |        | ✓   |         |   |  |
| ■ New bridge –<br>Blandswood Road<br>(currently a ford)   | \$0.3  |                   |                                       | 2030/35   |        | ✓   |         | Improve safety and efficiency of road network   | Designated routes with some additional travel distance but provide some access to properties           |
| ■ New bridge –<br>Rangitata Gorge<br>Road (currently a ford)  | \$0.2  |                   |                                       | 2019/20   |        | ✓   |         |   |  |
| <i>Drainage</i>   |  |                   |                                       |           |        |     |         |   |  |
| ■ Road run-off treatment facilities, e.g. rain gardens  | \$9.0  |                   | Included in Stormwater Issue ST3      | Annually  |        | ✓   |         | Improve quality of stormwater discharge to waterways complying with regional land and water plan  | Onsite disposal of road runoff<br>Reduce kerb outlets through strengthened District plan requirements. |
| Assumption and Strategic Fit:<br>Timaru Active Transport Strategy, Canterbury Regional Land & Water Plan. |  |                   |                                       |           |        |     |         |   |  |

# Infrastructure Strategy

| Issue                              | Most Likely Scenario   | Cost                |  | Timeframe  | Growth | LoS | Renewal | Benefit   | Principal Alternative Option(s)   |
|------------------------------------|--|---------------------|--|------------|--------|-----|---------|---|---|
|                                    |  | Capital (Million)   | Operation (Thousand)                     |            |        |     |         |   |   |
| Changing land use<br>(IS 2015/RF3) | <i>Seal Widening</i>   | \$10.3              | \$0 for all scenarios except Car Parking | 2017/18/19 |        | ✓   |         | Wider road carriageway reducing maintenance costs from seal edgebreak and improves safety and efficiency for heavy vehicles   | Maintain status quo that will result in increased maintenance costs.                            |
|                                    | <ul style="list-style-type: none"> <li>■ Rangitata Island Road</li> <li>■ Arowhenua Road</li> <li>■ Earl Road</li> <li>■ Brenton Road</li> <li>■ Rural Roads</li> </ul>  | (TDC share \$5.04)  |  | 2019/20    |        |     |         |   |   |
|                                    |  | Currently \$300k pa |  | 2018/19/20 |        |     |         |   |   |
|                                    | <i>Road Upgrades</i>   | \$9.4               |  | 2017/18/19 |        |     |         | Providing urban roads to meet proposed land development that meets required LoS, network efficiency and safety<br><br>Meet road standards required in District Plan | Maintain current rural road LoS that increases maintenance costs and reduces road safety        |
|                                    | <ul style="list-style-type: none"> <li>■ Washdyke Industrial Area West</li> <li>■ Washdyke Industrial Area East</li> <li>■ Temuka Residential Expansion</li> <li>■ Upgrade Old North Rd – Blair to Gould</li> <li>■ Upgrade Jellicoe – north side (480m)</li> <li>■ Upgrade Mahoneys Hill/Blair Roads</li> <li>■ Rail Crossing Upgrades</li> </ul> | (TDC share \$4.6)   |  | 2015-21    | ✓      |     |         |   |   |
|                                    |  |                     |  | 2015-19    |        |     |         |   |   |
|                                    |  |                     |  | 2017-23    |        |     |         |   |   |
|                                    |  |                     |  | 2025/30    |        |     |         |   |   |
|                                    |  |                     |  | 2025/30    |        |     |         |   |   |
|                                    | <i>Traffic Signals</i>   | \$1.0               |  | 2030/35    |        |     |         | Improves efficiency of intersections maintaining current LoS as traffic growth continues  | Maintain current intersection arrangement and accept reduced LoS with increasing traffic delays |
|                                    | <ul style="list-style-type: none"> <li>■ New Traffic Signals at Wai iti/Otipua Intersection</li> <li>■ New Traffic Signals at Waimataitai/Evans Street (NZTA cost share)</li> </ul>  |                     |  | 6 yearly   | ✓      | ✓   |         |   |   |
|                                    |  |                     |  | 2024/25    |        |     |         |   |   |
|                                    |  |                     |  | 2022/23    |        |     |         |   |   |

# Infrastructure Strategy

| Issue  | Most Likely Scenario  | Cost                        |                                    | Timeframe | Growth | LoS | Renewal | Benefit  | Principal Alternative Option(s)  |
|--|---|-----------------------------|------------------------------------|-----------|--------|-----|---------|--|--|
|  |   | Capital (Million)           | Operation (Thousand)               |           |        |     |         |  |  |
| Changing land use<br>(IS 2015/RF3)<br>(Continued)  | <b>Car Parking</b><br>■ New Car Park – Timaru CBD South                                       | \$0.8                       | Revenue will offset operating cost | 2018/19   | ✓      | ✓   |         | Provide additional off street parking facilities   | Greater use of on street parking, reliance on private parking more efficient use of current parking facilities |
|  | <b>New Roads</b><br>■ New Link Road and Rail Crossing to Replace Seadown Crossing in Washdyke | \$1.5<br>(TDC Share \$0.73) |                                    | 2020/21   | ✓      |     |         | Provide efficient and effective road network servicing industrial zoned land as per Washdyke plan change | Do nothing & use existing roads as access  |
|  | <b>Bridges</b><br>■ Port Southern Access  | \$5.0<br>(TDC share \$2.45) |                                    | 2018/19   | ✓      |     |         | Improve freight transport efficiency allowing alternative routes for longer vehicles                     | Maintain current levels of service   |
|  | ■ Bridge Strengthening for HPMVs  | \$6.0<br>(TDC share \$2.94) |                                    | Annually  | ✓      |     |         |  | Restricted designated routes for HPMVs, with potentially longer travel times                                   |
| Assumption and Strategic Fit:<br>Timaru Transportation Strategy, Government transport strategy, Washdyke Plan change, Timaru Growth scenarios. |   |                             |                                    |           |        |     |         |  |  |

# Infrastructure Strategy

| Issue   | Most Likely Scenario                                 | Cost                               |   | Timeframe | Growth | LoS | Renewal   | Benefit  | Principal Alternative Option(s)                              |
|---|--|------------------------------------|---|-----------|--------|-----|---|--|--|
|   |  | Capital (Million)                  | Operation (Thousand)                              |           |        |     |   |  |  |
| Resilience and Long Term Sustainability (IS 2015/RF4)   | <i>Drainage</i>                                      |                                    |   |           |        |     |   |  |  |
|   | ■ Washdyke Flat Road/ Kellands Hill Flood Protection | \$0.6<br><i>(TDC share \$0.29)</i> | \$0 for all scenarios except <i>Street Lights</i> | 2023/24   |        | ✓   |   | Improved resilience with less likelihood of road closures and providing more reliable access to Timaru | Status quo with occasional road closures of 2 days per annum |
|   | <i>Street Lights</i>                                 |                                    |   |           |        |     |   |  |  |
|   | ■ Replace with LED Lanterns                          | \$1.5<br><i>(TDC share \$0.73)</i> | Savings not yet quantifiable                      | 2016-20   |        | ✓   | ✓   | Reduced energy and maintenance costs   | Replace with LED at time of failure                          |
|   | <i>Intersections</i>                                 |                                    |   |           |        |     |   |  |  |
| ■ Rural Roundabout Coach/Geraldine Winchester/Tiplady Roads   | \$0.8<br><i>(TDC share \$0.39)</i>                   |                                    | 2020/21   |           | ✓      |     | Improved road safety less fatalities and injuries   | Status quo and use of more signage   |  |
| ■ General Safety Upgrades   | \$21.0<br><i>(TDC share \$10.29)</i>                 |                                    | Annually  |           |        |     |   |  |  |
| <i>Road Upgrades</i>  |  |                                    |   |           |        |     |   |  |  |
| ■ Milford Clandeboye Road   | \$3.0<br><i>(TDC share \$1.47)</i>                   |                                    | 2024-25   |           | ✓      |     | Alternative route crossing Clandeboye Dairy factory | Restricted alternative access  |  |
| Assumption and Strategic Fit:<br>Forward works programme, Safer Journeys, Bridge management strategy, Clandeboye access roads strategy. |  |                                    |   |           |        |     |   |  |  |

# Infrastructure Strategy

| Issue   | Most Likely Scenario   | Cost                   |                      | Timeframe | Growth | LoS | Renewal | Benefit  | Principal Alternative Option(s)                     |
|---|--|------------------------|----------------------|-----------|--------|-----|---------|--|---|
|   |  | Capital (Million)      | Operation (Thousand) |           |        |     |         |  |   |
| Affordability<br>(IS 2015/RF5)  | <p><i>Road Improvements</i></p> <ul style="list-style-type: none"> <li>Additional local share funding reduction in government financial assistance for road upgrades, safety improvements, new drainage works and bridge replacements</li> </ul> | \$21.0*<br>(TDC share) | \$0                  | Annually  | ✓      | ✓   | ✓       | Implementation of planned road improvement projects.<br>Safety Improvements \$79k per annum.<br>Bridge replacements \$102k per annum.<br>New drainage works \$276k per annum.<br>New signs \$41k per annum.<br>Seal widening \$153k per annum. | Reduction in road improvement and renewal programme |
| Assumption and Strategic Fit:<br>GPS and NZTA funding criteria.<br>* Figures subject to NZTA funding approval |  |                        |                      |           |        |     |         |  |   |

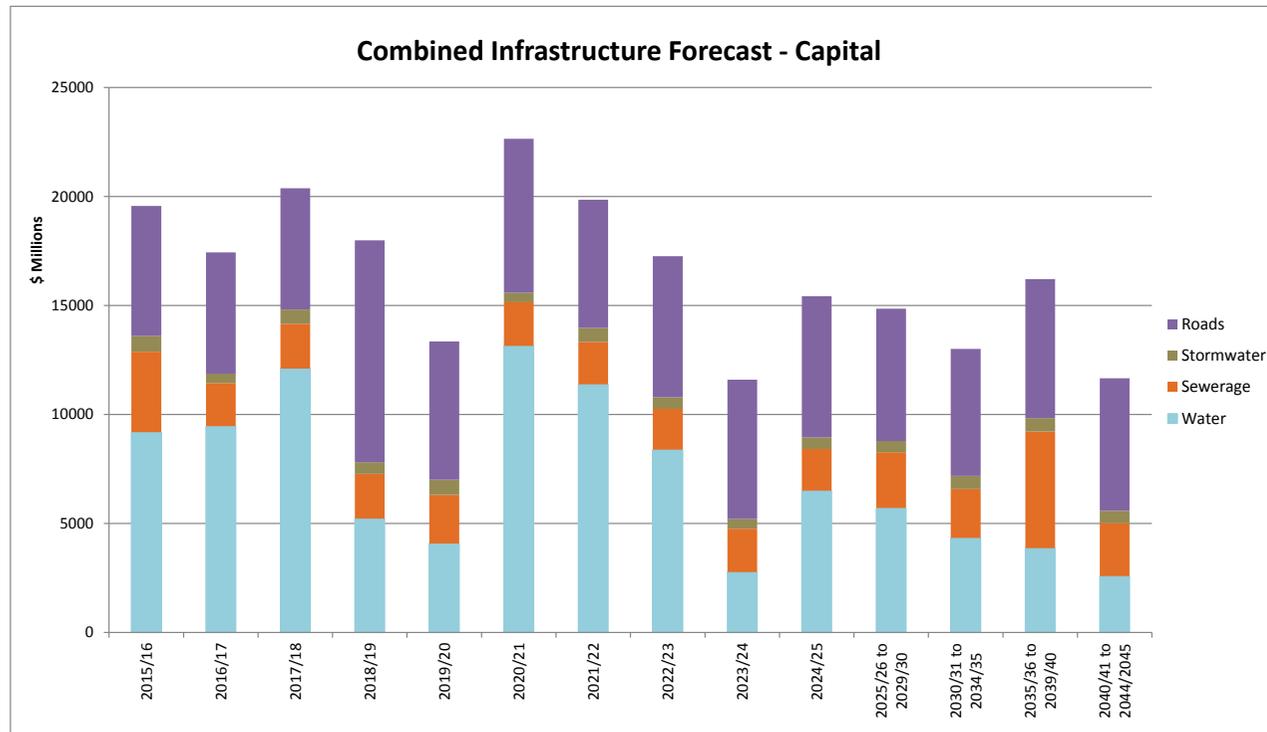
# Infrastructure Strategy

## 6.0 FINANCIAL ESTIMATES

### 6.1 Total Expenditure

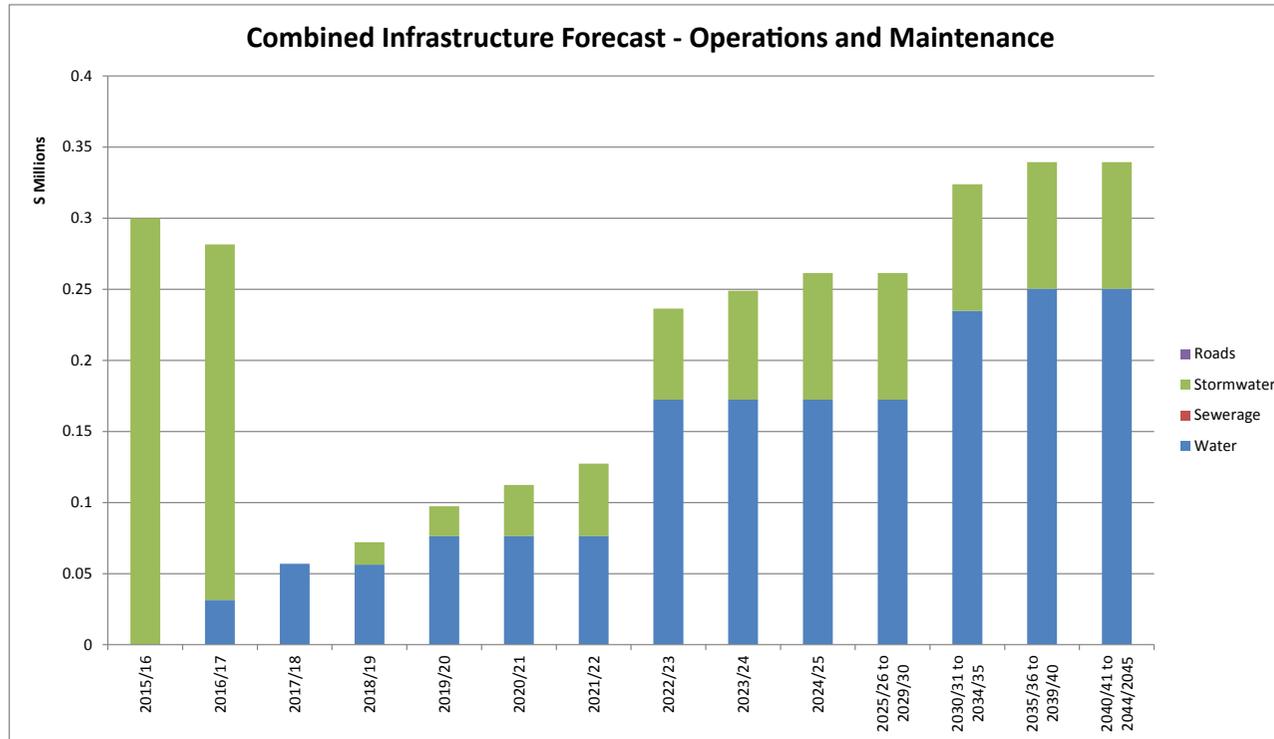
The projected capital expenditure associated with the significant infrastructure assets are graphically represented below:

Figure 7: Projected Capital Expenditure- Infrastructure Assets



# Infrastructure Strategy

Figure 8: Projected Operational Expenditure –Infrastructure Assets

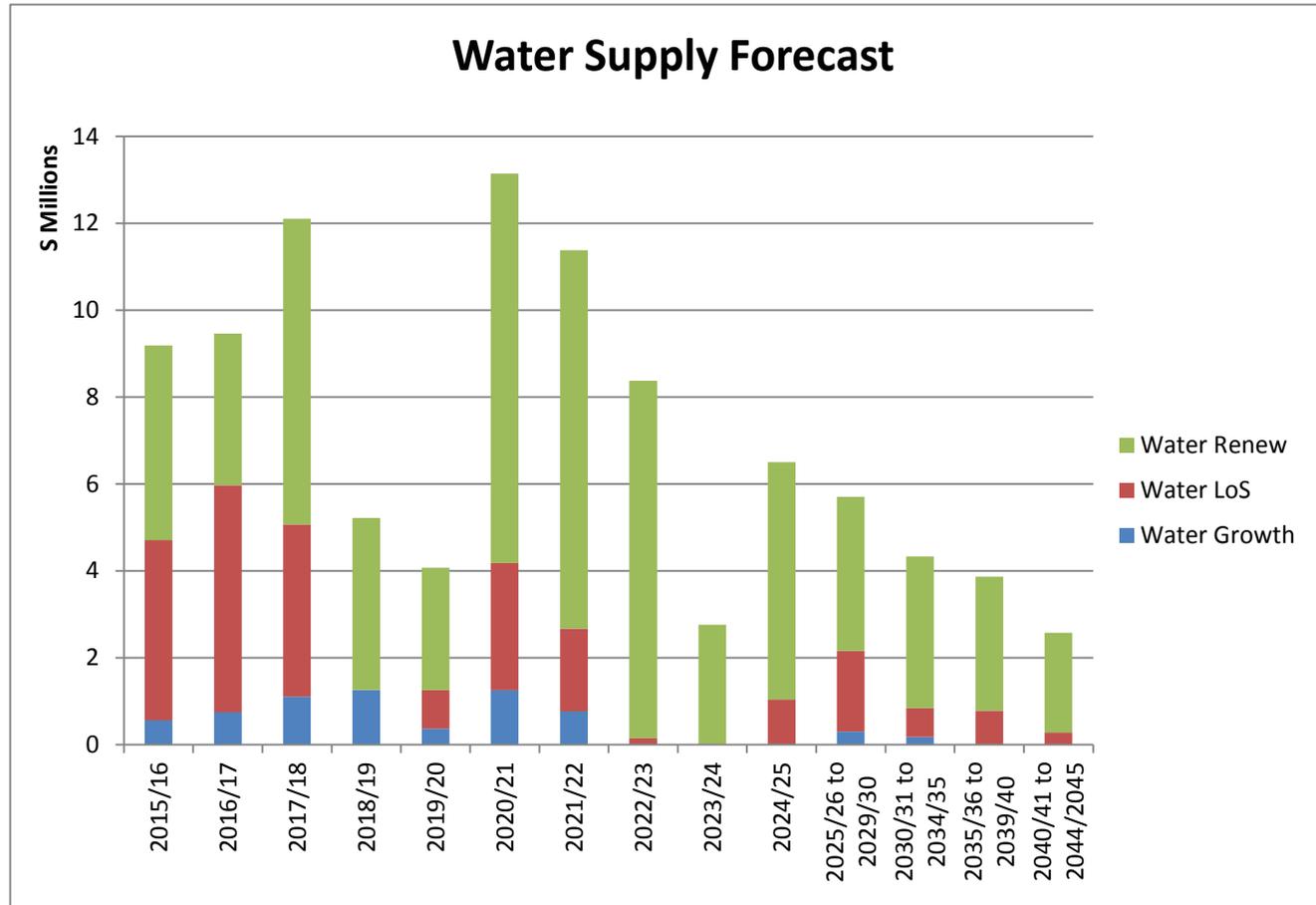


# Infrastructure Strategy

## 6.2 Water

The projected capital expenditure associated with the water supply infrastructure assets are graphically represented below:

Figure 9: Projected Capital Expenditure – Water

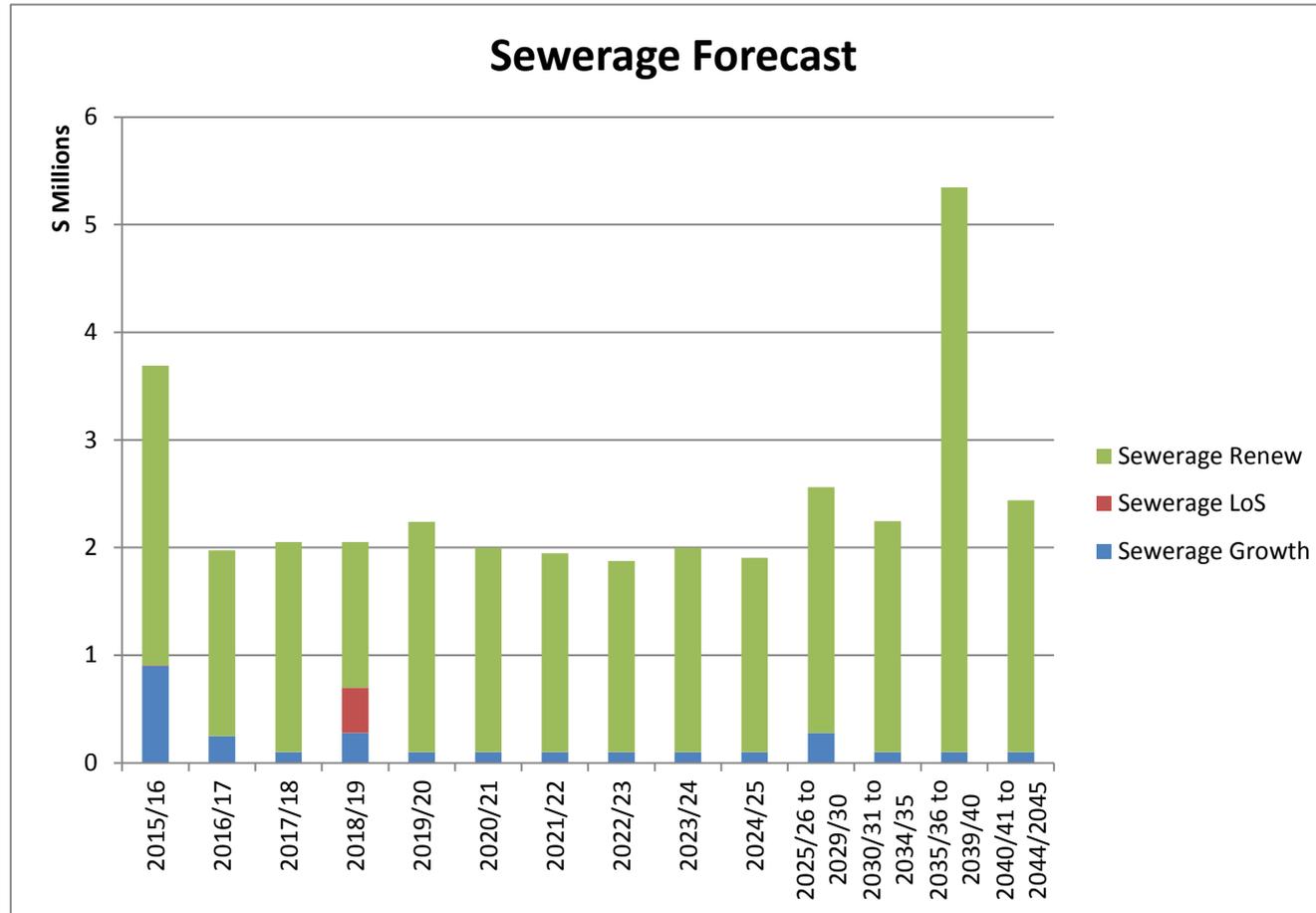


# Infrastructure Strategy

## 6.3 Sewerage

The projected capital expenditure associated with the sewer infrastructure assets are graphically represented below:

Figure 10: Projected Capital Expenditure - Sewerage

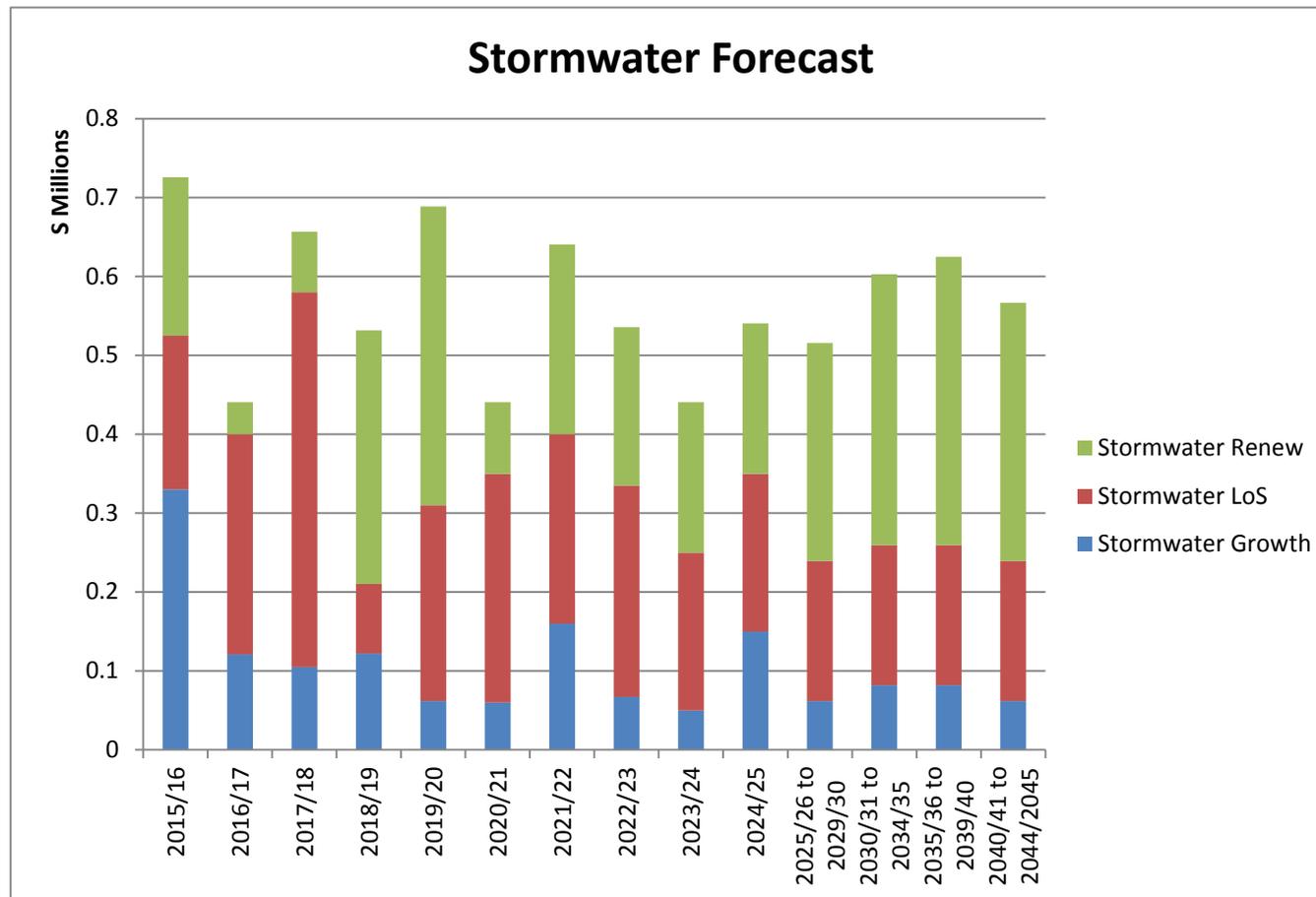


# Infrastructure Strategy

## 6.4 Stormwater

The projected capital expenditure associated with the stormwater infrastructure assets are graphically represented below:

Figure 11: Projected Capital Expenditure – Stormwater

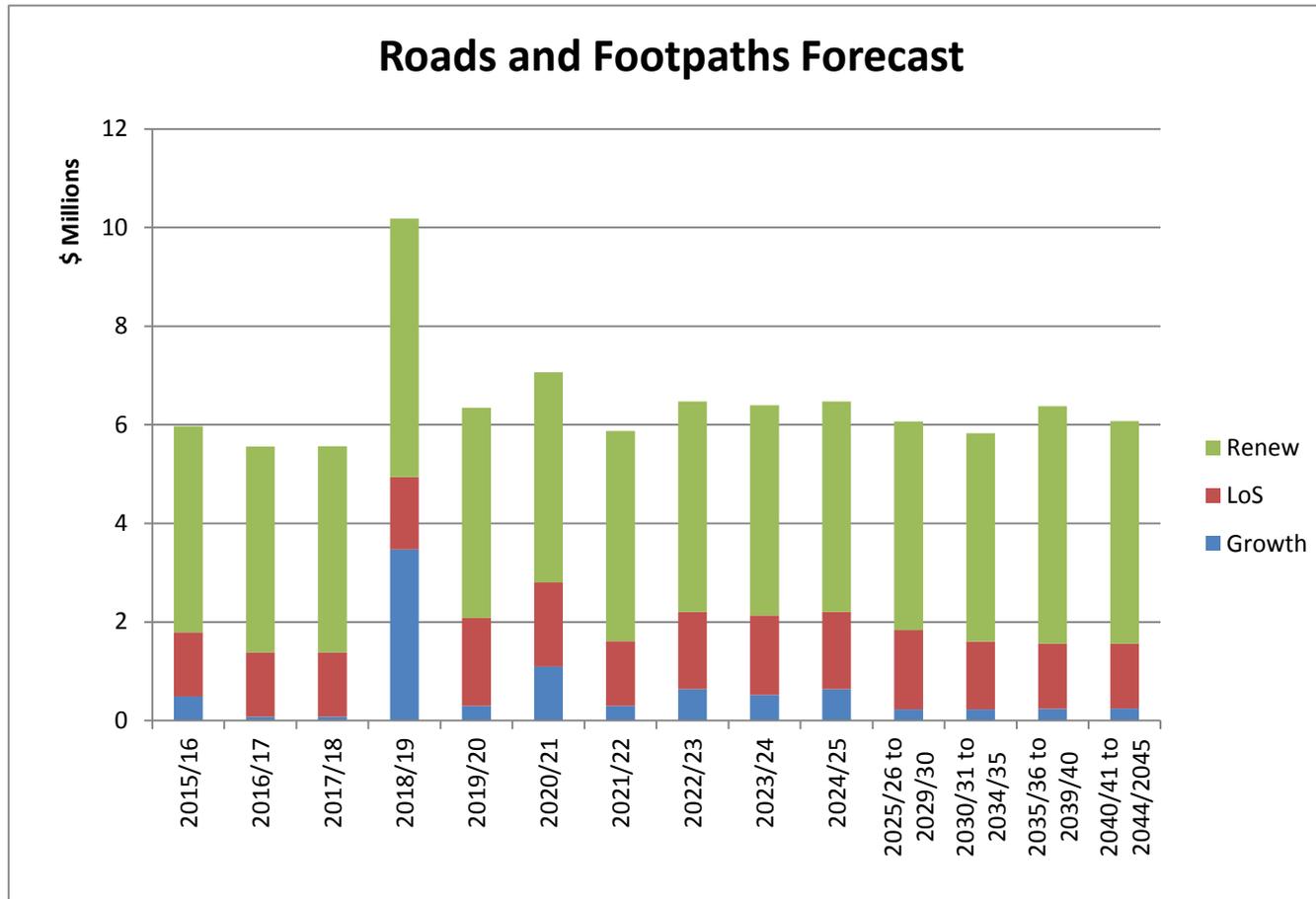


# Infrastructure Strategy

## 6.5 Roads and Footpaths

The projected capital expenditure associated with the roads and footpaths infrastructure assets are graphically represented below:

Figure 12: Projected Capital Expenditure – Roads and Footpaths



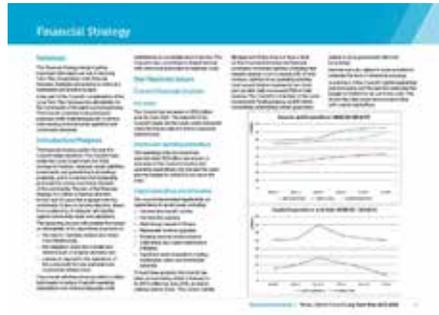
# Infrastructure Strategy



# Section Roadmap

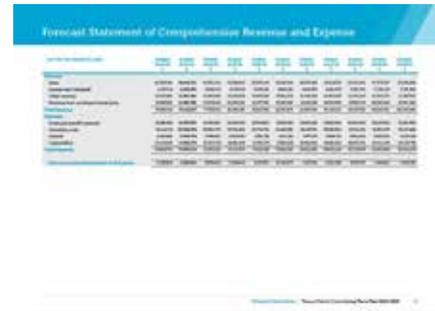
This section outlines financial information relating to the Long Term Plan and the Council operation. It includes:

## Financial Strategy



Council's Financial Strategy guides Council's financial direction, including information around revenue, expenditure, rating, debt and investments.

## Financial Statements



A number of Financial Statements are included, as outlined below:

### Statement Concerning Balancing of Budget

This shows how the Council has set operating revenues at a level sufficient to cover operating expenses (unless exceptions have been applied).

### Forecast 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.

### Forecast Statement of Movements 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.

### Forecast Statement of Movements in Retained Earnings

Retained Earnings are part of equity. This statement shows the movements relating to special funds which are held by Council for specific purposes.

### Forecast 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.

### Forecast Statement of Cashflows

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

These statements include inflation. A set of statements, excluding inflation is included at the back of the section.



This outlines Council's expenditure and sources of funds, including rates to be applied across the district.

# Section Roadmap

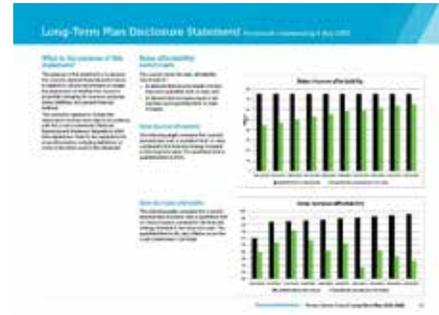
## Reserve Funds Summary



The screenshot shows a table titled 'Reserve Funds Summary'. The table has columns for 'Fund Name', 'Balance', and 'Change'. It lists various funds such as 'General Fund', 'Capital Fund', and 'Reserve Fund'. The data is presented in a structured format with alternating row colors for readability.

This outlines Council's reserve and separate funds and anticipated changes over the 10 year period.

## Disclosure Statement



This outlines the Council's planned 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, as required under the Local Government (Financial Reporting and Prudence) Regulations 2014.

## Fees 2015/16



The screenshot shows a table titled 'Fees 2015/16'. It lists various fees and charges such as 'Council Rates', 'Water Rates', and 'Waste Management Fees'. The table includes columns for 'Description', 'Amount', and 'Notes'. The data is presented in a structured format with alternating row colors.

A summary of fees and charges for the 2015/16 year, particularly relating to Resource Management Act (RMA) fees. A full list of fees is available separately from the Council or from the Council website.

# Financial Strategy

## Summary

This Financial Strategy brings together important information set out in the Long Term Plan, integrating it with financial forecasts, strategies and policies to arrive at a sustainable and prudent budget.

A key part of the Council's consideration of the Long Term Plan has been the affordability for the community of the plan's work programme. The Council continues to face financial pressures while maintaining levels of service and meeting environmental, legislative and community demands.

## Introduction/Purpose

The financial strategy guides the way the Council makes decisions. The Council must, under the Local Government Act 2002, manage its revenue, expenses, assets, liabilities, investments and general financial dealings prudently, and in a manner that sustainably promotes the current and future interests of the community. The aim of the Financial Strategy is to define a financial direction for the next 10 years that is agreed with the community. It aims to provide direction, drawn from a balancing of ratepayer affordability against community needs and aspirations.

This balancing process will consider the impact on affordability of its expenditure proposals on:

- the need to maintain, replace and renew core infrastructure,
- the obligation under law to build new infrastructure of a higher standard; and
- a desire to respond to the aspirations of the community for new and improved community infrastructure.

The Council will strive where possible to either hold steady or reduce Council's operating expenditure over forthcoming years while

maintaining an acceptable level of service. The Council is also committed to shared services with other local authorities to minimise costs.

## Key Financial issues

### Current financial situation

#### Net assets

The Council had net assets of \$731 million as at 30 June 2014. The majority of the Council's assets are the roads, water and sewer networks that provide the district's essential infrastructure.

#### Income and operating expenditure

The operating costs for council are approximately \$63 million per annum. A summary of the Council's income and operating expenditure over the past five years plus the budget for 2014/15 is set out in the chart.

#### Capital expenditure and borrowing

The council has invested significantly on capital items in recent years, including:

- Caroline Bay Aquatic Centre
- Caroline Bay upgrade
- Multi storey carpark in Timaru
- Wastewater scheme upgrades
- Roothing network enhancements
- Solid Waste and waste minimisation initiatives
- Significant asset renewals in roading, wastewater, water and stormwater networks

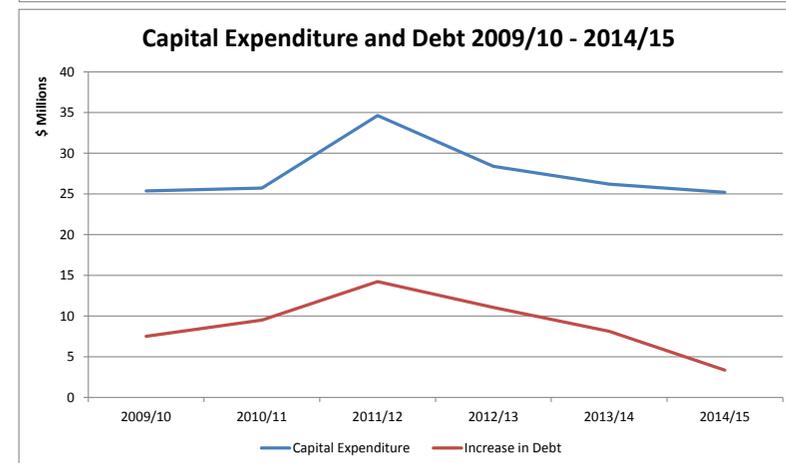
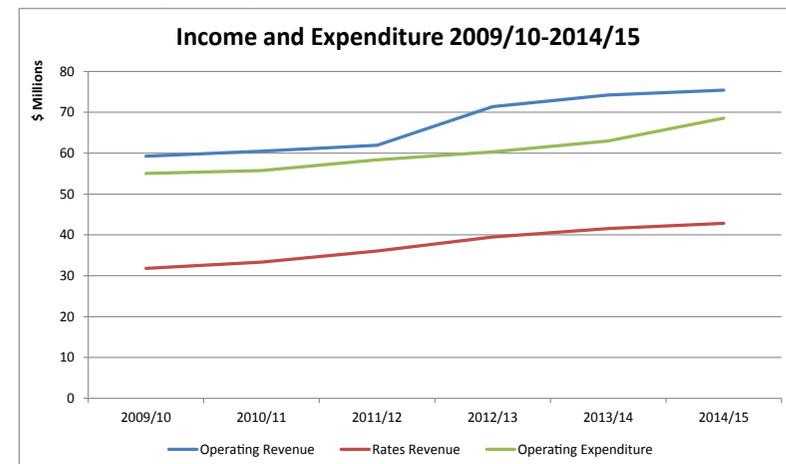
To fund these projects, the Council has taken on borrowing, which is forecast to be \$97.5 million by June 2015, as well as utilising reserve funds. The current Liability

Management Policy does not have a limit on the Councils borrowing but there are covenants on interest expense, including that interest expense is not to exceed 15% of total revenue, cashflow from operating activities must exceed interest expense by two times and net debt shall not exceed 150% of total revenue. The Council is a member of the Local Government Funding Agency (LGFA) which necessitates undertaking certain guarantees

related to local government debt and borrowings.

Internal loans are utilised in some activities to minimise the level of external borrowings.

A summary of the Council's capital expenditure and borrowing over the past five years plus the budget for 2014/15 is set out in the chart. This shows that debt levels have moved in line with capital expenditure.



# Financial Strategy

## Key factors in the operating environment and their implications

The financial strategy has been prepared taking into account the Council's starting financial position as summarised above plus the factors that we expect to influence its financial position over the next 10 years. These include:

- Population growth and changing land use
- Inflation and known cost increases
- Asset development and renewal expenditure
- NZTA financial assistance
- Major Council projects (e.g. drinking water

standards upgrades)

## Population Growth and changing land use

Population and household growth figures are based on a report commissioned by Council for new population and household projections based on the 2013 Census. The report was prepared by Natalie Jackson Demographics Ltd. (August 2014). Council has adopted the report's medium-growth scenario in the District's LTP and AMPs for the next 10 years.

### 1. Population Change

The 2014 estimated population was 45,400. The medium growth scenario projects 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.

### 2. Household Change

The medium scenario for the district's households projects 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.

