



Timaru District Council Long Term Plan 2012-22

For the year beginning 1 July 2012

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Mayor/Chief Executive Introduction

Following months of work, we have now completed the 2012/22 Long Term Plan (LTP). A quick review of where we have come from:

- We have established a new strategic direction, including a new vision, community outcomes and strategic priorities
- We have considered and reviewed Council activities, including their future direction, priorities, work programmes, budgets and fees for the next ten years
- We have considered and reviewed key policies as required under the Local Government Act
- We have debated and discussed numerous aspects of the plan from future rates changes to specific projects to pool charges!
- We have consulted on the draft LTP document and invited your feedback and ideas
- We have listened to you, our residents and ratepayers, considered and made changes to the plan and identified other areas for future reflection.

Thanks to the 173 groups and individuals who gave us feedback. We do appreciate your ideas, support and criticisms. Where possible, we have made changes to the plan or identified aspects for future consideration (see page 9).

The LTP is about ALL of Us!. It sets out the Council's direction and work programme over the next ten years.

Whether you realise it or not, one of the first things you do every day is use a Council provided service. Whether it's heading to the toilet, taking the dog for a walk down

the local park, driving to work or turning on the tap to get water to boil the jug for that first coffee! In fact, there's unlikely to be a day where you don't use a Council provided service, more than once! The services provided by the Council are critical to what makes our communities tick.

Over the next ten years, the Plan includes a number of projects and expenditure that will make our community a better place. The vast majority of these are projects that are regarded as core services – fixing roads, upgrading sewage treatment plants, installing stormwater pipes, maintaining good quality water supply, running libraries and museums and ensuring regulations are enforced.

Essentially, the Plan is about maintaining business as usual. It reflects a steady, measured approach to maintaining our district and meeting its future needs. There are no extravagant projects or expenditure.

Most of the big dollar projects planned over the next ten years are infrastructural projects - roading, sewer, water supply, stormwater, waste minimisation. Projects include:

- Roading rehabilitations and renewals
- Washdyke roading network improvements
- Factory Road bridge widening
- Southern roading access to Timaru port
- Redruth landfill cell developments
- Redruth landfill gas
- Sewer and stormwater upgrades
- Completing the upgrade of the Wastewater Treatment plant
- Drinking Water Standards upgrades
- Replacement of water reservoir covers

- Replacing the Pareora water supply pipeline

More detail on all projects can be found in Section Two.

As for previous LTPs, the Council has received an adverse opinion from Audit NZ on its LTP due to its stance on the treatment of inflation. The Council does not agree with this view. Further discussion can be found on page 29.

While the Council have tried to keep the 2012/13 rates increase as low as possible, the increase is higher than normal, with a 9.27% increase in the total rates revenue to be collected, slightly down from what was included in the Draft Plan. The reasons for this increase have been well explained with the combination of a number of projects and issues at once having an impact. Further information can be found on page 30 of the LTP.

While this LTP process has come to an end, the Council will continue to review its operations and adjust as necessary. Further

formal processes for your feedback will occur through Annual Plan processes in 2013/14 and 2014/15 and the next review of the LTP for the year starting 2015/16.

Thanks to all who have given us feedback or participated in the LTP planning process over the last year or so. We do appreciate your input and look forward to working with you in progressing our vision of Economy – Lifestyle – Identity – Leadership and making our Timaru District prosperous with a lifestyle truly second to none.

Janie Annear
Mayor



Peter Nixon
Chief Executive



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Overview

What it's all about

What's an LTP?

LTP is short for Long Term Plan¹. The LTP is a ten year plan that presents the Council's blueprint for the delivery of its activities over the next ten years. The LTP sets out what the Council will do to make the Timaru District a better place.

This is the Council's fourth LTP (they are reviewed three yearly).

The Plan is a large document, but the nuts and bolts are contained within this first section, which provides an overview of the Council's direction, what is planned, what it will cost and how it will be paid for.

Why should I care?

The Plan is a key opportunity for you to be involved in planning for Timaru District's future. The Plan details:

- 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

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

The Local Government Planning Cycle

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

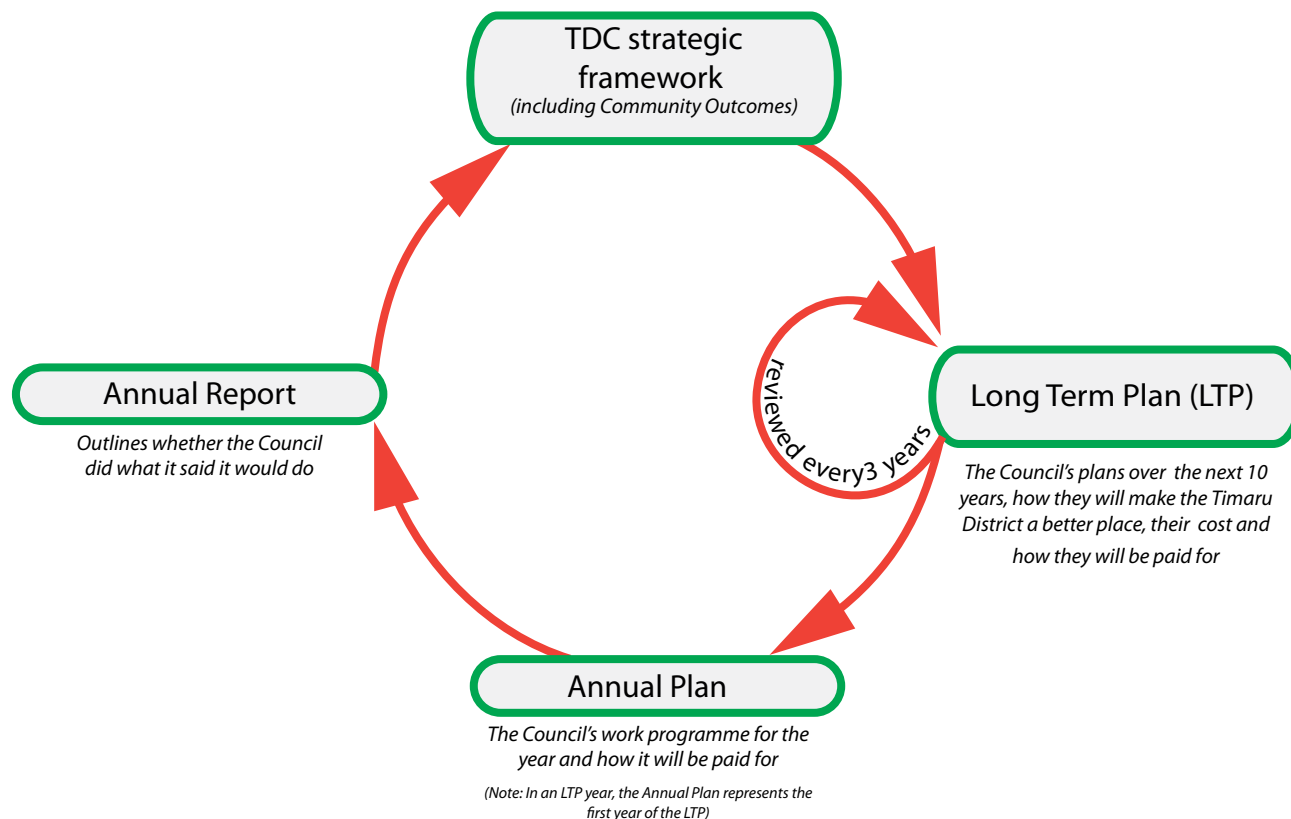
Changes to the Long Term Planning Process

Since the last round of LTCCPs there have been changes to legislation that have impacted on the long term planning process. A government bill labelled TAFM (Transparency & Accountability in Financial Management) has reformed Long Term Planning requirements for all councils across the country. The major changes this reform has introduced to the process are:

- change in name from LTCCP to LTP
- introduction of mandatory groups of activities - water supply, sewerage and

the treatment and disposal of sewage, stormwater drainage, flood protection and control works and the provision of roads and footpaths.

- change in definition of community outcomes to focus them more around the contribution that Council will make to the community
- introduction of a financial strategy
- changes to some reporting and financial statements



¹ Previously, the LTP was called the Long Term Council Community Plan (or LTCCP). Legislative changes have been made since the last LTCCP was adopted, which have changed some aspects of the document.

Your Feedback and Council Decisions

Submissions

The Council received 173 submissions to the Long Term Plan, including a petition with 504 signatures.

Many of these were from individuals, but a number of organisations and groups were also represented.

There were nearly 500 comments on over 100 topics raised through the submissions process. The most popular topics were aquatic centre fees and charges, roading, walkways and cycleways, parks and reserves, Caroline Bay, dog control, public toilets, strategic direction and rates.

The Council spent 3 days considering the submissions and finalising the plan, including one and a half days listening to nearly 60 submitters.

Key topics and Council decisions

Key topics discussed emerging from the submissions and final LTP deliberations included:

Strategic Direction

Several submitters commented on the Council's strategic direction, with a number expressing support. Some wording tweaks were agreed to reflect the Council's commitment to cultural diversity and sustainability.

Aquatic Centre Fees and Charges

Submitters commented on a number of aspects of fees and charges for the new Caroline Bay Aquatic Centre including season passes, concessions, Learn to Swim, competitive swimming charges, and casual swimming charges.

The Council decided to introduce or adjust various concession options, including:

- a swim membership ticket
- an increased range of entry concessions
- a comprehensive range of Swimming Development Programme options

Roading

Numerous submissions on roading related issues were received covering issues such as seal extension of district roads, road maintenance, traffic and powerline undergrounding.

Indicative funding levels received from the NZ Transport Agency (NZTA) towards the Council's programme were also discussed. Indicative financial assistance from NZTA will lead to a shortfall in available funding for maintenance and renewals of around \$4.2 million over the next three years. or \$740,000 annually. This funding decision will mean potential changes to levels of service for roading work.

At this stage, the Council has decided to maintain the local funding share proposed for roading and footpaths as indicated in the Draft LTP. A review is being conducted to determine where levels of service may change, but this will not be known until after the LTP has been adopted.

The Council endorsed retaining annual funding of \$330,000 for seal extension across the ten years.

Walkways and Cycleways

Submitters expressed support for the Off Road Walking and Biking Strategy and Active Transport Strategy as adopted by the Council. However, there was some disappointment expressed that funding for the Off-road strategy was not going to commence until 2013/14. The Council agreed and decided

to include annual funding of \$100,000 from 2012/13.

Photovoltaic (PV) Saver Scheme

A number of submitters, including a petition with over 500 names, requested the Council consider implementation of a rating scheme for ratepayers installing photovoltaic solar panels on homes and wider adoption of the technology by the Council.

The Council decided to consider the implementation of a scheme following a wider report on the associated issues.

Smokefree policy

Submitters requested that the Council widen its smokefree policy to include other outdoor spaces, such as al fresco dining, sportsgrounds and other Council owned outdoor spaces.

The Council agreed to extend the smokefree policy to all Council controlled sportsgrounds and facilities.

Public Toilets

A number of submitters supported or requested upgrades to public toilets or a higher standard of public toilets to be provided. The Council has decided to review public toilet standards to help determine future upgrades.

District Plan Review

Several submitters requested that the District Plan review be brought forward from 2015/16 or requested existing issues not wait until the review has been completed. (e.g. SNA survey areas). The Council agreed not to bring the review forward, but have agreed that some of the issues raised may be able to be dealt with in plan changes prior to the review.

Dog Control

Several submissions discussed dog control, including dog exercise areas, dog parks and enforcement. All issues have been forwarded to the dog control bylaw review to be conducted later in 2012.

Pareora Tsunami sirens

A request for installation of tsunami warning sirens was received from members of the Pareora community. The Council has decided to include \$36,000 in the 2013/14 budget with the best option to be identified during 2012/13.

Along with these decisions, a number of reports were received on various aspects related to the submissions over the next year.

Final rating Impact

Following the consultation process and review of Council budgets, the final impact on rates is an increase of 9.27% for 2012/13. More information on rates can be found later in Section One.



Other Matters confirmed

Along with the matters above, also confirmed as part of the LTP process were:

Fees and charges

Several increases to fees and charges for Council services were agreed in the following areas:

- District Planning fees
- Building Control fees
- Environmental Health licences and fees
- Cemetery fees and charges
- Social Housing rentals
- Airport charges
- Solid waste disposal charges
- Parking charges
- Sewer and trade waste charges
- Development and service application fees
- Water supply charges and rates

Specific changes include:

- An increase in cemetery plot charges
- An increase in on street meter parking charges of 10c per hour.
- An increase in some transfer station solid waste disposal charges to cover the Emissions Trading Scheme.
- An increase for social housing units rentals of \$7 in 2012/13 and \$5 per year in 2013/14 and 2014/15 and an additional premium of \$5 per week for upgraded units with shower conversions and insulation upgrades from July 2013. These increases are needed for the activity to remain self-funding, and cover increasing fixed operational costs (e.g. insurance, rates) and contribute to upgrading units.

Full details of all fees changes are available in a separate document from Council or visit the Council website – www.timaru.govt.nz

Policy changes

The Council has agreed to changes and updates to policies, including the Council's significance policy, revenue and financing policy, investment and liability management policies.

Rating Policy Changes

The Council has agreed to changes to rates remissions policies, including the introduction of rates remissions policies for Low Value properties and for Development land. Further information is available from the Council.

Rates Changes

The Council has agreed to merge the District Works and Services rate with the General rate.

Waste Management and Minimisation Plan

Under the Waste Minimisation Act 2008 the Council has developed a Waste Management and Minimisation Plan (WMMP) that has been consulted on alongside the LTP. This plan sets out the future direction for waste management for the district and will be adopted before 30 June.

Aorangi Stadium Trust Council Controlled Organisation (CCO)

As part of LTP consultation process, the Council consulted on the formation of a Council Controlled Organisation (CCO). This CCO would take responsibility for the governance of the Aorangi Stadium Trust enabling the Council to appoint

trustees when the current trustees retire. The ownership of the Aorangi Stadium and long term maintenance will remain the responsibility of the Trust.

The Stadium Trust and the Council will now work towards establishing the CCO, either by establishing a new trust or by changing the trust deed of the existing trust to allow Council to appoint any replacement trustees when required.

Local Government Funding Agency (LGFA) involvement

Also consulted on alongside the LTP was a proposal to become a Principal Shareholding Local Authority in the Local Government Funding Agency or LGFA). This new agency is expected to increase funding options for the Council and reduce the overall cost of borrowing.

The council will now progress with the shareholding and participating agreements to allow this funding option to be available during the 2012/13 year.



Strategic Direction

Vision

As part of the long term plan process, we have reviewed our vision for Timaru District. We have come up with a four pronged vision for the district, further explained below.

Lifestyle

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:

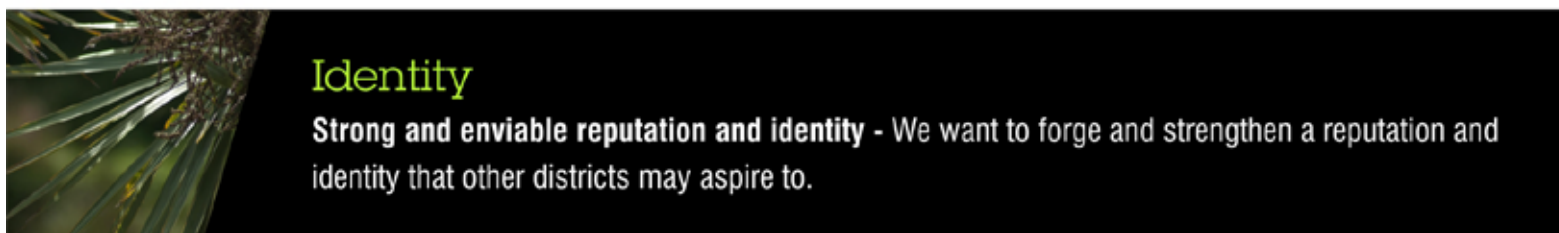
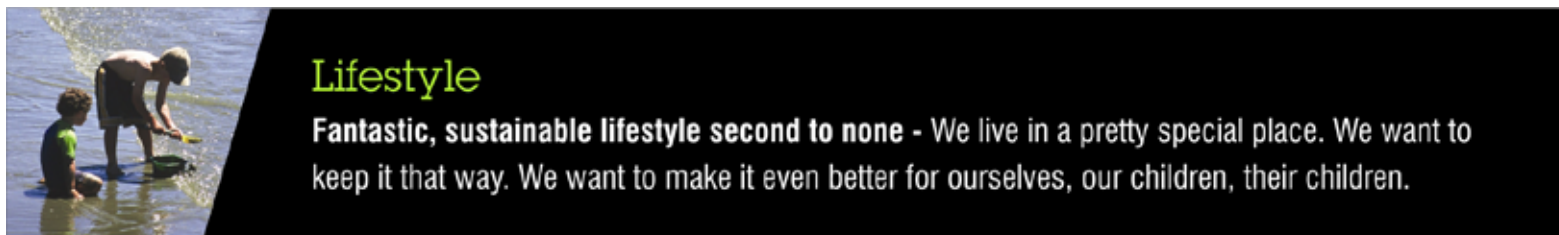
- We want to ensure our communities are well serviced with essential services
- We want to maintain a humming, vibrant mix of places to go and things to do
- We feel safe walking the streets and crime rates remain low
- Our families are strong and our children and youth are provided with great opportunities to learn and grow
- 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

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 and value the environment from which their raw materials are sourced



- Our businesses are well supported and enabled to grow
- Our district has a variety of training and employment opportunities available
- Our standard of living grows continuously
- We have balanced growth that keeps our businesses, population and youth local.

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.
- We value, encourage and celebrate cultural diversity

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.

Community Outcomes

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

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

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

Outcome:

High quality infrastructure to meet community and business needs

Outcome:

Smart economic success supported and enabled

Outcome:

Communities that are safe, vibrant and growing

Outcome:

People enjoying a high quality of life

Outcome:

A strong identity forged and promoted

Outcome:

A valued, healthy and accessible environment

Strategic Priorities

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

Strategic Priority:

Investing in Community

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

Strategic Priority:

Promote integrated, highly liveable communities

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

Strategic Priority:

Support areas of economic and district strength

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

Strategic Priority:

Ensure critical infrastructure meets future needs

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

These priorities are further discussed later, along with how the Council will address them, linked to work carried out through Council's various activities. The next few pages outline a summary of the key issues the Council is facing and key projects the Council is planning over the next ten years.

Top issues for the Council over the next 10 years

1. Meeting environmental standards

Human actions impact on the environment. Our environment is essential to our future. We need to ensure it is cared for and enhanced over time. Doing this on behalf of the community creates considerable cost. This will impact on Council provided services such as sewer, stormwater, water supply, district planning and waste minimisation over the next ten years. It is however essential that we take a responsible attitude to leaving our environment in a better state for our children, and theirs.

2. Cost of providing services and doing more with less

The Council is not immune to cost increases, such as electricity, petrol, raw materials and the cost of pipes and pumps. These all impact on the delivery of Council services, 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. 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.

3. Meeting changes in demand and impact of growth and development

Timaru District is not an Auckland or a Tauranga, but growth and demand do have an impact. These come in many different forms. They do not occur uniformly. An increasing population means more water consumption, cars on the road, sewage to treat. Changes in growth and demand also come from change in household numbers or businesses. One-off demands may come from a major business moving into the district. Heavier and greater trucks on our roads impact on the state of the road and the need for improved maintenance or development. New technology and changing demographics also impacts on the demand and growth for services. The Council will continue to monitor demand and growth and plan for upcoming changes in delivering its services.

4. Legislative and regulatory change/reform

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 Environment Canterbury policy such as the Natural Resources Regional Plan (NRRP) placing obligations on the Council.

5. Impact of the Canterbury earthquakes

The tragedy of the Canterbury earthquakes is still raw in our minds. It will continue to impact on Canterbury and the Timaru District for years to come. It is difficult to precisely foresee what might occur. Future impacts may come in the form of greater business developments, population, or increased stringency in earthquake building standards and construction.

6. Delivering on community expectations while keeping it affordable

Community expectations continually grow. Smoother roads, better use of technology, higher safety standards and new facilities are some examples. Community expectations can be influenced by numerous drivers such as generational change, legislation, environmental standards, facilities experienced elsewhere and new technology. The reality is however that all of this costs money, and it must be balanced and prioritised against building our district's future and the ability of the community to pay.

7. External influences

Recession, climate change, Eurozone crisis, oil prices, global warming, globalisation – to name a few - are all phrases we are getting used to hearing. These all impact on the district and the delivery of Council services in various ways and must be considered in their future delivery.



Summary of Long Term Plan 2012/22 Projects

LTPs are reviewed every three years. The Council will continue to provide all existing activities. The table summarises major planned projects we do every year, specific projects for the next three years and indicative projects over the following seven years. For more detail on these and other projects, please refer to Section Two.

EVERY YEAR PROJECTS	Year 1 - 2012/13	Year 2 - 2013/14	Year 3 - 2014/15
Roading renewals - pavement rehabs, bridges, footpaths, signage, reseals, seal widening etc.	Washdyke Road network improvements (Yr1-3)	CBD Renewals (Yr2-4)	Temuka cemetery extension
Sewer renewals - pipes, pumps, plant	Queen Street Pump Station rebuild	Factory Road Bridge widening (Yr2-3)	Library carpets replacement
Stormwater renewals	Wastewater Treatment Plant upgrade (Yr1-2)	Temuka-Waitohi Road upgrade	Theatre Royal seats (Yr3-4)
Water supply renewals - pipes, treatment, plant	North Mole sewer upgrade	Landfill Gas Stage II	Parks courts resurfacing
Social Housing refurbishments	Highfield, Geraldine, Temuka stormwater upgrades	Compost Site renewal (Yr2-3)	Sewer trunk main renewals (Yr3-10)
Libraries materials purchases	Washdyke Creek stormwater improvements	High/Queen Street stormwater upgrade	Redruth Eco-Centre - Resource Recovery Park (Yr3-4)
Parks renewals	Public toilet upgrades	Domain Avenue, Temuka sewer upgrade (Yr2-3)	Pleasant Point Water Supply storage upgrade (Yr3-4)
Leisure facilities renewals (e.g. carpet, heating)	Mulcahys reserve development	Museum exhibition upgrade	Landfill Cell
	Summer Pools renewals		
	Sir Arthur Basil Park parking and sportsfields enhancements (Yr1-2)		
	Te Moana Water Supply network capacity enhancements (Yr1-3)		
	Downlands Water Supply Tengawai trunk main upgrade (Yr1-3)		
	Parks shared urban tracks (Yr1-10)		



Year 4 - 2015/16	Year 5 - 2016/17	Year 6 - 2017/18	Year 7 - 2018/19	Year 8 - 2019/20	Year 9 - 2020/21	Year 10 - 2021/22
Southern road access to the Port (Yr4-5)	Timaru library roof	Washdyke roading Improvements (Yr6-8)	Geraldine Water Renewals (Yr7-9)	Temuka Water: Trunk Main renewal	Sir Arthur Basil Park link road	Landfill cell
Timaru Water: Pareora Trunk Main renewal (Yr4)		Timaru CBD south carpark		Temuka roading upgrades		Winchester/Acacia Drive sewer extension
Timaru Water: Replacement Covers (Yr4,8)		Libraries self checkout				Timaru cemetery extension
Seadown Water Supply storage upgrade (Yr4-5)		Museum exhibition upgrade				Museum exhibition upgrade
Temuka Water source and storage upgrade (Yr4-5)		Temuka roading upgrades				
Temuka - Waitohi roading upgrade						



The next 10 years - Investing in Community

Investing in Community

Stronger communities are part of the lifeblood of Timaru District. The Council has identified investing in community as one of its strategic priorities.

The Council plays a direct role in leading and advocating for communities and providing recreational facilities and other community infrastructure. It also has a role in supporting and partnering with other community organisations. Facilities are provided that have wider community benefit, such as cemeteries and public toilets.

Over the next ten years, the Council will continue to invest in communities. The remainder of this page outlines:

- Current and future issues impacting on the Council and delivery of services associated with this priority
- How the Council will contribute to this priority
- Key specific projects and initiatives identified over the life of the Long Term Plan. This represents only a selection of the work the Council does.

For more detail, please refer to Section Two of the LTP.

Current and future issues

- Government legislative change or reform
- Canterbury earthquake outcomes
- Doing more with less
- Maintaining affordable services
- Improving participation in Council processes
- Maintaining central government funding
- Increasing costs of providing services
- Ageing population
- Meeting community expectations for higher levels of service efficiently for a reasonable cost
- Changing lifestyles
- Meeting changes in demand
- Making use of new technological opportunities
- Developing facilities to cater for future demand
- Dealing with increasing collection pressures and higher standards of preservation
- Developing and maintaining existing and new partnerships
- Encouraging further waste minimisation

Council contribution

- Leadership and advocacy for the district
- Providing public toilets and cemeteries
- Supporting safer communities
- Provide emergency management services (e.g. civil defence, rural fire)
- Providing social housing
- Providing support to community organisations
- Provision of parks, reserves, gardens and playgrounds
- Provision of district pools, including the Caroline Bay Aquatic Centre
- Supporting provision of recreation opportunities and events in the district
- Provision of Timaru District libraries, South Canterbury Museum, Theatre Royal and Aigantighe Art Gallery
- Provision and support of halls and recreation facilities, including the SBS stadium
- Exhibitions and displays
- Programmes, including school holiday programmes
- Preservation, cataloguing and maintenance of collections
- Future Development plans for facilities
- Supporting the Orari-Opihi-Pareora water zone implementation programme (OOP ZIP)

Ten year projects or initiatives

- Temuka Domain redevelopment
- Resurface sports courts and cycling tracks
- New reserve in Gleniti area, Timaru
- Caroline Bay Aquatic Centre
- Maintaining parks, reserves and swimming pools throughout the district
- Learn to Swim school
- Sport South Canterbury contract
- Purchase of Libraries books and materials
- Introduction of eBooks and eReaders
- Maintaining key facilities, including replacements of roofs, carpet, heating, security and dehumidifiers
- Museum exhibition upgrades
- Theatre Royal feasibility study
- Theatre Royal upgrades, including seating
- Review of public toilet standards
- Maintenance and renewals of public toilets and cemeteries facilities
- Renewals and maintenance of emergency management equipment
- Social Housing refurbishments
- Safer Communities projects initiatives
- Project Turnaround
- Temuka cemetery extensions
- New Timaru cemetery site
- Public Toilet projects
- Community Grants and loans schemes
- Ongoing delivery of 3-2-1-ZERO waste minimisation scheme
- Waste Levy projects to encourage waste minimisation
- Representation review
- Long Term and Annual planning
- Advocacy
- Elections

Strategic Priority 1: Investing in Community

Priority Areas	Leadership and Advocacy	Partnerships and Communications	Recreation and Leisure	Social Support
What will be done	<ul style="list-style-type: none"> Plan for the District's future and Council's role in that future Advocate and submit on key issues, government plans and policy impacting on the district and Council services Ensure people and communities are represented and community views heard Strengthen communities through connected clusters Advocate for secure critical infrastructure provision (e.g. electricity, telecoms, irrigation) Maintain affordable service provision to the Timaru District Provide responsive and efficient Council services 	<ul style="list-style-type: none"> Nurture strong communities through leadership, partnership, and advocacy Support partnerships that improve community wellbeing Regularly inform and engage the community via a range of mediums Modernise Council's communication through use of new tools 	<ul style="list-style-type: none"> Maintain high quality and affordable recreational and leisure facilities Ensure leisure and recreational spaces keep up with modern trends Develop Timaru District community infrastructure and facilities to meet future community needs 	<ul style="list-style-type: none"> Help ensure positive social outcomes for the district Work together to ensure safe communities are maintained and promoted Build strong, resilient communities Provide support for individuals, projects and events Provide support for vulnerable individuals in need of housing
How it will be done	<ul style="list-style-type: none"> Annual and Long Term Planning Submissions Community Board and Council meetings Representation Reviews (6 yearly) Advocacy Elections (3 yearly) Consultation Rating and Financial policy/strategy reviews 	<ul style="list-style-type: none"> <i>Coordination of a connected cluster of key district social agencies</i> Community partnerships and programmes <i>Communications strategy</i> <i>Web and social media presence</i> <i>Website review and relaunch</i> Two yearly Community Survey <i>Community E-panel</i> Council media releases and publications 	<ul style="list-style-type: none"> Recreation and Leisure facilities provision Caroline Bay Aquatic Centre development and provision Options investigations of future leisure facilities approach Extension of Sir Basil Arthur Park 	<ul style="list-style-type: none"> Council Social Housing provision Community Grants and Loans Creative Communities fund Safer Communities projects Social Housing renewals Project Turnaround Youth-at-risk initiatives Project Y
Related strategies/plans/policy	<ul style="list-style-type: none"> Annual Plan Activity Management Plans Long Term Plan Rating and Financial Policies Financial strategy 	<ul style="list-style-type: none"> Activity Management Plans Long Term Plan 	<ul style="list-style-type: none"> Reserve Management Plans Parks Strategy Off-Road Walking and Biking Strategy Museum Strategic Options Plan Active Transport Strategy Activity Management Plans Long Term Plan 	<ul style="list-style-type: none"> Community Funding policy Activity Management Plans Long Term Plan
Council Activity Areas/ Council Controlled Organisations	<ul style="list-style-type: none"> Governance and Leadership Timaru District Holdings Limited 	<ul style="list-style-type: none"> Community Funding Governance and Leadership Safer Communities 	<ul style="list-style-type: none"> Community Funding Cultural and Learning Facilities Parks, Recreation and Swimming Pools District Planning Governance and Leadership 	<ul style="list-style-type: none"> Community Funding Community Facilities Emergency Management Safer Communities Social Housing Governance and Leadership

Existing Action

Possible New Action

Note: Actions are not listed in priority order

The next 10 years

Promote integrated, highly liveable communities

The places we call home help define who we are. It is important these are well planned, with good access to services and facilities that help make communities tick. The Council has identified promoting integrated, highly liveable communities as one of its strategic priorities.

The Council plays a direct role in planning for future landuse, providing necessary community infrastructure and facilities and ensuring communities are attractive sustainable in the future. It enables safer and healthy communities through providing services like waste minimisation and stormwater.

Over the next ten years, the Council will continue to promote integrated and liveable communities. The remainder of this page outlines:

- Current and future issues impacting on the Council and delivery of its services
- How the Council will contribute to this priority
- Key specific projects and initiatives identified over the life of the Long Term Plan. This represents only a selection of the work the Council does

For more detail, please refer to Section Two of the LTP.

Current and future issues

- Meeting changing demand pressures
- State of the district, regional, national and international economy
- Ongoing legislative changes to the Food, Building and Resource Management regulatory regimes
- Impacts from the Canterbury earthquakes
- Meeting community expectations efficiently for a reasonable cost
- Doing more with less
- Developing facilities to cater for future demands
- Developing and maintaining existing and new partnerships
- Changing lifestyles
- Meeting environmental standards

Council contribution

- Maintain building control, environmental health and district planning regulatory provision
- Provision of solid waste collection services and facilities across the district
- Providing public toilets and cemeteries
- Supporting safer communities
- Provide emergency management services (e.g. civil defence, rural fire)
- Providing social housing
- Providing support to community organisations
- Provision of parks, reserves, gardens and playgrounds
- Provision of district pools, including the Caroline Bay Aquatic Centre
- Supporting provision of recreation opportunities and events in the district
- Maintenance and upgrading of roading and footpaths infrastructure
- Maintenance and upgrading of stormwater infrastructure
- Provision of stormwater schemes across the district
- Supporting the Orari-Opihi-Pareora water zone implementation programme (OOP ZIP)

Ten year projects or initiatives

- District Plan review (starting 2015/16)
- ADBT initiatives, business support and special projects
- District infrastructure development and provision
- Investigate introducing a Development Contributions policy
- Ongoing delivery of 3-2-1-ZERO waste minimisation scheme
- Improved understanding of the retail environment
- Ongoing TAG project monitoring
- Heritage painting and enhancement fund
- Parks provision and development
- Public toilet upgrades
- Significant Natural Areas (SNA) fund
- Earthquake Prone Buildings review
- Regulatory Services monitoring, assessment and regulation
- Stormwater renewals and upgrades
- Development of Stormwater Management Plans
- Renewals of stormwater assets, plant and equipment
- Timaru, Temuka, Geraldine and Pleasant Point stormwater upgrades
- Gleniti dams, Timaru
- Renewals of water supply assets, plant and equipment
- Animal control services
- Bylaw monitoring and review
- Road safety and improvement projects
- Redruth Eco-Centre resource recovery park
- Parks shared urban tracks

Strategic Priority 2: Promote integrated, highly liveable communities

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

Existing Action *Possible New Action*

Note: Actions are not listed in priority order

The next 10 years - Support areas of economic and district strength

Support areas of economic and district strength

A strong economy and building on our district's strengths is critical to our future. In building our identity as a district and region, we enhance our place in New Zealand and the world. The Council has identified supporting areas of economic and district strength as one of its strategic priorities.

The Council plays a direct role in providing and developing critical infrastructure to support community and business growth and development. Provision of recreational and leisure infrastructure enhances the district as a place to live and work. It also provides funding support to an economic development agency who provide a range of services to support and promote businesses and the district.

Over the next ten years, the Council will continue to support areas of economic and district strength. The remainder of this page outlines:

- Current and future issues impacting on the Council and delivery of its services
- How the Council will contribute to this priority
- Key specific projects and initiatives identified over the life of the Long Term Plan. This represents only a selection of the work the Council does

For more detail, please refer to Section Two of the LTP.

Current and future issues

- State of the district, regional, national and international economy
- Legislative change/reform
- Impacts from the Canterbury earthquakes
- Meeting community expectations efficiently for a reasonable cost
- Doing more with less
- Dealing with traffic growth
- Increasing freight transportation
- Ageing infrastructure
- Planning and funding framework, including Central Government
- Meeting changes in demand and impact of growth and development
- International influences and impacts

Council contribution

- Leadership and advocacy for the district
- Supporting Aoraki Development Business and Tourism (ADBT)
- Provide key infrastructure to support development
- District Central Business District parking provision
- Support district wide events
- Maintain provision of the Timaru Airport
- Focus funding support on visitors
- Maintenance and upgrading of infrastructure
- Monitoring condition and performance of infrastructure networks
- Plan for the future
- Supporting the Orari-Opihi-Pareora water zone implementation programme (OOP ZIP)

Ten year projects or initiatives

- ADBT initiatives, business support and special projects
- District infrastructure development and provision
- District Plan review (starting 2015/16)
- Road rehabilitation and resurfacing
- Seal extensions
- Central Business District renewals
- Factory Road upgrade
- Factory Road bridge widening
- Temuka roading upgrades
- Washdyke network improvements
- Southern road port access, Timaru
- Recreation and leisure facilities provision

Strategic Priority 3: Support areas of economic and district strength

Priority Areas	Enable economic success	Resident and Visitor emphasis	Nurture and market our identity
What will be done	<ul style="list-style-type: none"> Support and enable areas of economic strength to thrive and maximise local economic growth Provide key infrastructure that meets business and industry requirements Ensure sufficient land is available to meet development demands Support availability and delivery of training and employment opportunities and initiatives Celebrate and promote business innovation and success Advocate in areas that maximise economic opportunity and benefits for the district Make Council processes easy for business 	<ul style="list-style-type: none"> Provide events for our people and visitors Promote district to residents and visitors, with a lesser focus on international tourists Grow Timaru District's appeal as a visitor destination Maximise benefits from district visitors 	<ul style="list-style-type: none"> Strengthen Timaru District identity Reinforce residents pride in Timaru District Improve the external image of Timaru District Treasure and support diversity and heritage of communities Support people and groups contributing to improving our image Support the protection of significant built and natural heritage where community safety not compromised Support and foster district creativity
How it will be done	<ul style="list-style-type: none"> <i>Focused support of small medium enterprises (SMEs)</i> <i>Coordination of a connected cluster of key district training and employment agencies</i> <i>District Communications Feasibility study</i> CBD parking provision CBD Revitalisation Plans Business Awards ADBT funding and support Alignment of ADBT priorities District Plan changes/review 	<ul style="list-style-type: none"> <i>Refocus on residents and visitors</i> <i>Coordinated district events programme</i> Visitor promotion initiatives ADBT funding and support Alignment of ADBT priorities 	<ul style="list-style-type: none"> Cultural events and celebrations Exhibitions showcasing local talent and creativity Greater use of promotional materials/avenues/ mediums Creative and community group support Heritage and art collections <i>Project to build and strengthen district identity</i> <i>District marketing plan</i> <i>Coordinated district events programme</i> <i>Citizen 'Ambassadors' programme</i> <i>District entrance enhancements</i> Recreation and Leisure facilities provision ADBT funding and support
Related strategies/plans/policy	<ul style="list-style-type: none"> ADBT Statement of Intent Activity Management Plans Digital strategy Long Term Plan 	<ul style="list-style-type: none"> Events strategy ADBT Statement of Intent Activity Management Plans Long Term Plan 	<ul style="list-style-type: none"> Activity Management Plans ADBT Statement of Intent Events strategy Long Term Plan
Council Activity Areas/ Council Controlled Organisations	<ul style="list-style-type: none"> Airport Aoraki Development Business and Tourism (ADBT) Canterbury Economic Development Company Limited District Planning Economic Development and District Promotions Governance and Leadership Transport Sewer Stormwater Timaru District Holdings Limited Water Supply 	<ul style="list-style-type: none"> Community Funding Economic Development and District Promotions Aoraki Development Business and Tourism (ADBT) Governance and Leadership 	<ul style="list-style-type: none"> Community Funding Economic Development and District Promotions Governance and Leadership Cultural and Learning Facilities Parks, recreation and swimming pools

Existing Action *Possible New Action*

Note: Actions are not listed in priority order

The next 10 years - Ensure critical infrastructure meets future needs

Ensure critical infrastructure meets future needs

Roads, pipes, swales, signage, bridges, trunk mains, valves, water treatment facilities - all terms that describe critical infrastructure that our community cannot do without. Maintenance, provision and development of infrastructure is the Council's core business. The Council has identified ensuring critical infrastructure meets future needs as one of its strategic priorities.

The Council plays a direct role in providing a roading and footpaths network, waste collection and minimisation facilities, sewage treatment and collection and water supply schemes throughout the district. It also plays an indirect role in supporting and partnering with other critical infrastructure providers such as telecommunications and power.

Over the next ten years, the Council will continue to manage and develop critical infrastructure. The remainder of this page outlines:

- Current and future issues impacting on the Council and delivery of its services
- How the Council will contribute to this priority
- Key specific projects and initiatives identified over the life of the Long Term Plan. This represents only a selection of the work the Council does.

For more detail, please refer to Section Two of the LTP.

Current and future issues

- Completing the Timaru District Wastewater Management Strategy
- Upgrading infrastructural assets
- Meeting environmental standards
- Climate change
- Waste 'flight' and maintaining an economically viable waste minimisation system
- The future of the Redruth landfill
- The NZ Emissions Trading Scheme
- Meeting the requirements of the Canterbury Natural Resources Regional Plan (NRRP)
- Climate change
- Meeting changes in demand and impact of growth and development
- Dealing with traffic growth
- Increasing freight transportation
- Ageing infrastructure
- Meeting community expectations for higher levels of service
- Planning and funding framework, including Central Government
- International influences and impacts
- A more sustainable transport approach
- Achieving Drinking Water standards
- Meeting competing demands for water resources

Council contribution

- Provision of sewer systems and treatment
- Maintenance and upgrading of infrastructure, (e.g. pipes, treatment facilities, road pavements, bridges, footpaths, signage, traffic signals, lighting)
- Monitoring condition and performance of network
- Meeting conditions of resource consents
- Response to complaints and service failures
- Planning for future delivery of infrastructure services in district communities
- Provision of solid waste collection services and facilities across the district
- Maintenance and upgrading of stormwater infrastructure
- Provision of stormwater schemes across the district
- Regional Land Transport and NZ Transport Agency funding applications
- New road developments
- Road safety initiatives
- Carparking provision
- Supporting the Orari-Opihi-Pareora water zone implementation programme (OOP ZIP)

Ten year projects or initiatives

- Domestic Treatment Plant upgrade
- Renewals of sewer assets, plant and equipment
- North Mole sewer upgrade
- Queen Street wetwell refurbishment
- Storage upgrade, Glenwood Avenue, Timaru
- Sewer trunk main renewals
- Washdyke pipe separation
- Winchester and Acacia Drive sewer network extensions
- Waste Management and Minimisation Plan
- Ongoing delivery of 3-2-1-ZERO waste minimisation scheme
- Development of gas system to collect and destroy landfill gas
- Landfill whole of life plan to improve landfill
- Renewals of solid waste assets, plant and equipment
- Waste levy projects to encourage waste minimisation
- ETS monitoring and reporting
- Development of Stormwater Management Plans
- Renewals of stormwater assets, plant and equipment
- Timaru, Temuka, Geraldine and Pleasant Point stormwater upgrades
- Gleniti dams, Timaru
- Renewals of water supply assets, plant and equipment
- Water supply strategies for various supplies
- Water supply Public Health Risk Management Plans
- Drinking Water Standards upgrades

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- Timaru Pareora Pipeline Renewal
 - Downlands and Timaru reservoir covers
 - Temuka Trunkmain renewals
 - Te Moana water supply network enhancement
 - Downlands water supply Tengawai trunk main upgrade
 - Water supply storage upgrades
 - Bridge renewals
 - Safety improvements
 - Road rehabilitation and resurfacing
 - Seal extensions
 - Central Business District renewals
 - Factory/Canal Road upgrade
 - Factory Road bridge widening
 - Temuka roading upgrades
 - Washdyke network improvements
 - Southern road port access, Timaru

Strategic Priority 4: Ensure critical infrastructure meets future needs

Priority Areas	Water Supply	Wastewater treatment and disposal	Roading and transport network
What will be done	<ul style="list-style-type: none"> • Provide good quality potable water provided to district communities • Ensure sustainable water quantities are available for urban, business and rural needs • Plan for water supply infrastructure to meet future community needs • Ensure adequate water available for emergency situations 	<ul style="list-style-type: none"> • Effectively treat and dispose of wastewater with minimal impact on the environment • Plan for sewer infrastructure to meet future community needs 	<ul style="list-style-type: none"> • Provide a well maintained and designed roading network • Enhance strategic district roading routes • Ensure bridge infrastructure meets capacity requirements • Provide rural roads that are sufficient for community needs • Ensure Timaru airport remains commercially functional and viable • Encourage walking and cycling options to be available across the district
How it will be done	<ul style="list-style-type: none"> • Compliance with Drinking Water standards • Geraldine Area Wide Water Supply strategy • Downlands Water Supply quantity and quality enhancements • Pareora water supply pipeline renewal • Water supply infrastructure renewals and upgrades • Water quality monitoring 	<ul style="list-style-type: none"> • Timaru Wastewater Management Strategy completion • Wastewater Treatment Plant upgrade • Sewer infrastructure renewals and upgrades 	<ul style="list-style-type: none"> • Clandeboye heavy traffic route enhancements • Improved rural road maintenance • Bridge replacements and renewal programme • Footpath renewal programme • <i>One formed footpath provided on every district street</i> • <i>Airport Business Plan</i> • <i>Implementation of Active Transport Strategies</i> • Evans Street four-laning • North Street overbridge
Related strategies/plans/policy	<ul style="list-style-type: none"> • Geraldine Area Wide Water Supply Strategy • Activity Management Plans • Water Supply Risk Management Plans • Canterbury Water Management Strategy • Long Term Plan 	<ul style="list-style-type: none"> • Timaru Wastewater Management Strategy • Activity Management Plans • Long Term Plan 	<ul style="list-style-type: none"> • Timaru Transportation strategy • Active Transport Strategies • Activity Management Plans • Regional Transport Plan • Long Term Plan
Council Activity Areas/ Council Controlled Organisations	<ul style="list-style-type: none"> • Water Supply • Governance and Leadership 	<ul style="list-style-type: none"> • Sewer • Governance and Leadership 	<ul style="list-style-type: none"> • Roading and Footpaths • Airport • Governance and Leadership
Existing Action <i>Possible New Action</i> Note: Actions are not listed in priority order			

Financial Strategy

The Financial Strategy defines our financial direction for the next 10 years. It balances:

- ♦ the need to maintain, replace and renew core infrastructure
- ♦ ratepayer affordability
- ♦ community needs and aspirations for new and improved community infrastructure
- ♦ the obligation under law to build new infrastructure of a higher standard

The Council must manage its finances prudently, while sustainably promoting the current and future interests of the community.

TDC future financial situation

Factors that will influence the Council's future financial situation include:

- ♦ Population growth and changing land use
- ♦ Inflation and known cost increases
- ♦ Asset development and renewal expenditure
- ♦ NZTA financial assistance
- ♦ Emissions Trading Scheme (ETS)
- ♦ Major Council projects (e.g. wastewater upgrade, drinking water standards upgrades)

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

- ♦ Sewer treatment upgrades
- ♦ Regulatory framework for stormwater
- ♦ Drinking Water Standards/Public Health Risk Management Plans
- ♦ Meeting competing demands for water resources
- ♦ Operation of the Caroline Bay Aquatic Centre
- ♦ Change in demands on road network

- ♦ Sustainable Transport/Active Transport
- ♦ Legislative change
- ♦ Community expectations and changes in demand
- ♦ Enabling participation and communication
- ♦ Ageing infrastructure

Further information on these can be found throughout the LTP.

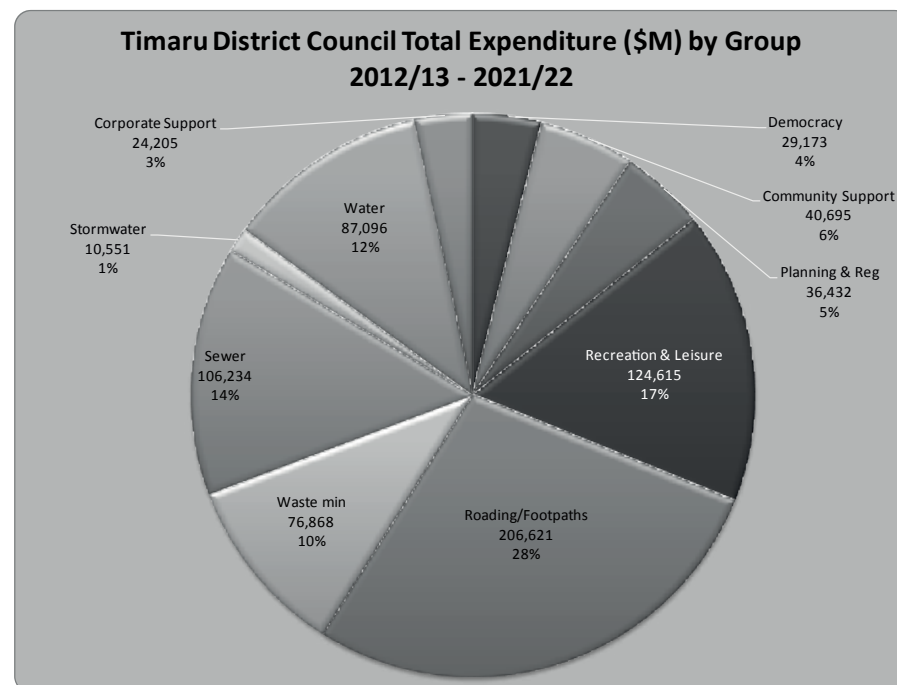
Based on the Council's work programme and taking into account the factors listed above, the following summarises the forecast financial situation of the Council from 2012-2022:

- Total Operating expenditure: \$686M
- Total Capital expenditure: \$221M
- Total rates: \$428M, including:
 - ♦ General rates: 47%
 - ♦ Targeted Rates: 53%
- Total non-rates income: \$291M
- Total forecast debt: \$97M (30 June 2022)
- Average annual rate increase: 2.06%, excluding inflation (Years 2-10)

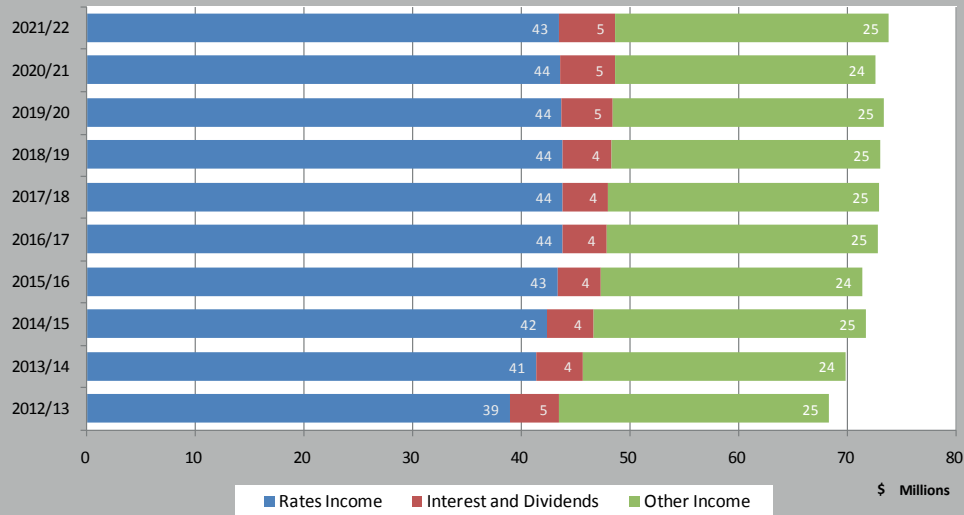
Graphs here and over the page also help illustrate this.

TDC financial situation 2011 - 2022

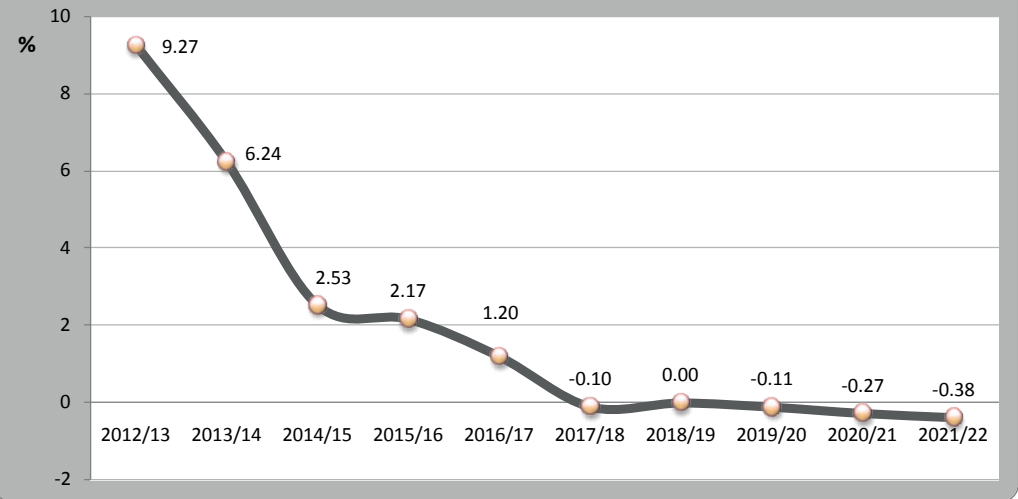
	30 June 2011 Actual	30 June 2022 Forecast
Operating expenditure:	\$56M	\$70M
Rate revenue:	\$33M	\$43M
Net assets:	\$705M	\$741M
Operating income:	\$60M	\$74M
Liabilities:	\$77M	\$115M
Interest expense is not to exceed 15% of total revenue:	5.9%	9.2%
Cashflow from operating activities must exceed interest expense by 2 times:	\$18M/\$4M	\$24M/\$7M
Borrowing:	\$61M	\$97M
Borrowing as a percentage of total assets:	7.7%	11.3%



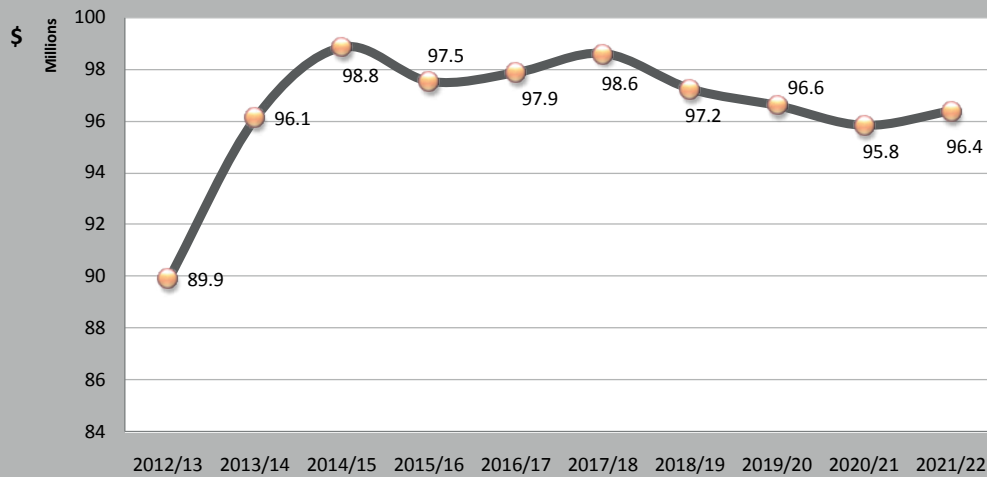
**Timaru District Council Sources of Income
2012/13 - 2021/22**



**Timaru District Council Rates Changes
2012/13 - 2021/22**



**Timaru District Council Net Debt
2012/13 - 2021/22**



Other Financial Aspects

Financial Ratios and limits

The Council has financial ratios and limits as outlined below:

Expenditure Limits

- Interest expense is not to exceed 15% of total revenue
- Cashflow from operating activities must exceed interest expense by two times.

Rates and Rate increases limits

The strategy requires the Council to specify limits on the level of rates and rate increases. These are summarised below:

- Total rates revenue not to exceed \$45 million, excluding inflation in any given year, and \$65 million including inflation.
- Generally, the percentage increase in total rates revenue in any year, will not exceed 6% plus inflation based on the Local Government Cost Index¹. The increase in Year 1 (2012/13) is 10% and 6.5% in Year 2 (2013/14) to acknowledge the costs associated with increased levels of services such as sewer treatment and the Caroline Bay Aquatic Centre and new costs such as for the Emissions Trading Scheme.

Borrowing limits

The following limits are in place for borrowing undertaken by the Council:

- Borrowing as a percentage of total assets: 15%
- Interest expense as a percentage of total revenue: 15%

TDC approach to inflation

Inflation is inevitable, but the Council, given the inherent unreliability of inflation predictions, only includes inflation in the LTP for the 2012/13 year. Beyond 2012/13, budgets are adjusted annually. The Council believes this allows the community the greatest opportunity to understand the financial implications of the decisions being made utilising information in the LTP and subsequent Annual Plans. However, supplementary information is included in the LTP showing the overall impact of an assumed rate of inflation of 3.52% across the ten years.

The auditors do not consider this approach to be in line with generally accepted accounting practice or legislation and have modified their audit opinion accordingly.

The Council does not agree with this view. The approach to inflation that the Council has employed has been carefully considered and used since the 2006 LTCCP. Inflation has been applied only for the first year of the ten-year plan, and to individual years when the Council prepares the annual plan.

The reasons for the use of the Council's inflation approach beyond Year 1 are:

- the inherent unreliability of inflation predictions
- the ability in individual years to more transparently expose the impact of inflation on the base costs of Council services
- the ability to show the cost of increases in service levels in individual years without distortion by an inflation component

- improved transparency for the community on the impact of inflation
- the ability to achieve efficiencies in delivery of Council services to mitigate the effects of inflation
- achieving better and tighter financial management that is not obscured by an inflation component
- the belief that it is more fiscally prudent not to apply inflation beyond Year 1

In stating the reasons above, the Council is not suggesting that inflation will not impact on the provision of Council's services over the course of the LTP. It does however believe that the approach it takes to inflation is more transparent and appropriate for the Timaru District community.

Local Government Funding Agency

The Council is proposing to become a shareholder and member of the Local Government Funding Agency (LGFA). Being a shareholder necessitates undertaking certain guarantees related to local government debt and borrowings. Access to the LGFA would mean Council would be able to achieve a lower cost of funding for the Council.

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.

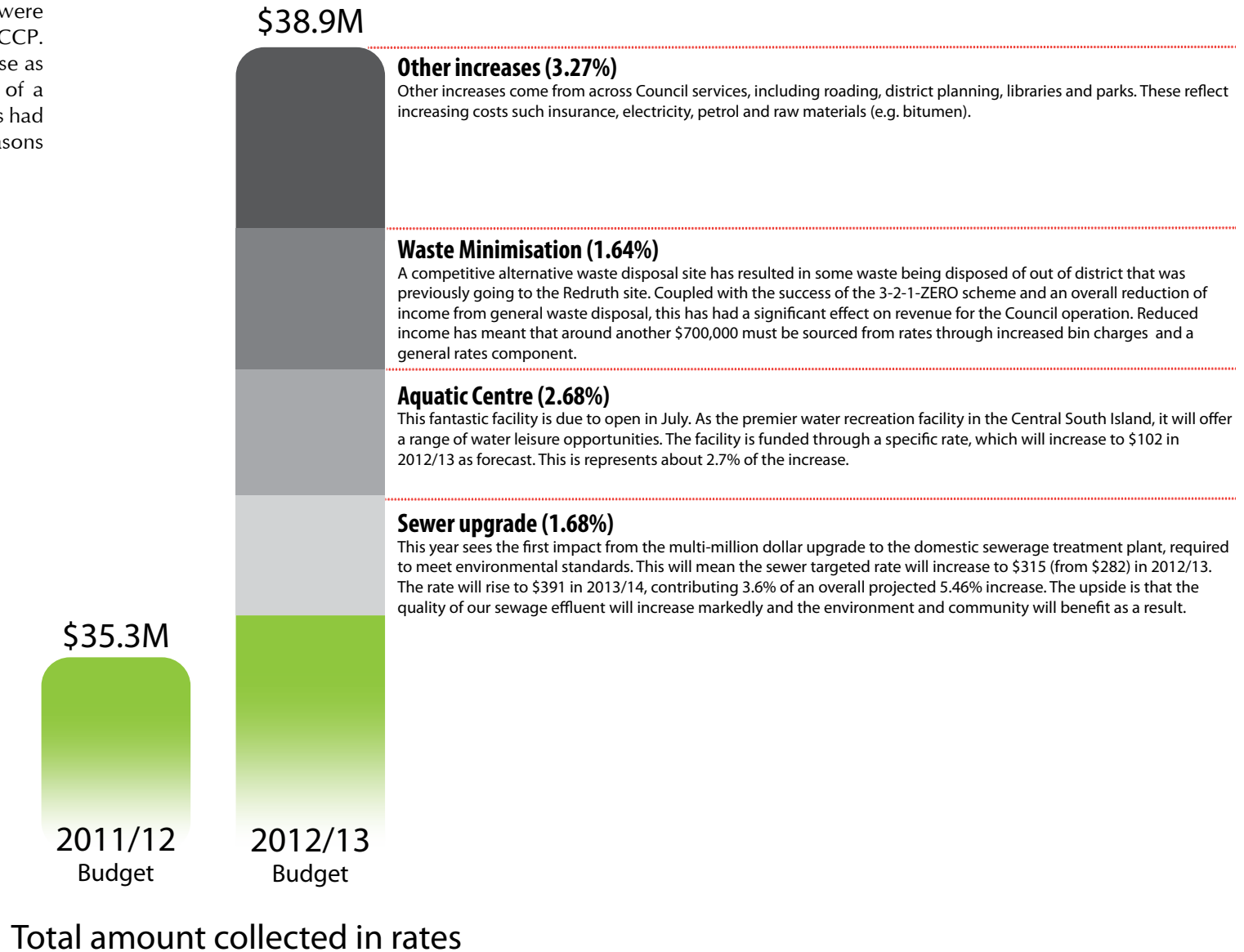
This approach will maintain the Council's sound financial position over the next 10 years and provide a sound base for maintaining the well-being of future generations.

