

TIMARU



DISTRICT COUNCIL

Te Kaunihera ā-Rohe
o Te Tihi o Maru

ANNUAL REPORT

2020/2021

www.timaru.govt.nz

From the Mayor and Chief Executive

E aku nui, e aku rahi, tēnā koutou
Nau mai, pānui mai i tēnei pūrongo

On behalf of your elected Council members we are pleased to be sharing the Timaru District Council Annual Report 2020/2021 with our community, as we reflect on how the Council has performed during the year.

With the global COVID-19 pandemic continuing to impact the district – both our economy and our community well-being, and another region-wide flooding event, 2020/21 has been another challenging year.

We acknowledge the remarkable resilience of our community and the valued contribution so many residents have made, particularly our essential workers, from supermarket staff to nurses and healthcare workers to truck drivers and emergency service workers.

Throughout these disruptions Council has prioritised keeping services operating 24-7 to serve our communities needs. Our sincere thanks to all our staff who continue to work tirelessly through these challenges.

Focus on community wellbeing

We were privileged to talk with so many residents as we developed our Long Term Plan 2021 – 31. Thank you for your interest and input into the future of our district.

Through conversations at Farmers Markets, community events, community group gatherings, and submissions to Council we heard from residents of all ages, ethnicities and many other service providers in the district.

Collectively these discussions confirmed that residents want Council to focus on community wellbeing outcomes that enable connected citizens, an enhanced lifestyle, a sustainable environment, a diverse economy, and resilient infrastructure.

These focus areas drive our services, and priorities going forward.

Progress on Significant Projects

During the year we have successfully progressed some significant projects that collectively enhance the wellbeing of our community. Delivering the 2020/2021 work programme was a huge challenge in a disrupted year. Despite this we

have successfully delivered over \$59M of projects across our activities, with highlights including:

- Te Ana Wai (Downlands) Water Supply Scheme - starting work on the Treated Water Reservoir and construction of the Water Treatment Plant building.
- Upgrading the Pareora water supply pipeline – progressing work on several sections of the pipeline, with completion expected by July 2022.
- Theatre Royal and Heritage Facility – further progress was made on this key CBD regeneration project. The \$29.8M project is forecast for completion in 2023. A \$11.6M cash injection from the central government 'Shovel Ready' stimulus funding was a welcome boost to the project.
- Waste Minimisation – As we continue efforts to reduce the volume of waste going to landfill, a separate glass collection bin was introduced in late June 2021. An extensive local campaign was launched to reduce contamination in recycling bins, with the contract for waste minimisation awarded to the new provider.
- Geraldine-Winchester Road roundabout - this significant road safety project was the first "Road to Zero" project approved by Waka Kotahi (NZTA). The new roundabout qualified for this funding assistance because of the potential it has to reduce accidents, deaths and serious injuries on this stretch of road.

You can read more about all of our projects throughout this report.

Timaru District Council Covid-19 Stimulus funding

The \$2M stimulus fund agreed in the 2020/21 Annual Plan was shared by 10 local projects. The successful projects were selected by Council because of their potential to boost recovery in response to Covid-19, and to contributing to community wellbeing and stimulating economic activity.

Change on the horizon

Predicting the future is difficult at the best of times. The spectre of Covid-19 and issues like climate change and natural disasters have made these predictions even more challenging. Local Government is in a period of

unprecedented change. Proposals to change the delivery of the three waters (sewer, stormwater and water supply), changes to resource management and what local government should look like in the future, will change the shape of local government as we know it. We will continue to listen to residents views, and advocate for the best solutions for the Timaru District community as these reforms progress.

Three waters reform

Council continues to advocate strongly for preserving community control and influence over its 3 Waters assets and decisions. Since 30 June 2021 Council has joined and supported Communities 4 Local Democracy, now a group of over 30 councils, advocating for communities to remain involved as a better way to achieve the government's objectives of lifting performance across the 3 waters. In addition Council, along with Whangarei and Waimakariri District Councils, is seeking a judgment from the High Court declaring the existence of ordinary property and associated rights to its 3 Waters assets including fair value compensation for expropriated assets. At present the government's proposal is for your 3 Waters assets to be transferred to a South Island wide entity with no compensation paid. By joining with other councils we are compelling the government to revisit its proposals, and we believe collective action by the councils will lead to better 3 waters reform outcomes while still preserving your control and influence over the assets and decisions.