Generally, small increases in population can be managed within the existing level

of service. Declines in population would not necessarily reflect in lower numbers of ratepayers as the number of people per household is declining. Household increases are expected to occur largely in the urban areas of the district as a result of the population ageing. It is therefore expected that these changes will only have a minor effect on rates for individual property owners.

Where growth requires additional infrastructure (e.g. subdivisions), the Council can require financial contributions for the work. Costs over this amount may result in additional Council expenditure which is likely to be funded from debt. The Council does not currently have a Development Contributions Policy.

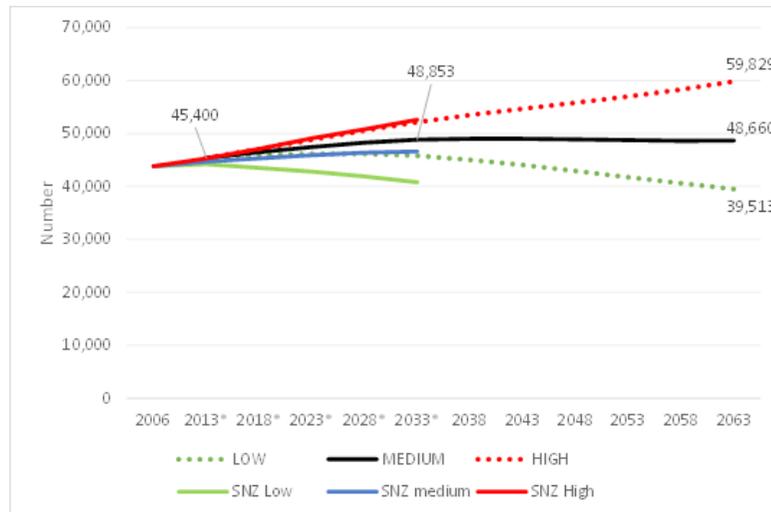


Figure: Projected Population of the Timaru District 2013-2063 and Comparison with Statistics New Zealand Projections (2006-2031), by Projection Variant<sup>[1]</sup>

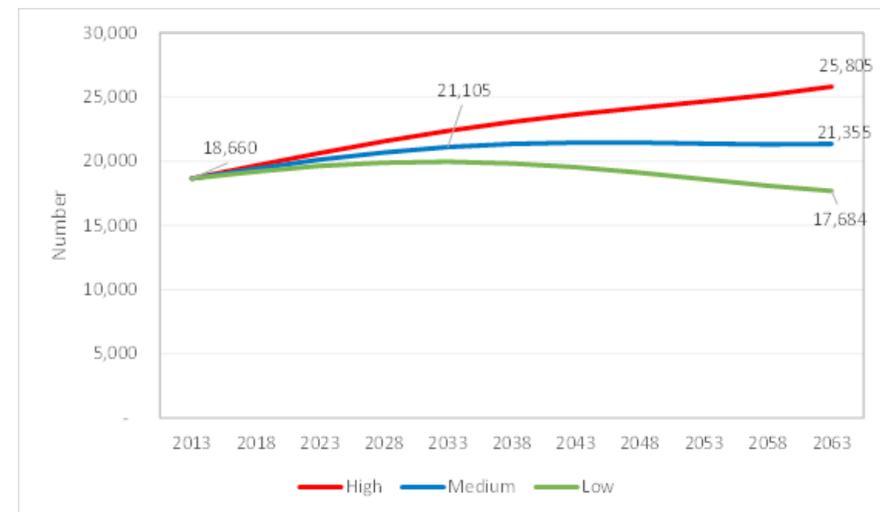


Figure: Projected Number of Households by Projection Variant, 2013-2063, Timaru District<sup>[2]</sup>

<sup>[1]</sup> 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.

<sup>[2]</sup> 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.

# Financial Strategy

The forecast capital costs of providing for the growing population and land use change over the next 10 years is included in the table of all capital expenditure in the section of this strategy titled Asset Development and Renewal Expenditure. The forecast operating costs associated with growth are minimal.

## Inflation and known cost increases

Inflation is faced by the Council and inevitably means the cost of providing services will increase over the next 10 years and these increases will affect the level of rates.

Expected impacts of inflation are included in the LTP. A supplementary schedule is also included in the LTP showing the financial statements based on 2015/16 costs to show more clearly the impact of changes in services.

## Asset development and renewal expenditure

The council currently has property, plant and equipment (commonly referred to as "fixed assets") worth approximately \$760 million and during the next 10 years the council is planning to undertake additional capital works of \$311 million (including inflation). Asset development expenditure is for purchasing, building, replacing or developing the district's assets (e.g. roads, pipes, libraries). For each asset category, asset management plans are in place, which are the key planning tool for the maintenance, future renewal and additional assets required to meet increased levels of services or growth in the district.

The Council has prepared an Infrastructure Strategy which includes details of asset issues for the next 30 years for roading, water, sewer and stormwater assets. Total capital expenditure is forecast at \$454 million

(TDC share) for these assets over the 30 year timeframe (excluding inflation).

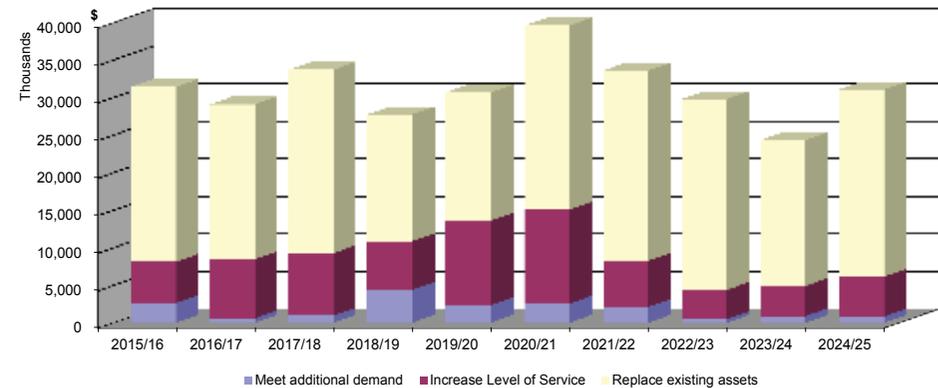
The council has developed the asset development programme assuming that all projects will be completed in the year identified in the plan. However, past experience shows that due to external factors there can be delays in the completion of the project. Therefore projects that have similar amounts and funding may be substituted from the later years of the plan for other projects which have experienced delays. Conversely projects that are delayed in one year of the plan will be completed in the following years.

Renewals are the replacement programme for the existing assets. Levels of service improvements relate to where the council increases assets to increase the level of service provided to the community. Growth assets are constructed to support the growth in the district and provide the infrastructure that is required by the future demand.

Renewals of assets are generally funded from reserves which have previously been funded from rates. If there are insufficient funds in the appropriate reserve for the renewal expenditure, council has elected to borrow to pay for some of the renewals. The Council has reviewed the funding for infrastructure renewals and is proposing to increase the amount set aside from revenue each year to fund the replacement of these assets based on the 30 year renewals profile. This increase will be phased in over 6 years.

Level of service improvements and growth assets are generally funded from debt, capital subsidy or from capital contributions in the form of contributions (financial contributions and cash in lieu of reserves). This is to ensure that the costs are spread across the generations that utilise the assets.

Capital Expenditure 2015-25



## NZTA Financial Assistance

The Government Policy Statement on Land Transport funding has indicated less financial assistance for maintenance and renewals. Financial assistance rates (FARs) have recently been reviewed. The Council FAR has been confirmed at 55% for 2015/16 but reducing by 1% each year down to 51%.

The New Zealand Transport Agency (NZTA) indicative allocation for Timaru District Council financially assisted maintenance and renewals for the 3 year period from 2015/16 to 2017/18 is \$31.7 million, which is inclusive of inflation. This amount does not allow an increase in asset renewals or level of service, despite such needs being clearly demonstrated. The draft NZTA allocation for the 2015-18 period fails to match current maintenance costs and as inflation is included, results in cost increases having to be absorbed. The deficit in funding is estimated at \$3.7 million over the 3 years.

As a result of the reduced funding, the Council has increased local funding, deferred projects and reduced some costs. This will result in reduced levels of service.

The impact of the One Network Roding Classification (ONRC) is also unknown at the current time.

## Key Levels of Service Issues and their implications

The key levels of service issues over the next 10 years include:

- Regulatory framework for stormwater
- Drinking Water Standards /Drinking Water Safety Plans
- Meeting competing demands for water resources
- Change in demands on road network
- Sustainable Transport/Active Transport
- Legislative change
- Community expectations and changes in

# Financial Strategy

- demand
- Enabling participation and communication
- Ageing infrastructure

Details on these are included in Section 2 of this Long Term Plan.

## Financial Implications and Trends

In setting rates at an appropriate level, the council must balance what is affordable for both the Council and the community. This is a delicate balancing act which needs to take account of the services that the Council delivers and whether current or future ratepayers should pay for them or intergenerational equity. This is particularly important for the Council given that many of its assets have long service lives and the benefits that these assets provide are over a long period of time. The main tool used is to use debt and then rate future ratepayers to service the debt.

## Rates

### General Rates and Uniform Annual General Charge (UAGC)

The General Rate and UAGC currently account for approximately 48% of the total rates for the district. The activities funded from these rates include roading, cultural and learning facilities (excluding the Caroline Bay Aquatic Centre), economic development and promotion, governance, district planning and regulatory services, streetlighting, civil defence and the airport.

The amount individual ratepayers pays for general rates is based on the land value of their property. The Council considers that using land values, differentiated by sector, provides the best balance between equity,

simplicity and fairness. The values of all properties within the district are reviewed every 3 years. They were last revalued as at September 2014 and those values will come into effect for rating purposes from 1 July 2015.

The UAGC is a flat rate that is levied on each property, regardless of the value of the property.

### Targeted rates

Targeted rates account for approximately 52% of total rates revenue and are in place to fund specific activities including water, sewer, stormwater, waste management, footpaths, aquatic centre, rural fire, community boards and community centres.

A separate account is maintained for each

targeted rate to ensure any surplus or deficit is funded by the relevant ratepayers. In any one year, the account may be in surplus or deficit, but the level of rate is set to achieve a nil balance over the medium term (two to five years).

The rate for local targeted rates such as community centres, water, stormwater, footpaths and community boards is set in consultation with the local community, taking into account the Activity Management Plan for each activity.

The 10 year forecast for rates income (including inflation) is shown below.

The average annual increase in rates over the 10 years is forecast to be 4.3%, including inflation.

The Council will endeavour to limit the level of rate rises (both general and targeted

rates) over the 10 year period and has set the following limits:

- Total rates revenue will not exceed \$55 million in any given year, excluding inflation and \$75 million including inflation.
- The percentage increase in total rates revenue in any year will not exceed 6% plus inflation based on the Local Government Cost Index<sup>3</sup>.

These limits will allow the Council to maintain the existing levels of service, assuming the current level of financial assistance from NZTA for the roading network. Any significant additional demands for services from the community, or reduction in financial assistance could result in these limits needing to be increased.

## Non-rates income

Significant income is forecast from non-rates sources as shown in the graph over the page.

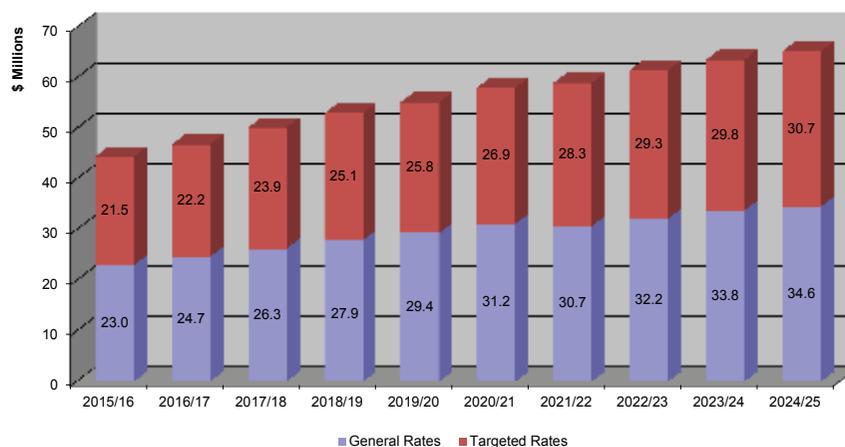
### User fees and charges

User fees and charges will increase over the 10 years due to recovery of increased costs.

### Subsidies and grants (Including Financial Assistance)

Subsidies include Financial Assistance from the New Zealand Transport Authority (NZTA) for funding the cost of maintaining, renewing and improving the Council's roading network. The level of subsidy is currently 55% but will reduce by 1% each year to 51%. It is also expected that this will not be inflation adjusted, or if inflation is added, it will mean a reduced cap on expenditure.

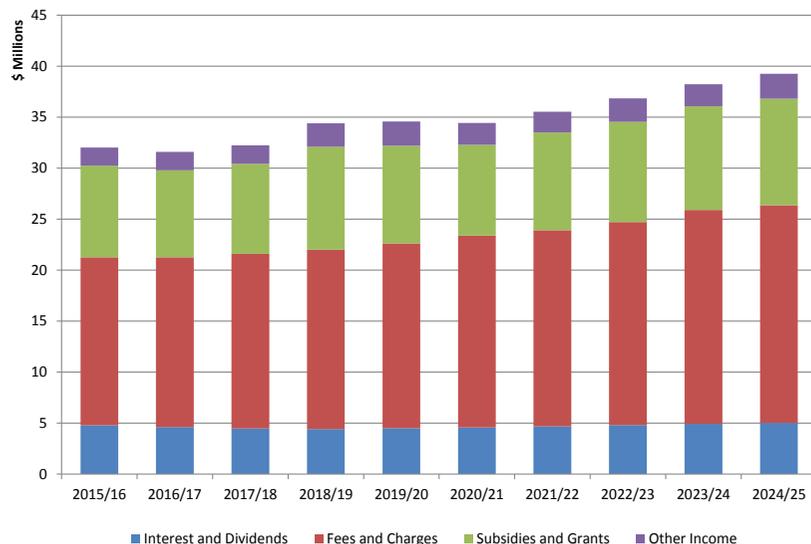
Total Rates Income - 2015/16 - 2024/25



<sup>3</sup> The Local Government Cost Index is produced by Business and Economic Research Limited (BERL) annually for Society of Local Government Managers and Local Government New Zealand.

# Financial Strategy

**Non-rate income 2015/16 - 2024/25**



## Investment Revenue

Investment income is dividends received from TDHL and interest income.

The targets set by Council for returns on investments are:

- TDHL - \$2.25 - \$2.45 per share per annum
- Interest on TDHL Advance - 5%
- Bonds - 5%

## Investments

### Equity Investments

The council's investments in such assets fulfil various strategic, economic development and financial objectives.

The largest equity investment held by Council is its investment in Timaru District Holdings Limited which in turn holds the Council's

interests in Alpine Energy Limited, PrimePort Timaru Limited and Hunter Downs Irrigation Limited.

Investments are also held in NZ Local Government Insurance Corporation Limited and Levels Plains Irrigation Company. These are held strategic objectives for insurance and water sources for land owned by Council.

### Property Investments

As a general rule, Council does not maintain a property investment where it is not essential to the delivery of relevant services, now or in the future, and property is only retained where it relates to a primary output of Council. The Council currently owns a number of properties, which are surplus to its operational needs. The Council's overall objective is to only own property that is necessary to achieve its strategic objectives.

## Forestry Investments

Forestry is planted primarily on over 240 hectares of reserve land unsuitable for other uses, with 60 separate sites.

Forestry assets are held as long term investments on the basis of their net positive discounted cashflows, factoring in projected market prices and annual maintenance and cutting costs and to maintain the land upon which the Council's forestry investment is held.

## Treasury Investments

Investments of cash held for specific purposes (special funds) usually held as short-term deposits or in bonds.

The Council maintains treasury investments for the following primary reasons:

- Provide ready cash in the event of a natural disaster. This cash is intended to bridge the gap between the disaster and the

reinstatement of normal income streams.

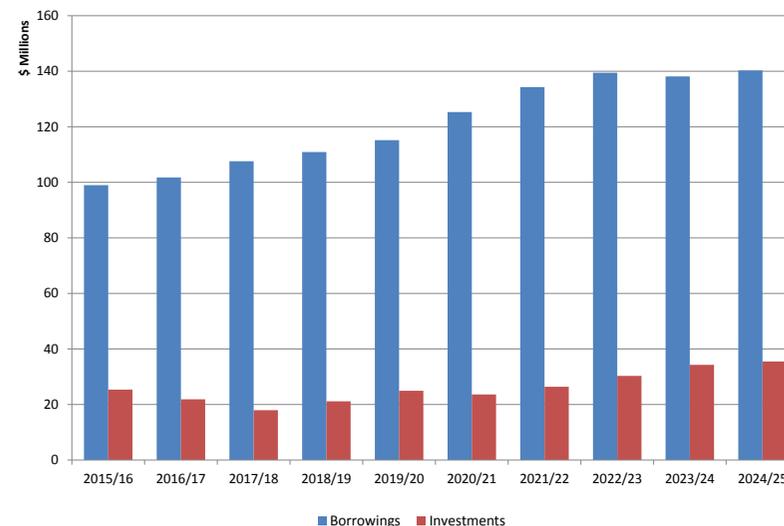
- Invest amounts allocated to special funds, bequests, and reserves.
- Invest funds allocated for approved future expenditure, to implement strategic initiatives or to support intergenerational allocations.
- Invest proceeds from the sale of assets.
- Invest surplus cash, and working capital funds.

## Debt

The Council is very conscious of its level of debt and is aware there is little scope for additional debt funded projects to be undertaken in the next 10 years, other than those already outlined in the LTP.

The Council's forecast level of borrowings and investments for the 10 years of the LTP is shown below:

**Forecast Borrowings and Investments 2015/16 - 2024/25**



# Financial Strategy

The main reason for increased debt levels is to fund the asset development expenditure proposed within this plan. The Council has considered the timing of the programme and the associated borrowing required to ensure that this best meets the needs of current and future generations. The value of investments increases during this period mainly because depreciation funds increase to replace assets after the 10 year shown in this plan.

The Council has set the following limits on its total borrowing:

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

Based on the forecast financial position within the LTP, the limit on borrowings would be \$147 million including inflation.

These limits will allow the Council to maintain the existing levels of service. Any significant additional demands for services from the community could result in these limits needing to be increased.

The Council provides security on its borrowing through a Debenture Trust Deed. This provides the lender with a charge over the Council's rates income and means that, if the Council defaulted on a loan, the lender would have the ability to set a rate and recover the sums owed. In practice, it is the ability of local authorities to set rates that makes it very unlikely that a local authority would default on its obligations. The Council policy is to only allow security through the Debenture Trust Deed.

## Overall Implications of Financial Strategy

The Council is promoting a "Business as Usual" approach through its financial strategy. It will continue to maintain and renew our assets for current and future generations while providing the services that the community enjoy.

The implications of this strategy, combined with the requirement for prudent financial management, the necessity to manage a complex array of operations and assets with long lives, and continuing improvements in required levels of service stemming from either legislative change or community demand means that there is little room for further significant projects within the next 10 years.

The Council has designed its financial policies to be prudent and fair to current and future ratepayers. Current ratepayers pay for the services they have available to them now, including a contribution to the cost of replacing the infrastructure they use. All ratepayers, current and future, pay for the costs involved in improving the quality of services.

This approach will maintain the Council's sound financial position over the next 10 years and provide a sound base for maintaining the well-being of future generations.

# Statement concerning Balancing of Budget

In accordance with Section 100 of the Local Government Act 2002 (the Act), Council resolves to permit an unbalanced budget in that the Forecast Statement of Comprehensive Revenue and Expense Council is forecasting an operating surplus for the year commencing 1 July 2015.

In its forecast Statement of Comprehensive Revenue and Expense, Council is reporting a surplus due to forecast revenue including grants and subsidies specifically provided by external parties to fund capital expenditure projects. These grants and subsidies are not available to meet day-to-day forecast operating expenses. Expenditure associated with these grants and subsidies is recorded in the Forecast Statement of Financial Position, not the Forecast Statement of Comprehensive Revenue and Expense. Forecast interest income on Special Funds invested is allocated to and reinvested with those special funds and is therefore also not available to meet forecast day-to-day operating costs.

Council fully funds depreciation on assets and maintains investments to match depreciation special fund balances. Timaru District Council is of the opinion that it is financially prudent not to have a balanced budget in the Forecast Statement of Comprehensive Revenue and Expense and, due to the matters noted above, it is necessary for forecast revenue to exceed forecast expense in the Forecast Statement of Comprehensive Revenue and Expense.

# Forecast Financial Information

These prospective financial statements were authorised for issue by Timaru District Council on 23 June 2015. Timaru District Council is responsible for the prospective financial statements presented, including the appropriateness of the assumptions underlying the prospective financial statements and all other required disclosures.

Timaru District Council's planning processes are governed by the Local Government Act 2002. The Act requires Council to prepare a ten year Long Term Plan (LTP) every three years and an Annual Plan, which updates the LTP by exception, in the intervening years. This is Timaru District Council's Long Term Plan for the period 2015 - 2025 and is prepared in accordance with the Act. The Council and management are responsible for the preparation of the prospective financial statements and the appropriateness of the underlying assumptions.

The information contained within this document is prospective financial information in terms of PBE FRS 42. The forecast financial statements have been prepared on the basis of assumptions as to future events the Council reasonably expects to occur associated with actions the Council expects to take. They have been prepared in accordance with current accounting policies in this plan. Actual results up until January 2015 have been taken into account in preparation of these prospective financial statements. Prospective Group financial statements have not been prepared as information for all entities in the group is not available.

The purpose for which this plan has been prepared is to enable the public to participate in the decision making processes as to the services to be provided by the Timaru District Council to its community for the year, and to provide a broad accountability mechanism of Council to the community. This information has been prepared for the Council's budgeting and financial planning purposes. It may therefore not be appropriate to be used for any other purpose. Actual results are likely to vary from the information presented and the variations may be material.

These prospective financial statements will not be updated.

# Forecast Statement of Comprehensive Revenue and Expense

| For The Year Ended 30 June                     | Budget<br>2014/15<br>\$ | Budget<br>2015/16<br>\$ | Budget<br>2016/17<br>\$ | Budget<br>2017/18<br>\$ | Budget<br>2018/19<br>\$ | Budget<br>2019/20<br>\$ | Budget<br>2020/21<br>\$ | Budget<br>2021/22<br>\$ | Budget<br>2022/23<br>\$ | Budget<br>2023/24<br>\$ | Budget<br>2024/25<br>\$ |
|--|-------------------------|-------------------------|-------------------------|-------------------------|-------------------------|-------------------------|-------------------------|-------------------------|-------------------------|-------------------------|-------------------------|
| <b>Revenue</b>                                 |                         |                         |                         |                         |                         |                         |                         |                         |                         |                         |                         |
| Rates  | 42,567,999              | <b>44,461,741</b>       | 46,832,140              | 50,184,040              | 53,030,140              | 55,206,340              | 58,070,840              | 59,029,873              | 61,541,040              | 63,579,307              | 65,288,690              |
| Interest and Dividends                         | 4,705,204               | <b>4,906,992</b>        | 4,838,596               | 4,743,054               | 4,728,302               | 4,866,196               | 4,914,034               | 4,942,476               | 5,074,972               | 5,230,190               | 5,330,460               |
| Other revenue                                  | 13,663,484              | <b>12,461,984</b>       | 11,455,684              | 11,504,934              | 13,978,634              | 15,961,344              | 12,478,368              | 12,463,640              | 12,533,210              | 12,484,272              | 12,887,022              |
| Revenue from exchange transactions             | 13,689,020              | <b>14,281,320</b>       | 14,641,952              | 15,086,252              | 15,473,782              | 15,969,990              | 16,531,310              | 16,849,028              | 17,390,540              | 18,306,252              | 18,504,232              |
| <b>Total Revenue</b>                           | <b>74,625,707</b>       | <b>76,112,037</b>       | <b>77,768,372</b>       | <b>81,518,280</b>       | <b>87,210,858</b>       | <b>92,003,870</b>       | <b>91,994,552</b>       | <b>93,285,017</b>       | <b>96,539,762</b>       | <b>99,600,021</b>       | <b>102,010,404</b>      |
| <b>Expenses</b>                                |                         |                         |                         |                         |                         |                         |                         |                         |                         |                         |                         |
| Employee benefit expenses                      | 15,190,000              | <b>16,039,700</b>       | 16,420,500              | 16,864,700              | 17,304,900              | 17,780,900              | 18,296,300              | 18,852,600              | 19,454,000              | 20,107,600              | 20,817,400              |
| Operating costs                                | 31,947,216              | <b>33,402,392</b>       | 33,962,440              | 34,541,826              | 35,442,722              | 36,669,490              | 38,159,742              | 38,528,984              | 39,711,322              | 40,891,274              | 42,041,868              |
| Interest                                       | 6,263,860               | <b>6,442,746</b>        | 6,546,622               | 6,953,060               | 7,282,188               | 7,362,192               | 7,874,178               | 8,495,012               | 8,953,650               | 9,080,480               | 9,108,216               |
| Depreciation*                                  | 15,239,678              | <b>15,561,378</b>       | 16,300,758              | 16,812,248              | 17,383,578              | 17,850,618              | 18,486,418              | 19,026,022              | 19,593,036              | 20,021,254              | 20,534,790              |
| <b>Total Expenses</b>                          | <b>68,640,754</b>       | <b>71,446,216</b>       | <b>73,230,320</b>       | <b>75,171,834</b>       | <b>77,413,388</b>       | <b>79,663,200</b>       | <b>82,816,638</b>       | <b>84,902,618</b>       | <b>87,712,008</b>       | <b>90,100,608</b>       | <b>92,502,274</b>       |
| <b>Total Comprehensive Revenue And Expense</b> | <b>5,984,953</b>        | <b>4,665,821</b>        | <b>4,538,052</b>        | <b>6,346,446</b>        | <b>9,797,470</b>        | <b>12,340,670</b>       | <b>9,177,914</b>        | <b>8,382,399</b>        | <b>8,827,754</b>        | <b>9,499,413</b>        | <b>9,508,130</b>        |

## Depreciation for each Group of Activities is as follows:

|   |                   |                   |                   |                   |                   |                   |                   |                   |                   |                   |                   |
|---|-------------------|-------------------|-------------------|-------------------|-------------------|-------------------|-------------------|-------------------|-------------------|-------------------|-------------------|
| Democracy                                 | 2,200             | <b>1,800</b>      | 1,500             | 1,200             | 900               | 800               | 600               | 500               | 400               | 300               | 300               |
| Community Support                         | 416,700           | <b>411,900</b>    | 427,100           | 432,700           | 432,100           | 438,600           | 433,400           | 438,000           | 443,000           | 444,500           | 441,800           |
| Corporate Support                         | 946,400           | <b>960,100</b>    | 1,027,900         | 1,044,000         | 1,050,700         | 1,056,400         | 1,065,500         | 1,083,000         | 1,100,600         | 1,105,500         | 1,123,800         |
| District Planning and Regulatory Services | 8,800             | <b>6,700</b>      | 6,900             | 7,000             | 7,100             | 7,300             | 7,500             | 7,600             | 7,800             | 7,900             | 8,000             |
| Recreation and Leisure                    | 2,457,300         | <b>2,476,200</b>  | 2,600,800         | 2,733,900         | 2,858,200         | 2,910,200         | 3,082,300         | 3,082,600         | 3,119,800         | 3,127,100         | 3,139,900         |
| Roading and Footpaths                     | 4,932,100         | <b>5,117,200</b>  | 5,341,600         | 5,526,800         | 5,748,700         | 6,010,500         | 6,242,800         | 6,470,400         | 6,661,200         | 6,882,200         | 7,114,600         |
| Waste Minimisation                        | 421,900           | <b>459,000</b>    | 502,800           | 481,700           | 532,700           | 530,200           | 608,100           | 626,900           | 710,000           | 735,700           | 823,000           |
| Sewer                                     | 2,896,100         | <b>2,912,800</b>  | 2,970,300         | 3,005,800         | 3,052,000         | 3,097,100         | 3,143,800         | 3,189,800         | 3,235,000         | 3,270,400         | 3,313,600         |
| Stormwater                                | 846,300           | <b>852,200</b>    | 864,900           | 874,500           | 888,900           | 902,800           | 918,400           | 926,400           | 938,600           | 949,800           | 959,900           |
| Water Supply                              | 1,928,200         | <b>1,963,400</b>  | 2,112,600         | 2,227,900         | 2,322,000         | 2,392,500         | 2,451,100         | 2,584,100         | 2,724,900         | 2,846,200         | 2,954,300         |
| Downlands Water Supply                    | 383,678           | <b>400,078</b>    | 444,358           | 476,748           | 490,278           | 504,218           | 532,918           | 616,722           | 651,736           | 651,654           | 655,590           |
|   | <b>15,239,678</b> | <b>15,561,378</b> | <b>16,300,758</b> | <b>16,812,248</b> | <b>17,383,578</b> | <b>17,850,618</b> | <b>18,486,418</b> | <b>19,026,022</b> | <b>19,593,036</b> | <b>20,021,254</b> | <b>20,534,790</b> |

# Forecast Statement of Movements in Equity

| For The Year Ended 30 June             | Budget<br>2014/15<br>\$ | Budget<br>2015/16<br>\$ | Budget<br>2016/17<br>\$ | Budget<br>2017/18<br>\$ | Budget<br>2018/19<br>\$ | Budget<br>2019/20<br>\$ | Budget<br>2020/21<br>\$ | Budget<br>2021/22<br>\$ | Budget<br>2022/23<br>\$ | Budget<br>2023/24<br>\$ | Budget<br>2024/25<br>\$ |
|--|-------------------------|-------------------------|-------------------------|-------------------------|-------------------------|-------------------------|-------------------------|-------------------------|-------------------------|-------------------------|-------------------------|
| <b>Equity At Beginning Of The Year</b> | 726,379,834             | <b>738,207,484</b>      | 742,873,305             | 747,411,357             | 753,757,803             | 763,555,273             | 775,895,943             | 785,073,857             | 793,456,256             | 802,284,010             | 811,783,423             |
| Net surplus for the year               | 5,984,953               | <b>4,665,821</b>        | 4,538,052               | 6,346,446               | 9,797,470               | 12,340,670              | 9,177,914               | 8,382,399               | 8,827,754               | 9,499,413               | 9,508,130               |
| Revaluation of fixed assets            | 0                       | 0                       | 0                       | 0                       | 0                       | 0                       | 0                       | 0                       | 0                       | 0                       | 0                       |
| Equity Adjustment                      | 0                       | 0                       | 0                       | 0                       | 0                       | 0                       | 0                       | 0                       | 0                       | 0                       | 0                       |
| Total recognised revenues and expenses | 5,984,953               | <b>4,665,821</b>        | 4,538,052               | 6,346,446               | 9,797,470               | 12,340,670              | 9,177,914               | 8,382,399               | 8,827,754               | 9,499,413               | 9,508,130               |
| <b>Equity At The End Of The Year</b>   | 732,364,787             | <b>742,873,305</b>      | 747,411,357             | 753,757,803             | 763,555,273             | 775,895,943             | 785,073,857             | 793,456,256             | 802,284,010             | 811,783,423             | 821,291,553             |

# Forecast Statement of Movements in Retained Earnings

| For The Year Ended 30 June          | Budget<br>2014/15<br>\$ | Budget<br>2015/16<br>\$ | Budget<br>2016/17<br>\$ | Budget<br>2017/18<br>\$ | Budget<br>2018/19<br>\$ | Budget<br>2019/20<br>\$ | Budget<br>2020/21<br>\$ | Budget<br>2021/22<br>\$ | Budget<br>2022/23<br>\$ | Budget<br>2023/24<br>\$ | Budget<br>2024/25<br>\$ |
|-------------------------------------|-------------------------|-------------------------|-------------------------|-------------------------|-------------------------|-------------------------|-------------------------|-------------------------|-------------------------|-------------------------|-------------------------|
| <b>Retained Earnings At 1 July</b>  | 697,975,760             | 703,475,820             | 715,225,683             | 723,218,009             | 733,472,932             | 740,098,150             | 748,644,046             | 759,167,470             | 764,741,667             | 769,687,493             | 775,222,730             |
| Net surplus for the year            | 5,984,953               | 4,665,821               | 4,538,052               | 6,346,446               | 9,797,470               | 12,340,670              | 9,177,914               | 8,382,399               | 8,827,754               | 9,499,413               | 9,508,130               |
| Transfers to Reserves               | (15,984,532)            | (17,289,458)            | (18,223,520)            | (18,763,254)            | (20,171,558)            | (20,807,498)            | (21,461,142)            | (22,105,848)            | (22,530,400)            | (23,022,260)            | (23,151,980)            |
| Equity Adjustment                   | 0                       | 0                       | 0                       | 0                       | 0                       | 0                       | 0                       | 0                       | 0                       | 0                       | 0                       |
| Transfers from Reserves             | 19,264,960              | 24,373,500              | 21,677,794              | 22,671,731              | 16,999,306              | 17,012,724              | 22,806,652              | 19,297,646              | 18,648,472              | 19,058,084              | 21,945,830              |
| <b>Retained Earnings At 30 June</b> | 707,241,141             | 715,225,683             | 723,218,009             | 733,472,932             | 740,098,150             | 748,644,046             | 759,167,470             | 764,741,667             | 769,687,493             | 775,222,730             | 783,524,710             |

# Forecast Statement of Financial Position

| As at 30 June                        | Budget<br>2014/15<br>\$ | Budget<br>2015/16<br>\$ | Budget<br>2016/17<br>\$ | Budget<br>2017/18<br>\$ | Budget<br>2018/19<br>\$ | Budget<br>2019/20<br>\$ | Budget<br>2020/21<br>\$ | Budget<br>2021/22<br>\$ | Budget<br>2022/23<br>\$ | Budget<br>2023/24<br>\$ | Budget<br>2024/25<br>\$ |
|--------------------------------------|-------------------------|-------------------------|-------------------------|-------------------------|-------------------------|-------------------------|-------------------------|-------------------------|-------------------------|-------------------------|-------------------------|
| <b>Equity</b>                        |                         |                         |                         |                         |                         |                         |                         |                         |                         |                         |                         |
| Retained Earnings                    | 707,241,141             | 715,225,683             | 723,218,009             | 733,472,932             | 740,098,150             | 748,644,046             | 759,167,470             | 764,741,667             | 769,687,493             | 775,222,730             | 783,524,710             |
| Special Fund Reserves                | 25,123,646              | 27,647,622              | 24,193,348              | 20,284,872              | 23,457,124              | 27,251,898              | 25,906,388              | 28,714,590              | 32,596,518              | 36,560,694              | 37,766,844              |
| <b>Total Equity</b>                  | <b>732,364,787</b>      | <b>742,873,305</b>      | <b>747,411,357</b>      | <b>753,757,803</b>      | <b>763,555,273</b>      | <b>775,895,943</b>      | <b>785,073,857</b>      | <b>793,456,256</b>      | <b>802,284,010</b>      | <b>811,783,423</b>      | <b>821,291,553</b>      |
| <b>Current Assets</b>                |                         |                         |                         |                         |                         |                         |                         |                         |                         |                         |                         |
| Cash & Bank Balances                 | 23,068,667              | 16,590,769              | 14,697,310              | 13,996,350              | 13,663,590              | 13,730,530              | 13,400,370              | 13,443,543              | 13,440,283              | 13,478,190              | 13,450,030              |
| Short Term Deposits                  | 5,919,000               | 19,058,000              | 19,058,000              | 19,058,000              | 19,058,000              | 19,058,000              | 19,058,000              | 19,058,000              | 19,058,000              | 19,058,000              | 19,058,000              |
| Receivable & Prepayments             | 7,048,000               | 7,261,000               | 7,261,000               | 7,261,000               | 7,261,000               | 7,261,000               | 7,261,000               | 7,261,000               | 7,261,000               | 7,261,000               | 7,261,000               |
| Inventories                          | 62,000                  | 79,000                  | 79,000                  | 79,000                  | 79,000                  | 79,000                  | 79,000                  | 79,000                  | 79,000                  | 79,000                  | 79,000                  |
| <b>Total Current Assets</b>          | <b>36,097,667</b>       | <b>42,988,769</b>       | <b>41,095,310</b>       | <b>40,394,350</b>       | <b>40,061,590</b>       | <b>40,128,530</b>       | <b>39,798,370</b>       | <b>39,841,543</b>       | <b>39,838,283</b>       | <b>39,876,190</b>       | <b>39,848,030</b>       |
| <b>Non-Current Assets</b>            |                         |                         |                         |                         |                         |                         |                         |                         |                         |                         |                         |
| Investments                          | 28,740,646              | 25,354,622              | 21,900,348              | 17,991,872              | 21,164,124              | 24,958,898              | 23,613,388              | 26,421,590              | 30,303,518              | 34,267,694              | 35,473,844              |
| Fixed Assets                         | 787,986,174             | 790,287,314             | 803,114,878             | 820,019,892             | 830,432,564             | 843,320,634             | 864,477,000             | 879,102,524             | 889,375,040             | 893,755,956             | 904,368,132             |
| <b>Total Non-current assets</b>      | <b>816,726,820</b>      | <b>815,641,936</b>      | <b>825,015,226</b>      | <b>838,011,764</b>      | <b>851,596,688</b>      | <b>868,279,532</b>      | <b>888,090,388</b>      | <b>905,524,114</b>      | <b>919,678,558</b>      | <b>928,023,650</b>      | <b>939,841,976</b>      |
| <b>Total Assets</b>                  | <b>852,824,487</b>      | <b>858,630,705</b>      | <b>866,110,536</b>      | <b>878,406,114</b>      | <b>891,658,278</b>      | <b>908,408,062</b>      | <b>927,888,758</b>      | <b>945,365,657</b>      | <b>959,516,841</b>      | <b>967,899,840</b>      | <b>979,690,006</b>      |
| <b>Current Liabilities</b>           |                         |                         |                         |                         |                         |                         |                         |                         |                         |                         |                         |
| Payables & Accruals                  | 11,139,600              | 11,095,600              | 11,141,700              | 11,245,500              | 11,279,900              | 11,313,900              | 11,313,900              | 11,313,900              | 11,313,900              | 11,313,900              | 11,313,900              |
| Current Portion of Term Debt         | 22,958,200              | 19,291,900              | 18,564,400              | 23,544,100              | 4,582,400               | 5,682,800               | 6,076,470               | 8,842,702               | 8,218,294               | 9,378,914               | 15,922,582              |
| <b>Total Current Liabilities</b>     | <b>34,097,800</b>       | <b>30,387,500</b>       | <b>29,706,100</b>       | <b>34,789,600</b>       | <b>15,862,300</b>       | <b>16,996,700</b>       | <b>17,390,370</b>       | <b>20,156,602</b>       | <b>19,532,194</b>       | <b>20,692,814</b>       | <b>27,236,482</b>       |
| <b>Non-Current Liabilities</b>       |                         |                         |                         |                         |                         |                         |                         |                         |                         |                         |                         |
| Term Debt                            | 79,336,500              | 79,663,500              | 83,193,979              | 84,022,711              | 106,296,405             | 109,460,219             | 119,222,131             | 125,400,599             | 131,195,937             | 128,763,403             | 124,342,971             |
| Other Term Liabilities               | 7,025,400               | 5,706,400               | 5,799,100               | 5,836,000               | 5,944,300               | 6,055,200               | 6,202,400               | 6,352,200               | 6,504,700               | 6,660,200               | 6,819,000               |
| <b>Total Non-current liabilities</b> | <b>86,361,900</b>       | <b>85,369,900</b>       | <b>88,993,079</b>       | <b>89,858,711</b>       | <b>112,240,705</b>      | <b>115,515,419</b>      | <b>125,424,531</b>      | <b>131,752,799</b>      | <b>137,700,637</b>      | <b>135,423,603</b>      | <b>131,161,971</b>      |
| <b>Total Liabilities</b>             | <b>120,459,700</b>      | <b>115,757,400</b>      | <b>118,699,179</b>      | <b>124,648,311</b>      | <b>128,103,005</b>      | <b>132,512,119</b>      | <b>142,814,901</b>      | <b>151,909,401</b>      | <b>157,232,831</b>      | <b>156,116,417</b>      | <b>158,398,453</b>      |
| <b>Net Assets</b>                    | <b>732,364,787</b>      | <b>742,873,305</b>      | <b>747,411,357</b>      | <b>753,757,803</b>      | <b>763,555,273</b>      | <b>775,895,943</b>      | <b>785,073,857</b>      | <b>793,456,256</b>      | <b>802,284,010</b>      | <b>811,783,423</b>      | <b>821,291,553</b>      |