¹ 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.

How this will affect you

The 2012/13 Increase – Why is it so high?

This year's rates increase is higher than normal, at 9.27%. Large increases were signalled for this period in the 2009 LTCCP. The Council have tried to limit the increase as much as possible, but the combination of a number of projects and issues at once has had an impact. The diagram illustrates the reasons for this increase:



Rates 2012/13

How will your rates change? – TDC Rates 2012/13

Total rates revenue (i.e. the total amount of money Council collects in rates across the whole district) is proposed to increase by 9.27% in 2012/13. Individual rate increases will vary according to where you live in the district, the type and value of your property, and the services you receive. The following are rates for example properties across the district based on the 2012/22 Long Term Plan:

Please note that all figures in the tables below are GST inclusive at 15%

Geraldine	
Average Land Value (2009)	\$115,200
Average Land Value (2012)	\$116,400
Uniform Annual General Charge	\$450.00
General Rate	\$320.10
Targeted Rates	\$1,101.50
Proposed 2012/13 Rates	\$1,871.60
Weekly cost for 2012/13	\$35.99
2011/12 Rates	\$1,691.09
Change 11/12 to 12/13	10.67%

Temuka	
Average Land Value (2009)	\$70,800
Average Land Value (2012)	\$71,400
Uniform Annual General Charge	\$450.00
General Rate	\$196.35
Targeted Rates	\$1,103.44
Proposed 2012/13 Rates	\$1,749.79
Weekly cost for 2012/13	\$33.65
2011/12 Rates	\$1,580.73
Change 11/12 to 12/13	10.70%

Pleasant Point	
Average Land Value (2009)	\$97,600
Average Land Value (2012)	\$96,500
Uniform Annual General Charge	\$450.00
General Rate	\$265.38
Targeted Rates	\$964.83
Proposed 2012/13 Rates	\$1,680.20
Weekly cost for 2012/13	\$32.31
2011/12 Rates	\$1,512.05
Change 11/12 to 12/13	11.12%

Timaru	
Average Land Value (2009)	\$103,500
Average Land Value (2012)	\$100,100
Uniform Annual General Charge	\$450.00
General Rate	\$275.28
Targeted Rates	\$1,077.12
Proposed 2012/13 Rates	\$1,802.40
Weekly cost for 2012/13	\$34.66
2011/12 Rates	\$1,661.41
Change 11/12 to 12/13	8.49%

Rural 1*	
Example Land Value (2009)	\$300,000
Example Land Value (2012)	\$261,000
Uniform Annual General Charge	\$450.00
General Rate	\$255.78
Targeted Rates	\$130.71
Proposed 2012/13 Rates	\$836.49
Weekly cost for 2012/13	\$16.09
2011/12 Rates	\$724.00
Change 11/12 to 12/13	15.54%

Rural 2*	
Example Land Value (2009)	\$1,500,000
Example Land Value (2012)	\$1,300,000
Uniform Annual General Charge	\$450.00
General Rate	\$1,274.00
Targeted Rates	\$245.00
Proposed 2012/13 Rates	\$1,969.00
Weekly cost for 2012/13	\$37.87
2011/12 Rates	\$1,780.00
Change 11/12 to 12/13	10.62%

Rural 3*	
Example Land Value (2009)	\$3,000,000
Example Land Value (2012)	\$2,610,000
Uniform Annual General Charge	\$450.00
General Rate	\$2,557.80
Targeted Rates	\$389.10
Proposed 2012/13 Rates	\$3,396.90
Weekly cost for 2012/13	\$65.33
2011/12 Rates	\$3,100.00
Change 11/12 to 12/13	9.58%

Commercial/Industrial**	
Example Land Value (2009)	\$300,000
Example Land Value (2012)	\$308,600
Uniform Annual General Charge	\$450.00
General Rate	\$3,573.59
Targeted Rates	\$1,331.49
Proposed 2012/13 Rates	\$5,355.08
Weekly cost for 2012/13	\$102.98
2011/12 Rates	\$4,898.00
Change 11/12 to 12/13	9.33%

* These example properties do not include targeted rates for water supply, wastewater or solid waste

** This example property only includes one targeted rates for water supply, wastewater and solid waste

Putting rates in perspective

A Timaru property with an average land value of \$100,100 will pay \$1,802.40 in rates, an increase of \$140.99 over 2011/12. For the average Timaru residential ratepayer, this works out at \$4.94 per day or \$34.66 a week.

Compared with other services, this is good value for the variety of services the Council provides. The level of increase for individual ratepayers will vary according to your property value and type, where you live in the district and the services you receive.

Compare this to what you pay weekly¹ for:

• The Timaru Herald	\$6.91 per week	• Sky Television ⁴	\$16.83 per week
• Phone/Broadband ²	\$26.54 per week	• Bread/Milk ⁵	\$36.25 per week
• Power ³	\$36.92 per week	• Rates	\$34.66 per week

¹ Weekly figures are approximate and include GST

² Based on Telecom Total Home Broadband package

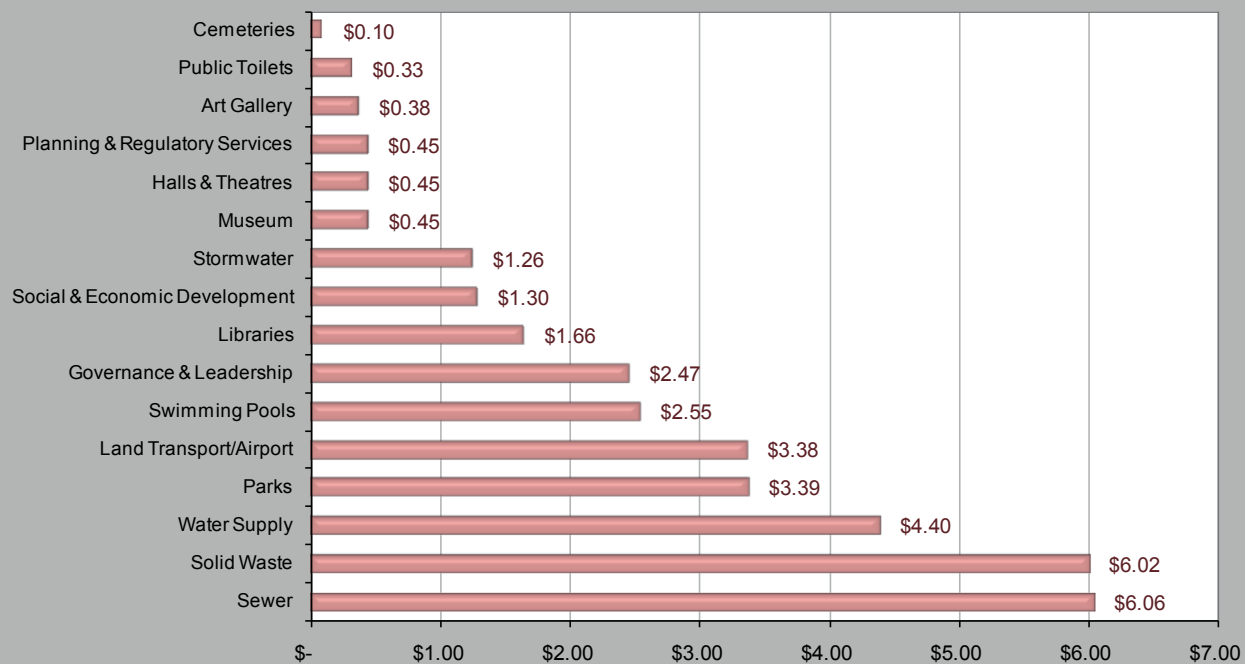
³ Based on monthly expenditure of \$160

⁴ Based on Sky Basic Package + Sky Sport

⁵ Based on 5 loaves at \$3.50 per loaf and 10 litres of milk at \$3.75 per 2 litres


The graph shows how much this property will pay weekly for Council services, such as swimming pools and water supply.






Rates per week for Council services 2012/13 (GST inclusive)








Your Council - Governance Summary

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

		Phone (work)	Phone (home)	Fax	Email
Mayor					
	Janie Annear	(03) 687 7200	(03) 684 6895	(03) 684 4422	mayorspa@ timdc.govt.nz

Councillors						
		Ward	Phone (home)	Mobile	Fax	Email
	Michael Oliver <i>(Deputy Mayor)</i>	Geraldine	(03) 693 8448	021 58 58 98		michael.oliver@ timdc.govt.nz
	Richard Lyon	Pleasant Point - Temuka	(03) 614 7369	0274 269 735	(03) 614 7696	richard.lyon@ timdc.govt.nz
	Pat Mulvey	Pleasant Point - Temuka	(03) 615 8130	027 3090 500		pat.mulvey@ timdc.govt.nz
	Jane Coughlan	Timaru	(03) 688 4866		(03) 688 1984	jane.coughlan@ timdc.govt.nz
	Steve Earnshaw	Timaru	(03) 688 4288	027 433 5862		steve.earnshaw@ timdc.govt.nz

Councillors						
		Ward	Phone (home)	Mobile	Fax	Email
	Hamish Fraser	Timaru	(03) 686 6771	027 669 9147		hamish.fraser@ timdc.govt.nz
	Terry Kennedy	Timaru	(03) 684 4070	0274 347 807	(03) 688 8902	terry.kennedy@ timdc.govt.nz
	Damon Odey	Timaru	(03) 684 9325	027 201 1920	(03) 688 0052	damon.odey@ timdc.govt.nz
	Jo Taylor	Timaru	(03) 614 8087	027 228 9562	(03) 688 2416	jo.taylor@ timdc.govt.nz
	Tracy Tierney	Timaru	(03) 684 7743	027 438 0159	(03) 684 9121	tracy.tierney@ timdc.govt.nz

Community Boards

Geraldine

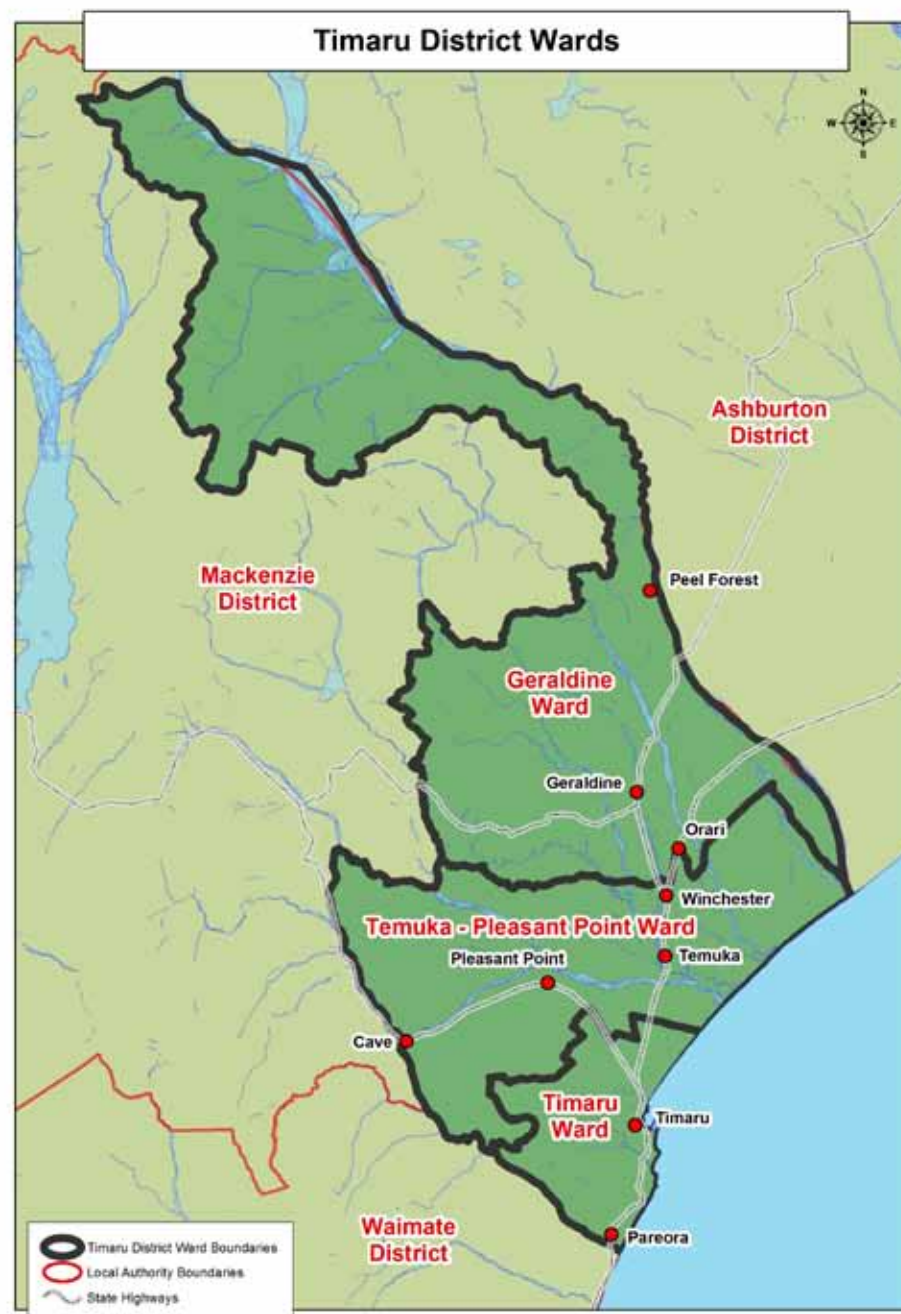
	Phone	Email
Rosie Morten (Chairperson)	6939058	orariest@xtra.co.nz
Danny Gresham (Deputy Chairperson)	6939310	danny.gresham@ceda.co.nz
Anna Guerin	6939619	
Dave Moss	6937453	
McGregor Simpson	6939696	
Kerry Stevens	6937442	
Also Geraldine Ward Councillor: Michael Oliver		

Pleasant Point

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

Temuka

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



Your District - Timaru District

GEOGRAPHY & CLIMATE

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

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

DEMOGRAPHICS

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

The estimated resident population of the Timaru District as at 30 June 2011 was 44,700. Population projections indicate that over the next twenty years, Timaru District's population is likely to remain fairly static, with slow growth or decline possible. The most optimistic growth projection is a total increase in population by 2031 of around 15.7% (around 7,000 people).

The population of Timaru District is expected to age significantly in the future. By 2031, 31.7% of the district's population is projected to be over 65 (2006: 18.3%). The life expectancy of Timaru District residents is expected to increase. For people born in 2026, women are projected to live to around 84.9 years (2006: 81.6 years) and men to around 80.9 years (2006: 77 years).

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

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

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

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

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

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

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

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

ECONOMY

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

Significant manufacturing operations are located in the district, including Fonterra's Clandeboye dairy factory, McCain's food processing plant, DB Mainland Breweries, NZ Light Leathers, Alliance Group Smithfield plant, Silver Fern Farms Pareora plant and Barkers Fruit Processors. The district

is centrally located for distribution and PrimePort provides a gateway for exports and imports.

Employment in the district is strong, with the majority of people employed in manufacturing, retail trade, health care and social assistance, agriculture, forestry and fishing, and construction industries as at February 2008. The number of businesses in the district has been steadily rising since 2000, with a slight decline in the last few years. As at February 2011, there were approximately 5,292 businesses operating in the district. The Agriculture, Forestry and Fishing industry sector accounts for nearly 25% of these businesses.

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

OUR COMMUNITIES

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

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

OUR ENVIRONMENT

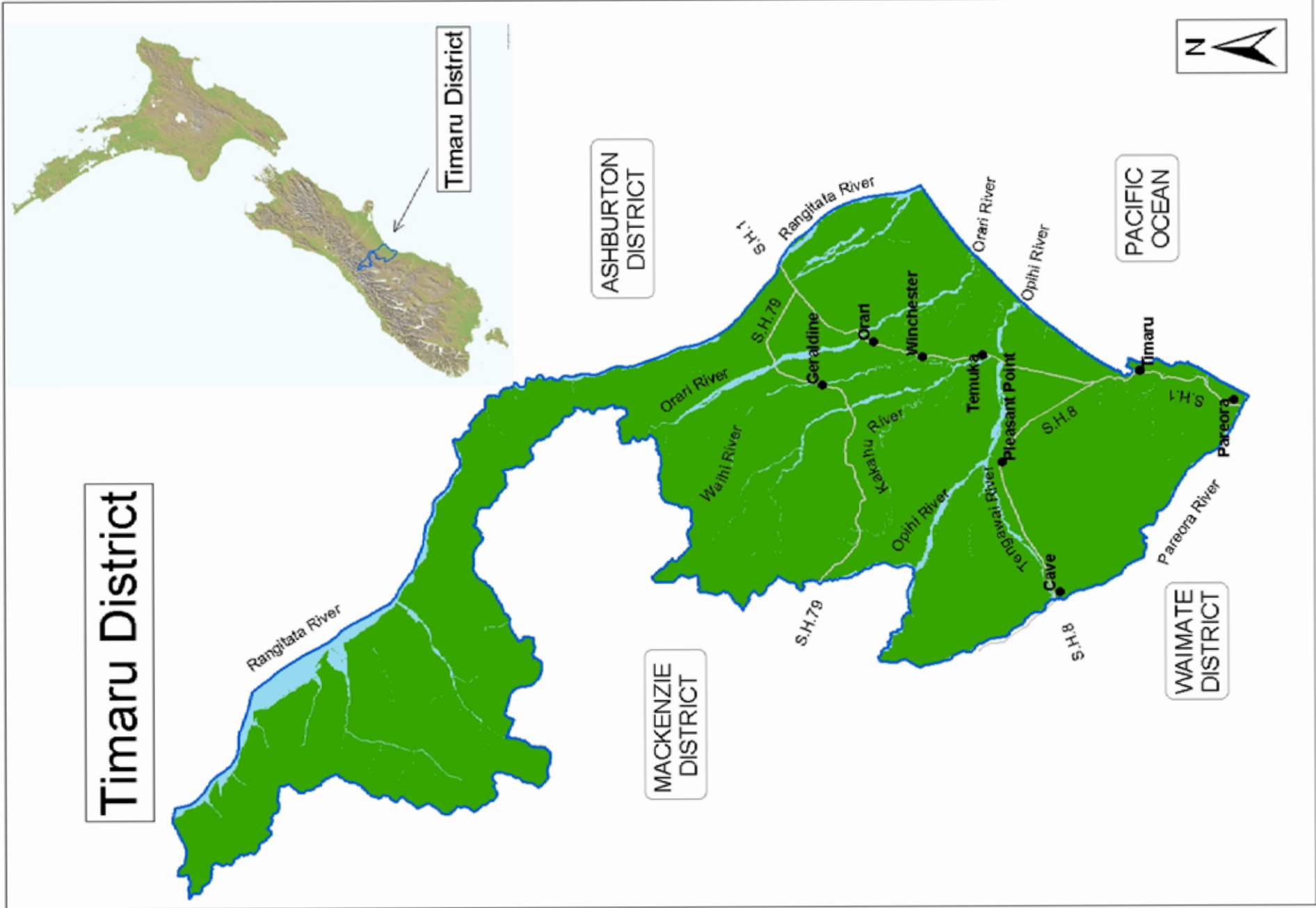
The diverse landscapes of the Timaru District include rolling downlands, tussock land,

coastal plains and wetlands, forest remnants, river gorges and rugged mountain ranges.

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

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

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



Independent Auditor's Report

to the readers of Timaru District Council's Long-Term Plan for the ten years commencing 1 July 2012

The Auditor-General is the auditor of Timaru District Council (the District Council). The Auditor-General has appointed me, Julian Tan, using the staff and resources of Audit New Zealand, to report on the Long-Term Plan (LTP), on her behalf. We have audited the LTP of the District Council dated 26 June 2012, for the ten years commencing 1 July 2012.

The Auditor-General is required by section 94(1) of the Local Government Act 2002 (the Act) to report on:

- the extent to which the LTP complies with the requirements of the Act; and
- the quality of information and assumptions underlying the forecast information provided in the LTP.

Opinion

Overall Adverse Opinion

In our opinion, the District Council's LTP dated 26 June 2012 does not provide a reasonable basis for long-term integrated decision-making by the District Council, nor for participation in decision-making by the public and subsequent accountability to the community about the activities of the District Council.

Reasons for our overall adverse opinion

We formed that opinion because of the following two reasons:

- **The forecast financial information is not based on best estimates**

The forecast financial information and commentary on that information, other than the information on pages 157 to 160, includes an inflation assumption only for the year ending 30 June 2013, but not for the remaining nine years of the plan to 30 June 2022. Section 111 of the Act requires the forecast financial information to be prepared in accordance with generally accepted accounting practice. This means following the

requirements of Financial Reporting Standard 42: Prospective Financial Statements (FRS-42). FRS-42 requires forecast financial information to be prepared using the best information available at the time of determining the assumptions, and requires the assumptions to be reasonable and supportable. We do not consider an assumption of no inflation after 30 June 2013 to be based on the best information available to the District Council, nor to be reasonable and supportable.

- **The supplementary inflation adjusted tables do not relate to the other information and commentary in the LTP**

The supplementary inflation adjusted tables on pages 157 to 160 have been prepared by adding an inflation factor to the base forecast financial information included in the LTP. These tables have been prepared in isolation from the groups of activities and are not supported by underlying forecast information for each group of activities. Also, the tables do not relate to the other information and commentary in the LTP.

The significance of the reasons for our overall adverse opinion means that in our view the LTP does not provide adequate information for the community to readily assess the District Council's plans.

In forming our overall opinion, we considered the specific matters outlined in section 94(1) of the Act which we report on as follows.

Opinion on Specific Matters Required by the Act

Had the District Council's forecast financial information and commentary on that information included reasonable and supportable inflation assumptions after 30 June 2013, in our view:

- **the District Council would have complied with the requirements of the Act in all material respects demonstrating good practice for a council of its size and scale within the context of its environment; and**
- **the underlying information and assumptions used to prepare the LTP would have provided a reasonable and supportable basis for the preparation of the forecast information.**

Actual results are likely to be different from the forecast information since anticipated events frequently do not occur as expected and the variation may be material. Accordingly, we express no opinion as to whether the forecasts will be achieved.

Our report was completed on 26 June 2012. This is the date at which our opinion is expressed.

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

Basis of Opinion

We carried out the audit in accordance with the International Standard on Assurance Engagements (New Zealand) 3000: Assurance Engagements Other Than Audits or Reviews of Historical Financial Information and the Auditor-General's Auditing Standards, which incorporate the International Standards on Auditing (New Zealand). We have examined the forecast financial information in accordance with the International Standard on Assurance Engagements 3400: *The Examination of Prospective Financial Information*.

Those standards require that we comply with ethical requirements and plan and carry out our audit to obtain all the information and explanations we considered necessary to obtain reasonable assurance that the LTP does not contain material misstatements. If we had found material misstatements that were not corrected, we would have referred to them in our opinion.

An audit involves performing procedures to obtain audit evidence about the forecast information and disclosures in the LTP. The procedures selected depend on our judgement, including the assessment of risks of material misstatement of the information in the LTP. In making those risk assessments we consider internal control relevant to the District Council's preparation of the LTP. We consider internal control in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the District Council's internal control.

Our audit procedures also include assessing whether:

- the LTP provides the community with sufficient and balanced information about the strategic and other key issues, and implications it faces and provides for participation by the public in decision making processes;
- the District Council's financial strategy, supported by financial policies as included in the LTP is financially prudent, and has been clearly communicated to the community in the LTP;
- the presentation of the LTP complies with the legislative requirements of the Act;
- the decision-making and consultation processes underlying the development of the LTP are compliant with the decision-making and consultation requirements of the Act;

- the information in the LTP is based on materially complete and reliable asset or activity management information;
- the agreed levels of service are fairly reflected throughout the LTP;
- the key plans and policies adopted by the District Council have been consistently applied in the development of the forecast information;
- the assumptions set out within the LTP are based on best information currently available to the District Council and provide a reasonable and supportable basis for the preparation of the forecast information;
- the forecast information has been properly prepared on the basis of the underlying information and the assumptions adopted and the financial information complies with generally accepted accounting practice in New Zealand;
- the rationale for the activities is clearly presented;
- the levels of service and performance measures are reasonable estimates and reflect the key aspects of the District Council's service delivery and performance; and
- the relationship of the levels of service, performance measures and forecast financial information has been adequately explained within the LTP.

We do not guarantee complete accuracy of the information in the LTP. Our procedures included examining on a test basis, evidence supporting assumptions, amounts and other disclosures in the LTP and determining compliance with the requirements of the Act. We evaluated the overall adequacy of the presentation of information. We obtained all the information and explanations we required to support our opinion above.

Responsibilities of the Council

The Council is responsible for preparing the LTP under the Act, by applying the District Council's assumptions and presenting the financial information in accordance with generally accepted accounting practice in New Zealand. The Council is also responsible for such internal control as it determines is necessary to enable the preparation of the LTP that is free from material misstatement.

The Council's responsibilities arise from Section 93 of the Act.

Responsibilities of the Auditor

We are responsible for expressing an independent opinion on the LTP and reporting that opinion to you based on our audit. This responsibility arises from section 15 of the Public Audit Act 2001 and section 94(1) of the Act.

It is not our responsibility to express an opinion on the merits of any policy content within the LTP.

Independence

When reporting on the LTP we followed the independence requirements of the Auditor-General, which incorporate the independence requirements of the External Reporting Board.

Other than this report and in conducting the audit of the LTP Statement of Proposal, the annual audit and an assignment pursuant to a debenture trust deed, we have no relationship with or interests in the District Council or any of its subsidiaries.



Julian Tan
Director
Audit New Zealand
Christchurch, New Zealand



Council Activities

Council Activities - Summary

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

Council's previous group structure that are shown in the diagram below.

A roadmap of the information within this section can be found over the next few pages.



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 Building 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 how the positive effects that activities have on the Council's vision and community outcomes.

Contribution to Community Outcomes	Economic	Environmental	Cultural	Social
High quality built environment				
High quality public realm				
High quality green spaces				
High quality housing				
High quality services				
High quality infrastructure				
High quality employment				
High quality education				
High quality health				
High quality leisure				
High quality safety				
High quality accessibility				
High quality sustainability				

Key issues for the next 10 years

Supporting Building Consent Authority Accreditation Requirements

The Council must continue to meet ongoing accreditation requirements associated with being a Building Consent Authority (BCA). Council was first accredited in a BCA in February 2002 and is audited every two years to ensure its processes are up to scratch. Further implementation of the accreditation report will allow additional work on the Council, with the introduction of secondary building work which may only be undertaken by licensed building practitioners (LBP) as set out under Section 227C.

The Council's efforts to lobby to place increasing regulatory pressure on regulatory building activities

The introduction and use of technology is planned to improve services in the community. There are likely to be building activities using electronic devices to create applications and the ability of the public to monitor progress with their building consent online.

Meeting changes in demand

Demand for regulatory services is influenced through the economic climate. Council is required to maintain at least a minimum level of service which currently is no significant cost. Reduced demand may reduce income meaning additional resource may be needed to maintain an adequate level of service.

Maintaining a properly trained staff

Government legislation is reducing the requirement for TDC regulatory staff to be formally qualified. For example, a higher range of building practitioners requires building officials to have a nationally recognised qualification in building control or a relevant international equivalent by November 2014. Other legislative measures (such as the Resource Management Act) will likely require staff to have some additional formal qualifications.

What we plan to do and our levels of service

1 Plan for and provide a cost effective road network

The services we will deliver:

- Manage and maintain all aspects of the existing and proposed road network
- Provide emergency survey and design services for transport projects
- Prepare and maintain R100 (1 year) and NCTA financial assistance applications, plans and monitoring
- Provide a customer service impact analysis 24 hours a day, 7 days a week
- Investigate and track road and roadworks projects
- Monitor and manage transport projects
- Manage and update asset data, transport model and related information
- Manage operations and condition rating of roadwork assets
- Provide engineering survey and design services for transport projects
- Update the Transport Assetwork works renewal and procurement programme
- Coordinate transport planning to ensure future needs for all transport modes
- Integrate improvement projects and long term network needs
- Review and develop Transport Strategy, Plans
- Review Transport Information Strategy

Performance Measures/Targets

Challenging road of Bending and SafeRoad

Year 1	Year 2	Year 3	Year 4
2011/12	2012/13	2013/14	2014/15
2011/12	2012/13	2013/14	2014/15

Current performance: Target

2 Roads provide for sustainable and efficient travel

The services we will deliver:

- Manage operations and maintenance projects for transport services for the road user
- Develop future road projects through the different procurement processes and future demand
- Implement local road improvements in the Transport Information Strategy
- Manage Traffic Management Plans and in place for all road corridors
- Manage road and emergency road closures
- Manage vehicle loading and road opening processes
- Develop and implement Condition Management Plan with vehicle operators
- Monitor, assess and audit road network assets
- Monitor the state of the road network, including traffic counts, pavement roughness and condition

Performance Measures/Targets

Resilience of road network and maintenance works

Year 1	Year 2	Year 3	Year 4
2011/12	2012/13	2013/14	2014/15
2011/12	2012/13	2013/14	2014/15

Current performance: Target

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 wellbeing

This table details the negative effects that the activity may have on community wellbeing. Ticks in the relevant column indicate which aspect of community wellbeing may be affected - 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. Where possible, the performance result from 2009/10 and 2010/11 is included for reference.

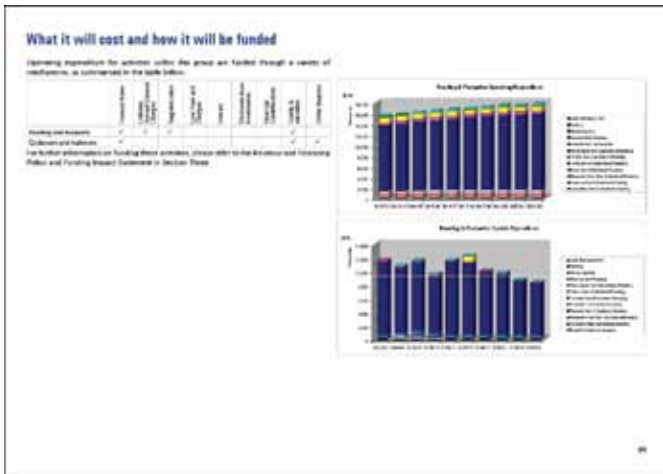
This measurement framework will be monitored regularly during the year and results reported in the Council's Annual Report at the end of each financial year.

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.

Copies of surveys are available on the Council's website, following receipt of results.



Capital Projects

The following activities are planned capital projects for housing and recreation.

Date	Project Description	Expenditure (€000)									
		2011-12	2012-13	2013-14	2014-15	2015-16	2016-17	2017-18	2018-19	2019-20	2020-21
2011	Renewal of public realm	400	400	0	0	0	0	0	0	0	0
2012	Renewal of public realm	1,200	1,200	1,200	1,200	0	0	0	0	0	0
2013	Renewal of public realm	250	0	250	0	0	0	0	0	0	0
2014	Renewal of public realm	100	100	100	100	100	100	100	100	100	100
2015	Renewal of public realm	200	200	200	200	200	200	200	200	200	200
2016	Renewal of public realm	2,000	2,000	2,000	2,000	2,000	2,000	2,000	2,000	2,000	2,000
2017	Renewal of public realm	100	100	100	100	100	100	100	100	100	100
2018	Renewal of public realm	200	200	200	200	200	200	200	200	200	200
2019	Renewal of public realm	200	200	200	200	200	200	200	200	200	200
2020	Renewal of public realm	200	200	200	200	200	200	200	200	200	200

Community Support - Funding Impact Statement

Activity	2011-12	2012-13	2013-14	2014-15	2015-16	2016-17	2017-18	2018-19	2019-20	2020-21	2021-22
Community Support - Funding Impact Statement	100	100	100	100	100	100	100	100	100	100	100
Community Support - Funding Impact Statement	100	100	100	100	100	100	100	100	100	100	100
Community Support - Funding Impact Statement	100	100	100	100	100	100	100	100	100	100	100
Community Support - Funding Impact Statement	100	100	100	100	100	100	100	100	100	100	100
Community Support - Funding Impact Statement	100	100	100	100	100	100	100	100	100	100	100

What it will cost and how it will be funded

Included in this section are the costs of this Group of Activities. Graphs show a summary of operating (day to day) and capital expenditure (major projects).

A table is also included explaining the major capital project items for each Group. The reasons for these projects are broken down into three categories:

- Renewals - this is work to extend the life of an already existing asset.
- Increased Levels of Service - these projects improve the level of service provided in the community. For example, sealing an unsealed road.
- Growth - projects that are directly related to an aspect of growth in the community. This may include various forms of growth, such as population,

household, traffic or increased demand for a service.

Projects can be driven by a combination of these drivers.

Funding Impact Statement

This statement sets out the budgeted cost for the Council's activity within this group over the 10 years of the Long Term Plan.

The statement is in a prescribed format as required under the Local Government Act and Generally Accepted Accounting Practice (GAAP) does not apply to the preparation of the Funding Impact Statement.



DEMOCRACY

What we do

Democracy includes the following activity provided by the Council:

➤ Governance and Leadership

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

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

Key tasks include:

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

Orange (Australia) and Orange (United States)

A further key task is monitoring and reviewing performance of the overall Council operation. This includes appointing and reviewing the performance of the Chief Executive who employs all other Council staff and manages the overall Council operation.

Why we do it

Governance and Leadership contributes to all aspects of the Council's vision.

As a statutory body, the Council exists to meet the purpose of local government:

"to enable democratic local decision-making and action by, and on behalf of, communities; and

to promote the social, economic, environmental and cultural wellbeing of communities, in the present and for the future" (LGA, Section 10)

The Council has established its own vision of Economy-Lifestyle-Identity-Leadership to help progress the Timaru District. Identified community outcomes also outline the specific areas the Council will focus on.

The Council aims to achieve a fine balance of 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.

The Council decisions and policy have numerous beneficial impacts for community wellbeing. For example, they influence how the district economy evolves, ensure communities are provided with clean drinking water, improve the environment through better quality effluent being disposed of and meet recreational and leisure needs through a myriad of facilities, activities and programmes.

These decisions and policy are concerned with ensuring solutions meet the long term needs of current and future generations and do not negatively impact on the environment. 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.

Contribution to community outcomes						
	High quality infrastructure to meet community and business needs	Smart economic success 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						

Effects on community wellbeing					
These activities have a range of effects on Community Wellbeing. Positive effects are summarised under Why we do it. Negative effects are identified by activity below, with significant negative effects identified in italics:					
Effect	Wellbeing element				How Council will mitigate effect/risk
	C	S	Ec	En	
<i>Governance and Leadership</i>					
<i>While decisions are made considering the wider benefits to community wellbeing, they may potentially negatively affect specific groups of people or individuals</i>	✓	✓	✓	✓	Mitigated via consultation with all affected groups and individuals where possible
The costs of paying for Council services is unsatisfactory for some people		✓	✓		The Council endeavours to minimise rate and fee increases
Community disengagement from the decision making processes of Council		✓			Maximise opportunities for participation in decision making through improved provision of information, consultation and accessibility to Council governance processes
C – Cultural S – Social Ec – Economic En - Environmental					

Key issues for the next 10 years

Legislative Change

The Council is constantly subject to the national political environment and any resulting legislative change. Change can impact on individual activities (e.g. expectations for improved Drinking Water Standards) or the entire Council operation (e.g. proposals for local government restructuring). The new National coalition government has already foreshadowed changes to existing legislation (e.g. Resource Management Act). While the scale and nature of these proposals is currently unclear, any changes will impact on service delivery.

Community Expectations

Community expectations for the delivery of services are constantly increasing.

The Council must balance these expectations with the ability of the community to pay, achieving continuous improvement, the impact on community wellbeing, legislative compliance and the need to plan effectively for the district's future needs.

Enabling participation and improving communication

Enabling participation in decision making is a constant challenge through reaching a diverse district population and overcoming apathy in the most effective and cost efficient manner. The Council has obligations to consult and communicate with the community about decisions and issues that impact the district.

The introduction of new technologies presents new opportunities for participation. Use of these tools must be balanced against their overall effectiveness, cost and ability to reach the wider community.

Canterbury earthquake outcomes

Inquiries and investigations into the effects of the Canterbury earthquakes are likely to impact on policy for many years to come, meaning potentially changed responsibilities and additional costs for Council, and additional costs for property owners and the community.

Doing more with less

Local government is operating within an environment where there is increasing public sentiment and central government drive for doing more with less. Working smarter and improving service delivery through new ways of operating is favoured. These initiatives may be positive, but may also lead in some circumstances to a reduction in level of service.

Local Government reform

While there is no existing drive to reform local government in South Canterbury, the potential remains for either resident initiated or central government enforced reform. This will have obvious implications upon all aspects of local government in South Canterbury.

Canterbury Water Management Strategy

Environment Canterbury, in partnership with Timaru District Council, other Canterbury councils and Ngai tahu have developed the Canterbury Water Management Strategy (CWMS). This document aims to provide an enduring solution for water management in the Canterbury region. Out of the CWMS, the Orari-Opihi-Pareora Zone committee was established. This committee have prepared the Orari-Opihi-Pareora Zone Implementation Programme (or OOP ZIP) that outlines various future water management outcomes for the zone area.

TDC will continue to maintain this partnership and liaison in contributing towards the implementation of the CWMS and OOP ZIP in the Timaru District area. Many of its existing activities and work already contribute towards these outcomes, and the Council will seek to provide additional contributions where possible.

What we plan to do and our levels of service

1 Make decisions in an open, transparent manner

The services we will deliver

- Lead, govern and make decisions about the overall direction of the Council on behalf of the community
- Carry out regular Council, Community Board and committee meeting programmes
- Develop and implement planned three year policy review programme
- Review, develop and adopt existing and new policy for issues as they arise
- Maintain relationships with district iwi

Performance Measures/Targets

Proportion main items of Council Business* held in open meetings		
	Year 1-3 2012/13 – 2014/15	Year 4-10: 2015/16 - 2021/22
New measure	≥ 90% main business items held in open meeting	≥ 90% main business items held in open meeting
Current performance	Targets	

* This refers to the main business topics on the full Council agenda and existing four Standing Committees

Resident satisfaction with influence on Council decision-making				
2011/12	Year 1: 2012/13	Year 2: 2013/14	Year 3: 2014/15	Year 4-10: 2015/16 - 2021/22
40% residents feel the public have some or a large influence on Council decision making	No survey	≥ 45% residents feel the public have some or a large influence on Council decision making	No survey	≥ 50% residents feel the public have some or a large influence on Council decision making
Current performance	Targets			



2 Advocate for the community

The services we will deliver

- Prepare submissions on issues that will impact on the Timaru District community
- Advocate on district issues on behalf of the community
- Maintain, collaborate and develop relationships and partnerships with other agencies to provide solutions to district issues

Performance Measures/Targets

Formal TDC submissions on issues made to agencies		
Current performance	2009/10	10 submissions
	2010/11	7 submissions
Targets	Year 1-3: 2012/13- 2014/15	10 submissions
	Year 4-10: 2015/16- 2021/22	10 submissions

3 Communicate with the community

The services we will deliver

- Provide opportunities for community engagement, including informal and formal consultative processes, including Special Consultative Procedures (SCPs)
- Communicate Council work to the community, via the Council Noticeboard, website and other mediums
- Maintain an up-to-date Council website
- Review, develop and implement communications strategy

Performance Measures/Targets

Resident satisfaction with adequacy of Council published information

2011/12	Year 1: 2012/13	Year 2: 2013/14	Year 3: 2014/15	Year 4 -10: 2015/16 - 2021/22
70% feel there is enough or more than enough information supplied by Council	No survey	73% feel there is enough or more than enough information supplied by Council	No survey	76% feel there is enough or more than enough information supplied by Council
Current performance	Targets			

Resident awareness of Council published information

2011/12	Year 1: 2012/13	Year 2: 2013/14	Year 3: 2014/15	Year 4 -10: 2015/16 - 2021/22
82% have seen or read information published by Council	No survey	83% have seen or read information published by Council	No survey	86% have seen or read information published by Council
Current performance	Targets			

4 Monitor the Council organisation

The services we will deliver

- Monitor the performance of the overall Council operation
- Monitor the performance and activities of Council Controlled Organisations
- Prepare and adopt statutory accountability documents (e.g. Annual Report)

Performance Measures/Targets

Clear audit opinion for Council Annual Report

2009/10	2010/11	Year 1-3 2012/13 – 2014/15	Year 4 -10: 2015/16 - 2021/22
Unqualified opinion received	Unqualified opinion received	Unmodified opinion for end of year audit	Unmodified opinion for end of year audit
Current performance		Targets	

5 Meet our statutory obligations

The services we will deliver

- Prepare and adopt statutory planning documents (e.g. Long Term Plan, Annual Plan)
- Conduct Local Government Elections every three years (including by-elections and polls as required)
- Conduct Representation Review every six years
- Review Triennial Agreement following Council elections
- Meet other statutory requirements as required (e.g. LGOIMA)

Performance Measures/Targets

Compliance with LGA Planning and Accountability requirements

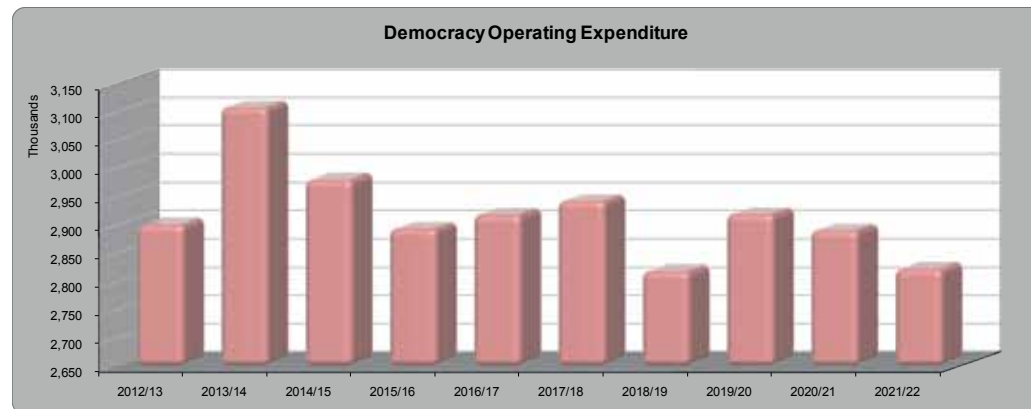
2009/10	2010/11	Year 1-3 2012/13 – 2014/15	Year 4 -10: 2015/16 - 2021/22
All requirements were achieved.	All requirements were achieved.	Statutory Local Government Act planning and regulatory requirements are achieved	Statutory Local Government Act planning and regulatory requirements are achieved
Current performance		Targets	

What it will cost and how it will be funded

Operating expenditure for activities within this 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 & subsidies	Other Sources
Governance & Leadership	✓	✓		✓					

For further information on funding this activity, please refer to the Revenue and Financing Policy and Funding Impact Statement in Section Three.



Democracy – Funding Impact Statement

	2011/12 (\$000)	2012/13 (\$000)	2013/14 (\$000)	2014/15 (\$000)	2015/16 (\$000)	2016/17 (\$000)	2017/18 (\$000)	2018/19 (\$000)	2019/20 (\$000)	2020/21 (\$000)	2021/22 (\$000)
SOURCES OF OPERATING FUNDING											
General Rates, Uniform Annual General Charge, rates penalties	2,971	2,899	3,025	2,990	2,892	2,836	2,953	2,817	2,837	2,902	2,822
Targeted Rates (Other than a targeted rate for water supply)	17	17	17	17	17	17	17	17	17	17	17
Subsidies and grants for operating purpose											
Fees, charges and targeted rates for water supply	7	6	6	6	6	6	6	6	6	6	6
Internal charges and overheads recovered											
Local authorities fuel tax, fines, infringement fees and other receipts											
TOTAL OPERATING FUNDING	2,995	2,921	3,048	3,013	2,914	2,858	2,976	2,840	2,859	2,924	2,844
APPLICATIONS OF OPERATING FUNDING											
Payments to staff and suppliers	1,085	954	1,165	1,057	979	1,040	1,072	954	1,065	1,047	979
Finance costs											
Internal charges and overheads applied	1,874	1,943	1,940	1,921	1,913	1,876	1,869	1,863	1,853	1,843	1,843
Other operating funding applications											
TOTAL APPLICATIONS OF OPERATING FUNDING	2,959	2,897	3,105	2,977	2,892	2,916	2,941	2,817	2,917	2,890	2,822
SURPLUS/(DEFICIT) OF OPERATING FUNDING	36	24	(57)	35	23	(58)	35	23	(58)	35	23
SOURCES OF CAPITAL FUNDING											
Subsidies and grants for capital expenditure											
Development and financial contributions											
Increase/(Decrease) in debt											
Gross proceeds from the sale of assets											
Lump sum contributions											
TOTAL SOURCES OF CAPITAL FUNDING	0	0	0	0	0	0	0	0	0	0	0
APPLICATIONS OF CAPITAL FUNDING											
Capital expenditure											
- to meet additional demand											
- to improve the level of service											
- to replace existing assets											
Increase/(decrease) in reserves	36	24	(57)	35	23	(58)	35	23	(58)	35	23
Increase/(decrease) of investments											
TOTAL APPLICATIONS OF CAPITAL FUNDING	36	24	(57)	35	23	(58)	35	23	(58)	35	23
SURPLUS/(DEFICIT) OF CAPITAL FUNDING	(36)	(24)	57	(35)	(23)	58	(35)	(23)	58	(35)	(23)
FUNDING BALANCE	0	0	0	0	0	0	0	0	0	0	0



COMMUNITY SUPPORT

What we do

Community Support includes the following activities provided by the Council:

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

Airport

The Council manages the Richard Pearse airport located in the Levels area of Timaru District, about 13 kilometres northwest of Timaru. The airport provides a key business and community link from the district to Wellington with around 22 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 secondary services such as car parking, toilets and the water supply. 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, Pareora and Mesopotamia. Maintenance and interment services are provided via contract.

Council also provides 43 public toilet facilities throughout the district. Toilet facilities range from central city complexes that are open 24 hours to small long drop facilities in remote areas. The level of service for public toilets was set by Council through a policy adopted in 1999 and is 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 increased participation in local events, with substantial grants or loans for improved or new facilities. Annual grants are provided for organisations providing ongoing free community services, museums and established events. Funding support is also provided to groups through low interest loans. Council also administers the Creative Communities NZ fund supported by Creative NZ. This activity also includes internal grants for rate remissions, sport and recreation sewer charges, and over 80s free swimming.

The subsidised labour scheme is also provided, with work experience opportunities provided for long term unemployed.

Economic Development and District Promotions

This activity is concerned with promoting and assisting economic development and visitor opportunities in the district. This is delivered through a Council Controlled Organisation (CCO), Aoraki Development Business and Tourism (ADBT), the economic and tourism development agency for the Timaru District. 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 advice, business training and advocacy work and clusters and industry sectors. ADBT has a major role in marketing South Canterbury to visitors, businesses and events. This includes the southcanterbury.org.nz website and information services in Timaru, Temuka and Geraldine. ADBT helps facilitate local events.

Council funds a significant portion of ADBT's work and provides financial support for events and other initiatives as they arise. Council also makes a major contribution to economic development through the infrastructure, facilities and services provided to the community. It is an advocate for district and individual businesses where needed (e.g. water irrigation).

Emergency Management

Emergency Management is concerned with communities being prepared, and 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 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 is a Council Controlled Organisation 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

Safer Communities coordinates activities and initiatives that help reduce or prevent crime, encourage restorative justice and promote a safer community.

Recent projects monitored on an ongoing basis, include:

- TAG - Totally Against Graffiti, an education and clean-up project working collaboratively with Neighbourhood Support and Community Probation Service
- Project Y, a multi-agency approach to protect young people from gangs trying to establish themselves in Timaru and actively recruiting

Youth workers are employed to provide support for 'at risk' youth, help address youth offending and truancy and facilitate

training and employment opportunities for youth. These are funded through the Council in partnership with the Ministry of Social Development and Presbyterian Support Services.

Safer Communities maintains strong linkages with other agencies (e.g. police).

Project Turnaround, a restorative justice programme also falls under the Safer Communities umbrella. Funded entirely by the Ministry of Justice, this programme aims to give victims of crime and offenders the chance to meet and resolve offending in a positive and constructive way.

Social Housing

Social Housing provides affordable housing units to individuals in real need.

The Council has 236 units, spread over 27 sites in Timaru, Temuka, Geraldine, Pleasant Point and Pareora. The majority are one bedroom units, with some bedsits.

The majority of tenants are pensioners, superannuitants and people on low incomes who meet Council's eligibility criteria. Prospective tenants go through an application process. Currently, there is a waiting list for units in some areas.

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 higher 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.

'At risk' youth are mentored and directed into training or employment opportunities. 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.

Contribution to Community Outcomes

	High quality infrastructure to meet community and business needs	Smart economic success 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			P	S	P	
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

Effects on Community Wellbeing

These activities have a range of effects on Community Wellbeing. Positive effects are summarised under **Why we do it**. Negative effects are identified by activity below, with significant negative effects identified in **italics**:

Effect	Wellbeing element				How Council will mitigate effect/risk
	C	S	Ec	En	
Airport					
Noise nuisance caused to airport surrounding landowners, which are created by airport activities		✓	✓	✓	Monitor activities according to standard defined in the District Plan and respond to complaints.
Deterioration of airport structures and facilities	✓	✓	✓	✓	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				✓	Rural toilets with ageing septic tanks are being replaced with self contained enviotoilets. To date, two have been replaced with a further toilet to be replaced during 2011/12. Winchester Domain toilet is to be replaced during the life of this LTP.
Public Toilets can be targets for vandalism and antisocial behaviour, causing significant cost to the Council and community		✓	✓		Anti graffiti paint, security cameras and gating and locking of toilets in recurring vandalised areas will be used where necessary.
New public toilet blocks and cemeteries can be regarded as unwelcome by neighbouring properties		✓			New toilet blocks to be constructed as far away as practical from urban housing. Plantings provided to screen from neighbouring properties where needed.
Cemeteries can potentially cause contamination of waterways		✓		✓	Consents require cemetery developments to be set back an appropriate distance from watercourses. Plantings and integration of cemeteries into the local environment improves their aesthetics.
Community Funding					
Funding is limited and not all organisations can benefit	✓	✓	✓		Criteria are clearly outlined in Council's Grants and Loans Policy. The policy is reviewed from time to time. Integrated management of community funding mechanisms combined with effective advocacy on behalf of the community at central government level.
May lead to a culture of reliance on Council funding		✓			All applications are considered individually by Council committees and there is no certainty of ongoing funding.
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	✓	✓			Volunteers are actively recruited and training provided. Partnerships are formed and fostered with other agencies. The community is kept aware via education and regular advertising.

C – Cultural S – Social Ec – Economic En - Environmental

Effects on Community Wellbeing

These activities have a range of effects on Community Wellbeing. Positive effects are summarised under Why we do it. Negative effects are identified by activity below, with significant negative effects identified in italics:

Effect	Wellbeing element				How Council will mitigate effect/risk
	C	S	Ec	En	
Response to emergencies can have potential negative short term effects on the environment.	✓	✓		✓	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		✓	✓		Increase existing rentals over a set period (e.g. 1-3 years) following consultation on levels of service and rentals. Level of income may impact on general maintenance leading to reduction of quality of units.
Most flats being insured for indemnity insurance only		✓	✓		If a major disaster occurs, flats will be unable to be rebuilt causing potential housing depletion in the community.
C - Cultural	S - Social	Ec - Economic	En - Environmental		

Key issues for the next 10 years

Meeting Community Expectations

There is ongoing pressure from the community and users for higher standards of service for Council services and facilities provided. Activities where this is a particular issue are summarised below.

Provision of public toilets provoke high community expectations, including ensuring that facilities are clean, modern and vandal proof. There is ongoing demand for additional toilets and supplementary facilities (e.g. baby feeding rooms). Funding has been included to complete some upgrades of toilets in parks/reserves to standardised design guidelines. Recent community survey results indicate a relatively high level of dissatisfaction with 29% residents dissatisfied with public toilet provision.

A policy review of public toilets levels of service is also to be conducted within the next three years.

Recent natural disasters have raised resident's awareness of their impact. In the Emergency Management activity, there has been an increased demand for more and better emergency management education, advice and training. This will positively impact the ability of communities to recover from emergencies.

In the social housing activity, there is an expectation for higher quality provision. This is driven by:

- Changes in tenant expectations since the units were built (e.g. 50 years ago, a bed-sit style of accommodation was acceptable and most people did not drive)
- the construction of new social housing units, providing a higher level of service

- ageing of existing Council housing units with dated and less efficient facilities

Council is working to modernise and improve the housing units over time and is also seeking additional government funding where possible. When tenants leave units, the opportunity is taken to upgrade units where budget allows. Subject to funding and other priority projects, it is proposed to convert some bed-sit units to one bedroom units over the next ten years.

Meeting changes in demand

Factors such as changing demographics, reduced government funding and the Canterbury earthquakes are all expected to impact on demand in the future for this group of activities. Activities where this is a particular issue are summarised below.

Social Housing occupation levels have remained at around 98% for a number of years. There is a high waiting list, particularly in Timaru where bus systems and the location of key facilities are attractions. In the future, there is likely to be ongoing and increasing demand as the district's population ages and there is an increasing demographic requiring access to affordable rental housing.

At this stage, the Council is not planning on building further units in the ten year period, but will seek to modernise existing bed-sit style units that are no longer attractive to tenants. The activity is intended to remain self funding, with no ratepayer input.

For cemeteries, demand has remained steady with an average of 191 burials and 90 ashes interments per annum. This may change marginally in the future based on population demographics.

Issues such as the economic recession and changes in levels of government funding have increased demand for Community Funding financial assistance for clubs and organisations. Council is not proposing to increase funding levels for this activity, but will continue to focus funding support to increasing participation in local events and supporting local facilities and organisations providing free community services. A review of the community funding strategy and policy will be undertaken over the next year. Some existing public toilet facilities are experiencing increased pressure due to the impacts of the Canterbury earthquakes and visitor numbers. For example, visitor numbers in Geraldine are being monitored to ensure that the toilet facilities remain adequate for the demand.

Demand for Safer Communities services can be affected by difficult economic times as experienced over the last few years, which can lead to increasing crime and unemployment.

Maintaining a viable airport

Timaru Airport is an essential link to the rest of New Zealand. Decisions on future flights are subject to external Air NZ decisions. Scheduled flights by Air NZ are not expected to increase significantly in the short term. Growth in aircraft maintenance activities and private aircraft has seen a number of new hangar facilities constructed in recent years, which is expected to continue.

The Council will explore opportunities to maximise the airport site and ensure future utilisation of the airport and where feasible.

Making use of new technology

New technologies help activities within this group to perform their roles more efficiently and effectively.

For Emergency Management, improvements in technology can lead to quicker access to information, better prediction tools and more availability of information for communities. Communication tools are also being enhanced with plans to improve the Public Alerting Siren System and potential in the future to update to digital radios.

Envirotoilets and other new toilet technology to replace old long drop toilets improve environmental outcomes and are a good solution for waterless low use rural areas.

Better insulation and heatpump technology is improving social housing units and making them more comfortable for residents.

Legislative change and loss of central government support

Some activities within the group continue to be reviewed by central government. The Rural Fire operation is one area where changes may occur depending on the outcomes of the Enlarged Rural Fire District Project. Current funding via the National Rural Fire Authority has been assured for a minimum of five years.

Cuts to central government funding have also seriously impacted some activities in the Safer Communities area and this remains uncertain. Council is intending to monitor the situation and adapt to any new funding criteria if possible.

Increasing cost of providing services

Costs for services continue to increase and impact the delivery of activities in this group. Examples are increased insurance costs, electricity and rates. Insurance premiums have risen across the board largely due to the Canterbury earthquakes. Vandalism is also a major cost for Council. Council must now pay the first \$5,000 of all vandalism – an increase of \$2,500 per claim. Vandalism also generates other costs to mitigate its effects, such as increased security costs for the opening and closing of toilets and installation of suitable doors to allow toilets to be locked.

Where fees are charged for services, these costs must be passed on, for example through increased social housing rentals.

Development of new cemetery sites

On current trends, Temuka cemetery is expected to have reached capacity within nine years and Timaru within 20 years.

Temuka is the most critical and resource consent is shortly to be lodged for an extension. This will allow an intended expansion of Temuka cemetery to the north into an area bounded by the Taumatakahu Stream that will extend the life of the cemetery by around 70 years. If the consent application is unsuccessful, another site will need to be found, consented and developed.

Future areas for a new Timaru cemetery continue to be investigated. The last area available within the existing Timaru Cemetery is being prepared for use. This area is estimated to last for approximately 15 years based on current demand. Development of a new Timaru cemetery will need to have commenced implementation by 2022 or sooner if demand increases.

Changing district, national and International economy

The stage of the economic cycle can strongly influence the nature of work that ADBT is involved in or demand for their various services. Numerous other factors also influence this, such as changes in export markets, business decisions by companies associated with the district, changes in visitor activity and development of key industry sectors.

Climate Change

Climate change may result in increasing demands on emergency management activities, particularly the risk of longer droughts and more frequent intense rainfall events. This may lead to increased risk of wildfire and more frequent flooding.

An ageing Social Housing stock

A number of existing units need or will need modernisation in the future. As well as this, tenant expectations are increasing for higher quality units with facilities such as walk in showers and heat pumps.

Increasing fixed costs associated with the operation of units in recent years have eroded Council's ability to maintain and refurbish units. Along with this, higher costs of building and construction have meant less has been achieved with existing budgets. As the social housing activity is self funding there is currently an inability to fund significant upgrades of older units (i.e. bedsits).

Council is also seeking to secure government modernisation funding.

Council has agreed to increase rents by \$7 per week per unit in 2012/14 and \$5 per week in 2014/15 and 2015/16.