Balancing the books

We remain in a financially strong position, both in terms of debt and overall financial performance. Covid-19 has not had a major impact on our service delivery or income. Overall we had a surplus of \$10.7M versus a budgeted surplus of \$8.6M.

Thank you Timaru District

On behalf of the Council, thank you for your contributions to your community during the year. Your ongoing support is essential in shaping a Timaru District that continues to thrive together.

Nō reira e ngā iwi o tēnei rohe
Tēnā koutou, tēnā koutou, tēnā
tātou katoa



Nigel Bowen
Mayor
Koromatua

Bede Carran
Chief Executive
Kaiwhakahaere



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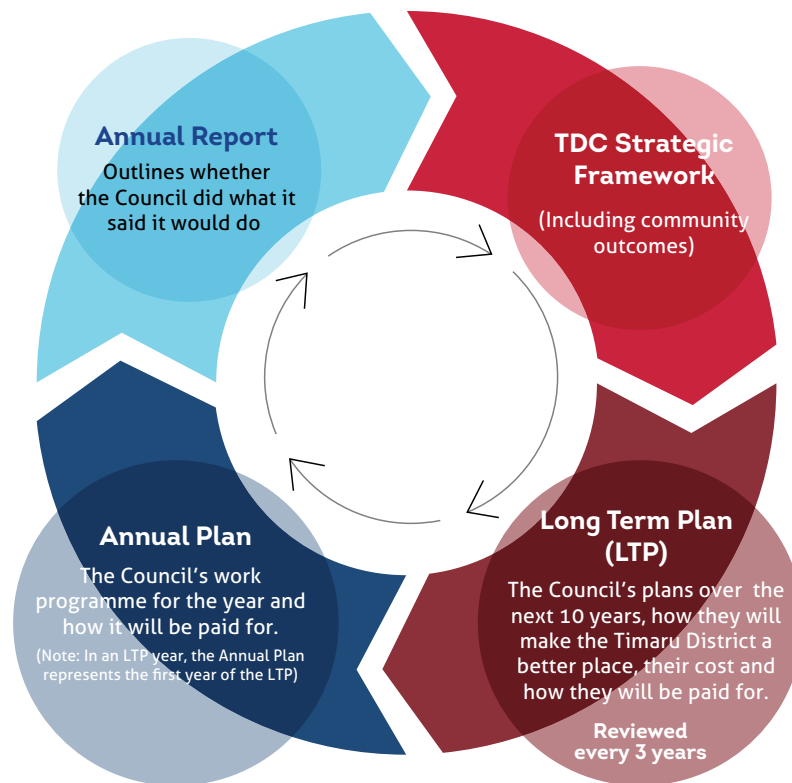


Overview

About the Annual Report

The purpose of the Annual Report is to explain how we delivered on the 2020/21 Annual Plan (Year Three of the 2018-28 Long Term Plan).

The diagram below shows our planning and reporting cycle:



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

DEMOCRACY

COMMUNITY SUPPORT

Airport
Community Funding
Community Facilities (includes public toilets, cemeteries)
Economic Development and Tourism
Emergency Management
Safer Communities
Social Housing

DISTRICT PLANNING AND ENVIRONMENTAL SERVICES

Building Control
District Planning
Environmental Compliance (environmental health, animal control, parking enforcement)

RECREATION AND LEISURE

Cultural and Learning Facilities (includes art gallery, halls, theatre royal, libraries, museum)
Parks (includes parks, fishing huts, motor camps, forestry)
Recreational Facilities (includes Caroline Bay Trust Aoraki Centre, swimming pools, Southern Trust Events Centre)

ROADING AND FOOTPATHS

Cycleways and Walkways
Roading and Footpaths (includes parking facilities)

SEWER

STORMWATER

WASTE MINIMISATION

WATER SUPPLY

CORPORATE ACTIVITIES

Our Strategic Direction

Vision

Where people, place and business prosper within a healthy, adaptable and regenerative environment.