# Forecast Statement of Cashflows

| For The Year Ended 30 June                        | Budget<br>2014/15<br>\$ | Budget<br>2015/16<br>\$ | Budget<br>2016/17<br>\$ | Budget<br>2017/18<br>\$ | Budget<br>2018/19<br>\$ | Budget<br>2019/20<br>\$ | Budget<br>2020/21<br>\$ | Budget<br>2021/22<br>\$ | Budget<br>2022/23<br>\$ | Budget<br>2023/24<br>\$ | Budget<br>2024/25<br>\$ |
|---|-------------------------|-------------------------|-------------------------|-------------------------|-------------------------|-------------------------|-------------------------|-------------------------|-------------------------|-------------------------|-------------------------|
| <b>Cash Flows From Operating Activities</b>       |                         |                         |                         |                         |                         |                         |                         |                         |                         |                         |                         |
| Cash was provided from:                           |                         |                         |                         |                         |                         |                         |                         |                         |                         |                         |                         |
| Receipts from customers                           | 18,010,904              | 18,463,304              | 18,760,836              | 19,355,678              | 20,111,528              | 23,351,930              | 20,983,030              | 21,225,829              | 22,101,765              | 22,951,671              | 23,508,522              |
| Rates   | 43,017,999              | 44,881,741              | 47,241,940              | 50,577,947              | 53,434,328              | 55,621,644              | 58,498,187              | 59,470,212              | 61,995,426              | 64,048,960              | 65,774,922              |
| Subsidies   | 8,851,600               | 7,820,000               | 6,886,100               | 6,799,600               | 8,893,600               | 8,119,800               | 7,553,700               | 7,599,600               | 7,319,100               | 7,319,100               | 7,344,600               |
| Interest  | 2,467,504               | 2,611,992               | 2,393,596               | 2,248,054               | 2,233,302               | 2,371,196               | 2,419,034               | 2,447,476               | 2,579,972               | 2,735,190               | 2,835,460               |
| Dividends   | 2,237,700               | 2,295,000               | 2,445,000               | 2,495,000               | 2,495,000               | 2,495,000               | 2,495,000               | 2,495,000               | 2,495,000               | 2,495,000               | 2,495,000               |
|   | 74,585,707              | 76,072,037              | 77,727,472              | 81,476,280              | 87,167,758              | 91,959,570              | 91,948,952              | 93,238,117              | 96,491,262              | 99,549,921              | 101,958,504             |
| Cash was applied to:                              |                         |                         |                         |                         |                         |                         |                         |                         |                         |                         |                         |
| Payments to employees                             | (15,190,000)            | (16,039,700)            | (16,420,500)            | (16,864,700)            | (17,304,900)            | (17,780,900)            | (18,296,300)            | (18,852,600)            | (19,454,000)            | (20,107,600)            | (20,817,400)            |
| Payments to suppliers                             | (31,883,616)            | (33,338,792)            | (33,898,840)            | (34,478,226)            | (35,379,122)            | (36,605,890)            | (38,096,142)            | (38,465,384)            | (39,647,722)            | (40,827,674)            | (41,978,268)            |
| Interest paid                                     | (6,263,860)             | (6,442,746)             | (6,546,622)             | (6,953,060)             | (7,282,188)             | (7,362,192)             | (7,874,178)             | (8,495,012)             | (8,953,650)             | (9,080,480)             | (9,108,216)             |
| Income Tax paid                                   | 0                       | 0                       | 0                       | 0                       | 0                       | 0                       | 0                       | 0                       | 0                       | 0                       | 0                       |
|   | (53,337,476)            | (55,821,238)            | (56,865,962)            | (58,295,986)            | (59,966,210)            | (61,748,982)            | (64,266,620)            | (65,812,996)            | (68,055,372)            | (70,015,754)            | (71,903,884)            |
| <b>Net Cash Inflows From Operating Activities</b> | <b>21,248,231</b>       | <b>20,250,799</b>       | <b>20,861,510</b>       | <b>23,180,294</b>       | <b>27,201,548</b>       | <b>30,210,588</b>       | <b>27,682,332</b>       | <b>27,425,121</b>       | <b>28,435,890</b>       | <b>29,534,167</b>       | <b>30,054,620</b>       |
| <b>Cash Flows From Investing Activities</b>       |                         |                         |                         |                         |                         |                         |                         |                         |                         |                         |                         |
| Cash was provided from:                           |                         |                         |                         |                         |                         |                         |                         |                         |                         |                         |                         |
| Sale of fixed assets                              | 45,000                  | 45,000                  | 45,000                  | 60,800                  | 45,000                  | 45,000                  | 45,000                  | 45,000                  | 45,000                  | 45,000                  | 45,000                  |
| Sale of investments (special funds)               | 19,264,960              | 24,373,500              | 21,677,794              | 22,671,731              | 16,999,306              | 17,012,724              | 22,806,652              | 19,297,646              | 18,648,472              | 19,058,084              | 21,945,830              |
| Mortgages/advances repaid                         | 220,000                 | 220,000                 | 220,000                 | 220,000                 | 220,000                 | 220,000                 | 220,000                 | 220,000                 | 220,000                 | 220,000                 | 220,000                 |
|   | 19,529,960              | 24,638,500              | 21,942,794              | 22,952,531              | 17,264,306              | 17,277,724              | 23,071,652              | 19,562,646              | 18,913,472              | 19,323,084              | 22,210,830              |

# Forecast Statement of Cashflows

| For The Year Ended 30 June                  | Budget<br>2014/15<br>\$ | Budget<br>2015/16<br>\$ | Budget<br>2016/17<br>\$ | Budget<br>2017/18<br>\$ | Budget<br>2018/19<br>\$ | Budget<br>2019/20<br>\$ | Budget<br>2020/21<br>\$ | Budget<br>2021/22<br>\$ | Budget<br>2022/23<br>\$ | Budget<br>2023/24<br>\$ | Budget<br>2024/25<br>\$ |
|---|-------------------------|-------------------------|-------------------------|-------------------------|-------------------------|-------------------------|-------------------------|-------------------------|-------------------------|-------------------------|-------------------------|
| Cash was applied to:                        |                         |                         |                         |                         |                         |                         |                         |                         |                         |                         |                         |
| Purchases of fixed assets                   | (34,756,760)            | (31,396,800)            | (29,057,222)            | (33,658,962)            | (27,719,050)            | (30,658,088)            | (39,558,584)            | (33,563,446)            | (29,773,152)            | (24,305,170)            | (31,044,866)            |
| Purchase of investments                     | (15,984,532)            | (17,289,458)            | (18,223,520)            | (18,763,254)            | (20,171,558)            | (20,807,498)            | (21,461,142)            | (22,105,848)            | (22,530,400)            | (23,022,260)            | (23,151,980)            |
| Mortgages/advances made                     | (215,000)               | (215,000)               | (220,000)               | (220,000)               | (220,000)               | (220,000)               | (220,000)               | (220,000)               | (220,000)               | (220,000)               | (220,000)               |
|   | (50,956,292)            | (48,901,258)            | (47,500,742)            | (52,642,216)            | (48,110,608)            | (51,685,586)            | (61,239,726)            | (55,889,294)            | (52,523,552)            | (47,547,430)            | (54,416,846)            |
| Net Cash Flows From Investing Activities    | (31,426,332)            | (24,262,758)            | (25,557,948)            | (29,689,686)            | (30,846,302)            | (34,407,862)            | (38,168,074)            | (36,326,648)            | (33,610,080)            | (28,224,346)            | (32,206,016)            |
| <b>Cash Flows From Financing Activities</b> |                         |                         |                         |                         |                         |                         |                         |                         |                         |                         |                         |
| Cash was provided from:                     |                         |                         |                         |                         |                         |                         |                         |                         |                         |                         |                         |
| Loans raised                                | 20,568,200              | 24,613,300              | 22,094,879              | 24,372,832              | 26,856,094              | 8,846,614               | 15,838,382              | 15,021,170              | 14,013,632              | 6,946,380               | 11,502,150              |
|   | 20,568,200              | 24,613,300              | 22,094,879              | 24,372,832              | 26,856,094              | 8,846,614               | 15,838,382              | 15,021,170              | 14,013,632              | 6,946,380               | 11,502,150              |
| Cash was applied to:                        |                         |                         |                         |                         |                         |                         |                         |                         |                         |                         |                         |
| Settlement of loans                         | (11,873,800)            | (23,110,900)            | (19,291,900)            | (18,564,400)            | (23,544,100)            | (4,582,400)             | (5,682,800)             | (6,076,470)             | (8,842,702)             | (8,218,294)             | (9,378,914)             |
|   | (11,873,800)            | (23,110,900)            | (19,291,900)            | (18,564,400)            | (23,544,100)            | (4,582,400)             | (5,682,800)             | (6,076,470)             | (8,842,702)             | (8,218,294)             | (9,378,914)             |
| Cash Flows From Financing Activities        | 8,694,400               | 1,502,400               | 2,802,979               | 5,808,432               | 3,311,994               | 4,264,214               | 10,155,582              | 8,944,700               | 5,170,930               | (1,271,914)             | 2,123,236               |
| <b>Net Increase (Decrease) In Cash Held</b> | (1,483,701)             | (2,509,559)             | (1,893,459)             | (700,960)               | (332,760)               | 66,940                  | (330,160)               | 43,173                  | (3,260)                 | 37,907                  | (28,160)                |
| Cash at beginning of the year               | 30,471,368              | 38,158,328              | 35,648,769              | 33,755,310              | 33,054,350              | 32,721,590              | 32,788,530              | 32,458,369              | 32,501,543              | 32,498,283              | 32,536,190              |
| <b>Cash At End Of The Year</b>              | 28,987,667              | 35,648,769              | 33,755,310              | 33,054,350              | 32,721,590              | 32,788,530              | 32,458,370              | 32,501,543              | 32,498,283              | 32,536,190              | 32,508,030              |
| Represented by:                             |                         |                         |                         |                         |                         |                         |                         |                         |                         |                         |                         |
| Cash & Bank Balances                        | 23,068,667              | 16,590,769              | 14,697,310              | 13,996,350              | 13,663,590              | 13,730,530              | 13,400,370              | 13,443,543              | 13,440,283              | 13,478,190              | 13,450,030              |
| Short Term Deposits                         | 5,919,000               | 19,058,000              | 19,058,000              | 19,058,000              | 19,058,000              | 19,058,000              | 19,058,000              | 19,058,000              | 19,058,000              | 19,058,000              | 19,058,000              |
|   | 28,987,667              | 35,648,769              | 33,755,310              | 33,054,350              | 32,721,590              | 32,788,530              | 32,458,370              | 32,501,543              | 32,498,283              | 32,536,190              | 32,508,030              |

# Funding Impact Statement 2015-25

This Funding Impact Statement has been prepared in compliance with Part 1: Clause 20 of Schedule 10 of the Local Government Act 2002.

In general terms, the Council will use a mix of revenue sources to meet operating expenses, with major sources being general rates, dividends and fees and charges. Revenue from targeted rates is applied to specific activities. The following table outlines Council expenditure and sources of funds.

Rates are assessed on properties in accordance with the statutory provisions of the Local Government (Rating) Act 2002.

# Funding Impact Statement 2015-25

For The Year Ended 30 June

|   | Budget<br>2014/15<br>\$'000 | Budget<br>2015/16<br>\$'000 | Budget<br>2016/17<br>\$'000 | Budget<br>2017/18<br>\$'000 | Budget<br>2018/19<br>\$'000 | Budget<br>2019/20<br>\$'000 | Budget<br>2020/21<br>\$'000 | Budget<br>2021/22<br>\$'000 | Budget<br>2022/23<br>\$'000 | Budget<br>2023/24<br>\$'000 | Budget<br>2024/25<br>\$'000 |
|---|-----------------------------|-----------------------------|-----------------------------|-----------------------------|-----------------------------|-----------------------------|-----------------------------|-----------------------------|-----------------------------|-----------------------------|-----------------------------|
| <b>Sources Of Operating Funding</b>                                     |                             |                             |                             |                             |                             |                             |                             |                             |                             |                             |                             |
| General Rates, Uniform annual general charges, rates penalties          | 12,824                      | 14,203                      | 14,621                      | 15,341                      | 15,748                      | 16,331                      | 17,360                      | 17,548                      | 18,109                      | 18,994                      | 19,439                      |
| Targeted Rates  | 30,773                      | 32,253                      | 33,676                      | 35,365                      | 37,747                      | 39,300                      | 41,136                      | 41,927                      | 43,857                      | 44,940                      | 46,274                      |
| Subsidies and grants for operating purposes                             | 3,199                       | 3,263                       | 2,882                       | 2,198                       | 2,796                       | 2,449                       | 2,122                       | 3,042                       | 2,391                       | 2,024                       | 1,587                       |
| Fees and charges  | 16,270                      | 16,662                      | 17,091                      | 17,612                      | 18,042                      | 18,818                      | 19,194                      | 19,602                      | 20,240                      | 21,262                      | 21,575                      |
| Interest and dividends from investments                                 | 0                           | 4,907                       | 4,839                       | 4,743                       | 4,728                       | 4,866                       | 4,914                       | 4,942                       | 5,075                       | 5,230                       | 5,330                       |
| Internal charges and overheads recovered                                |                             |                             |                             |                             |                             |                             |                             |                             |                             |                             |                             |
| Local authorities fuel tax, fines, infringement fees and other receipts | 5,601                       | 855                         | 855                         | 884                         | 918                         | 930                         | 1,026                       | 1,128                       | 1,147                       | 1,162                       | 1,186                       |
| <b>Total Operating Funding</b>  | <b>68,666</b>               | <b>72,143</b>               | <b>73,962</b>               | <b>76,143</b>               | <b>79,978</b>               | <b>82,694</b>               | <b>85,752</b>               | <b>88,190</b>               | <b>90,818</b>               | <b>93,612</b>               | <b>95,392</b>               |
| <b>Applications Of Operating Funding</b>                                |                             |                             |                             |                             |                             |                             |                             |                             |                             |                             |                             |
| Payments to staff and suppliers   | 46,889                      | 49,285                      | 50,227                      | 51,250                      | 52,566                      | 54,269                      | 56,275                      | 57,202                      | 58,986                      | 60,820                      | 62,681                      |
| Finance costs   | 6,682                       | 6,837                       | 6,923                       | 7,337                       | 7,676                       | 7,742                       | 8,322                       | 9,015                       | 9,459                       | 9,566                       | 9,578                       |
| Internal charges and overheads applied                                  |                             |                             |                             |                             |                             |                             |                             |                             |                             |                             |                             |
| Other operating funding applications                                    | 0                           | 0                           | 0                           | 0                           | 0                           | 0                           | 0                           | 0                           | 0                           | 0                           | 0                           |
| <b>Total Applications Of Operating Funding</b>                          | <b>53,571</b>               | <b>56,122</b>               | <b>57,149</b>               | <b>58,587</b>               | <b>60,242</b>               | <b>62,012</b>               | <b>64,597</b>               | <b>66,217</b>               | <b>68,445</b>               | <b>70,385</b>               | <b>72,259</b>               |
| <b>Surplus/(Deficit) Of Operating Funding</b>                           | <b>15,095</b>               | <b>16,021</b>               | <b>16,813</b>               | <b>17,556</b>               | <b>19,736</b>               | <b>20,683</b>               | <b>21,155</b>               | <b>21,973</b>               | <b>22,374</b>               | <b>23,226</b>               | <b>23,133</b>               |
| <b>Sources Of Capital Funding</b>                                       |                             |                             |                             |                             |                             |                             |                             |                             |                             |                             |                             |
| Subsidies and grants for capital expenditure                            | 6,769                       | 5,455                       | 4,805                       | 5,402                       | 6,815                       | 8,811                       | 6,071                       | 5,197                       | 5,567                       | 5,934                       | 6,396                       |
| Development and financial contributions                                 | 53                          | 20                          | 26                          | 27                          | 59                          | 81                          | 61                          | 68                          | 88                          | 96                          | 105                         |
| Increase/(decrease) in debt   | 8,699                       | 1,507                       | 2,803                       | 5,809                       | 3,312                       | 4,264                       | 10,156                      | 8,945                       | 5,171                       | (1,272)                     | 2,123                       |
| Gross proceeds from the sale of assets                                  | 45                          | 45                          | 45                          | 61                          | 45                          | 45                          | 45                          | 45                          | 45                          | 45                          | 45                          |
| Lump sum contributions  | 0                           | 0                           | 0                           | 0                           | 0                           | 0                           | 0                           | 0                           | 0                           | 0                           | 0                           |
| Other dedicated capital funding   | 0                           | 329                         | 283                         | 342                         | 681                         | 686                         | 446                         | 258                         | 457                         | 258                         | 471                         |
| <b>Total Sources Of Capital Funding</b>                                 | <b>15,566</b>               | <b>7,356</b>                | <b>7,962</b>                | <b>11,641</b>               | <b>10,913</b>               | <b>13,887</b>               | <b>16,778</b>               | <b>14,512</b>               | <b>11,328</b>               | <b>5,061</b>                | <b>9,141</b>                |
| <b>Applications Of Capital Funding</b>                                  |                             |                             |                             |                             |                             |                             |                             |                             |                             |                             |                             |
| Capital expenditure   |                             |                             |                             |                             |                             |                             |                             |                             |                             |                             |                             |
| - to meet additional demand   | 4,969                       | 3,642                       | 1,768                       | 2,331                       | 4,937                       | 8,831                       | 4,891                       | 2,855                       | 764                         | 1,211                       | 1,170                       |
| - to improve the level of service                                       | 8,179                       | 6,058                       | 6,781                       | 7,288                       | 6,449                       | 5,411                       | 10,584                      | 5,913                       | 3,748                       | 3,822                       | 5,088                       |
| - to replace existing assets  | 21,609                      | 21,697                      | 20,508                      | 24,040                      | 16,333                      | 16,417                      | 24,084                      | 24,796                      | 25,261                      | 19,273                      | 24,788                      |
| Increase/(decrease) in reserves   | (4,096)                     | (8,020)                     | (4,283)                     | (4,462)                     | 2,929                       | 3,912                       | (1,626)                     | 2,921                       | 3,929                       | 3,982                       | 1,228                       |
| Increase/(decrease) of investments                                      | 0                           | 0                           | 0                           | 0                           | 0                           | 0                           | 0                           | 0                           | 0                           | 0                           | 0                           |
| <b>Total Applications Of Capital Funding</b>                            | <b>30,661</b>               | <b>23,377</b>               | <b>24,774</b>               | <b>29,197</b>               | <b>30,648</b>               | <b>34,570</b>               | <b>37,933</b>               | <b>36,485</b>               | <b>33,702</b>               | <b>28,288</b>               | <b>32,273</b>               |
| <b>Surplus/(Deficit) Of Capital Funding</b>                             | <b>(15,095)</b>             | <b>(16,021)</b>             | <b>(16,813)</b>             | <b>(17,556)</b>             | <b>(19,736)</b>             | <b>(20,683)</b>             | <b>(21,155)</b>             | <b>(21,973)</b>             | <b>(22,374)</b>             | <b>(23,226)</b>             | <b>(23,133)</b>             |
| <b>Funding Balance</b>  | <b>0</b>                    |

# Funding Impact Statement 2015-25

## Reconciliation to Statement of Comprehensive Revenue and Expense

| For The Year Ended 30 June                     | Budget<br>2015/16<br>\$'000 | Budget<br>2016/17<br>\$'000 | Budget<br>2017/18<br>\$'000 | Budget<br>2018/19<br>\$'000 | Budget<br>2019/20<br>\$'000 | Budget<br>2020/21<br>\$'000 | Budget<br>2021/22<br>\$'000 | Budget<br>2022/23<br>\$'000 | Budget<br>2023/24<br>\$'000 | Budget<br>2024/25<br>\$'000 |
|--|-----------------------------|-----------------------------|-----------------------------|-----------------------------|-----------------------------|-----------------------------|-----------------------------|-----------------------------|-----------------------------|-----------------------------|
| Surplus (deficit) of operating funding per FIS | 15,095                      | 16,813                      | 17,556                      | 19,736                      | 20,683                      | 21,155                      | 21,973                      | 22,374                      | 23,226                      | 23,133                      |
| Subsidies and Grants for capital expenditure   | 6,769                       | 5,087                       | 5,744                       | 7,497                       | 9,497                       | 6,516                       | 5,454                       | 6,025                       | 6,192                       | 6,867                       |
| Development and financial contributions        | 53                          | 26                          | 27                          | 59                          | 81                          | 61                          | 68                          | 88                          | 96                          | 105                         |
| Vested Assets                                  | 40                          | 41                          | 42                          | 43                          | 44                          | 46                          | 47                          | 49                          | 50                          | 52                          |
| Depreciation                                   | -15,240                     | -16,301                     | -16,812                     | -17,384                     | -17,851                     | -18,487                     | -19,026                     | -19,593                     | -20,021                     | -20,535                     |
| Landfill Post closure                          | -154                        | -64                         | -64                         | -64                         | -64                         | -64                         | -64                         | -64                         | -64                         | -64                         |
| Movement in Rates Balances                     | -579                        | -1,065                      | -147                        | -90                         | -50                         | -50                         | -70                         | -50                         | 20                          | -50                         |
| Surplus per Cost of Service Statement          | 5,985                       | 4,538                       | 6,346                       | 9,798                       | 12,341                      | 9,178                       | 8,382                       | 8,828                       | 9,499                       | 9,509                       |

Rates example properties across the district based on the 2015 - 25 Long Term Plan are shown in Section One.

## Rating Base

|   | 2015/16 | 2016/17 | 2017/18 | 2018/19 | 2019/20 | 2020/21 | 2021/22 | 2022/23 | 2023/24 | 2024/25 |
|---|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|
| Projected number of rating units at end of preceding year | 22,599  | 22,599  | 22,599  | 22,599  | 22,599  | 22,599  | 22,599  | 22,599  | 22,599  | 22,599  |

# Funding Impact Statement 2015-25

## Rating Types *(all amounts are shown inclusive of 15.0% GST)*

These figures give ratepayers an estimate of what their level of rates is likely to be in the coming year.

For the purposes of setting and assessing rates, the following definition of 'a separately used or inhabited part of a rating unit' is used:

'Any part of a rating unit that is, or is able to be, separately used or inhabited by the ratepayer, or by any other person or body, having a right to use or inhabit that part by virtue of a tenancy, lease, licence or other agreement.'

Examples include:

- Each separately used or inhabited part of a residential unit will count as a separate part. This includes minor household units with kitchen facilities often referred to as 'granny flats'.

- Where residential properties are partially used for business, the number of parts will equal the number of separately used or inhabited residential units plus one for each separate business use (e.g. a house with a doctor's surgery attached contains two parts).
- In the case of retirement villages and similar types of properties, each separately used or inhabited residential unit and each other major use (such as halls, libraries etc) are separate parts.

## Uniform Annual General Charge (UAGC)

The cost of providing community amenities, such as libraries, swimming pools, parks and the cost of governance and leadership, civil defence, environmental health, road/streets landscapes, economic development and

promotion, and the airport, is recovered from all ratepayers in the form of a uniform annual general charge assessed as a fixed amount per rating unit.

|                               | Actual Rate<br>2014/15 | Rate 2015/16 | Estimated revenue<br>2015/16 (\$000) |
|-------------------------------|------------------------|--------------|--------------------------------------|
| Uniform Annual General Charge | \$486.00               | \$506.00     | 10,293                               |

## General Rates

The general rate includes that portion of the above activities not recovered by the uniform annual general charge, plus costs associated with the roading network, street lighting, refuse disposal services, dog control, building control, district planning and property costs

(non-commercial). It is assessed on all rateable land within the District in the form of a differential general rate assessed on the Land Value of the rating unit. Information about the categories of rateable land and the differentials can be found under the heading Differential Rating.

|   | Differential<br>Factor | Actual Rate<br>2014/15 | Rate 2015/16 | Estimated revenue<br>2015/16 (\$000) |
|---|------------------------|------------------------|--------------|--------------------------------------|
| Commercial/Industrial/<br>Accommodation                       | 4.40                   | \$0.01246              | \$0.01234    | 4,735                                |
| Primary   | 0.32                   | \$0.00106              | \$0.00090    | 2,960                                |
| Residential - General/<br>Recreational/ Community<br>Services | 1.00                   | \$0.00296              | \$0.00280    | 5,940                                |
| Residential - Multi-Unit                                      | 2.00                   | \$0.00607              | \$0.00561    | 203                                  |

## Community Works and Services Rates

The cost of activities, such as non-subsidised roading (footpaths), community lighting, and stormwater drainage, is recovered from each community in which the service is provided in the form of a targeted community works

and services rate assessed on the Land Value of the rating unit. The communities in which these rates are assessed are:

|           | Actual Rate<br>2014/15 | Rate 2015/16 | Estimated revenue<br>2015/16 (\$000) |
|-----------|------------------------|--------------|--------------------------------------|
| Geraldine | \$0.00151              | \$0.00153    | 263                                  |
| Rural     | \$0.00006              | \$0.00005    | 195                                  |
| Temuka    | \$0.00227              | \$0.00215    | 352                                  |
| Timaru    | \$0.00142              | \$0.00157    | 2,570                                |

# Funding Impact Statement 2015-25

## Aquatic Centre Rate

The cost of Caroline Bay Aquatic centre is recovered from all ratepayers in the form of a uniform targeted aquatic centre rate assessed as a fixed amount per separately used or inhabited part of a rating unit for residential (general or multi-unit) rating units,

per rating unit for other rating units (being the same amount as the amount assessed per separately used or inhabited part of a residential (general or multi-unit) rating unit). Information about the differential categories can be found under the heading Differential Rating.

|             | Actual Rate 2014/15 | Rate 2015/16 | Estimated revenue 2015/16 (\$000) |
|-------------|---------------------|--------------|-----------------------------------|
| Residential | \$106.00            | \$108.00     | 1,957                             |
| Other       | \$106.00            | \$108.00     | 350                               |

## Rural Fire Protection Rate

The cost of rural fire protection is recovered from all rateable land in the district, excluding the urban areas of Geraldine, Pleasant Point, Temuka and Timaru (see the description of

these areas below), in the form of a uniform targeted rural fire protection rate assessed on the Land Value of the rating unit.

|                            | Actual Rate 2014/15 | Rate 2015/16 | Estimated revenue 2015/16 (\$000) |
|----------------------------|---------------------|--------------|-----------------------------------|
| Rural Fire Protection Rate | \$0.00007           | \$0.00008    | 225                               |

## Uniform Community Board Charges

The cost of providing specific Council services as determined by the Temuka, Geraldine and Pleasant Point Community Boards, is recovered from those ratepayers in the form of a targeted fixed amount per rating unit

in each of the Temuka, Pleasant Point and Geraldine communities (see description of these areas below).

|                | Actual Rate 2014/15 | Rate 2015/16 | Estimated revenue 2015/16 (\$000) |
|----------------|---------------------|--------------|-----------------------------------|
| Geraldine      | \$2.00              | \$2.00       | 6                                 |
| Pleasant Point | \$5.00              | \$5.00       | 6                                 |
| Temuka         | \$3.50              | \$3.50       | 10                                |

## Uniform Annual Sewer Charge

The cost of providing sewage disposal is recovered from those ratepayers who receive the service, and are not subject to tradewaste charges, in the form of a targeted uniform annual sewer charge. This is a fixed amount on each water closet or urinal connected

either directly or through a private drain to a public sewage drain subject to the proviso that every rating unit used exclusively or principally as a residence of not more than one household shall be deemed to have not more than one water closet or urinal.

|              | Actual Rate 2014/15 | Rate 2015/16 | Estimated revenue 2015/16 (\$000) |
|--------------|---------------------|--------------|-----------------------------------|
| Sewer Charge | \$364.00            | \$367.00     | 7,935                             |

## Differentiated Annual Waste Management Charge

The cost of providing waste collection is recovered from rating units which receive the service in the form of a targeted differential annual waste management charge of a fixed

amount per set of 3 bins for all rateable and non-rateable land (see description of waste categories below).

|          | Actual Rate 2014/15 | Rate 2015/16 | Estimated revenue 2015/16 (\$000) |
|----------|---------------------|--------------|-----------------------------------|
| Standard | \$299.00            | \$275.00     | 5,436                             |
| Large    | \$400.00            | \$373.00     | 133                               |

Additional bins are charged for as a targeted differential annual waste management bin charge of a fixed amount per additional bin:

|                              | Actual Rate 2014/15 | Rate 2015/16 | Estimated revenue 2015/16 (\$000) |
|------------------------------|---------------------|--------------|-----------------------------------|
| Small Recycling (140 litres) | \$70.00             | \$70.00      | 17                                |
| Large Recycling (240 litres) | \$80.00             | \$80.00      | 23                                |
| Small Compost (140 litres)   | \$112.00            | \$110.00     | 17                                |
| Large Compost (240 litres)   | \$133.00            | \$130.00     | 22                                |
| Small Rubbish (140 Litres)   | \$140.00            | \$135.00     | 11                                |
| Large Rubbish (240 litres)   | \$200.00            | \$195.00     | 35                                |

# Funding Impact Statement 2015-25

## Annual Water Charges

The cost of providing a water supply is recovered from those ratepayers who receive or could receive the service in the form of a targeted annual water charge.

- **“Connected”** means those rating units which receive an ordinary water supply.
- **“Serviceable”** means those rating units which are situated within 100 metres from any part to the water works to which water can be but is not supplied.
- **“Residential”** means all properties used primarily for residential accommodation of a single household or used for residential purposes and not otherwise classified or which are vacant or of not determined use of those differential categories and situated in an area which residential dwellings are permitted.
- **“Other”** means all rating units used primarily for purposes other than residential purposes.

|                | Actual Rate 2014/15 |             | Rate 2015/16 |             | Estimated revenue 2015/16 (\$000) |
|----------------|---------------------|-------------|--------------|-------------|-----------------------------------|
|                | Connected           | Serviceable | Connected    | Serviceable |                                   |
| Urban supplies | \$247.00            | \$123.50    | \$278.00     | \$139.00    | 4,830                             |

### b Rural

- i A targeted rate of a fixed amount per hectare within the rating unit located in the Rangitata-Orari Water Supply District.
- ii A targeted rate in the Te Moana Downs Water Supply District of a fixed amount per unit of water supplied **and** a targeted rate of a fixed amount for each tank.
- iii A targeted rate of a fixed amount per unit of water supplied in the Orari Township Water Supply District.
- iv A targeted rate in the Seadown Water Supply District of a fixed amount per hectare within the rating unit **and** a targeted rate of a fixed amount per separately used or inhabited part of a rating unit.
- v A targeted rate per rating unit of a fixed amount per hectare in the Beautiful Valley Water Supply District.
- vi On so much of the rating units

All references to a **“Water Supply”** are references to schemes defined by a Special Order. Water rates are assessed as follows:

#### a Urban

- i A differential targeted rate of fixed amounts in accordance with the following differentials (excluding those rating units supplied through a meter):
  - i per separately used or inhabited part of a Connected residential rating unit;
  - ii per rating unit for other Connected rating units (being the same amount assessed per separately used or inhabited part of a Connected residential rating unit)
  - iii per Serviceable rating units (being 50% of the above amount) assessed on rating units as:

appearing on Valuation Rolls number 24640, 24660, 24670, 24680, 24690, 24700, 24710, 24820, 24840, 24850, 24860, and part 25033, as is situated within the Downlands Water Supply District the following targeted rates.

- a) a fixed amount for each separately used or inhabited part of a rating unit within the Pareora Township and for rating units used as halls within the scheme.
- b) a fixed amount per rating unit for rating units used as schools within the Pareora

Township.

- c) in addition a fixed amount for each separate connection (excluding Pareora Township) to the water supply except where there is more than one connection to any rating unit as a technical requirement of the scheme, in which case only one charge will apply.
- d) in addition to the charge assessed in (c) above, a fixed amount per unit of water or where water supplied in one half units a fixed charge (being 50% of the amount per unit) per half unit.

|                                | Actual Rate 2014/15 | Rate 2015/16 | Estimated revenue 2015/16 (\$000) |
|--------------------------------|---------------------|--------------|-----------------------------------|
| Rangitata-Orari (Area charge)  | \$17.00             | \$16.90      | 311                               |
| Te Moana (Unit charge)         | \$255.00            | \$275.00     | 334                               |
| Te Moana (Tank charge)         | \$497.50            | \$527.50     | 333                               |
| Orari (Service charge)         | \$364.00            | \$403.00     | 24                                |
| Seadown (Area charge)          | \$14.70             | \$15.20      | 80                                |
| Seadown (Domestic charge)      | \$367.00            | \$381.00     | 133                               |
| Beautiful Valley (Area charge) | \$3.69              | \$3.69       | 7                                 |
| Downlands (Domestic charge)    | \$458.00            | \$486.00     | 89                                |
| Downlands (School charge)      | \$785.50            | \$833.50     | 1                                 |
| Downlands (Service charge)     | \$327.00            | \$347.00     | 651                               |
| Downlands (Unit charge)        | \$131.00            | \$139.00     | 626                               |

### c Water by Meter

A uniform targeted rate for water supply per cubic meter of water

consumed by any rating unit situated in the following areas which has been fitted with a water meter:

|               | Actual Rate 2014/15 | Rate 2015/16 | Estimated revenue 2015/16 (\$000) |
|---------------|---------------------|--------------|-----------------------------------|
| Seadown       | \$0.82              | \$0.84       | 5                                 |
| Urban schemes | \$0.58              | \$0.60       | 1,783                             |

# Funding Impact Statement 2015-25

## Uniform Community Centre Charges

To provide funding for community centres uniform targeted rates of a fixed amount per separately used or inhabited part of a rating unit situated in the following Community Centre Areas:

|                            | Actual Rate<br>2014/15 | Rate 2015/16 | Estimated revenue<br>2015/16 (\$000) |
|----------------------------|------------------------|--------------|--------------------------------------|
| Claremont Community Centre | \$20.00                | \$20.00      | 5                                    |
| Fairview Community Centre  | \$30.00                | \$30.00      | 6                                    |
| Kingsdown Community Centre | \$36.00                | \$36.00      | 5                                    |
| Otipua Community Centre    | \$20.00                | \$20.00      | 2                                    |

## Lump sum contributions

Lump sum contributions will not be invited in respect of any targeted rates.

## Differential Rating

The Council proposes to differentiate the general rate and the Aquatic Centre rate based on land use (Schedule 2 Local Government (Rating) Act 2002).

For the general rate, the relationship between the rates set on rateable land in each different

differential type is shown below. A rating unit can be partitioned into property parts that can be put into different differential categories.

The differential is applied under the following nine types:

| Type                       | General Rate factor |
|----------------------------|---------------------|
| 1 Accommodation            | 4.40                |
| 2 Commercial - Central     | 4.40                |
| 3 Commercial - Other       | 4.40                |
| 4 Community Services       | 1.00                |
| 5 Industrial               | 4.40                |
| 6 Primary                  | 0.32                |
| 7 Recreational             | 1.00                |
| 8 Residential - General    | 1.00                |
| 9 Residential - Multi Unit | 2.00                |

## Description of differential categories

### Type 1- Accommodation

All properties used primarily for hotel, motel or similar short term or travellers' accommodation purposes.

### Type 2 – Commercial - Central

All properties situated within the Timaru Central Business District and used primarily for commercial purposes.

### Type 3 – Commercial - Other

All properties used primarily for commercial purposes other than those situated in the Timaru Central Business District.

### Type 4 – Community Services

All properties used primarily for education, religious and/or community purposes.

### Type 5 - Industrial

All properties used primarily for industrial purposes.

### Type 6 - Primary

All properties used primarily for agricultural, horticultural or pastoral purposes, including the grazing of animals.

### Type 7 - Recreational

Properties used primarily for active or passive indoor/outdoor recreational activities.

### Type 8 – Residential – General (including baches)

All properties used primarily for residential accommodation of a single household or used for residential purposes and not otherwise classified or which are vacant or of not determined use of those differential categories and situated in an area in which residential dwellings are permitted.

### Type 9 – Residential – Multi- Unit

All properties used primarily for multi unit

residential accommodation, for example, purpose built rental flats.

**Timaru** means the area defined by so much of the rating units appearing on valuation rolls number 24930, 24941, 24942, 24950, 24960, 24971, 24972, 24981, 24991, 25000, 25011, 25021, 25022, 25023, 25032 and 25033.

**Geraldine** means the area defined by so much of the rating unit appearing on valuation rolls number 24751 and 24752.

**Temuka** means the area defined by so much of the rating unit appearing on valuation rolls number 24770 and 24780.

**Pleasant Point** means the area defined by so much of the rating unit appearing on valuation roll number 24821.

**Rural** means all that area excluding Geraldine, Pleasant Point, Temuka and Timaru.

**Standard waste charge** is for 3 bins: a 140 litre rubbish bin, a compost bin and a recycling bin, or a 3 bin stacker set.

**Large waste charge** is for a 240 litre rubbish bin, a compost bin and a recycling bin.

## Rates payable by instalment

Rates and charges are due and payable on the following dates:

| All Ratepayers |                   |
|----------------|-------------------|
| Instalment     | Due Date          |
| 1              | 21 September 2015 |
| 2              | 21 December 2015  |
| 3              | 21 March 2016     |
| 4              | 20 June 2016      |

Ratepayers may elect to pay on a more regular basis if they choose. Rates may be paid using any one of a number of payment methods acceptable to the Council including

# Funding Impact Statement 2015-25

direct debits, cheques by mail, cheques or cash or EFTPOS at Council offices, credit card via Council website, direct credits or other bank transfer methods.

The due date for metered water targeted rates will be the 20th of the month following invoice date.

## Penalties

A penalty of 10% is added to any portion of each instalment that remains unpaid at the close of the due date, on the following dates:

| Instalment | Penalty Date      |
|------------|-------------------|
| 1          | 22 September 2015 |
| 2          | 22 December 2015  |
| 3          | 22 March 2016     |
| 4          | 21 June 2016      |

Any rates outstanding from previous years (including penalties already incurred) which are still unpaid on 21 September 2015 will have a further 10% penalty added on that date and if any portion is still unpaid on 21 March 2016 a further 10% penalty will be added on that date.

Penalties will not be applied to the metered water targeted rate.

## Rates Discount Policy

That pursuant to Section 55 of the Local Government (Rating) Act 2002, the following discount will apply;-

- A discount of 2.50% will be allowed on the total rates set, if the 2015/16 rates, including any current penalties, are paid in full on or before 21 September 2015.