What we plan to do and our levels of service

1 Community facilities are well maintained, clean and safe

The services we will deliver

- Provide, clean and maintain public toilets
- Regularly inspect and audit public toilet cleanliness and condition
- Public toilet facilities in high-use localities are regularly cleaned at prescribed times
- Maintain and operate Timaru Airport facilities
- Cemeteries - Provision and maintenance of sufficient cemetery plots and beams available for interments in four main cemeteries
- Maintain district cemeteries, including headstone maintenance programme
- Manage community facilities contracts, including contracts for regular maintenance and cleaning
- Two yearly Civil Aviation Authority (CAA) accreditation and review process

Performance Measures/Targets

Overall/User satisfaction levels – Toilets, Cemeteries, Airport

2009/10	Year 1: 2012/13	Year 2: 2013/14	Year 3: 2014/15	Year 4-10: 2015/16 - 2021/22
<ul style="list-style-type: none"> ➤ Airport - 86% ➤ Cemeteries/ Public Toilets - No Survey <p>(10/11: No survey)</p>	<ul style="list-style-type: none"> ➤ Airport - ≥ 80% satisfaction 	<ul style="list-style-type: none"> ➤ Airport - ≥ 80% satisfaction 	<ul style="list-style-type: none"> ➤ Airport - ≥ 80% satisfaction ➤ Cemeteries- ≥ 80% ➤ Public toilets- ≥ 66% satisfaction 	<ul style="list-style-type: none"> ➤ Airport - ≥ 80% satisfaction ➤ Cemeteries- ≥ 80% ➤ Public toilets- ≥ 69% satisfaction
Current performance	Targets			

Complaints about Public Toilet cleaning standards

2009/10	2010/11	Year 1-3 2012/13 - 2014/15	Year 4-10: 2015/16 - 2021/22
2 complaints	4 complaints	Public Toilet complaints* ≤ 3 year average	Public Toilet complaints* ≤ 3 year average
Current performance		Targets	

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

Cemeteries contract compliance

2009/10	2010/11	Year 1-3 2012/13 - 2014/15	Year 4-10: 2015/16 - 2021/22
4 items	0 items	≤ 10 noncomplying items	≤ 10 noncomplying items
Current performance		Targets	

Airport Civil Aviation Authority accreditation

2009/10	2010/11	Year 1-3 2012/13 - 2014/15	Year 4-10: 2015/16 - 2021/22
Accreditation maintained	Accreditation maintained	Annual CAA accreditation audits identify no significant problems that prevent ongoing accreditation	Annual CAA accreditation audits identify no significant problems that prevent ongoing accreditation
Current performance		Targets	

2 Plan for future provision of community facilities to meet community needs and expectations

The services we will deliver

- Review of public toilets standards within 3 years
- Future planning for provision of upgraded or new facilities
- Monitor ongoing demand for and usage of facilities
- Capital expenditure programme for provision of new and upgraded facilities
- Develop future cemetery plan for Timaru and Temuka cemeteries

Performance Measures/Targets

Future Development Plans for Main District Cemeteries

	Year 1-3 2012/13 - 2014/15	Year 4-10: 2015/16 - 2021/22
New measure	<u>Temuka:</u> 12/13 - Resource consent and plans approved for favoured option 13/14 - 14/15 - development progressed <u>Timaru:</u> 12/13 - Site investigation	<u>Temuka:</u> 15/16 - development completed <u>Timaru:</u> 16/17 - Land purchase or development
Current performance	Targets	

Occupancy Rate of Social Housing units

2009/10	2010/11	Year 1-3 2012/13 - 2014/15	Year 4-10: 2015/16 - 2021/22
97%	97.5%	≥ 98% occupancy	≥ 98% occupancy
Current performance		Targets	

3 Ensure social housing units remains tenanted

The services we will deliver

- Maintain a waiting list and interview and place prospective tenants according to the Council's eligibility criteria
- Manage issues associated with the social housing portfolio
- Maintain units as notified through the Council's service request system

Performance Measures/Targets

Tenant Satisfaction Levels

Current performance	2009/10	86%
	2010/11	88%
Targets	Year 1: 2012/13	≥ 85% satisfied with social housing units
	Year 2: 2013/14	≥ 86% satisfied with social housing units
	Year 3: 2014/15	≥ 87% satisfied with social housing units
	Year 4-10: 2015/16-2021/22	≥ 88% satisfied with social housing units

4 Maintain excellent customer service

The services we will deliver

- Provide a customer service request system 24 hours a day, 7 days a week
- Provision of 24-7 Service Request System for public to notify Council of any shortfall in services/damage.
- Investigate and rectify community facilities complaints

Performance Measures/Targets

Social Housing Requests for urgent service

Current performance	2009/10	100% achieved
	2010/11	100% achieved
Targets	Year 1-3: 2012/13-2014/15	100% of urgent service requests responded to within 24 hours
	Year 4-10: 2015/16-2021/22	100% of urgent service requests responded to within 24 hours

5 Provide accessible, accurate cemetery records

The services we will deliver

- Maintain and update electronic cemetery database

Performance Measures/Targets

Cemetery records updated		
Current performance	2009/10	100% achieved
	2010/11	100% achieved
Targets	Year 1-3: 2012/13-2014/15	100% cemetery records are updated within one month
	Year 4-10: 2015/16-2021/22	100% cemetery records are updated within one month

6 Communities are educated and informed about emergency management

The services we will deliver

- Educate and inform the community about natural hazards via presentations, media campaigns and printed material
- Review Civil Defence Plan/Rural Fire Plan
- Carry out hazard research as appropriate
- Building community resilience through education and an understanding of the hazardscape in South Canterbury
- Monitor hazard information (e.g. Rural Fire weather station)

Performance Measures/Targets

Canterbury Civil Defence Survey Results – South Canterbury (Ecan survey)

2009/10	2010/11	Year 1: 2012/13	Year 2: 2013/14	Year 3: 2014/15	Year 4-10: 2015/16-2021/22
Access to enough: ➤ Food - 95% ➤ Water - 68% ➤ Cooking Facilities -91%	No Survey	No Survey	Results in all relevant survey measures remain constant or improve	No Survey	Results in all relevant survey measures remain constant or improve
Current performance		Targets			

7 Emergency responders and volunteers are suitably trained, equipped and ready

The services we will deliver

- Carry out an annual training programme for EOC staff, partner agencies and volunteers
- Train Rural Fire units via a targeted training programme to nationally approved standards
- Participate in an annual regional exercise
- Recruiting of Civil Defence volunteers

Performance Measures/Targets

Civil Defence and Rural Fire training programme			
2009/10	2010/11	Year 1-3 2012/13 - 2014/15	Year 4 -10: 2015/16 - 2021/22
Achieved	Achieved	<ul style="list-style-type: none"> ➤ Annual volunteer training programme ➤ EOC training programme ➤ Rural Fire trained to entry level standards 	<ul style="list-style-type: none"> ➤ Annual volunteer training programme ➤ EOC training programme ➤ Rural Fire trained to entry level standards
Current performance		Targets	

Volunteer Numbers			
2010/11		Year 1-3 2012/13 - 2014/15	Year 4 -10: 2015/16 - 2021/22
100 registered volunteers		Numbers of Registered and Trained Volunteers increases	Numbers of Registered and Trained Volunteers increases
Current performance		Targets	

8 Equipment is maintained and upgraded as required to maintain emergency response

The services we will deliver

- Regularly test and maintain Civil Defence and Rural Fire communication equipment (e.g. radios, siren network, hoses, tankers)
- Implement Civil Defence Electronic Information Management System
- Replacement programme for Civil Defence/Rural Fire equipment, tankers (e.g. radios)
- Extension of Civil Defence siren network

Performance Measures/Targets

Regular testing of Emergency Management plant and equipment to defined schedules		
	Year 1-3 2012/13 - 2014/15	Year 4 -10: 2015/16 - 2021/22
New Measure	100% compliance with equipment testing regimes	100% compliance with equipment testing regimes
Current performance	Targets	

9 Develop and maintain critical networks with partner agencies

The services we will deliver

- Develop, maintain and foster relationships with national, regional and local agencies
- Attendance and participation at relevant agency meetings
- Participation in annual Emergency management exercises
- Promote the work of Safer Communities in the community and maintain networks

Performance Measures/Targets

Emergency Management and Safer Communities partnerships		
Current performance	2009/10	Achieved
	2010/11	Achieved
Targets	Year 1-3: 2012/13-2014/15	Regular meetings with key partner agencies
	Year 4-10: 2015/16-2021/22	Regular meetings with key partner agencies

10 Provide support to individuals and groups

The services we will deliver

- Administration, promotion and management of the Council's community funding schemes, community loans and the Creative Communities Scheme
- Provide and manage subsidised labour scheme
- Assist at risk youth through various initiatives

Performance Measures/Targets

Community funding schemes managed in accordance with Council policy

2009/10	2010/11	Year 1-3 2012/13 - 2014/15	Year 4 -10: 2015/16 - 2021/22
Achieved	Achieved	<ul style="list-style-type: none"> ➤ Planned Funding rounds are held ➤ Accountability forms returned 	<ul style="list-style-type: none"> ➤ Planned Funding rounds are held ➤ Accountability forms returned
Current performance		Targets	

Subsidised labour positions

2009/10	2010/11	Year 1-3 2012/13 - 2014/15	Year 4 -10: 2015/16 - 2021/22
Achieved	Achieved	3 FTE positions provided annually	3 FTE positions provided annually
Current performance		Targets	

Youth workers achieve MSD contract conditions

2009/10	2010/11	Year 1-3 2012/13 - 2014/15	Year 4 -10: 2015/16 - 2021/22
Achieved	Achieved	Work with 24 youth on government youth benefit	Work with 24 youth on government youth benefit
Current performance		Targets	

11 Respond to existing and new crime trends with community sanctioned initiatives

The services we will deliver

- Assist to reduce levels of violence and alcohol related harm
- Build community resilience and capacity to deal with crime prevention issues
- Provide TAG anti-graffiti project in collaboration with other agencies
- Manage and operate the Project Turnaround restorative justice programme
- Monitor crime trends and develop initiatives where appropriate
- Monitor achievement of targets as per MOJ and MSD contracts

Performance Measures/Targets

Provide Safer Communities and Project Turnaround work programme as per contract requirements

2009/10	2010/11	Year 1-3 2012/13 - 2014/15	Year 4 -10: 2015/16 - 2021/22
See Annual Report 2009/10	See Annual Report 2010/11	Contract targets achieved	Contract targets achieved
Current performance		Targets	

12 Contribute to the economic development of the Timaru District

The services we will deliver

- Provide funding support to the Economic Development and District Promotions CCO
- Monitor CCO delivery of services
- Develop joint event strategy with CCO
- Develop closer relationship between Council and ADBT
- Proactively facilitate and assist business development through Council processes

Performance Measures/Targets

CCO reporting to Council

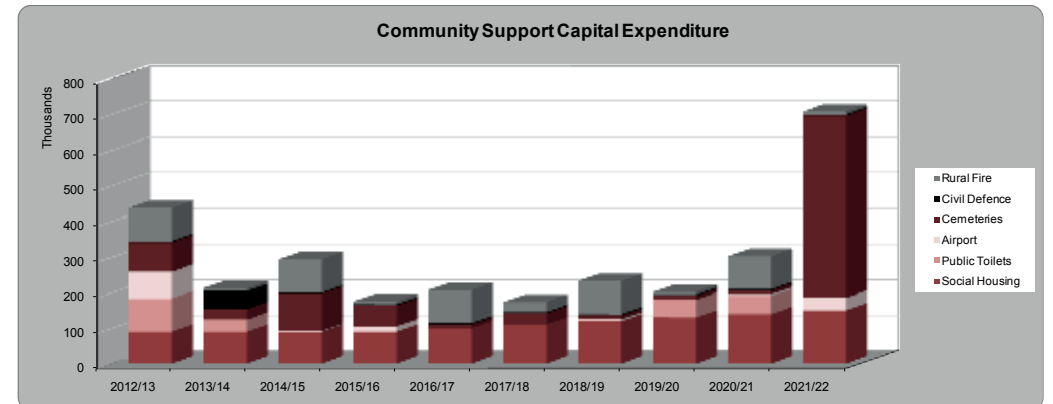
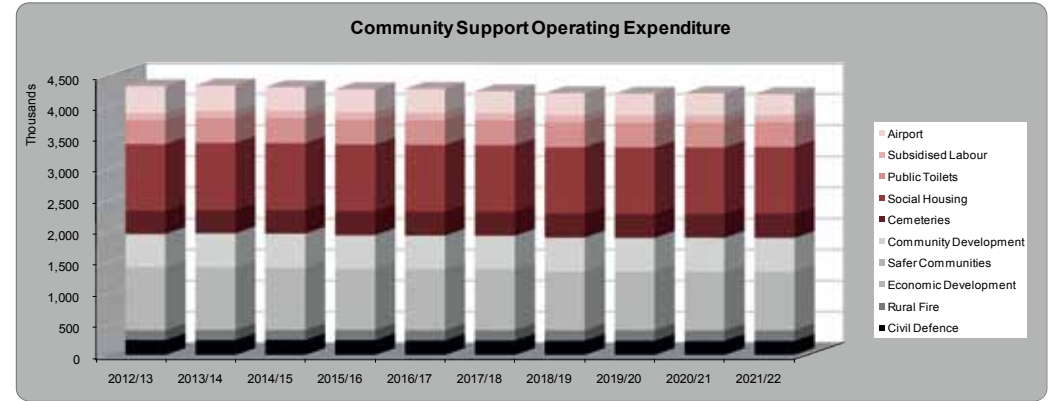
Current performance		New measure
Targets	Year 1-3: 2012 /13 - 2014/15	Quarterly reports to Council
	Year 4-10: 2015/16 - 2021/22	Quarterly reports to Council

What it will cost and how it will be funded

Operating expenditure for activities within this 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 & subsidies	Other Sources
Airport	✓	✓							
Community Facilities	✓	✓		✓					
Community Funding	✓	✓			✓			✓	
Economic Development & District Promotions	✓	✓						✓	
Emergency Management	✓	✓	✓						
Safer Communities	✓	✓						✓	
Social Housing				✓					

For further information on funding these activities, please refer to the Revenue and Financing Policy and Funding Impact Statement in Section Three.



Capital Projects

The following summarises key planned capital projects for Community Support:

Code	Project Explanation	Expenditure (\$000)			
		2012/13	2013/14	2014/15	2015/16-2021/22
CS1	Public Toilets Renewals Renewals of public toilets throughout the district	5	34	0	100
CS2	Park Toilet Upgrades Replacement of the Gleniti Park toilets with purpose built toilets and Winchester Domain long drop toilets with two unisex enviro toilets	88	0	0	0
CS3	Temuka Cemetery Extension Additional land is required at Temuka as the existing cemetery is nearing capacity.	30	19	94	48
CS4	New Timaru Cemetery It is necessary to confirm a location for a new Timaru Cemetery within the next few years so that it can be developed prior to the present cemetery reaching capacity about 2025	0	0	0	522
CS5	Timaru Cemetery New Road To install a new road to better service the newer section prior to use.	36	0	0	0
CS6	Cemeteries - Concrete Beams Concrete beams are installed in larger cemeteries to mark plot locations and provide a base for memorials.	10	10	10	73
CS7	Pleasant Point Chapel Upgrade The chapel at Pleasant Point cemetery needs upgrading to maintain its future life.	6	0	0	0
CS8	Civil Defence - Communication Equipment Purchase of radio equipment for increasing communications with field operatives, welfare centre staff and Area HQs.	3.5	15	3.5	24.5
CS9	Civil Defence - Pareora Sirens Funding applied for civil defence purposes in Pareora, with options to be reviewed during 2012/13, but may include installation of tsunami warning sirens.	0	36	0	0
CS10	Rural Fire - Vehicle renewals Replacement of rural fire vehicles (e.g. tankers) that have reached the end of their life.	85	0	85	275
CS11	Rural Fire - Equipment Purchase of radio equipment and other equipment (e.g. generators, hoses) to support the response of the District's Volunteer Rural Fire teams.	8	8	8	56
CS12	Social Housing - Refurbishments Refurbishment of social housing units, including shower conversions, oven replacements and conversion of bed-sits to units.	90	90	90	840
CS13	Airport - Furniture and Fixtures Replacement and upgrading of fixtures and furniture at the Timaru Airport. Heatpumps are due to be installed in 2012/13.	25	0	2	60
CS14	Airport - Aviation Park Development Develop an aviation park for aviation related activities. Council contribution is towards development (e.g. installation of water supply, fencing).	50	0	0	0

Community Support – Funding Impact Statement

	2011/12 (\$000)	2012/13 (\$000)	2013/14 (\$000)	2014/15 (\$000)	2015/16 (\$000)	2016/17 (\$000)	2017/18 (\$000)	2018/19 (\$000)	2019/20 (\$000)	2020/21 (\$000)	2021/22 (\$000)
SOURCES OF OPERATING FUNDING											
General Rates, Uniform Annual General Charge, rates penalties	2,348	2,339	2,424	2,377	2,363	2,360	2,320	2,322	2,314	2,328	2,305
Targeted Rates (Other than a targeted rate for water supply)	161	161	164	163	166	165	167	167	170	169	171
Subsidies and grants for operating purpose	253	217	217	217	217	217	217	217	217	217	217
Fees, charges and targeted rates for water supply	1,274	1,390	1,448	1,461	1,519	1,519	1,519	1,519	1,519	1,519	1,519
Internal charges and overheads recovered											
Local authorities fuel tax, fines, infringement fees and other receipts	24	24	24	24	24	24	24	24	24	24	24
TOTAL OPERATING FUNDING	4,060	4,132	4,277	4,242	4,288	4,285	4,247	4,250	4,243	4,256	4,236
APPLICATIONS OF OPERATING FUNDING											
Payments to staff and suppliers	3,177	3,317	3,332	3,321	3,292	3,317	3,287	3,266	3,265	3,281	3,256
Finance costs	163	163	159	152	153	143	139	135	132	128	135
Internal charges and overheads applied	332	347	347	344	343	337	336	335	334	332	332
Other operating funding applications											
TOTAL APPLICATIONS OF OPERATING FUNDING	3,673	3,827	3,838	3,816	3,787	3,796	3,762	3,736	3,730	3,741	3,723
SURPLUS/(DEFICIT) OF OPERATING FUNDING	387	305	440	426	501	489	486	513	513	515	512
SOURCES OF CAPITAL FUNDING											
Subsidies and grants for capital expenditure	0	0	0	43	0	0	0	0	0	0	0
Development and financial contributions											
Increase/(Decrease) in debt	(54)	(49)	(144)	37	(108)	(67)	(67)	(67)	(67)	(67)	328
Gross proceeds from the sale of assets											
Lump sum contributions											
TOTAL SOURCES OF CAPITAL FUNDING	(54)	(49)	(144)	80	(108)	(67)	(67)	(67)	(67)	(67)	328
APPLICATIONS OF CAPITAL FUNDING											
Capital expenditure											
- to meet additional demand	78	82	59	110	64	16	27	16	16	16	266
- to improve the level of service	82	218	113	66	81	66	87	91	136	146	391
- to replace existing assets	71	138	40	117	30	125	60	125	50	140	50
Increase/(decrease) in reserves	103	(181)	84	213	219	215	246	215	245	147	134
Increase/(decrease) of investments											
TOTAL APPLICATIONS OF CAPITAL FUNDING	334	256	296	506	394	422	419	447	447	449	841
SURPLUS/(DEFICIT) OF CAPITAL FUNDING	(388)	(305)	(440)	(426)	(501)	(489)	(486)	(513)	(513)	(516)	(513)
FUNDING BALANCE	0	0	0	0	0	0	0	0	0	0	0



DISTRICT PLANNING AND
REGULATORY SERVICES

What we do

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

- Building Control
- District Planning
- Environmental Health

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

Building Control

Building Control is responsible for administering and implementing the provisions of the Building Act 2004 (the Act). Under the Act, TDC is accredited as a Building Consent Authority. It is responsible for processing and granting building consents, inspecting and monitoring building work, issuing Code of Compliance Certificates (CCCs), processing Land and Project Information Memorandums, providing advice on building related matters and enforcing numerous other provisions under the Act. The Act is concerned with ensuring safe building practices and safe and healthy buildings for private and public use. 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 subdivision undertaken in the district.

The key tool for managing this is the Timaru District Plan. This outlines the district's

resource management issues and objectives, policies, methods and rules. 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 the 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 and 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 2007. The Timaru District Council has two shared service arrangements with Mackenzie District Council and Waimate District Council to provide environmental health and liquor licensing services.

A contract to the Department of Labour ends on 30 June, with central government taking responsibility for hazardous substances and new organisms monitoring.

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 (RMA) 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 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 of Liquor Act and Health Act.

Contribution to Community Outcomes						
	High quality infrastructure to meet community and business needs	Smart economic success 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
Environmental Health		P	P	P		S
P – Primary contribution S – Secondary contribution						

Effects on Community Wellbeing					
These activities have a range of effects on Community Wellbeing. Positive effects are summarised under Why we do it. Negative effects are identified by activity below, with significant negative effects identified in italics:					
Effect	Wellbeing element				How Council will mitigate effect/risk
	C	S	Ec	En	
Building Control					
Cost of compliance and building consent conditions may be a barrier for some people		✓	✓		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 and legislation.
Can be conflicting views on what is the best outcome		✓			The Building Control Unit provides education and information on legislative and Building Code requirements
District Planning					
Enforcement of district planning requirements may impact upon economic development		✓	✓		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		✓	✓		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.
Often conflicting views on what is the best outcome	✓	✓	✓	✓	Appeal and review by the Environment Court options are available
Trade-offs between growth and environmental protection	✓	✓	✓	✓	Appeal and review by the Environment Court options are available
Environmental Health					
Closures due to unsafe water contamination may affect opportunity for public recreation		✓		✓	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		✓	✓		The Environmental Services Unit provides education and information on legislative requirements
Cost of compliance (e.g. dog fees) may be a barrier for some people and possible closure of premises for non compliance could have adverse economic effect on operators		✓	✓		Costs are set according to Council's policy and recognise benefits are primarily to dog owners, or providers of services regulated by this activity. Some fees are set by government legislation.
C – Cultural S – Social Ec – Economic En - Environmental					

Key issues for the next 10 years

Ongoing Building Consent Authority Accreditation Requirements

The Council must continue to meet ongoing accreditation requirements associated with being a Building Consent Authority (BCA). Council was first accredited as a BCA in February 2008 and is audited every two years to ensure its processes are up to scratch. Further implementation of the accreditation regime will place additional work on the Council, with the introduction of "restricted building work" which may only be undertaken by Licensed Building Practitioners (LBPs) to be enforced from March 2012.

Earthquake Policy review

The five yearly review of the Earthquake-Prone, Dangerous and Insanitary Buildings Policy has been delayed subject to the result of inquiries into the Canterbury earthquakes. These inquiries may result in significant changes to how existing and future buildings are treated in relation to earthquakes.

Maintaining a properly trained staff

Government legislation is enforcing the requirement for TDC regulatory staff to be formally qualified. For example, a further stage of building accreditation requires building officials to have a nationally recognised qualification in building control or a recognised international equivalent by November 2013. Other legislative reviews, particularly the Food Bill and Alcohol Reform Bill will likely require staff to have some additional formal qualifications.

The Canterbury rebuild is likely to place increasing workload pressure on regulatory staffing resources.

Using technology to improve our services

The introduction and use of technology is planned to improve services to the community. These are likely to include building officials using electronic devices for onsite inspections and the ability of the public to monitor progress with their Building Consent online.

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. The Canterbury rebuild is likely to have significant regional implications.

Legislative Change

Ongoing government legislative changes to district planning and regulatory services occur almost constantly. Meeting these new demands, while maintaining a constant level of service and skilled staff contributes to a heavy workload on staff resources.

District Plan Review

Council have agreed to review the District Plan with preliminary work and planned changes continuing, but with the formal review commencing in 2015/16. This is a significant task and will require significant staff resources, time and budget.

Ongoing Resource Management Act changes

The Government is due to consider a range of further possible changes to the resource management system in early 2012 as part of the second phase of its resource management reforms. This is likely to impact further on the resource management services provided by the Council to the community. In addition, there is ongoing development of national environmental standards and policy statements that will have potential impacts on the district.

Implementing Development Contributions

The council is investigating the introduction of development contributions. Development contributions represent a charge to fund a specific set of infrastructural needs incurred by a development(s). This does not mean that the whole charge will apply to a developer, with it being partly reliant upon where the benefits of development fall. A Development Contributions Policy is likely to be delayed until following the government's recently announced review of development contributions.

Food regulation

A revision of the Food Act 1981 is currently going through the parliamentary process. If the current version is enacted, this will mean substantial changes to food safety regulation, including food safety plans, national grading of food safety businesses and accreditation process for Council as a food safety regulator. The Bill provides a range of tools that can be applied depending on the risk posed by the particular food or food business. This will add significant additional cost to the Council and increase fees for food providers.

Alcohol Reform Bill

A new Alcohol Reform Bill is currently going through the parliamentary process. This will determine the powers given to Councils. The outcomes will determine process and requirement changes and will likely necessitate organisational changes within the current structure.

Meeting customer expectations

This Group of Activities is founded on meeting legislative requirements to maintain public safety and a healthy environment. Some of these rules cause tension between Council and customers. While Council must in the first instance meet its legal obligations, it will endeavour to assist customers as much as possible within the frameworks that exist.

What we plan to do and our levels of service

1 Perform statutory functions as a regulator under key legislation

The services we will deliver

- Administer all legislative requirements under District Planning and Regulatory Services related legislation
- Meet requirements to remain accredited as a Building Consent Authority
- Meet requirements to gain accreditation as may be required under the Food Bill

Performance Measures/Targets

Retain accreditation as a:

- Building Consent Authority
- Food Registration Authority¹

2009/10	2010/11	Year 1-3 2012/13 - 2014/15	Year 4 -10: 2015/16 - 2021/22
Building Accreditation maintained	Not Applicable	Associated audit processes ensure accreditation status is retained	Associated audit processes ensure accreditation status is retained
Current performance		Targets	

¹Becoming a Food Registration Authority is a provision of the Food Bill, currently before Parliament

Canterbury Biodiversity Strategy

The Canterbury Biodiversity Strategy is a collaborative vision for maintaining and enhancing Canterbury's natural heritage. It is a non-statutory document that establishes a framework of goals and priorities for undertaking biodiversity initiatives. The Council is a signatory to the strategy and is committed to perpetuating the indigenous biodiversity of the district.



2 Deliver timely, efficient processing of consents and related requirements

The services we will deliver

- Process and grant building consents
- Process resource consents
- Process and issue Land Information Memorandums (LIMs) and Project Information Memorandums (PIMs)
- Process and issue other Building Act requirements (e.g. Notices to Fix)
- Process other Resource Management Act requirements (e.g. Alterations to designations)
- Allocate and maintain urban and rural numbering in the district

Performance Measures/Targets

Building Consent Processing within statutory timeframes and average processing time is reducing

2009/10	2010/11	Year 1-3 2012/13 - 2014/15	Year 4 -10: 2015/16 - 2021/22
99.5%	99%	100% Building consents granted within 20 working days	100% Building consents granted within 20 working days
Current performance		Average Building consents processing time reduces	Average Building consents processing time reduces
		Targets	

Resource Consent Processing within statutory timeframes and average processing time is reducing

2009/10	2010/11	Year 1-3 2012/13 - 2014/15	Year 4 -10: 2015/16 - 2021/22
83.5%	100%	100% processed within 20 working days (notified) or 70 working days (non-notified)	100% processed within 20 working days (notified) or 70 working days (non-notified)
Current performance		Average Resource consents processing time reduces	Average Resource consents processing time reduces
		Targets	

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

The services we will deliver

- Provide advice to customers throughout consent processes and on enquiries
- Maintain a duty building and district planning officer
- Provide up to date application forms and information sheets
- Provide education opportunities via brochures, sector sessions and other methods

Performance Measures/Targets

Tenant Satisfaction Levels

Current performance		New Measure
Targets	Year 1: 2012/13	≥ 70% customers satisfied with building and regulatory services received
	Year 2: 2013/14	≥ 72% customers satisfied with building and regulatory services received
	Year 3: 2014/15	≥ 74% customers satisfied with building and regulatory services received
	Year 4 -10: 2015/16 - 2021/22	≥ 75% customers satisfied with building and regulatory services received

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

The services we will deliver

- Maintain up to date knowledge of the regulatory legislative environment
- Review policy as below:
 - ◆ Earthquake-Prone, Dangerous and Insanitary Buildings Policy (5 yearly)
 - ◆ Timaru District Plan (10 yearly)
 - ◆ Timaru District Consolidated Bylaw (10 yearly)
 - ◆ Class 4 Gambling and Board Venue Policy (3 yearly)
- ◆ Dog Control Policy (when Bylaw reviewed)
- ◆ Other related policies as required
- Manage variations and plan changes to the District Plan
- Provide policy advice on planning and development issues that affect the Timaru

Performance Measures/Targets

Policy Review Programme		
Current performance		New Measure
Targets	Year 1: 2012/13	Earthquake-Prone, Dangerous and Insanitary Buildings Policy review Bylaws Review Dog Control Policy review Class 4 Gambling and Board Venue Policy review
	Year 2: 2013/14	Nil
	Year 3: 2014/15	Nil
	Year 4 -10: 2015/16-2021/22	District Plan review commences Class 4 Gambling and Board Venue Policy review Earthquake-Prone, Dangerous and Insanitary Buildings Policy review Bylaws Review

5 Register known dogs

The services we will deliver

- Registration process for all known dogs in the district
- Follow up unregistered known dogs
- Investigate complaints of non dog registration

Performance Measures/Targets

Dog Registration Levels		
Current performance	2009/10	91%
	2010/11	99%
Targets	Year 1-3: 2012/13 - 2014/15	≥ 95% known dogs registered in registration year
	Year 4-10 2015/16 - 2021/22	≥ 95% known dogs registered in registration year

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

The services we will deliver

- Inspect building work for which consents are granted
- Issue Code Compliance Certificates where building work completed to required standards
- Administer requirements of the Building Warrant of Fitness and Fencing of Swimming Pools regime
- Inspect registered food premises and premises selling or supplying liquor

Performance Measures/Targets

Code Compliance Certificates processed within statutory timeframes			
2009/10	2010/11	Year 1-3 2012/13 – 2014/15	Year 4 -10: 2015/16 - 2021/22
100%	72%	100% Code Compliance Certificates for building work processed within 20 working days	100% Code Compliance Certificates for building work processed within 20 working days
Current performance		Targets	

Continued next page

Food premises compliance with regulations

	Year 1-3 2012/13 - 2014/15	Year 4 -10: 2015/16 - 2021/22
New Measure	<ul style="list-style-type: none"> ➤ 90% of premises on food control plans have undergone a food safety site audit. ➤ 90% of premises not on food control plans are compliant 	<ul style="list-style-type: none"> ➤ 90% of premises on food control plans have undergone a food safety site audit ➤ 90% of premises not on food control plans are compliant
Current performance	Targets	

Premises selling or supplying liquor comply with the rules

	Year 1-3 2012/13 - 2014/15	Year 4 -10: 2015/16 - 2021/22
New Measure	95% of liquor establishments monitored annually are compliant	95% of liquor establishments monitored annually are compliant
Current performance	Targets	

Public buildings comply with public building regulations¹

	Year 1-3 2012/13 - 2014/15	Year 4 -10: 2015/16 - 2021/22
New Measure	100% of non-compliant public buildings identified by the audit have had corrective action taken	100% of non-compliant public buildings identified by the audit have had corrective action taken
Current performance	Targets	

¹ Measured from an audit of 10% of public buildings conducted during the year. Buildings non-compliant are followed up by the Building Unit to ensure compliance is achieved.

Swimming Pools comply with swimming pool regulations²

	Year 1-3 2012/13 - 2014/15	Year 4 -10: 2015/16 - 2021/22
New Measure	100% of non-compliant public buildings identified by the audit have had corrective action taken	100% of non-compliant public buildings identified by the audit have had corrective action taken
Current performance	Targets	

² Measured from an audit of 5% of swimming pools conducted during the year. Swimming Pools non-compliant are followed up by the Building Unit to ensure compliance is achieved

7 Investigate and respond to public complaints

The services we will deliver

- Respond to regulatory services related complaints, including district planning, environmental health and animal control
- Monitor and enforce conditions of consents

Performance Measures/Targets

Response* time to complaints

	Year 1-3: 2012/13 - 2014/15	Year 4 -10: 2015/16 - 2021/22
New measures	Routine Complaints 100% complaints responded to within 20 working days Urgent Complaints 100% complaints responded to within 5 working days Emergency** Complaints 100% complaints responded to within 2 hours	100% complaints responded to within 20 working days 100% complaints responded to within 5 working days 100% complaints responded to within 2 hours
Current performance	Targets	

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

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

Compliance of Resource Consents issued with conditions

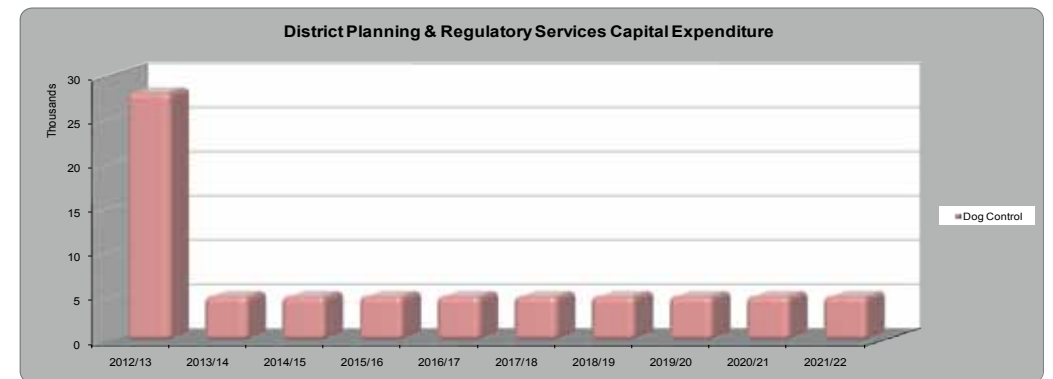
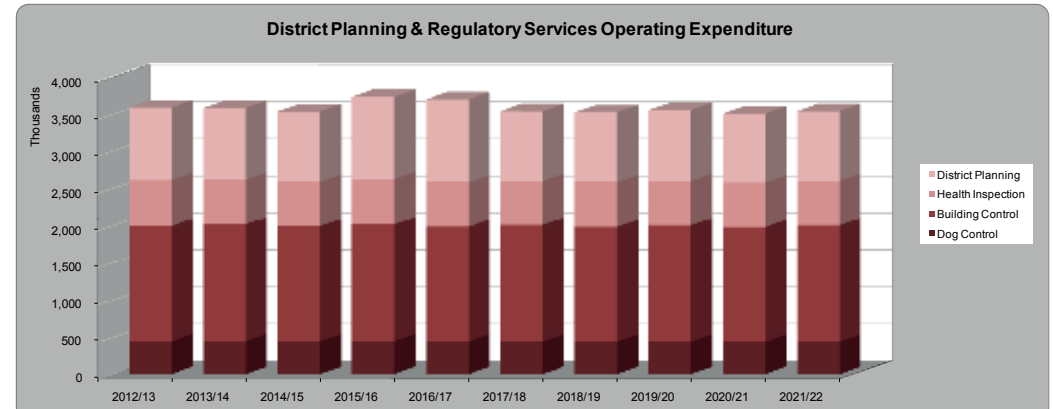
2009/10	2010/11	Year 1-3 2012/13 - 2014/15	Year 4 -10: 2015/16 - 2021/22
100% of consents monitored comply with conditions	100% of consents monitored comply with conditions	≥ 95% of resource consents monitored during the year comply with conditions	≥ 95% of resource consents monitored during the year comply with conditions
Current performance		Targets	

What it will cost and how it will be funded

Operating expenditure for activities within this 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 & subsidies	Other Sources
Building Control	✓			✓					
District Planning	✓			✓					
Environmental Health	✓	✓		✓					

For further information on funding these activities, please refer to the Revenue and Financing Policy and Funding Impact Statement in Section Three.



Capital Projects

The following summarises key planned capital projects for District Planning and Regulatory Services:

Code	Project Explanation	Expenditure (\$000)			
		2012/13	2013/14	2014/15	2015/16- 2021/22
DPRS1	Animal Control - Signage Replacement of dog control signage throughout the district	28	5	5	35

District Planning and Regulatory Services – Funding Impact Statement

	2011/12 (\$000)	2012/13 (\$000)	2013/14 (\$000)	2014/15 (\$000)	2015/16 (\$000)	2016/17 (\$000)	2017/18 (\$000)	2018/19 (\$000)	2019/20 (\$000)	2020/21 (\$000)	2021/22 (\$000)
SOURCES OF OPERATING FUNDING											
General Rates, Uniform Annual General Charge, rates penalties	264	301	266	264	273	260	259	268	261	259	266
Targeted Rates (Other than a targeted rate for water supply)	684	786	795	751	949	932	766	739	777	735	760
Subsidies and grants for operating purpose	15	0	0	0	0	0	0	0	0	0	0
Fees, charges and targeted rates for water supply	2,490	2,465	2,485	2,485	2,485	2,485	2,485	2,485	2,485	2,485	2,485
Internal charges and overheads recovered	98	58	58	58	58	58	58	58	58	58	58
Local authorities fuel tax, fines, infringement fees and other receipts	21	31	31	31	31	31	31	31	31	31	31
TOTAL OPERATING FUNDING	3,572	3,641	3,635	3,589	3,796	3,766	3,599	3,581	3,612	3,568	3,600
APPLICATIONS OF OPERATING FUNDING											
Payments to staff and suppliers	2,653	2,717	2,712	2,672	2,882	2,862	2,697	2,682	2,716	2,675	2,707
Finance costs											
Internal charges and overheads applied	923	925	923	916	913	900	897	895	891	888	887
Other operating funding applications											
TOTAL APPLICATIONS OF OPERATING FUNDING	3,576	3,642	3,636	3,589	3,796	3,762	3,594	3,577	3,607	3,563	3,595
SURPLUS/(DEFICIT) OF OPERATING FUNDING	(4)	(2)	(2)	(1)	(0)	2	3	3	4	5	5
SOURCES OF CAPITAL FUNDING											
Subsidies and grants for capital expenditure											
Development and financial contributions											
Increase/(Decrease) in debt											
Gross proceeds from the sale of assets											
Lump sum contributions											
TOTAL SOURCES OF CAPITAL FUNDING	0	0	0	0	0	0	0	0	0	0	0
APPLICATIONS OF CAPITAL FUNDING											
Capital expenditure											
- to meet additional demand											
- to improve the level of service	10	14	3	3	3	3	3	3	3	3	3
- to replace existing assets	10	14	3	3	3	3	3	3	3	3	3
Increase/(decrease) in reserves	(24)	(30)	(7)	(6)	(5)	(3)	(2)	(2)	(1)	(0)	(0)
Increase/(decrease) of investments											
TOTAL APPLICATIONS OF CAPITAL FUNDING	(4)	(2)	(2)	(1)	(0)	3	3	3	4	5	5
SURPLUS/(DEFICIT) OF CAPITAL FUNDING	4	2	2	1	0	(3)	(3)	(3)	(4)	(5)	(5)
FUNDING BALANCE	0	0	0	0	0	0	0	0	0	0	0



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 museum in Timaru. The Aigantighe is regarded as the regional art museum of South Canterbury. It curates the South Island's third largest permanent art collection. The art gallery collects, preserves, researches and educates about visual culture and art on behalf of the community, including exhibitions, school visits and holiday programmes. The gallery is open 6 days a week and is free to visit.

South Canterbury Museum

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

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 soundshell, 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 West End 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 them 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 CBAY complex.

Parks, Recreation and Swimming Pools

Parks and Recreation

Parks and Recreation provides and manages over 540 hectares (excluding crown leases) of parks, reserves, sportsgrounds and gardens throughout the district. The District's parks network is grouped into five main categories, including:

- Premier Parks 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 are primarily used for active sport and recreation and may provide for other community activities. Examples are the Pleasant Point Domain, Gunnion Square (Temuka) and Aorangi Park (Timaru).
- Neighbourhood Parks are developed urban parks and usually contain children's playgrounds. Examples include Cornwall Park and Lough Park.
- 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, they enhance the environment with open spaces and plantings. Examples include Kennedy Park (Geraldine), independently managed rural Domains, Patiti Point Reserve (Timaru), and Centennial Park (Timaru).

- Natural Parks provide opportunities for people to experience nature. Predominantly located in rural areas, these include native bush areas, wetlands and riparian areas and may include walking tracks, mountain bike tracks, picnic areas and facilities to support and service these activities. Examples include the Claremont Bush and Pekapeka Gully, Geraldine.

Other park categories include Special Purpose Parks such as 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 accessways and car parks, signs, fencing, furniture, services and a range of vegetation from grass to mature trees.

Some parks encompass a number of uses. 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 South 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.

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

Swimming Pools

From July 2012, the Council will manage and operate four swimming complexes across the district.

The Caroline Bay Aquatic Centre (CBAY) is the district's premier water recreation venue. Opening in July 2012, the complex includes a 25 metre indoor pool, 50 metre outdoor pool, leisure pool, rapid river, programme pool, sauna, spa, hydrosides, wellness suite, cafeteria and gym facility.

Parts of the complex will be operated on a commercial basis, providing services such as a Learn to Swim programme, café, gym and wellness suite.

Pool complexes are also provided at the following locations:

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

Century Indoor Pool in Timaru is scheduled to close once CBAY is operating.

Forestry

The Council also manages a small forestry programme comprising mixed aged and species plantations. Forestry is planted primarily on over 240 hectares of reserve land unsuitable for other uses, with 60 separate sites. The primary species planted are Radiata Pine (64%), Douglas Fir/Oregon Pine (27%), Macrocarpa (4%) and Poplar/Other species (5%).

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 contributes to economy, lifestyle and identity 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

Cultural and Learning Facilities

Cultural and Learning Facilities are essential community facilities and enrich individual and community wellbeing. They are a recognised, 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.

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 community life through providing spaces for events, entertainment, recreational pursuits and other activities. They are a public good best provided collectively meaning everyone has equal opportunity for access. Local parks also provide a focus 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.

Contribution to Community Outcomes						
	High quality infrastructure to meet community and business needs	Smart economic success 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	P	P	P	P	S
Parks, Recreation and Swimming Pools	P	S	P	P	P	P
P – Primary contribution S – Secondary contribution						

Effects on Community Wellbeing					
These activities have a range of effects on Community Wellbeing. Positive effects are summarised under Why we do it. Negative effects are identified by activity below, with significant negative effects identified in <i>italics</i> :					
Effect	Wellbeing element				How Council will mitigate effect/risk
	C	S	Ec	En	
Cultural and Learning Facilities					
Fees for some activities provided by these activities are unsatisfactory for some people	✓	✓	✓		Mitigated via consultation with all affected groups and individuals where possible
Usage of library collections uneven with some branch materials not circulating enough	✓	✓	✓		Collections are floated, meaning books go to all branches according to demand from users with usage evened out
<i>Closure of local halls could adversely affect local communities</i>	✓	✓			<i>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 be passed through Council's committee processes.</i>
Facility upgrades can be costly and beyond the ability of the community to pay	✓	✓	✓		Funding sources other than the ratepayer are investigated and used where possible
Parks, Recreation and Swimming Pools					
Cost of some recreational facilities is unsatisfactory for some people		✓	✓		Costs are set according to Council's policy. A significant proportion of facility provision is funded by rates. Some discounts are available (e.g. for over 80s).
Swimming pools are high energy users			✓	✓	Swimming pools use solar heating, heat recovery technology, insulating pool covers and recycle water to reduce water usage and retain heat, thereby using less energy and lowering the 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			✓		Returns will be maximised where possible
CBAY revenue does not meet forecasts		✓	✓		Operation will be monitored on an ongoing basis
C – Cultural S – Social Ec – Economic En - Environmental					

Key issues for the next 10 years

Meeting Community Expectations

There is ongoing pressure from the community and users for higher quality facilities and services to be provided. Each new generation has differing expectations of what should be provided. Out of town visitors also expect a high quality experience, often driven by what they have experienced in other centres.

Facilities must cater for these expectations, while also addressing the pressures exerted by changing demand, technology and demographics.

These expectations can include a varied programme of exhibitions, different experiences for different age groups, use of modern technology, better provision of sportsfields, catering for new leisure activities and a high standard of presentation.

Meeting changes in demand

All services and facilities are subject to increasing demand. Factors such as changing demographics, reduced government funding and volunteer input, a more informed population and the Canterbury earthquakes are impacting on demand and will continue to into the future.

Harsher economic times can create greater use, due to recreation and leisure facilities providing lower cost recreation options.

Demand for parks and reserves is driven by an appreciation of open space and to help meet varied recreational needs.

Population changes and urban developments can create demand. A trend towards urban infill and smaller residential sections increases demand for local parks for outdoor recreation.

Making use of new technology

Technological change both fuels community expectations and provides new opportunities for delivery of services.

These 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:

- 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.

Further development of Cultural and Learning Facilities

Facilities will need future development due to increasing collection size, visitor and community expectations and an expanding community role. While currently there are no concrete proposals included in the budget, investigations are ongoing.

Buildings for some cultural and learning facilities are ageing, with increased maintenance to ensure a quality visitor and user experience required into the future.

The Council is also investigating the potential for the Theatre Royal to be further developed. Funding has been included in 2012/13 for a feasibility study to look at options.

Collection Management and Preservation

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 the art gallery and museum. Further bequests are expected at both venues. A strategy around future storage for these facilities is being investigated.

Closer working relationships

As funding pressures increase, to maintain levels of service activities are going to need to work smarter. The Council is looking to encourage opportunities for sharing elements of service provision for some facilities. This may involve collaboration in areas such as promotion and operations.

Financial Contributions for Parks

Existing financial contributions collected from property subdivisions are insufficient to cover demand. This is impacting on the parks capital programme through use of existing ratepayer funding while also increasing the rate requirement (e.g. through increased interest charges). This can only be addressed through a plan change to the District Plan.

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.

Caroline Bay Aquatic Centre

The Caroline Bay Aquatic Centre (CBAY) opens to the public in July 2012. This will substantially increase the level of service for aquatic facilities and activity in the district. The success of this facility is reliant upon non - rate income of around \$2M per year through activities such as fees for the centre, swimming lessons, gym fees and income from the cafe and wellness suite.

Summer outdoor pools will continue to be provided based on existing service levels. The Century Pool complex in Timaru will close as a swimming facility when CBAY opens and Council is reviewing options for the alternative uses of the Century facility.

Emissions Trading Scheme

As a forestry landowner, the Council has applied for NZ units (NZUs) for its small forestry asset. The ETS now means that the Council is liable for carbon emissions resulting from deforestation. NZUs will be used to offset these emissions which should reduce the cost for the ratepayer.

Sports Partnerships

Over the last few years, sports clubs partnerships have been formed in Temuka, Geraldine and Pleasant Point, aiming to bring sports together, share resources and knowledge and boost participation.

The Association of Pleasant Point Sports Incorporated is currently working on a feasibility study for future sport and community needs in the Point area. This may result in a future sport/community facility being built on Council owned land in the future.

What we plan to do and our levels of service

1 Provide a high quality visitor or user experience at district facilities

The services we will deliver

- Ensure Cultural and Learning Facilities, Parks and Swimming Pools are accessible and open to the community and visitors
- Provide access to collections and associated information and research resources
- Provide quality print and digital collections and resources made findable and accessible - 7 days Timaru, 6 days Temuka and Geraldine, online, deliveries
- Provide skilled staff to assist with research queries

Performance Measures/Targets

Visitor/User satisfaction levels

2011/12	Year 1: 2012/13	Year 2: 2013/14	Year 3: 2014/15	Year 4 -10: 2015/16 - 2021/22
<ul style="list-style-type: none"> ➤ Art Gallery - 90% visitor satisfaction ➤ Museum - 97% visitor satisfaction ➤ Libraries - 98% user satisfaction ➤ Swimming Pools - 78% user satisfaction ➤ Parks and Recreation - 92% user/visitor satisfaction 	No survey	<ul style="list-style-type: none"> ➤ Art Gallery - ≥ 80% satisfaction ➤ Museum - ≥ 95% ➤ Libraries - ≥ 95% satisfaction ➤ Swimming Pools - ≥ 75% satisfaction ➤ Parks and Recreation - ≥ 92% satisfaction 	No survey	<ul style="list-style-type: none"> ➤ Art Gallery - ≥ 80% satisfaction ➤ Museum - ≥ 95% ➤ Libraries - ≥ 95% satisfaction ➤ Swimming Pools - ≥ 75% satisfaction ➤ Parks and Recreation - ≥ 92% satisfaction
Current performance	Targets			

Theatre Royal usage

2009/10	2010/11	Year 1-3 2012/13 - 2014/15	Year 4 -10: 2015/16 - 2021/22
81 show day	87 show days	Theatre Royal show days ≥ than three year average	Theatre Royal show days ≥ than three year average
Current performance	Targets		

Performance Measures/Targets

Visitors and User levels – on and off-site

2009/10	2010/11	Year 1: 2012/13	Year 2: 2013/14	Year 3: 2014/15	Year 4 -10: 2015/16 - 2021/22
Art Gallery - combined on/off-site - 35,200 Museum - Combined on/off-site - 22,194 Libraries - On-site - 588,767	Art Gallery - Combined on/off-site - 36,733 Museum - Combined on/off-site - 21,143 Libraries - On-site - 613,544	Art Gallery - ≥ 36,000 Museum - ≥ On - 22,000 Off - 4000+ Libraries - On-site - ≥ 620,000	Art Gallery - ≥ 36,000 Museum - ≥ On - 24,000 Off - Funding dependent Libraries - On-site - ≥ 620,000	Art Gallery - ≥ 36,000 Museum - ≥ On - 25,000 Off - Funding dependent Libraries - On-site - ≥ 620,000	Art Gallery - ≥ 36,000 Museum - ≥ 5% increase per annum Libraries - On-site - ≥ 620,000
Current performance	Targets				

Library issues and Aotearoa People's Network Kaharoa (APNK) usage

2009/10	2010/11	Year 1-3 2012/13 - 2014/15	Year 4 -10: 2015/16 - 2021/22
<ul style="list-style-type: none"> ➤ Library issues – 992,099 ➤ APNK sessions – Not measured 	<ul style="list-style-type: none"> ➤ Library issues – 1,006,396 ➤ APNK sessions – Not measured 	<ul style="list-style-type: none"> ➤ Library issues ≥ 3 year average ➤ ≥ 86,500 APNK sessions 	<ul style="list-style-type: none"> ➤ Library issues ≥ 3 year average ➤ ≥ 86,500 APNK sessions
Current performance	Targets		

2 Provide regular and varied exhibitions and community programmes

The services we will deliver

- Mount, research and promote short and long term exhibitions at the Aigantighe Art Gallery and South Canterbury Museum
- Provide school holiday programmes at all Cultural and Learning Facilities
- Promote Cultural and Learning Facilities public programmes and services
- Provide formal education programmes for schools in Museum and around region (LEOTC-funded)
- Provide Learn to Swim and other swimming and recreational programmes to the community
- Manage a recreation contract with Sport South Canterbury
- Provide a variety of inhouse and external public programmes
- Provide information and education to the community and specific groups

Performance Measures/Targets

Exhibition schedules and holiday programmes			
2009/10	2010/11	Year 1-3 2012/13 - 2014/15	Year 4 -10: 2015/16 - 2021/22
Exhibitions: - Art Gallery: 26 - Museum: 5 Holiday programmes: 4	Exhibitions: - Art Gallery: 27 - Museum: 6 Holiday programmes: 4	Exhibitions: ➤ Art Gallery: 23 ➤ Museum: 3 ➤ 4 Holiday Programmes	Exhibitions: ➤ Art Gallery: 23 ➤ Museum: 3 ➤ 4 Holiday Programmes
Current performance		Targets	

Learn to Swim lessons and Aqua Fitness classes			
2009/10	2010/11	Year 1-3 2012/13 - 2014/15	Year 4 -10: 2015/16 - 2021/22
463 Aqua Fitness programmes delivered	300 Aqua Fitness programmes delivered	➤ 20,000 lessons are provided annually ➤ 200 aqua fitness classes annually	➤ 20,000 lessons are provided annually ➤ 200 aqua fitness classes annually
Current performance		Targets	

3 Provide high quality, well-presented and maintained facilities and services

The services we will deliver

- Maintain facilities and parks buildings and assets to established standards
- Provide sportsgrounds for seasonal use for various sports and recreational activities
- Periodic replacement or refurbishment of plant to maintain existing level of service
- Provide safe, modern buildings and community spaces

Performance Measures/Targets

Overall Satisfaction Levels				
2011/12	Year 1: 2012/13	Year 2: 2013/14	Year 3: 2014/15	Year 4 -10: 2015/16 - 2021/22
<ul style="list-style-type: none"> ➤ Art Gallery - 74% overall satisfaction ➤ Museum - 82% overall satisfaction ➤ Libraries - 92% overall satisfaction ➤ Swimming Pools - 61% overall satisfaction ➤ Parks and Recreation - 92% overall satisfaction 	No survey	<ul style="list-style-type: none"> Art Gallery - ≥ 75% Museum - ≥ 80% Libraries - ≥ 90% Parks and Recreation - ≥ 92% Swimming Pools - ≥ 70% 	No survey	<ul style="list-style-type: none"> Art Gallery - ≥ 75% Museum - ≥ 80% Libraries - ≥ 90% Parks and Recreation - ≥ 92% Swimming Pools - ≥ 70%
Current performance		Targets		

Maintenance and Capital Work programmes achieved			
2009/10	2010/11	Year 1-3 2012/13 - 2014/15	Year 4 -10: 2015/16 - 2021/22
See Annual Report 2009/10	See Annual Report 2010/11	100% maintenance and capital work programme achieved within budget and timeframe	100% maintenance and capital work programme achieved within budget and timeframe
Current performance		Targets	

Compliance with sportsfields grass lengths contract standards			
2009/10	2010/11	Year 1-3 2012/13 - 2014/15	Year 4 -10: 2015/16 - 2021/22
99.99% compliance achieved	100% compliance achieved	95% compliance with contract standards	95% compliance with contract standards
Current performance		Targets	

4 Expand library, museum and art gallery collections and keep up-to date

The services we will deliver

- Collect, produce, arrange, protect, and make accessible a quality collection of print and digital resources from Timaru District libraries
- Collect and document items relevant to the South Canterbury and Aigantighe Art Gallery collection policies and focus
- Continue temporary exhibition programme and periodic refreshment/upgrade of long-term exhibition areas

Performance Measures/Targets

Library Stock Turnover

2009/10	2010/11	Year 1-3 2012/13 - 2014/15	Year 4-10: 2015/16 - 2021/22
4.54	4.5	≥ 4 stock turnover	≥ 4 stock turnover
Current performance		Targets	

Acquisitions to art gallery and museum

2009/10	2010/11	Year 1-3 2012/13 - 2014/15	Year 4-10: 2015/16 - 2021/22
See Annual Report 2009/10	See Annual Report 2010/11	<ul style="list-style-type: none"> ➤ Art Gallery acquisitions within budget ➤ 150+ new museum acquisitions 	<ul style="list-style-type: none"> ➤ Art Gallery acquisitions within budget ➤ 150+ new museum acquisitions
Current performance		Targets	

5 Ensure facilities and programmes are safe and meet legislative and audit standard requirements

The services we will deliver

- Monitor safety of facilities and parks equipment

Performance Measures/Targets

Facilities meet legislative safety requirements

2009/10	2010/11	Year 1-3 2012/13 - 2014/15	Year 4-10: 2015/16 - 2021/22
Facilities compliant	Facilities compliant	Building WOF, fire regulations and licence requirements are current	Building WOF, fire regulations and licence requirements are current
Current performance		Targets	

Closure of playgrounds due to safety risks

2009/10	2010/11	Year 1-3 2012/13 - 2014/15	Year 4-10: 2015/16 - 2021/22
No closures achieved	No closures achieved	No closures of playground equipment due to safety risks	No closures of playground equipment due to safety risks
Current performance		Targets	

PoolSafe certification

2009/10	2010/11	Year 1-3 2012/13 - 2014/15	Year 4-10: 2015/16 - 2021/22
PoolSafe accreditation achieved	PoolSafe accreditation achieved	All pools remain Pool Safe certified at three yearly reviews and annual spot audits are clear	All pools remain Pool Safe certified at three yearly reviews and annual spot audits are clear
Current performance		Targets	

6 Preserve historical items and art works to established standards

The services we will deliver

- Maintain and improve collection care, documentation and access
- Catalogue and preserve art work and history collections
- Document and care for collections to a high standard

Performance Measures/Targets

Cataloguing of collections

	Year 1-3 2012/13 – 2014/15	Year 4-10: 2015/16 - 2021/22
New measure	Progress cataloguing of collections	Progress cataloguing of collections
Current performance	Targets	

Preservation of artworks and collections to established standards

	Year 1: 2012/13	Year 2: 2013/14	Year 3: 2014/15	Year 4-10: 2015/16 - 2021/22
New measure	90% collections held in acceptable storage conditions	95% collections held in acceptable storage conditions	95% collections held in acceptable storage conditions	95% collections held in acceptable storage conditions
Current performance	Targets			

7 Promote South Canterbury art, history and creativity

The services we will deliver

- Hold local exhibitions promoting South Canterbury themes, artists or experiences
- Promote local creativity through exhibitions and events

Performance Measures/Targets

Local history and arts exhibitions

Current performance		New measure
Targets	Year 1-3: 2012/13-2014/15	Annual exhibitions and events with local focus
	Year 4-10: 2015/16-2021/22	Annual exhibitions and events with local focus

8 Develop facilities to meet future community demand

The services we will deliver

- Develop future development plans for all Cultural and Learning Facilities
- Plan for future provision of upgraded or new facilities
- Monitor ongoing use of and demand for facilities
- Plan to develop facilities for more exhibition and public space – extend building
- Obtain additional collection storage space – likely to be off-site

Performance Measures/Targets

Parks hectares per 1,000 district residents

2009/10	2010/11	Year 1: 2012/13	Year 2: 2013/14	Year 3: 2014/15	Year 4-10: 2015/16 - 2021/22
11.98 hectares per 1,000 residents	11.98 hectares per 1,000 resident	14 hectares parks per 1,000 district residents	14.25 hectares parks per 1,000 district residents	14.5 hectares parks per 1,000 district residents	15 hectares parks per 1,000 district residents
Current performance		Targets			

Playgrounds per 1,000 Children under 15

2009/10	2010/11	Year 1-3 2012/13 - 2014/15	Year 4-10: 2015/16 - 2021/22
5 playgrounds per 1,000 children under 15	5 playgrounds per 1,000 children under 15	5 playgrounds per 1000 children under 15	5 playgrounds per 1000 children under 15
Current performance		Targets	

Future Development Plans for Cultural and Learning Facilities

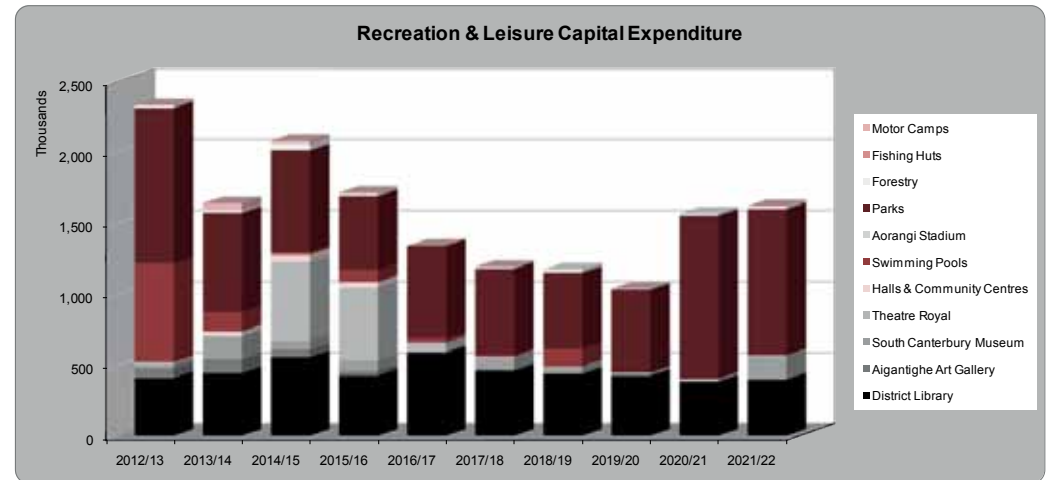
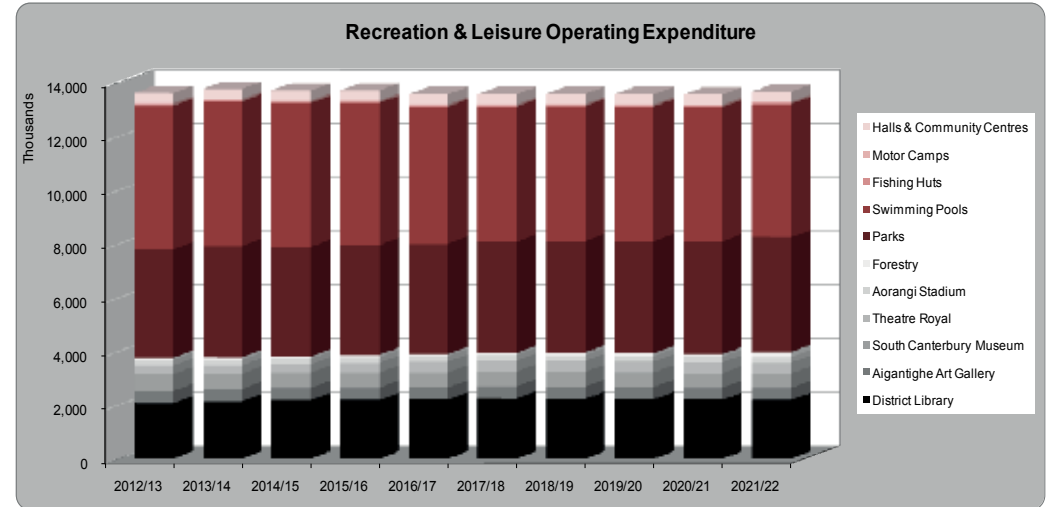
	Year 1: 2012/13	Year 2: 2013/14	Year 3: 2014/15	Year 4-10: 2015/16 - 2021/22
New measure	Commence investigation of options	Progress options of investigations	Decide on options	Implement options
Current performance	Targets			

What it will cost and how it will be funded

Operating expenditure for activities within this 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 & subsidies	Other Sources
Cultural and Learning Facilities	✓	✓	✓	✓				✓	✓
Parks, Recreation and Swimming Pools	✓	✓	✓	✓					✓

For further information on funding these activities, please refer to the Revenue and Financing Policy and Funding Impact Statement in Section Three.