Our Values and Role

- Inclusive Leadership**
Through inclusive leadership, citizens play an active role in the District, creating shared responsibility and a connected vision for the future.
- Cultural Caretakers**
Protecting and regenerating our unique cultural and environmental heritage so that we can retain a strong sense of identity for current and future generations.
- Transition Navigators**
Being adaptable to change by embedding the principles of agility and resilience into our approach towards enhancing our community wellbeing outcomes.

Community Wellbeing Outcome Connected Citizens

GOALS

Connected Citizens embrace social connection and learning through sharing stories and ideas, and civic engagement.

This Community Wellbeing Outcome seeks to actively support the contribution of citizens in activities that foster inclusion, agency and democracy.

FOCUS AREAS

- 1. Open to Ideas**
We will actively support the contribution of citizens in activities to foster inclusion and democracy.
- 2. Sharing Stories**
We will support the growth of local identity, and community pride through sharing stories, learning and documenting local history.
- 3. Enabling Community**
We will enable community ownership of projects, by supporting community groups and initiatives.
- 4. Foster Iwi Relationships**
We will develop collaborative relationships with papatipu runanga.
- 5. Advocacy and Leadership**
We will advocate and encourage citizens to contribute ideas and perspectives in an easily accessible way.

Community Wellbeing Outcome Enhanced Lifestyle

GOALS

Enhanced Lifestyle focuses on providing a healthy community environment, that enables affordable access to the range of facilities, opportunities and resources we need to thrive.

This Community Wellbeing Outcome seeks to enhance lifestyle and strengthen equity within our community.

FOCUS AREAS

- 1. Accessible and Active**
We will enable an active lifestyle for everyone across the accessibility spectrum.
- 2. Shared Spaces**
We will develop and maintain shared spaces that support community activity, diversity and foster pride.
- 3. Facilities and Services**
We will provide future proofed services and facilities to enhance the community.
- 4. Affordability**
We will strive to ensure affordability and equity are at the heart of our planning.
- 5. Health & Wellness**
We will create opportunities for all citizens to live within a safe, healthy community, where wellness needs are embraced.

Sustainable Environment

GOALS

At the heart of our sustainable environment is the practice of kaitiakitanga. It is our role to be guardians of our natural environment.

This Community Wellbeing Outcome seeks to encourage the regeneration of our environment and foster a culture of sustainability.

FOCUS AREAS

1. Kaitiakitanga

We will foster a strong connection between our people and the environment.

2. Low Carbon and Energy

We will promote and support low-carbon, low-energy practices.

3. Minimise Waste

We will lead and promote waste minimisation.

4. Clean Environment

We will prioritise sustainable land and water use to help regenerate our environment.

5. Encourage Biodiversity

We will support practices, partnerships and policies to protect and regenerate our native flora and fauna.

Diverse Economy

GOALS

Enabling the conditions for a diverse and prosperous economy that creates local, national and international opportunities for a thriving community.

This Community Wellbeing Outcome seeks to build on our unique local strengths to create a prosperity now and for future generations.

FOCUS AREAS

1. Sustainable growth

We will support sustainable growth in the right place.

2. New and Niche

We will encourage innovation and new opportunities to further diversify our economy.

3. Leverage Local Strength

We will leverage local strengths to retain and grow local talent.

4. Thriving Business

We will create opportunities for local businesses to thrive through networks & support.

Resilient Infrastructure

GOALS

Investing in the future through well conceived and planned projects that support the growth and wellbeing of the community and the environment.

This Community Wellbeing Outcome considers the critical transitions we face to create a sustainable platform for future generations.

FOCUS AREAS

1. Invest for Future

We will invest in high quality infrastructure to meet the needs of our community.

2. Apply Good Practice

We will use quality data and good practice to enable high quality infrastructure decision-making.

3. Responsive Planning

We will prioritise resilience in our planning for future infrastructure.

4. Engage with People

Council will engage with our community to develop solutions to future infrastructure challenges.