# Rating Contribution by Activity 2015/16

| General Rate                               | %       | Comm/Ind | Res/rec<br>\$ rate per \$ land value | Primary | Multi-Unit |
|--|---------|----------|--------------------------------------|---------|------------|
| Governance & Leadership                    | 6.81%   | 0.00084  | 0.00019                              | 0.00006 | 0.00038    |
| Civil Defence                              | 0.50%   | 0.00006  | 0.00001                              | 0.00000 | 0.00003    |
| Environmental Health                       | 0.58%   | 0.00007  | 0.00002                              | 0.00001 | 0.00003    |
| District Library                           | 4.62%   | 0.00057  | 0.00013                              | 0.00004 | 0.00026    |
| Aigantighe Art Gallery                     | 0.96%   | 0.00012  | 0.00003                              | 0.00001 | 0.00005    |
| Museum                                     | 1.12%   | 0.00014  | 0.00003                              | 0.00001 | 0.00006    |
| Theatre Royal                              | 0.68%   | 0.00008  | 0.00002                              | 0.00001 | 0.00004    |
| Community Development                      | 1.16%   | 0.00014  | 0.00003                              | 0.00001 | 0.00007    |
| Parks                                      | 8.55%   | 0.00105  | 0.00024                              | 0.00008 | 0.00048    |
| Swimming Pools                             | 10.00%  | 0.00123  | 0.00028                              | 0.00009 | 0.00056    |
| Cemeteries                                 | 0.17%   | 0.00002  | 0.00000                              | 0.00000 | 0.00001    |
| Halls & Community Centres                  | 0.63%   | 0.00008  | 0.00002                              | 0.00001 | 0.00004    |
| Public Toilets                             | 0.82%   | 0.00010  | 0.00002                              | 0.00001 | 0.00005    |
| Subsidised Labour                          | 0.13%   | 0.00002  | 0.00000                              | 0.00000 | 0.00001    |
| Economic Development & District Promotions | 1.36%   | 0.00017  | 0.00004                              | 0.00001 | 0.00008    |
| Road/street Landscapes                     | 1.20%   | 0.00015  | 0.00003                              | 0.00001 | 0.00007    |
| Airport                                    | 0.42%   | 0.00005  | 0.00001                              | 0.00000 | 0.00002    |
| Dog Control                                | 0.13%   | 0.00002  | 0.00000                              | 0.00000 | 0.00001    |
| Building Control                           | 0.99%   | 0.00012  | 0.00003                              | 0.00001 | 0.00006    |
| District Planning                          | 7.48%   | 0.00092  | 0.00021                              | 0.00007 | 0.00042    |
| Forestry                                   | 0.00%   | 0.00000  | 0.00000                              | 0.00000 | 0.00000    |
| Subsidised Roading                         | 48.00%  | 0.00592  | 0.00134                              | 0.00043 | 0.00269    |
| Streetlighting - District                  | 1.42%   | 0.00018  | 0.00004                              | 0.00001 | 0.00008    |
| Solid Waste operations                     | 2.27%   | 0.00028  | 0.00006                              | 0.00002 | 0.00013    |
|  | 100.00% | 0.01234  | 0.00280                              | 0.00090 | 0.00561    |

# Rating Contribution by Activity 2015/16

| Uniform Annual General Charge & Aquatic Centre Rate | %       | Comm/Ind | Res/rec | Primary | Multi-Unit |
|---|---------|----------|---------|---------|------------|
| \$ per rating unit                                  |         |          |         |         |            |
| Governance & Leadership                             | 17.83%  | 109.45   | 109.45  | 109.45  | 109.45     |
| Civil Defence                                       | 1.32%   | 8.08     | 8.08    | 8.08    | 8.08       |
| Environmental Health                                | 1.52%   | 9.32     | 9.32    | 9.32    | 9.32       |
| District Library                                    | 12.10%  | 74.28    | 74.28   | 74.28   | 74.28      |
| Aigantighe Art Gallery                              | 2.51%   | 15.42    | 15.42   | 15.42   | 15.42      |
| Museum  | 2.94%   | 18.06    | 18.06   | 18.06   | 18.06      |
| Theatre Royal                                       | 1.78%   | 10.93    | 10.93   | 10.93   | 10.93      |
| Community Development                               | 3.04%   | 18.64    | 18.64   | 18.64   | 18.64      |
| Motor Camps   | 0.09%   | 0.55     | 0.55    | 0.55    | 0.55       |
| Parks   | 22.36%  | 137.29   | 137.29  | 137.29  | 137.29     |
| Swimming Pools                                      | 22.14%  | 135.91   | 135.91  | 135.91  | 135.91     |
| Cemeteries  | 0.45%   | 2.74     | 2.74    | 2.74    | 2.74       |
| Halls & Community Centres                           | 1.64%   | 10.06    | 10.06   | 10.06   | 10.06      |
| Public Toilets                                      | 2.16%   | 13.25    | 13.25   | 13.25   | 13.25      |
| Subsidised Labour                                   | 0.35%   | 2.13     | 2.13    | 2.13    | 2.13       |
| Economic Development & District Promotions          | 3.56%   | 21.83    | 21.83   | 21.83   | 21.83      |
| Road/street Landscapes                              | 3.14%   | 19.27    | 19.27   | 19.27   | 19.27      |
| Airport   | 1.10%   | 6.78     | 6.78    | 6.78    | 6.78       |
|   | 100.00% | 614.00   | 614.00  | 614.00  | 614.00     |

| Community Works & Services Rate | Geraldine | Rural   | Temuka  | Timaru  |
|---------------------------------|-----------|---------|---------|---------|
| \$ rate per \$ land value       |           |         |         |         |
| Non-subsidised Roothing         | 0.00067   | 0.00002 | 0.00099 | 0.00064 |
| Street Lighting                 | 0.00012   | 0.00000 | 0.00007 | 0.00011 |
| Stormwater                      | 0.00074   | 0.00003 | 0.00109 | 0.00083 |
|                                 | 0.00153   | 0.00005 | 0.00215 | 0.00157 |

| Community Works & Services Rate | Geraldine | Rural   | Temuka  | Timaru  |
|---------------------------------|-----------|---------|---------|---------|
| \$ rate per \$ land value       |           |         |         |         |
| Non-subsidised Roothing         | 43.47%    | 38.18%  | 45.84%  | 40.46%  |
| Street Lighting                 | 8.09%     | 2.87%   | 3.29%   | 6.87%   |
| Stormwater                      | 48.43%    | 58.95%  | 50.87%  | 52.67%  |
|                                 | 100.00%   | 100.00% | 100.00% | 100.00% |

# Reserve Funds Summary

## Special Funds

Separate Accounts are maintained for targeted rates charged for a specific purpose. A separate account is maintained for

each targeted rate to ensure that the funds are held and used for the specific purpose intended.

| Name of Fund                               | Activity                             | Purpose   | Forecast Balance<br>1 July 2015<br>(\$000s) | Funds Deposited<br>2015-2025<br>(\$000s) | Funds Withdrawn<br>2015-2025<br>(\$000s) | Forecast Balance<br>30 June 2025<br>(\$000s) |
|--|--------------------------------------|---|---|--|--|--|
| Aquatic Centre contributions               | Parks, Recreation and Swimming Pools | Funds donated towards to Aquatic centre facility to be used for its construction and funding of interest payments.  | 181   | 7  | 188                                      | 0  |
| Cemetery Future (Tu) Fund                  | Community Facilities                 | Development of future cemetery for Timaru.  | 113   | 6  | 118                                      | 1  |
| Collett Bequest (Museum)                   | Cultural and Learning Facilities     | For museum items.   | 503   | 169                                      | 300                                      | 372  |
| 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. | 429   | 579                                      | 300                                      | 708  |
| 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.                  | 294   | 0  | 0  | 294  |
| Contingency Fund                           | All of Council                       | For emergency purposes as determined by Council.  | 482   | 6,210                                    | 1,200                                    | 5,492  |
| 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.   | 6,458                                       | 89,848                                   | 95,843                                   | 463  |
| 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.  | 60  | 54                                       | 0  | 114  |
| 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).  | 115   | 773                                      | 806                                      | 82   |

# Reserve Funds Summary

| Name of Fund                                | Activity                             | Purpose   | Forecast Balance<br>1 July 2015<br>(\$000s) | Funds Deposited<br>2015-2025<br>(\$000s) | Funds Withdrawn<br>2015-2025<br>(\$000s) | Forecast Balance<br>30 June 2025<br>(\$000s) |
|---|--------------------------------------|---|---|--|--|--|
| 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.  | 223   | 77                                       | 0  | 300  |
| 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.  | 3   | 162                                      | 161                                      | 4  |
| 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).  | 126   | 780                                      | 820                                      | 86   |
| 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.  | 590   | 1,011                                    | 1,057                                    | 544  |
| Depreciation Fund - Sewer                   | Sewer                                | For the renewal and/or replacement of Sewer depreciable assets and for the repayment of loans associated with such assets.  | 3,194                                       | 31,570                                   | 30,152                                   | 4,612  |
| 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.  | 29  | 2,934                                    | 2,915                                    | 48   |
| 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). | 78  | 1,723                                    | 1,518                                    | 283  |
| 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). | 2,444                                       | 14,602                                   | 12,709                                   | 4,337  |
| 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.  | 5,094                                       | 27,709                                   | 32,777                                   | 26   |
| 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.  | 297   | 2,720                                    | 2,308                                    | 709  |
| 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   | 0  | 0  | 265  |

# Reserve Funds Summary

| Name of Fund                           | Activity  | Purpose  | Forecast Balance<br>1 July 2015<br>(\$000s) | Funds Deposited<br>2015-2025<br>(\$000s) | Funds Withdrawn<br>2015-2025<br>(\$000s) | Forecast Balance<br>30 June 2025<br>(\$000s) |
|--|---|--|---|--|--|--|
| Disaster Relief Fund                   | All of Council  | For the replacement of infrastructural assets excluding roading in the event of a natural disaster.  | 2,110                                       | 4,196                                    | 0  | 6,306  |
| District Recreation Facilities Fund    | All of Council  | To be used for the development of significant recreation facilities in the district.   | 623   | 299                                      | 0  | 922  |
| Dowling Bequest                        | Cultural and Learning Facilities  | For the purchase of Christian fiction literature for the library.  | 26  | 5  | 30                                       | 1  |
| Downlands Asset Replacement Fund       | Water Supply  | Replacement of infrastructural assets relating to Downlands Water Supply Scheme.   | 3,688                                       | 10,104                                   | 10,990                                   | 2,802  |
| Downlands Capital Contribution Reserve | Water Supply  | For the provision of capital expenditure financed from capital contributions.  | 128   | 39                                       | 135                                      | 32   |
| Economic Development Fund              | Economic Development and District Promotions, Community Funding and Governance and Leadership | For economic development support.  | 275   | 139                                      | 0  | 414  |
| Election Expenses Fund                 | Governance and Leadership   | To provide for meeting election expenses.  | 53  | 616                                      | 546                                      | 123  |
| Endowment Land Geraldine Fund          | All of Council  | From the proceeds of Endowment Land. For the purchase of similar land.   | 424   | 344                                      | 21                                       | 747  |
| Forestry Development Fund              | Parks, Recreation and Swimming Pools  | To provide funding for the development of forests within the District.   | 420   | 553                                      | 389                                      | 584  |
| 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   | 1  | 0  | 3  |
| Grants & Donations Fund                | Community Funding   | For the provision of grants & donations (created from the unspent grant allocation and carried forward balances)                           | 22  | 1,146                                    | 1,136                                    | 32   |
| Investment Fund                        | All of Council  | 1. For the repayment of district wide loans.<br>2. For the funding of district-wide capital projects<br>3. For provision of internal loans | 2,318                                       | 6,760                                    | 8,010                                    | 1,068  |
| 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   | 0  | 0  | 1  |

# Reserve Funds Summary

| Name of Fund                                 | Activity                             | Purpose   | Forecast Balance<br>1 July 2015<br>(\$000s) | Funds Deposited<br>2015-2025<br>(\$000s) | Funds Withdrawn<br>2015-2025<br>(\$000s) | Forecast Balance<br>30 June 2025<br>(\$000s) |
|--|--------------------------------------|---|---|--|--|--|
| Lattimore W A (Tu) Bequest                   | Cultural and Learning Facilities     | Interest to be used for the purchasing of art works for the Aigantighe Art Gallery.   | 20  | 1  | 21                                       | 0  |
| Mackay Bequest (Art Gallery)                 | Cultural and Learning Facilities     | For the purchase of paintings.  | 202   | 97                                       | 0  | 299  |
| Mackay Bequest (Library)                     | Cultural and Learning Facilities     | For the purchase of books relating to art for the Timaru Library.   | 175   | 68                                       | 80                                       | 163  |
| Main Creative Communities NZ Fund            | Community Funding                    | Carried forward balance of Creative Communities NZ fund – main committee.   | 3   | 2  | 0  | 5  |
| Main Drains Cost Sharing Fund                | Sewer, Stormwater and Water Supply   | Extension of main drains on a cost sharing basis.   | 826   | 725                                      | 103                                      | 1,448  |
| Mayor's Welfare Fund                         | Governance and Leadership            | Help out the needy as determined by the Mayor.  | 12  | 55                                       | 50                                       | 17   |
| McCarthy Bequest (Library)                   | Cultural and Learning Facilities     | For general library purposes  | 23  | 12                                       | 0  | 35   |
| McCarthy Bequest (Parks)                     | Parks, Recreation and Swimming Pools | For Timaru Botanic Gardens general purposes   | 44  | 21                                       | 0  | 65   |
| Museum Acquisition Fund/Alan Ward Fund       | Cultural and Learning Facilities     | For the purchase of articles for the Museum.  | 9   | 4  | 0  | 13   |
| 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.  | 588   | 193                                      | 375                                      | 406  |
| 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. | 317   | 139                                      | 570                                      | (114)  |
| Property Development Fund                    | All of Council                       | For the purchase or development of land and improvement projects within the District.   | 678   | 379                                      | 67                                       | 990  |
| R C Hervey Fund                              | Cultural and Learning Facilities     | For providing improved services to the Timaru Library.  | 71  | 34                                       | 0  | 105  |
| 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  | 5  | 0  | 16   |

# Reserve Funds Summary

| Name of Fund                                      | Activity                             | Purpose  | Forecast Balance<br>1 July 2015<br>(\$000s) | Funds Deposited<br>2015-2025<br>(\$000s) | Funds Withdrawn<br>2015-2025<br>(\$000s) | Forecast Balance<br>30 June 2025<br>(\$000s) |
|---|--------------------------------------|--|---|--|--|--|
| 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. | 74  | 189                                      | 262                                      | 1  |
| Safer Community Funds                             | Safer Communities                    | For Safer Communities projects.  | 298   | 162                                      | 126                                      | 334  |
| Social Housing Fund (TDC)                         | Social Housing                       | Funding of new social housing units and major maintenance.   | 0   | 613                                      | 0  | 613  |
| 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. | 1,060                                       | 631                                      | 0  | 1,691  |
| Te Moana Water Capital Contributions              | Water Supply                         | For the provision of extensions to the Te Moana water network.                                       | 289   | 822                                      | 410                                      | 701  |
| 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  | 9  | 0  | 28   |

# Reserve Funds Summary

## Separate Funds

Separate Accounts are maintained for targeted rates charged for a specific purpose. A separate account is maintained for each

targeted rate to ensure that the funds are held and used for the specific purpose intended.

| Name of Fund                   | Forecast Balance<br>1 July 2015<br>(\$000s) | Funds Deposited<br>2015-2025<br>(\$000s) | Funds Withdrawn<br>2015-2025<br>(\$000s) | Forecast Balance<br>30 June 2025<br>(\$000s) |
|--------------------------------|---|--|--|--|
| Aquatic Centre                 | 0   | 21,326                                   | 21,326                                   | 0  |
| Fairview Hall                  | 1   | 59                                       | 59                                       | 1  |
| Claremont Hall                 | 1   | 50                                       | 50                                       | 1  |
| Otipua Hall                    | 0   | 16                                       | 16                                       | 0  |
| Kingsdown Hall                 | 0   | 50                                       | 50                                       | 0  |
| Geraldine Works and Services   | 9   | 2,996                                    | 2,996                                    | 9  |
| Rural Works and Services       | 5   | 2,239                                    | 2,239                                    | 5  |
| Temuka Works and Services      | 12  | 4,730                                    | 4,730                                    | 12   |
| Timaru Works and Services      | 25  | 26,172                                   | 26,192                                   | 5  |
| Rural Fire Protection          | 3   | 2,189                                    | 2,189                                    | 3  |
| Solid Waste Collection         | 1,657                                       | 62,989                                   | 64,412                                   | 234  |
| Sewer                          | 2,100                                       | 73,100                                   | 74,859                                   | 341  |
| Beautiful Valley Water         | 5   | 60                                       | 60                                       | 5  |
| Downlands Water                | 0   | 18,963                                   | 18,963                                   | 0  |
| Orari Township Water           | 7   | 243                                      | 246                                      | 4  |
| Rangitata/Orari Water          | 91  | 2,885                                    | 2,917                                    | 59   |
| Seadown Water                  | 66  | 2,460                                    | 2,498                                    | 28   |
| Te Moana Water                 | 690   | 7,880                                    | 8,388                                    | 182  |
| Urban Water                    | 354   | 56,200                                   | 56,381                                   | 173  |
| Geraldine Community Board      | 18  | 54                                       | 54                                       | 18   |
| Pleasant Point Community Board | 16  | 64                                       | 64                                       | 16   |
| Temuka Community Board         | 19  | 99                                       | 99                                       | 19   |

# Long-Term Plan Disclosure Statement for period commencing 1 July 2015

## What is the purpose of this statement?

The purpose of this statement is to disclose the council's planned 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 long-term plan 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.

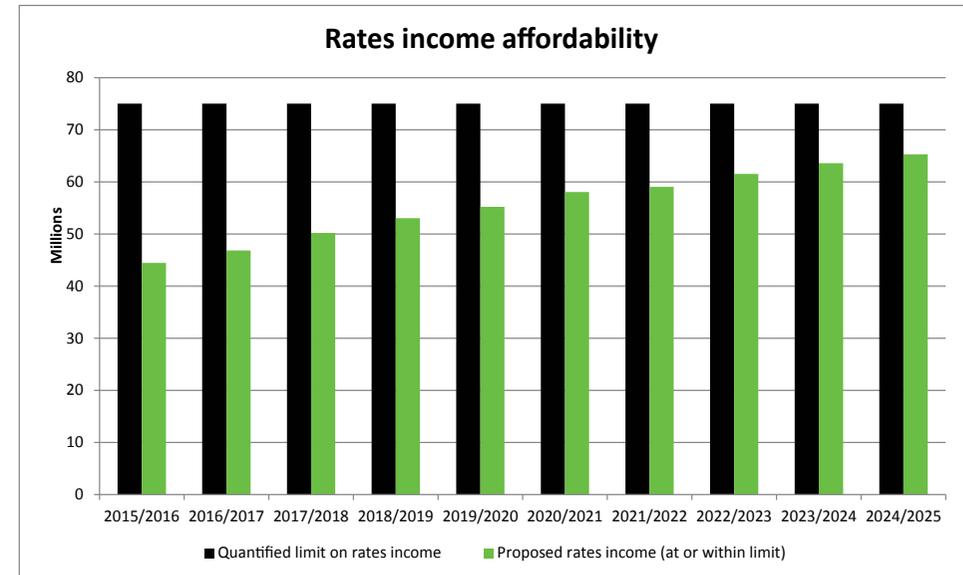
## Rates affordability benchmark

The council meets the rates affordability benchmark if—

- its planned rates income equals or is less than each quantified limit on rates; and
- its planned rates increases equal or are less than each quantified limit on rates increases.

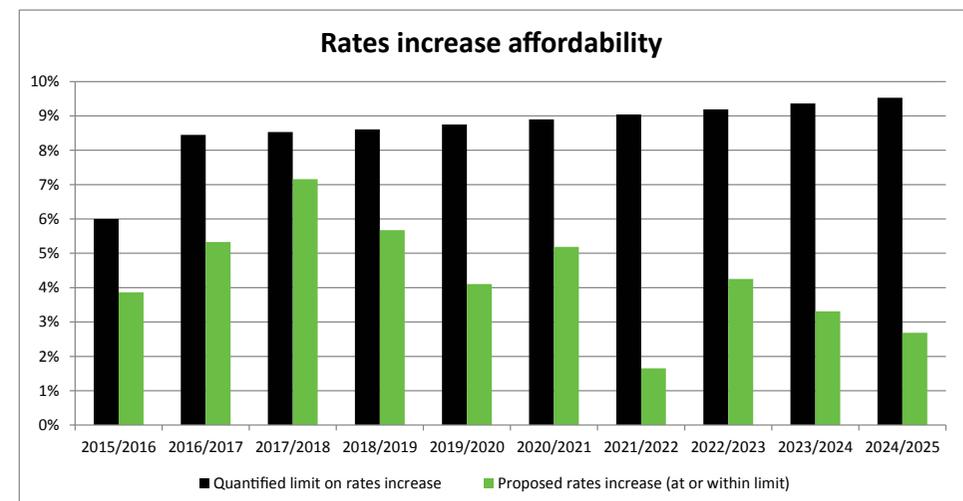
### Rates (income) affordability

The following graph compares the council's planned rates with a quantified limit on rates contained in the financial strategy included in this long-term plan. The quantified limit is \$75m.



### Rates (increases) affordability

The following graph compares the council's planned rates increases with a quantified limit on rates increases contained in the financial strategy included in this long-term plan. The quantified limit is 6%, plus inflation as per the Local Government Cost Index.

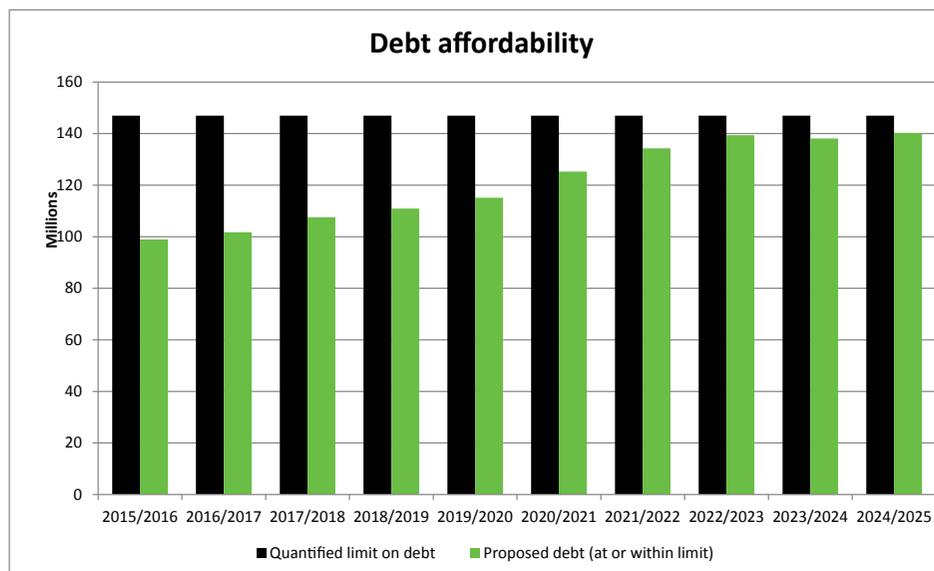


# Long-Term Plan Disclosure Statement for period commencing 1 July 2015

## Debt affordability benchmark

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

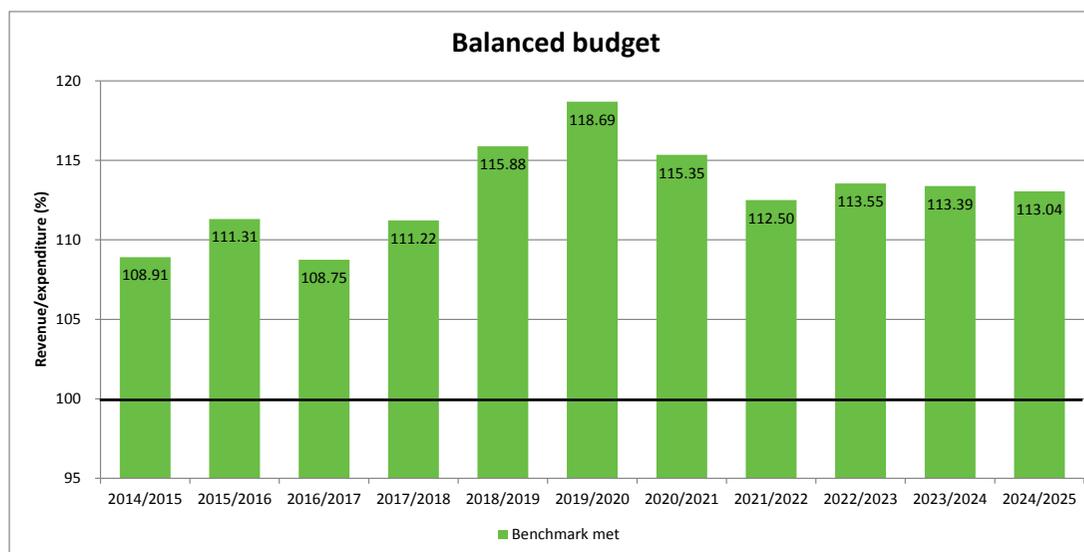
The following graph compares the council's planned debt with a quantified limit on borrowing contained in the financial strategy included in this long-term plan. The quantified limit is \$147 million.



## Balanced budget benchmark

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

The council meets the balanced budget benchmark if its planned revenue equals or is greater than its planned operating expenses.

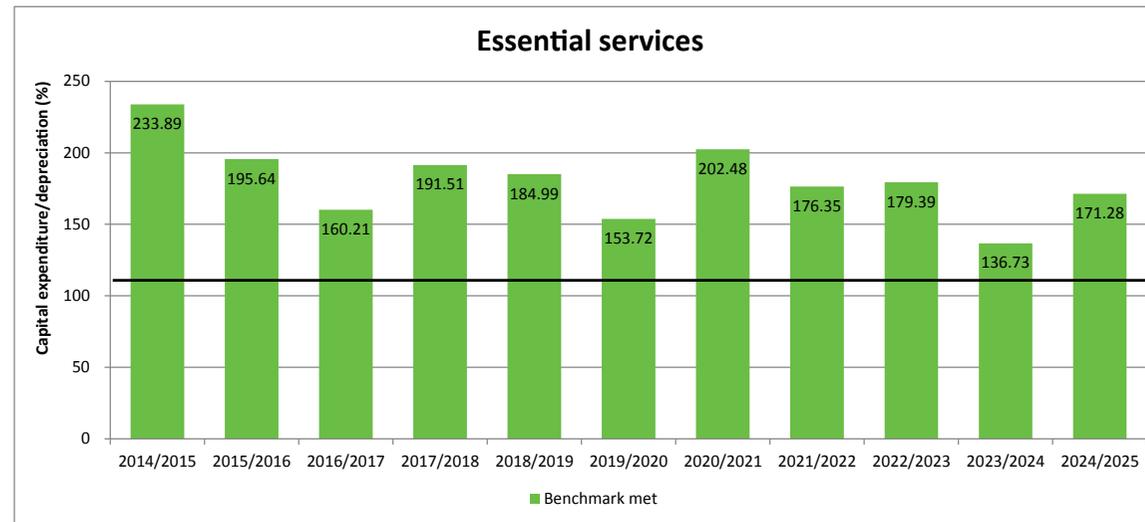


# Long-Term Plan Disclosure Statement for period commencing 1 July 2015

## Essential services benchmark

The following graph displays the council's planned capital expenditure on network services as a proportion of expected depreciation on network services.

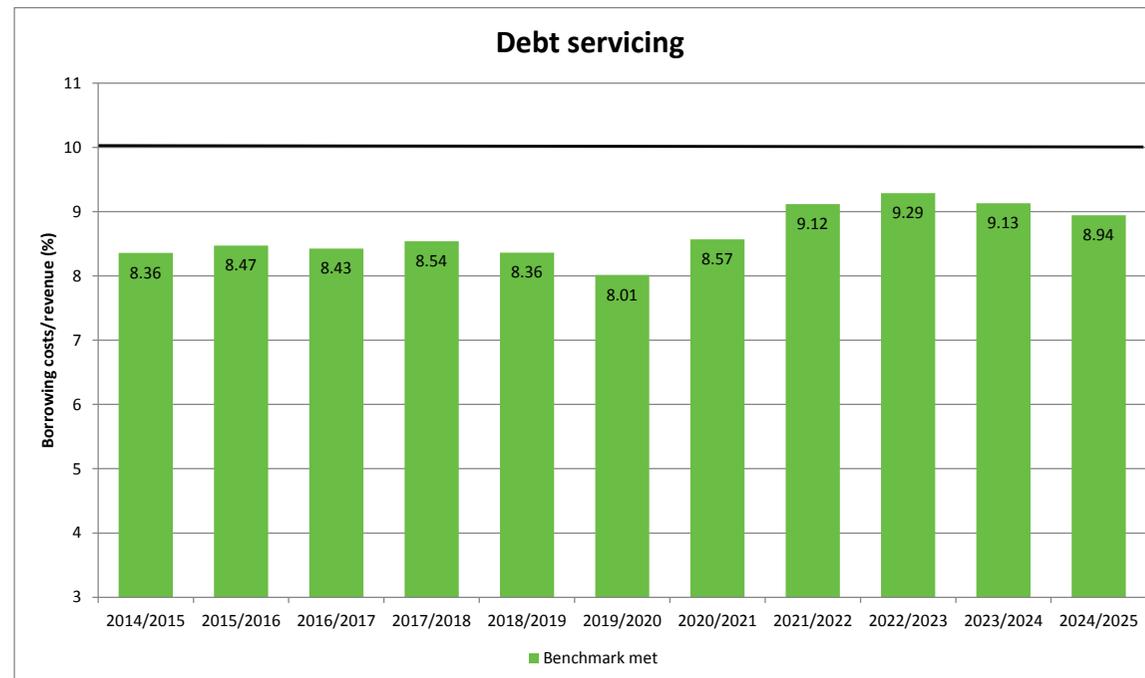
The council meets the essential services benchmark if its planned capital expenditure on network services equals or is greater than expected depreciation on network services.



## Debt servicing benchmark

The following graph displays the council's planned borrowing costs as a proportion of planned 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.



# Fees 2015/16

## Summary

Fees and charges are one of the ways the Council passes on some of the costs directly to those that benefit from Council services and facilities. This means those that benefit from these services pay for them. Council is increasing fees in some areas to meet the increased costs of some services and reflect required cost recovery. Most 2015/16 changes are minor. These include:

- Building Control
- Cemeteries
- Southern Trust Events Centre
- Westend Hall
- Rangitata Huts Leases
- Land Information Memorandums
- Motor Camps
- Parking
- District Planning
- Sewer -Trade Waste and Special Liquid Waste
- Social Housing rentals
- Swimming Pools – Aqua Classes
- Waste Minimisation

Full details of all fees is available in a separate document available from the Council or from the Council website - [www.timaru.govt.nz](http://www.timaru.govt.nz).

## Resource Management Fees

*(all charges GST inclusive)*

Section 36 of the Resource Management Act 1991 enables the Council to charge additional fees to recover actual and reasonable costs where the lodgement fee is inadequate.

When the total cost to process an application exceeds the lodgement fee in Table One, the additional fees are charged at the rates specified in Table Two of this fee schedule.

The Council also reserves its discretion to refund part of the fixed fee if the work required to process the application is less than usual.

The Lodgement Fee will be required to accompany the application. An invoice will be sent for any additional fees. The Lodgement Fee is a deposit only and may not be the complete charge. There may be additional fees or a part refund as explained above.

Discounts shall be paid on administrative charges for applications for resource consent and applications to change or cancel conditions that are not processed within the statutory timeframes. The discounts shall be in accordance with the Regulations to the Resource Management Act 1991.

Table One - Lodgement Fees (Deposit)

2015/16

| Table One - Lodgement Fees (Deposit)  | 2015/16                    |
|---|----------------------------|
| Notified Consent  | \$4,000.00                 |
| Limited Notified (service only) Consent   | \$3,000.00                 |
| Non-notified Subdivision Consent  | \$700.00                   |
| Non-notified Land Use Consent which includes a monitoring fee for a single site inspection  | \$900.00                   |
| Non-notified Subdivision Consent - Change to Flats Plan or Unit Title   | \$700.00                   |
| Right of Way Approval (not included in Subdivision Consent)   | \$650.00                   |
| Revocation of Easements and Consent Notices (not included in Subdivision Consent)   | \$525.00                   |
| Existing Allotments Section 226 Certificate (new titles created)  | \$525.00                   |
| Section 223 Certificate (subdivision sealing completion)  | \$410.00                   |
| Section 224(c) Certificate  | \$410.00                   |
| Section 224(c) Certificate including Section 223 Certificate  | \$410.00                   |
| Removal of Building Line Restriction  | \$640.00                   |
| Certificates of Compliance  | \$640.00                   |
| Change or Cancellation of Conditions  | \$525.00                   |
| Existing Use Rights and Existing Use Certificate  | \$525.00                   |
| Extension of Time   | \$480.00                   |
| Outline Plan  | \$640.00                   |
| Waiver of Outline Plan  | Actual cost                |
| Alteration to a Designation   | \$1,100.00                 |
| Extension of Time to a Designation  | \$1,100.00                 |
| Plan Change   | \$10,500.00                |
| Notice of Requirements for Designations or Heritage Order   | \$5,100.00                 |
| Certificates for LMVD   | \$640.00                   |
| Certificates under the Sale and Supply of Alcohol Act 2012  | \$155.00                   |
| Overseas Investment Office Certificate  | Actual cost                |
| Pre-Lodgement Work  | Actual cost                |
| Staff time conducting assessments, attending meeting(s) and writing correspondence prior to the lodgement of specific resource consent application(s) and private plan change(s). | after first half hour free |

# Fees 2015/16

**Table Two - Charge Rates**

**2015/16**

| <b>Staff Time Rate</b>  |   |
|---|---|
| District Planning Manager   | \$160.00 per hour   |
| Senior Planner  | \$130.00 per hour   |
| Planner   | \$110.00 per hour   |
| Development Planning Advisor  | \$110.00 per hour   |
| Administration Staff  | \$90.00 per hour  |
| Public Notices  | At Cost   |
| Disbursements   | At Cost   |
| Consultants/Legal Advice  | At Cost   |
| Commissioning Special Reports   | At Cost   |
| <u>Hearing Costs:</u>   |   |
| Hearings Committee  | \$100.00 per hour for the chairperson<br>\$80.00 per hour per member who is not the chairperson |
| Commissioner  | At Cost   |
| <u>If monitoring of resource consent is required (imposed as a condition of a resource consent):</u>  |   |
| Single Site Inspection (to be paid with the lodgement fee for Non-notified Land Use Consent)  | \$200.00  |
| Additional monitoring of resource consents and monitoring of non-compliance with the Timaru District Plan or the Resource Management Act 1991 | At Cost   |

**Other Charges**

**2015/16**

|   |                    |
|---|--------------------|
| Timaru District Plan                            | \$200.00 + postage |
| Annual update service to the District Plan      | \$150.00 per year  |
| District RAPID Numbers (book)                   | \$75.00            |
| Allocation of new Rapid Number (includes Plate) | \$50.00            |
| Replacement Rapid Number Plate                  | \$25.00            |
| Bond Application and Bond Refund                | \$320.00           |

# Financial Statements (non-inflated)

The financial information on the next few pages is included for information only. These statements are non-inflated.

## Total Rate Requirement

|                                    | Budget<br>2015/16<br>\$ | Budget<br>2016/17<br>\$ | Budget<br>2017/18<br>\$ | Budget<br>2018/19<br>\$ | Budget<br>2019/20<br>\$ | Budget<br>2020/21<br>\$ | Budget<br>2021/22<br>\$ | Budget<br>2022/23<br>\$ | Budget<br>2023/24<br>\$ | Budget<br>2024/25<br>\$ |
|------------------------------------|-------------------------|-------------------------|-------------------------|-------------------------|-------------------------|-------------------------|-------------------------|-------------------------|-------------------------|-------------------------|
| Total District Wide Rates          | <b>22,946,540</b>       | 24,007,940              | 24,957,940              | 25,475,840              | 26,072,640              | 26,799,440              | 25,535,073              | 25,904,340              | 26,161,607              | 25,684,940              |
| Community Works & Services Rates   | <b>3,135,500</b>        | 3,191,200               | 3,294,100               | 3,398,000               | 3,601,000               | 3,822,400               | 3,909,900               | 3,922,100               | 3,902,100               | 3,927,000               |
| Community Board Charges            | <b>19,101</b>           | 19,100                  | 19,100                  | 19,100                  | 19,100                  | 19,100                  | 19,100                  | 19,100                  | 19,100                  | 19,100                  |
| Community Centre Charges           | <b>15,400</b>           | 15,400                  | 15,400                  | 15,400                  | 15,400                  | 15,400                  | 15,400                  | 15,400                  | 15,400                  | 15,400                  |
| Sewer Charges                      | <b>6,900,000</b>        | 6,950,000               | 7,100,000               | 7,250,000               | 7,300,000               | 7,300,000               | 7,300,000               | 7,300,000               | 7,300,000               | 7,300,000               |
| Refuse Charges                     | <b>4,951,200</b>        | 5,050,600               | 5,545,400               | 5,704,900               | 5,730,800               | 5,761,500               | 5,789,200               | 5,882,400               | 5,910,500               | 5,966,100               |
| Water Charges                      | <b>6,451,000</b>        | 6,699,000               | 7,334,000               | 7,837,000               | 8,111,600               | 8,431,500               | 9,296,500               | 9,678,500               | 9,778,500               | 9,878,500               |
| <b>Total Rates (GST exclusive)</b> | <b>44,418,741</b>       | 45,933,240              | 48,265,940              | 49,700,240              | 50,850,540              | 52,149,340              | 51,865,173              | 52,721,840              | 53,087,207              | 52,791,040              |

## Forecast Statement of Revenue & Expense

| For The Year Ended 30 June                     | Budget<br>2015/16<br>\$ | Budget<br>2016/17<br>\$ | Budget<br>2017/18<br>\$ | Budget<br>2018/19<br>\$ | Budget<br>2019/20<br>\$ | Budget<br>2020/21<br>\$ | Budget<br>2021/22<br>\$ | Budget<br>2022/23<br>\$ | Budget<br>2023/24<br>\$ | Budget<br>2024/25<br>\$ |
|--|-------------------------|-------------------------|-------------------------|-------------------------|-------------------------|-------------------------|-------------------------|-------------------------|-------------------------|-------------------------|
| <b>Revenue</b>                                 |                         |                         |                         |                         |                         |                         |                         |                         |                         |                         |
| Rates  | <b>44,418,741</b>       | 45,933,240              | 48,265,940              | 49,700,240              | 50,850,540              | 52,149,340              | 51,865,173              | 52,721,840              | 53,087,207              | 52,791,040              |
| Interest and Dividends                         | <b>4,906,992</b>        | 4,845,916               | 4,801,560               | 4,824,666               | 4,982,854               | 5,096,642               | 5,203,554               | 5,394,940               | 5,633,186               | 5,852,496               |
| Other revenue                                  | <b>12,461,984</b>       | 11,359,284              | 11,304,484              | 13,650,184              | 15,251,884              | 11,939,784              | 11,820,684              | 11,715,184              | 11,550,184              | 11,740,684              |
| Revenue from exchange transactions             | <b>14,281,320</b>       | 14,333,120              | 14,447,020              | 14,484,320              | 14,592,120              | 14,724,120              | 14,612,120              | 14,662,420              | 14,974,620              | 14,677,120              |
| <b>Total Revenue</b>                           | <b>76,069,037</b>       | 76,471,560              | 78,819,004              | 82,659,410              | 85,677,398              | 83,909,886              | 83,501,531              | 84,494,384              | 85,245,197              | 85,061,340              |
| <b>Expenses</b>                                |                         |                         |                         |                         |                         |                         |                         |                         |                         |                         |
| Employee benefit expenses                      | <b>16,039,700</b>       | 16,027,800              | 16,055,200              | 16,055,200              | 16,055,200              | 16,055,200              | 16,055,200              | 16,055,200              | 16,055,200              | 16,055,200              |
| Operating costs                                | <b>33,402,392</b>       | 33,186,720              | 32,946,048              | 32,977,134              | 33,237,794              | 33,646,648              | 33,009,240              | 33,006,888              | 32,922,588              | 32,734,916              |
| Interest                                       | <b>6,442,746</b>        | 6,541,636               | 6,956,522               | 7,251,536               | 7,265,372               | 7,702,732               | 8,208,970               | 8,520,202               | 8,561,752               | 8,525,628               |
| Depreciation                                   | <b>15,561,378</b>       | 16,296,794              | 16,782,600              | 17,304,246              | 17,709,292              | 18,254,066              | 18,687,364              | 19,133,838              | 19,435,582              | 19,800,742              |
| <b>Total Expenses</b>                          | <b>71,446,216</b>       | 72,052,950              | 72,740,370              | 73,588,116              | 74,267,658              | 75,658,646              | 75,960,774              | 76,716,128              | 76,975,122              | 77,116,486              |
| <b>Total Comprehensive Revenue And Expense</b> | <b>4,622,821</b>        | 4,418,610               | 6,078,634               | 9,071,294               | 11,409,740              | 8,251,240               | 7,540,757               | 7,778,256               | 8,270,075               | 7,944,854               |