Capital Projects

The following summarises key planned capital projects for Recreation and Leisure:

Code	Project Explanation	Expenditure (\$000)			
		2012/13	2013/14	2014/15	2015/16-2021/22
RL1	Libraries - purchase of books and materials Purchase of books and materials for district libraries. This includes use of bequests to the library for purchase of specific forms of literature.	373	373	373	2,611
RL2	Libraries - Equipment/Furniture Purchase of equipment and furniture for district libraries and service centres.	20	20	3.5	26.5
RL3	Libraries - Carpet replacements Replacement of carpets at district libraries.	0	0	110	155
RL4	Libraries - Carpark resurfacing Resurfacing of the Temuka and Geraldine library carparks	0	0	0	55
RL5	Libraries - Security system replacement Replacement of the security system at district libraries.	0	38	55	0
RL6	Libraries - Heating system replacement Replacement of the heating system at the Timaru library.	12	8	10	0
RL7	Libraries - Timaru Library roof Refurbishment of the Timaru District Library roof in Timaru.	0	0	0	150
RL8	Libraries - Self checkout Installation of self checkout system at Timaru District Libraries.	0	0	0	80
RL9	Art Gallery - Purchase of Art works Purchase of art works using rates and bequests made to the Aigantighe Art Gallery.	9	9	9	63
RL10	Art Gallery - Building renewals Refurbishment of Art Gallery buildings.	15	52	44	21
RL11	Art Gallery - Lighting upgrade Upgrade of lighting in the main House.	40	0	0	0
RL12	Art Gallery - Equipment/Furniture Purchase of equipment and furniture for art gallery.	2	37	2	14
RL13	Museum - Exhibition upgrades Upgrading of exhibition areas, including mezzanine floor (13/14), settlement history, natural history and takata whenua areas during 2015 - 21.	0	100	0	225
RL14	Museum - Security system replacement Replacement of the security system at the museum.	0	0	0	30
RL15	Museum - Smoke detection replacement Replacement of the smoke detection system at the museum.	0	0	0	40
RL16	Museum - Shelving/Map units Requirement to house likely collection growth of large paper items.	0	0	0	15
RL17	Museum - Heating/Dehumidifiers replacement Replacement of the heating and dehumidifier systems at the museum.	0	40	60	0

Code	Project Explanation	Expenditure (\$000)			
		2012/13	2013/14	2014/15	2015/16-2021/22
RL18	Museum - Microfilm Reader/Printer replacement Replace current model that is no longer functioning or repairable.	28	0	0	0
RL19	Museum - Flooring replacement Replacement of flooring at the museum	0	16	0	0
RL20	Museum - Equipment/Furniture Purchase of equipment and furniture for art gallery	1.5	1.5	1.5	10.5
RL21	Museum - Theatre AV system Refurbishment of AV system	0	0	0	20
RL22	Theatre Royal - Curtains/Flying Systems/Battens/Seat replacements Replacement of the Theatre Royal curtains, flying systems, battens and seats. Seats replacement is planned for 14/15 - 15/16 at a cost of \$1M.	0	0	500	550
RL23	Theatre Royal - Foyer carpet Replacement of the Theatre Royal foyer carpet	0	0	45	0
RL24	Theatre Royal - Renewals Renewals at the Theatre Royal	7	7	7	49
RL25	Halls - Upgrades Upgrades of halls and community centres, including Caroline Bay floor and ovens renewal, Pleasant Point Hall roof and switchboard	4	27	50	0
RL26	Halls - Caroline Bay Hall roof Replacement of the Caroline Bay hall roof	0	0	0	40
RL27	Halls - Furniture/Equipment Replacement of the furniture and equipment at halls	4	4	4	28
RL28	Parks and Recreation - Sports courts and cycletracks Resurfacing of sports courts and Caledonian Ground cycletrack (2012/13)	149	0	367	150
RL29	Parks and Recreation - Structures Replacement of retaining walls, bridges and minor structures	75	5	0	236
RL30	Parks and Recreation - Resealing programme Resurfacing of hard surfaces at district parks	191	165	53	1,048
RL31	Parks and Recreation - Playground equipment and undersurfacing Replacement of playground equipment and undersurfacing	69	38	15	1,055
RL32	Parks and Recreation - Furniture and Signage Replacement of parks furniture and signage	42	18	29	279
RL33	Parks and Recreation - Fences Replacement of parks fences	14	14	14	98
RL34	Parks and Recreation - Services Replacement of parks services, including watermains, drains and culverts	2	37	0	158
RL35	Parks and Recreation - Geraldine Domain development Ongoing development of the Geraldine Domain	8	0	0	0

Code	Project Explanation	Expenditure (\$000)			
		2012/13	2013/14	2014/15	2015/16-2021/22
RL36	Parks and Recreation - Rural Plantings Rural plantings at district parks	3	3	3	21
RL37	Parks and Recreation - Temuka Domain redevelopment Redevelopment of the Temuka Domain	91	57	30	210
RL38	Parks and Recreation - Mulcahys Reserve development Development of a new reserve in the Gleniti area	71	0	0	0
RL39	Parks and Recreation - Walkways Esplanade enhancements Redevelopment of walkways and planting along esplanade strips	31	31	29	205
RL40	Parks and Recreation - Esplanade Reserves acquisition Purchase of land for esplanade reserves	45	45	45	314
RL41	Parks and Recreation - Playground equipment and undersurfacing New playground and undersurfacing at district parks	50	30	30	230
RL42	Park and Recreation - Shared urban tracks Implementation of the Off-road walking and biking strategy	100	100	100	700
RL43	Parks and Recreation - Sir Basil Arthur Park enhancements Enhancements to Sir Basil Arthur Park in Timaru, including sportsground extensions, improved carparking and a link road to Washdyke Flat Road (20/21).	150	153	0	350
RL44	Parks and Recreation - Forestry Fencing Replacement of fencing.	18	17	49	103
RL45	Parks and Recreation - Motor Camps renewals Renewals at Motor Camps including resealing driveway and fencing at Geraldine and water main renewal and resealing driveway at Temuka.	2	52	18	4
RL46	Swimming Pools - Geraldine Pool renewals Renewals at Geraldine pool including the main pool filtration system, heating system upgrade, pool cleaner, shade sails and lane ropes.	140	13	2	87
RL47	Swimming Pools - Pleasant Point Pool renewals Renewals at Pleasant Point pool including heating system upgrade, pool covers and cleaners, shade sails and building renewals	24	13	0	26
RL48	Swimming Pools - Temuka Pool renewals Renewals at Temuka pool including heating system upgrade, filtration plant, water main renewal, inflatables, shade sails and building renewals	5	110	15	146
RL49	Swimming Pools - Caroline Bay Aquatic Centre Replacement of the outdoor pool filtration plant.	527	0	0	0

Recreation and Leisure – Funding Impact Statement

	2011/12 (\$000)	2012/13 (\$000)	2013/14 (\$000)	2014/15 (\$000)	2015/16 (\$000)	2016/17 (\$000)	2017/18 (\$000)	2018/19 (\$000)	2019/20 (\$000)	2020/21 (\$000)	2021/22 (\$000)
SOURCES OF OPERATING FUNDING											
General Rates, Uniform Annual General Charge, rates penalties	8,077	8,620	8,624	8,621	8,674	8,850	8,820	8,762	8,753	8,748	8,759
Targeted Rates (Other than a targeted rate for water supply)	928	1,880	1,883	1,888	1,887	1,743	1,720	1,723	1,720	1,720	1,721
Subsidies and grants for operating purpose	114	114	6	6	6	6	6	6	6	6	6
Fees, charges and targeted rates for water supply	974	2,647	2,916	3,026	3,089	2,997	3,072	3,146	3,047	3,178	3,097
Internal charges and overheads recovered	196	268	268	268	268	268	268	268	268	268	268
Local authorities fuel tax, fines, infringement fees and other receipts	18	214	29	27	24	23	22	24	25	27	28
TOTAL OPERATING FUNDING	10,307	13,743	13,726	13,836	13,948	13,887	13,908	13,929	13,819	13,947	13,879
APPLICATIONS OF OPERATING FUNDING											
Payments to staff and suppliers	6,715	8,886	8,964	8,866	8,834	8,815	8,832	8,840	8,818	8,794	8,889
Finance costs	979	1,146	1,113	1,069	1,018	849	799	789	789	802	790
Internal charges and overheads applied	1,082	1,137	1,148	1,142	1,139	1,126	1,123	1,121	1,118	1,114	1,114
Other operating funding applications											
TOTAL APPLICATIONS OF OPERATING FUNDING	8,775	11,169	11,225	11,077	10,991	10,790	10,755	10,751	10,724	10,710	10,793
SURPLUS/(DEFICIT) OF OPERATING FUNDING	1,533	2,574	2,500	2,759	2,957	3,097	3,153	3,179	3,095	3,237	3,085
SOURCES OF CAPITAL FUNDING											
Subsidies and grants for capital expenditure	2,400	1,100	500	500	500	500	300	75	75	0	0
Development and financial contributions											
Increase/(Decrease) in debt	6,252	(696)	(505)	(716)	(3,024)	(1,161)	(271)	(20)	6	381	(736)
Gross proceeds from the sale of assets											
Lump sum contributions											
TOTAL SOURCES OF CAPITAL FUNDING	8,652	404	(5)	(216)	(2,524)	(661)	29	56	81	381	(736)
APPLICATIONS OF CAPITAL FUNDING											
Capital expenditure											
- to meet additional demand	4,003	298	249	66	78	116	81	66	66	366	104
- to improve the level of service	5,486	452	313	533	515	214	287	199	199	199	226
- to replace existing assets	5,020	1,573	1,071	1,474	1,115	1,004	819	902	767	995	1,284
Increase/(decrease) in reserves	(4,324)	655	862	470	(1,274)	1,102	1,995	2,067	2,144	2,057	736
Increase/(decrease) of investments											
TOTAL APPLICATIONS OF CAPITAL FUNDING	10,185	2,978	2,495	2,543	433	2,437	3,182	3,234	3,176	3,618	2,350
SURPLUS/(DEFICIT) OF CAPITAL FUNDING	(1,533)	(2,574)	(2,500)	(2,759)	(2,957)	(3,097)	(3,153)	(3,179)	(3,095)	(3,237)	(3,085)
FUNDING BALANCE	0	0	0	0	0	0	0	0	0	0	0



ROADING AND FOOTPATHS

What we do

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

- Roding and Footpaths
- Cycleways and Walkways

Roding and Footpaths

Roding and Footpaths is concerned with provision of the roading and footpaths network throughout the district. Timaru District acts as a regional transportation hub, servicing significant agricultural areas, associated processing plants and an export port.

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

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

Funding for the management and maintenance of the 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, while Councils are responsible for the local roading network.

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

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

Delivery of the Transport 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.

Cycleways and Walkways

The Council provides many walkways and cycleways throughout the district. These range from cycleways in the road corridor to combined walkways and cycleways that are off-street, such as beside urban and rural streams.

Off road walkways and cycleways are often managed jointly between the Parks and Land Transport units. Strategies, such as Active Transport Strategies and the Off-Road Walking and Cycling Strategy contribute to direction for this activity.

Why we do it

Roding and Footpaths

Quality roading and footpaths infrastructure is critical for community wellbeing in the Timaru District.

Roding and Footpaths is a core function of the Council. The activity aims to achieve the following vision – “We will provide a Transport System that promotes Community Prosperity.”

Roding 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.

Roding infrastructure is essential to 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.

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 (e.g. walking, cycling). It also enables delivery of public passenger transport options. A network of formed and unformed roads provides ongoing public access to the natural environment.

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.

Adequate parking facilities are essential to local businesses.

Cycleways and Walkways

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.

Contribution to Community Outcomes

	High quality infrastructure to meet community and business needs	Smart economic success 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 Wellbeing

These activities have a range of effects on Community Wellbeing. Positive effects are summarised under **Why we do it**. Negative effects are identified by activity below, with significant negative effects identified in **italics**:

Effect	Wellbeing element				How Council will mitigate effect/risk
	C	S	Ec	En	
Roading and Footpaths					
<i>Road and environment factors can contribute to crashes, particularly those that involve loss of control</i>		✓	✓	✓	<ul style="list-style-type: none"> ➤ Monitor through the Crash Analysis System ➤ Develop and implement crash reduction studies ➤ Maximise funding for road safety and minor safety programmes
<i>Amenity value affected by design of land transport facilities</i>	✓	✓	✓	✓	<ul style="list-style-type: none"> ➤ Managed through community consultation, good urban design and well defined standards
<i>Contaminated road water runoff causing environmental degradation</i>				✓	<ul style="list-style-type: none"> ➤ Managed through contracts, standards, and policies. ➤ Monitor work done and possible contaminated road water runoff. ➤ Encourage off-road stock corridors and underpasses
<i>Dust from unsealed roads and noise can affect surrounding land, properties and the environment</i>		✓	✓	✓	<ul style="list-style-type: none"> ➤ Managed through standards and policies ➤ Maximise funding and commitment to seal extension programme where possible ➤ Use of limestone, and review of dust suppressant option ➤ Use of smooth surfaces in urban areas ➤ Promotion of active and alternative transport options.

C – Cultural S – Social Ec – Economic En - Environmental

Effects on Community Wellbeing

These activities have a range of effects on Community Wellbeing. Positive effects are summarised under **Why we do it**. Negative effects are identified by activity below, with significant negative effects identified in **italics**:

Effect	Wellbeing element				How Council will mitigate effect/risk
	C	S	Ec	En	
<i>Increase in traffic volumes leads to congestion on roads contributing to greater travel times and associated costs</i>	✓	✓	✓	✓	<ul style="list-style-type: none"> ➤ Monitor traffic counts ➤ Increase the availability, options, and infrastructure for active and alternative transport ➤ Promotion of and education about active and alternative transport options.
<i>Road deterioration where renewals are not completed affects vehicles through increased wear and associated costs</i>	✓	✓	✓	✓	<ul style="list-style-type: none"> ➤ Managed through maintenance contracts, standards and levels of service ➤ Maximise funding for maintenance and renewals ➤ Good Road Assessment and Maintenance Management (RAMM) data ➤ Forward planning of works.
<i>Insufficient road corridor space for non-vehicle users such as utilities</i>			✓	✓	<ul style="list-style-type: none"> ➤ Managed through standards, guidelines, and policies ➤ Co-ordination of programmes between transport and utilities ➤ Good urban design to protect the road carriageway integrity by having underground utilities in the berm area.

C – Cultural S – Social Ec – Economic En - Environmental

Key issues for the next 10 years

Future road pavement deterioration

Road pavements are the biggest single expenditure item in the roading and footpaths activity.

Unsealed roads generally require reactive maintenance and are relatively low cost. Sealed roads are expensive to maintain. Other issues such as repairing utilities in the road corridor reduce the life of the road by around 30% and contribute to significant increases in failure repairs.

Various scenarios have been modelled for projected road deterioration for sealed roads over the next 20 years. These indicate that the current level of funding will result in a marginal reduction in the existing level of service. Future maintenance costs will increase as pavement and surface condition deteriorates over time.

To address this, an increase in road renewals (resealing, reconstruction) may be required in the future to reduce maintenance needs. At this time, the Council has not included additional funding for this work in the budget.

Increasing freight transportation

The Canterbury Region Freight Study which investigated future freight demands for next 30 years to 2041 suggests significant growth in freight demands through increased rural activity in dairy, arable farming, and forestry. Proposed increases in heavy vehicle mass limits are also likely to cause greater demands on roading infrastructure with additional strengthening and maintenance of pavements and bridges required. Government initiatives to increase the share

of freight by rail and sea are not likely to reduce heavy vehicle traffic locally.

In the Timaru District, this is evidenced by the significant increase in dairy farming and associated servicing of rural areas. This is particularly noticeable on key arterial routes to facilities like the Clandeboye Dairy factory, farms and other industries. This is leading to greater and faster rural road deterioration.

This shorter life of roading assets means higher costs for maintenance and renewals. To address this Council is upgrading key rural roads through pavement strengthening, seal widening, two laning Factory Road bridge and upgrading other bridges.

Timaru traffic growth and State Highway One

In urban areas, Timaru is the main location of potential congestion. Demands on the transport network are expected to grow, based on factors such as the increasing number of smaller households, ageing population, changes in retailing trends, land use change, industry growth and economic growth.

The Timaru Transportation Model jointly developed by the Council and NZ Transport Agency is used to predict Timaru urban traffic patterns for the next 30 years. It has predicted a projected doubling of traffic over the next 25 years, with subsequent impacts for traffic delays, congestion and road safety. Latest model outcomes point to increasing traffic congestion mainly on State Highway One through Timaru, and emerging congestion on Timaru roads such as Wai-iti Road from Morgans Road to Otipua Road and the Church/Otipua Road intersection.

There is also likely to be increased use in Timaru of the Selwyn Street/Old North Road route as an alternative to State Highway One.

To address these local issues, roads will continue to be monitored and upgrades planned in key 'pinch points'.

Maintenance and development of State Highway One through the centre of Timaru is the responsibility of the NZ Transport Agency. The major result of Timaru Transportation Strategy is the retention of the existing State Highway corridor through Timaru and eventual four-laning of State Highway One between Washdyke and Wai-iti Road, with traffic signals on major intersections to ensure local road access to the highway. Council will continue to work in partnership with the NZTA to address State Highway One issues, although future funding and work is subject to NZTA budgets.

In this plan, provision has been made to contribute to State Highway One/local road intersection upgrade in conjunction with NZTA. The Council also plans to improve Church/Otipua Road intersection and progressively upgrade Old North Road.

Providing roading infrastructure that supports growth

To increase the population of Timaru District, economic growth is required to create jobs. Council has recently rezoned a large area of land at Washdyke to Industrial and provision has been made to upgrade existing Seadown and Meadows Roads to industrial road standards. Council plans to widen these roads and install new kerb and

channel with drainage facilities. Temuka also has newly zoned residential areas and Council plans to upgrade existing roads in this area to support future development.

Active Transport promotion

There is growing recognition of the need to accept roads as a public space, and not just the domain of vehicles. Achieving future sustainability will require change in people's travel modes, with a greater focus on active transport modes such as walking, cycling and use of public transport. Council has completed an Active Transport Strategy which includes a programme of work. At this time, this work is funded to a limited degree from existing budgets, but full implementation will require significant additional funding. Some additional funding has been included in the parks budget for future shared urban tracks.

Many of the districts urban streets have been designed only for vehicles with wide carriageways and plentiful parking. This has been at the expense of other users such as pedestrians and cyclists.

'Return the streets to the people' is a design philosophy in increasing vogue. Improved future design should promote an urban environment giving priority to all users of the road corridor. The physical results are reduced road carriageways, increased berm and footpath widths and greater vegetation, with outcomes sought including reduced vehicle speeds, an attractive and safe street environment, reduced road stormwater runoff with less sealed surfaces and more efficient corridors for utility services.

Environmental Standards and Public Health

There is increasing pressure to address issues of environmental sustainability. The Environment Canterbury Natural Resources Regional Plan (NRRP) requires Councils to consider the impacts of roads and transport on the environment - through dealing with adverse effects of potentially contaminated road runoff and reducing vehicle emissions. The impact for Timaru District is meeting higher discharge quality standards for road drainage runoff.

Resources such as gravel and bitumen are expensive and reuse of existing or recycled materials is increasing.

The negative effects of the transport network on public health are also being increasingly recognised. Issues include the impact of vehicle emissions on air quality, dust generated from vehicles travelling on unsealed roads and people's inactivity. Initiatives to increase active transport modes are progressing, such as school travel plans to promote more walking and improving cycling facilities.

Community expectations

High community expectations exist for good quality roads, increased seal extension, smoother footpaths and improved road network safety. There is less tolerance of poor condition and an increasingly mobile population. An ageing population is also changing transport modes, such as increased use of mobility scooters. Increased housing development along unsealed roads in rural areas inevitably leads to requests for these roads to be sealed. The community also

expects that roading assets will match future demand and growth in the Timaru District.

Research carried out for the Council indicates that the key drivers of satisfaction are the comfort of the journey on district roads, maintenance of sealed roads, safety levels and that the transport network meets overall needs. From a recent survey, overall satisfaction of the level of maintenance of sealed and unsealed roads is 75% and 72% respectively. Satisfaction with other road elements remains relatively high.

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 fatal crash statistics have trended downwards, but work is ongoing and including both improvements to the existing road network and educating drivers about appropriate behaviour.

Planning and funding framework for roading and footpaths

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 funding which currently prioritises encouraging economic

growth and productivity, obtaining value for money and improving road safety.

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 Council's programme.

International influences and impacts

Global changes significantly influence the delivery of this activity. These include the impact of oil price changes, changes in international approaches to moving freight (e.g. shipping routes), changes in export markets, and global economic pressures.

Changes in Technology

New technologies for transport services and managing transport infrastructure are developing rapidly, particularly in information management, logistics, machinery, equipment and safety. Other technological advances include the development of alternatives to fossil fuels and other materials used for the roading network. These could help mitigate negative environmental impacts, as well as increasing efficiency, safety, and convenience. While many of these developments have significant benefits, they also add to the potential workload, through the upgrading of existing roading assets (e.g. more visible traffic lights), development of new services and associated infrastructure (e.g. charging stations for electric vehicles) and new

methods of funding transport infrastructure (e.g. tolling systems).

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, and infrastructure was often designed to accommodate these future demands (e.g. a 1965 Timaru Transportation study predicted population in the Timaru urban area to be 40,000+ by 2000). While this foresight has had benefits, a significant proportion of the district's roading assets are nearing the end of their useful life. Provision has been made for meeting this expenditure in the LTP with over \$100 million to build and replace roading infrastructure over the next ten years, including reconstruction of roads, renewal of kerb and channel, footpaths, traffic signals and signs, resealing, bridge replacements and culvert renewals.

While most the districts' 289 bridges are in good condition, many are ageing. Larger and heavier vehicles are also demanding a higher level of service for bridges, many of which are rural, one lane, narrow bridges.

This will not have a significant impact in the next ten years. However, beyond that, numerous district bridges will need upgrading or replacement. With current funding, only four bridges are being improved annually. Beyond 2020, funding will need to increase.

Funding pressures

The Government Policy Statement on Land Transport has capped available financial assistance for maintenance & renewals. Based on this the NZ Transport Agency has recently confirmed that the indicative financial assistance allocation for Timaru District Council has been increased marginally (5.15%) on the 2009 allocation for the next three year period 2012/13 to 2015/16.

While the Financial Assistance Rate (FAR) have increased for TDC, the NZ Transport Agency have not funded the full amount expected to meet required TDC roading budgets or incorporated any allowance for cost escalations (estimated at 3% per annum) for the next three years.

Indicative financial assistance from the NZ Transport Agency for maintenance and renewals is around \$4.2 million less than the LTP requested over the next three years. This funding decision will mean potential changes to roading levels of service to match the allocated budgets.

At this stage, the Council have decided to maintain the local rates funding share proposed for roading and footpaths from rates as indicated in the Draft LTP, reducing the funding shortfall to \$2.23 million over the 3 years or \$740,000 per annum. A review is being conducted to determine where levels of service will change and the long term impacts, but this will not be known until after the LTP has been adopted.

Pressures generated from changing rural activities (e.g. intensification of landuse), increasing farm machinery size and increasing truck sizes allowable on roads continues to impact on particularly the rural roading network and associated maintenance costs.

There is little scope to reduce maintenance costs, as many costs are fixed.

As a result of the indicative reductions in government funding and ongoing increases in costs, direct costs for Timaru District ratepayers are likely to increase and some consideration may need to be given in the future to the funding regime for roading and footpaths.

The review of FARs have seen the maintenance, operations and renewals FAR increasing 1% to 53% for next 3 years. For projects and strategy, the FAR has also been increased 1% to 63%, with road safety reduced from 75% to 63%. Beyond 2015/16 it is unclear what financial assistance funding will be available.

What we plan to do and our levels of service

1 Plan for and provide a cost effective roading network

The services we will deliver

- Manage and maintain all aspects of the roading and footpaths network
- Maximise financial assistance from government
- Prepare and complete RLTP (3 yearly) and NZTA financial assistance applications, claims and reporting
- Provide a customer service request system 24 hours a day, 7 days a week
- Investigate and rectify roading and footpath complaints
- Prepare, manage and supervise transport contracts
- Manage and update asset data, transport model and related information
- Manage inspection and condition rating of network assets
- Provide engineering, survey and design services for transport projects
- Update the Transport forward works renewals and improvements programme
- Undertake transport planning to ensure future needs for all transport modes
- Investigate improvement projects and long term network needs
- Review and develop Transport Strategies/Plans
- Review Timaru Transportation Strategy information

Performance Measures/Targets

Operating cost of Roding and Footpaths

	Year 1 - 3: 2012/13 - 2014/15	Year 4 -10: 2015/16 - 2021/22
New measure	Actual operating cost within budget	Actual operating cost within budget
Current performance	Targets	

2 Roads provide for comfortable and efficient travel

The services we will deliver

- Manage renewals and maintenance projects to minimise disruption for the road user
- Determine future roading projects based on defined prioritisation approach and future demand
- Implement local road improvements in the Timaru Transportation Strategy
- Ensure Traffic Management Plans are in place for all road works sites
- Manage notified and emergency road closures
- Manage vehicles crossing and road opening processes
- Develop and implement Corridor Management Plan with utility providers
- Monitor, inspect and audit roading network assets
- Monitor the state of the roading network, including traffic counts, pavement roughness and condition

Performance Measures/Targets

Timaru Journey Times

2009/10	2010/11	Year 1: 2012/13	Year 2: 2013/14	Year 3: 2014/15	Year 4 -10: 2015/16 - 2021/22
Refer Annual Report 2009/10 for full information	Refer Annual Report 2010/11 for full information	Timaru journey times on key transport routes are maintained at 2005 +10% levels	Timaru journey times on key transport routes are maintained at 2005 +10% levels	Timaru journey times on key transport routes are maintained at 2005 +10% levels	Timaru journey times on key transport routes are maintained at 2005 +10% levels
Current performance		Targets			

Road Roughness Rating

2009/10	2010/11	Year 1: 2012/13	Year 2: 2013/14	Year 3: 2014/15	Year 4 -10: 2015/16 - 2021/22
Not measured	Arterial: 58 Other: 75	➤ Arterial roads rating: ≤ 80* ➤ Other roads rating: ≤ 95*	➤ Arterial roads rating: ≤ 80 ➤ Other roads rating: ≤ 95	➤ Arterial roads rating: ≤ 80 ➤ Other roads rating: ≤ 90	➤ Arterial roads rating: ≤ 70 ➤ Other roads rating: ≤ 80
Current performance		Targets			

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

Complaints about roading renewals and maintenance works

	Year 1 - 3: 2012/13 - 2014/15	Year 4 -10: 2015/16 - 2021/22
Not measured	≤ 10 complaints about renewals and maintenance effect on travel times	≤ 10 complaints about renewals and maintenance effect on travel times
Current performance	Targets	

Resident satisfaction with sealed and unsealed maintenance

2009/10	2010/11	Year 1 - 3: 2012/13 - 2014/15	Year 4 -10: 2015/16 - 2021/22
➤ Sealed: 80% ➤ Unsealed: 66%	➤ Sealed: 75% ➤ Unsealed: 72%	➤ 75% are satisfied with maintenance of sealed roads ➤ 75% are satisfied with maintenance of sealed roads	➤ 85% are satisfied with maintenance of sealed roads ➤ 80% are satisfied with maintenance of sealed roads
Current performance		Targets	

3 Bridges are accessible to road users and contribute to efficient travel

The services we will deliver

- Maintain the existing bridge network
- Manage renewals and maintenance projects on bridges to minimise disruption for the road user
- Determine future bridge projects based on defined prioritisation approach and future demand
- Plan for provision of walking and cycling links on key district bridges

Performance Measures/Targets

Two way bridges

2009/10	2010/11	Year 1 - 3: 2012/13 - 2014/15	Year 4 -10: 2015/16 - 2021/22
55% of 308 bridges	47% of 289 bridges	50% of bridges are two-way	55% of bridges are two-way
Current performance		Targets	

Weight Restricted bridges

2009/10	2010/11	Year 1: 2012/13	Year 2: 2013/14	Year 3: 2014/15	Year 4 -10: 2015/16-2021/22
98%	99%	95% of bridges are not weight restricted	95% of bridges are not weight restricted	98% of bridges are not weight restricted	100% of bridges are not weight restricted
Current performance		Targets			

4 Footpaths are safe and well maintained

The services we will deliver

- Maintain the existing footpath network
- Manage footpath renewals and maintenance projects
- Determine future footpath projects based on defined prioritisation approach and future demand
- Plan for future provision of footpaths where not currently provided
- Monitor, inspect and audit footpaths assets

Performance Measures/Targets

Resident satisfaction with footpaths

2009/10	2010/11	Year 1 - 3: 2012/13 - 2014/15	Year 4 -10: 2015/16 - 2021/22
86%	79%	80% are satisfied with overall footpath provision	85% are satisfied with overall footpath provision
Current performance		Targets	

Footpath resurfacing programme

2009/10	2009/10	Year 1 - 3: 2012/13 - 2014/15	Year 4 -10: 2015/16 - 2021/22
6.43km	6.25km	Resurface a minimum of 16km footpaths annually	Resurface a minimum of 16km footpaths annually
Current performance		Targets	

5 Traffic signals, road signage and marking provide clear guidance

The services we will deliver

- Maintain existing traffic signals, signage and road marking on the transport network
- Manage traffic signals, signage and road marking renewals and maintenance
- Determine future traffic signals, signage and road marking projects based on defined prioritisation approach and future demand
- Plan for future provision of traffic signals, signage and road marking where not currently provided
- Review traffic signals systems at least every three years

Performance Measures/Targets

Resident satisfaction with signage and road marking

2009/10	2010/11	Year 1 - 3: 2012/13 - 2014/15	Year 4 -10: 2015/16 - 2021/22
98%	99%	95% are satisfied that road signage and marking is helpful and effective	95% are satisfied that road signage and marking is helpful and effective
Current performance		Targets	

6 Street and amenity lighting enables safe and efficient movement

The services we will deliver

- Maintain the existing street lighting network and amenity lighting
- Manage street and amenity lighting renewals and maintenance projects
- Determine future street and amenity lighting projects based on defined prioritisation approach and future demand
- Plan for future provision of street and amenity lighting where not currently provided
- Manage annual installation of festive street decorations and banners

Performance Measures/Targets

Resident satisfaction with street lighting			
2009/10	2010/11	Year 1 - 3: 2012/13 - 2014/15	Year 4 -10: 2015/16 - 2021/22
96%	95%	95% are satisfied that there is sufficient street lighting in urban areas	95% are satisfied that there is sufficient street lighting in urban areas
Current performance		Targets	

7 Road safety initiatives improve road safety and awareness

The services we will deliver

- Implement a road safety strategy
- Conduct safety audits on aspects of the district roading network
- Deliver quality community road safety campaigns to improve road behaviour and awareness
- Monitor road accident statistics and locations
- Maintain Timaru CBD surveillance camera network

Performance Measures/Targets

Resident satisfaction with overall safety of roads			
2009/10	2010/11	Year 1 - 3: 2012/13 - 2014/15	Year 4 -10: 2015/16 - 2021/22
84%	83%	85% are satisfied with the overall safety level of roads	90% are satisfied with the overall safety level of roads
Current performance		Targets	

Resident satisfaction with footpaths

2009/10	2010/11	Year 1 - 3: 2012/13	Year 4 -10: 2015/16 - 2021/22
38%	36%	40% are aware of road safety programmes or advertisements	40% are aware of road safety programmes or advertisements
Current performance		Targets	

8 Carparking is available and cost effective

The services we will deliver

- Maintain and operate Timaru District parking facilities in urban communities
- Manage carparking renewals and maintenance
- Determine future carparking requirements based on future demand
- Plan for future provision of carparking requirements where not currently provided
- Monitor and enforce district-wide parking compliance

Performance Measures/Targets

Resident satisfaction with availability of carparking provision		
	Year 1 - 3: 2012/13 - 2014/15	Year 4 -10: 2015/16 - 2021/22
New measure	90% are satisfied with the availability of carparking provision	95% are satisfied with the availability of carparking provision
Current performance	Targets	

Timaru Parking activity is self funding

	Year 1 - 3: 2012/13 - 2014/15	Year 4 -10: 2015/16 - 2021/22
New measure	Parking fees are reviewed annually and activity remains self funding	Parking fees are reviewed annually and activity remains self funding
Current performance	Targets	

9 Deliver and plan for a more sustainable transport network

The services we will deliver

- Undertake transport planning to ensure future needs for all transport modes
- Maximise financial assistance from government
- Support provision of Timaru public transport services (ECan provided)
- Implement and review Active Transport strategies and initiatives
- Support Off-road walkways and cycleways maintenance and projects
- Develop and implement plans to increase use of active transport modes (e.g. school travel plans)

Performance Measures/Targets

User satisfaction with public transport services (ECan survey)

	Year 1 - 3: 2012/13 - 2014/15	Year 4 -10: 2015/16 - 2021/22
New measure	99% are satisfied with the quality of public transport	99% are satisfied with the quality of public transport
Current performance	Targets	

School Travel plans

2009/10	2010/11	Year 1 - 3: 2012/13 - 2014/15	Year 4 -10: 2015/16 - 2021/22
1 completed	2 underway	1 school travel plan completed or reviewed annually	1 school travel plan completed or reviewed annually
Current performance		Targets	

Use of Active/Public Transport modes

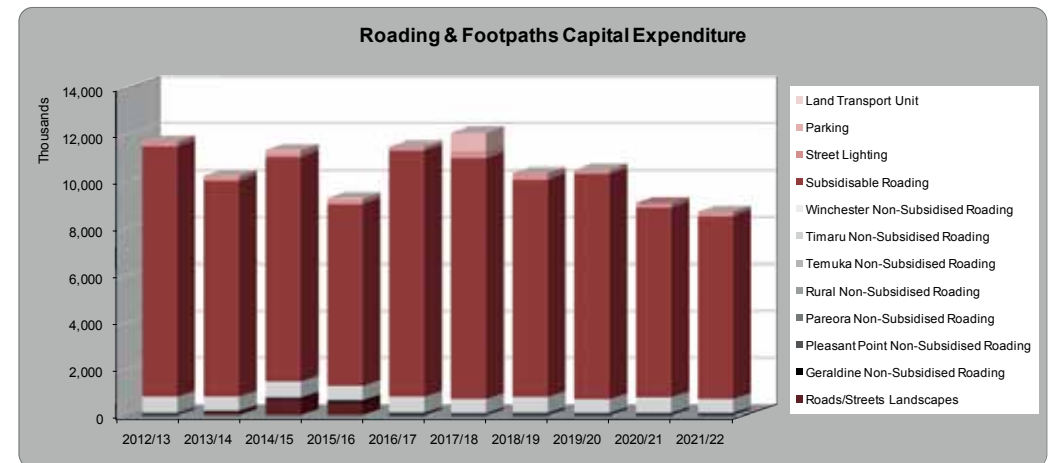
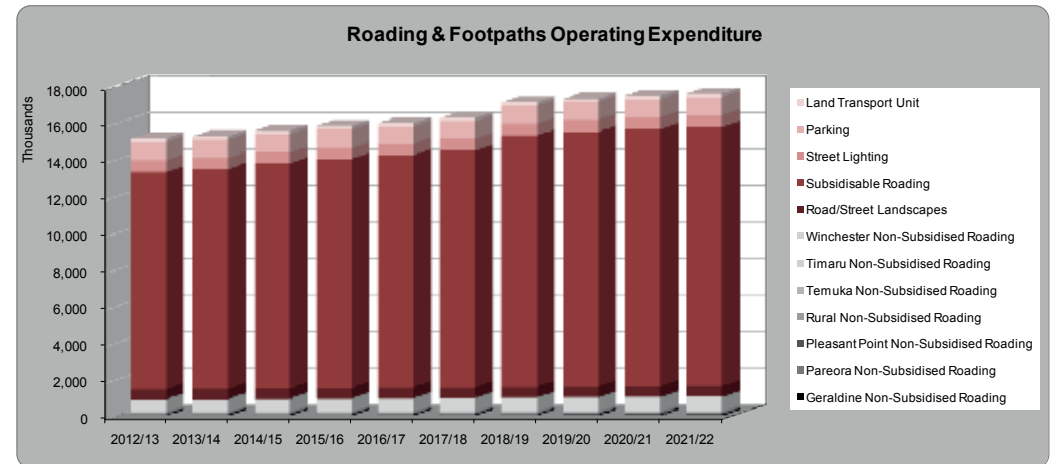
	Year 1 - 3: 2012/13 - 2014/15	Year 4 -10: 2015/16 - 2021/22
New measure	80% residents regularly walk 30% residents regularly cycle 15% residents use public transport	80% residents regularly walk 30% residents regularly cycle 15% residents use public transport
Current performance	Targets	

What it will cost and how it will be funded

Operating expenditure for activities within this 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 & subsidies	Other Sources
Roading and footpaths	✓	✓	✓					✓	
Cycleways and walkways	✓							✓	✓

For further information on funding these activities, please refer to the Revenue and Financing Policy and Funding Impact Statement in Section Three.



Capital Projects

The following summarises key planned capital projects for Roothing and Footpaths:

Code	Project Explanation	Expenditure (\$000)			
		2012/13	2013/14	2014/15	2015/16-2021/22
RF1	Structural Bridge renewals Replacement of bridges at the end of their useful life, with bridges strengthened where necessary. Planned in the short term is the Temuka-Waitohi Road (Manse Bridge).	400	400	400	2,880
RF2	Pavement Rehabilitations Reconstruction of roading at the end of its design life to ensure maintenance costs are reduced. Planned in the short term are Levels Plain Road, Washdyke Flat Road, and Talbot Street, Geraldine.	1,300	1,000	1,000	7,800
RF3	Intersection Upgrades/Safety Improvements Safety improvements to intersections, which may include traffic signals. Planned over the ten years are traffic signals at the Church/Otipua Street and State Highway One/Grants Road intersections and improvement of the Morgans/Wai-iti Road intersection.	250	0	250	1,000
RF4	Sign Renewals Replacement of damaged, stolen or vandalised road signage and signage that has reached the end of its design life.	130	130	130	910
RF5	Minor Improvement Works General improvements to the roading network, such as safety improvements, upgrades or new cycleways.	805	805	805	5,635
RF6	Kerb and Channel renewals Renewals of kerb and channelling district-wide, including enhancements to create safer speed environments	800	800	800	6,000
RF7	Maintenance Chipseal renewals Renewals of chipseal road surfaces across the district.	2,520	2,520	2,520	18,040
RF8	Asphaltic Surfacing renewals Renewals of asphaltic road surfaces (hot mix) across the district.	500	500	500	3,500
RF9	Unsealed Road Metalling renewals Renewals of road metal on unsealed roads across the district.	200	220	230	1,890
RF10	Culvert renewals Replacement of small culverts that have reached the end of their design life.	40	40	40	280
RF11	Seal Extensions Seal extension of unsealed roads. Planned at this point in the short term is Brockley Road.	330	330	330	1,980
RF12	Seal Widening Seal widening of roads across the district.	400	300	300	3,060
RF13	Streetlighting and Lantern renewals Replacement of streetlighting, including lanterns across the district. Also included are subdivision contributions where required.	44	44	44	308
RF14	Footpath renewals Renewals of footpaths across the district, including Geraldine, Temuka, Pleasant Point, Timaru, Pareora, Winchester and other rural areas.	668	640	649	4,512
RF15	District Central Business District (CBD) renewals Refreshment of district CBDs renewals, including furniture, paving, alterations to public spaces and enhancements	0	50	550	550
RF16	Parking Infrastructure renewals Replacement of parking infrastructure, including pay and display machines, control equipment and carparking resealing	0	16	104	68

Code	Project Explanation	Expenditure (\$000)			
		2012/13	2013/14	2014/15	2015/16-2021/22
RF17	New kerb and channel/culverts Installation of kerb and channel or culverts where none currently exists. Planned over the ten years are Meadows Road, Seadown Road, Martin Street, Jellicoe Road and Old North Road, subject to funding.	350	240	210	2,050
RF18	New streetlighting Installation of new poles and streetlights, particularly where undergrounding of power cables occurs.	150	130	130	910
RF19	New signs Installation of new signage across the district, generally safety focused.	60	80	80	620
RF20	New footpaths Construction of new footpaths across the district, including Geraldine, Temuka, Pleasant Point, Timaru and Winchester. Also included are subdivision contributions where required. Community Boards determine rural townships projects.	128	55	122	575
RF21	Factory Road upgrade Completion of the final section of the Factory Road upgrading project.	300	0	0	0
RF22	Factory Road bridge widening Conversion of the existing Factory Road bridge to two lanes, including strengthening.	100	1,430	1,480	0
RF23	Temuka roading upgrade Upgrading of Temuka - Waitohi Road to urban road status (13/14, \$200k) and other Temuka Roads (15/16, 17/18, \$500k), including Wallingford Road, Grant Street and Donald Street to meet demand for potential residential expansion.	0	200	0	500
RF24	Timaru - Southern Road Port Access Construction of an improved southern access to the Timaru Port, likely to include an overbridge from North Street, Timaru to Fraser Street in the port area. The bridge spans railway lines and will provide more efficient access to the southern port area.	0	0	80	4,540
RF25	Washdyke Network improvements Construction of a new road link between Meadows Road and Elginshire Road to improve traffic efficiency allowing traffic from Meadows Road to access State Highway 1 via the Seadown Road signalled intersection. In later years, projects in the expanded Washdyke industrial area are likely to include a link road from Meadows to Seadown Road.	2,120	200	500	2,500
RF26	Timaru CBD Parking Development of a new carpark in the southern area of Timaru CBD.	0	0	0	800
RF27	Identity Signage replacements Planned are Welcome to Timaru signage (13/14, \$15k), Geraldine signage (13/14 - 16/17, \$20k) and replacement of district entrance signage (14/15, \$120k)	0	20	125	10
RF28	Miscellaneous Roothing and Footpaths projects Planned are installation of security cameras (13/14, \$40k), relocation of bus shelters (12/13, \$10k), replacement of Timaru christmas decorations/tree lighting (17/18-18/19, \$200k), replacement of Geraldine christmas decorations (12/13-16/17, \$13k), and replacement of Land Transport unit equipment (13/14, 15/16, 17/18 - \$24k)	63	51	3	221

Roading and Footpaths – Funding Impact Statement

	2011/12 (\$000)	2012/13 (\$000)	2013/14 (\$000)	2014/15 (\$000)	2015/16 (\$000)	2016/17 (\$000)	2017/18 (\$000)	2018/19 (\$000)	2019/20 (\$000)	2020/21 (\$000)	2021/22 (\$000)
SOURCES OF OPERATING FUNDING											
General Rates, Uniform Annual General Charge, rates penalties	410	551	543	551	574	589	586	584	583	580	578
Targeted Rates (Other than a targeted rate for water supply)	7,257	7,615	7,654	7,878	8,067	8,208	8,368	8,697	8,704	8,898	8,966
Subsidies and grants for operating purpose	3,088	2,786	2,783	2,801	2,744	2,744	2,744	3,174	3,174	3,174	3,174
Fees, charges and targeted rates for water supply	928	1,014	1,014	1,014	1,014	1,014	1,014	1,014	1,012	1,012	1,012
Internal charges and overheads recovered	1,473	1,490	1,487	1,484	1,482	1,477	1,475	1,499	1,531	1,494	1,494
Local authorities fuel tax, fines, infringement fees and other receipts											
TOTAL OPERATING FUNDING	13,156	13,457	13,481	13,728	13,880	14,032	14,187	14,967	15,003	15,158	15,223
APPLICATIONS OF OPERATING FUNDING											
Payments to staff and suppliers	6,849	7,023	6,897	6,937	6,907	6,907	6,907	7,487	7,487	7,487	7,487
Finance costs	641	689	758	856	945	930	1,039	1,121	1,141	1,143	1,120
Internal charges and overheads applied	2,066	2,111	2,107	2,099	2,095	2,081	2,077	2,100	2,129	2,090	2,089
Other operating funding applications											
TOTAL APPLICATIONS OF OPERATING FUNDING	9,556	9,823	9,762	9,891	9,947	9,918	10,023	10,708	10,757	10,720	10,696
SURPLUS/(DEFICIT) OF OPERATING FUNDING	3,600	3,634	3,719	3,837	3,934	4,113	4,163	4,260	4,247	4,439	4,528
SOURCES OF CAPITAL FUNDING											
Subsidies and grants for capital expenditure	5,688	5,294	4,815	4,900	3,799	5,083	5,159	4,701	5,002	3,992	4,013
Development and financial contributions											
Increase/(Decrease) in debt	2,269	1,158	811	1,763	408	1,107	2,001	327	244	(199)	(461)
Gross proceeds from the sale of assets											
Lump sum contributions											
TOTAL SOURCES OF CAPITAL FUNDING	7,957	6,451	5,627	6,663	4,206	6,190	7,160	5,028	5,246	3,793	3,552
APPLICATIONS OF CAPITAL FUNDING											
Capital expenditure											
- to meet additional demand	578	114	4	54	4	54	404	54	4	54	54
- to improve the level of service	5,450	4,706	3,857	4,189	2,352	5,073	4,948	3,456	3,666	2,174	1,826
- to replace existing assets	6,704	6,838	6,340	7,059	6,900	6,316	6,693	6,811	6,783	6,806	6,788
Increase/(decrease) in reserves	(1,175)	(1,572)	(855)	(802)	(1,115)	(1,139)	(722)	(1,033)	(960)	(803)	(589)
Increase/(decrease) of investments											
TOTAL APPLICATIONS OF CAPITAL FUNDING	11,557	10,086	9,346	10,499	8,140	10,303	11,323	9,288	9,493	8,231	8,079
SURPLUS/(DEFICIT) OF CAPITAL FUNDING	(3,600)	(3,634)	(3,719)	(3,836)	(3,934)	(4,113)	(4,163)	(4,260)	(4,247)	(4,439)	(4,528)
FUNDING BALANCE	0	0	0	0	0	0	0	0	0	0	0



SEWER

What we do

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

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

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

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

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

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 of untreated sewage to natural waters. It 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.

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

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

- Local Government Act 2002
- Resource Management Act 1991
- Health Act 1956
- Regional Coastal Environment Plan (Environment Canterbury)

- NZ Coastal Policy Statement
- Canterbury Natural Resources Regional Plan
- Timaru District Plan (TDC)

Contribution to Community Outcomes

	High quality infrastructure to meet community and business needs	Smart economic success 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		P

P – Primary contribution S – Secondary contribution

Effects on Community Wellbeing

These activities have a range of effects on Community Wellbeing. Positive effects are summarised under Why we do it. Negative effects are identified by activity below, with significant negative effects identified in italics:

Effect	Wellbeing element				How Council will mitigate effect/risk
	C	S	Ec	En	
Sewer					
<i>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</i>		✓	✓	✓	<i>Oxidation ponds are monitored to provide early identification of poor performance and enable mitigation measures to be implemented</i>
<i>Standard of the effluent being discharged into coastal waters can have negative effects (e.g. on marine life, closure of beaches)</i>		✓	✓	✓	<i>Effluent quality and impacts on the receiving environment are monitored to minimise adverse effects. The proposed upgraded Timaru wastewater treatment facility will reduce the negative effects by January 2014.</i>
<i>The occurrence of overflows, spills and odours from the sewer network</i>			✓	✓	<i>Systematic identification, prioritisation and implementation of network improvements reduces the risk of such occurrences. A Demand Management Plan is being developed.</i>
<i>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</i>		✓			<i>The wastewater treatment facility upgrade is proposed to include a wetland prior to ocean discharge as a means of further mitigating negative cultural effects. Significant negative cultural effects have been effectively eliminated through removal of effluent discharge from rivers at Temuka, Geraldine and Pleasant Point.</i>
<i>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</i>			✓	✓	<i>Charges will be monitored and set at as affordable level as possible</i>

C – Cultural S – Social Ec – Economic En – Environmental

Key issues for the next 10 years

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

Timaru District Wastewater Management Strategy

The Timaru District Wastewater Management Strategy has been progressively implemented since 1995. The resource consent for the ocean outfall and Timaru Wastewater Treatment Plant has now been renewed. This allows the final stages of the strategy to be completed. Planning has been underway for some years to meet the implications of the renewed consent. This includes separation of the wastewater into two streams, domestic and industrial, and two separate treatment processes, oxidation ponds for the domestic wastewater and millisscreening for the industrial wastewater.

Achieving compliance with Resource Consent conditions for the treatment and disposal of wastewater will be a large undertaking and the highest priority for the sewer services activity during the next 10 years. Following construction of the new treatment processes, there will be significant operational and monitoring requirements.

Liaison with industry has removed the need for the construction of a separate industrial treatment facility, with onsite treatment at the source favoured. Discussions with industrial users will be ongoing to address implications of the industrial wastewater treatment proposals, their ongoing needs and the trade waste charging framework.

Work completed through the strategy to date has included upgrading the inland towns Wastewater Treatment Plants, the construction of the Inland Towns pipeline to Timaru and replacement of the Timaru Main Trunk Sewer. The separation of the Timaru domestic and industrial wastewater streams is nearly complete.

Asset renewals

There will be an ongoing focus on maintaining and operating the existing sewer network.

A significant amount of the district sewer services infrastructure will need replacing. Based on the assumed remaining life of the pipe assets, there is an estimated \$25M sewer mains renewal costs in the next 10 years. However, pipe condition is not always directly proportional to pipe age. Video inspection is carried out where appropriate, to determine conditions of the pipe network and confirm renewals.

Plant assets and their performance are also assessed and monitored for renewal.

Provision is being made for the necessary expenditure in the future, with funding over the next ten years to renew sewer services infrastructure.

Growth and Development

Population is not expected to dramatically change in the Timaru District over the next ten years. The number of households is likely to increase as the population ages, with fewer people in each household. The impact of these demographic changes is not expected to significantly affect the sewer services activity.

Industrial and commercial growth is expected to remain gradual. However, if a major

'wet' industry relocated or left the Timaru District, impacts could be significant, either on wastewater quantities or maintaining the affordability of the scheme.

There is potential for people, industry and businesses to relocate to the District as a result of the Canterbury earthquakes.

The extension of urban services at the periphery of the residential zones results in an increased cost of services, compared to in-fill development.

The existing Inland Towns pipeline passes through communities such as Winchester and Seadown not currently connected to the network. Future demand may come from these communities for local wastewater schemes.

Technology such as that used within the Arowhenua scheme could be used for other smaller communities in the district. The wastewater would still need to be treated to an appropriate level.

Climate change

Climate change may cause sustainability issues as a result of increased inflow from intense rainfall events. This may result in not meeting the Level of Service in relation to the network being able to deal with 1 in 5 year (residential) and 1 in 10 year (commercial/ industrial) return period rainfall events.

The domestic sewer design is dominated by wet weather flows caused by inflow and infiltration effects.

Community Expectations

Community expectations for the delivery of services are constantly increasing for an improved environmental quality. The Council must balance these expectations

with the ability of the community to pay, the impact on community wellbeing and the need to plan effectively for the district's future needs.

What we plan to do and Our Levels of Service

1 Deliver sewer services according to required environmental standards

The services we will deliver

- Manage and monitor sewage treatment and disposal systems under conditions of resource consents
- Monitor quality of effluent
- Monitor ongoing regulatory change for wastewater activities
- Complete a Demand Management Plan for the sewer services activity
- Develop and implement Trade Waste Monitoring Programme
- Manage collection and disposal of tankered waste product
- Update and review Risk Management Strategy

Performance Measures/Targets

Compliance with Resource Consent conditions

Current performance	2009/10	No major non-compliances
	2010/11	No major non-compliances
Targets	Year 1-3: 2012/13	Compliance with all consent conditions
	Year 2: 2013/14	Compliance with all consent conditions
	Year 3: 2014/15	Compliance with all consent conditions
	Year 4-10: 2015/16 - 2021/22	Compliance with all consent conditions

* excluding minor non-compliances as reported by Ecan

2 Provide sewer services that meet community demands

The services we will deliver

- Treatment and disposal of domestic and industrial wastewater via the wastewater schemes
- Monitor demand on all wastewater schemes
- Complete capital expenditure programme associated with developing the network

Performance Measures/Targets

Sewer services overall satisfaction levels

2009/10	2010/11	2011/12	Year 1: 2012/13	Year 2: 2013/14	Year 3: 2014/15	Year 4 -10: 2015/16 - 2021/22
No survey	92% are satisfied with sewer services where service provided	No survey	≥ 85% are satisfied with sewer services where service provided	No survey	≥ 85% are satisfied with sewer services where service provided	
Current performance			Targets			

Sewer services overall satisfaction levels

2009/10	2010/11	2011/12	Year 1: 2012/13	Year 2: 2013/14	Year 3: 2014/15	Year 4 -10: 2015/16 - 2021/22
No survey	83% district residents satisfied with sewer services	No survey	≥ 80% residents satisfied with sewer services	No survey	≥ 80% residents satisfied with sewer services	
Current performance			Targets			

3 Minimise wastewater odour from the sewer services system

The services we will deliver

- Maintain wastewater scheme networks and respond to service failures
- Manage the collection, treatment and disposal of domestic and industrial wastewater
- Investigate and rectify wastewater odour complaints

Performance Measures/Targets

Complaints about wastewater odour related to the sewer services system		
Current performance	2009/10	4 complaints
	2010/11	1 complaint
Targets	Year 1: 2012/13	≤ 15 complaints related to odour from the sewage treatment plant or sewer network
	Year 2: 2013/14	≤ 15 complaints related to odour from the sewage treatment plant or sewer network
	Year 3 2014/15	≤ 15 complaints related to odour from the sewage treatment plant or sewer network
	Year 4-10 2015/16 - 2021/22	≤ 15 complaints related to odour from the sewage treatment plant or sewer network

4 Deliver affordable sewer services

The services we will deliver

- Maintain wastewater scheme networks and respond to service failures
- Manage growth of the sewer network
- Complete capital expenditure programme
- Manage sewer services contracts

Performance Measures/Targets

Customer satisfaction with value for money of sewer services					
2009/10		Year 1: 2012/13	Year 2: 2013/14	Year 3: 2014/15	Year 4 -10: 2015/16 - 2021/22
2010/11	2011/12				-
No survey	89% users of service think service is good value for money	No survey	≥ 85% users of service think service is good value for money	No survey	≥ 85% users of service think service is good value for money
Current performance		Targets			

Operating cost of combined sewer services			
2009/10	2010/11	Year 1-3 2012/13 - 2014/15	Year 4 -10: 2015/16 - 2021/22
Achieved within budget	Achieved within budget	Actual operating cost within budget	Actual operating cost within budget
Current performance		Targets	

5 Maintain excellent customer service

The services we will deliver

- Maintain wastewater scheme networks and respond to service failures
- Provide a customer service request system 24 hours a day, 7 days a week
- Investigate and rectify sewer services complaints

Performance Measures/Targets

Response time to service requests		
Current performance	2009/10	89% of service requests are responded to within required timeframes
	2010/11	97% of service requests are responded to within required timeframes
Targets	Year 1-3: 2012/13 - 2014/15	85% of service requests are responded to within required timeframes
	Year 4-10: 2015/16 - 2021/22	85% of service requests are responded to within required timeframes

6 Minimise unplanned interruption to sewer services

The services we will deliver

- Maintain wastewater scheme networks and respond to service failures
- Manage growth of network
- Manage sewer services contracts
- Prepare and implement Code of Best Practice for installation of sewer services
- Monitor condition and performance of wastewater reticulation and assets
- Complete capital expenditure programme associated with improving the network

Performance Measures/Targets

Recorded dry weather overflows from the sewer network			
		Year 1 - 3: 2012/13 - 2014/15	Year 4 -10: 2015/16 - 2021/22
2009/10	2010/11	≤ 15 recorded dry weather overflows	≤ 15 recorded dry weather overflows
38	16		
Current performance		Targets	

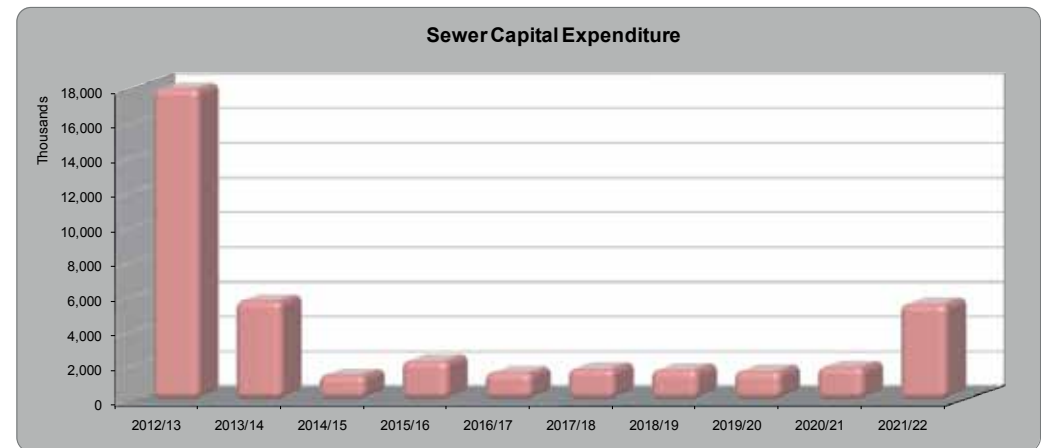
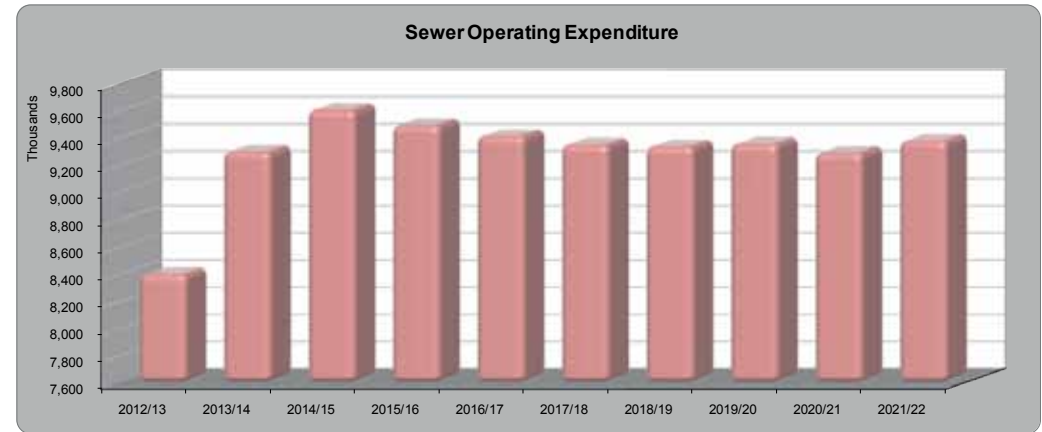
Recorded wastewater overflow incidents during a rain event from the sewer network			
		Year 1 - 3: 2012/13 - 2014/15	Year 4 -10: 2015/16 - 2021/22
2010/11			
Performance measurement basis determined	Analyse reported sewer overflows incidents in rain event and report results	Target level determined based on historical records	
Current performance		Targets	

What it will cost and how it will be funded

Operating expenditure for activities within this 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 & subsidies	Other Sources
Sewer			✓	✓					

For further information on funding these activities, please refer to the Revenue and Financing Policy and Funding Impact Statement in Section Three.