Relationship with Te Rūnanga o Ngāi Tahu

Te Rūnanga o Ngāi Tahu as Mana Whenua of Timaru District

Te Rūnanga o Ngāi Tahu (Ngāi Tahu) are a Treaty Partner of the Crown and are mana whenua of the area administered by the Timaru District Council. Ngāi Tahu is the collective representation of whānau and hapū who share a common ancestry and are tangata whenua (people of the land). They hold ancestral and contemporary relationships with the lands, waters, and ecosystems of their takiwā. Mana whenua are hapū or whānau who, through a combination of whakapapa and occupation (ahi ka) hold customary authority over the land and resources of an area or takiwā. Associated with mana whenua status are the rights and duties of rangatiratanga and kaitiakitanga.

Ngāi Tahu Takiwā

The Te Rūnanga o Ngāi Tahu Act 1996 acknowledges the takiwā of Ngāi Tahu as extending over most of the South Island south of a line from Kahurangi Point on the West Coast and Te Parinui o Whiti (White Bluff) near Cloudy Bay on the East Coast; and including offshore islands. The contemporary structure and membership of Ngāi Tahu is set out in the Te Rūnanga o Ngāi Tahu Act 1996. The Act recognises Ngāi Tahu as being descended from five primary hapū: Ngāti Kuri, Ngāti Tūāhuriri, Ngāti Irahehu, Ngāti Huirapa and Ngāti Te Ruahikihiki. Chiefs from these hapū occupied and established themselves as mana whenua in various parts of the takiwā; Kati Huirapa in the Timaru District.

Ngāi Tahu and Papatipu Rūnanga (ngā rūnanga)

The Te Rūnanga o Ngāi Tahu Act 1996 recognises Te Rūnanga o Ngāi Tahu as the iwi authority within the Ngāi Tahu takiwā. Ngāi Tahu is comprised of 18 papatipu (main) rūnanga who represent the whānau and hapū who hold mana whenua within the Ngāi Tahu takiwā. The takiwā of each rūnanga is described in the Te Rūnanga o Ngāi Tahu (Declaration of Membership) Order 2001. The papatipu rūnanga who represent those who hold mana whenua in the Timaru District and their respective takiwā are:

- Te Rūnanga o Arowhenua (Arowhenua) – whose takiwā centres on Arowhenua and extends from the south bank of the Rakaia River in the north to the north bank of the Waitaki River in the south and from the coast in the east to Aoraki and the main divide in the west. Te Rūnanga o Arowhenua share interests with Te Rūnanga o Waihao – whose takiwā centres on Morven and extends from the Waitaki River in the east to Omarama and the Main Divide in the west.

Under s15 of the Te Rūnanga o Ngāi Tahu Act, Ngāi Tahu must consult with papatipu rūnanga in forming a view on any matter. In practice, Ngāi Tahu encourages councils, other Government Agencies, and individuals to consult directly with papatipu rūnanga on issues in their takiwā.

Ngāi Tahu supports ngā rūnanga in these matters when requested by them and represents Ngāi Tahu whānui in tribal matters and in negotiations with the Crown. Ngāi Tahu whānui also have shareholdings and interests in commercial activities and entities. These commercial entities may make applications or lodge submissions on Resource Management Act 1991 (RMA) processes from time to time, but they are not mana whenua or the iwi authority.

Treaty of Waitangi and Duties of Local Authorities

Council is required to take appropriate account of the principles of the Treaty of Waitangi when carrying out its duties under the Local Government Act (LGA) 2002 (s4), the RMA (s8). The relationship between Ngāi Tahu whānui and the Timaru District Council reflects, at a local level, the relationship between the Crown and its Treaty Partners; it is a partnership.

Council is also required to engage directly with mana whenua in relation to policy-making and decision-making under both the LGA and RMA.

Section 81 of the LGA requires all local authorities to establish and maintain processes to provide opportunities for Māori to contribute to Council's decision-making processes. It also requires councils to consider ways to foster the development of Māori capacity to contribute to these processes and to provide Māori with relevant information.