# Financial Statements (non-inflated)

## Statement of Movements in Equity

| For The Year Ended 30 June                    | Budget<br>2015/16<br>\$ | Budget<br>2016/17<br>\$ | Budget<br>2017/18<br>\$ | Budget<br>2018/19<br>\$ | Budget<br>2019/20<br>\$ | Budget<br>2020/21<br>\$ | Budget<br>2021/22<br>\$ | Budget<br>2022/23<br>\$ | Budget<br>2023/24<br>\$ | Budget<br>2024/25<br>\$ |
|---|-------------------------|-------------------------|-------------------------|-------------------------|-------------------------|-------------------------|-------------------------|-------------------------|-------------------------|-------------------------|
| <b>Equity At Beginning Of The Year</b>        | 738,207,484             | 742,830,305             | 747,248,915             | 753,327,549             | 762,398,843             | 773,808,583             | 782,059,823             | 789,600,580             | 797,378,836             | 805,648,911             |
| Net surplus for the year                      | 4,622,821               | 4,418,610               | 6,078,634               | 9,071,294               | 11,409,740              | 8,251,240               | 7,540,757               | 7,778,256               | 8,270,075               | 7,944,854               |
| Revaluation of fixed assets                   | 0                       | 0                       | 0                       | 0                       | 0                       | 0                       | 0                       | 0                       | 0                       | 0                       |
| Equity Adjustment                             | 0                       | 0                       | 0                       | 0                       | 0                       | 0                       | 0                       | 0                       | 0                       | 0                       |
| <b>Total recognised revenues and expenses</b> | <b>4,622,821</b>        | <b>4,418,610</b>        | <b>6,078,634</b>        | <b>9,071,294</b>        | <b>11,409,740</b>       | <b>8,251,240</b>        | <b>7,540,757</b>        | <b>7,778,256</b>        | <b>8,270,075</b>        | <b>7,944,854</b>        |
| <b>Equity At The End Of The Year</b>          | <b>742,830,305</b>      | <b>747,248,915</b>      | <b>753,327,549</b>      | <b>762,398,843</b>      | <b>773,808,583</b>      | <b>782,059,823</b>      | <b>789,600,580</b>      | <b>797,378,836</b>      | <b>805,648,911</b>      | <b>813,593,765</b>      |

## Statement of Movements in Retained Earnings

| For The Year Ended 30 June          | Budget<br>2015/16<br>\$ | Budget<br>2016/17<br>\$ | Budget<br>2017/18<br>\$ | Budget<br>2018/19<br>\$ | Budget<br>2019/20<br>\$ | Budget<br>2020/21<br>\$ | Budget<br>2021/22<br>\$ | Budget<br>2022/23<br>\$ | Budget<br>2023/24<br>\$ | Budget<br>2024/25<br>\$ |
|-------------------------------------|-------------------------|-------------------------|-------------------------|-------------------------|-------------------------|-------------------------|-------------------------|-------------------------|-------------------------|-------------------------|
| <b>Retained Earnings At 1 July</b>  | 703,475,820             | 715,182,683             | 722,683,980             | 730,451,020             | 736,650,714             | 742,945,422             | 750,534,046             | 753,255,033             | 756,126,329             | 757,275,014             |
| Net surplus for the year            | 4,622,821               | 4,418,610               | 6,078,634               | 9,071,294               | 11,409,740              | 8,251,240               | 7,540,757               | 7,778,256               | 8,270,075               | 7,944,854               |
| Transfers to Reserves               | (17,289,458)            | (18,183,264)            | (18,747,294)            | (20,057,900)            | (20,651,692)            | (21,233,366)            | (21,791,148)            | (22,104,754)            | (22,532,750)            | (22,623,756)            |
| Equity Adjustment                   | 0                       | 0                       | 0                       | 0                       | 0                       | 0                       | 0                       | 0                       | 0                       | 0                       |
| Transfers from Reserves             | 24,373,500              | 21,265,951              | 20,435,700              | 17,186,300              | 15,536,660              | 20,570,750              | 16,971,378              | 17,197,794              | 15,411,360              | 18,588,206              |
| <b>Retained Earnings At 30 June</b> | <b>715,182,683</b>      | <b>722,683,980</b>      | <b>730,451,020</b>      | <b>736,650,714</b>      | <b>742,945,422</b>      | <b>750,534,046</b>      | <b>753,255,033</b>      | <b>756,126,329</b>      | <b>757,275,014</b>      | <b>761,184,318</b>      |

# Financial Statements (non-inflated)

## Forecast Statement of Financial Position

| As at 30 June                        | Budget<br>2015/16<br>\$ | Budget<br>2016/17<br>\$ | Budget<br>2017/18<br>\$ | Budget<br>2018/19<br>\$ | Budget<br>2019/20<br>\$ | Budget<br>2020/21<br>\$ | Budget<br>2021/22<br>\$ | Budget<br>2022/23<br>\$ | Budget<br>2023/24<br>\$ | Budget<br>2024/25<br>\$ |
|--------------------------------------|-------------------------|-------------------------|-------------------------|-------------------------|-------------------------|-------------------------|-------------------------|-------------------------|-------------------------|-------------------------|
| <b>Equity</b>                        |                         |                         |                         |                         |                         |                         |                         |                         |                         |                         |
| Retained Earnings                    | 715,182,683             | 722,683,980             | 730,451,020             | 736,650,714             | 742,945,422             | 750,534,046             | 753,255,033             | 756,126,329             | 757,275,014             | 761,184,318             |
| Special Fund Reserves                | 27,647,622              | 24,564,935              | 22,876,529              | 25,748,129              | 30,863,161              | 31,525,777              | 36,345,547              | 41,252,507              | 48,373,897              | 52,409,447              |
| <b>Total Equity</b>                  | <b>742,830,305</b>      | <b>747,248,915</b>      | <b>753,327,549</b>      | <b>762,398,843</b>      | <b>773,808,583</b>      | <b>782,059,823</b>      | <b>789,600,580</b>      | <b>797,378,836</b>      | <b>805,648,911</b>      | <b>813,593,765</b>      |
| <b>Current Assets</b>                |                         |                         |                         |                         |                         |                         |                         |                         |                         |                         |
| Cash & Bank Balances                 | 16,547,769              | 14,698,210              | 13,911,750              | 13,618,990              | 13,693,830              | 13,340,270              | 13,363,343              | 13,303,583              | 13,391,790              | 13,267,830              |
| Short Term Deposits                  | 19,058,000              | 19,058,000              | 19,058,000              | 19,058,000              | 19,058,000              | 19,058,000              | 19,058,000              | 19,058,000              | 19,058,000              | 19,058,000              |
| Receivable & Prepayments             | 7,261,000               | 7,261,000               | 7,261,000               | 7,261,000               | 7,261,000               | 7,261,000               | 7,261,000               | 7,261,000               | 7,261,000               | 7,261,000               |
| Inventories                          | 79,000                  | 79,000                  | 79,000                  | 79,000                  | 79,000                  | 79,000                  | 79,000                  | 79,000                  | 79,000                  | 79,000                  |
| <b>Total Current Assets</b>          | <b>42,945,769</b>       | <b>41,096,210</b>       | <b>40,309,750</b>       | <b>40,016,990</b>       | <b>40,091,830</b>       | <b>39,738,270</b>       | <b>39,761,343</b>       | <b>39,701,583</b>       | <b>39,789,790</b>       | <b>39,665,830</b>       |
| <b>Non-Current Assets</b>            |                         |                         |                         |                         |                         |                         |                         |                         |                         |                         |
| Investments                          | 25,354,622              | 22,271,935              | 20,583,529              | 23,455,129              | 28,570,161              | 29,232,777              | 34,052,547              | 38,959,507              | 46,080,897              | 50,116,447              |
| Fixed Assets                         | 790,287,314             | 802,421,020             | 817,334,920             | 825,815,374             | 835,858,242             | 852,384,476             | 862,348,812             | 867,854,874             | 867,894,852             | 872,108,510             |
| <b>Total Non-current assets</b>      | <b>815,641,936</b>      | <b>824,692,955</b>      | <b>837,918,449</b>      | <b>849,270,503</b>      | <b>864,428,403</b>      | <b>881,617,253</b>      | <b>896,401,359</b>      | <b>906,814,381</b>      | <b>913,975,749</b>      | <b>922,224,957</b>      |
| <b>Total Assets</b>                  | <b>858,587,705</b>      | <b>865,789,165</b>      | <b>878,228,199</b>      | <b>889,287,493</b>      | <b>904,520,233</b>      | <b>921,355,523</b>      | <b>936,162,702</b>      | <b>946,515,964</b>      | <b>953,765,539</b>      | <b>961,890,787</b>      |
| <b>Current Liabilities</b>           |                         |                         |                         |                         |                         |                         |                         |                         |                         |                         |
| Payables & Accruals                  | 11,095,600              | 11,141,700              | 11,245,500              | 11,279,900              | 11,313,900              | 11,313,900              | 11,313,900              | 11,313,900              | 11,313,900              | 11,313,900              |
| Current Portion of Term Debt         | 19,291,900              | 18,564,400              | 23,544,000              | 4,582,400               | 5,682,700               | 5,944,850               | 9,312,700               | 6,765,000               | 8,811,200               | 14,272,650              |
| <b>Total Current Liabilities</b>     | <b>30,387,500</b>       | <b>29,706,100</b>       | <b>34,789,500</b>       | <b>15,862,300</b>       | <b>16,996,600</b>       | <b>17,258,750</b>       | <b>20,626,600</b>       | <b>18,078,900</b>       | <b>20,125,100</b>       | <b>25,586,550</b>       |
| <b>Non-Current Liabilities</b>       |                         |                         |                         |                         |                         |                         |                         |                         |                         |                         |
| Term Debt                            | 79,663,500              | 83,036,850              | 84,280,650              | 105,093,250             | 107,678,950             | 115,863,850             | 119,625,422             | 124,611,128             | 121,407,428             | 115,989,372             |
| Other Term Liabilities               | 5,706,400               | 5,797,300               | 5,830,500               | 5,933,100               | 6,036,100               | 6,173,100               | 6,310,100               | 6,447,100               | 6,584,100               | 6,721,100               |
| <b>Total Non-current liabilities</b> | <b>85,369,900</b>       | <b>88,834,150</b>       | <b>90,111,150</b>       | <b>111,026,350</b>      | <b>113,715,050</b>      | <b>122,036,950</b>      | <b>125,935,522</b>      | <b>131,058,228</b>      | <b>127,991,528</b>      | <b>122,710,472</b>      |
| <b>Total Liabilities</b>             | <b>115,757,400</b>      | <b>118,540,250</b>      | <b>124,900,650</b>      | <b>126,888,650</b>      | <b>130,711,650</b>      | <b>139,295,700</b>      | <b>146,562,122</b>      | <b>149,137,128</b>      | <b>148,116,628</b>      | <b>148,297,022</b>      |
| <b>Net Assets</b>                    | <b>742,830,305</b>      | <b>747,248,915</b>      | <b>753,327,549</b>      | <b>762,398,843</b>      | <b>773,808,583</b>      | <b>782,059,823</b>      | <b>789,600,580</b>      | <b>797,378,836</b>      | <b>805,648,911</b>      | <b>813,593,765</b>      |

# Financial Statements (non-inflated)

## Forecast Statement of Cashflows

| For The Year Ended 30 June                        | Budget<br>2015/16<br>\$'000 | Budget<br>2016/17<br>\$'000 | Budget<br>2017/18<br>\$'000 | Budget<br>2018/19<br>\$'000 | Budget<br>2019/20<br>\$'000 | Budget<br>2020/21<br>\$'000 | Budget<br>2021/22<br>\$'000 | Budget<br>2022/23<br>\$'000 | Budget<br>2023/24<br>\$'000 | Budget<br>2024/25<br>\$'000 |
|---|-----------------------------|-----------------------------|-----------------------------|-----------------------------|-----------------------------|-----------------------------|-----------------------------|-----------------------------|-----------------------------|-----------------------------|
| <b>Cash Flows From Operating Activities</b>       |                             |                             |                             |                             |                             |                             |                             |                             |                             |                             |
| Cash was provided from:                           |                             |                             |                             |                             |                             |                             |                             |                             |                             |                             |
| Receipts from customers                           | 18,463,304                  | 18,366,304                  | 18,536,904                  | 18,825,904                  | 21,309,204                  | 18,695,204                  | 18,418,204                  | 18,643,504                  | 18,790,704                  | 18,658,204                  |
| Rates   | 44,838,741                  | 46,333,240                  | 48,640,940                  | 50,075,240                  | 51,225,540                  | 52,524,340                  | 52,240,173                  | 53,096,840                  | 53,462,207                  | 53,166,040                  |
| Subsidies   | 7,820,000                   | 6,886,100                   | 6,799,600                   | 8,893,600                   | 8,119,800                   | 7,553,700                   | 7,599,600                   | 7,319,100                   | 7,319,100                   | 7,344,600                   |
| Interest  | 2,611,992                   | 2,400,916                   | 2,306,560                   | 2,329,666                   | 2,487,854                   | 2,601,642                   | 2,708,554                   | 2,899,940                   | 3,138,186                   | 3,357,496                   |
| Dividends   | 2,295,000                   | 2,445,000                   | 2,495,000                   | 2,495,000                   | 2,495,000                   | 2,495,000                   | 2,495,000                   | 2,495,000                   | 2,495,000                   | 2,495,000                   |
|   | 76,029,037                  | 76,431,560                  | 78,779,004                  | 82,619,410                  | 85,637,398                  | 83,869,886                  | 83,461,531                  | 84,454,384                  | 85,205,197                  | 85,021,340                  |
| Cash was applied to:                              |                             |                             |                             |                             |                             |                             |                             |                             |                             |                             |
| Payments to employees                             | (16,039,700)                | (16,027,800)                | (16,055,200)                | (16,055,200)                | (16,055,200)                | (16,055,200)                | (16,055,200)                | (16,055,200)                | (16,055,200)                | (16,055,200)                |
| Payments to suppliers                             | (33,338,792)                | (33,123,120)                | (32,882,448)                | (32,913,534)                | (33,174,194)                | (33,583,048)                | (32,945,640)                | (32,943,288)                | (32,858,988)                | (32,671,316)                |
| Interest paid                                     | (6,442,746)                 | (6,541,636)                 | (6,956,522)                 | (7,251,536)                 | (7,265,372)                 | (7,702,732)                 | (8,208,970)                 | (8,520,202)                 | (8,561,752)                 | (8,525,628)                 |
| Income Tax paid                                   | 0                           | 0                           | 0                           | 0                           | 0                           | 0                           | 0                           | 0                           | 0                           | 0                           |
|   | (55,821,238)                | (55,692,556)                | (55,894,170)                | (56,220,270)                | (56,494,766)                | (57,340,980)                | (57,209,810)                | (57,518,690)                | (57,475,940)                | (57,252,144)                |
| <b>Net Cash Inflows From Operating Activities</b> | <b>20,207,799</b>           | <b>20,739,004</b>           | <b>22,884,834</b>           | <b>26,399,140</b>           | <b>29,142,632</b>           | <b>26,528,906</b>           | <b>26,251,721</b>           | <b>26,935,694</b>           | <b>27,729,257</b>           | <b>27,769,196</b>           |
| <b>Cash Flows From Investing Activities</b>       |                             |                             |                             |                             |                             |                             |                             |                             |                             |                             |
| Cash was provided from:                           |                             |                             |                             |                             |                             |                             |                             |                             |                             |                             |
| Sale of fixed assets                              | 45,000                      | 45,000                      | 60,000                      | 45,000                      | 45,000                      | 45,000                      | 45,000                      | 45,000                      | 45,000                      | 45,000                      |
| Sale of investments (special funds)               | 24,373,500                  | 21,265,951                  | 20,435,700                  | 17,186,300                  | 15,536,660                  | 20,570,750                  | 16,971,378                  | 17,197,794                  | 15,411,360                  | 18,588,206                  |
| Mortgages/advances repaid                         | 220,000                     | 220,000                     | 220,000                     | 220,000                     | 220,000                     | 220,000                     | 220,000                     | 220,000                     | 220,000                     | 220,000                     |
|   | 24,638,500                  | 21,530,951                  | 20,715,700                  | 17,451,300                  | 15,801,660                  | 20,835,750                  | 17,236,378                  | 17,462,794                  | 15,676,360                  | 18,853,206                  |

# Financial Statements (non-inflated)

| For The Year Ended 30 June                  | Budget<br>2015/16<br>\$'000 | Budget<br>2016/17<br>\$'000 | Budget<br>2017/18<br>\$'000 | Budget<br>2018/19<br>\$'000 | Budget<br>2019/20<br>\$'000 | Budget<br>2020/21<br>\$'000 | Budget<br>2021/22<br>\$'000 | Budget<br>2022/23<br>\$'000 | Budget<br>2023/24<br>\$'000 | Budget<br>2024/25<br>\$'000 |
|---|-----------------------------|-----------------------------|-----------------------------|-----------------------------|-----------------------------|-----------------------------|-----------------------------|-----------------------------|-----------------------------|-----------------------------|
| Cash was applied to:                        |                             |                             |                             |                             |                             |                             |                             |                             |                             |                             |
| Purchases of fixed assets                   | (31,396,800)                | (28,362,100)                | (31,643,100)                | (25,716,300)                | (27,683,760)                | (34,711,900)                | (28,583,300)                | (24,571,500)                | (19,407,160)                | (23,946,000)                |
| Purchase of investments                     | (17,289,458)                | (18,183,264)                | (18,747,294)                | (20,057,900)                | (20,651,692)                | (21,233,366)                | (21,791,148)                | (22,104,754)                | (22,532,750)                | (22,623,756)                |
| Mortgages/advances made                     | (215,000)                   | (220,000)                   | (220,000)                   | (220,000)                   | (220,000)                   | (220,000)                   | (220,000)                   | (220,000)                   | (220,000)                   | (220,000)                   |
|   | (48,901,258)                | (46,765,364)                | (50,610,394)                | (45,994,200)                | (48,555,452)                | (56,165,266)                | (50,594,448)                | (46,896,254)                | (42,159,910)                | (46,789,756)                |
| Net Cash Flows From Investing Activities    | (24,262,758)                | (25,234,413)                | (29,894,694)                | (28,542,900)                | (32,753,792)                | (35,329,516)                | (33,358,070)                | (29,433,460)                | (26,483,550)                | (27,936,550)                |
| <b>Cash Flows From Financing Activities</b> |                             |                             |                             |                             |                             |                             |                             |                             |                             |                             |
| Cash was provided from:                     |                             |                             |                             |                             |                             |                             |                             |                             |                             |                             |
| Loans raised                                | 24,613,300                  | 21,937,750                  | 24,787,800                  | 25,395,000                  | 8,268,400                   | 14,129,750                  | 13,074,272                  | 11,750,706                  | 5,607,500                   | 8,854,594                   |
|   | 24,613,300                  | 21,937,750                  | 24,787,800                  | 25,395,000                  | 8,268,400                   | 14,129,750                  | 13,074,272                  | 11,750,706                  | 5,607,500                   | 8,854,594                   |
| Cash was applied to:                        |                             |                             |                             |                             |                             |                             |                             |                             |                             |                             |
| Settlement of loans                         | (23,110,900)                | (19,291,900)                | (18,564,400)                | (23,544,000)                | (4,582,400)                 | (5,682,700)                 | (5,944,850)                 | (9,312,700)                 | (6,765,000)                 | (8,811,200)                 |
|   | (23,110,900)                | (19,291,900)                | (18,564,400)                | (23,544,000)                | (4,582,400)                 | (5,682,700)                 | (5,944,850)                 | (9,312,700)                 | (6,765,000)                 | (8,811,200)                 |
| Cash Flows From Financing Activities        | 1,502,400                   | 2,645,850                   | 6,223,400                   | 1,851,000                   | 3,686,000                   | 8,447,050                   | 7,129,422                   | 2,438,006                   | (1,157,500)                 | 43,394                      |
| <b>Net Increase (Decrease) In Cash Held</b> | (2,552,559)                 | (1,849,559)                 | (786,460)                   | (292,760)                   | 74,840                      | (353,560)                   | 23,073                      | (59,760)                    | 88,207                      | (123,960)                   |
| Cash at beginning of the year               | 38,158,328                  | 35,605,769                  | 33,756,210                  | 32,969,750                  | 32,676,990                  | 32,751,830                  | 32,398,270                  | 32,421,343                  | 32,361,583                  | 32,449,790                  |
| <b>Cash At End Of The Year</b>              | 35,605,769                  | 33,756,210                  | 32,969,750                  | 32,676,990                  | 32,751,830                  | 32,398,270                  | 32,421,343                  | 32,361,583                  | 32,449,790                  | 32,325,830                  |
| Represented by:                             |                             |                             |                             |                             |                             |                             |                             |                             |                             |                             |
| Cash & Bank Balances                        | 16,547,769                  | 14,698,210                  | 13,911,750                  | 13,618,990                  | 13,693,830                  | 13,340,270                  | 13,363,343                  | 13,303,583                  | 13,391,790                  | 13,267,830                  |
| Short Term Deposits                         | 19,058,000                  | 19,058,000                  | 19,058,000                  | 19,058,000                  | 19,058,000                  | 19,058,000                  | 19,058,000                  | 19,058,000                  | 19,058,000                  | 19,058,000                  |
|   | 35,605,769                  | 33,756,210                  | 32,969,750                  | 32,676,990                  | 32,751,830                  | 32,398,270                  | 32,421,343                  | 32,361,583                  | 32,449,790                  | 32,325,830                  |



A large, colorful flower bed in a park. The flowers are in various colors including yellow, red, purple, and white. In the background, there are several trees, some bare and some with green leaves. A white statue on a pedestal is visible on the right side. A yellow banner with the text "Policies and Supporting Information" is overlaid on the image.

## Policies and Supporting Information

# Section Roadmap

This section includes Council policies and supporting information that underpin the Long Term Plan. It includes:

## 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. This section includes a summary of the policy.

## Revenue and Financing Policy



The Revenue and Financing Policy (RFP) outlines the Council's policies on funding sources to be used to fund the operational and capital expenditure of Council's activities and the rationale for their use.

## Financial Contributions Policy



A summary of the existing Financial Contributions provisions under the Timaru District Plan.

## Rates Remission and Postponement Policy



Rates Remission and Postponement Policies to allow for rate remissions and postponements, including on Maori Freehold Land in terms of sections 108 and 109 of the Local Government Act 2002.

# Section Roadmap

## Accounting Policies



Accounting policies show the basis for preparation of the financial statements in Section Four. They describe how the amounts in the financial statements are calculated.

## Significant Forecasting Assumptions



Significant Forecasting Assumptions represent the key assumptions on which the LTP is prepared and cover aspects such as population, households, levels of service and financial assumptions.

## Maori Capacity to contribute to decision-making



A statement of how Council will help foster the development of Maori capacity to contribute to Council decision-making processes, as required under the Local Government Act.

# Significance and Engagement Policy Summary

## Background

The decisions that the Council make affect communities on a daily basis. Some decisions are more significant than others, depending on the issue. Smaller operational decisions typically require little if any engagement with the community, whereas other decisions may require a robust decision-making process and extensive community engagement.

In August 2014, Central Government passed a number of amendments to the Local Government Act 2002, one of which required the Council to develop and adopt a Significance and Engagement Policy, to replace the old Significance Policy. A new policy was required by 1 December 2014.

The policy is far-reaching and applies to many issues that require a decision from Council or community engagement.

Things that might contribute to the significance of an issue include financial cost, the level of community interest, the involvement of a large Council strategic asset (e.g. the airport), whether the issue meets Long Term Plan outcomes and other factors.

Many factors, as shown below contribute to sustainable decision making.

The policy is a high level guide. The nuts and bolts of how Council officers' report on issues to Council is covered in officer guidelines.

The Significance and Engagement Policy was adopted by Council on 25 November 2014 following community consultation.

## Purpose

The purpose of the Significance and Engagement Policy is to:

- enable the Council and its communities to identify the degree of significance attached to particular issues, proposals, assets, decisions and activities
- provide clarity about how and when communities can expect to be engaged in decisions about different issues, assets or other matters
- inform the Council from the beginning of a decision-making process about:
  - the extent of any public engagement that is expected before a particular decision is made
  - the form or type of engagement required.

The Significance and Engagement Policy must list the assets considered by the Council to be strategic assets.

## Policy

The policy includes the following sections:

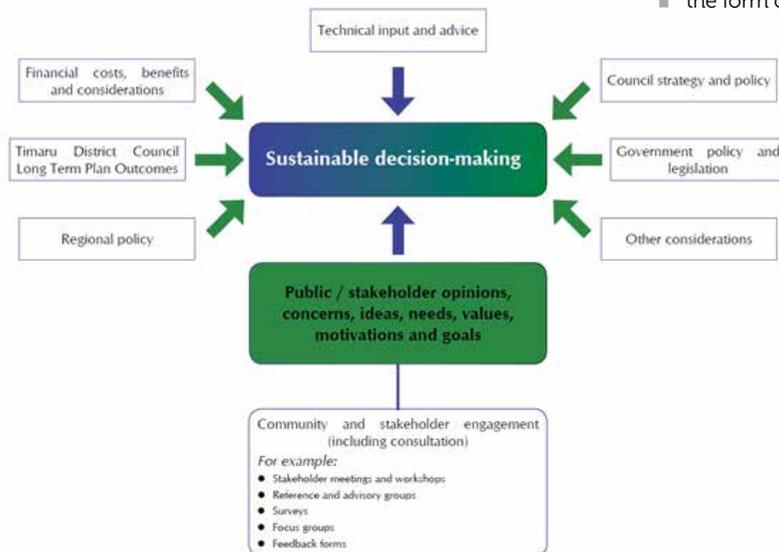
- General approach to determining significance
  - Criteria for assessing significance
- General approach to engagement
  - When the Council will engage
  - When the Council may not engage
- Procedures for determining significance and engagement
- Strategic Assets
- Policy Review
- Schedule 1: Significance Criteria Guidance
- Schedule 2 – Community Engagement Guidance

## Criteria for Determining Significance

The following criteria are to be used in helping determine how important an issue is and the level of engagement/consultation that might be required on an issue. These criteria are:

- The number of residents or ratepayers affected and the degree to which they are affected by the decision or proposal
- The degree to which any particular grouping in the community is affected by the decision or proposal
- The degree to which the issue has a financial impact on the Council's overall resources or on the rating levels of its communities
- The degree to which a decision is inconsistent with one already made in a Council policy or strategy
- Whether there is historical level of interest or reasonable expectation of wide community interest being generated
- Whether there is a legal requirement to engage with the community
- Whether the asset involved is a strategic asset

In general, where a proposal or decision is affected by a number of the above considerations, it is more likely to have a higher degree of significance.



# Significance and Engagement Policy Summary

## Determining the Level of Community Engagement

Once the level of significance has been determined, the right level of engagement with the community can be determined. The range of tools available is wide, from no engagement being necessary through to the full Special Consultative Procedure as used for the development of the Long Term Plan and other large projects.

The section 'General approach to engagement' outlines general principles, guidance and situations where Council may or may not engage. A Community Engagement Guide is provided to assist in determining what level of engagement may be needed and various methods of engagement that may be used. These might include:

- Surveys online or through the media
- Public meetings
- Council Noticeboard in the media
- Workshops
- Media release
- Council website
- By e-mail
- Social media
- Special Consultative Procedure

## Summary

The purpose of the policy is to provide a framework to identify the level of significance of an issue, give some clarity to communities about expectations of engagement on issues, and to ensure a local authority has identified its strategic assets.

The full policy can be read on the TDC website – [www.timaru.govt.nz](http://www.timaru.govt.nz).

# Revenue and Financing Policy

## Introduction

The Revenue and Financing Policy (RFP) outlines the Council's policies on funding sources to be used to fund the operational and capital expenditure of Council's activities and the rationale for their use.

The policy is required by Section 102 and 103 of the Local Government Act 2002 (*the Act*). The full policy must be included in the Long Term Plan (LTP). Where a change to the policy is made outside of the LTP process, only a significant amendment is required to be audited.

Section 103(2) of the Act allows the following mechanisms to be used for funding the operating or capital expenditure of Council's activities:

- a) general rates, including –
  - i) choice of valuation system; and
  - ii) differential rating; and
  - iii) uniform annual general charges
- b) targeted rates:
  - ba lump sum contributions
  - c) fees and charges:
  - d) interest and dividends from investments:
  - e) borrowing:
  - f) proceeds from asset sales:
  - g) development contributions:
  - h) financial contributions under the Resource Management Act 1991:
    - i) grants and subsidies:
    - j) any other source.

In addition to identifying the sources of funding, the policy must outline why the Council has determined they should be used. A two-step process is required under Section 101 (3) of the Act. Firstly, for each activity, the Council must consider the following matters:

- The community outcomes to which the activity primarily contributes
- The *distribution of benefits* between the community as a whole, any identifiable part of the community, and individuals
- The period of time over which benefits occur (intergenerational equity). For example, the benefits of some activities will occur over the entire life of the asset. This will

benefit not only existing generations but future generations who should also contribute towards paying for the cost.

- *The extent to which actions or inactions of particular individuals or groups contribute to a need to undertake the activity.* Also called the 'exacerbator pays' principle, this suggests that exacerbators should meet at least part of the cost of an activity.
- *The costs and benefits from funding the activity distinctly from other activities.* This particularly relates to transparency and accountability, but may also relate to factors like the financial scale of the activity (e.g. a small activity may not warrant separate funding due to the cost of establishing systems to support cost recovery).

Secondly, following consideration of these elements, the Council must consider the overall impact of this allocation of liability for revenue needs on the community. This may lead to some changes to the policy where there are particularly negative effects. These are noted under each individual activity.

## Changes to 2012 Revenue and Financing Policy

The following changes have been made to the previous policy:

- Addition of more information around the funding approach used by Council and description of the rating methods used
- Adjustment to the District Planning funding recovery percentages to reflect greater public recovery required due to the District Plan review.
- A rewrite of the Stormwater activity funding recovery approach to better reflect the intended approach. This has no impact on the funding mechanisms to be used.
- Minor editing and grammatical changes.

The Council reviews the RFP every three years, in line with its preparation of the Long Term Plan (LTP). Changes to the RFP can be made between reviews, but must go through the appropriate consultation processes. The Act requires the Council to produce a Funding Impact Statement (FIS) annually that illustrates how the RFP is being implemented, provides details on the funding mechanisms to be used and how these rates will be applied.

The policy covers all of the Council's activities, as outlined in the diagram.

# Revenue and Financing Policy

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

## Funding of Operating Expenditure

Operating expenditure is expenditure on the day to day operations of the Council. The Council has determined that the following sources may be used to fund operating expenditure:

- General rates, including differential rating and a uniform annual general charge
- Targeted rates
- Fees and charges
- Interest and dividends from investments
- Proceeds from asset sales
- Financial contributions under the Resource Management Act 1991
- Grants and subsidies
- Other sources

The Council does not borrow for its day to day operations. The proportion of operating expenditure to be funded by each mechanism is outlined in this policy.

## Funding of Capital Expenditure

Capital expenditure is expenditure on new or existing assets that maintains or increases their value and the level of service to the community. The Council has determined that the following sources may be used to fund capital expenditure:

- General rates, including differential rating and a uniform annual general charge
- Targeted rates
- Lump sum contributions
- Interest and dividends from investments
- Borrowing
- Proceeds from asset sales
- Development contributions
- Financial contributions under the Resource Management Act 1991
- Grants and subsidies
- Reserve funds
- Other sources

The use of these sources will be considered for each capital expenditure project. It will frequently involve a mixture of

# Revenue and Financing Policy

funding sources that will vary over time.

## Council's Funding Approach

The Council provides a wide range of activities to district residents, ratepayers and visitors. Council aims to provide a fair and equitable rating system for all ratepayers. A mixture of rating and other funding mechanisms are used to achieve this. Some constraints exist, such as the ability of Council to only receive 30% of Council revenue from rates set on a uniform basis. This requires Council to use other mechanisms, such as rates set on the land value of properties.

Rates provide the budgeted net funding requirements of the Council work programmes through the Long Term plan. Other sources, such as those listed above can be used as funding sources. Rates are set on each rating unit under the provisions of the Local Government (Rating) Act 2002.

The following principles will help guide the assessment and design of the Council's funding approach:

- **Benefits** – those who benefit from a Council service or facility should pay for the service, where equitable and administratively efficient. This involves selecting funding sources that are appropriate to the distribution of benefits.
- **Exacerbators** – those who contribute to the need for a Council facility or service should contribute to the cost of that facility or service
- **Equity and fairness** – Council will seek to ensure the most equitable and fair funding approach
- **Affordability** – Council will consider the impact of funding mechanisms on people's ability to pay and seek to ensure that Council facilities, services and rates remain affordable
- **Intergenerational equity** – each generation of ratepayers should contribute towards the services they receive
- **Minimise effects of change** - where reviews result in significant funding changes, transitional approaches will be used where possible to ease the financial impact
- **Legal compliance** – the policy will comply with legal requirements under the Local Government Act 2002 and Local Government (Rating) Act 2002

The application of these principles requires Council to apply judgement and balance often competing principles. The most equitable solution will be sought for funding each activity

using these and the Section 101 analysis required for each activity under the Local Government Act.

Three main types of rates are used:

1. General Rates, which are value based rates and can be adjusted through differentials. The Council is able to rate properties based on capital, land or annual value. Timaru District Council uses the land value system.
2. Uniform Annual General Charge (UAGC)
3. Targeted Rates

### General rates

A general rate is set based set on a rate per dollar of rateable land value, and differentiated on the use to which the land is put. This is set on all rateable land in the Timaru District. It is used to fund those services where there is a community benefit across the whole district and where a fixed charge per Rating Unit is not considered appropriate.

The objective of differential rating is to ensure a fair and equitable proportion of rates are paid by the various

differential categories. The weightings for the differential categories are being changed from the 2015/16 rating year to reflect, among other things, the change in the distribution of benefits associated with the roading network and intensification of land use in the rural area. It is proposed to amend the differential weightings over three years to reflect that the primary sector is receiving increased benefits of the roading network.

The Council uses differentials to distribute the General Rate between particular categories of the community, as listed below. This does not change the total amount of funding from these sources annually, but rather the incidence of rates to be funded from each category.

The Council differentiates the General Rate based on land use (Schedule 2 Local Government (Rating) Act 2002). The differential is applied to the following nine categories:

|   | Category                 | Definition  |
|---|--------------------------|---|
| 1 | Accommodation            | All properties used primarily for hotel, motel or similar short term or travellers' accommodation purposes.   |
| 2 | Commercial - Central     | All properties situated within the Timaru Central Business District and used primarily for commercial purposes.   |
| 3 | Commercial - Other       | All properties used primarily for commercial purposes other than those situated in the Timaru Central Business District.  |
| 4 | Community Services       | All properties used primarily for education, religious and/or community purposes.   |
| 5 | Industrial               | All properties used primarily for industrial purposes.  |
| 6 | Primary                  | All properties used primarily for agricultural, horticultural or pastoral purposes, including the grazing of animals.   |
| 7 | Recreational             | Properties used primarily for active or passive indoor/outdoor recreational activities.   |
| 8 | Residential – General    | All properties used primarily for residential accommodation of a single household or used for residential purposes and not otherwise classified or which are vacant or of not determined use of those differential categories and situated in an area in which residential dwellings are permitted. |
| 9 | Residential – Multi Unit | All properties used primarily for multi-unit residential accommodation, for example, purpose built rental flats.  |

# Revenue and Financing Policy

## Uniform Annual General Charge

A Uniform Annual General Charge (UAGC) is a fixed charge set per rating unit in the District. The charge enables all ratepayers to make a minimum contribution to the Council's costs, and ensures that higher value properties do not carry a disproportionate amount. This rate also applies to fund those services where community benefits apply across the district. The Council has decided that the level of annual increase in the UAGC will be the same overall percentage increase as the General Rate increase in any given year.

## Targeted Rates

The Council applies Targeted Rates to a number of services where the benefits are clearly received by a particular community or group of ratepayers. These apply to properties who receive certain services or are located in specific areas. The following targeted rates are used:

| Targeted Rate                     | Activity                         |
|-----------------------------------|----------------------------------|
| Aquatic Centre rate               | Caroline Bay Trust Aoraki Centre |
| Community Board rate              | Various                          |
| Community Centre Rate             | Halls and Theatres               |
| Community Works and Services rate | Various                          |
| Rural Fire Protection rate        | Rural Fire                       |
| Sewer rate                        | Sewer                            |
| Waste Management rate             | Waste Minimisation               |
| Water Supply rate                 | Water Supply                     |

How these rates are set is further described under each activity. A differential is applied to the Aquatic Centre and Waste Management Targeted rates based on the provision of the service.

## Target recovery from funding sources

The following table shows the percentage target recovery for each activity from private funding sources organised by 10% bands:

| % recovery from private funding sources in 10% bands | Activity   |
|--|--|
| 90-100%  | Social Housing, Animal Control, Building Control, Fishing Huts, Motor Camps, Forestry, Parking Development- Facilities, Parking Enforcement, Compost, Recycling and Refuse, Wastewater, Water Supply |
| 70-80%   | Safer Communities  |
| 60-70%   | Cemeteries   |
| 50-60%   | Aquatic Centre, Airport (45-55%), Environmental Health   |
| 40-50%   |  |
| 30-40%   | Subsidised Labour, Swimming Pools  |
| 20-30%   | Rural summer pools, District Planning  |
| 10-20%   | Community Funding (5-15%), Halls & Community Centres, Theatre Royal  |
| 0-10%  | Governance and Leadership, Public Toilets, Civil Defence, Rural Fire, Economic Development & District Promotions, Art Gallery, Libraries, Museum, Parks, Roading and Footpaths, Stormwater           |

Private funding sources (e.g. sewer targeted rate or fees and charges) are used mainly where benefits from services apply to a specific group of people or individuals are the primary beneficiaries or users of a service delivered by the Council. All sources of funding to be used by the Council are summarised in the table below for all Council activities.

## Fees and Charges

The council will amend its fees and charges annually (or more frequently as appropriate) to reflect increases in costs as measured by the council rate of inflation and/or maintain the cost recovery levels underlying the basis for setting the fee levels.

## Funding of Depreciation

The Council fully funds depreciation on assets with the exception of:

- Roading – Council does not fully fund depreciation on roading because it is continually maintained and renewed, and over 50% of this cost is received as a subsidy. The

Council funds a portion of the depreciation based on average subsidy rates.

## Conclusions (Section 101 (3b) consideration)

Timaru District communities are diverse. There are many different users of Council services. Council's funding approach is a complex assessment of determining where the benefits of Council services apply, what the best methods for funding those services are and how this can be equitably applied across Timaru district communities. Council must also consider affordability both from a ratepayer perspective and for individuals and groups using Council provided services. This ensures that everyone has a reasonable opportunity to access these services.

Council has considered all of these elements and considers the overall funding approach to be fair and equitable.