Capital Projects

The following summarises key planned capital projects for Sewer:

Code	Project Explanation	Expenditure (\$000)			
		2012/13	2013/14	2014/15	2015/16-2021/22
SEW1	Small Mains Renewals and capital upgrades Replacement of pipes and other sewer assets that have reached the end of their design life, including renewals generated as a result of maintenance to the sewer network.	1,411	277	277	3,089
SEW2	Sewer trunk main renewals Replacement of major sewer trunk mains and infrastructure across the district that have reached the end of their design life. Planned in the short term is an upgrade in Domain Avenue (Temuka). Other projects planned include Talbot Street (Geraldine) (19/20), and Kensington (16/17), Waimataitai (15/16), Coonoor Road (20/21), Luxmoore Road (21/22) and Beverley Road (21/22) in Timaru.	0	700	1,000	6,106
SEW3	Storage - Glenwood Avenue, Timaru Installation of an in-line storage tank for the Waimataitai sewer catchment	0	0	0	856
SEW4	Siphon Upgrade, Geraldine Upgrading of the pipe (siphon) underneath the river linked to the Geraldine oxidation ponds	0	0	0	545
SEW5	Bio Filters/Trunk Main ventilation Investigation and implementation of strategies to ensure sewer trunk main ventilation (i.e. draw air into sewers for ventilation)	81	0	11	11
SEW6	North Mole upgrade Linking of the North Mole sewer pipe into the industrial sewer at Virtue Avenue, Timaru	500	0	0	0
SEW7	Milliscreen wetwell pump renewals Replacement of pumps and refurbishment of concrete at the milliscreen wetwell	0	0	0	575
SEW8	Queen Street wetwell refurbishment Full refurbishment of the Queen Street wetwell, including pumps and concrete.	1,050	250	0	
SEW9	Pump replacements Renewals of pumps in the sewer network that have reached the end of their useful life	15	25	59	202
SEW10	Data Capture Equipment repairs Repair of sewer sampling and monitoring equipment	16	16	16	112
SEW11	Treatment Process Water Improvement of water supply at the milliscreen plant, including infrastructure	77	0	0	0
SEW12	Mechanical plant and equipment renewals Replacement of plant and equipment that has reached the end of its design life, including electrical equipment, Uninterrupted Power Supply (UPS), Programme Logic Controllers (PLC), telemetry and tractor renewals.	153	38	80	615
SEW13	Conveyor and Presses Upgrade Upgrading of the milliscreen plant conveyors and presses	0	370	0	370
SEW14	Building renewals Renewals at buildings associated with the sewer network	5	5	5	35

Code	Project Explanation	Expenditure (\$000)			
		2012/13	2013/14	2014/15	2015/16-2021/22
SEW15	Winchester extension Installation of sewer reticulation and treatment systems for Winchester where demand from the community.	0	0	0	3,000
SEW16	Acacia Drive extension Installation of sewer reticulation and treatment systems for Acacia Drive where demand from the community.	0	0	0	1,000
SEW17	Wastewater Treatment Project Management Project management for completion of wastewater treatment plant upgrades	15	15	0	0
SEW18	Washdyke Pipe Separation Completion of the Main Trunk Sewer Renewal Stage 5 project	2,550	0	0	0
SEW19	Tradewaste Charging Review Review of tradewaste charging regime and consents	50	20	0	0
SEW20	Domestic Wastewater Treatment Plant upgrade Completion of the domestic wastewater treatment plant upgrade in Aorangi Road to enable separate treatment of domestic sewage, including the construction of a screening plant, two oxidation ponds, a maturation pond and wetlands to ensure that the effluent being disposed of to ocean meets the exacting standards of resource consent to protect human health and the environment.	12,000	4,000	0	0

Sewer – Funding Impact Statement

	2011/12 (\$000)	2012/13 (\$000)	2013/14 (\$000)	2014/15 (\$000)	2015/16 (\$000)	2016/17 (\$000)	2017/18 (\$000)	2018/19 (\$000)	2019/20 (\$000)	2020/21 (\$000)	2021/22 (\$000)
SOURCES OF OPERATING FUNDING											
General Rates, Uniform Annual General Charge, rates penalties											
Targeted Rates (Other than a targeted rate for water supply)	5,100	5,750	7,100	7,100	7,000	7,000	7,000	7,000	7,000	7,000	7,000
Subsidies and grants for operating purpose											
Fees, charges and targeted rates for water supply	1,910	1,985	2,200	2,500	2,500	2,500	2,500	2,500	2,500	2,500	2,500
Internal charges and overheads recovered											
Local authorities fuel tax, fines, infringement fees and other receipts											
TOTAL OPERATING FUNDING	7,010	7,735	9,300	9,600	9,500	9,500	9,500	9,500	9,500	9,500	9,500
APPLICATIONS OF OPERATING FUNDING											
Payments to staff and suppliers	1,364	1,467	1,586	1,671	1,601	1,599	1,599	1,609	1,669	1,599	1,599
Finance costs	2,703	3,243	3,891	3,879	3,798	3,737	3,663	3,592	3,561	3,553	3,595
Internal charges and overheads applied	1,145	1,203	1,221	1,216	1,244	1,204	1,202	1,228	1,198	1,195	1,212
Other operating funding applications											
TOTAL APPLICATIONS OF OPERATING FUNDING	5,212	5,913	6,698	6,766	6,642	6,540	6,464	6,429	6,428	6,347	6,406
SURPLUS/(DEFICIT) OF OPERATING FUNDING	1,798	1,822	2,602	2,834	2,858	2,960	3,036	3,072	3,072	3,154	3,094
SOURCES OF CAPITAL FUNDING											
Subsidies and grants for capital expenditure	30	30	30	30	30	30	30	30	30	30	1,280
Development and financial contributions											
Increase/(Decrease) in debt	11,426	14,946	1,784	(1,253)	(840)	(886)	(1,301)	(793)	(126)	(176)	1,340
Gross proceeds from the sale of assets											
Lump sum contributions											
TOTAL SOURCES OF CAPITAL FUNDING	11,456	14,976	1,814	(1,223)	(810)	(856)	(1,271)	(763)	(96)	(146)	2,620
APPLICATIONS OF CAPITAL FUNDING											
Capital expenditure											
- to meet additional demand											
- to improve the level of service	10,450	15,115	4,035	0	0	0	0	0	0	0	4,000
- to replace existing assets	4,178	2,808	1,681	1,448	2,264	1,588	1,812	1,743	1,679	1,900	1,530
Increase/(decrease) in reserves	(1,374)	(1,125)	(1,301)	164	(216)	516	(47)	566	1,297	1,107	184
Increase/(decrease) of investments											
TOTAL APPLICATIONS OF CAPITAL FUNDING	13,254	16,798	4,416	1,612	2,048	2,104	1,765	2,309	2,976	3,007	5,714
SURPLUS/(DEFICIT) OF CAPITAL FUNDING	(1,798)	(1,822)	(2,602)	(2,834)	(2,858)	(2,960)	(3,036)	(3,072)	(3,072)	(3,154)	(3,094)
FUNDING BALANCE	0	0	0	0	0	0	0	0	0	0	0



STORMWATER

What we do

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

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

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

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

Stormwater schemes in residential areas are designed to cope with a 1 in 5-year return rainfall event (i.e. the event has a 20% chance of occurring in any one year). Stormwater schemes in industrial and commercial zones are designed to cope with a 1 in 10 year return rainfall event (i.e. the event has a 10% chance of occurring in any one year). Where rainfall events up to this size occur, although temporary ponding may occur, it is not expected to be excessive, while some surface flooding may result where events exceed this size.

Where rainfall exceeds design standards outlined above, 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). Where rainfall events of this size occur, once the stormwater system is full, excess stormwater will flow overland along these flow paths (e.g. roads and gullies). This is designed to mitigate the potential damage to structures.

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.

Systems are core community assets. Collective provision 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.

The Stormwater Services Activity 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 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)

- Regional Policy Statement (Environment Canterbury)
- Timaru District Plan (TDC).

Contribution to Community Outcomes						
	High quality infrastructure to meet community and business needs	Smart economic success 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		P
P – Primary contribution		S – Secondary contribution				

Effects on Community Wellbeing

These activities have a range of effects on Community Wellbeing. Positive effects are summarised under Why we do it. Negative effects are identified by activity below, with significant negative effects identified in *italics*:

Effect	Wellbeing element				How Council will mitigate effect/risk
	C	S	Ec	En	
Stormwater					
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	✓	✓			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.
<i>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</i>		✓		✓	<i>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.</i>
<i>Adverse impacts for property result from damage to secondary (or overland) flow paths</i>		✓	✓		<i>Refer above.</i>
<i>Absence of or an inadequate stormwater system can have severe economic effects for communities</i>		✓	✓		<i>Systems are designed to a certain capacity based on the community's ability to pay. These can potentially be exceeded in severe weather events.</i>
<i>Localised adverse impacts for property result from blocked or damaged stormwater drains during storm events</i>		✓	✓		<i>Renewals, maintenance, and prompt responses to reactive issues minimise the impacts</i>
C – Cultural S – Social Ec – Economic En - Environmental					

Key issues for the next 10 years

The Canterbury Natural Resources Regional Plan

Changes in legislation and policies affecting the Stormwater activity are driven by government and regional initiatives to improve community wellbeing, particularly environmental wellbeing. The most significant influence over the next ten years will be the Natural Resources Regional Plan (NRRP) from Environment Canterbury. This plan sets discharge requirements and conditions for installing and using stormwater infrastructure.

Meeting the requirements of the NRRP will be a major focus of the stormwater activity over the next ten years.

The NRRP has increased the complexity of obtaining resource consents for stormwater discharge and the potential for resource consent conditions which may result in significant implications, such as requiring treatment of stormwater prior to disposal to waterways and the ocean to mitigate the risk of poor quality discharges that would harm the environment.

Under Rule Water Quality 8 of the NRRP, TDC will be required to prepare Stormwater Management Plans for all stormwater catchments in the district. To obtain resource consents for these catchments, the identification and program of construction and installation of significant capital works may be required to ensure the stormwater discharges meet consent standards.

With approximately 120 stormwater catchments in the Timaru District, this is a significant task. The Council will be developing plans to meet these requirements

over the next few years, but it may require significant additional expenditure in the stormwater activity from Year 3 of the Long Term Plan.

Climate Change

The district's urban stormwater networks are designed to deal with 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. 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.

Growth and Development

Growth and land use changes have had 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 landuse 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.

Shifting population trends in the district, residential infill, land rezoning and development on the fringes of communities also influences 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.

There is a need to redefine alternative overland flow paths, ensuring they are maintained and enforced. It is proposed this work will be built into the catchment investigations for the Stormwater Management Plans to be developed under the NRRP.

What we plan to do and our levels of service

1 Deliver stormwater services according to required environmental standards

The services we will deliver

- Manage and monitor stormwater systems under conditions of resource consents
- Monitor ongoing regulatory change for stormwater activities
- Develop a Demand Management Plan for the Stormwater Activity
- Update and review Risk Management Strategy

Performance Measures/Targets

Compliance with Resource Consent conditions*

Current performance	2009/10	No breaches reported by ECan
	2010/11	No breaches reported by ECan
Targets	Year 1-3: 2012/13 - 2014/15	Compliance with resource consent conditions*
	Year 4-10: 2015/16 - 2021/22	Compliance with resource consent conditions*

* excluding minor non-compliances as reported by Ecan

2 Provide stormwater services that meet community demands

The services we will deliver

- Collection and disposal of stormwater via stormwater schemes
- Monitor demand on all stormwater schemes
- Complete capital expenditure programme associated with developing the network

Performance Measures/Targets

Stormwater services user satisfaction levels

2009/10	2010/11	Year 1: 2012/13	Year 2: 2013/14	Year 3: 2014/15	Year 4 -10: 2015/16 - 2021/22
No survey	87% of users are satisfied with stormwater services	No survey	≥ 80% of users are satisfied with stormwater services	No survey	≥ 80% of users are satisfied with stormwater services
Current performance		Targets			

Stormwater services overall satisfaction levels

2009/10	2010/11	Year 1: 2012/13	Year 2: 2013/14	Year 3: 2014/15	Year 4 -10: 2015/16 - 2021/22
No survey	78% district residents satisfied with stormwater drainage	No survey	≥ 75% of district residents satisfied with stormwater services	No survey	≥ 75% of district residents satisfied with stormwater services
Current performance		Targets			

3 Deliver affordable stormwater services

The services we will deliver

- Maintain stormwater scheme networks and respond to service failures
- Manage stormwater services contracts
- Manage growth of the stormwater network
- Complete capital expenditure programme

Performance Measures/Targets

Operating cost of Stormwater services			
2009/10	2010/11	Year 1 - 3: 2012/13 - 2014/15	Year 4 -10: 2015/16 - 2021/22
Over budget	Achieved within budget	Actual operating cost within budget	Actual operating cost within budget
Current performance		Targets	

4 Maintain excellent customer service

The services we will deliver

- Maintain stormwater scheme networks and respond to service failures
- Provide a customer service request system 24 hours a day, 7 days a week
- Investigate and rectify stormwater services complaints

Performance Measures/Targets

Response time to service requests		
Current performance	2009/10	90% of service requests are responded to within required timeframes
	2010/11	94% of service requests are responded to within required timeframes
Targets	Year 1-3: 2012/13 - 2014/15	85% of service requests are responded to within required timeframes
	Year 4-10 2015/16 - 2021/22	85% of service requests are responded to within required timeframes

5 Minimise network failure of stormwater services

The services we will deliver

- Maintain stormwater scheme networks and respond to service failures
- Develop and implement system for recording flooding events
- Manage growth of network
- Manage stormwater services contracts
- Prepare and implement Code of Best Practice for installation of stormwater services
- Monitor condition and performance of stormwater reticulation and assets
- Complete capital expenditure programme associated with improving the network

Performance Measures/Targets

Reported flooding due to insufficient capacity in public stormwater network during a rain event

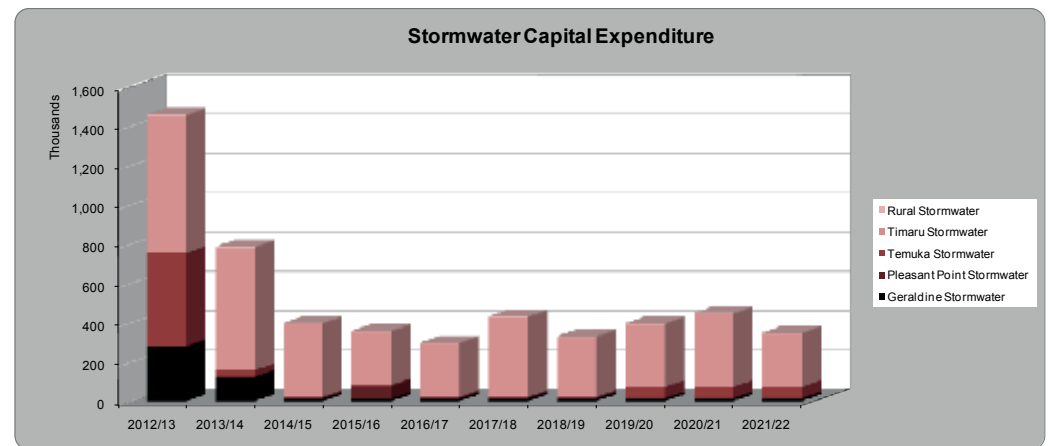
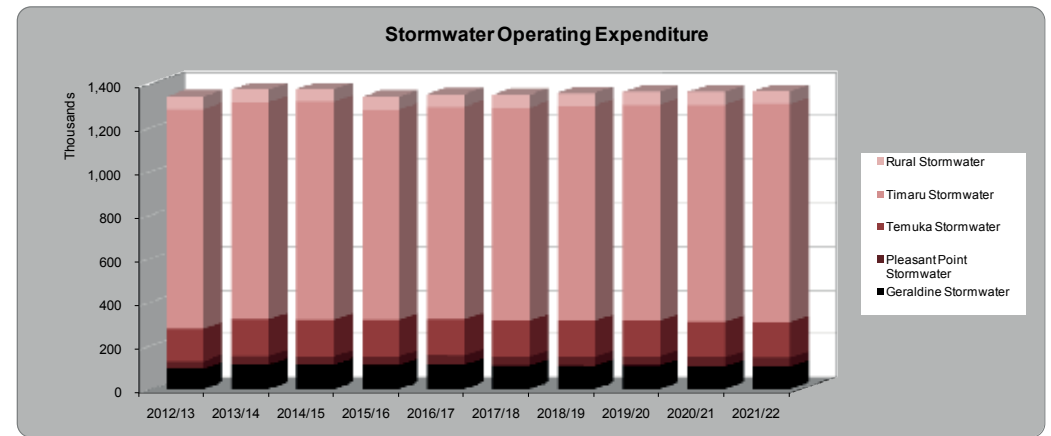
	Year 1 - 3: 2012/13 – 2014/15	Year 4 -10: 2015/16 - 2021/22
New measure	Analyse and report on flooding events in: <ul style="list-style-type: none"> ➤ Residential zone (for <5yr event) ➤ Commercial/ Industrial zone (for <10yr event) 	Target level determined based on historical records
Current performance	Targets	

What it will cost and how it will be funded

Operating expenditure for activities within this 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 & subsidies	Other Sources
Stormwater			✓						

For further information on funding these activities, please refer to the Revenue and Financing Policy and Funding Impact Statement in Section Three.



Capital Projects

The following summarises key planned capital projects for Stormwater:

Code	Project Explanation	Expenditure (\$'000)			
		2012/13	2013/14	2014/15	2015/16-2021/22
ST01	Geraldine Stormwater renewals General renewals of minor culverts, sumps and soakpits in Geraldine.	2	12	12	84
ST02	Geraldine Stormwater upgrades Plans includes the Raukapuka soakage project (12/13, \$30k), Hislop/Domain/Huffey Street project (12/13 - 13/14, \$220k) and Geraldine Domain swales (12/13, \$135k)	275	110	0	0
ST03	Pleasant Point Stormwater renewals General renewals of minor culverts, sumps and soakpits in Pleasant Point.	5	5	5	35
ST04	Pleasant Point Stormwater upgrades Plans include Afghan Street stormwater project (15/16, \$60k)	0	0	0	60
ST05	Temuka Stormwater renewals General renewals of minor culverts, sumps and soakpits in Temuka.	6	6	6	42
ST06	Temuka Stormwater upgrades Plans include Fraser/King Street stormwater project (12/13-13/14, \$275k) and Commerce Street/Hally Terrace project (19/20 - 21/22, \$150k)	465	25	0	150
ST07	Timaru Stormwater renewals and upgrades General renewals of minor culverts, pipe replacements, sumps and soakpits in Timaru. Stormwater upgrading projects include Rimu Street stormwater project (12/13, \$250k) and Gardens Gully (High/Queen Street) project (13/14, \$382k)	487	491	359	1,813
ST08	Timaru - Washdyke Creek stormwater improvements Project to improve stormwater disposal in Washdyke Creek, Washdyke area. Project led by Environment Canterbury in conjunction with property owners and will involve raising stopbanks in the area.	100	120	0	0
ST09	Timaru - Gleniti Dams Construction of bunds to enable short term storage of stormwater in Gleniti area.	100	0	0	200
ST010	Stormwater plant/equipment and network analysis Replacement of plant and equipment that has reached the end of its useful life and stormwater modelling.	10	10	10	184
ST011	Rural Stormwater upgrades Small upgrades in rural areas, where they enter urban areas.	7	7	7	49

Stormwater – Funding Impact Statement

	2011/12 (\$000)	2012/13 (\$000)	2013/14 (\$000)	2014/15 (\$000)	2015/16 (\$000)	2016/17 (\$000)	2017/18 (\$000)	2018/19 (\$000)	2019/20 (\$000)	2020/21 (\$000)	2021/22 (\$000)
SOURCES OF OPERATING FUNDING											
General Rates, Uniform Annual General Charge, rates penalties											
Targeted Rates (Other than a targeted rate for water supply)	1,275	1,291	1,372	1,375	1,339	1,351	1,348	1,356	1,360	1,361	1,364
Subsidies and grants for operating purpose											
Fees, charges and targeted rates for water supply											
Internal charges and overheads recovered											
Local authorities fuel tax, fines, infringement fees and other receipts											
TOTAL OPERATING FUNDING	1,275	1,291	1,372	1,375	1,339	1,351	1,348	1,356	1,360	1,361	1,364
APPLICATIONS OF OPERATING FUNDING											
Payments to staff and suppliers	327	381	377	373	329	343	339	339	343	339	339
Finance costs	27	33	53	53	53	52	49	47	45	43	40
Internal charges and overheads applied	125	131	134	133	137	132	131	135	131	131	133
Other operating funding applications											
TOTAL APPLICATIONS OF OPERATING FUNDING	479	545	563	559	519	527	520	521	519	512	512
SURPLUS/(DEFICIT) OF OPERATING FUNDING	796	746	809	816	820	824	828	835	841	848	852
SOURCES OF CAPITAL FUNDING											
Subsidies and grants for capital expenditure											
Development and financial contributions	0	20	20	20	20	20	20	20	20	20	20
Increase/(Decrease) in debt	421	628	71	(42)	18	(44)	(42)	(42)	(42)	(42)	(42)
Gross proceeds from the sale of assets											
Lump sum contributions											
TOTAL SOURCES OF CAPITAL FUNDING	421	648	91	(22)	38	(24)	(22)	(22)	(22)	(22)	(22)
APPLICATIONS OF CAPITAL FUNDING											
Capital expenditure											
- to meet additional demand	0	100	0	0	0	0	100	0	0	100	0
- to improve the level of service	504	810	255	0	60	0	0	0	50	50	50
- to replace existing assets	572	547	531	399	299	299	332	332	347	299	299
Increase/(decrease) in reserves	141	(63)	115	395	500	501	375	482	423	378	482
Increase/(decrease) of investments											
TOTAL APPLICATIONS OF CAPITAL FUNDING	1,217	1,393	900	794	858	799	806	813	820	827	830
SURPLUS/(DEFICIT) OF CAPITAL FUNDING	(796)	(746)	(809)	(816)	(820)	(824)	(828)	(835)	(841)	(848)	(852)
FUNDING BALANCE	0	0	0	0	0	0	0	0	0	0	0



WASTE MINIMISATION

What we do

Waste Minimisation includes the following activity provided by the Council:

- Compost, Recycling and Refuse

Compost, Recycling and Refuse

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

In 2006, the Council implemented the 3-2-1-ZERO waste minimisation system in the District. This highly successful scheme has meant that 82% of the district is provided with kerbside collection services for organic waste, recycling and rubbish. Bins are collected regularly with materials sorted and managed at the Redruth Eco-centre. 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 above and owns solid waste sites and facilities where activity occurs. Operational work is carried out by contractors. Transpacific Industries Ltd. (TPI) is contracted until June 2021 to provide kerbside collection, transfer stations, landfill, composting and recycling operations.

Council services provided are:

- A kerbside collection service 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-waste drop-off facilities

- ◆ Household hazardous waste drop-off
- ◆ Reusable goods drop-off
- Facilities at the Redruth Eco-Centre including:
 - ◆ A landfill
 - ◆ A scrap metal recycling site
 - ◆ Recycling and composting facilities
- A retail shop for reusable materials called “The Crows Nest” at Redruth. This also offers a kerbside collection service for reusable goods.
- Information and education resources
- A Waste Exchange listing service
- 3-2-1-ZERO waste minimisation support for public events
- Implementation of business/community waste minimisation programmes

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.

Why we do it

Compost, Recycling and Refuse contribute to the economy and lifestyle aspects of the Council’s vision.

Provision of solid waste services is a core infrastructural 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.

Solid 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 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 solid 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) from inappropriate disposal.

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 solid waste 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 solid 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
- 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)

Contribution to Community Outcomes							
	High quality infrastructure to meet community and business needs	Smart economic success 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	P	S	
P – Primary contribution		S – Secondary contribution					

Effects on Community Wellbeing							
These activities have a range of effects on Community Wellbeing. Positive effects are summarised under Why we do it. Negative effects are identified by activity below, with significant negative effects identified in italics:							
Effect	Wellbeing element				How Council will mitigate effect/risk		
	C	S	Ec	En			
Compost, Recycling and Refuse							
Potential for odour, dust, vermin, litter and noise from solid waste facilities, which may affect neighbours and public health	✓	✓	✓		Monitored and mitigated via operational management plans and monitoring site activities and compliance with resource consent conditions		
Range of environmental effects possible from existing and closed landfills (e.g. gas, leachate contamination)	✓	✓	✓	✓	Site operational management plans implemented and sites monitored to reduce, mitigate, avoid or remedy effects		
Cost of waste system is unsatisfactory for some people	✓	✓			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	✓	✓	✓		Development of local solutions to avoid market fluctuations		
Not everyone buys into the 'Waste ethic' to separate waste		✓		✓	Education, information and enforcement used to encourage compliance		
C – Cultural	S – Social		Ec – Economic		En – Environmental		

Key issues for the next 10 years

Waste 'Flight'

A competitive alternative waste disposal site has resulted in some waste being disposed of out of district that was previously going to the Redruth site. Coupled with the success of the 3-2-1-ZERO scheme and an overall reduction of income from general waste disposal, this has had a significant effect on revenue for the Council operation.

To address this, Council is reducing its operational costs and has reviewed the annual cost of landfill space. The Council is actively looking at future options for waste disposal.

TDC Waste Management and Minimisation Plan 2012

The Council has prepared and completed a Waste Management and Minimisation Plan (WMMP), based on a status report of the district's solid waste activities. This was required under the Waste Minimisation Act 2008 by 30 June 2012.

The Plan sets out the future vision for these activities and presents a number of options for the delivery of these services over the next ten years.

Encouraging Further Waste Minimisation

The 3-2-1-ZERO waste minimisation scheme has been a huge success, diverting around 54% of waste from the Redruth Landfill since it began.

There is scope for further reduction of waste to landfill, particularly timber, sewage millscreening and other industrial screenings. Solutions for other waste materials (e.g. soft plastic, styrofoam trays) may also be found

to reduce waste. Other initiatives include public place recycling, ongoing lobbying of business and government to seek assistance to help stimulate new markets and new solutions for materials currently not being recycled.

The WMMP outlines options the Council could consider to further reduce waste going to landfill.

The Council will maintain its education and information role to proactively improve community understanding of the waste minimisation system, particularly to reduce contamination levels and encourage ongoing use.

Community Expectations

The community strongly favours the existing waste minimisation scheme. 94% of people provided with the service were satisfied from the most recent community survey in 2011. The community expects the service to be provided in its current form for a reasonable cost.

The Future of Redruth Landfill

The remaining life of Redruth Landfill is now expected to be around 50 years, based on waste minimisation achievements through the 3-2-1-ZERO scheme, reduced waste to landfill and integrated whole of life planning for landfill design.

For the landfill operation to remain economically viable, Council must seek a balance between providing an effective waste management operation and recovering income to cover the ongoing costs of the activity.

Council will retain all aspects of the existing system, including kerbside collection,

recycling, composting and transfer stations, irrespective of where the waste is finally disposed of.

Options for improving the landfill and ensuring it is managed correctly into the future have been drafted. The Landfill Whole of Life Plan details the ongoing capital work and associated funding requirements for the future.

A project to collect and destroy landfill gas will be designed and implemented over the next 2 years. This is required under the National Environmental Standard (NES) for air quality that requires landfills with a total capacity of over 1 million tonnes of refuse to collect and destroy or utilise landfill gas. Landfill gas destruction will also reduce ETS obligations.

The Redruth compost facility has a capacity to process up to 16,000 tonnes. At current rates of growth, the existing site may require extending, possibly by 2015.

Emissions Trading Scheme

From 1 January 2013, the Council will be faced with additional costs to meet Emission Trading Scheme obligations as operators of a landfill. Budget estimates have allowed for the Council having to pay \$15 (ex GST) per carbon unit for the liability created by waste disposed of to landfill throughout the ten year period. Council is required to report on its landfill operations to determine ETS obligations and is considering further waste minimisation and other measures to reduce the obligation.

What we plan to do and our levels of service

1 Solid Waste facilities are adequate and available to the community

The services we will deliver

- Manage and maintain all aspects of the solid waste operation
- Provide a customer service request system 24 hours a day, 7 days a week
- Investigate and rectify solid waste complaints
- Provide solid waste facilities according to set hours of opening
- Provide specialist waste drop-off facilities (e.g. hazardous waste, oil, scrap metal)
- Review and develop Waste Management & Minimisation Plan as required
- Update the Solid Waste forward works renewals and improvements programme
- Contract services by competitive tender

Performance Measures/Targets

Satisfaction with Waste Services		
Current performance	2011/12	91% satisfied with kerbside rubbish and recycling collection
Targets	Year 1: 2012/13	No survey
	Year 2: 2013/14	≥80% overall/user satisfaction with solid waste services
	Year 3: 2014/15	No survey
	Year 4 -10: 2015/16 - 2021/22	≥85% overall/user satisfaction with solid waste services

2 Provide regular kerbside collection services to enable separation of waste

The services we will deliver

- Provision of three-bin kerbside collection system
- Manage solid waste contract

Performance Measures/Targets

Satisfaction with Waste Services		
Current performance	2009/10	537 bins missed
	2010/11	464 bins missed
Targets*	Year 1: 2012/13	≤ 538 missed bins annually
	Year 2: 2013/14	≤ 546 missed bins annually
	Year 3: 2014/15	≤ 554 missed bins annually
	Year 4 -10: 2015/16 - 2021/22	≤ 562 missed bins annually

* Targets increase proportionate to the increasing number of bins due to growth

3 No adverse effects from the operation of solid waste facilities

The services we will deliver

- Manage solid waste facilities under conditions of resource consents
- Apply for renewal of solid waste consents as required
- Monitor ongoing regulatory change for solid waste activities
- Monitor compliance of existing and closed solid waste facilities with resource consent conditions

Performance Measures/Targets

Compliance with Resource Consent conditions

Current performance	2009/10	See Annual Report 2009/10
	2010/11	See Annual Report 2010/11
Targets	Year 1: 2012/13	Compliance with resource consent conditions*
	Year 2: 2013/14	Compliance with resource consent conditions*
	Year 3: 2014/15	Compliance with resource consent conditions*
	Year 4 -10: 2015/16 - 2021/22	Compliance with resource consent conditions*

* excluding minor non-compliances as reported by Ecan

4 Solid Waste is diverted from the landfill

The services we will deliver

- Transfer station facilities open and available to community
- Redruth Eco-centre facilities operating for separation of waste
- Provide services for collection, drop-off and sale of reusable items
- Provide a waste exchange service
- Consider new methods, systems, innovation and technologies to improve waste minimisation

Performance Measures/Targets

Recycling tonnages diverted

2009/10	2010/11	Year 1: 2012/13	Year 2: 2013/14	Year 3: 2014/15	Year 4 -10: 2015/16 - 2021/22
4,755 tonnes	5,183 tonnes	5,500 gross tonnes processed at Materials Recycling Facility (MRF)	5,600 gross tonnes processed at MRF	5,700 gross tonnes processed at MRF	5,800 gross tonnes processed at MRF
Current performance	Targets				

Organic tonnages diverted

2009/10	2010/11	Year 1: 2012/13	Year 2: 2013/14	Year 3: 2014/15	Year 4 -10: 2015/16 - 2021/22
11,891 tonnes	14,223 tonnes	14,500 gross tonnes processed at composting facility	14,900 gross tonnes processed at composting facility	15,300 gross tonnes processed at composting facility	15,700 gross tonnes processed at composting facility
Current performance	Targets				

Reuse and other recycling tonnages diverted

2009/10	2010/11	Year 1: 2012/13	Year 2: 2013/14	Year 3: 2014/15	Year 4 -10: 2015/16 - 2021/22
409 tonnes	1,104 tonnes	385 gross tonnes diverted with Crow's Nest tonnes to comprise ≥40%	386 gross tonnes diverted with Crow's Nest tonnes to comprise ≥40%	387 gross tonnes diverted with Crow's Nest tonnes to comprise ≥40%	388 gross tonnes diverted with Crow's Nest tonnes to comprise ≥40%
Current performance	Targets				

5 Promote and educate about waste minimisation

The services we will deliver

- Provide opportunities for the public, community organisations and businesses to learn about waste minimisation, including talks, tours, business support and event support

Performance Measures/Targets

Zero Waste event and business support

Current performance		New measure
Targets	Year 1: 2012/13	25 events supported 52 businesses supported
	Year 2: 2013/14	25 events supported 52 businesses supported
	Year 3: 2014/15	25 events supported 52 businesses supported
	Year 4 -10: 2015/16 - 2021/22	25 events supported 52 businesses supported

6 Public Information and education ensures waste is sorted appropriately

The services we will deliver

- Conduct audits of three bin kerbside bins
- Provide public information and education on waste system to new and existing residents
- Measure contamination levels from waste minimisation activities
- Manage solid waste activity according to waste bylaw

Performance Measures/Targets

Recorded Contamination levels at Composting Facility and Materials Recycling Facility (MRF)

2009/10	2010/11	Year 1: 2012/13	Year 2: 2013/14	Year 3: 2014/15	Year 4 -10: 2015/16 - 2021/22
<ul style="list-style-type: none"> ➤ Contamination levels: <ul style="list-style-type: none"> • MRF - 35% • Compost - 2 % 	<ul style="list-style-type: none"> ➤ Contamination levels: <ul style="list-style-type: none"> • MRF - 28% • Compost - 1 % 	<ul style="list-style-type: none"> ➤ Recorded contamination at MRF 25% of gross tonnes ➤ Recorded contamination at compost facility 1% of gross tonnes 	<ul style="list-style-type: none"> ➤ Recorded contamination at MRF 24% of gross tonnes ➤ Recorded contamination at compost facility 0.9% of gross tonnes 	<ul style="list-style-type: none"> ➤ Recorded contamination at MRF 23% of gross tonnes ➤ Recorded contamination at compost facility 0.8% of gross tonnes 	<ul style="list-style-type: none"> ➤ Recorded contamination at MRF reduces by 1% annually ➤ Recorded contamination at compost facility reduces by 0.1% annually
Current performance		Targets			

Kerbside waste to landfill per red bin pickup reduces

	Year 1: 2012/13	Year 2: 2013/14	Year 3: 2014/15	Year 4 -10: 2015/16 - 2021/22
New Measure	12kg per red bin pickup	11.5kg per red bin pickup	11kg per red bin pickup	Reducing at 0.5kg per red bin pickup per year
Current performance	Targets			

What it will cost and how it will be funded

Operating expenditure for activities within this 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 & Subsidies	Other Sources
Compost, Recycling and Refuse	✓		✓	✓				✓	✓

For further information on funding these activities, please refer to the Revenue and Financing Policy and Funding Impact Statement in Section Three.



Capital Projects

The following summarises key planned capital projects for Waste Minimisation:

Code	Project Explanation	Expenditure (\$000)			
		2012/13	2013/14	2014/15	2015/16-2021/22
WM1	Stage 2 Development Reshaping and recapping the existing landfill areas to improve side slopes and impermeability of the cap.	0	25	0	275
WM2	Stage 3 Development Construction of new landfill cells (14/15, 21/22)	125	180	1,350	1,620
WM3	Drainage Projects to improve drainage at the Redruth landfill including collection of leachate recirculation, replacement of pumps, and upgrading of drainage.	50	60	0	30
WM4	Landfill Gas System Design and installation of a system to deal with landfill gas (methane) to comply with National Environmental Standards for Air Quality. Excess gas is likely to be flared from the site, with construction of a flare station and gas wells.	148	497	45	90
WM5	Landfill Aftercare Reserves Reserves set aside for landfill aftercare	90	90	90	630
WM6	Transfer Station renewals Renewal of plant and equipment at district transfer stations, including motors, containers and furniture	29	14	29	58
WM7	Whole of Life Plan Updating of the Whole of Life Plan for the Redruth Landfill	10	10	10	90
WM8	Compost Site Creation of new maturation pads for compost and installation of new pads to meet demand.	20	250	240	140
WM9	New bins Purchase of new wheelie bins to meet growth	49	49	49	340
WM10	Roading Upgrading of roading at district solid waste facilities	35	0	0	10
WM11	Waste Levy Projects Implementation of projects funded from the Waste levy to improve waste minimisation. Projects are likely to include public place recycling, and investigations to enable recycling of other aspects of the waste stream	15	7	7	49
WM12	Resource Recovery Park Development of Resource Recovery Park at Redruth transfer station that will enable improved drop-off facility for public, improving resource recovery and reducing waste to landfill.	0	0	30	315

Waste Minimisation – Funding Impact Statement

	2011/12 (\$000)	2012/13 (\$000)	2013/14 (\$000)	2014/15 (\$000)	2015/16 (\$000)	2016/17 (\$000)	2017/18 (\$000)	2018/19 (\$000)	2019/20 (\$000)	2020/21 (\$000)	2021/22 (\$000)
SOURCES OF OPERATING FUNDING											
General Rates, Uniform Annual General Charge, rates penalties											
Targeted Rates (Other than a targeted rate for water supply)	5,079	5,595	5,652	5,749	5,822	5,817	5,890	5,862	5,833	5,785	5,798
Subsidies and grants for operating purpose	132	130	130	130	130	130	130	130	130	130	130
Fees, charges and targeted rates for water supply	2,665	2,042	2,042	2,040	2,040	2,040	2,040	2,040	2,040	2,040	2,040
Internal charges and overheads recovered											
Local authorities fuel tax, fines, infringement fees and other receipts											
TOTAL OPERATING FUNDING	7,876	7,767	7,824	7,918	7,992	7,987	8,060	8,031	8,003	7,955	7,967
APPLICATIONS OF OPERATING FUNDING											
Payments to staff and suppliers	6,122	6,157	6,215	6,224	6,210	6,255	6,245	6,245	6,257	6,245	6,245
Finance costs	353	374	373	408	459	415	395	371	340	308	324
Internal charges and overheads applied	354	363	363	360	359	355	354	353	352	351	350
Other operating funding applications											
TOTAL APPLICATIONS OF OPERATING FUNDING	6,829	6,894	6,950	6,992	7,027	7,025	6,993	6,969	6,948	6,903	6,919
SURPLUS/(DEFICIT) OF OPERATING FUNDING	1,047	874	874	926	964	962	1,066	1,063	1,055	1,051	1,049
SOURCES OF CAPITAL FUNDING											
Subsidies and grants for capital expenditure											
Development and financial contributions											
Increase/(Decrease) in debt	(435)	46	474	955	(218)	(327)	(251)	(436)	(468)	(423)	862
Gross proceeds from the sale of assets											
Lump sum contributions											
TOTAL SOURCES OF CAPITAL FUNDING	(435)	46	474	955	(218)	(327)	(251)	(436)	(468)	(423)	862
APPLICATIONS OF CAPITAL FUNDING											
Capital expenditure											
- to meet additional demand	24	114	294	1,464	114	114	114	114	114	114	1,444
- to improve the level of service	674	368	849	332	572	82	282	97	62	107	62
- to replace existing assets	24	88	38	53	48	48	38	28	33	28	28
Increase/(decrease) in reserves	(110)	349	166	32	12	391	380	387	378	379	376
Increase/(decrease) of investments											
TOTAL APPLICATIONS OF CAPITAL FUNDING	612	919	1,348	1,882	746	636	815	627	587	629	1,911
SURPLUS/(DEFICIT) OF CAPITAL FUNDING	(1,047)	(874)	(874)	(926)	(965)	(962)	(1,066)	(1,063)	(1,055)	(1,052)	(1,049)
FUNDING BALANCE	0	0	0	0	0	0	0	0	0	0	0



WATER SUPPLY

What we do

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

Approximately 96% of the total district resident population are served through 13 individual water supplies operated on behalf of the residents of the Timaru District. Schemes are provided (in order of largest to smallest population served) to:

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

The Downlands scheme covers and is operated on behalf of residents of the Timaru, Mackenzie and Waimate Districts. The Downlands Water Supply is managed by the Timaru District Council, who own 82% of the scheme. Policy for this scheme is determined by a Joint Standing Committee.

Water sources for the schemes include rivers, bores and surface springs. Environment Canterbury allocates water to the Council via resource consents, which set upper limits on the amount of water that can be taken from water sources.

The urban schemes are on-demand at the tap, except the Peel Forest scheme which supplies to a storage tank on each property.

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

The water race schemes supply stockwater to water races on or adjacent to scheme properties.

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

- Health (Drinking Water) Amendment Act
- Resource Management Act
- Canterbury Water Management Strategy
- Natural Resources Regional Plan (Environment Canterbury)
- Regional Policy Statement (Environment Canterbury)
- Timaru District Plan (TDC).

Contribution to Community Outcomes						
	High quality infrastructure to meet community and business needs	Smart economic success 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		P
P – Primary contribution		S – Secondary contribution				

Effects on Community Wellbeing					
These activities have a range of effects on Community Wellbeing. Positive effects are summarised under Why we do it. Negative effects are identified by activity below, with significant negative effects identified in <i>italics</i> :					
Effect	Wellbeing element				How Council will mitigate effect/risk
	C	S	Ec	En	
Water Supply					
<i>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</i>	✓	✓	✓	✓	<i>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, and it is proposed to further promote and encourage conservation of water through demand management solutions.</i>
<i>The unavailability or severely restricted use of water would be critical for major industrial and commercial water users in the district and would result in substantial costs being incurred</i>		✓	✓		<i>As above</i>
<i>Affordability of water treatment to improve the level of water treatment to meet the NZ Drinking Water Standards 2005 is an economic concern. 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.</i>		✓	✓		<i>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.</i>
<i>The loss of a major industrial consumer may result in increased charges in order to recover the proportion of the activity costs that are fixed regardless of the total volume of water supplied</i>		✓	✓		<i>The Council will continue to investigate options for water supply source and treatment in order to provide the most cost effective service</i>
<i>Periods of drought or water networks service failure can lead to restrictions for water consumers</i>		✓	✓		<i>The Council will continue to carefully investigate options regarding available sources and their management</i>
C - Cultural	S - Social	Ec - Economic		En - Environmental	

Key issues for the next 10 years

Achieving Drinking Water Standards

Meeting Drinking Water Standards for New Zealand (DWSNZ) is the major pressure on the Water Supply activity over the next ten years. The Health (Drinking Water) Amendment Act 2007 (HAA 2007) has made these standards mandatory. The rationale behind the HAA 2007 was a concern New Zealand's drinking water supplies were not adequate to safeguard NZ communities from the high risks of largely preventable gastro-intestinal disease or a major disease outbreak caused by accidental or deliberate contamination of water supplies.

As a result, the Council is obligated to take all practicable steps to comply with the standards. An approved Public Health Risk Management Plan must be developed for all supplies between 2012-15. These plans must identify public health risks, provide solutions to address these risks and provide a timeline for implementing these solutions.

Most water treatment facilities in the district will require upgrading. Achieving compliance will be a large undertaking that will dominate the next three to five years, resulting in the construction of several million dollars worth of new Water Treatment infrastructure. Upgrades of water treatment facilities have already been completed at Pleasant Point, Temuka and Seadown and Pareora township (Downlands).

Upgrades are planned for the remaining sources.

Meeting Competing Demands for Water Resources

Protecting the environment and maintaining the life giving capacity of streams, rivers and lakes is paramount. This, however, occurs within a context of many competing uses for water from recreation to industry.

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. For example, if a major 'wet' industry relocated or left the Timaru District, impacts could be significant, both on water demand and income derived from water charges.

These numerous competing demands place pressure on water resources in the Timaru District. The schemes managed by the TDC are subject to resource consent conditions which limit the amount of water that can be taken. Any unexpected growth in water demand may result in substantial infrastructure upgrades.

Six of the 13 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.

Options continue to be investigated to meet increased demands or improve delivery mechanisms in several schemes, including

Downlands, Seadown, Te Moana and the Rangitata – Orari stock water race.

The Orari – Waihi stock water race is expected to close following the expiry of its resource consent in 2012. It is proposed the Rangitata – Orari water race scheme will be modified to enable a proposed water irrigation scheme to use some of the existing water races, likely within the next three years.

Ongoing education of consumers in efficient water use is also important to improve water use behaviour and ensure water use remains sustainable.

Asset Renewals

There will be an ongoing focus on maintaining and operating the existing water supply networks.

A significant amount of the district's Water Supply infrastructure will need replacing. Based on the assumed remaining life of the pipe assets, there is an estimated \$21M water mains renewal costs in the next 10 years.

This includes approximately 90km of the water supply reticulation network in urban areas and 100km of pipe in rural areas. However, pipe condition is not always directly proportional to pipe age. Further pipe condition assessment is carried out to determine conditions of the pipe network and confirm renewal programmes.

Provision is being made for the necessary expenditure in the future, with funding over the next ten years to renew water supply services infrastructure.

Further work is also required to ensure appropriate renewal programmes are in place for areas such as Geraldine, Te Moana

and Downlands. The condition of ageing infrastructure will continue to be reviewed along with its current and future adequacy to meet demand requirements.

Climate Change

Climate change may accentuate competing demands for water resources. Potential impacts include:

- Reduced overall rainfall
- Increased frequency and length of drought
- Increased frequency of high intensity rainfall

These impacts may cause water take restrictions, reduce raw water quality meaning more complex treatment processes, diminish the availability of source water, cause more frequent river 'freshes' and force changes in water use.

The Council is developing demand management strategies to help deal with these issues.

Ongoing regulatory change

Water is a highly regulated area, with national and regional policy statements, standards and plans regulating its quality, quantity, delivery and use. These include the Canterbury Water Management Strategy, national policy statement for freshwater management, national environmental standard for human drinking water sources, the Canterbury Natural Resources Regional Plan, NZ Drinking Water Standards and numerous pieces of legislation where water supply delivery features.

Further work is ongoing, such as the implementation of a Zone Implementation Programme (ZIP) to give effect to the

Canterbury Water Management Strategy (CWMS) in the Orari-Opihi-Pareora Zone. Work also continues on the government's Land and Water Forum.

All of this must be considered as part of the planning for the delivery of the Council's water supplies.

Community Expectations

The community expects good quality water to be available on demand in reasonable quantities at an affordable price.

The cost of water is likely to increase over the next ten years as the issues described above are addressed.

Currently, urban communities pay the same amount for water. There is the possibility of further harmonising charges between rural and urban supplies, which will be researched for future consideration.

What we plan to do and our levels of service

1 Manage and monitor water supplies under the conditions of water resource consents and to achieve positive environmental outcomes

The services we will deliver

- Manage and monitor water supplies under conditions of water resource consents
- Apply for renewal of water supply consents as required
- Monitor ongoing regulatory change for water supply activities
- Develop a Demand Management Plan for the Water Supply Activity
- Update and review Risk Management Strategy

Performance Measures/Targets

Compliance with Resource Consent conditions*		
Current performance	2009/10	See Annual Report 2009/10
	2010/11	See Annual Report 2010/11
Targets	Year 1-3: 2012/13 - 2014/15	Compliance with resource consent conditions
	Year 4-10 2015/16 - 2021/22	Compliance with resource consent conditions

* excluding minor non-compliances as reported by Ecan

2 Provide water supply services that meet community demand

The services we will deliver

- Provision of water supply for domestic, commercial, fire fighting, rural and industrial purposes
- Monitor demand on all water supply schemes
- Complete capital expenditure programme associated with developing the network

Performance Measures/Targets

Water supply pressure provided at service connection			
2009/10	2010/11	Year 1 - 3: 2012/13 - 2014/15	Year 4 -10: 2015/16 - 2021/22
99.9% have minimum pressure above 150kPa	99.9% have minimum pressure above 150kPa	At least 95% urban scheme service connections have a normal minimum operating pressure of $\geq 200\text{KPa}$	At least 95% urban scheme service connections have a normal minimum operating pressure of $\geq 200\text{KPa}$
Current performance		Targets	

Water Supply services overall satisfaction levels					
2009/10, 10/11	2010/11	Year 1: 2012/13	Year 2: 2013/14	Year 3: 2014/15	Year 4 -10: 2015/16 - 2021/22
No survey	89% district residents satisfied with water supply	No survey	$\geq 85\%$ district residents are satisfied with water supply services	No survey	$\geq 85\%$ district residents are satisfied with water supply services
Current performance		Targets			

Water Supply services user satisfaction levels					
2009/10	2010/11	Year 1: 2012/13	Year 2: 2013/14	Year 3: 2014/15	Year 4 -10: 2015/16 - 2021/22
No survey	92% of users are satisfied with water supply services	No survey	$\geq 85\%$ of users are satisfied with water supply service	No survey	$\geq 85\%$ of users are satisfied with water supply services
Current performance		Targets			

3 Provide safe drinking water

The services we will deliver

- Manage and monitor all water supplies under requirements of Drinking Water Standards
- Monitor ongoing regulatory change for water supply activities
- Develop Public Health Risk Management Plans (PHRMPs) for all water schemes
- Develop a Demand Management Plan for the Water Supply Activity
- Develop Water Supply Services Strategies for Timaru, Downlands, Geraldine Area, Temuka Area and Seadown supplies

Performance Measures/Targets

Compliance with NZ Drinking Water Standards – Bacterial and chemical compliance

2009/10	2010/11	Year 1 - 3: 2012/13 - 2014/15	Year 4 -10: 2015/16 - 2021/22
See Annual Report 2009/10 for full information	See Annual Report 2010/11 for full information	Compliance – all schemes	Compliance – all schemes
Current performance		Targets	

Compliance with NZ Drinking Water Standards – Protozoal compliance

2009/10	2010/11	Year 1: 2012/13	Year 2: 2013/14	Year 3: 2014/15	Year 4 -10: 2015/16 - 2021/22
See Annual Report 2009/10 for full information	See Annual Report 2010/11 for full information	Compliance 1. Downlands – Pareora 2. Orari 3. Pleasant Point 4. Seadown 5. Temuka 6. Geraldine 7. Timaru	Compliance 1. Downlands – Pareora 2. Orari 3. Pleasant Point 4. Seadown 5. Temuka 6. Geraldine 7. Timaru 8. Winchester	Compliance 1. Downlands – Pareora and Springbrook 2. Orari 3. Pleasant Point 4. Seadown 5. Temuka 6. Geraldine 7. Timaru 8. Winchester	Compliance 1. Downlands – All 2. Orari 3. Pleasant Point 4. Seadown 5. Temuka 6. Geraldine 7. Timaru 8. Winchester 9. Peel forest 10. Te Moana
Current performance		Targets			

4 Provide water with an acceptable taste, odour and appearance

The services we will deliver

- Manage and monitor all water supplies
- Develop Water Supply Services Strategies for Timaru, Downlands, Geraldine Area, Temuka Area and Seadown supplies
- Respond to complaints about water appearance, taste and smell

Performance Measures/Targets

Complaints about water appearance, taste and smell

Current performance	2009/10	2010/11
	35 complaints received	32 complaints received
Targets	Year 1-3: 2012/13 - 2014/15	Complaints received from <1% of connected properties
	Year 4-10 2015/16 - 2021/22	Complaints received from <1% of connected properties

5 Maintain excellent customer service

The services we will deliver

- Maintain water supply scheme networks and respond to service failures
- Provide a customer service request system 24 hours a day, 7 days a week
- Investigate and rectify water supply services complaints

Performance Measures/Targets

Response time to service interruptions

2009/10	2010/11	Year 1 - 3: 2012/13 - 2014/15	Year 4 -10: 2015/16 - 2021/22
92% of service requests were responded to within required timeframes	94% of service requests were responded to within required timeframes	≥ 85% of service requests are responded to within required timeframes	≥ 85% of service requests are responded to within required timeframes
Current performance		Targets	

6 Deliver affordable water supply services

The services we will deliver

- Maintain water supply scheme networks and respond to service failures
- Manage water supply services contracts
- Manage growth of the water supply network
- Complete capital expenditure programme

Performance Measures/Targets

Customer satisfaction with value for money of water supply services		
Current performance	2009/10,10/11	No survey
	2011/12	86% think service is good value for money
Targets	Year 1: 2012/13	No survey
	Year 2: 2013/14	≥ 85% users of services think service is good value for money
	Year 3: 2014/15	No survey
	Year 4 -10: 2015/16 - 2021/22	≥ 85% users of services think service is good value for money

Operating cost of combined water supplies		
Current performance	2009/10	Achieved within budget
	2010/11	Over budget
Targets	Year 1-3: 2012/13 - 2014/15	Actual operating cost within budget
	Year 4-10 2015/16 - 2021/22	Actual operating cost within budget

7 Minimise unplanned interruption to water supply services

The services we will deliver

- Maintain water supply scheme networks and respond to service failures
- Manage growth of network
- Manage water supply services contracts
- Prepare and implement Code of Best Practice for installation of water supply services
- Monitor condition and performance of water supply reticulation and assets
- Complete capital expenditure programme associated with improving the network
- Develop a Demand Management Plan for the Water Supply Activity
- Develop Water Supply Services Strategies for Timaru, Downlands, Geraldine Area, Temuka Area and Seadown supplies

Performance Measures/Targets

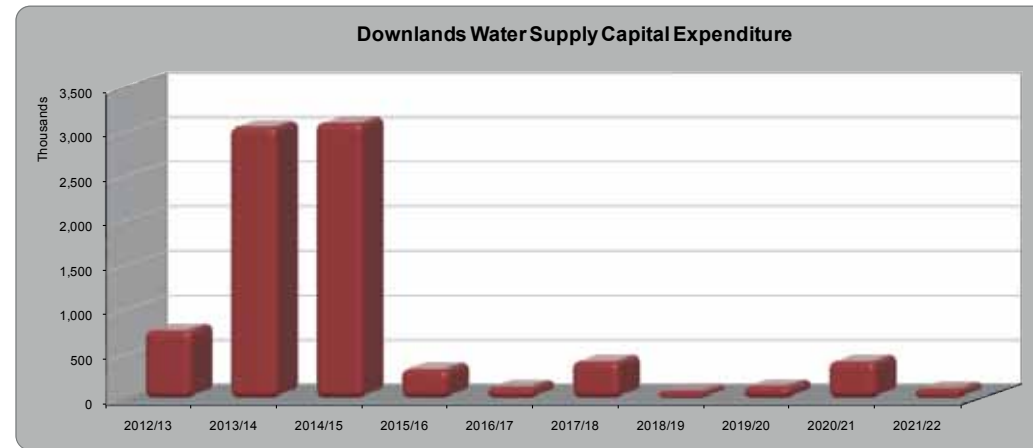
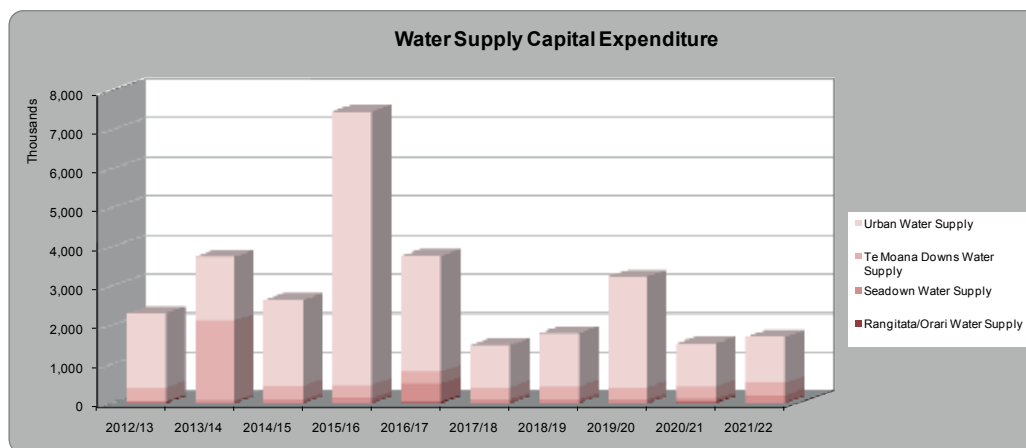
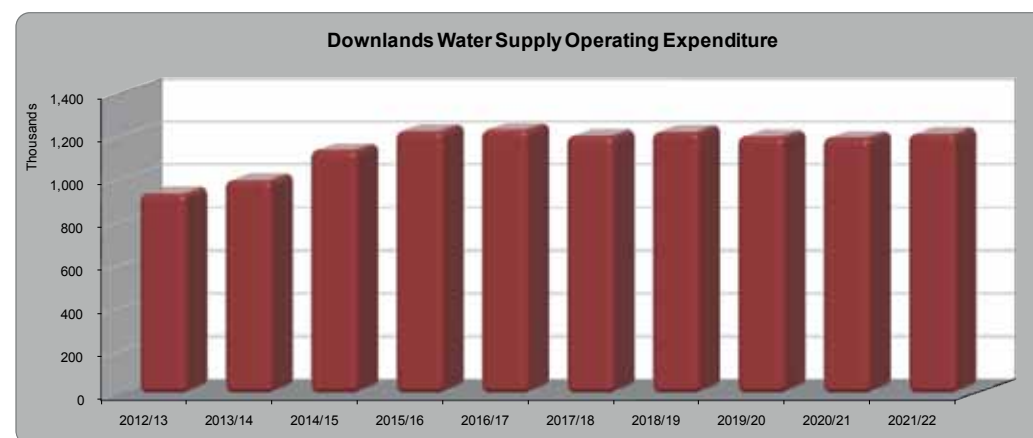
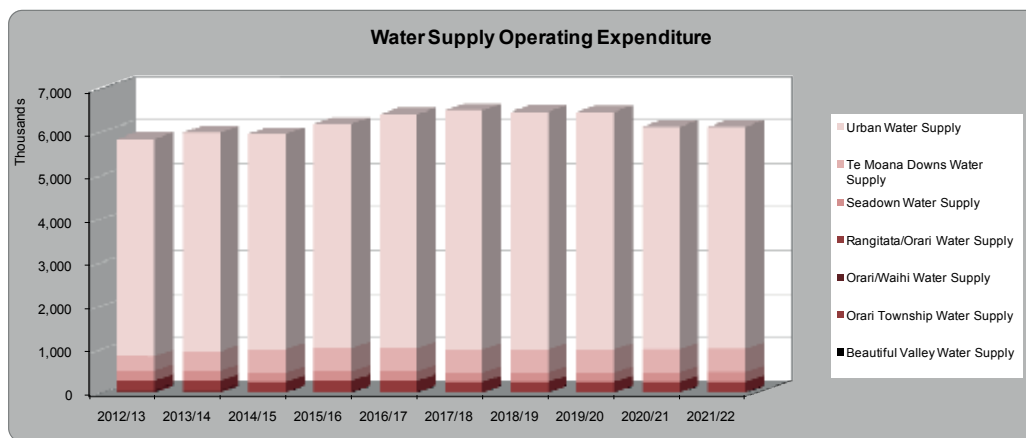
Outages to urban scheme properties			
2009/10	2010/11	Year 1 - 3: 2012/13 - 2014/15	Year 4 -10: 2015/16 - 2021/22
No unplanned outages	2 unplanned outages	No unplanned outages ≥ than 8 hours	No unplanned outages ≥ than 8 hours
Current performance		Targets	

What it will cost and how it will be funded

Operating expenditure for activities within this 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 & subsidies	Other Sources
Water Supply			✓	✓					

For further information on funding these activities, please refer to the Revenue and Financing Policy and Funding Impact Statement in Section Three.