# Revenue and Financing Policy

## Council Activities

A summary of the rationale for funding sources for Council activities is included below. Each activity includes analysis of the five matters listed above and the funding sources and ratios the Council has identified to be used for each activity:

| Activity                  | Community Outcomes<br><i>(primary contribution)</i>  | Who Benefits   | Period of benefits  | Whose actions create a need for the activity  | Costs and benefits of separate funding   | Funding Sources  |
|---------------------------|--|--|---|---|--|--|
| <b>DEMOCRACY</b>          |  |  |   |   |  |  |
| Governance and Leadership | This activity contributes primarily to all of the community outcomes.  | Benefits from the activity are for the community generally. Council and community boards are the vehicles for making decisions affecting the whole district.   | The activity provides ongoing benefits to the community.  | Living in a democratic society contributes to the need for this activity.   | Benefits from this activity occur district-wide and there is no benefit perceived from separate funding. | Public – 90-100%, funded via a Uniform Annual General Charge and a differentiated General Rate.<br>Private – 0-10% via user fees for hearings etc  |
| <b>COMMUNITY SUPPORT</b>  |  |  |   |   |  |  |
| Airport                   | High quality infrastructure to meet community and business needs<br><br>Smart, diversified economic success and growth supported and enabled | Benefits from the airport accrue mainly to users who travel or who operate, store and maintain personal aircraft.<br><br>Community benefits exist through the availability of a facility for air travel from and to South Canterbury. This facility helps enhance and facilitate economic development for the district.              | Ongoing benefits to users and the wider community.<br><br>Intergenerational benefits to the community through maintaining and developing a facility for air travel. | The community benefits widely from having airport services available.   | Benefits from this activity occur district wide and there is no benefit perceived from separate funding. | Public – 45-55%, via a Uniform Annual General Charge and a differentiated General Rate.<br>Private – 45-55%, via Airport user fees and charges.  |
| Cemeteries                | High quality infrastructure to meet community and business needs<br><br>Communities that are safe, vibrant and growing                       | Specific benefits to families and individuals from the provision of individual gravesites for remembrance and burial.<br><br>Wider community benefits from the provision of an interment system that remembers and respects those who have passed away and maintains public health standards through safe disposal of human remains. | Benefits are ongoing to the community.  | The community benefits widely from having cemeteries available. In some cases, vandalism and failure to maintain headstones may cause additional costs. Where possible, costs will be recovered if perpetrators are caught. | Benefits from this activity occur district wide and there is no benefit perceived from separate funding. | Public – 30-40%, funded via a Uniform Annual General Charge and a differentiated General Rate.<br>Private – 60-70%, funded via Cemetery user fees and charges.<br>Exacerbator – Cost recovery will be achieved where possible. |

# Revenue and Financing Policy

| Activity                                     | Community Outcomes<br><i>(primary contribution)</i>   | Who Benefits   | Period of benefits   | Whose actions create a need for the activity   | Costs and benefits of separate funding   | Funding Sources   |
|--|---|--|--|--|--|---|
| Community Funding                            | Communities that are safe, vibrant and growing<br>A strong identity forged and promoted   | Benefits can accrue to particular individuals, groups and organisations through receipt of funding to assist their various activities.<br><br>The community benefits through the promotion of activities and events that meet its social, sporting and cultural needs.   | Immediate and ongoing. Some benefits may be longer- term.  | The community benefits from having these funding opportunities available.                                      | Benefits from this activity occur district wide and there is no benefit perceived from separate funding. | Public – 85-95%, funded via a Uniform Annual General Charge and a differentiated General Rate.<br><br>Private – 5-15%, funded via various funding agencies, such as Creative New Zealand and interest on loans provided to community organisations. |
| Civil Defence                                | Communities that are safe, vibrant and growing<br>People enjoying a high quality of life  | Benefits from civil defence accrue across the wider community, as the users of civil defence services cannot be identified until after disaster strikes.   | Ongoing. Benefits occur now via training and preparedness, during an event and following an event through response and recovery. | In some cases, civil defence emergencies could be as a result of human actions, such as sabotage or terrorism. | Benefits from this activity occur district wide and there is no benefit perceived from separate funding. | Public – 100%, funded via a Uniform Annual General Charge and a differentiated General Rate.  |
| Economic Development and District Promotions | Smart, diversified economic success and growth supported and enabled<br>People enjoying a high quality of life<br>A strong identity forged and promoted | Benefits from economic development and promotions accrue largely to the community, due to the ongoing economic benefits created from business support, promotion, visitor spending, creation of employment and investment in the potential of the district. Some benefits may accrue to businesses or individuals using these services (e.g. tourism operators). Any cost recovery for these will be recovered by the organisation carrying out these functions. | Immediate and ongoing for users. Some benefits may be long term to the community.  | The community benefits from having this support available.   | Benefits from this activity occur district wide and there is no benefit perceived from separate funding. | Public – 90-100%, funded via a Uniform Annual General Charge and a differentiated General Rate.<br><br>Private – 0-10%, funded via user fees by funding agencies involved in providing these services or government subsidies.                      |

# Revenue and Financing Policy

| Activity          | Community Outcomes<br><i>(primary contribution)</i>  | Who Benefits   | Period of benefits   | Whose actions create a need for the activity   | Costs and benefits of separate funding   | Funding Sources   |
|-------------------|--|--|--|--|--|---|
| Public Toilets    | High quality infrastructure to meet community and business needs<br><br>Communities that are safe, vibrant and growing | Specific benefits to those who use the facilities.<br><br>Benefits to the wider community through having these essential facilities available for residents and visitors and maintaining standards of public hygiene.  | Immediate and ongoing benefits to users.<br><br>Intergenerational benefits to the community through maintaining and developing these facilities. | The community benefits widely from having public toilets available.  | Benefits from this activity occur district wide and there is no benefit perceived from separate funding. | Public – 90-100%, funded via a Uniform Annual General Charge and a differentiated General Rate.<br><br>Private – 0-10%. Charging for use is difficult, but may be achievable at specific facilities where financially viable.         |
| Rural Fire        | Communities that are safe, vibrant and growing<br><br>People enjoying a high quality of life                           | Benefits from rural fire accrue to the wider community, but particularly rural inhabitants through protection of life and property, and peace of mind through having a system available. This system aims to protect the whole community, but in the event of a fire, some individuals, businesses or organisations will benefit more than others. | Ongoing. Benefits occur now via training and preparedness, during an event and following an event through response and recovery.                 | In some cases, rural fire emergencies could be as a result of human actions, such as arson or inadequate care and attention to burn-offs. Where possible, costs will be recovered from people responsible for rural fire emergencies that could have been prevented, or from perpetrators where they are caught. | Benefits from this activity are primarily to the rural community.  | Public – 100%, funded via a Targeted Rural Fire Protection Rate (based on land value), excluding the urban areas of Geraldine, Pleasant Point, Temuka and Timaru.<br><br>Exacerbator - Cost recovery will be achieved where possible. |
| Safer Communities | Communities that are safe, vibrant and growing<br><br>People enjoying a high quality of life                           | There are some private benefits to individuals and groups from the programmes and support offered by Safer Communities programmes.<br><br>Community benefits accrue from contributions made to improving community safety and addressing social issues in the community.   | Ongoing.   | Offenders contribute to the need for this activity. However, the community generally benefits widely from having this support and opportunities available.   | Benefits from this activity are district wide and there is no benefit perceived from separate funding.   | Public – 20-30%, funded via a Uniform Annual General Charge and a differentiated General Rate.<br><br>Private – 70-80%, funded via grants from local organisation and contracts from Central Government departments.                  |

# Revenue and Financing Policy

| Activity   | Community Outcomes<br><i>(primary contribution)</i>  | Who Benefits   | Period of benefits  | Whose actions create a need for the activity   | Costs and benefits of separate funding   | Funding Sources  |
|--|--|--|---|--|--|--|
| Social Housing                                   | High quality infrastructure to meet community and business needs                             | Benefits from social housing are to tenants of the housing units through provision of affordable accommodation in convenient locations.<br><br>There is community benefit through the availability of low cost housing to vulnerable groups in the community.                          | Immediate and ongoing for tenants.                          | The community benefits from having social housing available.   | This activity is self-funding through tenants rentals.   | Public – 0%.<br>Private – 100%, funded via user rental income.   |
| Subsidised Labour                                | Communities that are safe, vibrant and growing   | There are benefits to individuals through employment experience and opportunities.<br><br>Some benefits accrue to the community through having these work opportunities available and work carried out that benefits the community.  | Ongoing.  | The community benefits from having these employment opportunities available.   | Benefits from this activity occur district wide and there is no benefit perceived from separate funding. | Public – 60-70%, funded via a Uniform Annual General Charge and a differentiated General Rate.<br>Private – 30-40%, funded via grants and subsidies from Central Government Departments. |
| <b>DISTRICT PLANNING AND REGULATORY SERVICES</b> |  |  |   |  |  |  |
| Animal Control                                   | Communities that are safe, vibrant and growing<br><br>People enjoying a high quality of life | Benefits from the animal control service accrue mainly to animal owners from the provision of a service that either confines or returns lost or stray animals.<br><br>The community generally benefits through the enforcement of regulations against aggressive and straying animals. | Immediate and ongoing, but occur mainly in the short- term. | People who do not properly control their animals can be a significant contributor to this activity. In some cases, it can be difficult to identify who these people are. | Benefits from this activity occur district wide and there is no benefit perceived from separate funding. | Public – 0-10%, funded via a differentiated General Rate.<br>Private – 90-100%, funded via Dog Registration and Impounding fees, fines and other fees associated with the activity.      |

# Revenue and Financing Policy

| Activity          | Community Outcomes<br><i>(primary contribution)</i>  | Who Benefits  | Period of benefits   | Whose actions create a need for the activity   | Costs and benefits of separate funding   | Funding Sources  |
|-------------------|--|---|--|--|--|--|
| Building Control  | Communities that are safe, vibrant and growing<br>People enjoying a high quality of life   | Benefits from building control accrue mainly to users (i.e. people who build or alter buildings) through meeting legislative requirements and building and maintaining safe and sanitary buildings.<br><br>The community benefits through the enforcement of regulations that ensure safe, sanitary and accessible buildings in which people live, play and work.   | Immediate and ongoing to users of the service.   | The community benefits widely through having consistent standards available. People who do not comply with legislative regulations may contribute to the need for this activity. In some cases (e.g. property purchase where consent standards are not met), it may be difficult to identify who should pay. | Benefits from this activity occur district wide and there is no benefit perceived from separate funding. | Public - 0-10% funded from a differentiated General Rate.<br>Private – 90-100%, funded via various forms of building user fees and charges.      |
| District Planning | Communities that are safe, vibrant and growing<br>People enjoying a high quality of life<br>A valued, healthy and accessible environment | Benefits from district planning services accrue to users of these services (i.e. people seeking permission to undertake a certain activity, Land Information Memorandums) through meeting legislative requirements. There is also often a direct economic benefit received by the applicant (e.g. developers).<br><br>The community benefits through protection from adverse environmental, social and cultural impacts, control over the appropriate development of land and buildings, district-wide economic development opportunities, consistent standards for development, education and information and monitoring the impacts of development. | Immediate and ongoing benefits to users.<br><br>Intergenerational benefits to the community through protection from adverse impacts. | The community benefits widely through having consistent standards available. People who do not comply with legislative requirements may contribute to the need for this activity. Generally, this is met through additional charges on those people.   | Benefits from this activity are district wide and there is no benefit perceived from separate funding.   | Public – 70-80%, funded via a differentiated General Rate.<br>Private/Exacerbators – 20-30%, funded via District Planning user fees and charges. |

# Revenue and Financing Policy

| Activity                     | Community Outcomes<br><i>(primary contribution)</i>                                      | Who Benefits  | Period of benefits                                  | Whose actions create a need for the activity  | Costs and benefits of separate funding   | Funding Sources  |
|------------------------------|--|---|---|---|--|--|
| Environmental Health         | Communities that are safe, vibrant and growing<br>People enjoying a high quality of life | Benefits from environmental health services accrue to individuals, businesses and organisations from the assurance that their premises are of an acceptable and healthy standard to the consumer and meet other legislative requirements (e.g. liquor licensing).<br><br>The community benefits through the expectation that public health legislative standards of operation are being met and assurance of a safe and healthy environment for residents and visitors. | Immediate and ongoing to users of the services.     | The community benefits widely through having consistent standards available.<br><br>People who do not meet appropriate standards of operation can cause additional work for this activity. Generally, this is met through additional charges on those people. | Benefits from this activity occur district wide and there is no benefit perceived from separate funding. | Public – 40-50%, funded via a Uniform Annual General Charge and a differentiated General Rate.<br><br>Private/Exacerbators – 50-60%, funded via various user fees and charges associated with this activity. In some cases, these fees and charges are prescribed by government. |
| Parking Enforcement Services | Communities that are safe, vibrant and growing<br>People enjoying a high quality of life | Benefits from parking enforcement services accrue to users of these services from being able to use their own transport. District businesses located in township CBD's benefit from the existence of a service that ensures the turnover of parking spaces.   | Ongoing and immediate to users and business owners. | People who do not observe parking restrictions (exacerbators) are significant contributors to the need for this activity. Costs are recovered via parking fees and fines for infringements.   | This activity is largely funded by exacerbators.   | Public – 0 -10%.<br><br>Private/Exacerbators – 90-100%, funded, via a range of parking fees and fines for infringements.   |

# Revenue and Financing Policy

| Activity  | Community Outcomes<br><i>(primary contribution)</i>   | Who Benefits   | Period of benefits   | Whose actions create a need for the activity  | Costs and benefits of separate funding  | Funding Sources   |
|---|---|--|--|---|---|---|
| <b>RECREATION AND LEISURE</b>                           |   |  |  |   |   |   |
| Art Gallery   | Communities that are safe, vibrant and growing<br>People enjoying a high quality of life<br>A strong identity forged and promoted | Specific benefit to those who use the facility.<br>Benefits accrue largely to the wider community, through access to the visual arts, appropriate storage and treatment of the art gallery collection, provision of an attraction for residents and visitors, educational opportunities, and through contributions to the cultural strength and diversity of the community. A high level of user recovery may restrict the ability of some people to continue to use these services. | Immediate and ongoing benefits to users.<br>Intergenerational benefits to the community through maintaining and developing a facility for public consumption of art. | The need is created by the community choosing to have a facility for the public consumption of art. | Benefits from this activity occur district wide and there is no benefit perceived from separate funding.  | Public – 90-100%, funded via a Uniform Annual General Charge and a differentiated General Rate.<br>Private – 0-10%, funded via some charges and donations.  |
| Fishing Huts  | A valued, healthy and accessible environment  | Benefits from fishing huts are enjoyed wholly by those people who choose to lease this type of accommodation from the Council.   | Immediate and ongoing to Fishing Hut lessees.  | The need is created by people who choose to lease these facilities.                                 | This activity is self-funding.  | Public – 0%.<br>Private – 100%, funded via Fishing Huts lease fees.   |
| Forestry  | Smart, diversified economic success and growth supported and enabled<br>A valued, healthy and accessible environment              | Benefits from forestry accrue to the public through the generation of income to fund Council activities and storage of carbon to reduce the impact of climate change and meet obligations under climate change agreements.   | Immediate and ongoing through generation of income for other Council activities.   | There are no specific contributors to the need for this activity.                                   | This activity is self-funding.  | Public – 0%.<br>Private – 100%, via the sale of timber.   |
| Halls and Community Centres (including Aorangi Stadium) | High quality infrastructure to meet community and business needs<br>Communities that are safe, vibrant and growing                | Direct benefits for individuals and groups who choose to use the facilities for functions and events.<br>Wider community benefits from use of the facilities for public events or gatherings and as a hub in the event of civil defence emergencies.<br>Specific community benefits in four communities where funding is provided to maintain community owned halls.   | Immediate and ongoing benefits to users.<br>Intergenerational benefits to the community through maintaining and developing these facilities.                         | The community benefits widely from having halls and community centres available.                    | Benefits from this activity occur district wide and there is no benefit perceived from separate funding.<br>Four centres are funded by rates based on dwellings in the area of the community centres. | Public – 80-90%, funded via a Uniform Annual General Charge and a differentiated General Rate and Targeted Rates for four Community Centres.<br>Private – 10-20%, funded via Halls and Community Centres user fees and charges. |

# Revenue and Financing Policy

| Activity    | Community Outcomes<br><i>(primary contribution)</i>   | Who Benefits   | Period of benefits  | Whose actions create a need for the activity  | Costs and benefits of separate funding  | Funding Sources   |
|-------------|---|--|---|---|---|---|
| Libraries   | <p>High quality infrastructure to meet community and business needs</p> <p>Smart, diversified economic success and growth supported and enabled</p> <p>Communities that are safe, vibrant and growing</p> <p>People enjoying a high quality of life</p> | <p>Direct benefit to individuals who use library services.</p> <p>Wider benefits accrue largely to the community, through contributing to a community that is literate and informed, access to information and provision of a community resource. Some costs can be recovered, but a high level of recovery may restrict the ability of some people to continue to use these services.</p> | <p>Immediate and ongoing benefits to users.</p> <p>Intergenerational benefits to the community through maintaining and developing these facilities.</p> | <p>The community benefits widely from having library services available. It is appropriate to charge penalties (i.e. overdue fines) where people do not return items on time.</p> | <p>Benefits from this activity occur district wide and there is no benefit perceived from separate funding.</p> | <p>Public – 90-100%, funded via a Uniform Annual General Charge and a differentiated General Rate.</p> <p>Private/Exacerbators – 0-10%, funded via Libraries user fees, fines and charges.</p>  |
| Motor Camps | <p>Smart, diversified economic success and growth supported and enabled</p>   | <p>Benefits from motor camps are enjoyed by those who lease the facilities for use by groups and individuals. There is some wider economic benefit in having the facilities generally available to the district and for use by tourists and visitors.</p>  | <p>Ongoing to those who run the facilities.</p>   | <p>There are no specific contributors to the need for this activity.</p>  | <p>Benefits from this activity occur district wide and there is no benefit perceived from separate funding.</p> | <p>Public – 0-10%.</p> <p>Private – 90-100%, via Motor Camps leases.</p>  |
| Museum      | <p>High quality infrastructure to meet community and business needs</p> <p>Communities that are safe, vibrant and growing</p> <p>People enjoying a high quality of life</p> <p>A strong identity forged and promoted</p>                                | <p>Specific benefit to those who use the facility.</p> <p>Benefits accrue largely to the community, through cultural enrichment, information and community identity. A high level of recovery may restrict the ability of some people to continue to use these services.</p>   | <p>Immediate and ongoing benefits to users.</p> <p>Intergenerational benefits to the community through maintaining and developing these facilities.</p> | <p>The community benefits widely from having museum services available.</p>   | <p>Benefits from this activity occur district wide and there is no benefit perceived from separate funding.</p> | <p>Public – 90-100%, funded via a Uniform Annual General Charge and a differentiated General Rate. This applies where Learning Experiences Outside the Classroom (LEOTC) funding is excluded.</p> <p>Private – 0-10%, funded via Museum user fees and charges, donations and government subsidies (e.g. LEOTC programme).</p> |

# Revenue and Financing Policy

| Activity             | Community Outcomes<br><i>(primary contribution)</i>  | Who Benefits   | Period of benefits  | Whose actions create a need for the activity   | Costs and benefits of separate funding   | Funding Sources   |
|----------------------|--|--|---|--|--|---|
| Parks and Recreation | <p>High quality infrastructure to meet community and business needs</p> <p>Communities that are safe, vibrant and growing</p> <p>People enjoying a high quality of life</p> <p>A strong identity forged and promoted</p> <p>A valued, healthy and accessible environment</p> | <p>Individuals and groups receive private benefits through their use of parks and sportsfields for recreational pursuits, events, organised sport, health and wellbeing. However, parks are available to the wider community when not used exclusively for these purposes. Specific facilities located on district parks (e.g. skate parks) also provided direct benefits. A high level of cost recovery may restrict the ability of some to use these services.</p> <p>Benefits from parks accrue to the community generally through provision of facilities for individuals and groups to pursue active and passive leisure pursuits, education on the natural environment, adding to community pride and contributions to community health, well-being and perceptions of the district.</p> | <p>Immediate and ongoing benefits to users.</p> <p>Intergenerational benefits to the community through maintaining and developing these facilities.</p> | The community benefits widely from having parks, gardens and sportsfields available. | Benefits from this activity occur district wide and there is no benefit perceived from separate funding. | <p>Public – 90-100%, funded via a Uniform Annual General Charge and a differentiated General Rate.</p> <p>Private – 0-10%, funded via parks user fees and charges.</p>  |
| Swimming Pools       | <p>High quality infrastructure to meet community and business needs</p> <p>Communities that are safe, vibrant and growing</p> <p>People enjoying a high quality of life</p> <p>A strong identity forged and promoted</p>   | <p>Pool users derive a direct benefit through use of the pool for relaxation, health, sports and fitness, learning to swim and water safety education.</p> <p>Benefits accruing to the wider community include recreational opportunities, education about water safety and swimming and promotion of healthy lifestyles.</p>  | <p>Immediate and ongoing benefits to users.</p> <p>Intergenerational benefits to the community through maintaining and developing these facilities.</p> | The community benefits widely from having swimming pools available.                  | Benefits from this activity occur district wide and there is no benefit perceived from separate funding. | <p><u>Rural Summer Pools</u></p> <p>Public – 70-80%, funded via a Uniform Annual General Charge and a differentiated General Rate.</p> <p>Private – 20-30%, funded via Swimming Pool user fees and charges.</p> <p><u>Aquatic Centre</u></p> <p>Public – 40-50%, funded via Aquatic Centre Targeted Rate.</p> <p>Private – 50-60%, funded via Aquatic centre user fees and charges.</p> |

# Revenue and Financing Policy

| Activity      | Community Outcomes<br><i>(primary contribution)</i>  | Who Benefits  | Period of benefits   | Whose actions create a need for the activity                           | Costs and benefits of separate funding   | Funding Sources  |
|---------------|--|---|--|--|--|--|
| Theatre Royal | <p>High quality infrastructure to meet community and business needs</p> <p>Communities that are safe, vibrant and growing</p> <p>A strong identity forged and promoted</p> | <p>Theatre Royal users derive direct benefits from either use of the Theatre Royal for events and performances or attendance of performances.</p> <p>Benefits accrue to the community through economic benefits associated with performances and social and cultural benefits gained through the performing arts and entertainment.</p> | <p>Immediate and ongoing benefits to users.</p> <p>Intergenerational benefits to the community through maintaining and developing this facility.</p> | The community benefits widely from having the Theatre Royal available. | Benefits from this activity occur district wide and there is no benefit perceived from separate funding. | <p>Public – 80-90%, funded via a Uniform Annual General Charge and a differentiated General Rate.</p> <p>Private – 10-20%, funded via Theatre Royal user fees and charges.</p> |

# Revenue and Financing Policy

| Activity                     | Community Outcomes<br><i>(primary contribution)</i>   | Who Benefits  | Period of benefits   | Whose actions create a need for the activity   | Costs and benefits of separate funding  | Funding Sources  |
|------------------------------|---|---|--|--|---|--|
| <b>ROADING AND FOOTPATHS</b> |   |   |  |  |   |  |
| Roading and Footpaths        | <p>High quality infrastructure to meet community and business needs</p> <p>Smart, diversified economic success and growth supported and enabled</p> | <p>Private benefits accrue to individuals, groups and businesses using the roading and footpaths network to carry out their day-to-day business and activities.</p> <p>Rural landowners, businesses and farms receive specific benefits from a roading network that connects them to the wider district and enables goods and services to be delivered to their properties and farm produce to be sold.</p> <p>Public benefits include equal access for district residents to transport people, goods and services throughout the district, connections to other transport networks, location and property identification, and maintaining an attractive urban environment and streetscape.</p> | <p>Immediate and ongoing benefits to users.</p> <p>Intergenerational benefits to the community through maintaining and developing roading and footpath infrastructure.</p> | <p>The community benefits widely from having roading and footpaths infrastructure available. In some cases, additional costs may be caused to Council through vandalism, accidents and activities beyond normal usage.</p> | <p>Benefits from this activity are to private users and district wide. However, it is impractical to currently charge for private use. For some specific elements (e.g. footpaths), there are specific groups that can be identified for funding.</p> | <p>Public – 100%. Funding the components of this activity differs and is outlined below:</p> <ul style="list-style-type: none"> <li>■ Road/street landscapes – uniform annual general charge and a differentiated general rate.</li> <li>■ Subsidised Roading – differentiated general rate, New Zealand Transport Agency (NZTA) funding assistance.</li> <li>■ Road carriageways and lighting – differentiated general rate, NZTA funding assistance.</li> <li>■ Community footpaths and lighting – undifferentiated community based works and services rate (based on land value).</li> </ul> <p>The NZTA is the main central government source for funding assistance. The Financial Assistance Rate for Timaru District Council is reducing to 51%. For the Timaru District in 2015/16, the rate will be 55% with a 1% reduction annually until it reaches 51%. Financial assistance rates may differ depending on the project being undertaken and category of road concerned under the One Network Road Classification</p> |

# Revenue and Financing Policy

| Activity               | Community Outcomes<br><i>(primary contribution)</i>   | Who Benefits  | Period of benefits   | Whose actions create a need for the activity   | Costs and benefits of separate funding  | Funding Sources  |
|------------------------|---|---|--|--|---|--|
| Cycleways and walkways | <p>High quality infrastructure to meet community and business needs</p> <p>Communities that are safe, vibrant and growing</p> <p>People enjoying a high quality of life</p> | <p>Private benefits accrue to individuals and specific groups who use these facilities for travel or recreation.</p> <p>Community benefits include equal access for district residents to these facilities, provision of alternative safer and efficient transport options and sustainability benefits in improving environmental outcomes and potentially removing vehicle traffic from the roading network.</p> | <p>Immediate and ongoing benefits to users</p> <p>Intergenerational benefits to the community through maintaining and developing infrastructure and potential environmental benefits through riparian plantings etc.</p> | <p>The community benefits widely from having cycleways and walkway infrastructure available. In some cases, additional costs may be caused to Council through vandalism.</p> | <p>It is impractical to currently charge for private use. In some circumstances, it may be possible to get government funding to assist in provision of these facilities.</p> | <p>Public – 100%. Funded via a differentiated general rate, NZTA financial assistance and potential grants or donations from other external sources.</p> |
| Parking Development    | <p>High quality infrastructure to meet community and business needs</p> <p>Smart, diversified economic success and growth supported and enabled</p>                         | <p>Private benefits of parking developments are to users of the service through being able to use their own transport and businesses located in township CBDs.</p> <p>Community benefits accrue through the existence of these facilities to maintain and promote economic growth.</p>  | <p>Ongoing and immediate to users and business owners.</p>   | <p>People using parking facilities are the main contributors to the need for this activity.</p>  | <p>This activity is largely funded by users.</p>  | <p>Public – 0-10%, via differentiated general rate.</p> <p>Private – 90-100%, funded, via a range of parking fees and fines for infringements.</p>       |

# Revenue and Financing Policy

| Activity          | Community Outcomes<br><i>(primary contribution)</i>   | Who Benefits   | Period of benefits   | Whose actions create a need for the activity   | Costs and benefits of separate funding  | Funding Sources  |
|-------------------|---|--|--|--|---|--|
| <b>SEWER</b>      |   |  |  |  |   |  |
| Sewer             | <p>High quality infrastructure to meet community and business needs</p> <p>Smart, diversified economic success and growth supported and enabled</p> <p>Communities that are safe, vibrant and growing</p> <p>People enjoying a high quality of life</p> <p>A valued, healthy and accessible environment</p> | <p>All properties, both domestic and industrial connected to Council's wastewater system can be readily identified and receive a direct benefit from the service.</p> <p>Provision of a wastewater system is essential community infrastructure and provides numerous public benefits, including the maintenance of public health standards, prevention of disease, economic development opportunities and protection for the environment.</p> | <p>Immediate and ongoing benefits to users.</p> <p>Intergenerational benefits to the community through maintaining and developing sewer infrastructure.</p>      | <p>The community benefits widely from having a wastewater system available. Additional costs may be caused through overloading of systems, disposal of hazardous material and illegal connections.</p> | <p>Because the benefits of this activity are predominantly private, it is considered appropriate to fund the activity through a targeted rate and fees and charges.</p> | <p>Public – 0%.</p> <p>Private – 100%, funded via a targeted rate for those connected to a sewer system and tradewaste charges. The targeted rate is set uniformly across connected communities to allow for an equitable charge.</p> <p>Council may also be able to fund some of the costs of establishing new or improved wastewater schemes in small communities from central government funding sources.</p> |
| <b>STORMWATER</b> |   |  |  |  |   |  |
| Stormwater        | <p>High quality infrastructure to meet community and business needs</p> <p>Smart, diversified economic success and growth supported and enabled</p> <p>Communities that are safe, vibrant and growing</p> <p>People enjoying a high quality of life</p> <p>A valued, healthy and accessible environment</p> | <p>Provision of a stormwater system provides public benefits including safe and efficient disposal of stormwater, decreased risk from flooding, protection of community infrastructure, maintaining safe transport links during rainfall events and encouraging residential development.</p> <p>Private benefits accrue to property owners connected to a scheme via safe and efficient disposal of stormwater away from their properties.</p> | <p>Immediate and ongoing benefits to users.</p> <p>Intergenerational benefits to the community through maintaining and developing stormwater infrastructure.</p> | <p>The community benefits widely from having a stormwater disposal system available.</p>   | <p>Because this activity provides predominantly community benefits to specific location, it is considered appropriate to fund the activity separately by community.</p> | <p>Public – 100%, funded via a Community Works and Services targeted rate .</p> <p>Private – 0%.</p>   |

# Revenue and Financing Policy

| Activity                                 | Community Outcomes<br><i>(primary contribution)</i>   | Who Benefits   | Period of benefits   | Whose actions create a need for the activity  | Costs and benefits of separate funding   | Funding Sources  |
|--|---|--|--|---|--|--|
| <b>WASTE MINIMISATION</b>                |   |  |  |   |  |  |
| Compost, Recycling and Refuse Collection | <p>High quality infrastructure to meet community and business needs</p> <p>People enjoying a high quality of life</p> <p>A valued, healthy and accessible environment</p>   | <p>Compost, recycling and refuse is considered to have largely private benefits, because it provides a service which householders would otherwise have to arrange for themselves.</p> <p>There are community benefits through preventing illegal dumping and litter, health hazards and damage to the environment. It also helps provide for the safe and efficient disposal of waste and maintenance of public health and environmental standards. The existing system also ensures that goods can be recycled or reused to the benefit of the environment.</p> | <p>Immediate and ongoing benefits to users.</p> <p>Intergenerational benefits to the community through protection of the environment from adverse impacts.</p>   | <p>In some cases, inappropriate disposal of hazardous waste and illegal dumping (fly-tipping) causes additional costs to the community. Costs will be recovered if it is possible and economically viable to do so.</p> | <p>It is appropriate to recover the private benefit via a separate funding mechanism.</p>  | <p>Public – 0-10%, via a differentiated general rate.</p> <p>Private – 90-100%, via a differentiated targeted rate and user fees and charges.</p>  |
| <b>WATER SUPPLY</b>                      |   |  |  |   |  |  |
| Water Supply                             | <p>High quality infrastructure to meet community and business needs</p> <p>Smart, diversified economic success and growth supported and enabled</p> <p>Communities that are safe, vibrant and growing</p> <p>People enjoying a high quality of life</p> <p>A valued, healthy and accessible environment</p> | <p>There are significant direct benefits to consumers connected to a Council piped water scheme including access to potable drinking water for domestic, business, industrial and stockwater uses.</p> <p>Provision of water supplies provides public benefits including community access to potable water, maintenance of public health and availability of water for key public services and amenities (e.g. fire fighting, swimming pools).</p>   | <p>Immediate and ongoing benefits to users</p> <p>Intergenerational benefits to the community through maintaining and developing water supply infrastructure</p> | <p>The community benefits widely from having a water supply system available.</p>   | <p>Because the benefits of this activity are predominantly private, it is considered appropriate to fund the activity separately through targeted rates and water supply fees and charges.</p> | <p>Public – 0%.</p> <p>Private – 100%, via targeted rates for those connected to a water supply system and water metering (commercial/ industrial users) and land and volume based water fees and charges in rural areas. There is also a small rental contribution. The targeted rate is set uniformly across urban connected communities to allow for an equitable charge.</p> <p>Council may be able to fund some of the costs of establishing improved or new water supply schemes in small communities from central government funding sources.</p> |

# Financial Contributions Policy

## Introduction

Council is required to adopt a Development or Financial Contributions Policy under section 102 of the Local Government Act 2002 (the Act).

Development Contributions provide Council with a method to obtain contributions to fund infrastructure required due to growth. The Timaru District Council does not intend to implement a Development Contributions Policy as outlined in Section 106 of the Act.

Timaru District Council has an operative Financial Contributions Policy as set out in Part D, Section 6 of the Timaru District Plan. The existing Financial Contributions Policy allows the Council to apply a charge for water, sewer, stormwater and open space and recreation.

The financial contribution is a contribution from developers of cash or kind, or a mix of these. Financial contributions are provided for under the Resource Management Act 1991 and are used to offset or mitigate any adverse impacts on the natural and physical environment including utilities, services or a new development.

Minor amounts of the capital expenditure budget for parks and recreation have been identified as coming from financial contributions. Amounts to be funded from financial contributions for water supply, sewer and stormwater services will be determined from Council decisions at the time of development.

## Financial Contributions Policy

A summary of the existing Financial Contributions provisions under the Timaru District Plan is included below. The full provisions can be found in the District Plan document under Section D: General Rules - 6.5: Water, Sewer, Stormwater and Open Space and Recreation Contributions.

### 6.5.1.2 WATER SUPPLIES: RULES FOR FINANCIAL CONTRIBUTIONS FOR WATER SCHEMES

#### 1. Within the boundaries of an urban water scheme

Where proposed allotments, sites or buildings are intended for human habitation or occupation within the boundaries of an urban water scheme (Timaru, Temuka, Geraldine,

Pleasant Point) the following contributions are payable:

- a. Where water from a water network utility service is able to be delivered to the subdivision or land concerned from an existing water network utility:
    - i. *the full actual cost of all necessary reticulation within the subdivision or development for each allotment, site or building; plus*
    - ii. *the full actual cost of connections between the reticulation in the subdivision or development and the existing water network utility system; plus*
    - iii. *the full actual cost of any additions or modifications to the existing water network utility system that are required to provide for the expected effects of the subdivision, development or building on that utility system; plus*
    - iv. *an equitable share of the cost of the existing water network utility system where additional capacity has been created in anticipation of future development to a maximum value of \$3,000 for each allotment.*
  - b. When calculating (a)(iii) and (iv) above, the Council shall give consideration to whether any part of the cost of any additions or modifications to the existing network should be borne by Council or other subdividers or developers, and whether the subdivision or development benefits the present residents of the community or District to a degree that some or all of the cost of the existing network need not be charged.
  - c. The contribution may be in cash or kind or a mix of these, but in all cases the amount to be paid shall be based on an analysis of actual costs and be able to be substantiated by Council.
2. **Within the boundaries of a rural water scheme**
    - a. The Council shall not grant its consent to any subdivision application which identifies a Rural Water Supply Scheme as its source of water without evidence of approval by the water supply authority for that connection.
    - b. Completion of the required connection works shall be achieved prior to sealing the survey plan.
    - c. Where a source of water supply other than a Rural Water Supply Scheme is identified a consent notice shall be placed on the title of each allotment stating that the

provision of water to the site is the owners responsibility on a continuing basis.

[NOTE: Rural water supply schemes have capital contributions for new connections, additional water, the cost of connecting from the existing pipe work to the tank or property connection, and upgrading of mains upstream of the consumer to enable connection to be made. Connection to the rural water supply is not possible without approval from the water supply authority. The appropriate capital contribution will be advised when approval is given].

#### 3. Controlled Activity

The following are controlled activities subject to complying with all the Performance Standards for the zone and the General Rules with the exercise of Council's discretion restricted to the matter(s) specified.

Development and activities within the Washdyke Industrial Expansion Outline Development Plan area (as set out in Appendix 2 of Part D4), where water from a water network utility service is able to be delivered to the development. All such development and activities are a controlled activity in respect to financial contributions.

A financial contribution in the form of cash, land or a combination of both shall be payable. The costs shall be calculated in accordance with Section 6.5.1.2 (1) of this plan. Council shall advise the amount of contribution at the time of development.

### 6.5.2 OPEN SPACE AND RECREATION: RULES FOR OPEN SPACE AND RECREATION

#### 1. Subdivision for Residential Activities

For subdivisions resulting in additional allotments for residential purposes, a fee of \$500.00 shall be payable for each additional allotment, except where any additional allotment has an existing household unit.

#### 2. Household Units

- a. At the time of uplifting a building consent for a household unit, a payment of \$500.00 shall be made, except where this is the first or will be the only household unit on the site. This fee may be reduced by up to 50% if the household unit is part of a complex or institution where specific community and recreational

# Financial Contributions Policy

facilities are provided on the site.

- b. Where there are existing household units on a site to be replaced by new household units, the total fees for the new household units are to be reduced by \$500.00 for each existing household unit being replaced.
- c. A contribution of land or payment of cash shall be required for any development solely or principally for multi-unit residential purposes. This contribution shall be \$500.00 for each unit, except for the first unit.
- d. Allotments over two hectares in area, subdivided after 7 October 1995, shall be subject to a contribution of \$500.00 when a household unit is placed on the site.
- e. If the household unit is of a relocatable construction and caters for dependent relatives a refund will be available if the building is removed within 10 years. This refund will reduce by 10% of the original fee paid per annum up until year 10 when no refund will be given.

### 3. Discretionary Activity

Any application to have General Rule 6.5.2.2.1 or 6.5.2.2.2 varied or waived is a discretionary activity.

### 4. Residential 6 Zone - Proposed Neighbourhood Park

The new Proposed Neighbourhood Park and all stormwater swales identified on Appendix A - Gleniti Indicative Development Plan shall be vested in the Timaru District Council at the time of subdivision in lieu of open space and recreation contributions payable at the time of subdivision on the land described as Lot 1 DP 53112, Lot 19 DP 334402, Lots 6 and 8 DP 342480, Lots 6 and 7 DP 346964, and Lot 20 DP 334402 as at 1 December 2006.

#### 6.5.3.2 STORMWATER SYSTEMS FOR URBAN AREAS: RULES ON FINANCIAL CONTRIBUTIONS

1. At the time of subdivision, consideration shall be given to taking a financial contribution in the form of cash, land, works or services (or a combination of these). Council shall advise the amount of the contribution at the time of the subdivision consent.
2. Where a financial contribution has not been taken at the time of subdivision Council may require a financial contribution to be taken as a condition of land use.
3. Where a connection to an existing stormwater drainage

network utility system is not available to serve the subdivision or development the maximum amount of the financial contribution should be the full and actual cost of providing:

- a. A system for the disposal of stormwater; and
  - b. Connections between the reticulation in the subdivision or development and the existing stormwater drainage network utility system; and
  - c. All necessary reticulation and control structures within the subdivision or development; and
  - d. A stormwater connection for each allotment, site or building.
4. When calculating the financial contribution and to avoid disproportionate costs falling on developers at the lower end of catchments a cost sharing system shall apply as set out below:
- a. Each area affected by the need for a cost sharing arrangement will be defined and treated separately to determine the share of costs to be borne by subdividers. The Council's proposals for the basis of cost sharing will be made available to the subdividers in broad terms, ie rate of levy on defined areas, basis of adjustment and details of services proposed.
  - b. The contribution is to be based on estimated costs of providing the services, the estimates to be prepared on the basis of present day costs and supported by detailed engineering plans and formal detailed costing procedures for each service in each catchment area; costs are to include design fees. The date of the estimates is to be stated.
  - c. The contribution shall be allocated by spreading the estimated cost of each service for the catchment on an area basis over the land in that catchment and the contribution charged as it is subdivided. The result to be a levy per hectare for stormwater and main drains.
  - d. Although the contribution is to be calculated on an area basis, it shall be adjusted to allow for the direct benefit to be obtained by any one land owner. For example: the reticulation necessary in a subdivision is reduced considerably where a main drain goes right through that subdivision. In contrast the fringe areas do not receive such a benefit as the main drain comes only

to the boundary. The method of adjustment is to be a deduction from the gross cost for the catchment of an estimate of the direct benefit pertaining throughout the catchment before determining the contribution per hectare.

- e. Where a subdivision is to receive a direct benefit the estimated amount is to be added back to the basic levy. The direct benefit received by any subdivision will reflect the projected load due to anticipated land use. This applies where a catchment has land which is zoned for different purposes. The direct benefit shall be calculated on the estimated cost of providing the necessary services for that subdivision ie a certain size drain.
  - f. The contribution is to be applied on the basis of the catchment envisaged in the defined area referred to under Rule 6.5.3.2(4)(a) above, even if the final link for that subdivision is to services in another catchment. This provision is to ensure equity between different parts of the catchment.
  - g. The contribution rate per hectare will be updated according to the most recently published quarterly figure of the Works Construction Cost Index (WCCI) to cover the increase in costs which will have taken place between the time the estimate is prepared and the subdivision approval given.
  - h. The levied amount shall be made a condition of subdivisional approval. Payment to be required or a suitable bond entered into before the plan is sealed with such levy not subject to escalation during the period of approval.
  - i. Where agreements such as set out above exist they shall continue to be applied to further development within the specific catchment.
5. Where an existing stormwater drainage network utility system is available to serve the subdivision or development the maximum amount of the financial contribution shall be the full and actual cost of:
- a. All necessary reticulation in the subdivision or development and a stormwater connection for each allotment, site or building; and
  - b. Connections between the reticulation in the subdivision

# Financial Contributions Policy

- or development and the existing stormwater network utility system; and
- c. Any upgrading of the existing network utility system that is required to provide for the expected effects of the subdivision, development or building on that utility system.
6. At Gleniti, where open drainage channels are to be established and managed as stormwater swales (with or without associated detention dams) as part of a comprehensive stormwater management system, financial contribution shall be calculated in accordance with all of the above provisions.

## Washdyke Industrial Expansion Area

### 7. Controlled Activity

The following are controlled activities subject to complying with all the Performance Standards for the zone and the General Rules with the exercise of Council's discretion restricted to the matter(s) specified.

Development and activities within the Washdyke Industrial Expansion Outline Development Plan area (as set out in Appendix 2 of Part D4), where stormwater utility services are able to be delivered to the development. All such development and activities are a controlled activity in respect to financial contributions.

A financial contribution in the form of cash, land or a combination of both shall be payable. The costs shall be calculated in accordance with Section 6.5.3.2 (4) of this plan. Council shall advise the amount of contribution at the time of development.

8. Rules no. (2) to (5) in this section shall apply to all land use development in the Washdyke Industrial Expansion Outline Development Plan area (as set out in Appendix 2 of Part D4).