Capital Projects

The following summarises key planned capital projects for Water Supply:

Code	Project Explanation	Expenditure (\$000)			
		2012/13	2013/14	2014/15	2015/16-2021/22
WS1	Urban Water Supplies - Reticulation and Service Renewals Replacement of pipes, valves, hydrants and other water supply assets that have reached the end of their design life, including renewals generated as a result of maintenance to the water supply network.	1,625	1,105	1,070	6,138
WS2	Urban Water Supplies - Timaru Wai-iti Road renewal Replacement of Wai-iti water supply trunk main when it has reached the end of its design life and to improve performance.	0	0	0	1,350
WS3	Urban Water Supplies - Temuka Trunk Main renewal Replacement of trunk main into Temuka from Orari treatment plant.	0	0	0	850
WS4	Urban Water Supplies - Temuka source upgrade/water storage upgrade Project to improve the Temuka water source through use of alternative ground water sources and improve storage.	0	0	0	2,100
WS5	Urban Water Supplies - Network Analysis and Metering Water supply modelling and meters to establish water demand in particular areas.	7	7	7	225
WS6	Urban Water Supplies - Leak Detection Urban water supply leakage programme including establishing investigation areas and leak detection work.	40	0	0	0
WS7	Urban Water Supplies - Fixed Plant and equipment Replacement of plant and equipment at treatment plants, including telemetry and electrical equipment.	205	475	925	825
WS8	Urban Water Supplies - Geraldine Water Supply well rescreen/pump Installation of a variable speed drive to reduce water velocity and subsequently turbidity on well pump start-up.	10	0	0	0
WS9	Urban Water Supplies - Pleasant Point water storage upgrade Project to improve Pleasant Point water storage to industry standard (one days storage)	0	0	50	450
WS10	Urban Water Supplies - Timaru Pareora Pipeline Renewal and Fencing upgrade Replacement of part of the Pareora water supply pipeline and Pareora reserve fencing	0	50	150	4,000
WS11	Urban Water Supplies - Timaru Reservoir cover Replacement of reservoir covers at the Claremont plant that have reached the end of their useful life	25	0	0	1,600
WS12	Other Water Supplies - Rangitata/Orari Water Race renewals and plant Replacement of culverts, flumes, intake structures at headworks	25	15	15	135
WS13	Other Water Supplies - Seadown Renewals Replacement of reticulation, pumps and buildings	10	40	75	550
WS14	Other Water Supplies - Seadown Treatment Upgrade Upgrade to meet Drinking Water Standards	0	0	0	100
WS15	Other Water Supplies - Seadown water storage upgrade Improvements to water storage for the Seadown water supply to industry standards (one days storage)	0	0	0	400

Code	Project Explanation	Expenditure (\$000)			
		2012/13	2013/14	2014/15	2015/16-2021/22
WS16	Other Water Supplies - Seadown Leak Detection, Network Analysis and Metering Leak detection, water supply modelling and meters to establish water demand in particular areas to improve supply delivery	12	2	2	34
WS17	Other Water Supplies - Te Moana Renewals Replacement of reticulation, pumps, jets and buildings	143	140	310	2,201
WS18	Other Water Supplies - Te Moana Network capacity Project to improve network capacity of the Geraldine/Te Moana supply, involving expansion of the Geraldine water source to supply water for the Te Moana and Geraldine communities. Initial expenditure will allow delivery of water from the Geraldine source to the Woodbury community.	200	1,900	0	0
WS19	Other Water Supplies - Te Moana Leak Detection, Network Analysis and Metering Leak detection, water supply modelling and meters to establish water demand in particular areas to improve supply delivery	0	15	35	20
WS20	Downlands Water Supply - Renewals Replacement of pipes, tanks and other water supply assets that have reached the end of their design life, including renewals generated as a result of maintenance to the water supply network.	673	572	298	841
WS21	Downlands Water Supply - Tengawai Trunk Main upgrade Replacement and upgrading of the Tengawai trunk main to enable future growth in the Downlands scheme from the Tengawai intake	82	2,460	2,460	0
WS22	Downlands Water Supply - Network Analysis and Metering Water supply modelling and meters to establish water demand in particular areas.	8	8	8	98
WS23	Downlands Water Supply - Reservoir cover Replacement of reservoir covers on the Downlands supply that have reached the end of their useful life	8	8	328	730

Water Supply – Funding Impact Statement

	2011/12 (\$000)	2012/13 (\$000)	2013/14 (\$000)	2014/15 (\$000)	2015/16 (\$000)	2016/17 (\$000)	2017/18 (\$000)	2018/19 (\$000)	2019/20 (\$000)	2020/21 (\$000)	2021/22 (\$000)
SOURCES OF OPERATING FUNDING											
General Rates, Uniform Annual General Charge, rates penalties											
Targeted Rates (Other than a targeted rate for water supply)	4,271	4,232	4,269	4,545	4,806	5,062	5,062	5,053	5,053	4,803	4,703
Subsidies and grants for operating purpose											
Fees, charges and targeted rates for water supply	1,489	1,440	1,505	1,520	1,523	1,523	1,523	1,527	1,527	1,527	1,527
Internal charges and overheads recovered	66	54	54	54	54	55	55	75	75	75	75
Local authorities fuel tax, fines, infringement fees and other receipts											
TOTAL OPERATING FUNDING	5,826	5,726	5,828	6,119	6,383	6,639	6,639	6,655	6,655	6,405	6,305
APPLICATIONS OF OPERATING FUNDING											
Payments to staff and suppliers	2,811	2,844	2,902	2,760	2,796	2,831	2,848	2,818	2,838	2,497	2,519
Finance costs	339	329	376	428	514	646	701	689	677	652	621
Internal charges and overheads applied	852	857	869	864	881	855	853	868	849	847	857
Other operating funding applications											
TOTAL APPLICATIONS OF OPERATING FUNDING	4,002	4,031	4,147	4,053	4,191	4,332	4,402	4,376	4,365	3,997	3,997
SURPLUS/(DEFICIT) OF OPERATING FUNDING	1,824	1,695	1,682	2,066	2,192	2,308	2,237	2,279	2,290	2,408	2,308
SOURCES OF CAPITAL FUNDING											
Subsidies and grants for capital expenditure											
Development and financial contributions	9	9	9	9	74	74	74	74	74	74	74
Increase/(Decrease) in debt	(100)	(304)	1,654	(168)	2,454	1,659	(155)	(172)	(173)	(608)	(367)
Gross proceeds from the sale of assets											
Lump sum contributions											
TOTAL SOURCES OF CAPITAL FUNDING	(91)	(296)	1,662	(159)	2,528	1,732	(82)	(98)	(100)	(535)	(294)
APPLICATIONS OF CAPITAL FUNDING											
Capital expenditure											
- to meet additional demand											
- to improve the level of service	203	200	1,975	400	790	2,160	0	0	0	0	100
- to replace existing assets	3,564	2,102	1,774	2,239	6,680	1,610	1,485	1,790	3,238	1,530	1,595
Increase/(decrease) in reserves	(2,035)	(903)	(405)	(732)	(2,750)	270	671	391	(1,048)	343	319
Increase/(decrease) of investments											
TOTAL APPLICATIONS OF CAPITAL FUNDING	1,732	1,399	3,344	1,907	4,720	4,040	2,156	2,181	2,190	1,873	2,014
SURPLUS/(DEFICIT) OF CAPITAL FUNDING	(1,824)	(1,695)	(1,682)	(2,066)	(2,192)	(2,308)	(2,237)	(2,279)	(2,290)	(2,408)	(2,308)
FUNDING BALANCE	0	0	0	0	0	0	0	0	0	0	0

Downlands Water Supply – Funding Impact Statement

	2011/12 (\$000)	2012/13 (\$000)	2013/14 (\$000)	2014/15 (\$000)	2015/16 (\$000)	2016/17 (\$000)	2017/18 (\$000)	2018/19 (\$000)	2019/20 (\$000)	2020/21 (\$000)	2021/22 (\$000)
SOURCES OF OPERATING FUNDING											
General Rates, Uniform Annual General Charge, rates penalties											
Targeted Rates (Other than a targeted rate for water supply)	943	943	984	1,107	1,230	1,230	1,230	1,230	1,230	1,230	1,230
Subsidies and grants for operating purpose											
Fees, charges and targeted rates for water supply											
Internal charges and overheads recovered											
Local authorities fuel tax, fines, infringement fees and other receipts	85	111	80	40	40	72	96	116	138	160	191
TOTAL OPERATING FUNDING	1,028	1,054	1,064	1,147	1,270	1,302	1,326	1,346	1,368	1,390	1,421
APPLICATIONS OF OPERATING FUNDING											
Payments to staff and suppliers	423	404	404	404	407	416	388	388	388	391	399
Finance costs	0	0	57	172	230	230	230	220	201	191	191
Internal charges and overheads applied	115	117	118	117	118	116	116	137	136	136	136
Other operating funding applications											
TOTAL APPLICATIONS OF OPERATING FUNDING	538	521	579	693	755	761	733	745	725	718	727
SURPLUS/(DEFICIT) OF OPERATING FUNDING	491	532	485	453	516	540	593	602	643	672	695
SOURCES OF CAPITAL FUNDING											
Subsidies and grants for capital expenditure											
Development and financial contributions	8	8	8	418	418	172	172	172	172	172	172
Increase/(Decrease) in debt	0	0	1,640	1,640	0	0	0	(273)	(273)	0	0
Gross proceeds from the sale of assets											
Lump sum contributions											
TOTAL SOURCES OF CAPITAL FUNDING	8	8	1,648	2,058	418	172	172	(101)	(101)	172	172
APPLICATIONS OF CAPITAL FUNDING											
Capital expenditure											
- to meet additional demand	57	0	0	0	0	0	0	0	0	0	0
- to improve the level of service											
- to replace existing assets	841	772	3,049	3,094	335	138	421	93	146	421	117
Increase/(decrease) in reserves	(400)	(231)	(916)	(582)	599	575	345	408	396	423	750
Increase/(decrease) of investments											
TOTAL APPLICATIONS OF CAPITAL FUNDING	499	541	2,133	2,512	934	713	765	501	542	844	867
SURPLUS/(DEFICIT) OF CAPITAL FUNDING	(491)	(532)	(485)	(453)	(516)	(540)	(593)	(602)	(643)	(672)	(695)
FUNDING BALANCE	0	0	0	0	0	0	0	0	0	0	0



FINANCIAL AND POLICY INFORMATION

FINANCIAL STRATEGY AND STATEMENTS

Financial Strategy

Summary

This Financial Strategy brings together important information set out in the Ten Year Plan, integrating it with financial forecasts 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 \$705 million as at 30 June 2011. 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 \$65 million per annum. This has risen over recent years as both costs and levels of service have increased. A summary of the Council's income and operating expenditure over the past five years plus the budget for 2011/12 is set out in the chart below.

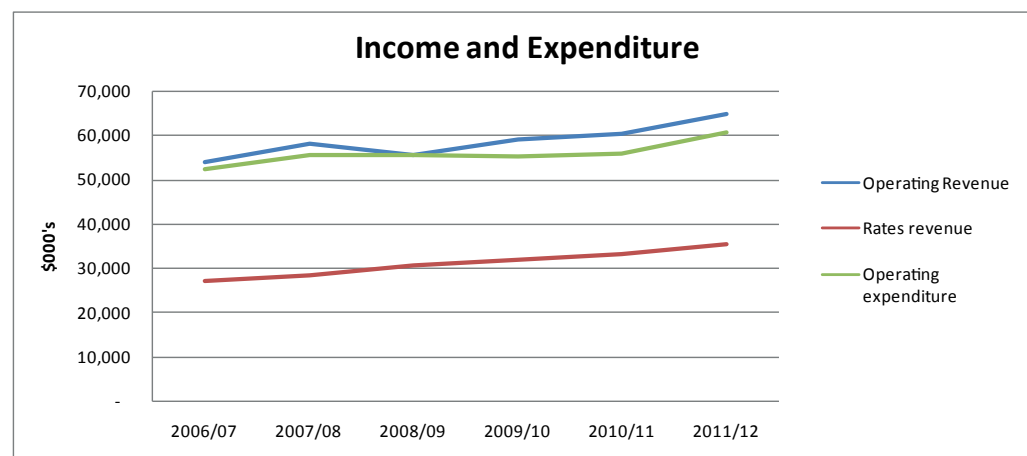
Capital expenditure and borrowing

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 \$75 million by June 2012, 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 and cashflow from operating activities must exceed interest expense by two times. The Council is proposing to become a shareholder and member of the Local Government Funding Agency (LGFA). Being a shareholder 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 2011/12 is set out in the chart below.

This shows that debt levels have moved in line with capital expenditure.

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
- Emissions Trading Scheme (ETS)

- Major Council projects (e.g. wastewater upgrade, drinking water standards upgrades)

Population Growth and changing land use

Forecasting population growth is difficult at the best of times, but particularly challenging at the present time due to the impact of the Canterbury earthquakes being unknown.

The Council expect that the population of the district will continue to grow over the next 10 years and is planning for that growth. The current population of the district is estimated at 44,700¹. Latest forecasts indicate population in 2021 will range between 44,600 and 46,750 in 2021 and between 43,600 and 47,500 in 2031². This population change is expected to mainly occur in the rural areas and smaller townships.

¹ Estimated Population for Timaru District as at 30 June 2011 (Source: Stats NZ)

² Assumption used is range of medium to average of medium to high projection (Based on Stats NZ subnational population projections update) released February 2010

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 numbers are expected to increase by between 8.7% and 12.6% by 2021 expected to occur largely in the urban areas of the district as a result of the population aging.

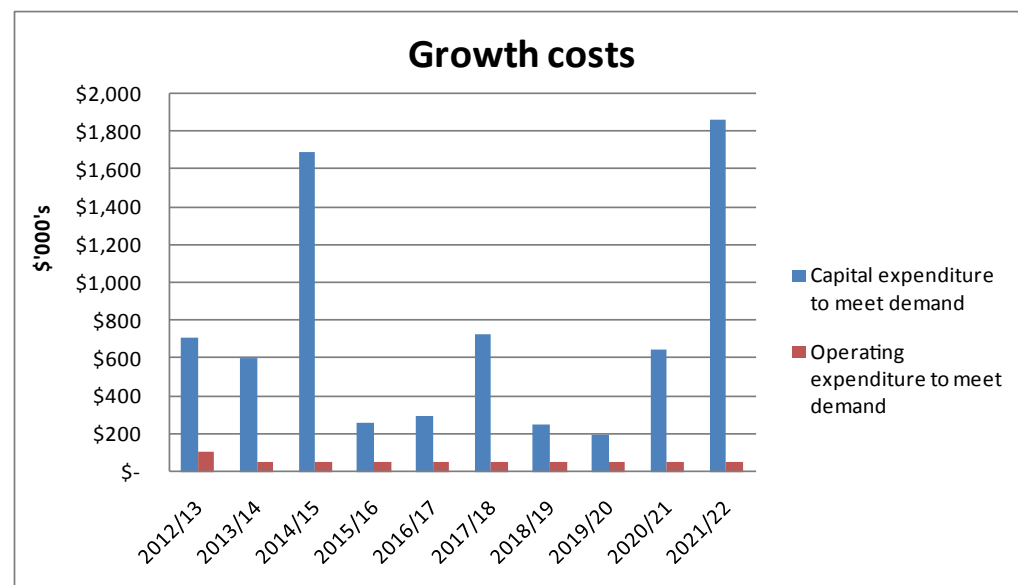
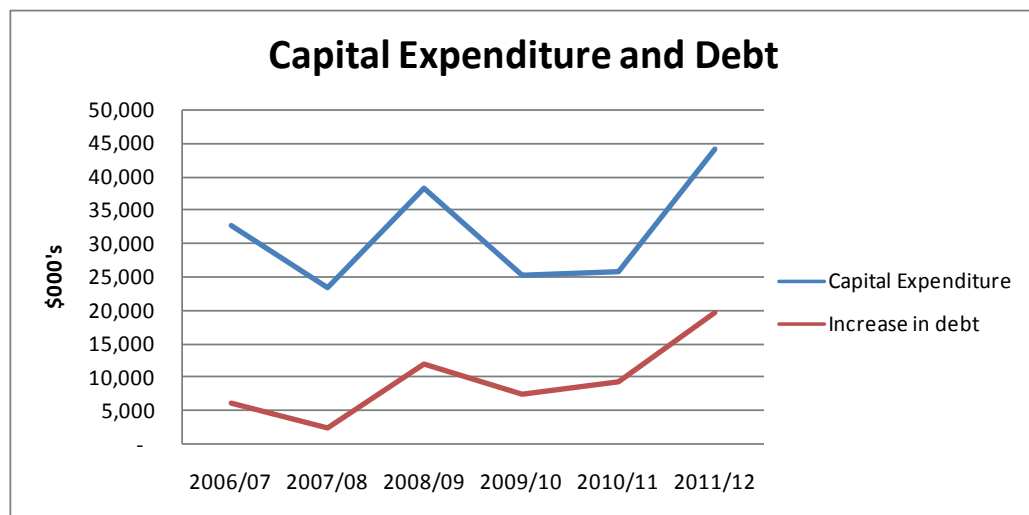
Where growth requires additional infrastructure (e.g. subdivisions), the Council can require financial contributions for the work. Costs over this amount may result in additional Council expenditure which is likely to be funded from debt. The Council does not currently have a Development Contributions Policy but is looking to implement this within the next three years.

The forecast operating and capital costs of providing for the growing population and land use change over the next 10 years is set out in the graph below.

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.

The Council believes that given the inherent unreliability of inflation predictions, their inclusion in the LTP beyond year 2 would seriously undermine the qualitative characteristics of the LTP. Inflation included on an annual basis, rather than predicted for the long term allows the community the greatest opportunity to understand the financial implications of the decisions being made utilising information in the LTP and subsequent Annual Plans. The Council acknowledges some inflation is inevitable over the next 10 years, but does not believe this can be accurately predicted long term so have chosen to adjust budgets annually. Supplementary information detailing the impact of the inflation at an assumed rate of 3.52% is included in section 3 of the LTP.



Expected impacts of inflation are included for year 1 of the Long Term Plan (2012/13). Other known cost increases, such as additional costs for increasing a level of service are also included in the LTP.

Asset development and renewal expenditure

The council currently has property, plant and equipment (commonly referred to as “fixed assets”) worth approximately \$720 million and during the next 10 years the council is planning to undertake additional capital works of \$221 million. 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 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.

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.

NZTA Financial Assistance

The Government Policy Statement on Land Transport funding has indicated less financial assistance for maintenance & renewals. Financial assistance rates (FARs) are being reviewed. The Council FAR has been confirmed up 1% to 53% for next 3

years, but beyond 2015/16 it is unclear what funding will be available.

Emissions Trading Scheme

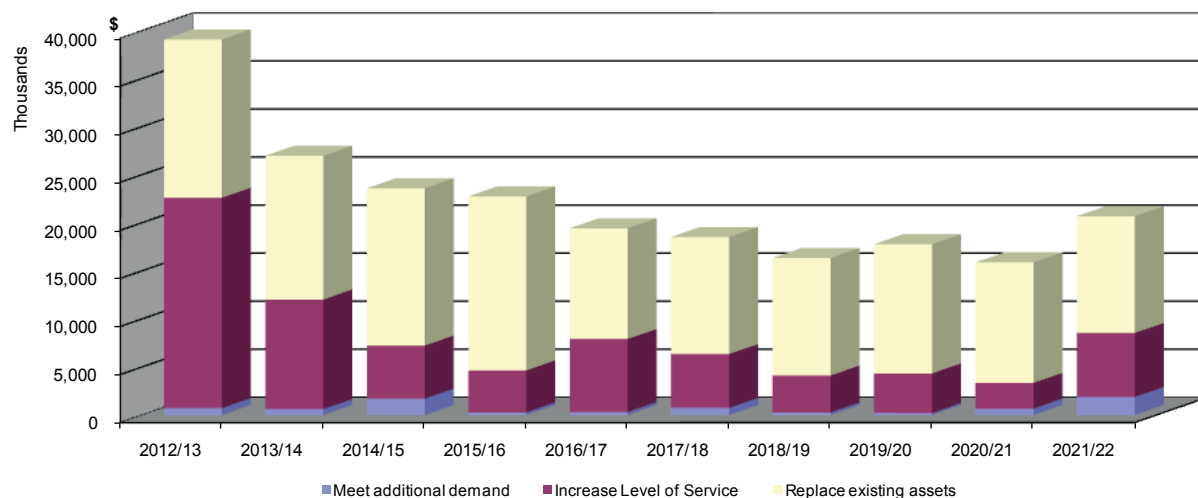
From 1 January 2013, the Council will be faced with additional costs to meet Emission Trading Scheme obligations as operators of a landfill. Budget estimates have allowed for the Council having to pay \$15 (ex GST) per tonne for waste disposed to landfill throughout the ten year period. The Council is required to report on its landfill operations to determine ETS obligations and is considering further waste minimisation and other measures to reduce the obligation. The Council will receive credits under the ETS for forestry that is owned by the Council.

Key Levels of Service Issues and their implications

The key Levels of Service issues over the next 10 years include:

- Sewer treatment upgrades
- Regulatory framework for stormwater
- Drinking Water Standards/PHRMP’s
- Meeting competing demands for water resources
- Operation of the Caroline Bay Aquatic Centre
- Change in demands on road network
- Sustainable Transport/Active Transport
- Legislative change
- Community expectations and changes in demand
- Enabling participation and communication
- Aging infrastructure

Capital Expenditure



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 47% 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 2011 and those values will come into effect for rating purposes from 1 July 2012.

The UAGC is a flat rate that is levied on each property, regardless of value.

Targeted rates

Targeted rates account for about 53% 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, storm water, footpaths and community boards is set in consultation with the local community,

taking into account the Activity Management Plan for each activity.

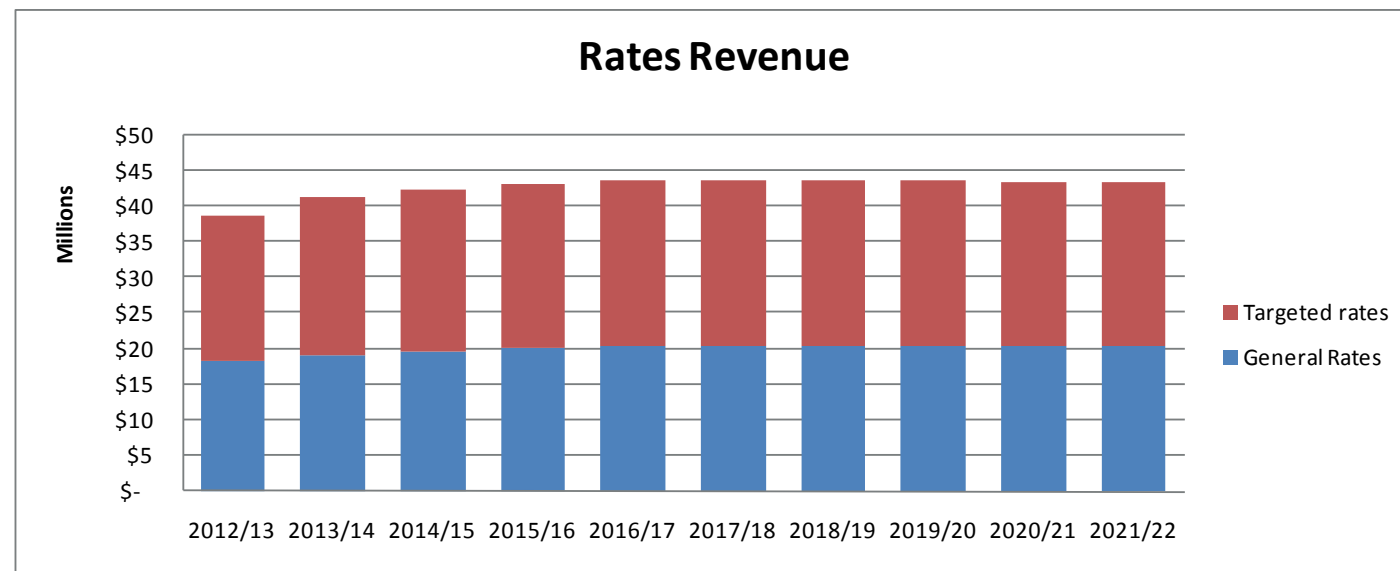
The 10 year forecast for rates income (excluding inflation) is shown in the graph below. The average annual increase in rates over the 10 years is forecast to be 2.06%, excluding inflation in years 2-10.

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 \$45 million in any given year, excluding inflation and \$65 million including inflation.
- Generally, the percentage increase in total rates revenue in any year will not exceed 6% plus inflation based on the Local Government Cost Index³. The increase in year 1 (2012/13) is 10% and year 2 (2013/14) is 6.5% to acknowledge the costs associated with increased levels of services such as sewer treatment and the Caroline Bay Aquatic Centre and new costs such as for the Emissions Trading Scheme.

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.

³ 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.



Non - rates income

Significant income is forecast from non - rates sources as shown in the graph.

User fees and charges

User fees and charges will increase over the 10 years due to recovery of increased costs. The Council has a “user pays” philosophy as described in the Revenue and Financing Policy.

Subsidies and grants

Subsidies are primarily 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 between 53% and 75% depending on the project. The amount of subsidy is set by the NZTA with the majority of approved projects being funded at 53%.

Investment Revenue

Investment income is dividends received from TDHL and interest income.

The targets set by the Council for returns on investments are:

- TDHL - \$1.84 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 Te Ana Whakairo 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.

The Council is intending to become a shareholder/member of the Local Government Funding Agency (LGFA). The LGFA is a Council Controlled Trading Organisation (CCTO) set up by specific legislation. A key objective of the LGFA is to provide a funding vehicle that would enable local authorities to borrow at lower interest margins than would otherwise be available. As a shareholder, it is anticipated that Council will receive a return on their investment but this may be less than what is available from alternative investments.

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.

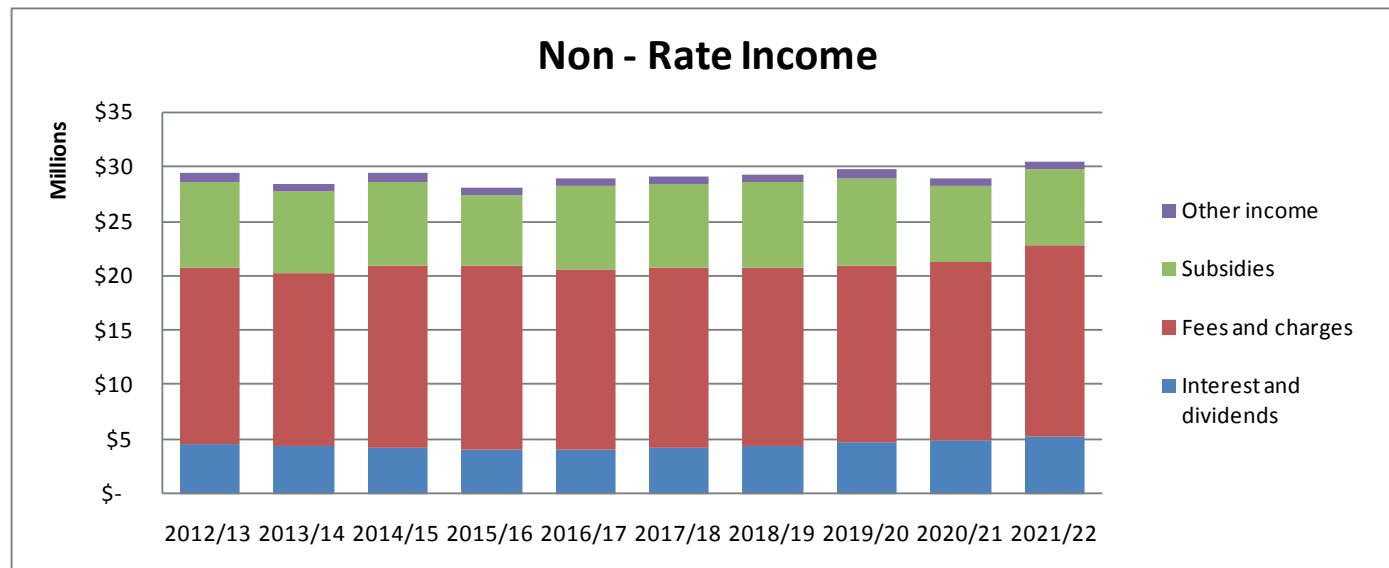
Forestry assets are held as long term investments on the basis of their net positive discounted cashflows, factoring in projected market prices and annual maintenance and cutting costs and to maintain the land upon which the Council’s forestry investment is held.

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.

The Council's forecast level of borrowings and investments for the 10 years of the LTP is shown in the graph below.

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%

Based on the forecast financial position within the LTP, the limit on borrowings would be \$128 million.

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 owned. 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.

The Council is proposing and consulting within the Ten Year Plan, to become a shareholder in the Local Government Funding Agency (LGFA). It is indicated that access to the LGFA would mean Council would be able to achieve a lower cost of funding for the Council.

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.

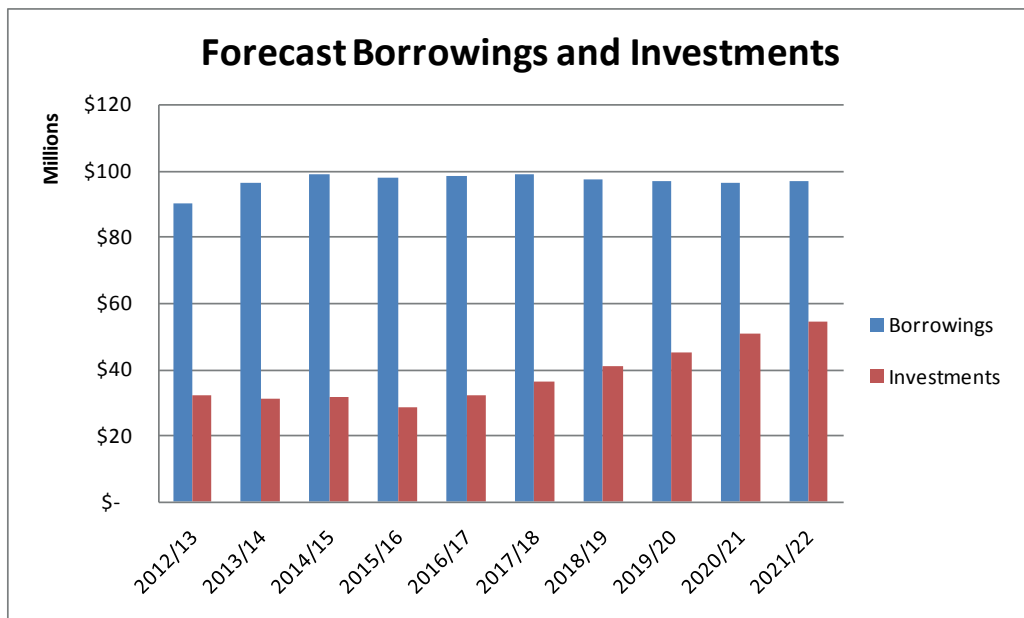
The Council has designed its financial policies to be prudent and fair to current and future ratepayers. Current ratepayers pay for the services they have available to them now, including a contribution to the cost of replacing the infrastructure they use. All ratepayers, current and future, pay for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

The Council holds reserves for particular purposes including for future asset replacements and repayment of loans over the life of the assets which extends beyond the 10 years shown in this plan. This is to ensure intergenerational equity.

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.



Significant Forecasting Assumptions

The Council has applied a number of assumptions in planning for the next ten years and preparing the 2012 – 22 Long Term Plan. Assumptions reflect some of the issues that may impact on Council activities in the next ten years, including their anticipated effects and costs. Some assumptions apply across the whole Council operation, whereas others only apply to certain activities. Where an assumption is regarded as ‘significant’,

it may have material effects on one or more of the following elements - Council revenue, Council expenditure, financing of work programmes and capital projects, the operation of strategic assets (e.g. wastewater treatment) and the ability of the Council to deliver intended service levels.

Assumptions listed below are based on the best available data to Council at this time, including research conducted for the Council

and the results of work by nationally based organisations and government departments. However, the Council recognises that assumptions, by their very nature, are subject to change and unpredictability.

The following assumptions apply across the whole Council operation, organised into General and Financial Assumptions. The Local Government Act 2002 requires the

Council to identify significant forecasting assumptions and the risks underlying the financial estimates. Where there is a high level of uncertainty, Council is required to state the reason for that level of uncertainty and provide an estimate of the potential effects on the financial estimates. These are illustrated in the table in this section.

General Assumptions									
Assumption	Confidence Level			Risk	Risk Level			Consequence of variation to assumption	Mitigation Approach
	High	Med	Low		High	Med	Low		
<p>1. Population Change</p> <p>Assumption: The District’s Population is expected to change by between 0.5% - 5.3% to 2021 and -1.8% - 7% to 2031.</p> <p>Comment: This population change is projected to occur largely in rural areas and some smaller townships. The Timaru District has historically been characterised by slow but consistent population growth, with pockets of stronger growth in some locations and communities.</p>		✓		Population change across the district occurs at a higher or lower rate than expected			✓	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>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>2. Household Change</p> <p>Assumption: The District’s households are expected to grow by between 8.7%-12.6% to 2021 and 9.3%-16.7% to 2031.</p> <p>Comment: This household change is projected to occur largely in urban areas of the district. 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.</p>		✓		Household change across the district occurs at a higher or lower rate than expected			✓	A slower rate of household growth may mean some activities have overinvested in infrastructure (i.e. have too much capacity too soon).	<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>

General Assumptions

Assumption	Confidence Level			Risk	Risk Level			Consequence of variation to assumption	Mitigation Approach
	High	Med	Low		High	Med	Low		
<p>3. Useful Life of Significant Assets</p> <p>Assumption: It is assumed that no significant assets will fail before the end of their useful lives as determined accordance with the depreciation rates set out in the accounting policies.</p> <p>Comment: Useful lives are detailed for significant assets in Asset/Activity Management Plans. These provide information to support replacement and renewals plans. The useful lives are used in the calculation of depreciation are stated in the Council's Accounting Policies under the Depreciation section.</p>		✓		Assets fail sooner or later than expected.			✓	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 interest and depreciation expenses. Negative impacts are likely to be at least partially offset by some assets lasting longer than estimated.
<p>4. Demographic Changes</p> <p>Assumption: The District's Population is expected to age significantly into the future.</p> <p>Comment: The most notable change is a projected ageing population with an anticipated 31.7% (or nearly 14,000 people) of the Timaru District population above the age of 65 by 2031 (2006: 18.3% or 8,000 people). The proportion of the population in age brackets below 40 is expected to reduce. Gender-wise, the population will remain fairly balanced with a slight increase in the proportion of male to female over time. Ethnically, the population is expected to remain largely NZ European/New Zealander with a slowly increasing Maori population.</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. Council will continue to monitor demographic change in the District and adapt or redirect activity provision to meet needs where possible within reasonable costs.
<p>5. Joint Venture Arrangements/Council Controlled Organisations</p> <p>Assumption: Existing joint venture 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.	Joint venture arrangements or CCO creation are undertaken following analysis of the potential benefits and costs and any proposed changes are subject to robust analysis. Where government legislation is involved, this will be monitored for any impacts on joint venture arrangements.
<p>6. Central Government legislation</p> <p>Assumption: Central government policy relating to activities that Councils are involved in will change over the period of the Long Term Plan.</p> <p>Comment: 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, Waste Management and Transport.</p>	✓			The impact of government legislation is more or less than expected. New legislation is introduced that has a major impact upon one or more Council activities.	✓			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.	Council will regularly monitor existing and potential legislative change across its activities as it moves through the parliamentary cycle. The Council will submit on legislation where appropriate to encourage reduced or improved impacts on Council operations and value for money for ratepayers. Where legislation requires review of Council processes or staffing, the Council will seek to achieve the most efficient and cost effective way forward.

General Assumptions

Assumption	Confidence Level			Risk	Risk Level			Consequence of variation to assumption	Mitigation Approach
	High	Med	Low		High	Med	Low		
<p>7. Climate Change</p> <p>Assumption: Climate change will impact on the Council's operations and will require an appropriate response to adapt and prepare for potential impacts.</p> <p>Comment: 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 will 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.		✓		Unrealised effects of climate change are likely to create additional costs to mitigate their impacts, such as improving protection of critical infrastructure.	Council activities will build appropriate mitigation responses into infrastructure development.
<p>8. Oil Price Fluctuations</p> <p>Assumption: Oil prices will continue to fluctuate due to international influences.</p> <p>Comment: Council is affected directly by rising fuel costs due to its use of fuel to conduct much of its business and in the cost of roading. A prolonged price rise would likely have a significant effect on the district economy and Council operational and capital work programmes.</p>			✓	That oil prices rise higher than predicted.		✓		Increased oil prices may directly flow into the Council's ability to complete programmed work within budget.	The impact of increasing oil prices will be monitored, along with its impact on contract pricing. Work programmes may need to be changed to fit funding. No specific allowance has been made in budgets to accommodate oil price volatility.
<p>9. Resource Consent Renewals</p> <p>Assumption: Major resource consents for projects will be renewed during the period of the Long Term Plan.</p> <p>Comment: Resource consents due for renewal can be found within the relevant Activity Management Plan for individual activities.</p>	✓			A major resource consent is not renewed or conditions imposed are unacceptable.			✓	The 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.	Appropriate planning for resource consent renewals should ensure that they are obtained.
<p>10. Service Levels</p> <p>Assumption: Service levels are retained at existing levels subject to expectations imposed by new legislation and the construction of new facilities or infrastructure.</p>		✓		Increased service levels are demanded by the community or imposed by the government on local authorities		✓		Increased or improved service levels inevitably bring additional cost or resources required to provide them.	The Council regularly monitors existing service provision within its operation.

Financial Assumptions

Assumption	Confidence Level			Risk	Risk Level			Consequence of variation to assumption	Mitigation Approach
	High	Med	Low		High	Med	Low		
<p>1. Inflation</p> <p>Assumption: The LTP is prepared on a zero inflation basis beyond 2012/13.</p> <p>Comment: Council prepares the financial statements in the LTP on the assumption of zero inflation given the inherent unreliability of inflation predictions. The inclusion of inflation could seriously undermine the qualitative characteristics of the LTP.</p> <p>This allows the community the greatest opportunity to understand the financial implications of the decisions being made utilising information in the LTP.</p> <p>The Council does recognise that some inflation is inevitable over the next 10 years, albeit at an unpredictable rate. Therefore, supplementary information is included in this section, including a Total Rate Requirement table, Income Statement, Statement of Cashflows and Balance Sheet which include inflation at 3.52% per annum.</p> <p>This inflation figure of 3.52% was derived by calculating the average inflation rate estimated by BERL who were commissioned by the Society of Local Government Managers and the Office of the Auditor General in September 2011 to provide local government with an estimate on inflation over the period covered by the LTP.</p> <p>This information is provided to the community to show the impact of inflation on the Total Rate Requirement over the period covered by the LTP. It also illustrates the impact of inflation on the total operating costs and other revenue of the Council.</p>			✓	The rate of inflation differs from that assumed		✓		<p>A significant change in inflation will result in changed income and expenditure. These 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 where necessary.</p> <p>Inflation will be added as part of the normal Annual Plan process. This will reflect latest information available, and in the Council's opinion represents a more accurate approach.</p>
<p>2. Interest Rates on borrowing</p> <p>Assumption: Interest on borrowing is assumed to be 7.0%.</p> <p>Comment: Forecast financial statements are prepared on the assumption that Council's status of shareholder and member of the Local Government Funding Agency (LGFA) has no impact on the forecasts.</p>		✓		Forecast interest rates on borrowing are higher or lower than forecast		✓		<p>Council costs could increase or decrease as interest rates fluctuate up and down.</p> <p>Based on Council's projected debt levels, interest cost would increase/decrease by \$839,800 and \$1,005,000 per year for each 1% movement in effective interest rate.</p>	<p>Council hedges interest rate exposures as per the Liability Management Policy.</p>

Financial Assumptions

Assumption	Confidence Level			Risk	Risk Level			Consequence of variation to assumption	Mitigation Approach
	High	Med	Low		High	Med	Low		
3. Return on investments Assumptions: Bank deposits and bond portfolio assumed return is 5.0% Timaru District Holdings Limited assumed return is \$1.84 to \$2.17 dividend per share annually, Forestry assumed return is \$0 over the 10 years.	✓			Forecast returns are higher or lower than forecast		✓		Council income could increase or decrease as investment returns fluctuate up and down. A 1% decrease in dividend will reduce Council's income by up to \$21,727 pa.	Council maintains a long term investment portfolio with fixed interest rates which minimises fluctuations. Investments are also managed using the Investment policy the minimise risks. Changes in investment returns are generally partially offset by a change in borrowing costs.
4. Funding Sources Assumptions: Funding sources will not change over the three year life of this plan Comment: Funding sources are specified in the Revenue and Financing Policy and Financial Strategy. This applies to fees, charges and external funding towards projects and assets. It is assumed that the policy of not collecting Development Contributions will continue.		✓		Projected revenue from user charges is not achieved. Major industrial users leave the district		✓		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. Project and asset funding could result in projects being revised or alternative funding sources used.	Levels of revenue from user charges have been set at realistic levels. 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 contact is maintained with these consumers. Funding for projects and assets is considered before the commencement of each project or asset.
5. Credit availability Assumption: Credit can be obtained from financial markets on competitive terms and conditions.	✓			Required credit cannot be obtained from financial institutions		✓		Funding would need to be obtained from alternative sources or work programmes adjusted.	Prudent debt levels are maintained to mitigate risk for financial institutions. Relationships are maintained with various financial institutions and Council regularly monitors credit markets.
6. Costs Assumption: Costs will remain stable over the period of the LTP (refer also to inflation assumption). Maintenance expenditure has been based on historical trends.			✓	Costs are higher or lower than anticipated		✓		Variability of prices, such as for oil, could cause variability in costs	The Council will review its budget annually through the LTP/Annual Plan process and may adjust work programmes/budgets where necessary.
7. Currency fluctuations Assumptions: Currency fluctuations are not forecast to cause significant variability in Council costs. Exchange rates are forecast to remain unchanged from current rates.		✓		Exchange rates fluctuate more than expected.			✓	Variability of prices from international suppliers could cause variability in Council costs.	Council purchases goods predominantly from New Zealand suppliers with contracts in New Zealand dollars.

Financial Assumptions

Assumption	Confidence Level			Risk	Risk Level			Consequence of variation to assumption	Mitigation Approach
	High	Med	Low		High	Med	Low		
<p>8. NZ Transport Agency Subsidies</p> <p>Assumption: There will be no changes to the funding regime administered by the New Zealand Transport Agency, including funding criteria and NZTA funding.</p> <p>Comment: Subsidy rates are currently between 53% and 65% depending on the nature of the project.</p>		✓		Changes in NZTA Subsidy rates or to criteria for roading and footpath projects		✓		Funding would need to be obtained from alternative sources or work programmes adjusted. The Level of Service may need to be adjusted.	The Council will review its budget annually through the LTP/Annual Plan process and may adjust work programmes/budgets where necessary.
<p>9. Emissions Trading Scheme</p> <p>Assumptions:</p> <p>NZUs will be received for pre 1990's forests in 2012. Some NZU's will be surrendered over the term of the LTP for deforestation.</p> <p>It will cost \$16.50 per tonne of waste based on a price of \$15 per NZU and using the default emissions factor for landfill emissions.</p>		✓		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. Landfill costs could vary resulting in changing landfill user charges.	Forestry assets are maintained with a long term view but programmes are reviewed annually. Any sale of forestry land will compensate for the loss of NZUs and associated benefits. Landfill costs and waste volumes are monitored continuously.
<p>10. Asset depreciation rates</p> <p>Assumption: Asset depreciation rates will not change as shown in the Accounting policies.</p> <p>Comment: Depreciation rates are shown in the Accounting Policies. The following average depreciation rates have been used for planned asset acquisitions:</p> <ul style="list-style-type: none"> • Buildings 2.0% • Roads 1.5% • Water 1.0% • Wastewater 1.5% • Stormwater 1.0% • Office equipment 20.0% • Computers 30.0% • Plant & vehicles 20.0% 	✓			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.
<p>11. Revaluation of significant fixed assets</p> <p>Assumption: The Council have adopted deemed cost as its approach to revaluation.</p> <p>Comment: 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>	✓			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.

Supplementary information - TDC Long Term Plan 2012/22 Inflation Adjusted Tables

Table 1: Total Rate Requirement

	Budget	Budget	Budget	Budget	Budget	Budget	Budget	Budget	Budget	Budget
	2012/13	2013/14	2014/15	2015/16	2016/17	2017/18	2018/19	2019/20	2020/21	2021/22
	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
General Rates and Charges	20,244,900	21,502,600	22,731,200	24,105,900	25,100,300	25,816,600	26,845,600	27,675,700	28,919,100	29,848,900
TOTAL DISTRICT WIDE RATES	20,244,900	21,502,600	22,731,200	24,105,900	25,100,300	25,816,600	26,845,600	27,675,700	28,919,100	29,848,900
Community Works and Services Rate	2,311,800	2,683,600	2,776,500	2,793,300	2,890,700	2,936,700	3,041,800	3,134,600	3,205,700	3,295,400
Community Board Charges	16,500	16,500	16,500	16,500	16,500	16,500	16,500	16,500	16,500	16,500
Community Centre Charge	13,700	13,700	13,700	13,700	13,700	13,700	13,700	13,700	13,700	13,700
Sewer Charges	5,750,000	7,100,000	7,100,000	7,100,000	7,100,000	7,100,000	7,100,000	7,100,000	7,100,000	7,100,000
Refuse Charges	5,344,000	5,547,800	5,810,800	6,045,700	6,274,600	6,476,900	6,672,500	6,881,700	7,091,600	7,330,700
Water Charges	5,174,500	5,335,700	5,749,400	6,374,000	6,747,000	6,982,500	7,125,000	7,130,500	7,181,000	7,227,500
	38,855,400	42,199,900	44,198,100	46,449,100	48,142,800	49,342,900	50,815,100	51,952,700	53,527,600	54,832,700
G.S.T. INCLUSIVE	44,683,710	48,529,886	50,827,815	53,416,465	55,364,220	56,744,335	58,437,365	59,745,605	61,556,740	63,057,605

Table 2: Statement of Comprehensive Income

	Budget	Budget	Budget	Budget	Budget	Budget	Budget	Budget	Budget	Budget
	2012/13	2013/14	2014/15	2015/16	2016/17	2017/18	2018/19	2019/20	2020/21	2021/22
	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
INCOME										
Rates Income	38,855,400	42,199,900	44,198,100	46,449,100	48,142,800	49,342,900	50,815,100	51,952,700	53,527,600	54,832,700
Interest and Dividends	4,515,732	4,337,430	4,178,312	3,921,180	3,887,584	4,027,024	4,177,000	4,304,218	4,433,710	4,521,656
Other Income	24,876,204	24,841,632	26,665,048	26,313,524	28,093,334	28,895,686	29,460,984	30,606,146	30,277,018	32,818,154
Other Gains/(Losses)	0	0	0	0	0	0	0	0	0	0
TOTAL INCOME	68,247,336	71,378,962	75,041,460	76,683,804	80,123,718	82,265,610	84,453,084	86,863,064	88,238,328	92,172,510
EXPENDITURE										
Employee benefit expenses	11,690,500	12,095,400	12,542,000	12,961,000	13,411,200	13,954,700	14,406,500	14,913,600	15,438,500	15,982,000
Operating costs	31,471,892	32,980,006	33,781,374	34,954,854	36,262,698	37,244,208	39,132,494	40,703,278	41,434,748	42,996,992
Interest	5,799,000	6,622,500	6,899,800	7,132,400	7,009,500	7,080,200	7,063,406	7,036,100	7,024,506	7,096,206
Depreciation	16,829,818	17,306,818	17,890,132	18,322,698	18,678,614	18,972,434	19,283,736	19,572,288	19,871,676	20,192,720
TOTAL EXPENDITURE	65,791,210	69,004,724	71,113,306	73,370,952	75,362,012	77,251,542	79,886,136	82,225,266	83,769,430	86,267,918
NET SURPLUS ATTRIBUTABLE TO RATEPAYERS	2,456,126	2,374,238	3,928,154	3,312,852	4,761,706	5,014,068	4,566,948	4,637,798	4,468,898	5,904,592

Table 3: Statement of Financial Position

	Budget	Budget	Budget	Budget	Budget	Budget	Budget	Budget	Budget	Budget
	2012/13	2013/14	2014/15	2015/16	2016/17	2017/18	2018/19	2019/20	2020/21	2021/22
	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
EQUITY										
Retained Earnings	690,835,397	694,587,438	698,930,594	705,832,128	708,281,492	710,280,112	712,401,844	714,845,738	716,792,792	722,316,318
Special Fund Reserves	20,042,646	18,664,843	18,249,841	14,661,159	16,973,501	19,988,949	22,434,165	24,628,069	27,149,913	27,530,979
TOTAL EQUITY	710,878,043	713,252,282	717,180,436	720,493,288	725,254,994	730,269,062	734,836,010	739,473,808	743,942,706	749,847,298
CURRENT ASSETS										
Cash and Bank balances	9,490,657	9,241,536	9,086,336	9,178,836	9,285,636	9,092,336	9,190,436	9,119,136	9,224,736	9,639,336
Short Term Deposits	6,272,000	6,272,000	6,272,000	6,272,000	6,272,000	6,272,000	6,272,000	6,272,000	6,272,000	6,272,000
Receivables and Prepayments	6,946,000	6,946,000	6,946,000	6,946,000	6,946,000	6,946,000	6,946,000	6,946,000	6,946,000	6,946,000
Inventories	59,000	59,000	59,000	59,000	59,000	59,000	59,000	59,000	59,000	59,000
Total Current Assets	22,767,657	22,518,536	22,363,336	22,455,836	22,562,636	22,369,336	22,467,436	22,396,136	22,501,736	22,916,336
NON-CURRENT ASSETS										
Investments	31,870,646	30,487,843	30,067,841	26,474,159	28,786,501	31,801,949	34,247,165	36,441,069	38,962,913	39,343,979
Fixed Assets	763,206,140	773,895,302	781,353,158	788,335,192	792,049,456	795,187,076	796,094,602	799,258,390	800,431,044	808,589,970
Total Non-Current Assets	795,076,786	804,383,145	811,420,999	814,809,351	820,835,957	826,989,025	830,341,767	835,699,459	839,393,957	847,933,949
TOTAL ASSETS	817,844,443	826,901,682	833,784,336	837,265,188	843,398,594	849,358,362	852,809,204	858,095,596	861,895,694	870,850,286
CURRENT LIABILITIES										
Payables and Accruals	9,415,000	9,415,000	9,476,600	9,523,200	9,569,300	9,673,100	9,707,500	9,741,500	9,741,500	9,741,500
Current Portion of Term Debt	15,043,500	11,645,600	23,285,600	14,333,900	18,482,600	9,490,300	4,498,700	6,230,200	17,231,700	20,729,200
Total Current Liabilities	24,458,500	21,060,600	32,762,200	23,857,100	28,051,900	19,163,400	14,206,200	15,971,700	26,973,200	30,470,700
NON-CURRENT LIABILITIES										
Term Debt	75,100,900	85,042,200	76,214,400	85,189,100	82,264,200	92,051,300	95,772,894	94,532,888	82,702,188	82,090,888
Other Term Liabilities	7,407,000	7,546,600	7,627,300	7,725,700	7,827,500	7,874,600	7,994,100	8,117,200	8,277,600	8,441,400
	82,507,900	92,588,800	83,841,700	92,914,800	90,091,700	99,925,900	103,766,994	102,650,088	90,979,788	90,532,288
TOTAL LIABILITIES	106,966,400	113,649,400	116,603,900	116,771,900	118,143,600	119,089,300	117,973,194	118,621,788	117,952,988	121,002,988
NET ASSETS	710,878,043	713,252,282	717,180,436	720,493,288	725,254,994	730,269,062	734,836,010	739,473,808	743,942,706	749,847,298

Table 4: Statement of Cashflows

	Budget	Budget	Budget	Budget	Budget	Budget	Budget	Budget	Budget	Budget
	2012/13	2013/14	2014/15	2015/16	2016/17	2017/18	2018/19	2019/20	2020/21	2021/22
	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
CASHFLOWS FROM OPERATING ACTIVITIES										
Cash was provided from:										
Receipts from customers	16,529,104	16,816,132	18,303,498	19,133,524	19,332,634	19,831,586	20,341,584	20,897,146	21,673,818	23,999,454
Rates	39,255,400	42,599,900	44,598,100	46,799,100	48,442,800	49,642,900	51,115,100	52,252,700	53,827,600	55,132,700
Subsidies	7,907,100	7,584,000	7,918,750	6,785,600	8,414,700	8,716,500	8,770,200	9,358,100	8,250,400	8,464,000
Interest	2,308,032	2,209,730	2,150,612	2,043,480	2,009,884	2,149,324	2,299,300	2,426,518	2,556,010	2,643,956
Dividends	2,207,700	2,127,700	2,027,700	1,877,700	1,877,700	1,877,700	1,877,700	1,877,700	1,877,700	1,877,700
	68,207,336	71,337,462	74,998,660	76,639,404	80,077,718	82,218,010	84,403,884	86,812,164	88,185,528	92,117,810
Cash was applied to:										
Payments to employees	(11,690,500)	(12,095,400)	(12,542,000)	(12,961,000)	(13,411,200)	(13,954,700)	(14,406,500)	(14,913,600)	(15,438,500)	(15,982,000)
Payments to suppliers	(31,408,292)	(32,916,406)	(33,717,774)	(34,891,254)	(36,199,098)	(37,180,608)	(39,068,894)	(40,639,678)	(41,371,148)	(42,933,392)
Interest paid	(5,799,000)	(6,622,500)	(6,899,800)	(7,132,400)	(7,009,500)	(7,080,200)	(7,063,406)	(7,036,100)	(7,024,506)	(7,096,206)
Income Tax paid	0	0	0	0	0	0	0	0	0	0
	(48,897,792)	(51,634,306)	(53,159,574)	(54,984,654)	(56,619,798)	(58,215,508)	(60,538,800)	(62,589,378)	(63,834,154)	(66,011,598)
NET CASHFLOWS FROM OPERATING ACTIVITIES	19,309,544	19,703,156	21,839,086	21,654,750	23,457,920	24,002,502	23,865,084	24,222,786	24,351,374	26,106,212
CASHFLOWS FROM INVESTING ACTIVITIES										
Cash was provided from:										
Sale of fixed assets	719,000	34,000	34,000	34,000	34,000	34,000	34,000	34,000	34,000	34,000
Sale of investments (special funds)	17,298,520	16,683,280	16,706,638	20,359,632	14,631,278	14,162,454	15,070,668	15,511,482	15,576,230	17,882,746
Mortgages/advances repaid	220,000	220,000	220,000	220,000	220,000	220,000	220,000	220,000	220,000	220,000
	18,237,520	16,937,280	16,960,638	20,613,632	14,885,278	14,416,454	15,324,668	15,765,482	15,830,230	18,136,746
Cash was applied to:										
Purchases of fixed assets	(39,056,120)	(27,912,480)	(25,260,488)	(25,212,932)	(22,296,578)	(22,009,154)	(20,085,762)	(22,625,676)	(20,928,730)	(28,230,746)
Purchase of investments	(15,239,744)	(15,305,477)	(16,291,636)	(16,770,950)	(16,943,620)	(17,177,902)	(17,515,884)	(17,705,386)	(18,098,074)	(18,263,812)
Mortgages/advances made	(215,000)	(215,000)	(215,000)	(215,000)	(220,000)	(220,000)	(220,000)	(220,000)	(220,000)	(220,000)
	(54,510,864)	(43,432,957)	(41,767,124)	(42,198,882)	(39,460,198)	(39,407,056)	(37,821,646)	(40,551,062)	(39,246,804)	(46,714,558)
NET CASHFLOWS FROM INVESTING ACTIVITIES	(36,273,344)	(26,495,677)	(24,806,486)	(21,585,250)	(24,574,920)	(24,990,602)	(22,496,978)	(24,785,580)	(23,416,574)	(28,577,812)

	Budget	Budget	Budget	Budget	Budget	Budget	Budget	Budget	Budget	Budget
	2012/13	2013/14	2014/15	2015/16	2016/17	2017/18	2018/19	2019/20	2020/21	2021/22
	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
CASHFLOWS FROM FINANCING ACTIVITIES										
Cash was provided from:										
Loans raised	23,009,200	21,586,900	14,457,800	23,308,600	15,557,700	19,277,400	8,220,294	4,990,194	5,401,000	20,117,900
	23,009,200	21,586,900	14,457,800	23,308,600	15,557,700	19,277,400	8,220,294	4,990,194	5,401,000	20,117,900
Cash was applied to:										
Settlement of loans	(7,377,500)	(15,043,500)	(11,645,600)	(23,285,600)	(14,333,900)	(18,482,600)	(9,490,300)	(4,498,700)	(6,230,200)	(17,231,700)
	(7,377,500)	(15,043,500)	(11,645,600)	(23,285,600)	(14,333,900)	(18,482,600)	(9,490,300)	(4,498,700)	(6,230,200)	(17,231,700)
NET CASHFLOWS FROM FINANCING ACTIVITIES	15,631,700	6,543,400	2,812,200	23,000	1,223,800	794,800	(1,270,006)	491,494	(829,200)	2,886,200
NET INCREASE (DECREASE) IN CASH HELD	(1,332,100)	(249,121)	(155,200)	92,500	106,800	(193,300)	98,100	(71,300)	105,600	414,600
Cash at beginning of the year	17,094,758	15,762,657	15,513,536	15,358,336	15,450,836	15,557,636	15,364,336	15,462,436	15,391,136	15,496,736
CASH AT END OF THE YEAR	15,762,657	15,513,536	15,358,336	15,450,836	15,557,636	15,364,336	15,462,436	15,391,136	15,496,736	15,911,336
Represented by:										
Cash & Bank Balances	9,490,657	9,241,536	9,086,336	9,178,836	9,285,636	9,092,336	9,190,436	9,119,136	9,224,736	9,639,336
Short Term Deposits	6,272,000	6,272,000	6,272,000	6,272,000	6,272,000	6,272,000	6,272,000	6,272,000	6,272,000	6,272,000
	15,762,657	15,513,536	15,358,336	15,450,836	15,557,636	15,364,336	15,462,436	15,391,136	15,496,736	15,911,336

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 Income Council is forecasting operating surpluses for each of the ten years commencing 1 July 2012.

In its forecast Statement of Comprehensive Income, Council is reporting surpluses in each of the ten years due to forecast income 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 Income. 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 Income and, due to the matters noted above, it is necessary for forecast income to exceed forecast expenditure in the Forecast Statement of Comprehensive Income.

Forecast Financial Information

These prospective financial statements were authorised for issue by Timaru District Council on 26 June 2012. 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 (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 2012 - 2022 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 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 2012 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 over the ten years 2012 to 2022, 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. A new LTP will be completed in 2015.