### 6.5.4.2 SANITARY SEWER SYSTEMS: RULES ON FINANCIAL CONTRIBUTIONS

1. At the time of subdivision, consideration shall be given to taking a financial contribution in the form of cash, land, works or services (or a combination of these). Council shall advise the amount of the contribution at the time of the subdivision consent.
2. Where a financial contribution has not been taken at the time of subdivision, Council may require a financial

contribution to be taken as a condition of land use.

3. Where a connection to an existing sewerage system is not able to be made to the subdivision or development the maximum amount of the financial contribution shall be the full and actual cost of:
  - a. Providing a sanitary sewerage system for the subdivision, development or building; and
  - b. All necessary reticulation within the subdivision or development for each allotment, site or building.
4. Where a subdivision creates the need for a sanitary sewage system and adjoining land or buildings are discharging sanitary or trade wastes which are adversely affecting the environment then the sewage system constructed shall service both the land subject to the resource consent and the other lands.
5. The cost of the sewage system in Rule 6.5.4.2(4) shall be shared equitably between the lands served and calculated as follows:
  - a. Treatment plant capital and operating:
    - i. *In proportion to Biological Oxygen Demand (BOD) kg/day*
    - ii. *Suspended Solids (SS) kg/day*
    - iii. *Volume m<sup>3</sup> day*
    - iv. *All equally weighted*
  - b. Pumping installations capital and operating:
    - i. *In proportion to Volume m<sup>3</sup>/day*
    - ii. *Peak flow rate/sec*
    - iii. *All equally weighted*
  - c. Reticulation
    - i. *See criteria in Rule 6.5.3.2(4).*
6. Where a connection to an existing sanitary sewerage network utility is available to serve the subdivision or land use the maximum amount of the financial contribution shall be the full and actual cost of:
  - a. All necessary reticulation within the subdivision or land use for each allotment, site or building.
  - b. Connections between the reticulation in the subdivision or development and the existing sanitary sewerage network utility system.

- c. Any upgrading to the existing sanitary sewerage network utility system that is required to provide for the expected effects of the subdivision, development or building on that utility system.
- d. An equitable share of the cost of the new sanitary sewerage utility systems or upgraded (sewerage utility) systems, including design costs, where additional capacity will be required by the cumulative effects of the development of an area. The share will be calculated by dividing the cost of the work by the new or upgraded system.

## Washdyke Industrial Expansion Area

### 7. Controlled Activity

8. The following are controlled activities subject to complying with all the Performance Standards for the zone and the General Rules with the exercise of Council's discretion restricted to the matter(s) specified.
9. Development and activities within the Washdyke Industrial Expansion Outline Development Plan area (as set out in Appendix 2 of Part D4), where sanitary sewer utility services are able to be delivered to the development. All such development and activities are a controlled activity in respect to financial contributions.
10. A financial contribution in the form of cash, land or a combination of both shall be payable. The costs shall be calculated in accordance with Section 6.5.4.2 (6) of this plan. Council shall advise the amount of contribution at the time of development.
11. Rules no. (2) to (6) in this section shall apply to all land use development in the Washdyke Industrial Expansion Outline Development Plan area (as set out in Appendix 2 of Part D4).

# Rating Policy

## Introduction

The Rating System provides for the net funding requirement of the Council's Expenditure Programme as outlined in the Long Term Plan.

## Statutory Requirements

Rates are levied on properties in accordance with the statutory provisions of the Local Government (Rating) Act 2002.

## Rating Types

The following rates are set:

- Uniform Annual General Charge
- General Rates
- Community Works and Services Rate
- Rural Fire Protection Rate
- Uniform Community Board Charge
- Uniform Annual Sewer Charge
- Differentiated Annual Waste Management Charge
- Uniform Aquatic Centre Rate
- Uniform Annual Water Charges
- Uniform Community Charges

## Possible New Rates

Targeted rates could be introduced during the term of the Long Term Plan for Clean Heat Initiatives and Energy Efficiency and Lump Sum Contributions. These would apply to properties that took part in these initiatives.

## Rates Description

All rates, except for the uniform annual charges and differentiated annual charges, are set on the basis of the Land Value of the property. A description of the various rates is included under the Funding Impact Statement.

## Differential Rating

The Council proposes to differentiate the general rate based on land use (Schedule 2 Local Government (Rating) Act 2002). The objective of differential rating is to ensure a fair proportion of rates are paid by the various differential types. A

summary of the nine types and differential factors applied can be found under the Funding Impact Statement.

## Additional Charges

An additional charge of 10% is added to each instalment which remains unpaid after its penalty date. Further details can be found under the Funding Impact Statement.

# Rates Remission Policy

## Purpose

The Rates Remission and Postponement Policy is to allow for rate remissions and postponements, including on Maori Freehold Land in terms of sections 108 and 109 of the Local Government Act 2002.

## Statutory Requirements

- Section 102(3)(a) of the Local Government Act 2002 states that Council may adopt a rates remission policy.
- Section 109 of the Local Government Act 2002 states what the policy must contain.
- Section 85 of the Local Government (Rating) Act 2002 allows Council to remit all or part of the rates on a rating unit if it has adopted a remission policy and is satisfied that the conditions and criteria in the policy are met.
- Section 109(2A) of the Local Government Act 2002 states that any rates remission policy must be reviewed at least once every 6 years using a consultation process that gives effect to the requirements of section 82 of the Local Government Act 2002.

## Remission Policy

The Timaru District Council has decided to remit all or part of the rates of rating units covered by the Rates Remission Policy provided that the conditions with this policy have been met. Rates remissions will be provided for the following categories of rating units or under the following circumstances:

- i Remission of rates for community halls.
- ii Remission of rates for sporting, games, branches of the arts, community care and volunteer organisations.
- iii Remission of rates on land protected for natural, historical or cultural conservation purposes.
- iv Remission of penalties.
- v Partial Remission of Rates on Dwellings that were subject to a special rateable value for the purpose of Timaru District Council Rating as at 30 June 2003.
- vi Remission of School Sewerage Charges.
- vii Remission of Excess Water Charges.
- viii Remission of UAGC's and aquatic centre rates for low value properties.
- ix Remission of rates and charges on land affected by

natural calamity.

- x Remission of rates and charges on separate self contained flats.
- xi Remission of rates and charges on residential development land.

The following percentages/procedures will apply:

- I. All rating units which fall within i-iii above receive: -
  - (i) 100% remission of non services rates;
  - (ii) 50% remission on water charges, except water charged by the meter;
  - (iii) 0% remission on sewer charges;
  - (iv) 0% remission on refuse charges.
- II. That recreational organisations, except chartered clubs, receive:
  - (i) 50% remission on sewer charges.
- III. Where an application for partial remission of Rates on Dwellings that was subject to special rateable value for the purpose of Timaru District Council Rating as at 30 June 2003 is approved, the Council will direct its valuation service provider to inspect the rating unit and prepare a valuation that will treat the rating unit as if it were a comparable unit elsewhere in the district.
- IV. That educational institutions be levied for sewerage disposal and collection on the basis of:-
- V. 1 charge per 20 pupils and staff or part thereof.
- VI. That the ratepayer be charged the full amount for normal consumption of water, that the excess amount be remitted.
- VII. The Council may partially remit the UAGC for ratepayers who own more than one property in the district.
- VIII. The remission will be based on:

| Capital Value (\$) | UAGC           |
|--------------------|----------------|
| 0-20,000           | Minimum (\$30) |
| 20,001 – 26,000    | 70% remission  |
| 26,001 – 30,000    | 50% remission  |
| 30,001 – 55,000    | 30% remission  |
| Over 55,001        | Full UAGC      |

Properties with a Capital Value of \$5,000 or less may receive a 100% remission on the UAGC and Aquatic centre rate.

- IX. The Council may remit wholly or in part any rates and charges on land affected by natural calamity.
- X. The Council may partially remit general rates, district works and services rates, water, sewer and refuse charges where separate self contained flats are used for private purpose and not for profit.
- XI. The Council may remit the UAGC and Aquatic centre rate for unsold development land which is in more than one parcel, but has separate valuation numbers. A minimum of 1 charge is required for the land.

## Remissions for Community Halls, Community Care Organisations, Sporting, Branches of the Arts or Volunteer Organisations

### Objective

The remission of rates for community, sporting and other organisations is to facilitate the ongoing provision of non-commercial community services and non-commercial recreational opportunities for the residents of Timaru District.

The purpose of granting rates remission to an organisation is to:

- i. Recognise the public good contribution made by such organisations.
- ii. Assist the organisations survival.
- iii. Make membership of the organisation more accessible to the general public, particularly disadvantaged groups. These include children, youth, young families, aged people, and economically disadvantaged people.

### Conditions and Criteria

The remission of rates will apply to land which is used exclusively or principally for sporting, recreation, or community purposes. The policy does not apply to organisations operated for pecuniary profit.

The policy does not apply to groups or organisations whose primary purpose is to address the needs of adult members (over 18 years) for entertainment or social interaction, or who engage in recreational, sporting, or community services as a secondary purpose only.

# Rates Remission Policy

Organisations making application should include the following documents in support of their application:

- i. Statement of objectives.
- ii. Financial assets.
- iii. Information on activities and programmes.
- iv. Details of membership or clients.

## Delegations

The following delegations apply:

- Group Manager Corporate Services – to approve remissions which meet the requirements of this policy.
- Rates Remission Subcommittee – to hear and make a final decision on any appeal on an application for remission that has been declined.

## Remission of Rates on Land Protected for Natural, Historical or Cultural Conservation Purposes

### Objective

Rates remission is provided to preserve and promote natural resources and heritage by encouraging the protection of land for natural, historic or cultural purposes.

### Conditions and Criteria

Ratepayers who own rating units which have some feature of cultural, natural or historic heritage which is voluntarily protected may qualify for remission of rates under this policy.

Land that is non-rateable under section 8 of the Local Government (Rating) Act 2002 and is liable only for rates for water supply, sewerage disposal and waste collection will not qualify for remission under this part of the policy.

Applications should be supported by documented evidence of the protected status of the rating unit, for example, a copy of the covenant or other legal mechanism.

In considering any application for remission of rates under this part of the policy, the Council will consider the following criteria:

- The extent to which the preservation of natural, cultural or historic heritage will be promoted by granting remission of rates on the rating unit.
- The degree to which feature of natural, cultural and historic

heritage are present on the land.

- The degree to which features of natural, cultural and historic heritage inhibit the economic utilisation of the land.
- The extent to which the preservation of natural, cultural and historic heritage will be promoted by granting remission of rates on the rating unit.
- The degree to which features of natural, cultural and historic heritage will be promoted by granting remission of rates on the rating unit.
- The degree to which feature of natural, cultural and historic heritage are present on the land.
- The degree to which features of natural, cultural and historic heritage inhibits the economic utilisation of the land.

## Delegations

The following delegations apply:

- Group Manager Corporate Services – to approve remissions which meet the requirements of this policy.
- Rates Remission Subcommittee – to hear and make a final decision on any appeal on an application for remission that has been declined.

## Remission of Penalties

The Timaru District Council will provide rate remissions of penalties to all ratepayers who meet the objectives, conditions and criteria of this policy.

### Objective

The remission of penalties is to allow the Council to act fairly and reasonably in its consideration of rates which have not been received by the Council by the penalty date due to circumstances outside the ratepayers control.

### Conditions and Criteria

Remission of the penalty will be granted if the ratepayer by written explanation satisfies the Council that the late payment was due to circumstances outside the ratepayer's control.

Each application will be considered on its merit and will be granted where it is considered fair and equitable to do so.

In cases where ratepayers are in arrears with their rates, but have made acceptable arrangements for the payment of the current year's rates together with reduction in the level of arrears, further penalties being incurred will be remitted under this policy.

Where the Council has accepted an application for payment by direct debit that will clear the rates by 30 June in the current rating year, the property will not be charged penalties. The Council accepts responsibility for the amount of the debit being set at the correct level to clear the rates and any arrears. It is the ratepayers' responsibility to ensure that there are sufficient funds available in the specified account to enable the debit to be processed. The Council may, at its discretion, cancel a direct debit arrangement, with advice to the ratepayer.

## Delegations

The following delegations apply:

- Group Manager Corporate Services – to approve remissions which meet the requirements of this policy.
- Rates Remission Subcommittee – to hear and make a final decision on any appeal on an application for remission that has been declined.

## Partial Remission On Dwellings that were subject to a Special Rateable Value for the Purpose of Timaru District Council Rating as at 30 June 2003

The Council will provide partial rates remissions to ratepayers who meet the objectives, conditions and criteria of this policy.

### Objective

The remission of general rates is to provide relief for rating units in commercial, residential or industrial zones and must be used as the private residential dwelling of the ratepayer or the private dwelling of a tenant of the ratepayer and in the opinion of the Council's valuation service provider the rateable land value of the rating unit has been inflated due to the location of the property in relation to surrounding properties zoning and land uses.

### Conditions and Criteria

Rating units must be situated in commercial, residential or industrial zones and must be used as the private residential dwelling of the ratepayer or the private dwelling of a tenant of the ratepayer and in the opinion of the Council's valuation service provider the rateable land value of the rating unit has been inflated due to the zoning of the property.

# Rates Remission Policy

Applications for remission must be made to the Council prior to the commencement of a rating year. Applications received during a rating year will apply from the commencement of the following rating year.

Where an application is approved, the Council will direct its valuation service provider to inspect the rating unit and prepare a valuation that will treat the rating unit as if it were a comparable rating unit elsewhere in the district.

Values allocated under this policy are final and there is no right of objection or appeal against the level of valuation.

Remissions will be granted on all rates that are levied on the rateable land value of the rating unit, and the remission will be the difference between the rates that would have been struck on the rateable land value and the rates struck under the special land value allocated under this policy.

This policy will apply to all properties to which special rateable values applied at 30 June 2003 provided the use of the property has not changed.

## Delegations

The following delegations apply:

- Group Manager Corporate Services – to approve remissions which meet the requirements of this policy.
- Rates Remission Subcommittee – to hear and make a final decision on any appeal on an application for remission that has been declined.

## Remission of School Sewerage Charges

The Council will provide rates remissions to ratepayers who meet the objectives, conditions and criteria of this policy.

### Objective

To provide relief and assistance to education establishments as defined in the Rating Powers (Special Provision for Certain Rates for Educational Establishments) Amendments Act 2001 in paying Sewerage charges.

### Conditions and Criteria

The remission will apply to the following educational establishments:

- Established as a special school under section 98(1) of the Education Act 1964: or defined as-
- A state school under section 2 (1) of the Education Act 1989;

or

- An integrated school under section 2 (1) of the Private Schools Conditional Integrated Act 1975; or
- A special institution under section 92 (1) of the Education Act 1989; or
- An early childhood centre under section 308 (1) of the Education Act 1989, but excluding any early childhood centre operated for a profit.

The policy does not apply to school houses occupied by a caretaker, principal or staff.

The sewage disposal rate in any one year may not exceed the amount calculated in the clause immediately below.

The sewage disposal rate is the rate that will be levied using the same mechanism as is applied to other separately rateable rating units within the District, the number of toilets determined will be charged with the full charge.

For the purpose of the clause immediately above, the number of toilets for separately rateable units occupied for the purposes of an educational establishment is 1 toilet for every 20 students or staff or part thereof.

The number of students in an educational establishment is the number of students on its roll on 1 March immediately before the year to which the charge relates.

The number of staff in an educational establishment is the number of administration and teaching staff employed by the educational establishment on 1 March immediately before the year to which the charge relates.

### Delegations

The following delegations apply:

- Group Manager Corporate Services – to approve remissions which meet the requirements of this policy.
- Rates Remission Subcommittee – to hear and make a final decision on any appeal on an application for remission that has been declined.

## Remission of Rates and Charges on Land and or Improvements Affected by Natural Calamity

### Objective

The objective of this part of the policy is to assist ratepayers experiencing extreme financial circumstances which affect their ability to pay rates.

### Conditions and Criteria

1. Only rating units, where the use that may be made of the land or improvements has been detrimentally affected by erosion, subsidence, submersion or other natural calamity will be eligible for consideration for rates remission.
2. Only the person entered as the ratepayer or their authorised agent may make an application for remission of rates and charges on land or improvements affected by natural calamity.
3. The ratepayer must be the current owner of the rating unit which is subject to the application. The application should be supported by documented evidence that the rating unit has been detrimentally affected by natural calamity.
4. The Council will consider, on a case by case basis, all applications received that meet the criteria described in the first two paragraphs under this section.
5. When considering whether extreme financial circumstances exist, all of the ratepayer's personal and business circumstances will be relevant including the following factors: age, physical or mental disability, injury, illness and family circumstances.
6. Before approving an application the Council must be satisfied that the ratepayer is unlikely to have sufficient funds left over, after the payment of rates, for normal health care, proper provision for maintenance of his/her home and chattels at an adequate standard as well as making provision for normal day to day living expenses.
7. The Council's may, where it considers it to be fair and reasonable to do so, remit wholly or in part, any rate or charge or targeted rate made and set in respect of the land or improvements.

### Delegations

The following delegations apply:

# Rates Remission Policy

- Group Manager Corporate Services – to approve remissions which meet the requirements of this policy.
- Rates Remission Subcommittee – to hear and make a final decision on any appeal on an application for remission that has been declined.

## Remission of Excess Water Charges

The Council will provide rates remissions to ratepayers who meet the objectives, conditions and criteria of this policy.

### Objective

To standardise procedures to assist ratepayers who have excessive water rates due to a fault (leak) in the internal reticulation serving their rating unit, having acted promptly in remedying the fault.

### Conditions and Criteria

The Council may remit all or part of the excess water rates where the application meets the following criteria:

- The policy will apply to applications from ratepayers who have excess water rates due to a fault(s) in the internal reticulation;
- That all applicants are requested to submit their application in writing;
- That proof of the repairs to the internal reticulation be submitted for verification (i.e. plumbers repair account);
- That proof be submitted for verification of the repairs being carried out promptly once the existence of a fault has been identified;
- That the ratepayer be charged the full amount for normal consumption;
- That part or all of the excess amount be remitted.

### Delegations

The following delegations apply:

- Group Manager Corporate Services – to approve remissions which meet the requirements of this policy.
- Rates Remission Subcommittee – to hear and make a final decision on any appeal on an application for remission that has been declined or only partly remitted.

## Remission of Rates on UAGC's for Low Value Properties

The Council will provide partial rates remissions of the UAGC to ratepayers who meet the objectives, conditions and criteria of this policy.

### Objective

To assist ratepayers who own more than one property in the district or who have very low value properties.

### Conditions and Criteria

The Council may partially remit the UAGC for ratepayers who own more than one property in the district. The remission will be based on:

| Capital Value (\$) | UAGC           |
|--------------------|----------------|
| 0-20,000           | Minimum (\$30) |
| 20,001 – 26,000    | 70% remission  |
| 26,001 – 30,000    | 50% remission  |
| 30,001 – 55,000    | 30% remission  |
| Over 55,001        | Full UAGC      |

The Council may remit the UAGC and Aquatic centre rates to ratepayers where the Capital Value of a property is \$5,000 or less.

### Delegations

The following delegations apply:

- Group Manager Corporate Services – to approve remissions which meet the requirements of this policy.
- Rates Remission Subcommittee – to hear and make a final decision on any appeal on an application for remission that has been declined.

## Remission of Multiple Use differentials and service charges when separate self contained flat is used for private purpose and not for profit

The Council will provide partial rates remissions to ratepayers who meet the objectives, conditions and criteria of this policy.

### Objective

To assist ratepayers who own properties with separate inhabitable unit/self contained flat used only for private, non-profit purposes.

To remit multiple use differential on value based rates and additional service charges for separately used or inhabitable part of rating unit.

### Conditions and Criteria

The Council may remit the rates where the application meets the following criteria:

- The policy will apply to ratepayers who submit a statutory declaration stating that the separate inhabitable unit/self contained flat is used for extended family members or private use only and is not leased, or rented for any period of the previous year and not intended so for the next rating year.
- Applications for remissions must be made each year prior to the commencement of the rating year. Applications received during a rating year will apply from the commencement of the following rating year. An application needs to be submitted on or before 31 May of each year to apply for following rating year.
- Where an application is approved, the Council could direct its valuation service provider to inspect the rating unit to confirm the status of the property.
- Where an application is approved the property will be rated as a single residential unit.

### Delegations

The following delegations apply:

- Group Manager Corporate Services – to approve remissions which meet the requirements of this policy.
- Rates Remission Subcommittee – to hear and make a final decision on any appeal on an application for remission that has been declined.

# Rates Remission Policy

## Remission of Rates for Development Land

The Council will provide partial rates remissions to ratepayers who meet the objectives, conditions and criteria of this policy.

### Objective

To assist ratepayers who undertake significant development of land. The objective is to ensure that unsold development land which is in more than one parcel, but has separate valuation assessment numbers, does not pay more than one uniform annual general charge and one Aquatic Centre Charge.

### Conditions and Criteria

The Council may remit the rates where the application meets the following criteria:

- The policy will apply to ratepayers who apply in writing providing details of the multiple lot subdivision.
- Applications for remissions must be made each year prior to the commencement of the rating year. Applications received during a rating year will apply from the commencement of the following rating year. An application needs to be submitted on or before 31 May of each year to apply for following rating year.
- The remission will only apply to development (defined as one deposited plan) where there are more than 2 allotments.
- The ratepayer will receive a 100% remission on the Uniform Annual General Charge and Aquatic Centre rate on the second and subsequent allotments.
- The remission will be for a maximum period of three rating years.
- The remission shall cease for any allotment if:
  - Any interest in the land is passed by the developer to another party, or
  - An application for a building consent is granted, or
  - The land is developed in some other way.

### Delegations

The following delegations apply:

- Group Manager Corporate Services – to approve remissions which meet the requirements of this policy.
- Rates Remission Subcommittee – to hear and make a final

decision on any appeal on an application for remission that has been declined.

# Rates Postponement Policy

## Purpose

The Rates Remission and Postponement Policy is to allow for rate remissions and postponements, including on Maori Freehold Land in terms of sections 108 and 109 of the Local Government Act 2002.

## Statutory Requirement

- Section 102(3)(b) of the Local Government Act 2002 states that the Council may adopt a Rates Postponement Policy.
- Section 110 of the Local Government Act 2002 states what the policy must contain.
- Section 115 of the Local Government (Rating) Act 2002 allows the Council to postpone all or part of the rates on a rating unit if it has adopted a postponement policy, the ratepayer has applied in writing for a postponement and Council is satisfied that the conditions and criteria in the policy are met.
- Section 110(2A) of the Local Government Act 2002 states that any rates postponement policy must be reviewed at least once every 6 years using a consultation process that gives effect to the requirements of section 82 of the Local Government Act 2002.

## Extreme Financial Circumstances

### Objective

The objective of this part of the policy is to assist ratepayers experiencing extreme financial circumstances which affect their ability to pay rates.

### Conditions and Criteria

Only rating units used solely for residential purposes will be eligible for consideration for rates postponement for extreme financial circumstances.

Only the person entered as the ratepayer, or their authorised agent, may make an application for rates postponement for extreme financial circumstances. The ratepayer must be the current owner of, and have owned for not less than 5 years, the rating unit which is the subject of the application. The person entered on the Council's rating information database as the "ratepayer" must not own any other rating units or investment properties (whether in the district or in another

district).

The ratepayer (or authorised agent) must make an application to Council.

The Council will consider, on a case by case basis, all applications received that meet the criteria described in the first two paragraphs under this section. The Council will delegate authority to approve applications for rates postponement to Council officers.

When considering whether extreme financial circumstances exist, all of the ratepayer's personal circumstances will be relevant including the following factors: age, physical or mental disability, injury, illness and family circumstances.

Before approving an application the Council must be satisfied that the ratepayer is unlikely to have sufficient funds left over, after the payment of rates, for normal health care, proper provision for maintenance of his/her home and chattels at an adequate standard as well as making provision for normal day to day living expenses.

Where the Council decides to postpone rates the ratepayer must first make acceptable arrangements for payment of future rates, for example by setting up a system for regular payments.

Any postponed rates will be postponed until:

- The death of the ratepayer(s); or
- Until the ratepayer(s) ceases to be the owner or occupier of the rating unit; or
- Until the ratepayer ceases to use the property as his/her residence; or
- Until a date specified by the Council.

The Council will charge an annual fee on postponed rates for the period between the due date and the date they are paid. This fee is designed to cover the Council's administrative and financial costs and may vary from year to year. The fee that will be charged in the 2014/15 financial year is \$100.00.

Even if rates are postponed, as a general rule the ratepayer will be required to pay the first \$1,000.00 of the rate account.

The policy will apply from the beginning of the rating year in which the application is made although the Council

may consider backdating past the rating year in which the application is made depending on the circumstances.

The postponed rates or any part thereof may be paid at any time. The applicant may elect to postpone the payment of a lesser sum than that which they would be entitled to have postponed pursuant to this policy.

Postponed rates will be registered as a statutory land charge on the rating unit title. This means that the Council will have the first call on the proceeds of any revenue from the sale or lease of the rating unit.

### Delegations

The following delegations apply:

- Group Manager Corporate Services Manager – to approve postponements which meet the requirements of this policy.

# Rates Remissions and Postponement on Maori Freehold Land Policies

## Purpose

The Rates Remission and Postponement Policy is to allow for rate remissions and postponements, including on Maori Freehold Land in terms of sections 108 and 109 of the Local Government Act 2002.

## Statutory Requirement

- Section 102(2)(e) of the Local Government Act 2002 states that Council must adopt a policy on the remission and postponement of rates on Maori freehold land.
- Section 108 and Schedule 11 of the Local Government Act 2002 states what the policy must contain.
- Section 114 of the Local Government (Rating) Act 2002 allows the Council to remit all or part of the rates on a rating unit if it has adopted a remission policy and is satisfied that the conditions and criteria in the policy are met.
- Section 115 of the Local Government (Rating) Act 2002 requires the Council to postpone all or part of the rates on a rating unit if it has adopted a postponement policy and is satisfied that the conditions and criteria in the policy are met.
- Section 108(4A) of the Local Government Act 2002 states that this policy must be reviewed at least once every 6 years using a consultation process that gives effect to the requirements of section 82 of the Local Government Act 2002.

## Remission of Rates on Maori Freehold Land

This policy aims to ensure the fair and equitable collection of rates from all sectors of the community recognising that certain Maori owned lands have particular conditions, features, ownership structures or other circumstances which make it appropriate to provide relief from rates.

### Objectives

The remission of rates on Maori freehold land is to:

- Recognise situations where there is no occupier or person gaining an economic or financial benefit from the land.
- Set aside land that is better set aside for non-use because of its natural features (whenua rahui).

- Recognise matters related to the physical accessibility of the land.
- Recognise and take account of the presence of wāhi tapu that may affect the use of the land for other purposes.
- Grant remission for the portion of land not occupied where part only of a block is occupied.
- Facilitate the development or use of the land where the Council considers rates based on actual land value make the actual use of the land uneconomic.
- Recognise and take account of the importance of land in providing economic and infrastructure support for marae and associated papakainga housing.
- Recognise and take into account the importance of the land for community goals relating to:
  - The preservation of the natural character of the coastal environment.
  - The protection of outstanding natural features.
  - The protection of significant indigenous vegetation and significant habitat of indigenous fauna.

### Principles

The principles used in establishing this policy on the remission of rates on Maori freehold land are that:

- As defined in Section 91 of the Local Government (Rating) Act 2002, Maori freehold land is liable for rates in the same manner as if it were general land.
- The Council is required to consider whether it should have a policy on rates relief on Maori freehold land.
- The Council and the community benefit through the efficient collection of rates that are properly payable and the removal of rating debt that is considered non-collectable.
- Applications for relief meet the criteria set by the Council.
- The policy does not provide for the permanent remission or postponement of rates on the property concerned.

### Conditions and Criteria

Maori freehold land is defined in the Local Government (Rating) Act 2002 as land whose beneficial ownership has been determined by a freehold order issued by the Maori Land Court. Only land that is the subject of such an order may qualify for remission under this policy.

The Council will maintain a register titled the Maori Land

Rates Relief Register (the register) for the purpose of recording properties on which it has agreed to remit rates pursuant to this policy. The register will comprise two category lists, these being:

- The Maori Land General Remissions List.
  - The Maori Land Economic Adjustment Remissions List.
- Owners or trustees making application should include the following information in their applications:
- Details of the property.
  - The objectives that will be achieved by providing a remission.
  - Documentation that proves the land, which is the subject of the application, is Maori freehold land.

The Council may, at its own discretion, add properties to the lists.

Relief, and the extent thereof, is at the sole discretion of the Council and may be cancelled and reduced at any time.

The Council will review the register annually and may:

- Add properties that comply.
- Remove properties where there the circumstances have changed and they no longer comply.

## Maori Land General Remissions List

The Council will consider remission of rates on land that comes within the following criteria:

- The land is unoccupied and no income is derived from the use or occupation of that land, or
- The land is better set aside for non-use (whenua rahui) because of its natural features, or is unoccupied, and no income is derived from the use or occupation of that land.
- The land is inaccessible and is unoccupied.
- Only a portion of the land is occupied.

## Maori Economic Adjustment Remissions List

The Council will consider remission for land that carries a best potential use value that is significantly in excess of the economic value arising from its actual use.

The remission for land recorded in the Maori Land Economic

# Rates Remissions and Postponement on Maori Freehold Land Policies

Adjustment Remissions List will be the difference between the rates as assessed and the rates that would be assessed based on the actual use of the land.

## Remissions

100% remission of any rates except targeted rates made for water supply, sewerage disposal or waste management.

## Postponement of Rates on Maori Freehold Land

The Council will provide rates postponement on Maori freehold land to all ratepayers who meet the objectives, conditions and criteria of this policy.

### Objective

The postponement on rates on Maori freehold land is to facilitate the development and use of the land for economic use where the Council considers utilisation would be uneconomic if full rates were required during the years of development and establishment.

### Conditions and Criteria

Maori freehold land is defined in the Local Government (Rating) Act 2002 as land whose beneficial ownership has been determined by a freehold order issued by the Maori Land Court. Only land that is subject of such an order may qualify for postponement under this policy.

The Council will consider postponement of rates where previously unoccupied land is subject to clearing, development and commercial use where the Council considers utilisation would be uneconomic if full rates were required during the years of development and establishment.

Application should be made prior to commencement of the development. Applications made after the commencement of the development may be accepted at the discretion of the Council.

Owners or trustees making application should include the following information in their applications:

- i Details of the property.
- ii The objectives that will be achieved by providing postponement.
- iii Details of the proposed development.

The Council may also, at its discretion, partially remit rates that are otherwise subject to postponement.

### Delegations

The following delegations apply:

- Group Manager Corporate Services – to approve remissions and postponements which meet the requirements of this policy.
- Rates Remission Subcommittee – to hear and make a final decision on any appeal on an application for remission and postponements that has been declined.

# Rates Discount Policy

## 1.0 Purpose

To specify the policy for early payment of rates in the current financial year in terms of section 55 of the Local Government (Rating) Act 2002.

## 2.0 Background

Rates are set on properties in accordance with the statutory provisions of the Local Government (Rating) Act 2002. A local authority may adopt a policy for the payment of some or all rates that are identified in the rates assessment before the due date or dates for those rates in the current financial year.

This policy has been in place since 2002, with similar policies operating under previous legislation prior to this date.

This policy must be adopted using the special consultative procedure and may be included in the long-term plan.

## 3.0 Key Definitions

Financial year – a period of 12 months beginning on 1 July.

## 4.0 Policy

A discount of 2.5% will be allowed on the total rates set for the financial year, if the rates for a financial year, including any current penalties, are paid in full on or before the due date of the first instalment for that financial year.

# Accounting Policies

## Reporting Entity

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

The primary objective of Timaru District Council is to provide goods or services for the community or social benefit rather than making a financial return.

The prospective financial statements presented here are for the reporting entity, Timaru District Council (parent). They do not include the consolidated forecasts of any Council Controlled organisations.

## Significant Accounting Policies

### Basis of Preparation

These prospective financial statements have been prepared under Public Benefit Entity Accounting Standards, which are based on International Public Sector Accounting Standards (IPSAS). Timaru District Council is a Public Benefit Entity (PBE) and is required to apply Tier 1 PBE Accounting Standards with effect from 1 July 2014.

As a result of applying the new accounting standards, there have been no significant changes in the Council's accounting policies.

### Statement of Compliance

The prospective financial statements of the Council have been prepared in accordance with the requirements of the Local Government Act 2002: sections 95, 100, 101, 111 and Part 2 of Schedule 10 which includes the requirement to comply with Generally Accepted Accounting Practice in New Zealand (NZ GAAP).

### Prospective Financial Statements

The prospective financial statements comply with Tier 1 PBE Accounting Standards (including PBE FRS 42 – Prospective Financial Statements and PBE FRS 46 – First Time Adoption of PBE Standards by Entities Previously applying NZ IFRSs). The prospective financial statements have been prepared using the best information available at the time they were prepared.

This requires management to make judgements, estimates and assumptions that affect the application of policies and reported amounts of assets and liabilities, revenue and expenses. The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances, the results of which form the basis of making the judgements about the carrying values of assets and liabilities that are not readily apparent from other sources. Actual results may differ from these estimates.

The accounting policies set out below have been applied consistently to all periods presented in these prospective financial statements.

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

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

### Basis of Consolidation

#### Joint Ventures

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

### Equity & Reserves

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

- Retained Earnings

- Restricted reserves

- Special funds

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.

### 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.

# Accounting Policies

## Other – Investments (Unquoted equity investments)

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

## **Taxation**

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

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

## **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.

## **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 roads

Infrastructure assets are the fixed utility systems owned by the Council.

- Heritage assets
- Restricted assets - Restricted assets are parks and reserves owned by the Council, which provide a benefit or service to the community and cannot be disposed of because of legal or other restrictions.

## **Council Land**

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

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

Acquisitions subsequent to 1 July 2005 are at cost.

## **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 2014 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.

# Accounting Policies

## 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.

## **Capital Work in Progress**

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

## **Forestry Assets**

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

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

## **Landfill Assets**

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

## **Impairment**

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

## **Non Current Assets Held For Resale**

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

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

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

## **Investment Property**

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

## **Loans**

Loans are classified as other liabilities and are recognised

initially at fair value less attributable transaction costs.

Subsequent to initial recognition, loans are stated at amortised cost with any difference between fair value at acquisition and maturity value being recognised in the surplus or deficit over the period of the borrowings on an effective interest basis.

## **Employee Entitlements**

Entitlements to salary and wages and annual leave are recognised when they accrue to employees. Provision is made in respect of the Council's liability for annual leave, long service leave, retirement gratuities and sick leave. Council accrued retiring gratuities and accrued long service leave are calculated based on an actuarial valuation using current rates of pay taking into account years of service, years to entitlement and the likelihood staff will reach the point of entitlement. 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.

# Accounting Policies

## Cash and Cash Equivalents

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

## Trade and Other Receivables

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

## Inventories

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

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

## Goods & Services Tax

These prospective 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.

## Revenue Recognition

### Sales by Trading Activities

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

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

### Exchange and non-exchange transactions

An exchange transaction is one in which the Council receives assets and services, or has liabilities extinguished, and directly gives approximately equal value in exchange. Non-exchange transactions are where the Council receives value from another entity without giving approximately equal value in exchange.

### Rates Revenue

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

### Vested Assets

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

Other grants, bequests and assets vested in Council,

irrespective of the conditions attached to vesting, are recognised as revenue when control over the assets is obtained.

### New Zealand Transport Agency contributions

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

### Interest

Interest is recognised in the surplus or deficit as it accrues, 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.

# Accounting Policies

## 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<br>(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   |

## Leases

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

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

## Borrowing Costs

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

## 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.

## Foreign Currencies

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

At balance 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.

## 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

# Accounting Policies

sources of the Council, and expenditure payments made for the supply of goods and services. Agency transactions such as collection of regional council rates are not recognised as receipts and payments in the Statement of Cash Flows.

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

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

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

## Changes in Accounting Policy

All policies have been consistently applied to all the years presented. The adoption of PBE IPSAS for these prospective statements has resulted in some minor changes to accounting policies, mainly in relation to the classification of revenue and expenditure.

# Significant Forecasting Assumptions

## Summary of Assumptions

The following general and financial assumptions are assumed for the life of this Long Term Plan (2015-25)

| Assumption                   | Confidence Level   | Risk   | Consequence |        |
|------------------------------|--|--------|-------------|--------|
| <b>General Assumptions</b>   |  |        |             |        |
| 1                            | Population Change  | Medium | Low         | Minor  |
| 2                            | Household Change   | Medium | Low         | Minor  |
| 3                            | Useful Life of Significant Assets  | Medium | Low         | Medium |
| 4                            | Demographic Changes  | High   | Low         | Minor  |
| 5                            | Joint Venture or Shared Service Arrangements/Council Controlled Organisations (CCOs) | High   | Low         | Minor  |
| 6                            | Legislative Demands on Council   | High   | High        | Medium |
| 7                            | Climate Change   | Medium | Medium      | Minor  |
| 8                            | Resource Consents  | High   | Low         | Medium |
| 9                            | Service Levels   | Medium | Medium      | Minor  |
| 10                           | Demand   | Medium | Low         | Medium |
| 11                           | Availability of Contractors and Materials  | Medium | Medium      | Medium |
| 12                           | Natural Hazards/Local natural disaster   | Medium | Medium      | Major  |
| 13                           | Strategic Assets   | High   | Low         | Medium |
| 14                           | Council Political Structure  | High   | Low         | Medium |
| <b>Financial Assumptions</b> |  |        |             |        |
| 1                            | Inflation  | Low    | Medium      | Medium |
| 2                            | Interest Rates on Borrowing  | Medium | Medium      | Medium |
| 3                            | Return on Investments  | High   | Medium      | Medium |
| 4                            | Funding Sources  | Medium | Medium      | Minor  |
| 5                            | Credit Availability  | High   | Medium      | Major  |
| 6                            | Costs  | Low    | Medium      | Medium |
| 7                            | Currency and Oil Price fluctuations  | Medium | Low         | Medium |
| 8                            | NZ Transport Agency Financial Assistance   | Medium | Medium      | Medium |
| 9                            | Emissions Trading Scheme   | Medium | Low         | Minor  |
| 10                           | Asset Depreciation Rates   | High   | Low         | Minor  |
| 11                           | Revaluation of significant assets  | High   | Low         | Minor  |
| 12                           | Rating Base  | High   | Low         | Minor  |

# Significant Forecasting Assumptions

## Significant Long Term Plan 2015-25 General Assumptions

| Assumption  | Confidence Level<br>(High, Medium, Low) |   |   | Risk   | Risk Level<br>(High, Medium, Low) |   |   | Consequence of variation to assumption   | Approach to mitigation of risk   |
|---|---|---|---|--|-----------------------------------|---|---|--|--|
|   | H                                       | M | L |  | H                                 | M | L |  |  |
| <p><b>1. Population Change</b></p> <p><i>Assumption:</i> The District's Population is projected to increase to 48,853 (+76%) by 2033, peaking in 2038 at 49,091, and declining slightly over the remaining period to 48,660 in 2063. This represents the medium scenario. The population is expected to increase to 48,293 (+6.4%) by 2028 which includes the 2015 LTP period.</p> <p><i>Comment:</i> Population projections do not represent forecasts, but indicate what the future size and structure will be if the underlying assumptions regarding births, deaths and migration prevail. Projections use the 2013 Census based Estimated Resident Population as a base and were prepared by Natalie Jackson Demographics Limited and Waikato University.</p>  |   | ✓ |   | Population change across the district occurs at a higher or lower rate than expected |                                   |   | ✓ | <p>A significant and consistent decline in population may adversely affect the ability of the Council to set rates at a level that is affordable to the community.</p> <p>A significant and consistent rise in population may adversely affect the ability of Council to deliver some services to existing service levels.</p> | <p>Council will continue to monitor population change in the District. Generally, small increases in population can be managed within the existing level of service. Declines in population will not necessarily reflect in lower number of ratepayers as the number of people per household is declining.</p> <p>Where growth requires additional infrastructure (e.g. subdivisions), Council can require financial contributions for this work.</p> <p>Costs over this amount may result in additional Council expenditure which is likely to be funded out of debt.</p> |
| <p><b>2. Household Change</b></p> <p><i>Assumption:</i> The District's households are projected to grow to 21,105 in 2033 (+13.1%), peaking in 2043 at 21,451 households, and declining slightly to 21,355 by 2063. This represents the medium scenario. Households are expected to increase to 20,680 (+10.8%) by 2028 which includes the 2015 LTP period.</p> <p><i>Comment:</i> Timaru District household change has historically been characterised by steady growth of households, with pockets of stronger growth in some locations and communities. Household size is declining over time as the population ages. Household projections do not represent forecasts, but indicate what future households will be if the underlying assumptions prevail. Projections use the 2013 Census based Estimated Resident Population as a base and were prepared by Natalie Jackson Demographics Limited and Waikato University.</p> |   | ✓ |   | Household change across the district occurs at a higher or lower rate than expected  |                                   |   | ✓ | <p>A slower rate of household growth may mean some activities have overinvested in infrastructure (i.e. have too much capacity too soon).</p>  | <p>Council will continue to monitor household change in the District. Existing infrastructure is being managed to address specific growth factors associated with an activity (e.g. traffic demand) which may be generated from an increase in households.</p> <p>Where growth requires additional infrastructure (e.g. subdivisions), Council can require financial contributions for this work.</p>  |

# Significant Forecasting Assumptions

| Assumption   | Confidence Level<br>(High, Medium, Low) |   |   | Risk  | Risk Level<br>(High, Medium, Low) |   |   | Consequence of variation to assumption   | Approach to mitigation of risk  |
|--|---|---|---|---|-----------------------------------|---|---|--|---|
|  | H                                       | M | L |   | H                                 | M | L |  |   |
| <p><b>3. Useful Life of Significant Assets</b></p> <p><i>Assumption:</i> It is assumed that asset information is reliable and reflects the condition and performance of the assets. It is assumed that no significant assets will fail before the end of their useful lives as determined by the depreciation rates included in the accounting policies.</p> <p><i>Comment:</i> Useful lives are detailed for significant assets in Asset/Activity Management Plans. These provide information to support replacement and renewal plans. Useful lives used in the calculation of depreciation are stated in the Council's Accounting Policies under Depreciation.</p>  |   | ✓ |   | Significant assets fail sooner or later than estimated                                |                                   |   | ✓ | A significant change in the useful life of a major asset may have significant financial repercussions.   | Asset life is based on the estimates of engineers and valuers. These are regularly reviewed through asset monitoring and testing. In the event of assets wearing out earlier than anticipated, capital projects could be brought forward. This may affect borrowing and depreciation expenses. Negative impacts are likely to be at least partially offset by some assets lasting longer than estimated. Mitigation may also involve reprioritisation of the capital expenditure programme. |
| <p><b>4. Demographic Changes</b></p> <p><i>Assumption:</i> The District's Population is expected to age significantly into the future</p> <p><i>Comment:</i> The most notable change is a projected ageing population with an anticipated 31% (or over 15,000 people) of the Timaru District population above the age of 65 by 2033 (2013 Census: 20.5% or 9,003 people). Population increase is expected to be mainly in age groups above 65. All other age groups are expected to decline. Gender-wise, the population will see a slowly increasing proportion of female to male over time. Ethnically, the population is expected to remain largely NZ European/New Zealander with a slowly increasing Maori population. This represents the medium scenario. Projections do not represent forecasts, but indicate what the future size and structure will be if the underlying assumptions regarding births, deaths and migration prevail. Projections use the 2013 Census based Estimated Resident Population as a base and were prepared by Natalie Jackson Demographics Limited and Waikato University.</p> | ✓                                       |   |   | Demographic changes across the district occur at a higher or lower rate than expected |                                   |   | ✓ | Changes to projected demographics may place pressure on some Council services due to increased demand over time, leading to provision of a lower level of service. | Forecast demographic changes for a rapidly ageing population have been projected for western world economies for a number of years. Due to the makeup of the Timaru District population, it will feel these potential effects more acutely.<br><br>Council will continue to monitor demographic change in the District and adapt or redirect activity provision to meet needs where possible within reasonable costs.   |

# Significant Forecasting Assumptions

| Assumption   | Confidence Level<br>(High, Medium, Low) |   |   | Risk  | Risk Level<br>(High, Medium, Low) |   |   | Consequence of variation to assumption  | Approach to mitigation of risk   |
|--|---|---|---|---|-----------------------------------|---|---|---|--|
|  | H                                       | M | L |   | H                                 | M | L |   |  |
| <p><b>5. Joint Venture or Shared Service Arrangements/Council Controlled Organisations (CCOs)</b></p> <p><i>Assumption:</i> Existing joint venture or shared service arrangements or Council Controlled Organisations (CCOs) are expected to remain over the life of this plan.</p>  | ✓                                       |   |   | New arrangements are proposed due to circumstances beyond the Council's control or existing arrangements are no longer tenable.   |                                   |   | ✓ | Additional costs may be created as the result of the failure of an existing arrangement.  | <p>Joint venture or shared service arrangements or CCO creation are undertaken following analysis of the potential benefits and costs and any proposed changes are subject to robust analysis.</p> <p>Where government legislation is involved, this will be monitored for any impacts on joint venture arrangements.</p> <p>In addition, the Local Government Act 2002 Amendment Act 2014 introduced a requirement for Councils to review all such arrangements every six years. A programme of review and associated process will be developed to meet these requirements.</p>   |
| <p><b>6. Legislative demands on Council</b></p> <p><i>Assumption:</i> Government legislation relating to some activities that Councils are involved in will change over the period of the Long Term Plan.</p> <p><i>Comment:</i> In the next three years, legislative impacts are expected in the following areas of Council operations - Resource Management, Environmental Health, Local Government Planning and Reporting, Water Supply, Building and Transport. Some legislative changes have been signalled by government, but are not yet through the parliamentary cycle.</p> | ✓                                       |   |   | <p>The impact of government legislation is more or less than expected.</p> <p>New legislation is introduced that alters the nature and scope of one or more Council activities.</p> |                                   |   | ✓ | Unrealised impacts of legislation may create greater impacts on Council operations, including operating budgets, workloads, time and resource availability. These may lead to additional costs for the resident or ratepayer. | <p>Council will regularly monitor existing and potential legislative change across its activities as it moves through the parliamentary cycle.</p> <p>The Council will submit on legislation where appropriate to encourage reduced or improved impacts on Council operations and value for money for ratepayers.</p> <p>Where legislation requires review of Council processes or staffing, the Council will seek to achieve the most efficient and cost effective way forward.</p> <p>Where legislation requires Councils to provide additional services or increased levels of service, this may require cost recovery through increases to rates or user fees.</p> |

# Significant Forecasting Assumptions

| Assumption   | Confidence Level<br>(High, Medium, Low) |   |   | Risk  | Risk Level<br>(High, Medium, Low) |   |   | Consequence of variation to assumption   | Approach to mitigation of risk   |
|--|---|---|---|---|-----------------------------------|---|---|--|--|
|  | H                                       | M | L |   | H                                 | M | L |  |  |
| <p><b>7. Climate Change</b></p> <p><i>Assumption:</i> Climate change will impact on the Council's operations and will require an appropriate response to adapt and prepare for potential impacts.</p> <p><i>Comment:</i> Climate change effects on Timaru District may include an increase in temperature, stronger winds, sea level rise, longer dry periods and more intense rainfall events.</p> <p>These may impact directly on several Council services, such as stormwater, water supply and emergency management.</p> |   | ✓ |   | The effects of climate changes are more or less severe than expected.                 |                                   | ✓ |   | <p>Unrealised effects of climate change are likely to create additional costs to mitigate their impacts, such as improving protection of critical infrastructure.</p> <p>More severe weather events resulting from climate change may increase damage to infrastructure and place pressure on Council finances.</p>                | <p>Council activities will build appropriate mitigation responses into infrastructure development.</p> <p>The Council will continue to monitor climate change science and the response of central government and adapt its response where required.</p>  |
| <p><b>8. Resource Consents</b></p> <p><i>Assumption:</i> Resource consents will be obtained with reasonable conditions and expiring resource consents will be renewed with similar conditions during the period of the Long Term Plan.</p> <p><i>Comment:</i> Resource consents due for renewal can be found within the relevant Activity Management Plan for individual activities. There are no major resource consent renewals during the period of this Long Term Plan.</p>  | ✓                                       |   |   | A resource consent is not obtained or renewed or conditions imposed are unacceptable. |                                   |   | ✓ | <p>The non-granting or non-renewal of a major resource consent for a Council activity would have significant impacts on costs and the ability to provide that activity. A major non-renewal may mean an entirely new approach to the activity would be required. Non-granting of resource consents may delay project benefits.</p> | <p>Appropriate planning for resource consent applications/renewals should ensure that they are obtained.</p> <p>Existing monitoring of compliance with existing resource consent conditions will provide a record of compliance for future processes.</p> <p>The renewal of consents is dependent upon the legislative and environmental standards and expectations that exist at that time.</p> |

# Significant Forecasting Assumptions

| Assumption  | Confidence Level<br>(High, Medium, Low) |   |   | Risk  | Risk Level<br>(High, Medium, Low) |   |   | Consequence of variation to assumption   | Approach to mitigation of risk  |
|---|---|---|---|---|-----------------------------------|---|---|--|---|
|   | H                                       | M | L |   | H                                 | M | L |  |   |
| <b>9. Service Levels</b><br><i>Assumption:</i> Levels of service do not significantly change<br><i>Comment:</i> Where there are increased community expectations or demand or a need to vary level of service across the district, there may be changes to levels of service. Government legislation may also impose significant new service levels on the Council. |   | ✓ |   | Significantly enhanced service levels are demanded by the community or imposed by the government on local authorities in one or more area of activity |                                   | ✓ |   | Increased or improved service levels inevitably require additional cost and/or resources to provide them.                                      | The Council regularly monitors existing service provision within its operation on a day to day basis and through activity management planning<br>Minor changes may be made to service levels where budget, contracts and resources allow. These will generally occur within existing budgets.<br>Major changes in service levels will be confirmed with the community via consultation. These will generally require increases to fees or rates, depending on how the service involved is funded. |
| <b>10. Demand</b><br><i>Assumption:</i> Actual demand will be within projected levels   |   | ✓ |   | Changes in demand are significantly higher or lower than expected   |                                   |   | ✓ | Significant and consistent variation from projected levels may adversely affect TDC's ability to meet levels of service at an affordable cost. | Council will continue to monitor growth and development changes and adapt or redirect activity provision to meet needs within reasonable costs.   |
| <b>11. Availability of Contractors and Materials</b><br><i>Assumption:</i> Contractors and materials will be available to undertake the work required to agreed standards, deadlines and cost.  |   | ✓ |   | Projects could be delayed if there is a shortage of contractors or materials or contractors will not deliver to agreed standards, cost and timeframes |                                   | ✓ |   | Might increase cost and/or delay projects  | Spread projects as much as possible.<br>Continue to engage with contractors.<br>Ensure robust contracts are in place.<br>Look at alternative resources such as concrete roads.  |

# Significant Forecasting Assumptions

| Assumption   | Confidence Level<br>(High, Medium, Low) |   |   | Risk  | Risk Level<br>(High, Medium, Low) |   |   | Consequence of variation to assumption   | Approach to mitigation of risk   |
|--|---|---|---|---|-----------------------------------|---|---|--|--|
|  | H                                       | M | L |   | H                                 | M | L |  |  |
| <p><b>12. Natural Hazards/Local natural disaster</b></p> <p><i>Assumption:</i> There are no significant local disasters during the term of this Long Term Plan</p> <p><i>Comment:</i> The district is at risk from natural hazards such as flooding, earthquakes, storms, tsunami and wildfire. These events can strike without warning.</p> |   | ✓ |   | Natural disasters occur that have a significant impact on the district and Council services |                                   | ✓ |   | A disaster event can potentially cause significant unbudgeted costs, beyond the capacity of the Council to cope.   | <p>Council is a member of the Local Authority Protection Programme Disaster Fund Trust (LAPP) and has a variety of insurance cover which would cover some emergency works.</p> <p>Council also has a Disaster Relief Fund for the replacement of infrastructural assets excluding roading in the event of a natural disaster. Central government has a role in disaster recovery after a natural disaster.</p> |
| <p><b>13. Strategic Assets</b></p> <p><i>Assumption:</i> Council will remain involved in all activities involving strategic assets and continue to own and control all strategic assets.</p>   | ✓                                       |   |   | Changes in control or ownership of strategic assets are required                            |                                   |   | ✓ | Changes in control or ownership of strategic assets will likely affect the level of service provided to the community.   | Changes in control or ownership of strategic assets must occur as part of an LTP development or amendment, with a full Special Consultative Procedure process required.  |
| <p><b>14. Council Political Structure</b></p> <p><i>Assumption:</i> There will be no changes to the Council political structure</p>  | ✓                                       |   |   | Changes in the Council political structure are made   |                                   |   | ✓ | Changes in the political structure could either be minor or major depending on the nature of the changes. For example, an amalgamation will have a significant impact on the delivery of Council services. | Any changes in political structure will occur through either representation review processes or formal processes driven either by the community, Council or central government.  |

# Significant Forecasting Assumptions

## Significant Long Term Plan 2015-25 Financial Assumptions

| Assumption   | Confidence Level<br>(High, Medium, Low) |   |   | Risk   | Risk Level<br>(High, Medium, Low) |   |   | Consequence of variation to assumption   | Approach to mitigation of risk  |
|--|---|---|---|--|-----------------------------------|---|---|--|---|
|  | H                                       | M | L |  | H                                 | M | L |  |   |
| <b>1. Inflation</b><br><i>Assumption:</i> The LTP is prepared on the inflation rates assumed in the table below for periods beyond 2015/16 which is based on Local Government Cost Index (LGCI) prepared by BERL Economics:<br>2016/17 2.45%<br>2017/18 2.53%<br>2018/19 2.61%<br>2019/20 2.75%<br>2020/21 2.90%<br>2021/22 3.04%<br>2022/23 3.19%<br>2023/24 3.36%<br>2024/25 3.53% |   |   | ✓ | The rate of inflation differs from that assumed                        |                                   | ✓ |   | A significant change in inflation will result in changed revenue and expenditure. This could be significant and may adversely affect the ability of the Council to set rates at a level that is affordable to the community.   | The Council will review its budget annually through the LTP/Annual Plan process and may adjust work programmes/budgets where necessary.   |
| <b>2. Interest Rates on borrowing</b><br><i>Assumption:</i> Interest on borrowing is assumed to be between 6.5 – 8.0%  |   | ✓ |   | Forecast interest rates on borrowing are higher or lower than forecast |                                   | ✓ |   | Council costs could increase or decrease as interest rates fluctuate up and down.<br><br>Based on Council's projected debt levels, interest cost would increase/decrease by between \$989,000 and \$1.417M per year for each 1% movement in effective interest rate. | Council hedges interest rate exposures as per the Liability Management Policy.  |
| <b>3. Return on investments</b><br><i>Assumptions:</i> <ul style="list-style-type: none"> <li>■ Bank deposits and bond portfolio assumed return is 3.5% to 5%</li> <li>■ Timaru District Holdings Limited assumed return is \$2.04 dividend per share annually</li> <li>■ Forestry assumed return is \$0 over the 10 years</li> </ul>  | ✓                                       |   |   | Forecast returns are higher or lower than forecast                     |                                   | ✓ |   | Council income could increase or decrease as investment returns fluctuate up and down.<br><br>A 1% decrease in dividend will reduce Council's income by up to \$20,400 per annum.  | Council maintains a long term investment portfolio with fixed interest rates which minimises fluctuations. Investments are also managed using the Investment Policy to minimise risks. Changes in investment returns are generally partially offset by a change in borrowing costs. |

# Significant Forecasting Assumptions

| Assumption  | Confidence Level<br>(High, Medium, Low) |   |   | Risk  | Risk Level<br>(High, Medium, Low) |   |   | Consequence of variation to assumption  | Approach to mitigation of risk  |
|---|---|---|---|---|-----------------------------------|---|---|---|---|
|   | H                                       | M | L |   | H                                 | M | L |   |   |
| <p><b>4. Funding Sources</b></p> <p><i>Assumptions:</i> Funding sources (including external funding sources) do not change over the three year life of this plan</p> <p><i>Comment:</i> Funding sources are specified in the Revenue and Financing Policy and Financial Strategy. This applies to user fees, charges and external funding towards projects and assets. It is assumed that the policy of not collecting Development Contributions will continue.</p> |   | ✓ |   | <p>Projected revenue from user charges or financial assistance is not achieved.</p> <p>Levels and sources of funding differ from those forecast</p> |                                   | ✓ |   | <p>Revenue could reduce without the ability to reduce expenditure proportionately. In this event, the account would run in deficit, with charges reviewed for the next financial year.</p> <p>Project and asset funding could result in projects being revised or alternative funding sources used.</p> | <p>Levels of revenue from user charges have been set at realistic levels in accordance with the ratios outlined in the Revenue and Financing Policy.</p> <p>There is a concentration of risk associated with a small number of industrial consumers for some revenue streams (e.g. extraordinary water charges and trade waste charges). Regular liaison is maintained with these consumers.</p> <p>Funding for projects and assets is considered before the commencement of each project or asset.</p> <p>A significant impact from changes in funding or funding sources may result in a revised capital work programmes, or changes in the level of user fees and charges, borrowing or rating requirements.</p> |
| <p><b>5. Credit availability</b></p> <p><i>Assumption:</i> Credit can be obtained from financial markets on competitive terms and conditions.</p>   | ✓                                       |   |   | <p>Required credit cannot be obtained from financial institutions</p>   |                                   | ✓ |   | <p>Funding would need to be obtained from alternative sources or work programmes adjusted.</p>  | <p>Prudent debt levels are maintained to mitigate risk for financial institutions. Relationships are maintained with various financial institutions and Council regularly monitors credit markets.</p>  |
| <p><b>6. Costs</b></p> <p><i>Assumption:</i> Costs will remain stable over the period of the Long Term Plan (refer also to inflation assumption).</p> <p><i>Comment:</i> Maintenance expenditure has been based on historical trends.</p>   |   |   | ✓ | <p>Costs are higher or lower than anticipated</p>   |                                   | ✓ |   | <p>Variability of prices, such as for oil, could cause variability in costs.</p>  | <p>The Council and management will review its budget annually through the LTP/Annual Planning process and may adjust work programmes/budgets where necessary.</p>   |

# Significant Forecasting Assumptions

| Assumption  | Confidence Level<br>(High, Medium, Low) |   |   | Risk   | Risk Level<br>(High, Medium, Low) |   |   | Consequence of variation to assumption   | Approach to mitigation of risk  |
|---|---|---|---|--|-----------------------------------|---|---|--|---|
|   | H                                       | M | L |  | H                                 | M | L |  |   |
| <b>7. Currency and oil price fluctuations</b><br><i>Assumptions:</i> <ul style="list-style-type: none"> <li>■ Currency fluctuations are not forecast to cause significant variability in Council costs</li> <li>■ Exchange rates are forecast to remain unchanged from current rates</li> <li>■ Oil prices will continue to fluctuate due to international influences and exchange rate movement</li> </ul> |   | ✓ |   | Exchange rates fluctuate more than expected.<br>Oil prices fluctuations are greater than expected  |                                   |   | ✓ | Variability of prices from international suppliers could cause variability in Council costs.<br><br>This may impact on the ability of Council to complete programmed work within budget.   | Council purchases goods predominantly from New Zealand suppliers with contracts in New Zealand dollars.<br><br>Currency exchange rates and oil prices will be continually monitored. Work programmes may need adjustment depending on the scale of any changes.   |
| <b>8. NZ Transport Agency Financial Assistance</b><br><i>Assumption:</i> There will be no further changes to the financial assistance approach for transport funding administered by the New Zealand Transport Agency (NZTA), including funding criteria and NZTA funding.<br><i>Comment:</i> Financial assistance rates are currently between 53% and 63% depending on the nature of the project.          |   | ✓ |   | Changes in NZTA Subsidy rates or to criteria for roading and footpath projects have a positive or negative effect on Council's transport budget      |                                   |   | ✓ | Funding would need to be obtained from alternative sources or work programmes adjusted. Levels of service may need to be adjusted.<br><br>If sufficient funding is not available, it may mean that projects are delayed or scrapped. | The Council and management will review the budget annually through the LTP/Annual Plan process and may adjust work programmes/budgets where necessary.<br><br>NZTA Financial Assistance Rates have been set at 55% for 2015/16, 54% for 2016/17 and 53% for 2017/18. It will continue to reduce 1% annually to a final rate of 51%. These rates apply to all work.      |
| <b>9. Emissions Trading Scheme</b><br><i>Assumptions:</i><br>Emissions Trading Scheme is retained in its present form<br><i>Comments:</i><br>Some NZU's will be surrendered over the term of the LTP for deforestation. It will cost \$5.75 per tonne of waste based on a price of \$5 per NZU and using the default emissions factor for landfill emissions.   |   | ✓ |   | Changes could be made to the scheme by the government that have an adverse impact on TDC or the carbon price could be higher or lower than expected. |                                   |   | ✓ | Council could hold more or less NZU's for forestry assets.<br><br>Landfill costs could vary resulting in changing landfill user charges.   | Forestry assets are maintained with a long term view but programmes are reviewed annually.<br><br>Any sale of forestry land will compensate for the loss of NZUs and associated benefits.<br><br>Landfill costs and waste volumes are monitored continuously.<br><br>Carbon credits (NZU's) are held for a portion of future obligations to mitigate NZU price changes. |

# Significant Forecasting Assumptions

| Assumption   | Confidence Level<br>(High, Medium, Low) |   |   | Risk   | Risk Level<br>(High, Medium, Low) |   |   | Consequence of variation to assumption   | Approach to mitigation of risk  |
|--|---|---|---|--|-----------------------------------|---|---|--|---|
|  | H                                       | M | L |  | H                                 | M | L |  |   |
| <b>10. Asset depreciation rates</b><br><i>Assumption:</i> Asset depreciation rates will not change as shown in the Accounting Policies.  | ✓                                       |   |   | Further work on planned capital works may alter the depreciation expense                           |                                   |   | ✓ | Increased depreciation costs would result from assets that have shorter useful lives.  | Asset life is based on the estimates of engineers and valuers. These are regularly reviewed through asset monitoring and testing. Negative impacts are likely to be at least partially offset by some assets lasting longer than estimated. |
| <b>11. Revaluation of significant assets</b><br><i>Assumption:</i> The Council have adopted deemed cost as its approach to revaluation.<br><i>Comment:</i> This has been applied from 1 July 2005 for most assets. Investment properties and forest assets will be revalued annually in terms of their respective accounting policies. | ✓                                       |   |   | Minimal risks as asset revaluations will not occur in the future for property, plant and equipment |                                   |   | ✓ |  | Revaluation affects the carrying value of fixed and infrastructural assets and the depreciation charge in the years subsequent to the revaluation. Annual revaluations are undertaken for investment properties and forestry assets.        |
| <b>12. Rating Base</b><br><i>Assumption:</i> The number of rating units will not change significantly over the 10 years in the LTP   | ✓                                       |   |   | Rating units could grow at an increased rate or could contract.                                    |                                   |   | ✓ | An increase in the overall rating base could result in a decrease in rates for rating units as the total rates are spread across a larger base. If the rating base was to reduce, there could be an increase in rates. | The rating base is reviewed annually when determining the rates for the year.   |

# Maori capacity to contribute to decision-making

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.

Sir Mark Solomon spoke of the close relationship at a Mayoral Forum in May 2015, when speaking about the Te Ana Rock Art Centre he said "Timaru District Council and Ngai Tahu continue their close relationship founded on the protection of our art."

Council is finalising the details of a Memorandum of Understanding together with Te Runanga O Arowhenua. This document will help to crystallise the relationship to ensure that all parties have a framework to work together collaboratively and to advance the interests of the rohe, in terms of cultural, economic, environmental and other perspectives.

Maori contribution towards 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 hopes to build and develop its relationship with local Maori to ensure their continued involvement with the decision-making process.



## Other information

# Council Controlled Organisations

The Council has established two Council Controlled Organisations (CCO) to fulfil specific objectives. Each CCO must annually complete a Statement of Intent that sets out activities and objectives of the CCO, provides opportunity for shareholders to influence the CCO's direction and provides a basis for the accountability of the CCO.

The full Statement of Intent for each CCO is available for inspection from the Council.

## Timaru District Holdings Limited (TDHL) and subsidiaries

(Approved on 9.06.15)

**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, PrimePort Timaru Ltd – 50.0% shareholding and Te Ana Whakairo Ltd – 21.0% 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.

|  | 2013/14<br>Actual | 2014/15<br>Forecast | 2015/16<br>Forecast | 2016/17<br>Forecast | 2017/18<br>Forecast |
|--|-------------------|---------------------|---------------------|---------------------|---------------------|
| Net profit after tax to shareholders funds | 82.76%            | 7.93%               | 8.57%               | 8.97%               | 8.78%               |
| Net assets per fully paid share            | \$48.25           | \$50.03             | \$52.26             | \$54.77             | \$57.35             |
| Earnings per fully paid share              | \$39.93           | \$3.97              | \$4.48              | \$4.91              | \$5.03              |
| Dividend per fully paid share              | \$2.09            | \$2.19              | \$2.25              | \$2.40              | \$2.45              |
| Shareholders funds to total assets         | 54.37%            | 55.79%              | 58.36%              | 61.05%              | 64.02%              |

# Council Controlled Organisations

## Aoraki Development Business and Tourism (ADBT)

(Approved on 9.06.15)

The Statement of Intent and Budget reflect the current service model, but the Economic Development Strategy has signalled a change to service delivery, which may see changes in the delivery of services occurring through 2015/16. It is acknowledged that there will be changes throughout the year that were not able to be incorporated into the Statement of Intent at the time of writing.

### Vision

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

### Mission

To facilitate and support smart, sustainable economic development.

- The purpose of Local Economic Development (LED) is to build up the economic capacity of a local area to improve its economic future and quality of life for all.
- It is a process by which public, business and non-governmental sector partners work collectively to create better conditions for economic growth and employment generation.
- Involves short and long term strategies out 10-20 years.

### Objectives

- Strategy 1: Effectively support existing businesses.
- Strategy 2: Provide an effective information hub for the District (Business and Visitor).
- Strategy 3: Facilitate and develop strategic partnerships to maximise District benefit.
- Strategy 4: Showcase and promote the District.
- Strategy 5: Attract, facilitate and support new businesses and initiatives (for quantifiable benefit).
- Strategy 6: Facilitate forward planning for growth.

### Nature and Scope of Activities

1. Seeking to sustain, grow and attract effective business activity in the region and support the cultural activities that are essential to underpin the Community.

2. Seeking to enhance the provision of information on the Timaru District as a destination for businesses, families, investment and lifestyle.
3. Advocating on behalf of the relevant sectors, providing input into planning and development projects, assistance with the development of products and services for the region, and industry coordination and education.

### Performance Measures and Targets

Performance shall be assessed against the following targets:

- Delivery of an annual business plan of core business activities with performance subsequently reported against targets. The business plan for 2015/16 will cover activity in the following areas:
  - Effective support provided to businesses
  - Effective information services (business and visitor)
  - Effective and strategic industry relationships and partnerships
  - Effective marketing, promotion and communications
  - Effective facilitation and support new businesses and initiatives
  - Effective support for growth, innovation and pride.
- Supply a six monthly report to the Timaru District Council covering statement of financial position and financial performance.
- Provide an outline of key activities and relationships.
- Provide commercial accommodation monitor rates.

# Water & Sanitary Services Assessments/Waste Management Plans Variations

In 2005, the Council prepared an assessment of the provision of water and sanitary services throughout the District. This document identified and assessed the services supplied to district communities.

The Activity Management Plans for Water Supply, Sewer and Stormwater have been updated for the 2015-25 Long Term Plan.

The Council is required under the Local Government Act 2002 to identify any significant variations between the Water and Sanitary Assessments (WSSA) and the proposals of this Ten Year Plan.

There are no significant variations between the Long Term Plan and these assessments.

Under the Waste Minimisation Act 2008, the Council was required to prepare and adopt a Waste Minimisation and Management Plan (WMMP) by 30 June 2012.

The Plan was prepared, consulted on and adopted by 30 June 2012 as required. The next review will occur alongside the preparation for the 2018-28 Long Term Plan.

The Activity Management Plan for Waste Minimisation has been updated for the 2015-25 Long Term Plan.

There are no significant variations between the Long Term Plan and the existing WMMP.

# Directory

## 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  
Private Box 99, Wellington 6140

### Solicitors:

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

## Coat of Arms



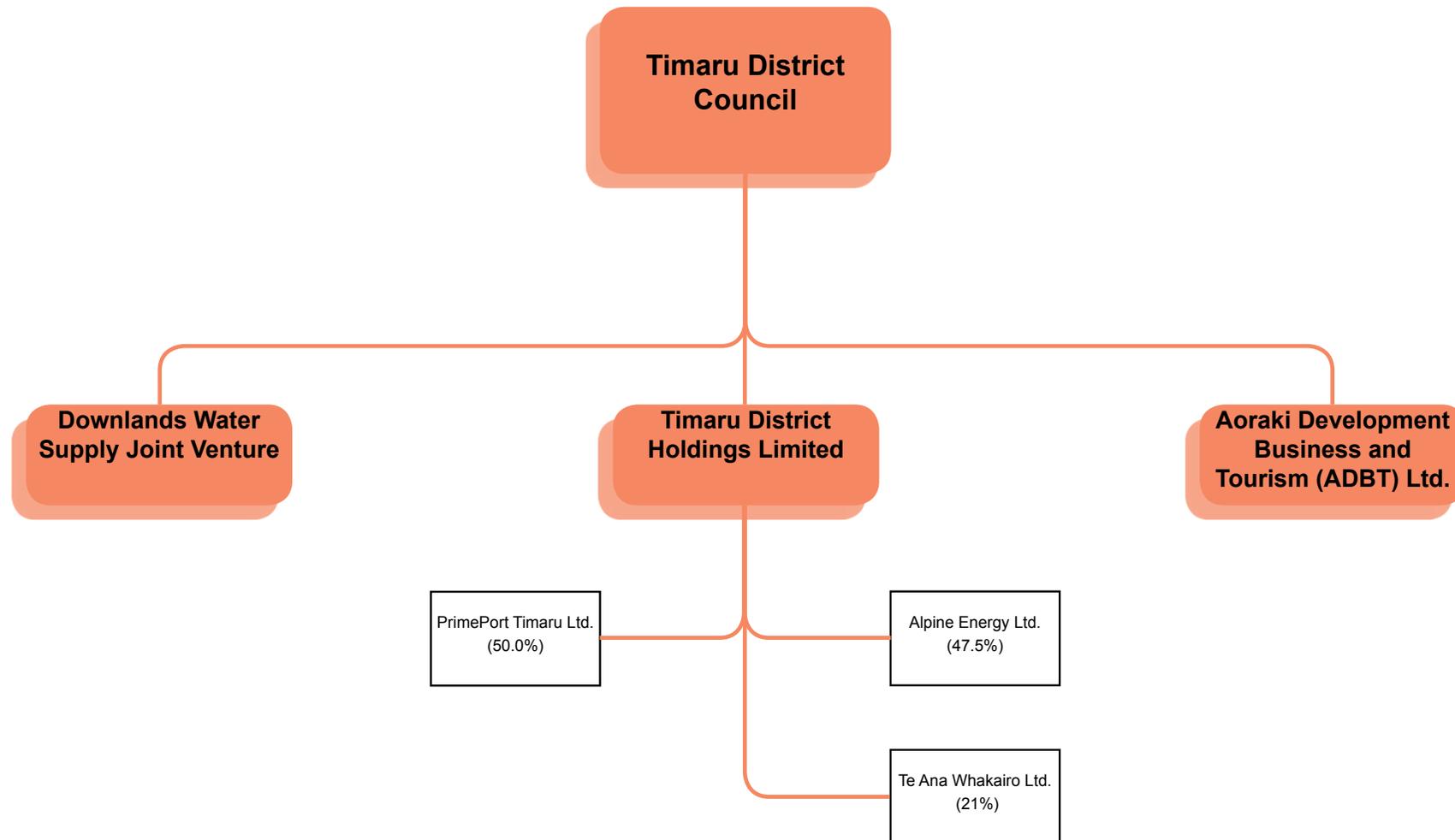
The grant of armorial bearings to the City of Timaru was made by the College of Heralds, London, by letters patent dated 18 October 1977. The original grants document with its impressive artwork and gold seals is displayed outside the Council Chambers in the upstairs foyer of the District Council Building, 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

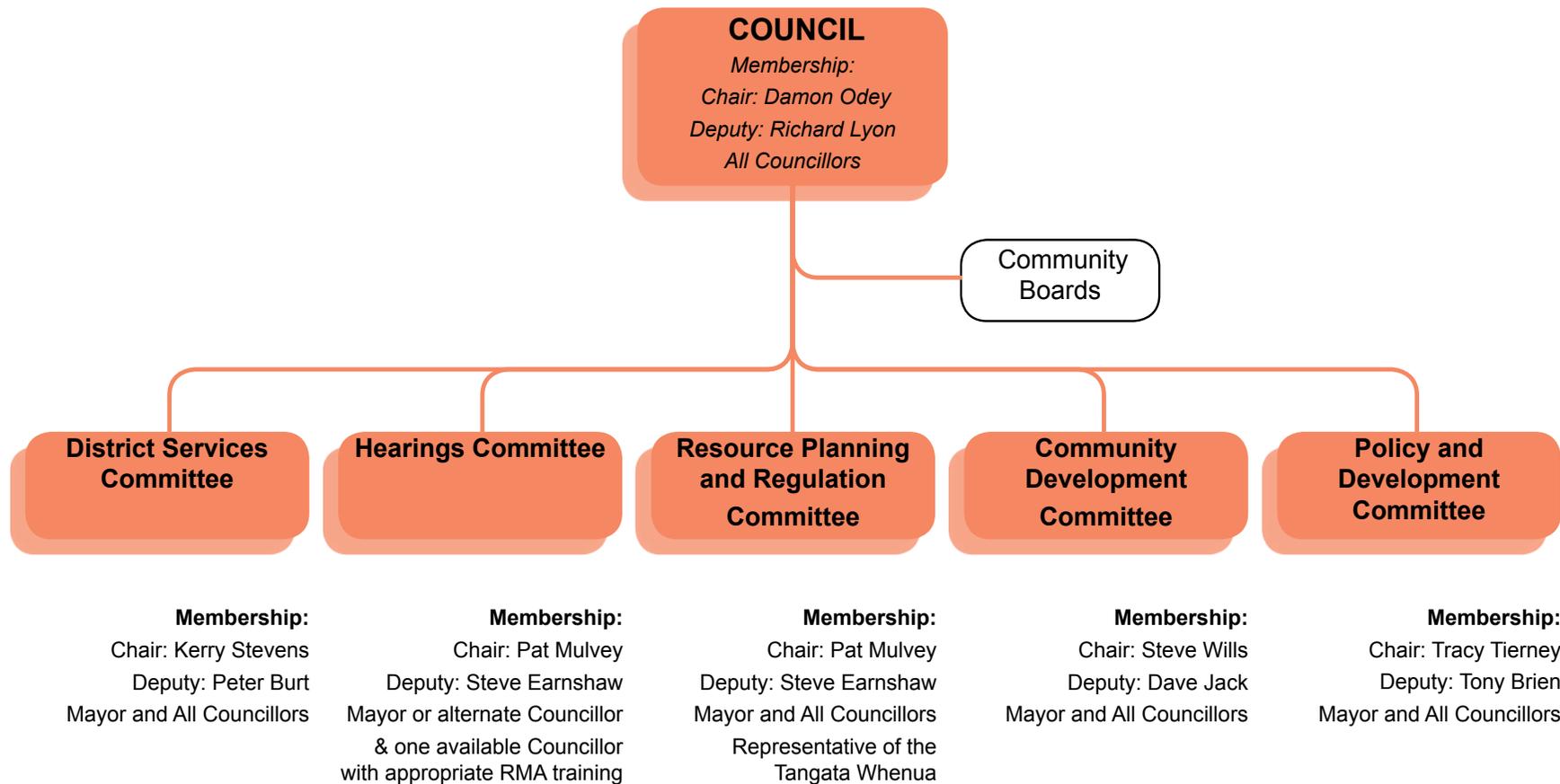


The Council Logo colours are blue and green - environmental colours depicting the sea meeting the land inside a unified format. The diagonal lines suggest upward movement, mountains, rivers, roads, energy, vitality, leadership - pointing to the TDC. The logo is used on all corporate documents, signs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

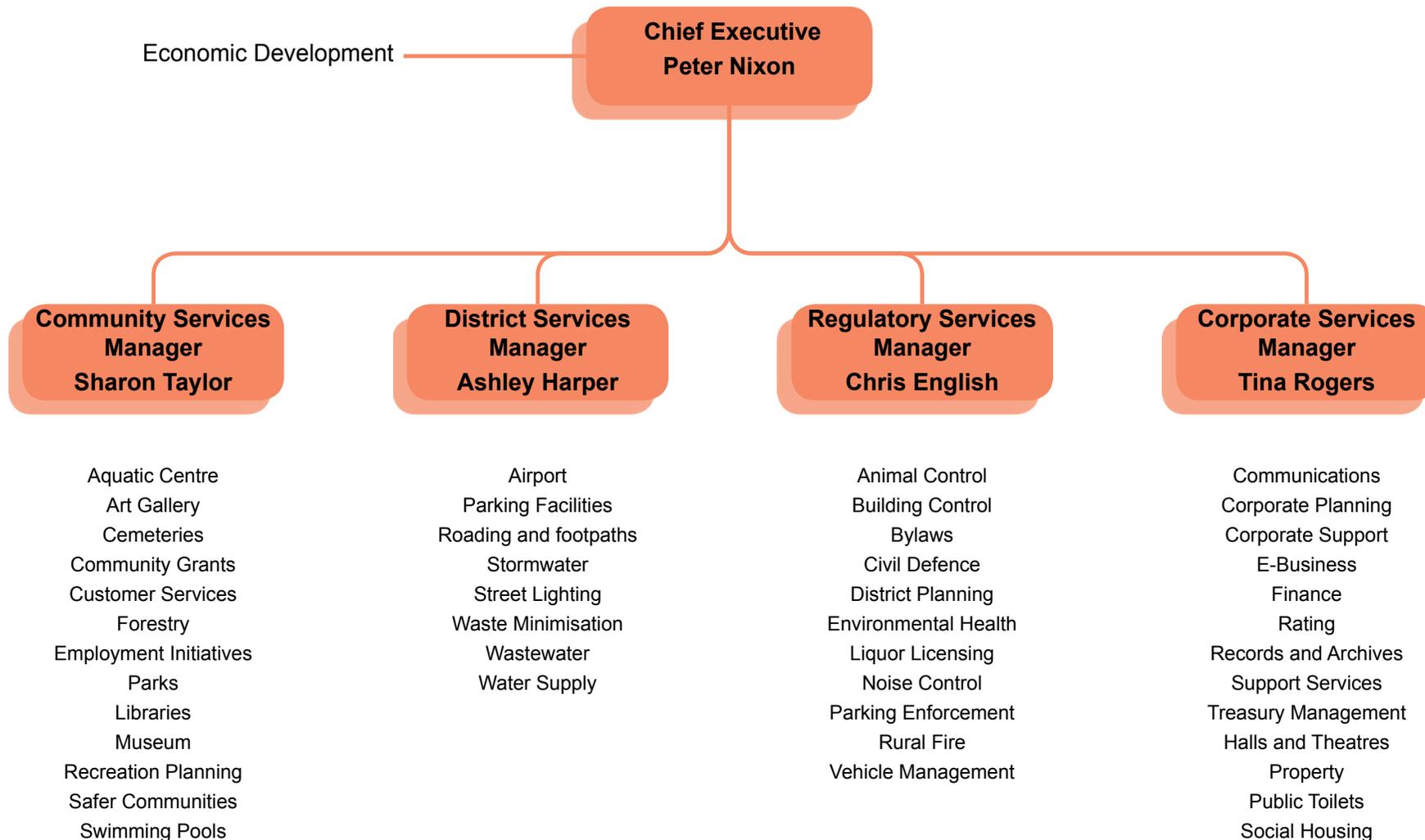
# Group Organisational Structure



# Council Committees



# 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.

# Glossary

## Performance Measure

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

## Rates

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

## Revenue and Financing Policy

This describes how the Council's work will be paid for and the mechanisms 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  
PO Box 522, Timaru 7940  
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72-74 King Street, Temuka  
**T** (03) 687 7591  
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73 Talbot Street, Geraldine  
**T** (03) 693 9336  
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