Forecast Statement of Comprehensive Income

for the year ended 30 June

	Budget	Budget	Budget	Budget	Budget	Budget	Budget	Budget	Budget	Budget	Budget
	2011/12	2012/13	2013/14	2014/15	2015/16	2016/17	2017/18	2018/19	2019/20	2020/21	2021/22
	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
INCOME											
Rates Income	35,371,550	38,855,400	41,280,900	42,326,100	43,244,300	43,764,100	43,720,000	43,720,300	43,673,100	43,554,800	43,389,500
Interest and Dividends	4,252,758	4,515,732	4,350,382	4,232,966	4,013,976	4,026,082	4,237,482	4,481,154	4,720,638	4,984,514	5,235,920
Other Income	25,534,904	24,876,204	24,107,804	25,097,304	24,035,504	24,932,404	24,883,304	24,728,004	24,929,104	23,975,104	25,164,404
Other Gains/(Losses)	0	0	0	0	0	0	0	0	0	0	0
TOTAL INCOME	65,159,212	68,247,336	69,739,086	71,656,370	71,293,780	72,722,586	72,840,786	72,929,458	73,322,842	72,514,418	73,789,824
EXPENDITURE											
Employee benefit expenses	11,636,700	11,690,500	11,684,100	11,703,600	11,683,300	11,678,100	11,738,100	11,706,100	11,706,100	11,706,100	11,706,100
Operating costs	28,515,138	31,471,892	31,894,802	31,593,192	31,614,246	31,715,006	31,495,862	31,995,436	32,176,752	31,674,186	31,778,178
Interest	4,983,600	5,799,000	6,612,900	6,873,900	7,048,000	6,855,800	6,891,900	6,854,706	6,789,300	6,746,406	6,753,106
Depreciation	15,745,580	16,829,818	17,302,754	17,859,174	18,241,762	18,535,550	18,758,832	18,985,466	19,181,108	19,374,766	19,575,948
TOTAL EXPENDITURE	60,881,018	65,791,210	67,494,556	68,029,866	68,587,308	68,784,456	68,884,694	69,541,708	69,853,260	69,501,458	69,813,332
NET SURPLUS ATTRIBUTABLE TO RATEPAYERS	4,278,194	2,456,126	2,244,530	3,626,504	2,706,472	3,938,130	3,956,092	3,387,750	3,469,582	3,012,960	3,976,492

Forecast Statement of Movements in Equity

for the year ended 30 June

	Budget	Budget	Budget	Budget	Budget	Budget	Budget	Budget	Budget	Budget	Budget
	2011/12	2012/13	2013/14	2014/15	2015/16	2016/17	2017/18	2018/19	2019/20	2020/21	2021/22
	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
EQUITY AT BEGINNING OF THE YEAR	705,540,000	708,421,918	710,878,043	713,122,574	716,749,078	719,455,550	723,393,680	727,349,772	730,737,522	734,207,104	737,220,064
Net surplus for the year	4,278,194	2,456,126	2,244,530	3,626,504	2,706,472	3,938,130	3,956,092	3,387,750	3,469,582	3,012,960	3,976,492
Total recognised revenues and expenses	4,278,194	2,456,126	2,244,530	3,626,504	2,706,472	3,938,130	3,956,092	3,387,750	3,469,582	3,012,960	3,976,492
EQUITY AT THE END OF THE YEAR	709,818,194	710,878,043	713,122,574	716,749,078	719,455,550	723,393,680	727,349,772	730,737,522	734,207,104	737,220,064	741,196,556

Forecast Statements of Movements in Retained Earnings

for the year ended 30 June

	Budget	Budget	Budget	Budget	Budget	Budget	Budget	Budget	Budget	Budget	Budget
	2011/12	2012/13	2013/14	2014/15	2015/16	2016/17	2017/18	2018/19	2019/20	2020/21	2021/22
	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
RETAINED EARNINGS AT 1 JULY	680,445,000	686,320,496	690,835,397	693,984,782	696,972,268	702,886,766	703,203,576	702,789,104	701,624,504	700,861,462	698,438,656
Net surplus for the year	4,278,194	2,456,126	2,244,530	3,626,504	2,706,472	3,938,130	3,956,092	3,387,750	3,469,582	3,012,960	3,976,492
Transfers to Reserves	(14,158,524)	(15,239,744)	(15,292,405)	(16,289,078)	(16,683,034)	(16,747,980)	(16,940,824)	(17,199,516)	(17,356,490)	(17,683,326)	(17,841,240)
Transfers from Reserves	22,073,820	17,298,520	16,197,260	15,650,060	19,891,060	13,126,660	12,570,260	12,647,166	13,123,866	12,247,560	14,165,360
RETAINED EARNINGS AT 30 JUNE	692,638,490	690,835,397	693,984,782	696,972,268	702,886,766	703,203,576	702,789,104	701,624,504	700,861,462	698,438,656	698,739,268

Forecast Statement of Financial Position

as at 30 June

	Budget	Budget	Budget	Budget	Budget	Budget	Budget	Budget	Budget	Budget	Budget
	2011/12	2012/13	2013/14	2014/15	2015/16	2016/17	2017/18	2018/19	2019/20	2020/21	2021/22
	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
EQUITY											
Retained Earnings	692,638,490	690,835,397	693,984,782	696,972,268	702,886,766	703,203,576	702,789,104	701,624,504	700,861,462	698,438,656	698,739,268
Special Fund Reserves	17,179,704	20,042,646	19,137,791	19,776,809	16,568,783	20,190,103	24,560,667	29,113,017	33,345,641	38,781,407	42,457,287
TOTAL EQUITY	709,818,194	710,878,043	713,122,574	716,749,078	719,455,550	723,393,680	727,349,772	730,737,522	734,207,104	737,220,064	741,196,556
CURRENT ASSETS											
Cash & Bank Balances	9,478,650	9,490,657	9,311,736	9,272,436	9,300,836	9,520,936	9,722,236	9,903,236	10,128,636	10,528,536	10,723,636
Short term deposits	7,372,000	6,272,000	6,272,000	6,272,000	6,272,000	6,272,000	6,272,000	6,272,000	6,272,000	6,272,000	6,272,000
Receivables and prepayments	6,946,000	6,946,000	6,946,000	6,946,000	6,946,000	6,946,000	6,946,000	6,946,000	6,946,000	6,946,000	6,946,000
Inventories	59,000	59,000	59,000	59,000	59,000	59,000	59,000	59,000	59,000	59,000	59,000
Total Current Assets	23,855,650	22,767,657	22,588,736	22,549,436	22,577,836	22,797,936	22,999,236	23,180,236	23,405,636	23,805,536	24,000,636
NON-CURRENT ASSETS											
Investments	28,903,704	31,870,646	30,960,791	31,594,809	28,381,783	32,003,103	36,373,667	40,926,017	45,158,641	50,594,407	54,270,287
Fixed Assets	754,291,040	763,206,140	772,945,546	778,738,232	783,304,230	784,264,140	784,097,568	781,512,362	780,170,214	776,743,608	777,924,820
Total Non-current assets	783,194,744	795,076,786	803,906,337	810,333,041	811,686,013	816,267,243	820,471,235	822,438,379	825,328,855	827,338,015	832,195,107
TOTAL ASSETS	807,050,394	817,844,443	826,495,074	832,882,478	834,263,850	839,065,180	843,470,472	845,618,616	848,734,492	851,143,552	856,195,744
CURRENT LIABILITIES											
Payables and accruals	9,415,000	9,415,000	9,415,000	9,476,600	9,523,200	9,569,300	9,673,100	9,707,500	9,741,500	9,741,500	9,741,500
Current Portion of Term Debt	7,377,500	15,043,500	11,645,500	23,285,500	14,333,900	18,482,500	9,242,700	4,412,200	4,801,200	16,742,900	20,292,500
Total Current Liabilities	16,792,500	24,458,500	21,060,500	32,762,100	23,857,100	28,051,800	18,915,800	14,119,700	14,542,700	26,484,400	30,034,000
NON-CURRENT LIABILITIES											
Term Debt	73,169,700	75,100,900	84,768,000	75,751,900	83,241,400	79,819,000	89,371,000	92,824,894	91,945,188	79,262,588	76,651,688
Other Term Liabilities	7,270,000	7,407,000	7,544,000	7,619,400	7,709,800	7,800,700	7,833,900	7,936,500	8,039,500	8,176,500	8,313,500
	80,439,700	82,507,900	92,312,000	83,371,300	90,951,200	87,619,700	97,204,900	100,761,394	99,984,688	87,439,088	84,965,188
TOTAL LIABILITIES	97,232,200	106,966,400	113,372,500	116,133,400	114,808,300	115,671,500	116,120,700	114,881,094	114,527,388	113,923,488	114,999,188
NET ASSETS	709,818,194	710,878,043	713,122,574	716,749,078	719,455,550	723,393,680	727,349,772	730,737,522	734,207,104	737,220,064	741,196,556

Forecast Statement of Cashflows

for the year ended 30 June

	Budget	Budget	Budget	Budget	Budget	Budget	Budget	Budget	Budget	Budget	Budget
	2011/12	2012/13	2013/14	2014/15	2015/16	2016/17	2017/18	2018/19	2019/20	2020/21	2021/22
	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
CASH FLOWS FROM OPERATING ACTIVITIES											
Cash was provided from:											
Receipts from customers	16,566,004	16,529,104	16,257,704	17,103,004	17,291,204	16,953,704	16,828,604	16,702,204	16,601,704	16,657,704	17,826,204
Rates	35,741,550	39,255,400	41,680,900	42,726,100	43,594,300	44,064,100	44,020,000	44,020,300	43,973,100	43,854,800	43,689,500
Subsidies	8,558,900	7,907,100	7,410,100	7,554,300	6,354,300	7,638,700	7,714,700	7,685,800	7,987,400	6,977,400	6,998,200
Interest	2,165,058	2,308,032	2,222,682	2,205,266	2,136,276	2,148,382	2,359,782	2,603,454	2,842,938	3,106,814	3,358,220
Dividends	2,087,700	2,207,700	2,127,700	2,027,700	1,877,700	1,877,700	1,877,700	1,877,700	1,877,700	1,877,700	1,877,700
	65,119,212	68,207,336	69,699,086	71,616,370	71,253,780	72,682,586	72,800,786	72,889,458	73,282,842	72,474,418	73,749,824
Cash was applied to:											
Payments to employees	(11,636,700)	(11,690,500)	(11,684,100)	(11,703,600)	(11,683,300)	(11,678,100)	(11,738,100)	(11,706,100)	(11,706,100)	(11,706,100)	(11,706,100)
Payments to suppliers	(28,451,538)	(31,408,292)	(31,831,202)	(31,529,592)	(31,550,646)	(31,651,406)	(31,432,262)	(31,931,836)	(32,113,152)	(31,610,586)	(31,714,578)
Interest paid	(4,983,600)	(5,799,000)	(6,612,900)	(6,873,900)	(7,048,000)	(6,855,800)	(6,891,900)	(6,854,706)	(6,789,300)	(6,746,406)	(6,753,106)
Income Tax paid	0	0	0	0	0	0	0	0	0	0	0
	(45,071,838)	(48,897,792)	(50,128,202)	(50,107,092)	(50,281,946)	(50,185,306)	(50,062,262)	(50,492,642)	(50,608,552)	(50,063,092)	(50,173,784)
NET CASH INFLOWS FROM OPERATING ACTIVITIES	20,047,374	19,309,544	19,570,884	21,509,278	20,971,834	22,497,280	22,738,524	22,396,816	22,674,290	22,411,326	23,576,040
CASH FLOWS FROM INVESTING ACTIVITIES											
Cash was provided from:											
Sale of fixed assets	34,000	719,000	34,000	34,000	34,000	34,000	34,000	34,000	34,000	34,000	34,000
Sale of investments (special funds)	22,073,820	17,298,520	16,197,260	15,650,060	19,891,060	13,126,660	12,570,260	12,647,166	13,123,866	12,247,560	14,165,360
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
	22,327,820	18,237,520	16,451,260	15,904,060	20,145,060	13,380,660	12,824,260	12,901,166	13,377,866	12,501,560	14,419,360

Forecast Statement of Cashflows

for the year ended 30 June

	Budget	Budget	Budget	Budget	Budget	Budget	Budget	Budget	Budget	Budget	Budget
	2011/12	2012/13	2013/14	2014/15	2015/16	2016/17	2017/18	2018/19	2019/20	2020/21	2021/22
	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
Cash was applied to:											
Purchases of fixed assets	(49,703,220)	(39,056,120)	(26,962,760)	(23,572,460)	(22,728,360)	(19,416,060)	(18,512,860)	(16,320,860)	(17,759,560)	(15,868,760)	(20,677,760)
Purchases of investments	(14,158,524)	(15,239,744)	(15,292,405)	(16,289,078)	(16,683,034)	(16,747,980)	(16,940,824)	(17,199,516)	(17,356,490)	(17,683,326)	(17,841,240)
Mortgages/advances made	(215,000)	(215,000)	(215,000)	(215,000)	(215,000)	(220,000)	(220,000)	(220,000)	(220,000)	(220,000)	(220,000)
	(64,076,744)	(54,510,864)	(42,470,165)	(40,076,538)	(39,626,394)	(36,384,040)	(35,673,684)	(33,740,376)	(35,336,050)	(33,772,086)	(38,739,000)
NET CASH INFLOWS FROM INVESTING ACTIVITIES	(41,748,924)	(36,273,344)	(26,018,905)	(24,172,478)	(19,481,334)	(23,003,380)	(22,849,424)	(20,839,210)	(21,958,184)	(21,270,526)	(24,319,640)
CASH FLOWS FROM FINANCING ACTIVITIES											
Cash was provided from:											
Loans raised	27,680,000	23,009,200	21,312,600	14,269,400	21,823,400	15,060,100	18,794,700	7,866,094	3,921,494	4,060,300	17,681,600
	27,680,000	23,009,200	21,312,600	14,269,400	21,823,400	15,060,100	18,794,700	7,866,094	3,921,494	4,060,300	17,681,600
Cash was applied to:											
Settlement of loans	(7,787,800)	(7,377,500)	(15,043,500)	(11,645,500)	(23,285,500)	(14,333,900)	(18,482,500)	(9,242,700)	(4,412,200)	(4,801,200)	(16,742,900)
	(7,787,800)	(7,377,500)	(15,043,500)	(11,645,500)	(23,285,500)	(14,333,900)	(18,482,500)	(9,242,700)	(4,412,200)	(4,801,200)	(16,742,900)
CASHFLOWS FROM FINANCING ACTIVITIES	19,892,200	15,631,700	6,269,100	2,623,900	(1,462,100)	726,200	312,200	(1,376,606)	(490,706)	(740,900)	938,700
NET INCREASE/(DECREASE) IN CASH HELD	(1,809,350)	(1,332,100)	(178,921)	(39,300)	28,400	220,100	201,300	181,000	225,400	399,900	195,100
Cash at Beginning of Year	18,660,000	17,094,758	15,762,657	15,583,736	15,544,436	15,572,836	15,792,936	15,994,236	16,175,236	16,400,636	16,800,536
CASH AT END OF YEAR	16,850,650	15,762,657	15,583,736	15,544,436	15,572,836	15,792,936	15,994,236	16,175,236	16,400,636	16,800,536	16,995,636
Represented by:											
Cash and Bank Balances	9,478,650	9,490,657	9,311,736	9,272,436	9,300,836	9,520,936	9,722,236	9,903,236	10,128,636	10,528,536	10,723,636
Short Term Deposits	7,372,000	6,272,000	6,272,000	6,272,000	6,272,000	6,272,000	6,272,000	6,272,000	6,272,000	6,272,000	6,272,000
	16,850,650	15,762,657	15,583,736	15,544,436	15,572,836	15,792,936	15,994,236	16,175,236	16,400,636	16,800,536	16,995,636

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 1 July 2012 (\$000)	Funds Deposited 2012-2022 (\$000)	Funds Withdrawn 2012-2022 (\$000)	Forecast Balance 30 June 2022 (\$000)
Aquatic Centre contributions	Parks, Recreation and Swimming Pools	Funds donated towards to Aquatic centre facility to be used for its construction and funding of interest payments.	868	81	949	0
Cemetery Future (Tu) Fund	Community Facilities	Development of future cemetery for Timaru.	133	31	162	2
Collett Bequest (Museum)	Cultural and Learning Facilities	For museum items.	26	12	10	28
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.	352	626	300	678
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.	141	0	0	141
Contingency Fund	All of Council	For emergency purposes as determined by Council.	443	313	0	756
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.	152	80,371	69,736	10,787
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.	46	58	0	104
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).	76	621	572	125
Depreciation Fund – Orari / Waihi Water	Water Supply	For the renewal and/or replacement of Water depreciable assets and for the repayment of loans associated with such assets.	1	0	1	0
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.	70	65	0	135
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.	0	83	83	0
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).	75	583	414	244
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.	404	859	1,125	138
Depreciation Fund - Sewer	Sewer	For the renewal and/or replacement of Sewer depreciable assets and for the repayment of loans associated with such assets.	1,867	28,496	27,589	2,774
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.	136	1,382	1,517	1

Name of Fund	Activity	Purpose	Forecast Balance 1 July 2012 (\$000)	Funds Deposited 2012-2022 (\$000)	Funds Withdrawn 2012-2022 (\$000)	Forecast Balance 30 June 2022 (\$000)
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).	105	1,213	1,119	199
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).	2,830	9,643	9,684	2,789
Depreciation Fund – Urban Water	Water Supply	For the renewal and/or replacement of Water depreciable assets and for the repayment of loans associated with such assets.	4,282	18,031	21,365	948
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.	172	3,322	1,935	1,559
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
Disaster Relief Fund	All of Council	For the replacement of infrastructural assets excluding roading in the event of a natural disaster.	2,210	1,181	0	3,391
District Recreation Facilities Fund	All of Council	To be used for the development of significant recreation facilities in the district.	575	308	0	883
Dowling Bequest	Cultural and Learning Facilities	For the purchase of Christian fiction literature for the library.	27	9	30	6
Downlands Asset Replacement Fund	Water Supply	Replacement of infrastructural assets relating to Downlands Water Supply Scheme.	2,051	7,526	5,751	3,826
Downlands Capital Contribution Reserve	Water Supply	For the provision of capital expenditure financed from capital contributions.	96	91	100	87
Economic Development Fund	Economic Development and District Promotions, Community Funding and Governance and Leadership	For economic development support.	261	190	40	411
Election Expenses Fund	Governance and Leadership	To provide for meeting election expenses.	36	355	327	64
Endowment Land Geraldine Fund	All of Council	From the proceeds of Endowment Land. For the purchase of similar land.	96	227	0	323
Forestry Development Fund	Parks, Recreation and Swimming Pools	To provide funding for the development of forests within the District.	235	492	361	366
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)	7	305	299	13
Investment Fund	All of Council	1. For the repayment of district wide loans. 2. For the funding district wide capital projects. 3. For provision of internal loans.	986	6,554	1,764	5,776
Joan & Percy Davis Library Trust (Ger)	Cultural and Learning Facilities	Interest to be used to purchase books for the Geraldine Library. (8/7/82)	2	0	1	1

Name of Fund	Activity	Purpose	Forecast Balance 1 July 2012 (\$000)	Funds Deposited 2012-2022 (\$000)	Funds Withdrawn 2012-2022 (\$000)	Forecast Balance 30 June 2022 (\$000)
Lattimore W A (Tu) Bequest	Cultural and Learning Facilities	Interest to be used for the purchasing of art works for the Aigantighe Art Gallery.	24	10	22	12
Mackay Bequest (Art Gallery)	Cultural and Learning Facilities	For the purchase of paintings.	195	138	0	333
Mackay Bequest (Library)	Cultural and Learning Facilities	For the purchase of books relating to art for the Timaru Library.	152	60	150	62
Main Creative Communities NZ Fund	Community Funding	Carried forward balance of Creative Communities NZ fund – main committee.	1	1	0	2
Main Drains Cost Sharing Fund	Sewer, Stormwater and Water Supply	Extension of main drains on a cost sharing basis.	440	708	0	1,148
Mayor's Welfare Fund	Governance and Leadership	Help out the needy as determined by the Mayor.	11	50	50	11
Museum Acquisition Fund/Alan Ward Fund	Cultural and Learning Facilities	For the purchase of articles for the Museum.	8	6	0	14
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.	669	402	185	886
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.	401	918	553	766
Property Development Fund	All of Council	For the purchase or development of land and improvement projects within the District.	50	33	0	83
R C Hervey Fund	Cultural and Learning Facilities	For providing improved services to the Timaru Library.	64	45	0	109
Reserves Development (Tu) Fund	Parks, Recreation and Swimming Pools	For the planting of trees and general development of reserves owned by the District Council within Timaru.	10	7	0	17
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.	81	199	249	31
Safer Community Funds	Safer Communities	For Safer Communities projects.	327	80	315	92
Social Housing Fund (TDC)	Social Housing	Funding of new social housing units and major maintenance.	5	449	5	449
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.	661	601	0	1,262
Te Moana Water Capital Contributions	Water Supply	For the provision of extensions to the Te Moana water network.	245	960	500	705
Timaru Ward Capital Asset and Loan Repayment Fund	All of Council	For the purpose of repayment of Timaru Ward separate rate loans and/or Timaru Ward Capital Projects.	17	12	0	29

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. These are part of the retained earnings of the Council.

Name of Fund	Forecast Balance 1 July 2012 (\$000)	Funds Deposited 2012-2022 (\$000)	Funds Withdrawn 2012-2022 (\$000)	Forecast Balance 30 June 2022 (\$000)
Aquatic Centre	0	17,747	17,747	0
Fairview Hall	0	35	35	0
Claremont Hall	0	44	44	0
Otipua Hall	0	14	14	0
Kingsdown Hall	0	44	44	0
Geraldine Works and Services	23	2,101	2,122	2
Rural Works and Services	40	1,699	1,734	5
Temuka Works and Services	21	2,856	2,867	10
Timaru Works and Services	207	18,311	18,513	5
Rural Fire Protection	7	1,657	1,663	1
Solid Waste Collection	-89	55,097	54,802	206
Sewer	950	68,950	68,813	1,087
Beautiful Valley Water	1	60	60	1
Downlands Water	0	11,644	11,644	0
Orari Township Water	11	205	215	1
Orari/Waihi Water	-7	57	50	0
Rangitata/Orari Water	-48	2,450	2,338	64
Seadown Water	54	1,950	1,988	16
Te Moana Water	302	6,484	6,729	57
Urban Water	48	36,380	36,315	113
Geraldine Community Board	8	24	24	8
Pleasant Point Community Board	7	55	55	7
Temuka Community Board	30	86	100	16

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 financial forecasts presented here are for the reporting entity Timaru District Council (parent). They do not include the consolidated forecasts of the Council Controlled organisations.

This forecast information has been prepared and complies with section 111 of the Local Government Act 2002, the Financial Reporting Act 1993 and New Zealand Equivalents to International Financial Reporting Standards (NZIFRS).

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

Significant Accounting Policies

Basis of preparation

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

The preparation of financial forecasts in conformity with NZ IFRS requires management to make judgements, estimates and assumptions that affect the application of policies and reported amounts of assets and liabilities, income 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 financial forecasts.

The 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 financial forecasts 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.

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 income respectively.

Intangible assets

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

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

Property, plant & equipment valuation

Timaru District Council has the following classes of property, plant and equipment

- Operational assets -
 - ◆ Council related land
 - ◆ Council buildings and building Improvements
 - ◆ Airport improvements
 - ◆ Parks and pools plant and equipment
 - ◆ Plant and equipment, including motor vehicles
 - ◆ Furniture and office equipment
 - ◆ Library books
 - ◆ Art works
- Infrastructure assets -
 - ◆ Sewer, stormwater, water
 - ◆ Roads, bridges and lighting
 - ◆ Land under roadsInfrastructure assets are the fixed utility systems owned by the Council.
- Heritage assets
- Restricted assets - Restricted assets are parks and reserves owned by the Council, which provide a benefit or service to the community and cannot be disposed of because of legal or other restrictions.

Council land

Land, other than airport land, has been stated at its deemed cost, which is fair value as valued by I Fairbrother ANZIV of QV 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 2011 at depreciated replacement cost calculated by the District Librarian in accordance with the library collection valuation guidelines prepared by the New Zealand Library Association in May 1992.

The Library collections are revalued on an annual basis.

Art works

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

Acquisitions subsequent to 1 July 2005 are at cost.

Sewer, stormwater, water

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

Acquisitions subsequent to 1 July 2005 are at cost.

Roads, bridges and lighting

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

Acquisitions subsequent to 1 July 2005 are at cost.

Land under roads

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

Acquisitions subsequent to 1 July 2005 are at cost.

Heritage assets

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

Acquisitions subsequent to 1 July 2005 are at cost.

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.

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 and Services tax

These financial forecasts have been prepared on a GST exclusive basis with the exception of Accounts Receivable and Accounts Payable, which are stated on a GST inclusive

basis. When GST is not recoverable as an input tax then it is recognised as part of the related asset or expense.

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

Revenue recognition

Sales by Trading Activities

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

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

Rates Revenue

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

Vested Assets

Certain infrastructural assets have been vested to the Council as part of the subdivisional consent process. Such vested assets are recognised as revenue when the significant risks and rewards of ownership have been transferred to the Council and when the obligation to accept the transfer of the assets to the Council has been determined. Vested infrastructural assets have been valued based on the actual

quantities of infrastructural components vested and the current "in the ground" cost of providing the identical services.

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

New Zealand Transport Agency contributions

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

Interest Income

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

Dividend Income

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

Agency Income

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

Property, plant and 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 -12.5% Straight Line
- (0% permanent retention collection, 12.5% current collection)
- Art Works - Nil
- Water - 1-33% Straight Line
- Sewerage - 1-6% Straight Line
- Stormwater - 1-4% Straight Line
- Roothing - 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 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 financial forecasts, 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.

RATING, Policy AND FEES INFORMATION

Funding Impact Statement 2012/22

This Funding Impact Statement has been prepared in compliance with Part 1: Clause 13 of Schedule 10 of the Local Government

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:

	2011/12 (\$000)	2012/13 (\$000)	2013/14 (\$000)	2014/15 (\$000)	2015/16 (\$000)	2016/17 (\$000)	2017/18 (\$000)	2018/19 (\$000)	2019/20 (\$000)	2020/21 (\$000)	2021/22 (\$000)
SOURCES OF OPERATING FUNDING											
General Rates, Uniform Annual General Charge, rates penalties	11,194	11,531	11,746	12,186	12,337	12,499	12,475	12,175	12,079	12,060	11,894
Targeted Rates (Other than a targeted rate for water supply)	25,714	28,269	29,889	30,572	31,282	31,524	31,566	31,843	31,864	31,717	31,729
Subsidies and grants for operating purpose	3,617	3,263	3,137	3,154	3,098	3,098	3,098	3,527	3,527	3,527	3,527
Fees, charges and targeted rates for water supply	12,816	13,970	14,596	15,031	15,154	15,062	15,137	15,215	15,115	15,246	15,164
Internal charges and overheads recovered											
Local authorities fuel tax, fines, infringement fees and other receipts	5,249	5,676	5,298	5,144	4,891	4,868	5,045	5,263	5,479	5,715	5,951
TOTAL OPERATING FUNDING	58,590	62,708	64,666	66,087	66,762	67,051	67,321	68,024	68,064	68,264	68,266
APPLICATIONS OF OPERATING FUNDING											
Payments to staff and suppliers	39,994	42,916	43,332	43,050	43,051	43,146	42,986	43,434	43,615	43,112	43,217
Finance costs	5,516	6,309	7,100	7,325	7,465	7,237	7,239	7,176	7,087	7,016	7,008
Internal charges and overheads applied											
Other operating funding applications											
TOTAL APPLICATIONS OF OPERATING FUNDING	45,510	49,225	50,432	50,375	50,516	50,383	50,225	50,610	50,702	50,128	50,225
SURPLUS/(DEFICIT) OF OPERATING FUNDING	13,079	13,484	14,234	15,712	16,247	16,667	17,096	17,414	17,362	18,136	18,042
SOURCES OF CAPITAL FUNDING											
Subsidies and grants for capital expenditure	8,118	6,424	5,345	5,472	4,329	5,613	5,489	4,806	5,107	4,022	5,293
Development and financial contributions	17	37	37	447	512	266	266	266	266	266	266
Increase/(Decrease) in debt	19,897	15,637	6,274	2,629	(1,457)	726	312	(1,377)	(491)	(741)	939
Gross proceeds from the sale of assets	34	719	34	34	34	34	34	34	34	34	34
Lump sum contributions											
TOTAL SOURCES OF CAPITAL FUNDING	28,066	22,816	11,690	8,582	3,417	6,639	6,101	3,729	4,916	3,581	6,531
APPLICATIONS OF CAPITAL FUNDING											
Capital expenditure											
- to meet additional demand	4,740	708	606	1,694	260	300	726	250	200	650	1,868
- to improve the level of service	22,859	21,882	11,400	5,522	4,372	7,597	5,606	3,846	4,116	2,679	6,658
- to replace existing assets	22,105	16,467	14,957	16,356	18,096	11,519	12,181	12,225	13,444	12,540	12,152
Increase/(decrease) in reserves	(8,558)	(2,756)	(1,039)	721	(3,065)	3,890	4,683	4,821	4,518	5,848	3,895
Increase/(decrease) of investments											
TOTAL APPLICATIONS OF CAPITAL FUNDING	41,145	36,300	25,924	24,294	19,664	23,306	23,196	21,143	22,278	21,717	24,573
SURPLUS/(DEFICIT) OF CAPITAL FUNDING	(13,079)	(13,484)	(14,234)	(15,712)	(16,247)	(16,668)	(17,096)	(17,414)	(17,362)	(18,136)	(18,042)
FUNDING BALANCE	0	0	0	0	0	0	0	0	0	0	0

Reconciliation to Statement of Comprehensive Income											
	2011/12 (\$000)	2012/13 (\$000)	2013/14 (\$000)	2014/15 (\$000)	2015/16 (\$000)	2016/17 (\$000)	2017/18 (\$000)	2018/19 (\$000)	2019/20 (\$000)	2020/21 (\$000)	2021/22 (\$000)
Surplus/(deficit) of operating funding per FIS	13,079	13,484	14,234	15,712	16,247	16,667	17,096	17,414	17,362	18,136	18,042
Subsidies & Grants for capital expenditure	8,118	6,424	5,345	5,472	4,329	5,613	5,489	4,806	5,107	4,022	5,293
Development and financial contributions	17	37	37	447	512	266	266	266	266	266	266
Vested Assets	40	40	40	40	40	40	40	40	40	40	40
Depreciation	-15,746	-16,830	-17,303	-17,859	-18,242	-18,536	-18,759	-18,985	-19,181	-19,375	-19,576
Landfill Post Closure	-64	-154	-154	-154	-154	-154	-154	-154	-154	-154	-154
Movement in Rates Balances	-1,166	-545	45	-32	-25	41	-21	2	30	78	66
SURPLUS PER FORECAST STATEMENT OF COMPREHENSIVE INCOME	4,278	2,456	2,245	3,627	2,706	3,938	3,956	3,388	3,470	3,013	3,977

Rating Types

(all amounts are shown inclusive of 15.0% GST)

Rates are assessed on properties in accordance with the statutory provisions of the Local Government (Rating) Act 2002.

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 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 residential units plus one for each

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 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 at the same level on all ratepayers.

	Actual Rate 2011/12	Rate 2012/13	Estimated revenue 2012/13 (\$000)
Uniform Annual General Charge	\$410.00	\$450.00	9,105

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 recovered from all ratepayers 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 Factor	Actual Rate 2011/12	Rate 2012/13	Estimated revenue 2012/13 (\$000)
Commercial/Industrial/ Accommodation	4.212	\$0.00715	\$0.01158	4,324
Primary	0.358	\$0.00051	\$0.00098	2,309
Residential/Recreational/ Community Services	1.000	\$0.00162	\$0.00275	5,290
Multi-Unit	2.050	\$0.00319	\$0.00564	190

Note : Previously Council had a District Works and Services rate, which was for the cost of providing the roading network, street lighting, refuse disposal services, dog control, building control, district planning and property costs (non commercial) that have now been incorporated into the general rate.

Community Works and Services Rate

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 this rate is assessed are:

	Actual Rate 2011/12	Rate 2012/13	Estimated revenue 2012/13 (\$000)
Geraldine	\$0.00127	\$0.00125	197
Rural	\$0.00006	\$0.00005	157
Temuka	\$0.00199	\$0.00203	298
Timaru	\$0.00141	\$0.00122	1,827

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 at the fixed amount per separately used or inhabited part of a residential rating unit, or per rating unit for other rating units (being the same amount per separately used or inhabited part of a residential rating unit)

	Actual Rate 2011/12	Rate 2012/13	Estimated revenue 2012/13 (\$000)
Aquatic Centre Rate	\$50.00	\$102.00	2,064

Rural Fire Protection Rate

The cost of rural fire protection is recovered from all ratepayers, excluding the urban areas of Geraldine, Pleasant Point, Temuka and Timaru, in the form of a uniform targeted rural fire protection rate assessed on the Land Value of the rating unit.

	Actual Rate 2011/12	Rate 2012/13	Estimated revenue 2012/13 (\$000)
Rural Fire Protection Rate	\$0.00005	\$0.00006	180

Uniform Community Board Charge

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 uniform charge per rating unit in each of the Temuka, Pleasant Point and Geraldine communities.

	Actual Rate 2011/12	Rate 2012/13	Estimated revenue 2012/13 (\$000)
Geraldine	\$1.00	\$1.00	3
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 resident of not more than one household shall be deemed to have not more than one water closet or urinal.

	Actual Rate 2011/12	Rate 2012/13	Estimated revenue 2012/13 (\$000)
Sewer Charge	\$282.00	\$315.00	6,613

Differentiated Annual Waste Management Charge

The cost of providing refuse and recycling collection is recovered from those ratepayers who 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 in the urban areas and on all land outside the urban areas to which the waste collection service is actually provided in the following areas:

	Differential Factor	Actual Rate 2011/12	Rate 2012/13	Estimated revenue 2012/13 (\$000)
Urban - Standard	1.000	\$289.00	\$309.00	5,194
Rural - Standard	0.996	\$288.00	\$308.00	695
Urban - Large	1.000	\$360.00	\$385.00	127
Rural - Large	1.000	\$360.00	\$385.00	10

Additional bins are charged for as a targeted differential annual waste management bin charge of a fixed amount per additional bin:

	Actual Rate 2011/12	Rate 2012/13	Estimated revenue 2012/13 (\$000)
Small Recycling	\$65.00	\$67.00	16
Large Recycling	\$75.00	\$77.00	22
Small Compost	\$105.00	\$108.00	16
Large Compost	\$125.00	\$128.00	22
Small Rubbish	\$130.00	\$132.00	10
Large Rubbish	\$185.00	\$190.00	34

Annual Water Charges

The cost of providing a water supply is recovered from those ratepayers who 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.

All references to a “Water Supply” are references to schemes defined by a Special Order. Water rates are assessed as follows:

a Urban

- A differential targeted rate of fixed amounts in accordance with the following differentials:
 - per separately used or inhabited part of a Connected residential rating unit;
 - per other Connected rating units (being the same amount per separately used or inhabited part of a Connected residential rating unit)
 - per Serviceable rating units (being 50% of the above amount) assessed on rating units as:

	Actual Rate 2011/12		Rate 2012/13		Estimated revenue 2012/13 (\$000)
	Connected	Serviceable	Connected	Serviceable	
Urban supplies combined	\$234.00	\$117.00	\$229.00	\$114.50	3,910

b Rural

- A targeted rate of a fixed amount per hectare within the rating unit located in the Rangitata-Orari Water Supply District.
- A targeted rate of a fixed amount per rating unit **and** a fixed amount per hectare within the rating unit located in the Orari-Waihi Water Supply District.
- A targeted rate in the Te Moana Downs Water Supply District of a fixed amount per unit of water supplied **and** a fixed amount for each tank except where there is more than one tank to any rating unit as a technical requirement of the scheme, in which case only one charge will apply.
- A targeted rate of a fixed amount per unit of water supplied in the Orari Township Water Supply District.
- A targeted rate in the Seadown Water Supply District of a fixed amount per hectare within the rating unit **and** a fixed amount per each domestic supply **and** a fixed amount per woolshed and other farm buildings which are separately supplied.
- A targeted rate per rating unit of a fixed amount per hectare in the Beautiful Valley Water Supply District.
- On so much of the rating units 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 fixed amount for each ordinary domestic supply within the Pareora Township and for halls within the scheme.
 - a fixed amount for schools within the Pareora Township.
 - in addition a fixed amount for each hotel, motel, market garden, golf club, sawmill, racecourse, shop, commercial or industrial premises and all other supplies of an extraordinary nature, within the Pareora Township.
 - 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.
 - in addition to the charge assessed in (d) 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 2011/12	Rate 2012/13	Estimated revenue 2012/13 (\$000)
Rangitata-Orari (Area charge)	\$15.10	\$15.80	276
Orari-Waihi (Unit charge)	\$7.80	\$10.44	17
Orari-Waihi (Service charge)	\$293.00	\$392.00	17
Te Moana (Unit charge)	\$175.00	\$175.00	213
Te Moana (Tank charge)	\$343.90	\$343.90	215
Orari Township (Service charge)	\$364.00	\$364.00	22
Seadown (Area charge)	\$13.50	\$13.50	71
Seadown (Domestic charge)	\$337.00	\$338.00	118
Seadown (other building charge)	\$135.00	\$135.00	1
Beautiful Valley (Area charge)	\$3.69	\$3.69	7
Downlands (Domestic charge)	\$394.00	\$392.00	70
Downlands (School charge)	\$676.50	\$672.00	1
Downlands (Extraordinary charge)	\$380.00	\$379.00	0
Downlands (Service charge)	\$281.00	\$280.00	510
Downlands (Unit charge)	\$113.00	\$112.00	503

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 2011/12	Rate 2012/13	Estimated revenue 2012/13 (\$000)
Seadown	\$0.74	\$0.76	5
Urban schemes	\$0.51	\$0.53	1,610

Uniform Community Centre Charges

To provide funding for community centres uniform targeted rates of a fixed amount per dwelling unit situated in the following Community Centre Areas:

	Actual Rate 2011/12	Rate 2012/13	Estimated revenue 2012/13 (\$000)
Claremont Community Centre	\$20.00	\$20.00	5
Fairview Community Centre	\$20.00	\$20.00	4
Kingsdown Community Centre	\$36.00	\$36.00	5
Otipua Community Centre	\$20.00	\$20.00	2

Differential Rating

The Council proposes to differentiate the general rate and district works and services 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. 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	4.212
2	Commercial - Central	4.212
3	Commercial - Other	4.212
4	Community Services	1.000
5	Industrial	4.212
6	Primary	0.358
7	Recreational	1.000
8	Residential - General	1.000
9	Residential - Multi-Unit	2.050

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.

Rates payable by instalment

Rates and charges are due and payable on the following dates:

All Ratepayers

Instalment	Due Date
1	20 September 2012
2	20 December 2012
3	20 March 2013
4	20 June 2013

Council reserves the right to issue the first instalment as an interim one based on 25% of the rates payable in the previous rating year.

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 direct debits, cheques by mail, cheques or cash or EFTPOS at Council offices, 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.

Additional Charges

An additional charge of 10% is added to each instalment that remains unpaid after its due date.

The previous year's unpaid rates (including additional charges already incurred) which are still unpaid will have a further 10% additional charge added on 20 September 2012 and if still unpaid on 20 March 2013, a further 10% additional charge will be added.

Additional charges will not be applied to the metered water targeted rate.

Rate 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 2012/13 rates, including any current additional charges, are paid in full on or before 20 September 2012.

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

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 102(4) of the Local Government Act 2002 states that any rates remission policy can only be amended by using the special consultative procedure.

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.

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.

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:

- Corporate Services Manager – 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:

- Corporate Services Manager – to approve remissions which meet the requirements of this policy.
- Rates Remission Subcommittee – to hear and make a final decision on any

- IV That educational institutions be levied for sewerage disposal and collection on the basis of:-
 - 1 charge per 20 pupils and staff or part thereof.
- V That the ratepayer be charged the full amount for normal consumption of water, that the excess amount be remitted.
- VI 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
0-18,000	Minimum (\$30)
18,001 – 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 will receive a 100% remission on the UAGC and Aquatic centre rate.

- VII The Council may remit wholly or in part any rates and charges on land affected by natural calamity.
- VIII 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.
- IX The council may remit the UAGC and Aquatic centre rate for unsold development land which is in more than one parcel, but has separate

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:

- Corporate Services Manager – 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 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.

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:

- Corporate Services Manager – 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:

- Corporate Services Manager – 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:

- Corporate Services Manager – 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:

- Corporate Services Manager – 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
0-18,000	Minimum (\$30)
18,001 – 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:

- Corporate Services Manager – 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:

- Corporate Services Manager – 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 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:

- Corporate Services Manager – 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 and Postponement on Maori Freehold Land Policy

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 102(6) of the Local Government (Rating) Act 2002 states that this policy can only be amended as an amendment to the Long Term Council Community Plan.

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:

- i Recognise situations where there is no occupier or person gaining an economic or financial benefit from the land.
- ii Set aside land that is better set aside for non-use because of its natural features (whenua rahui).
- iii Recognise matters related to the physical accessibility of the land.
- iv Recognise and take account of the presence of wāhi tapu that may affect the use of the land for other purposes.
- v Grant remission for the portion of land not occupied where part only of a block is occupied.
- vi 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.
- vii Recognise and take account of the importance of land in providing economic and infrastructure support for marae and associated papakainga housing.
- viii 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:

- i 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.
- ii The Council is required to consider whether it should have a policy on rates relief on Maori freehold land.
- iii 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.
- iv Applications for relief meet the criteria set by the Council.
- v 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:

- i The *Maori Land General Remissions List*.
- ii The *Maori Land Economic Adjustment Remissions List*.

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 a remission.
- iii 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:

- i Add properties that comply.
- ii Remove properties where 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:

- i The land is unoccupied and no income is derived from the use or occupation of that land, or
- ii 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.
- iii The land is inaccessible and is unoccupied.
- iv 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 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:

- Corporate Services Manager – to approve remissions and postponements which meet the requirements of this policy.

Rates Postponement Policy

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 102(6) of the Local Government (Rating) Act 2002 states that this policy may only be amended as an amendment to the Long Term Council Community Plan.

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 on the prescribed form (copies can be obtained from the Council Offices).

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 2012/13 financial year is \$100.00.

Even if rates are postponed, as a general rule the ratepayer will be required to pay the first \$750.00 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:

- Corporate Services Manager - to approve postponements which meet the requirements of this policy.

Rate Discount Policy

That pursuant to Section 55 of the Local Government (Rating) Act 2002, the following discount will apply:-

A discount of 2.5% will be allowed on the total rates set, if the 2012/13 rates are paid in full on or before 20 September 2012.

Revenue and Financing Policy

Introduction

The Revenue and Financing policy (RFP) outlines the Council's policies on the 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 set out 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 (e.g. Aquatic Centre) 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 on the current and future wellbeing of 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 2009 Revenue and Financing Policy

The following changes have been made to the previous policy:

- Restructured to reflect new Groups of Activities as required by Local Government Act
- To simplify the policy, the targeted ranges for private funding sources have been organised into 10% bands (e.g. District Planning – 30-40% of costs of this activity to be met from private funding sources).

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 stated below:



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
- 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
- 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
- Other sources

Funding Mechanisms

Timaru District Council levies the following general rates:

- A General Rate set on a rate per dollar of rateable land value, differentiated on the use to which the land is put
- A Uniform Annual General Charge (UAGC) per rating unit. 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.

Valuation System and Differentials

The Council is able to rate properties based on capital, land or annual value. Timaru District Council uses the land value system.

The Council uses differentials to distribute the General Rate between particular sectors of the community. This does not change the total amount of funding from these sources annually, but rather the incidence of rates to be funded by each property sector.

Funding of Depreciation

The Council fully funds depreciation on assets with the exception of:

- Roothing – 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.
- Aquatic Centre – As the Council is not fully funding the cost of the facility, the Council will only fund depreciation on its portion of the capital cost.

Target recovery from funding sources

The following table shows the percentage target recovery for each activity from private 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, Stormwater, 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, District Planning
20-30%	Rural summer pools
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

A summary of the rationale for funding sources for Council activities is included below. Each activity includes analysis of the five matters listed in the LGA and the funding sources and ratios the Council has identified to be used for each activity:

Activity	Community Outcomes (primary contribution)	Who Benefits	Period of benefits	Whose actions create a need for the activity	Costs and benefits of separate funding	Funding Sources
DEMOCRACY						
Governance and Leadership	This activity contributes primarily to all of the community outcomes	Benefits from this 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.	<ul style="list-style-type: none"> Public – 90-100%, funded via a Uniform Annual General Charge and a differentiated General Rate Private – 0-10% via user fees for hearings etc.
COMMUNITY SUPPORT						
Airport	<ul style="list-style-type: none"> High quality infrastructure to meet community and business needs Smart economic success supported and enabled 	<ul style="list-style-type: none"> Benefits from the airport accrue mainly to users who travel or who operate, store and maintain personal aircraft. Public 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. 	<ul style="list-style-type: none"> Ongoing benefits to users and the wider community 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.	<ul style="list-style-type: none"> Public – 45-55%, via a Uniform Annual General Charge and a differentiated General Rate Private – 45-55%, via Airport user fees and charges
Cemeteries	<ul style="list-style-type: none"> High quality infrastructure to meet community and business needs Communities that are safe, vibrant and growing 	<ul style="list-style-type: none"> Specific benefits to families and individuals from the provision of individual gravesites for remembrance and burial. 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.	<ul style="list-style-type: none"> Public – 30-40%, funded via a Uniform Annual General Charge and a differentiated General Rate Private – 60-70%, funded via Cemetery user fees and charges Exacerbator – Cost recovery will be achieved where possible.
Community Funding	<ul style="list-style-type: none"> Communities that are safe, vibrant and growing A strong identity forged and promoted 	<ul style="list-style-type: none"> Benefits can accrue to particular individuals, groups and organisations through receipt of funding to assist their various activities 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.	<ul style="list-style-type: none"> Public – 85-95%, funded via a Uniform Annual General Charge and a differentiated General Rate Private – 5-15%, funded via various funding agencies, such as Creative New Zealand and interest on loans provided to community organisations.

Activity	Community Outcomes (primary contribution)	Who Benefits	Period of benefits	Whose actions create a need for the activity	Costs and benefits of separate funding	Funding Sources
Civil Defence	<ul style="list-style-type: none"> Communities that are safe, vibrant and growing 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	<ul style="list-style-type: none"> Smart economic success supported and enabled People enjoying a high quality of life 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.	<ul style="list-style-type: none"> Public – 90-100%, funded via a Uniform Annual General Charge and a differentiated General Rate Private – 0-10%, funded via user fees by funding agencies involved in providing these services or government subsidies
Public Toilets	<ul style="list-style-type: none"> High quality infrastructure to meet community and business needs Communities that are safe, vibrant and growing 	<ul style="list-style-type: none"> Specific benefits to those who use the facilities Benefits to the wider community through having these essential facilities available for residents and visitors and maintaining standards of public hygiene. 	<ul style="list-style-type: none"> Immediate and ongoing benefits to users 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.	<ul style="list-style-type: none"> Public – 90-100%, funded via a Uniform Annual General Charge and a differentiated General Rate Private – 0-10%. Charging for use is difficult, but may be achievable at specific facilities where financially viable.
Rural Fire	<ul style="list-style-type: none"> Communities that are safe, vibrant and growing 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.	<ul style="list-style-type: none"> 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. Exacerbator - Cost recovery will be achieved where possible.

Activity	Community Outcomes (primary contribution)	Who Benefits	Period of benefits	Whose actions create a need for the activity	Costs and benefits of separate funding	Funding Sources
Safer Communities	<ul style="list-style-type: none"> Communities that are safe, vibrant and growing People enjoying a high quality of life 	<ul style="list-style-type: none"> There are some private benefits to individuals and groups from the programmes and support offered by Safer Communities programmes. Public 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.	<ul style="list-style-type: none"> Public – 20-30%, funded via a Uniform Annual General Charge and a differentiated General Rate Private – 70-80%, funded via grants from local organisation and contracts from Central Government departments
Social Housing	<ul style="list-style-type: none"> High quality infrastructure to meet community and business needs 	<ul style="list-style-type: none"> Benefits from social housing are to tenants of the housing units through provision of affordable accommodation in convenient locations. 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.	<ul style="list-style-type: none"> Public – 0% Private – 100%, funded via user rental income
Subsidised Labour	<ul style="list-style-type: none"> Communities that are safe, vibrant and growing 	<ul style="list-style-type: none"> There are benefits to individuals through employment experience and opportunities. 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.	<ul style="list-style-type: none"> Public – 60-70%, funded via a Uniform Annual General Charge and a differentiated General Rate Private – 30-40%, funded via grants and subsidies from Central Government Departments

DISTRICT PLANNING AND REGULATORY SERVICES

Animal Control	<ul style="list-style-type: none"> Communities that are safe, vibrant and growing People enjoying a high quality of life 	<ul style="list-style-type: none"> 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 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.	<ul style="list-style-type: none"> Public – 0-10%, funded via a differentiated General Rate Private – 90-100%, funded via Dog Registration and Impounding fees, fines and other fees associated with the activity.
Building Control	<ul style="list-style-type: none"> Communities that are safe, vibrant and growing People enjoying a high quality of life 	<ul style="list-style-type: none"> 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. 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	<ul style="list-style-type: none"> Public- 0-10% funded from a differentiated General Rate Private – 90-100%, funded via various forms of building user fees and charges.

Activity	Community Outcomes (primary contribution)	Who Benefits	Period of benefits	Whose actions create a need for the activity	Costs and benefits of separate funding	Funding Sources
District Planning	<ul style="list-style-type: none"> Communities that are safe, vibrant and growing People enjoying a high quality of life A valued, healthy and accessible environment 	<ul style="list-style-type: none"> 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) 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. 	<ul style="list-style-type: none"> Immediate and ongoing benefits to users 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.	<ul style="list-style-type: none"> Public – 60-70%, funded via a differentiated General Rate Private – 30-40%, funded via District Planning user fees and charges
Environmental Health	<ul style="list-style-type: none"> Communities that are safe, vibrant and growing People enjoying a high quality of life 	<ul style="list-style-type: none"> 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). 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	<ul style="list-style-type: none"> The community benefits widely through having consistent standards available. 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.	<ul style="list-style-type: none"> Public – 40-50%, funded via a Uniform Annual General Charge and a differentiated General Rate Private – 50-60%, funded via various user fees and charges associated with this activity.
Parking Enforcement Services	<ul style="list-style-type: none"> Communities that are safe, vibrant and growing 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.	<ul style="list-style-type: none"> Public – 0 -10% Private – 90-100%, funded, via a range of parking fees and fines for infringements.

Activity	Community Outcomes (primary contribution)	Who Benefits	Period of benefits	Whose actions create a need for the activity	Costs and benefits of separate funding	Funding Sources
RECREATION AND LEISURE						
Art Gallery	<ul style="list-style-type: none"> Communities that are safe, vibrant and growing People enjoying a high quality of life A strong identity forged and promoted 	<ul style="list-style-type: none"> Specific benefit to those who use the facility 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. 	<ul style="list-style-type: none"> Immediate and ongoing benefits to users 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.	<ul style="list-style-type: none"> Public – 90-100%, funded via a Uniform Annual General Charge and a differentiated General Rate Private – 0-10%, funded via some charges and donations
Fishing Huts	<ul style="list-style-type: none"> 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.	<ul style="list-style-type: none"> Public – 0% Private – 100%, funded via Fishing Huts lease fees
Forestry	<ul style="list-style-type: none"> Smart economic success supported and enabled 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 the Kyoto Protocol.	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.	<ul style="list-style-type: none"> Public – 0% Private – 100%, via the sale of timber.
Halls and Community Centres (including Aorangi Stadium)	<ul style="list-style-type: none"> High quality infrastructure to meet community and business needs Communities that are safe, vibrant and growing 	<ul style="list-style-type: none"> Direct benefits for individuals and groups who choose to use the facilities for functions and events. Wider community benefits from use of the facilities for public events or gatherings and as a hub in the event of civil defence emergencies. Specific community benefits in four communities where funding is provided to maintain community owned halls. 	<ul style="list-style-type: none"> Immediate and ongoing benefits to users Intergenerational benefits to the community through maintaining and developing these facilities 	The community benefits widely from having halls and community centres available	<ul style="list-style-type: none"> Benefits from this activity occur district wide and there is no benefit perceived from separate funding. Four centres are funded by rates based on dwellings in the area of the community centres. 	<ul style="list-style-type: none"> Public – 80-90%, funded via a Uniform Annual General Charge and a differentiated General Rate and Targeted Rates for four Community Centres Private – 10-20%, funded via Halls and Community Centres user fees and charges.

Activity	Community Outcomes (primary contribution)	Who Benefits	Period of benefits	Whose actions create a need for the activity	Costs and benefits of separate funding	Funding Sources
Libraries	<ul style="list-style-type: none"> High quality infrastructure to meet community and business needs Smart economic success supported and enabled Communities that are safe, vibrant and growing People enjoying a high quality of life 	<ul style="list-style-type: none"> Direct benefit to individuals who use library services. 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. 	<ul style="list-style-type: none"> Immediate and ongoing benefits to users Intergenerational benefits to the community through maintaining and developing these facilities. 	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.	Benefits from this activity occur district wide and there is no benefit perceived from separate funding.	<ul style="list-style-type: none"> Public – 90-100%, funded via a Uniform Annual General Charge and a differentiated General Rate Private – 0-10%, funded via Libraries user fees, fines and charges.
Motor Camps	<ul style="list-style-type: none"> Smart economic success supported and enabled 	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.	Ongoing to those who run the facilities.	There are no specific contributors to the need for this activity.	Benefits from this activity occur district wide and there is no benefit perceived from separate funding.	<ul style="list-style-type: none"> Public – 0-10% Private – 90-100%, via Motor Camps leases
Museum	<ul style="list-style-type: none"> High quality infrastructure to meet community and business needs Communities that are safe, vibrant and growing People enjoying a high quality of life A strong identity forged and promoted 	<ul style="list-style-type: none"> Specific benefit to those who use the facility 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. 	<ul style="list-style-type: none"> Immediate and ongoing benefits to users Intergenerational benefits to the community through maintaining and developing these facilities. 	The community benefits widely from having museum services available.	Benefits from this activity occur district wide and there is no benefit perceived from separate funding.	<ul style="list-style-type: none"> Public – 90-100%, funded via a Uniform Annual General Charge and a differentiated General Rate. This applies where LEOTC funding is excluded. Private – 0-10%, funded via Museum user fees and charges, donations and government subsidies (e.g. LEOTC programme)

Activity	Community Outcomes (primary contribution)	Who Benefits	Period of benefits	Whose actions create a need for the activity	Costs and benefits of separate funding	Funding Sources
Parks and Recreation	<ul style="list-style-type: none"> High quality infrastructure to meet community and business needs 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 	<ul style="list-style-type: none"> 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. 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. 	<ul style="list-style-type: none"> Immediate and ongoing benefits to users Intergenerational benefits to the community through maintaining and developing these facilities. 	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	<ul style="list-style-type: none"> Public – 90-100%, funded via a Uniform Annual General Charge and a differentiated General Rate Private – 0-10%, funded via parks user fees and charges
Swimming Pools	<ul style="list-style-type: none"> High quality infrastructure to meet community and business needs Communities that are safe, vibrant and growing People enjoying a high quality of life A strong identity forged and promoted 	<ul style="list-style-type: none"> Pool users derive a direct benefit through use of the pool for relaxation, health, sports and fitness, learning to swim and water safety education. Benefits accruing to the wider community include recreational opportunities, education about water safety and swimming and promotion of healthy lifestyles. 	<ul style="list-style-type: none"> Immediate and ongoing benefits to users Intergenerational benefits to the community through maintaining and developing these facilities. 	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> <ul style="list-style-type: none"> Public – 70-80%, funded via a Uniform Annual General Charge and a differentiated General Rate Private – 20-30%, funded via Swimming Pool user fees and charges <p><u>Aquatic Centre</u></p> <ul style="list-style-type: none"> Public – 40-50%, funded via Aquatic Centre Targeted Rate Private – 50-60%, funded via Aquatic centre user fees and charges.
Theatre Royal	<ul style="list-style-type: none"> High quality infrastructure to meet community and business needs Communities that are safe, vibrant and growing A strong identity forged and promoted 	<ul style="list-style-type: none"> Theatre Royal users derive direct benefits from either use of the Theatre Royal for events and performances or attendance of performances. Benefits accrue to the community through economic benefits associated with performances and social and cultural benefits gained through the performing arts and entertainment. 	<ul style="list-style-type: none"> Immediate and ongoing benefits to users Intergenerational benefits to the community through maintaining and developing this facility. 	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.	<ul style="list-style-type: none"> Public – 80-90%, funded via a Uniform Annual General Charge and a differentiated General Rate Private – 10-20%, funded via Theatre Royal user fees and charges.

Activity	Community Outcomes (primary contribution)	Who Benefits	Period of benefits	Whose actions create a need for the activity	Costs and benefits of separate funding	Funding Sources
ROADING AND FOOTPATHS						
Roading and Footpaths	<ul style="list-style-type: none"> High quality infrastructure to meet community and business needs Smart economic success supported and enabled 	<ul style="list-style-type: none"> Private benefits accrue to individuals, groups and businesses using roads and footpaths to carry out their day-to-day business and activities. 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>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>	<ul style="list-style-type: none"> Public – 100%. Funding the three components of this activity differs and is outlined below: Road/street landscapes – uniform annual general charge and a differentiated general rate Subsidised Roading – differentiated general rate, NZ Transport Agency (NZTA) subsidies Road carriageways and lighting – differentiated general rate, NZ Transport Agency subsidies Community footpaths and lighting – community based rate (based on land value). The NZ Transport Agency is the main central government source for funding. The current Funding Assistance Rate for Timaru District Council ranges between is 53% to 63% depending on the project being undertaken. This is subject to change from year to year.
Cycleways and walkways	<ul style="list-style-type: none"> High quality infrastructure to meet community and business needs Communities that are safe, vibrant and growing People enjoying a high quality of life 	<ul style="list-style-type: none"> Private benefits accrue to individuals and specific groups who use these facilities for travel or recreation. Public 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. 	<ul style="list-style-type: none"> Immediate and ongoing benefits to users Intergenerational benefits to the community through maintaining and developing infrastructure and potential environmental benefits through riparian plantings etc. 	<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, NZ Transport Agency (NZTA) subsidies and potential grants or donations from other external sources.</p>

Activity	Community Outcomes (primary contribution)	Who Benefits	Period of benefits	Whose actions create a need for the activity	Costs and benefits of separate funding	Funding Sources
Parking Development	<ul style="list-style-type: none"> High quality infrastructure to meet community and business needs Smart economic success supported and enabled 	<ul style="list-style-type: none"> 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. Community benefits accrue through the existence of these facilities to maintain and promote economic growth. 	Ongoing and immediate to users and business owners.	People using parking facilities are the main contributors to the need for this activity.	This activity is largely funded by exacerbators.	<ul style="list-style-type: none"> Public – 0-10%, via differentiated general rate or community board rate Private – 90-100%, funded, via a range of parking fees and fines for infringements.

WASTE MINIMISATION

Compost, Recycling and Refuse Collection	<ul style="list-style-type: none"> High quality infrastructure to meet community and business needs People enjoying a high quality of life A valued, healthy and accessible environment • High quality infrastructure to meet community and business needs People enjoying a high quality of life A valued, healthy and accessible environment 	<ul style="list-style-type: none"> Compost, recycling and refuse is considered to be largely a private benefit, because it provides a service which householders would otherwise have to arrange for themselves. 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. 	<ul style="list-style-type: none"> Immediate and ongoing benefits to users Intergenerational benefits to the community through protection of the environment from adverse impacts. 	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.	It is appropriate to recover the private benefit via a separate funding mechanism.	<ul style="list-style-type: none"> Public – 0-10%, via a differentiated general rate. Private – 90-100%, via a differentiated targeted rate and via user fees and charges.
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STORMWATER

Stormwater	<ul style="list-style-type: none"> High quality infrastructure to meet community and business needs Smart economic success supported and enabled Communities that are safe, vibrant and growing People enjoying a high quality of life A valued, healthy and accessible environment 	<ul style="list-style-type: none"> Private benefits accrue to property owners connected to a scheme via safe and efficient disposal of stormwater away from their properties. 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. 	<ul style="list-style-type: none"> Immediate and ongoing benefits to users Intergenerational benefits to the community through maintaining and developing stormwater infrastructure. 	The community benefits widely from having a stormwater disposal system available.	Because the benefits of this activity are predominantly private, it is considered appropriate to fund the activity separately by community.	<ul style="list-style-type: none"> Public – 0% Private – 100%, funded via a Community Works and Services rate
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Activity	Community Outcomes (primary contribution)	Who Benefits	Period of benefits	Whose actions create a need for the activity	Costs and benefits of separate funding	Funding Sources
SEWER						
Sewer	<ul style="list-style-type: none"> High quality infrastructure to meet community and business needs Smart economic success supported and enabled Communities that are safe, vibrant and growing People enjoying a high quality of life A valued, healthy and accessible environment 	<ul style="list-style-type: none"> All properties, both domestic and industrial connected to Council's wastewater system can be readily identified and receive a direct benefit from the service. 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. 	<ul style="list-style-type: none"> Immediate and ongoing benefits to users Intergenerational benefits to the community through maintaining and developing sewer infrastructure 	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	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.	<ul style="list-style-type: none"> Public – 0% Private – 100%, funded via a targeted rate for those connected to a wastewater system and tradewaste charges. The targeted rate is set uniformly across connected communities to allow for an equitable charge. 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.
WATER SUPPLY						
Water Supply	<ul style="list-style-type: none"> High quality infrastructure to meet community and business needs Smart economic success supported and enabled Communities that are safe, vibrant and growing People enjoying a high quality of life A valued, healthy and accessible environment 	<ul style="list-style-type: none"> 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. 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). 	<ul style="list-style-type: none"> Immediate and ongoing benefits to users Intergenerational benefits to the community through maintaining and developing water supply infrastructure. 	The community benefits widely from having a water supply system available.	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.	<ul style="list-style-type: none"> Public – 0% 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. 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.

Financial/Development 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 at this point in time, but is investigating the possibility for the future.

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 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 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.

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 m³ day
 - iv All equally weighted
 - b Pumping installations capital and operating:
 - i In proportion to Volume m³/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

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 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.

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.

- 8 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).

Note: Underlined text indicated proposed provisions

Liability Management Policy

Introduction

This policy outlines how the Council will manage its borrowings and other liabilities.

1. Statutory Requirements

The Council is required to have a Liability Management policy under section 102 4 (b) of the Local Government Act 2002 (the Act).

2. General Policy

The Council borrows as it considers appropriate and exercises its flexible and diversified borrowing powers as outlined within the Local Government Act 2002. The Council approves borrowing by resolution arising from the Long Term Plan and Annual Plan process. Projected debt levels are ascertained from cash flow forecasts prepared during these planning processes.

The Council raises debt for the following primary purposes:

- General debt to fund the Council's balance sheet, including borrowing to fund Council Controlled Organisations (CCO's) etc.
- Specific debt associated with "special one-off" projects and capital expenditure
- To fund assets with intergenerational qualities.

The Council is able to borrow through a variety of market mechanisms including the issue of stock and debentures and direct bank borrowing or through accessing the capital markets directly, as well as borrowing from internal sources. Refer to Appendix 1 for definitions.

The Council incurs risks arising from its borrowing and associated interest rate risk

activity. In evaluating any new or renewal of existing borrowings (in relation to source, term, size and pricing) the Council will take into account the following:

- The size and the economic life of any specific project being funded
- The impact of the new debt on overall borrowing limits.

Relevant margins under each borrowing source

- Overall debt maturity profile
- Prevailing interest rates
- Available term from bank and stock issuance
- Legal documentation and financial covenants.

This policy document details how the Council will manage its borrowing with regard to key risks faced including:

- Interest rate exposure
- Liquidity and funding risk
- Credit exposure
- Specific borrowing limits
- Provision of security.

3. Financial Covenants on Borrowings

In managing its borrowings, the Council will adhere to the following financial covenants:

- Gross annual interest expense not to exceed 15% of total revenue
- Net cashflow from operating activities to exceed gross annual interest expense by 2 times.

4. Interest Rate Exposure

Interest is incurred on any bank funding facility, issuance of local authority stock and other borrowing arrangements. This policy recognises that the longer the term of borrowing, the greater the interest rate risk. Longer term borrowings may be of benefit if the market interest rates rise, but equally may not allow the Council to take advantage of periods of low interest rates.

A balance is achieved through having variable terms with regard to interest rate resets. This can be achieved by the use of overdraft funds at call, the use of a revolving credit facility, other facilities based on the 90-day bill rate and local authority stock issuance at fixed rates. The use of internal funding mechanisms may also be used to minimise interest rate risks. Interest rate risks may also be managed by the use of interest rate swaps, forward rate agreements and interest rate options.

The table below outlines the minimum and maximum hedged or fixed rate exposure requirements within various time buckets. The actual hedging percentages in place, within these bands, will be determined, and reviewed on a regular basis.

FIXED RATE HEDGING PERCENTAGES		
	Minimum Fixed Rate	Maximum Fixed Rate
Less than 2 years	50%	100%
2 years to 5 years	30%	80%
5 years to 10 years	0%	60%

Any hedging outside these parameters or for longer than 10 years must be approved by the full Council before being initiated.

When managing the interest rate risk of the Council the hedging percentages above relate to total core debt. Core debt cannot exceed borrowing projections as per the Annual Plan or LTP with the actual quantum used for policy parameters to be reviewed annually.

The hedging parameters are cumulative. For example if total debt was \$25 million, \$5 million of hedging entered into for a period of five years would increase the hedging profile for all time buckets up to five years, by 20%.

Fixed rate debt is defined as any debt that has an interest rate reset beyond 3 months.

The hedging parameters are dependent on the Reserve Bank of New Zealand continuing to implement monetary policy through adjustments to the Official Cash Rate (OCR).

The Council decides the interest rate risk management strategy by monitoring the interest rate markets on a regular basis, evaluating the outlook for short term rates in comparison to the rates payable on fixed rate borrowing. Interest rate risk management products to convert fixed rate borrowing into floating rate, floating rate borrowing into fixed or hedged borrowing, and to manage maturity mismatches between its borrowings and investments may be used to maintain policy parameters.

The following interest rate risk management instruments may be used for interest rate risk management activity.

- Forward rate agreements
- Interest rate swaps
- Interest rate collar type option strategies in a ratio not exceeding 1:1.

Selling interest rate options for the primary purpose of generating premium income is not permitted because of its speculative nature.

5. Benchmarking

The Council shall evaluate the performance of the interest rate management policy itself (i.e. the success and continued appropriateness of the risk control limits stipulated in the Liability Management Policy document) and their implementation at an operational level. This is achieved by measuring actual results (i.e. weighted average funding cost) against a market benchmark provided by an external source.

The benchmark standard shall consist of the following:

- 20% Average 90 day bank bill rate for the reporting month;
- 10% Average 1 year swap rate for the reporting month;
- 10% Average 1 year swap rate for the reporting month, 1 year ago;
- 10% Average 3 year swap rate for the reporting month;
- 10% Average 3 year swap rate for the reporting month, 3 years ago;
- 10% Average 5 year swap rate for the reporting month;
- 10% Average 5 year swap rate for the reporting month, 5 years ago.
- 10% Average 7 year swap rate for the reporting month;
- 10% Average 7 year swap rate for the reporting month, 7 years ago.

The above percentages are predicated off the midpoints of the risk control bands contained in the 'Fixed Rate Hedging Percentages' table.

The Council's actual average credit margin over market benchmarks would be deducted off actual funding costs for benchmark calculation purposes.

For reporting of interest rate comparisons, rates rather than dollar values should be used.

Benchmarking is not required if total external borrowings are less than \$10 million.

6. Liquidity and Funding Risk Management

The Council's ability to readily attract cost effective borrowing is largely driven by its ability to rate, maintain a strong balance sheet as well as its ability to manage its relationship with its banker(s) and the capital markets.

To minimise the risk of large concentrations of debt maturing or being reissued in periods where credit margins are high for reasons within or beyond the Council's control, the Council ensures material debt maturities are spread over a number of years. The Council manages this specifically by ensuring that no more than \$40.0 million of its outstanding borrowings are subject to refinancing in any rolling twelve month period.

The Council's treasury operation must also ensure that there are sufficient resources or "liquidity" to provide the funds to meet its immediate obligations such as creditors and current debt maturities.

Appropriate cash flow reporting mechanisms will be maintained to monitor the Council's estimated liquidity position over the next 12 months. In any case funding facilities must be in place to give headroom of at least \$2 million over and above the maximum debt requirement as estimated in the Annual Plan or LTP.

7. Credit Exposures (Treasury)

In general the Council borrows funds from a variety of registered banks and institutional investors. It is considered that the range and size of Council's individual borrowings together with the relative strength of these lenders offsets any institutional credit risk.

8. Provision of Security

For its general borrowing programme the Council offers security under its debenture trust deed, for which security is a charge over all rates.

In unusual circumstances, with the prior consent of the Council, security may be offered by providing a charge over one or more of the Council's assets.

9. Repayment

The Council repays borrowings from general or targeted rates, general funds or renewal loans.

10. New Zealand Local Government Funding Agency Limited Investment

Despite anything earlier in this Liability Management Policy, the Council may borrow from the New Zealand Local Government Funding Agency Limited (LGFA) and, in connection with that borrowing, may enter into the following related transactions to the extent it considers necessary or desirable:

- a contribute a portion of its borrowing back to the LGFA as an equity contribution to the LGFA;
- b provide guarantees of the indebtedness of other local authorities to the LGFA and of the indebtedness of the LGFA itself;
- c commit to contributing additional equity (or subordinated debt) to the LGFA if required;

- d subscribe for shares and uncalled capital in the LGFA; and
- e secure its borrowing from the LGFA, and the performance of other obligations to the LGFA or its creditors with a charge over the Council's rates and rates revenue.

Appendix I

Borrowing Instruments Definitions

1 Bank Sourced Borrowing

1.1 Bank Bill Facilities

Commercial Bills cover all types of bills of exchange which are defined under the Bills of Exchange Act 1908 as:

"An unconditional order in writing, addressed by one person to another signed by the person giving it, requiring the person to whom it is addressed to pay on demand, or at fixed or determinable future time, a sum certain in money to, or to the order of a specified person, or to bearer."

Bank bill facilities are normally for a term of up to three years but may be for as long as five years. Bank bills are bills of exchange, drawn or issued usually by the original borrower and accepted or endorsed by a bank.

For a Bank Accepted Bill, the bank makes the payment of the face value of the bill on maturity. Most bank bills traded in the New Zealand market are Bank Accepted Bills.

Bank Endorsed Bills have been endorsed by a bank with another party as acceptor. In the event of default of the original acceptor, payment can be sought through the chain of endorsers to the bill.

An investor in bank bills can sell the bills prior to maturity date and receive the cash. Bank bills are a longer term borrowing instrument than cash loans. Bills are normally drawn for terms of 30, 60 or 90 days with a few being drawn for 180 days. The 90 day bank bill is the underlying traded benchmark instrument for the short end of the market.

Costs:

The principal costs to the borrower are the discounting bank's yield at which it discounts the bill at the time of drawdown, an arrangement fee, an acceptance fee and a line fee (expressed in basis points or percentage per annum) and margin. Acceptance fees, arranger fees, line fees and margins in aggregate normally range between 20 - 300 basis points (ie 0.20% - 3.00%), depending on the credit worthiness of the borrower.

1.2 Revolving Credit Facilities (Variable Amount Term Loans)

Revolving credit facilities are similar from a borrower's perspective except interest is paid in arrears rather than upfront as in the case of bank bills. Revolving credit facilities are usually for a term of up to three years but may be for as long as five years and like bank bills drawings under the facility are priced off the bank bill buy rate. Most facilities allow for the borrowers to draw up to the facility amount in various tranches of debt and for various terms out to a maximum term of the maturity date of the facility. Like bank bills most borrowers use these facilities to borrow on a 90-day basis.

Costs:

The principal costs are the same as with bank bills. The lending bank's yield sets the base rate at the time of lending, an

arrangement fee, an acceptance fee and a line fee (expressed in basis points or percentage per annum) and the margin. Acceptance fees, arranger fees, line fees and margins in aggregate normally range between 20-300 basis points (ie 0.20% - 3.00%), depending on the credit worthiness of the borrower.

1.3 Short Term Money Market Lines

Short term money market loans or cash loans can be Committed or Uncommitted. A customer pays for a guarantee of the availability of the funds in a Committed Loan. In an Uncommitted Loan, funds are provided on a best endeavours basis and no line/commitment fee is payable. In addition to a line fee, a margin may be charged on any line usage.

The minimum amount for a cash loan is \$1,000,000. Smaller loans can be arranged, although the interest rate quoted will be a reflection of the size of the loan.

The main usage of cash loans is to cover day-to-day shortfalls in funds. The interest rate is governed by the term of the borrowing and the implied or implicit credit rating of the borrower. Cash loans are short term only and are normally drawn for a term of one (overnight) to seven days. Interest collection can be daily.

2 Capital Markets Programmes

Commercial Paper (CP.) programmes normally provide for issuance with tenors of between 7 and 364 days. The majority of CP. issued in the New Zealand market is for terms of 30, 60, or 90 days.

Corporate Bonds commonly in existence in the New Zealand market have

essentially the same characteristics as Government Stock. These are a source of longer term fixed or variable rate finance which can be sold either in bearer or registered form (normally registered). Bonds are normally issued with coupon interest paid in arrears on a six monthly basis for fixed rate instruments, and three monthly for floating rate instruments. Local Authority Bonds are issued by a variety of local governments by tender or private placement. The Bonds are registered securities. They are repayable on a fixed date, and are generally issued for terms ranging from one to fifteen years.

Local Authority Bonds are priced on a semi annual basis and issued at a discount to face value. A fixed coupon payment is made semi annually to the holder of the security. The pricing formula is the same as Government Bonds.

The term bond is usually reserved for securities with terms longer than five years, to clearly distinguish between short term (CP.), medium term (MTNs) and long term (Bonds) debt instruments. Given that the term "bond" can also be used generically to denote any coupon bearing instrument irrespective of tenor this term will be used for this paper and will include the MTN security. Fixed term, floating rate instruments are becoming increasingly common. The name usually given to these instruments is "Floating Rate Notes" (FRNs), and these are also covered under the generic heading "Bond". FRNs are typically for terms of 2-5 years.

CP. and Bonds usually constitute unconditional, unsecured and unsubordinated obligations of the issuer,

except indebtedness given by preference by operation law.

3 Structured and Project Finance

Project and structured financing matches up debt to suit the quantifiable income stream from the project. This type of financing is appropriate for the funding of stand alone assets which are able to be ring-fenced and over which security can be taken. The sort of assets to which this usually applies are assets which are transferable, and for which an international equity market exists, eg infrastructural assets. The owner of the asset usually retains an equity interest in the asset.

Investment Policy

Introduction

This policy outlines how the Council will manage its investments.

1. Statutory Requirements

The Council is required to have an Investment policy under section 102 (4)(c) of the Local Government Act 2002 (the Act).

2. Objectives

The Council's objectives are:

- To make and manage investments to optimise returns in the long term while balancing risk and return considerations.
- To safeguard financial market investments by establishing and regularly reviewing investment parameters and ensuring that all investment activities are carried out within these parameters.
- To ensure the integrity of the financial market investments by only investing in appropriately rated organisations and in appropriate financial market instruments.
- To maintain relationships with financial market participants, to enable Council to carry out its investment activities in an efficient and practical way.
- To produce accurate and timely information that can be relied on by Senior Management and Council for control, exposure monitoring and performance measuring purposes.

3. Policy Setting and Management Procedures

The Council approves policy parameters in relation to investment activities.

The Council's Chief Executive has overall responsibility for the operations of the Council.

The Corporate Services Manager has financial management responsibility over the Council's borrowing and investments.

The Council exercises on-going governance over its corporate investments through its Council Controlled Organisation, Timaru District Holdings Ltd (TDHL). The process of approving the Constitution, Statements of Corporate Intent and appointing Boards of Directors of these corporate investments, while carried out by the board of TDHL, still requires Council approval.

Operational management of the Council's forestry investment is provided by the Council's District Services Group.

The Council's Policy and Development Committee (P&DC) oversees and monitors the risks arising from its treasury activities to ensure consistency with the Council's Long Term Plan and to evaluate the finance function's effectiveness in achieving its objectives. The P&DC is responsible for approving strategy and for monitoring compliance and performance of the Council's treasury activities.

The Council is able to appoint an independent advisor to assist in the management of the financial market exposures that the council is subjected to. The scope of the appointment and the parameters within which the advisor operates, will be determined by the Corporate Services Manager and at all times will operate within the parameters of this policy document.

The Council's borrowing, investments (other than those mentioned above) and cash management activities are managed centrally through its finance function.

The finance function is broadly charged with the following responsibilities:

- Manage the Council's investments within its strategic objectives and ensure that surplus cash is invested in liquid and credit worthy instruments.
- Manage the impact of market risks such as interest rate risk and liquidity on the Council's investments by undertaking appropriate hedging activity in the financial markets.
- Minimise adverse interest rate related increases on ratepayer charges and maintain overall interest revenues within budgeted parameters.
- Manage the overall cash and liquidity position of the Council's operations.
- Provide timely and accurate reporting of treasury activity and performance.

4. Philosophy

The Council acknowledges that there are various financial risks such as interest rate risk, liquidity risk and credit risk arising from its borrowing and investments. Council is a risk averse entity and does not wish to incur additional risk from its treasury activities.

The Council's finance function in relation to its treasury activities is a risk management function focused on protecting the Council's budgeted interest costs and revenues and stabilising the Council's cashflows. The Council does not normally undertake any treasury activity which is unrelated to its underlying cashflows or is purely speculative in nature unless with formal prior approval of Council.

The Council has statutory obligations under Part 6 of the Local Government Act 2002 to properly administer, manage and account for its funds. In particular the Council chooses to make its investments in accordance with the provisions of the Trustee Act 1956 as they apply to the investment of trust funds. In exercising its powers of investment, Council is required to exercise the care, diligence, and skill that a prudent person of business would exercise in managing the affairs of others. The Council may consider, in making any investment decisions:

- the desirability of diversifying investments
- the nature of existing investments
- the risk of capital loss or depreciation
- the potential for capital appreciation
- the likely income return
- the length of the term of the proposed investment
- the marketability of the proposed investment during, and on the determination of, the term of the proposed investment
- the effect of the proposed investment in relation to tax liability
- the likelihood of inflation affecting the value of the proposed investment
- the credit rating of any entity or instrument (if applicable) in which it proposes to invest.

The Council's overall philosophy on the management of investments is to optimise returns in the long term while balancing risk and return considerations. The Council recognises that as a responsible public authority any investments that it does hold should be of relatively low risk. It also recognises that lower risk generally means

lower returns. It is noted that Council may have significant reasons other than financial for its investment activities.

Treasury investments are financial investments incorporating a term greater than 90 days. In its treasury investment activity, the Council's primary objectives when investing are the protection of its investment, and the provision of cashflow when required. Accordingly, only credit worthy counterparties are acceptable. The Council's policies on managing credit risk are discussed later in this policy and in the Investment Policy Toolkit in Appendix 1.

The Council recognises its custodial responsibility and shall review the performance and ownership of all investments at least on an annual basis.

5. Investment Mix

The Council manages a portfolio of investments comprising:

- equity investments, including corporate investments and other shareholdings
- property investments incorporating land, buildings and a portfolio of ground leases
- forestry investments
- treasury investments incorporating longer term and liquidity investments.

5.1 Equity Investments

Nature of Investment

The Council's current equity investments, including investments in corporate investments and other shareholdings, including an Energy Company and a Port Company.

Rationale for Holding Investment

The Council's investments in such assets fulfil various strategic, economic development and financial objectives as outlined in Council's Long Term Plan and comply fully with the Local Government Act 2002.

Acquisition of New Investments

The Council will acquire equity investments in line with its strategic, economic development and financial objectives as outlined in the Council's Long Term Plan and on the commercial merits of the proposal. All equity investment purchases will require prior Council approval.

Revenue

Proceeds from the disposition of equity investments are to be applied to:

- repayment of district wide funded debt and/or
- repayment of community funded debt and/or
- fund pre approved capital expenditure items and/or
- purchase treasury investments from which interest accrued is to be used for general purposes.

Proceeds from the disposition of equity investments are not used for general purposes.

All income from the Council's equity investments, including dividends is included in financial arrangements activity and forms part of the Council's general revenue to be used for district wide activities.

Risk Management

The Council manages its risk in equity investments through the governance of Timaru District Holdings Ltd and the approving of Statements of Corporate Intent.

Management and Reporting Procedure

The P&DC, through Timaru District Holdings Ltd, reviews performance of these investments on a regular basis to ensure that their stated objectives as outlined in the respective Statements of Corporate Intent are being achieved. Timaru District Holdings Ltd reports back to the Council on a quarterly basis. There is an annual review of these investments, which includes a calculation of the return on investment being achieved. The preparation of this is the responsibility of the Corporate Services Manager.

5.2 Property Investments (general properties - not for specific purposes)

Nature of Investment

The Council currently owns a number of properties, which are surplus to its operational needs.

Rationale for Holding Property

The Council's overall objective is to only own property that is necessary to achieve its strategic objectives. As a general rule, Council does not maintain a property investment where it is not essential to the delivery of relevant services, and property is only retained where it relates to a primary output of Council.

Acquisition of New Investments

The Council has no intention of acquiring additional investment properties, however if it does, it will be based on the commercial merits of the proposal.

Revenue

Proceeds from the disposition of property investments are used for general purposes.

All income, including rentals and ground rent from property investments is included in the properties activity to be used for general purposes.

Risk Management

The Council manages its risk by reviewing its return on investment on an annual basis. It also ensures adequate insurance is in place to protect these assets from non financial risks and a sound repairs and maintenance plan is also in place to protect the ongoing value of these assets. This review is the responsibility of the Assistant Chief Executive.

Management and Reporting Procedure

The Council reviews property ownership through assessing the benefits of continued ownership in comparison to other arrangements, which could deliver the same results. This assessment is based on the most financially viable method of achieving the delivery of Council services. The Council generally follows a similar assessment criteria in relation to new property investments.

5.3 Forestry Investments

Nature of Investment

The Council's forestry operation is made up of over 50 woodlots of (mainly vested reserve) land totalling 246 hectares, consisting predominantly of Radiata pine but also, where appropriate, Douglas Fir and Macrocarpa.

Rationale for Holding Forestry

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.

Acquisition of New Investments

The Council has no immediate intention of purchasing new forestry investments.

Revenue

Proceeds from the disposition of forestry investments are to be applied to:

- repayment of district wide funded debt and/or
- repayment of community funded debt and/or
- fund pre approved capital expenditure items and/or
- re-afforestation of existing forestry blocks and/or
- purchase treasury investments from which interest accrued is to be used for general purposes.

Proceeds from the disposition of the Council's entire forestry investments are not used for general purposes.

Income from the Council's forestry operation is reinvested in forestry through a separate Forestry Fund. A dividend is payable to Council at any agreed time that does not affect the viability of the forestry operation.

Expenditure in maintaining the forestry investment is expensed in the year it is incurred.

Risk Management

The risk is minimised by the number and size of the blocks, the range of the species, fire breaks around the edges near residential areas, and the adoption of silviculture practices to enhance the trees' ability to withstand wind. The blocks are regularly inspected by MAF for pests and diseases and foliage sampling and nutrient analysis is undertaken to maximise the crop. Harvesting of the forests is carried out at

appropriate times to maximise the return the Council receives on its investment.

Management and Reporting Procedure

The Council's forestry investment is managed by the District Services Group on behalf of the Council. The operating income and expenditure is reported to the Council on a quarterly basis, with an annual report to Council on the value of the investment.

5.4 Treasury Investments

Nature of Investment

Investments of cash held for specific purposes (special funds) usually held as short-term deposits or in bonds.

Rationale for Holding Investment

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.

Acquisition of New Investments

The Council acquires new treasury investments to maintain its policy of ensuring that funds held for specific purposes are matched with actual cash invested.

Revenue

Interest income from treasury investments is credited to general funds, other than income from investments for all specified funds where interest is credited on a pro rata basis between general funds and the specified fund.

Risk Management Investment Objectives

The Council's primary objective when investing is the protection of its investment. Accordingly, only credit worthy counterparties are acceptable. Creditworthy counterparties are selected on the basis of their current Standard and Poors ("S&P") ratings, or Moody's Investor Services ("Moody's") or Fitch Ratings ("Fitch") equivalents. Credit ratings are monitored on a regular basis by the Corporate Services Manager from external sources.

Within the above credit constraints, the Council also seeks to:

- Maximise investment return
- Ensure investments are liquid
- Manage potential capital losses due to interest rate movements if investments need to be liquidated before maturity.

The above objectives are captured in The Investment Policy ToolKit in Appendix I, which provides operating parameters for investment activity including approved counterparties and relevant limits. The following principles form the key assumptions of the operating parameters contained in the Investment Policy Toolkit:

- Credit risk is minimised by placing maximum limits for each broad class of non-Government issuer, and by limiting investments to registered banks and

strongly rated SOEs, and corporates within prescribed limits.

- Liquidity risk is minimised by ensuring that all investments must be capable of being liquidated in a secondary market.

Performance of the Special Fund portfolio is benchmarked by measuring the performance of the portfolio against the performance of an appropriate external benchmark portfolio. The duration of the portfolio is also compared to the duration of the external benchmark portfolio and the Council is able to vary the duration of the portfolio within 25% either side of the external benchmark portfolio's duration. Comparison with the benchmark portfolio is not required if the nominal value of the portfolio is less than \$5 million.

Approved Investment Instruments

Within the constraints of Appendix I of this policy, the Council invests in the following instruments:

- Government debt instruments
- SOE debt instruments
- Registered Bank debt instruments
- Local Authority debt instruments
- Approved corporate debt instruments.

Interest Rate Risk Management

The Corporate Services Manager sets overall investment strategy, by reviewing on a regular basis, cashflow forecasts incorporating plans for approved expenditure and strategic initiatives, evaluating the outlook for interest rates and the shape of the yield curve, and where applicable, seeking appropriate financial advice. The Corporate Services Manager and Management Accountant implements interest rate risk management strategy by reviewing rolling cashflow forecasts and:

➤ Changing interest rate profiles by adjusting the average maturity of its investments to approximate the borrowing maturity profile. The borrowing maturity profile to be considered in this analysis is the term to the next rate set/rollover of existing borrowings and any related hedging instruments. Investments held to maintain liquidity and for specific purposes are excluded from this analysis.

➤ Using risk management instruments to protect investment returns and to change interest rate and maturity profile.

Interest rate risk management instruments (of the type included under the Borrowing Policy) may be used for interest rate risk management on investments, with the formal prior approval of the Corporate Services Manager.

Management and Reporting Procedures

The Management of the Council's Treasury Investments is carried under delegated authority to the Corporate Services Manager (who has delegated the day to day operation to the Council's Finance Manager and Management Accountant).

Reports on the Council's Treasury Investments are prepared on a quarterly basis for the Council.

5.5 New Zealand Local Government Funding Agency Limited Investment

Despite anything earlier in this Investment Policy, the Council may invest in shares and other financial instruments of the New Zealand Local Government Funding Agency

Limited (LGFA), and may borrow to fund that investment.

The Council's objective in making any such investment will be to:

- a obtain a return on the investment; and
- b ensure that the LGFA has sufficient capital to become and remain viable, meaning that it continues as a source of debt funding for the Council.

Because of this dual objective, the Council may invest in LGFA shares in circumstances in which the return on that investment is potentially lower than the return it could achieve with alternative investments.

If required in connection with the investment, the Council may also subscribe for uncalled capital in the LGFA.

Appendix 1 The Investment Policy Tool Kit

- 1 Approved Treasury Counterparty Limits and Treasury Investment Instruments
- 2 Approved Treasury Investment Instruments - Definitions and Description

1 Approved Treasury Counterparty Limits and Investment Instruments

Timaru District Council is able to invest with the following institutions:

Institution	Overall Portfolio Limit (as a % of the total portfolio)	Approved Financial Market Investment Instruments (must be denominated in NZ dollars)	Credit Rating Criteria - Standard and Poor's (or Moody's or Fitch equivalents)	Limit for each issuer subject to overall portfolio limit for issuer class
New Zealand Government or Government Guaranteed	100%	Government Stock Treasury Bills	Not Applicable	No limit
New Zealand Registered Banks	100%	Call/Deposits/Bank Bills/ Commercial Paper	Short term S&P rating of A1 or better Long-term rating of A- or better	\$10 million \$2 million
		Bonds/MTN's/FRN's	Long-term rating of A+ or better	\$5 million
Rated Local Authorities	70%	Commercial Paper	Short term S&P rating of A1 or better	\$3 million
		Bonds/ MTN's/ FRN's	Long term S&P rating of : A- or better; A+ or better; AA or better	\$2 million; \$3 million; \$5 million
Local Authorities where rates are used as security	60%	Commercial Paper	Not Applicable	\$2 million
		Bonds/MTN's/FRN's		\$2 million
State Owned Enterprises	70%	Commercial Paper	Short term S&P rating of A1 or better	\$3 million
		Bonds/MTN's/FRN's	Long-term rating of BBB+ or better Long-term rating of A+ or better.	\$1 million \$3 million
Corporates*	60%	Commercial Paper	Short term credit rating of A1 or better	\$2 million
		Bonds/MTN's/FRN's	Long-term rating of A- or better. Long-term rating of A+ or better. Long term rating of AA or better	\$1 million \$2 million \$3million
Financials*	30%	Commercial Paper	Short term credit rating of A1 or better	\$2million
		Bonds/MTN's/FRN's	Long-term rating of A- or better. Long-term rating of A+ or better. Long term rating of AA or better	\$1 million \$2 million \$3million

*The combined holding of Corporates and Financials shall not exceed 70%.

Investments that no longer comply with minimum rating criteria due to a downgrade in their rating must be recommended to Council within one month of the downgrade being notified.

2 Approved Treasury Investment Instruments – Definitions and Descriptions

Investment instruments available in the market (excluding equities and property) can generally be discussed under four broad categories relating to the issuer of these instruments.

1. New Zealand Government

- Treasury bills are registered securities issued by the Reserve Bank of New Zealand (RBNZ) on behalf of the Government. They are usually available for terms up to a year but generally preferred by investors for 90 day or 180 day terms. They are discounted instruments, and are readily negotiable in the secondary market.
- Government stocks are registered securities issued by the RBNZ on behalf of the Government. They are available for terms ranging from one year to twelve year maturities. Government stocks have fixed coupon payments payable by the RBNZ every six months. They are priced on a semi-annual yield basis and are issued at a discount to face value. They are readily negotiable in the secondary market.

2 Local Authorities

- Local Authority stocks are registered securities issued by a wide range of local government bodies. They are usually available for maturities

ranging from one to ten years. A fixed coupon payment is made semi-annually to the holder of the security. They are negotiable and usually can be bought and sold in the secondary market.

3 State Owned Enterprises (SOE's)

- SOE bonds are issued by enterprises 100% owned by the New Zealand Government but do not necessarily have an explicit government guarantee. These bonds can be registered securities or bearer instruments. A fixed coupon payment is made semi-annually to the holder of the security. They are priced on a semi-annual yield basis and are issued at a discount to face value. SOE bonds are negotiable and can be bought and sold in the secondary market.
- Commercial paper is issued by SOE's with a strong credit rating that is sufficient to enable the notes to be issued without endorsement or acceptance by a bank. The notes are usually underwritten by financial institutions to ensure that the borrower obtains the desired amount of funds. Commercial paper is issued with maturities ranging from 7 days to over one year. The most common maturity is for 90 days. The face value of the note is repaid in full to the bearer on maturity.

4 Registered Banks

- Call and term deposits are funds accepted by the bank on an overnight basis (on call) or for a fixed term. Interest is usually calculated on a simple interest formula. Term

deposits are for a fixed term and are expected to be held to maturity. Term deposits are not negotiable instruments. Termination prior to maturity date can often involve penalty costs.

- Certificates of deposits are securities issued by banks for their funding needs or to meet investor demand. Transferable certificates of deposits (TCDs) are non-bearer securities in that the name of the investor, face value and maturity date are recorded on the certificate. They are able to be transferred by registered transfer only. Negotiable certificates of deposits (NCDs) on the other hand, are bearer securities and are able to be transferred immediately. Both TCDs and NCDs are priced on a yield rate basis and issued at a discount to face value. They are generally preferred over term deposits because investors can sell them prior to maturity.
- Bank bills are bills of exchange drawn or issued, usually by a corporate borrower and accepted or endorsed by a bank. The investor is exposed to bank credit risk when investing in such instruments. Bank bills are readily available for any maturity up to 180 days, although 30 to 90 day terms are more common. They are priced on a yield basis and issued at a discount to face value. Investors in bank bills can sell the bills prior to maturity date.

5 Corporates

- Corporate bonds are generally issued by companies with good credit ratings. These bonds can

be registered securities or bearer instruments. A fixed coupon payment is made semi-annually to the holder of the security. They are priced on a semi-annual yield basis and are issued at a discount to face value. Corporate bonds are negotiable and can be bought and sold in the secondary market.

- Promissory notes are issued by borrowers who usually have a credit rating and standing in the market that is sufficient to enable the notes to be issued without endorsement or acceptance by a bank. The notes are usually underwritten by financial institutions to ensure that the borrower obtains the desired amount of funds. Commercial paper is issued with maturities ranging from 7 days to over one year. The common maturities are for 30 and 90 days. The face value of the note is repaid in full to the bearer on the due date.

Fees and Charges

Summary

Council has agreed to increase fees in a number of areas to increase revenue directly from people using Council services and reduce the impact on the general ratepayer. These include fees increases in the following areas:

- District Planning fees
- Building Control fees
- Environmental Health licences and fees
- Cemetery fees and charges
- Social Housing rentals
- Airport charges
- Solid waste disposal charges
- Parking charges
- Sewer and trade waste charges
- Development and service application fees
- Water supply charges and rates

Full details of all fees changes are available in a separate document from Council or visit the Council website – www.timaru.govt.nz

Social Housing rentals increase

Council have agreed to a proposed increase in social housing rentals of:

- \$7 in 2012/13
- \$5 in 2013/14 and 2014/15
- Further increases reviewed at a later date
- An additional premium of \$5 per week for upgraded units with shower conversions and insulation upgrades from July 2013

These increases are needed for the activity to remain self-funding, and cover increasing fixed operational costs (e.g. insurance, rates) and contribute to upgrading units.

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.
- These fees will not be refunded if the application is declined or withdrawn.
- The lodgement fee will be required to accompany the application. An invoice will be sent for 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)*	2012/13
Notified Consent	\$4,000.00 *plus the additional allotment fee for Subdivision Consents
Limited Notified (service only) Consent	\$3,000.00 *plus the additional allotment fee for Subdivision Consents
Non-notified Subdivision Consent	\$700.00 *plus the additional allotment fee for Subdivision Consents
*Additional Allotment fee of \$350.00 per additional allotment is calculated by the number of additional allotments to be created by the subdivision excluding allotments for corner rounding purposes, road reserves, esplanade reserves and those to be amalgamated.	
Non-notified Land Use Consent (\$600 + \$200 monitoring fee for a single site inspection)	\$900
Non-notified Subdivision Consent - Change to Flats Plan or Unit Title	\$700
Right of Way Approval (not included in Subdivision Consent)	\$650
Revocation of Easements (not included in Subdivision Consent)	\$525
Existing Allotments Section 226 Certificate (new titles created)	\$525
Section 223 Certificate (subdivision sealing completion)	\$410
Section 224(c) Certificate (including Section 223 Certificate)	\$410
Removal of Building Line Restriction	\$640
Certificates of Compliance	\$640
Change or Cancellation of Conditions	\$525
Existing Use Rights and Existing Use Certificate	\$525
Extension of Time	\$480
Outline Plan	\$640
Alteration to a Designation	\$1,100
Extension of Time to a Designation	\$1,100
Plan Change	\$10,500
Notice of Requirements for Designations	\$5,100
Certificates for LMVD	\$640
Certificates under the Sale of Liquor Act 1989	\$155

Table Two – Charge Rates	2012/13
Staff time rate:	
- District Planner	\$155 per hour
- Senior Planner	\$120 per hour
- Planning Officer	\$105 per hour
- Administration Staff	\$87.50 per hour
Public Notices	At Cost
Disbursements	At Cost
Consultants/Legal Advice	At Cost
Commissioning special reports	At Cost
Hearing Costs	
- Hearings Committee	\$88.00 per hour for the chairperson \$70.00 per hour per member who is not the chairperson
- Commissioner	At Cost
If monitoring of resource consent is required (imposed as a condition of a resource consent):	
- Single Site Inspection (to be paid with the lodgement fee for Non-notified Land Use Consent)	\$200
- Two Site Inspection	At Cost

Other Charges	2012/13
Timaru District Plan	\$150 + postage
Annual update service to the District Plan	\$100 per year
District RAPID Numbers (book)	\$75
RAPID plates - replacement and also additional to dwelling	\$25
Non residential plates	\$52
New residential plates	\$15



OTHER INFORMATION

Significance Policy

Introduction

This policy on significance outlines the Council's general approach to determining the significance of proposals and decisions. Where appropriate, it includes thresholds, criteria and procedures the Council will use in assessing which issues, proposals, decisions and other matters are significant.

It also lists the assets the Council considers to be strategic assets.

Statutory Requirements

The Council is required to have a policy on significance under Section 90 of the Local Government Act (*the Act*). The policy, and any amendment to it, must be adopted by special consultative procedure.

Section 5 of the Act defines 'significant' and 'significance' as follows:

Significance, in relation to any issue, proposal, decision, or 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, in term of its likely impact on and likely consequences for,-

- a the current and future social, economic, environmental, or cultural well-being of the district or region;
- b any persons who are likely to be particularly affected by, or interested in, the issue, proposal, decision or matter;
- c the capacity of the local authority to perform its role and the financial and other costs of doing so.

Significant, in relation to any issue, proposal, decision or other matter, means that the issue, proposal, decision or other matter has a high degree of significance.

General Approach to Determining Significance

The thresholds, criteria and procedures outlined below will be used to assist the Council to determine the significance of issues and proposals in a consistent manner on a case by case basis.

Every decision the Council makes must be made in accordance with the decision making requirements set out in sections 77,78,80,81 and 82 of the Act. However, the nature of the decision-making process required will be determined by the significance of the issue or proposal.

The significance of the issue, decision, or proposal will also assist in determining the extent and nature of any consultation to be undertaken.

i Thresholds

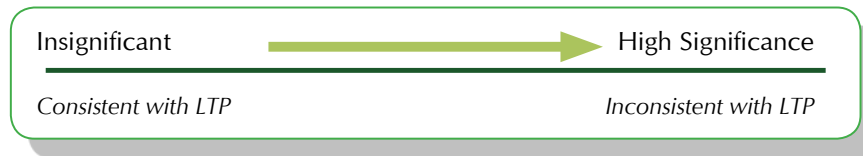
The Council has determined that because of the wide range of issues and proposals requiring decisions by Council, thresholds shall not be used to determine significance.

ii Criteria

If an issue or proposal satisfies one or more of the following criteria, it is likely to have a high degree of significance to the Council.

- a The issue or proposal affects all or a large proportion of the community in a substantial way.
- b The financial implications of the issue or proposal on the Council's overall resources are substantial.

- c The extent to which the issue or proposal is inconsistent with a decision already provided for in the Long Term Plan (LTP).



iii Procedures

Where necessary, decisions on the degree of significance will be determined by Council Officers using a significance flowchart. Reports to the Council will include a statement regarding:

- the degree of significance of the issue or proposal based on the criteria in this policy.
- the appropriate observance of the decision making requirements set out in sections 77,78,80,81 and 82 of the Act. The more significant the issue or proposal the more extensive the decision-making process required. In general, in making significant decisions, the Council should consider information on the reasons for the decision, the options and their relative costs and benefits, and the views of those affected by or with an interest in the decision commensurate with the significance of that decision. For the avoidance of doubt, administrative decisions made by officers under delegated authority

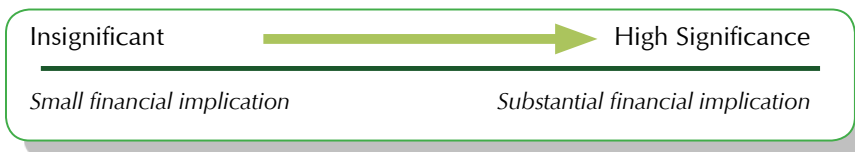
that flow from Council policy (e.g. the budgeted and routine renewal components of headworks of a water supply) are not significant in terms of this policy. The significance rests with the Council policy and not with each action taken in implementing the policy.

Strategic Assets

Section 90 of *the Act* requires the Council to identify and list the assets it considers to be strategic assets. The Act defines strategic assets as:

"In relation to the assets held by a local authority, means an asset or group of assets that the local authority needs to retain if the local authority is to maintain the local authority's capacity to achieve or promote any outcome that the local authority determines to be important to the current or future well-being of the community; and includes-

- a any asset or group of assets listed in accordance with section 90(2) by the local authority; and
- b any land or buildings owned by the local authority and required to maintain the local authority's capacity to provide affordable housing as part of its social policy, and



Council Controlled Organisations

- c any equity securities held by the local authority in
 - i a port company within the meaning of the Port Companies Act 1988
 - ii an airport company within the meaning of the airport Authorities Act 1966”.

The Council has established three 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.

The Council considers the following assets or groups of assets it holds to be strategic:

- Council’s equity in Timaru District Holdings Ltd
- Council’s Housing assets as a whole
- Cultural and Learning facilities as a whole
- District Cemeteries as a whole
- Parks facilities as a whole
- Recreational facilities as a whole
- Redruth Landfill
- Roading network as a whole
- Timaru Airport
- Wastewater and Stormwater systems as a whole
- Water supply systems as a whole

Section 97 of the Act requires that decisions to transfer the ownership or control of a strategic asset to or from the Council can only be taken if the decision has been explicitly provided for by a statement of proposal in the Council’s LTP.

Strategic assets as defined above are the assets in total and not the separate elements of the assets. This means that the requirements of Section 97 are only triggered if the proposal relates to the asset as a whole or a major subpart of the asset.

Timaru District Holdings Limited (TDHL) and subsidiaries

- *Mission Statement:* To be a successful and growing business increasing the value of the Company and its return to its shareholder, while taking into account the special needs of the shareholder.
- *Nature and Scope of Activities:* TDHL’s business is that of an investor in companies in which Council has a substantial interest; specifically Alpine Energy Ltd – 47.5% shareholding, and PrimePort Timaru Ltd – 71.4% shareholding.
- *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.

	2012/13	2013/14	2014/15
Net profit after tax to shareholders funds	25.36%	23.28%	23.43%
Net tangible assets per fully paid share	10.21	10.58	11.22
Earnings per fully paid share	2.59	2.46	2.63
Dividend per fully paid share	2.17	2.09	1.99
Shareholders’ Funds to Total Assets	19.53%	20.15%	21.11%

South Canterbury Rural Fire District Committee

The South Canterbury Rural Fire Authority is a legal entity created by Mackenzie, Waimate and Timaru District Councils, Forest Managers of Blakely Pacific Limited and Waimate Forest Group, the Department of Conservation and NZ Fire Service. The South Canterbury Rural Fire District Committee has been set up to administer the fire district and has appointees of each TLA.

Purpose: Partnering with communities to protect what they value.

Goals:

- ♦ The communities of South Canterbury are engaged on the subject of rural fire
- ♦ The South Canterbury Rural Fire Authority is operationally safe and effective
- ♦ The South Canterbury Rural Fire Authority is able to maintain business continuity.

Nature and Scope of Activities:

The obligations of the Committee are as follows:

1. Implementing the projects approved and funded by South Canterbury Rural Fire District.
2. Providing a forum for rural fire contributors
3. Co-ordinating rural fire issues and programmes

4. Carrying out any other rural fire initiatives.

Performance of these obligations by the Committee is achieved by the appointment of a Principal Rural Fire Officer who is employed to manage the district to achieve the key objectives.

Performance Measures and Targets:

- ♦ Educate the rural communities via the Fire permit system
- ♦ Educate key groups within the rural sector
- ♦ Develop education material to meet the need of the current situation
- ♦ Educate all Rural Fire Officers in the correct procedures surrounding coordinated response
- ♦ Provide training to all administration staff, contractor volunteers that would normally be involved in fire incidents
- ♦ Carry out administration training for Incident Management
- ♦ Develop communication systems to meet the needs of both the Fire District and the New Zealand Fire Service
- ♦ Maintain a Duty roster system to ensure response requirements are met
- ♦ Address operational issues in a timely manner
- ♦ Ensure all Fire Units have the required operational equipment and that it is to the Industry standard

- ♦ Maintain a data base of all equipment and monitor test results
- ♦ Develop equipment to ensure that all equipment is of a high standard and meet the changing needs of the industry
- ♦ Carry out training to New Zealand Qualification Authority unit standards
- ♦ Maintain a data base of all training carried out for both currency and unit standards achieved
- ♦ Review the fire plan as required by the Forest & Rural Fire Regulations
- ♦ Develop a Statement of Intent and Business Plan for the following year
- ♦ Complete the Strategic Tactical Planning process over both the high country and coastal areas of South Canterbury Rural Fire District
- ♦ South Canterbury Rural Fire District will work within legislation
- ♦ Provide adequate protection for Rural Fire Officers of South Canterbury Rural Fire District by way of insurance
- ♦ Have agreement in place with the New Zealand Fire Service, the Canterbury Regional Coordinating Committee, Contractors
- ♦ Review Volunteer Rural Fire Force constitutions

Aoraki Development Business and Tourism

(based on Draft 2012/13 Statement of Intent)

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

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

Nature and Scope of Activities:

- ◆ Strategy 1: Effectively support existing businesses.
 - ◆ Strategy 2: Provide an effective information hub the District. (Business and Visitor)
 - ◆ Strategy 3: Facilitate & 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.
 - ◆ Strategy 7: Stimulate competitive advantage through fostering a culture of innovation, education and District pride.
1. Seeking to sustain, grow and attract effective business activity in the region and support the social and 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:

Delivery of an annual business plan of core business activities with performance subsequently reported against objectives.

The Business Plan for 2012/2013 will cover activity in the following areas:

- ◆ Effective support provided to business
- ◆ Effective visitor information provision and visitor industry sector support
- ◆ Effective Marketing, Promotion and Communications
- ◆ An Effective Events Strategy
- ◆ Effective & Strategic Industry Relationships & Partnerships
- ◆ Effective Business Management

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 and Sanitary Services Assessments 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 Council is required under the Local Government Act 2002 to identify any significant variations between the Water and Sanitary Assessments (WASA) and the proposals of this Ten Year Plan.

There are no significant variations between the Long Term Plan and these assessments.

Waste Management Plan Variations

Under the Waste Minimisation Act 2008, the Council is required to prepare and adopt a Waste Minimisation and Management Plan by 30 June 2012.

This has been prepared, consulted on and will be adopted by 30 June 2012 as required.

There are no significant variations between the Long Term Plan and the Draft Plan.

Maori Capacity to contribute to decision making

Section 81 of the Local Government Act 2002 (the Act) requires all local authorities to establish and maintain processes to provide opportunities for Maori to contribute to Council's decision-making processes. It also requires councils to consider ways to foster the development of Maori capacity to contribute to these processes and to provide Maori with relevant information about these areas.

The Timaru District Council considers the contribution of Maori to the decision-making process as very important.

Council will endeavour to extend and promote opportunities for involvement as far as practicable, and as available resources allow. Currently, the following processes are in place to provide opportunities for Maori to contribute to decision-making:

- A member of the Tangata Whenua is currently 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
- The Council's senior management team meets with local Maori on an as required basis to maintain working relationships.

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

These opportunities will be promoted and others explored to meet the obligations under this section of the Act.

Directory

Postal Address:

Timaru District Council,
PO Box 522,
Timaru 7940

Location

Timaru Head Office:

2 King George Place, Timaru 7910
Telephone: (03) 687-7200
Facsimile: (03) 687-7209
Email: enquiry@timdc.govt.nz
Website: 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, 9am – 5.30pm,
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, 9am – 5.30pm
Fri, 8.30am – 6pm
Sat, 10am – 1pm

Bankers:

Bank of New Zealand,
156 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



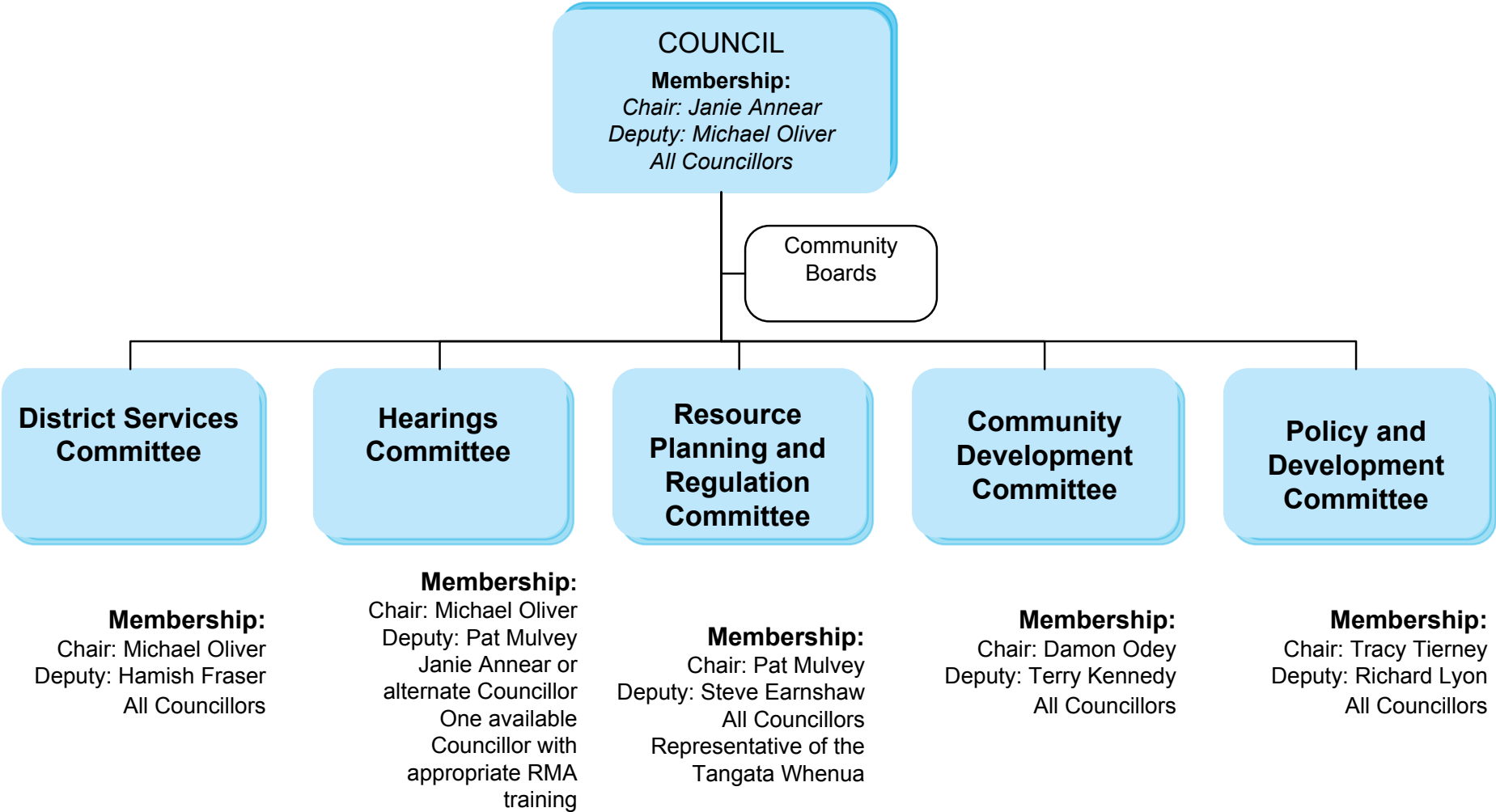
The grant of armorial bearings to the City of Timaru was made by the College of Heralds, London, by letters patent dated 18 October 1977. The original grants document with its impressive artwork and gold seals is displayed outside the Council Chambers in the upstairs foyer of the District Council Building, 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

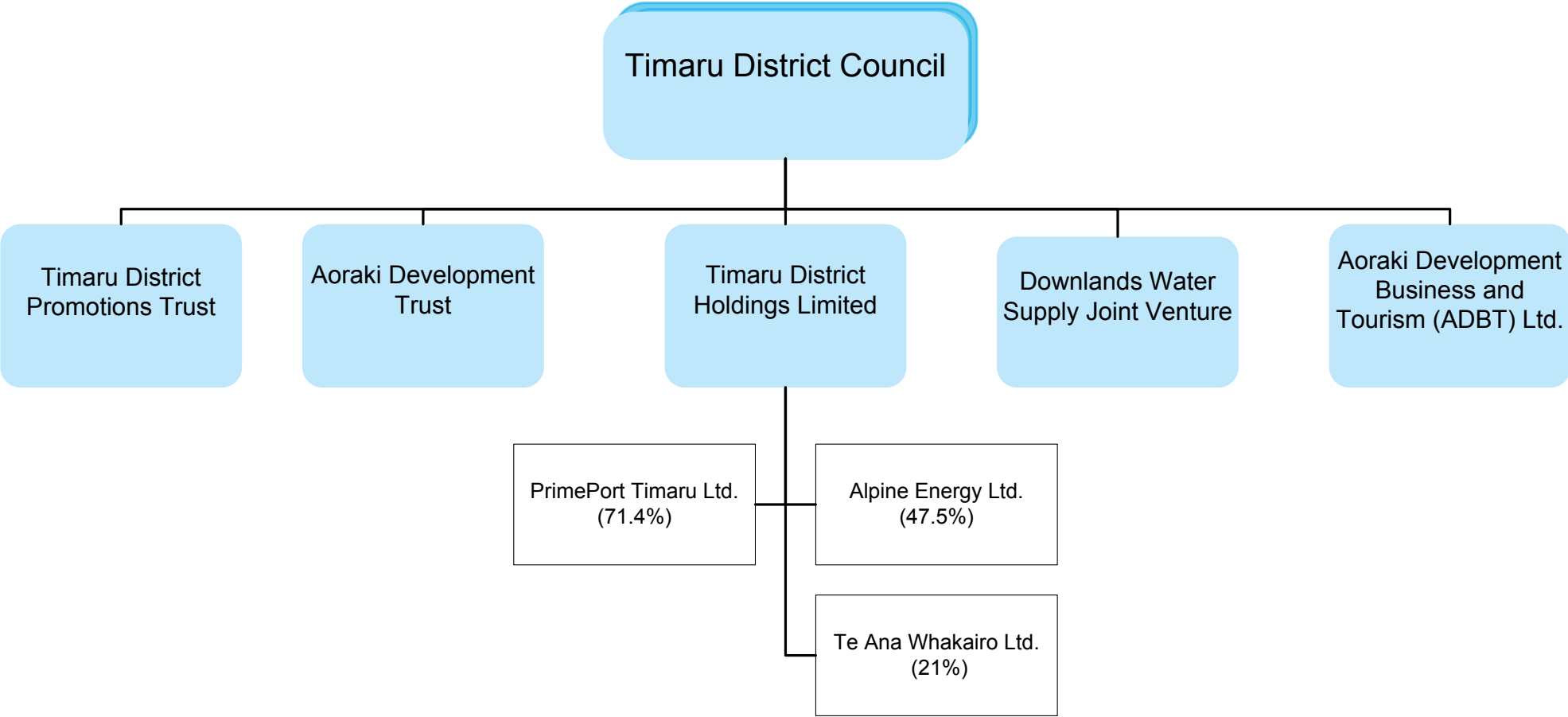


The Council Logo colours are blue and green - environmental colours depicting the sea meeting the land inside a unified format. The diagonal lines suggest upward movement, mountains, rivers, roads, energy, vitality, leadership - pointing to the TDC. The logo is used on all corporate documents, signs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

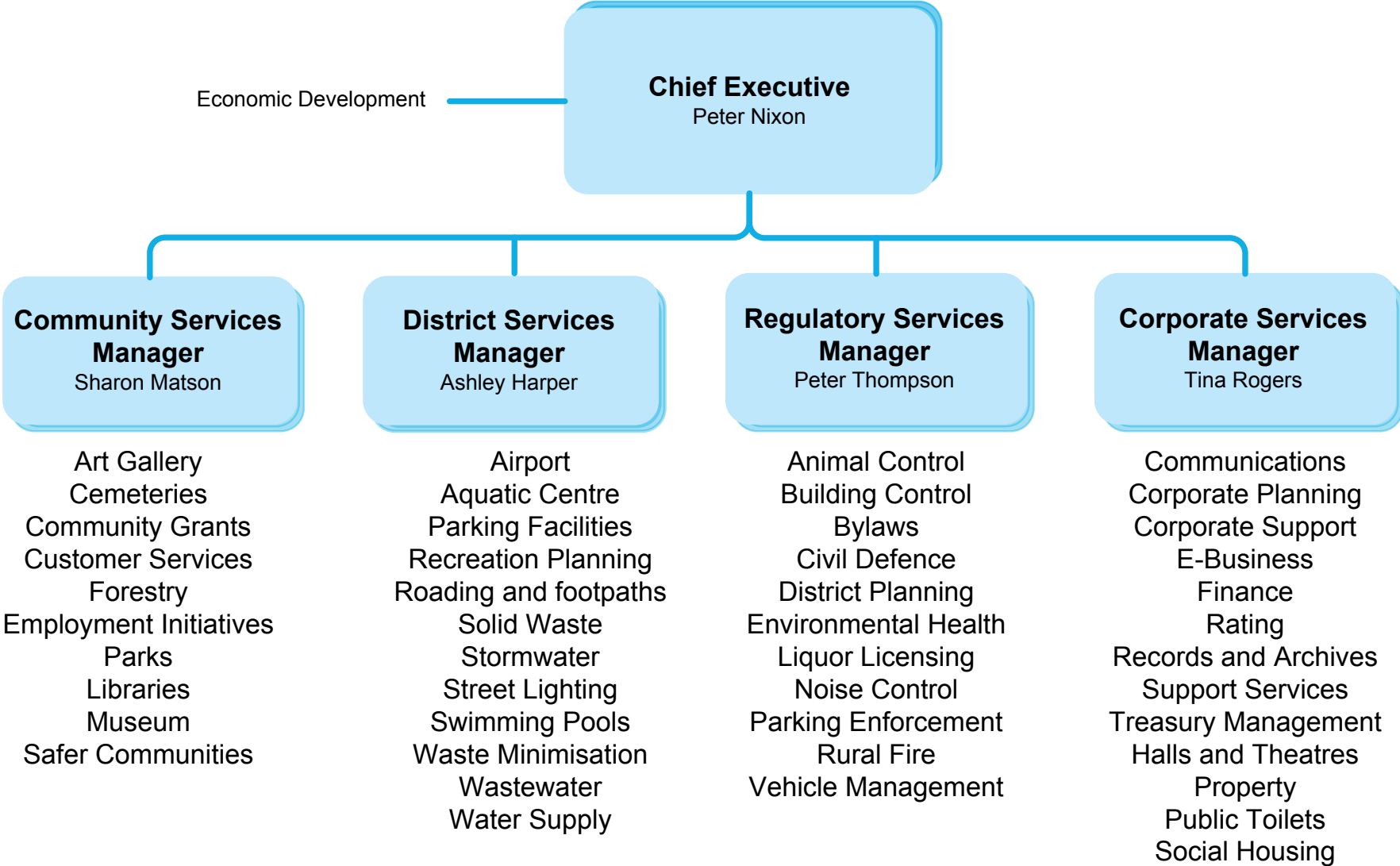
Council Committees



Group Organisational Structure



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.

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

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

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

Capital Value – Value of land including any improvements.

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

Community Outcomes – Goals that the Council believe are important to contribute to for the present and future economic,

social, cultural and environmental well-being of the community.

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

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

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

Group of Activities – Several activities combined together (e.g. cultural and community facilities).

Land Value – Value of land, excluding any improvements.

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