The RMA has specific requirements for Council to engage with tangata whenua through the iwi authority when preparing and reviewing the district plan and to consider tangata whenua values as part of decision-making on resource consent applications. While engagement with tangata whenua is provided specifically within the project planning for the District Plan Review and other key Council projects, it is important that the Long Term Plan recognises these obligations and provides for adequate resourcing and timeframes to ensure an appropriate level of engagement on relevant Council projects.

It is also important that Council recognises its relationship with Ngāi Tahu under all legislation it administers not just the LGA and the RMA. It is also important that the Council look for opportunities to strengthen its role and relationship with mana whenua in any government legislative reforms process.

Council Relationship with Mana Whenua

Council considers it important to further develop relationships with the papatipu rūnanga who represent those who hold mana whenua in the Timaru District. Fostering these relationships is key to enabling Council to meet its statutory requirements under the LGA and RMA. Council will ensure all its key policy and decision-making processes include opportunities for discussion with mana whenua, through their mandated representatives, at the earliest opportunity and before any decisions are made; and endeavour to provide resources to help facilitate that engagement.

Council shall provide opportunities for mana whenua to engage in the development of key policy and plans, including the long-term plans and annual plans, and on resource management plans, policies and strategies including the process, timing and content of plan or policy development and review. Opportunities are also considered for appointments on planning and resource consent hearing committees. To assist in this commitment, the Council has signed a Service Level Agreement with Aoraki Environmental Consultancy Limited (AEC). AEC is mandated by Arowhenua to help advise councils and other agencies on issues of interest to Arowhenua Rūnanga, to facilitate consultation with Arowhenua, and to ensure timely and appropriate input into policy, plans, resource consents and processes on behalf of Arowhenua.

Council will also continue to offer places for Rūnanga representatives on Council Committees, including the Environmental Services Standing Committee, the Safer Communities Committee and the Local Arts Assessment Committee, and other bodies as appropriate, and seek regular engagement with papatipu rūnanga to discuss matters of common interest and foster general relationships.

Council's Senior Management Team will also be available to meet with ngā rūnanga representatives as required.

Key Projects

Mana whenua interests in Council activities are broad. Arowhenua have a deep connection to the land including within the Timaru District. Arowhenua Rūnanga have developed a deep sense of responsibility to care for it, as it has cared for them and those who came before them. This way of life is known as kaitiakitanga and incorporates the responsibility to ensure that the whenua and wai will continue to provide for their mokopuna – 'for those who come after us'.

For Arowhenua Rūnanga, exercising kaitiakitanga supports the philosophy of rangatiratanga, the value and practice of people exercising their independence, determining their choices for governing themselves, their lands, and all their treasures. Rangatiratanga has particular prominence, as it is the basis of Article 2 of Te Tiriti o Waitangi/The Treaty of Waitangi (1840).

Rangatiratanga is associated with sovereignty, leadership, autonomy to make decisions, and self-determination. This includes leadership within the whānau and community, as well as leadership within business activities in the private and public sectors. For Arowhenua Rūnanga, rangatiratanga in the cultural sphere relates to stewardship of others, advocating for others and the community, doing the right thing for their people, and ensuring wellbeing and generosity of spirit. In relation to the environment, rangatiratanga is about caring for wāhi tapu and wāhi taonga (sacred places and objects) and ensuring co-governance and co-management of natural resources. This in turn ensures that rangatahi (the younger generations) and the community know the history of the land and reserves that surround them, and that the land is safe, appreciated and used.

Mana whenua interests are not limited to 'culturally significant sites.' A township may have buildings or places that are prized for their architectural history, or providence, but a council is interested in all aspects of how the town functions. Similarly for mana whenua, wāhi tapu and wāhi taonga (sacred and treasured places) are highly valued and require special protection, but kaitiakitanga is a duty that extends over the entire takiwā and to all those living within it.

Mana whenua is interested in all aspects of local governance; however, it is accepted that there are limitations on individual's time and resources. Consequently, some projects may have to be prioritised from time to time.

Current priorities include:

- Exploring potential for transfer of powers to make decisions over ancestral land.
- Appropriate use of traditional place names.
- Spatial planning for growth of the district.
- Protection and enhancement of mahinga kai (traditional food and other natural resources and the places where those resources are obtained).
- Management and protection of significant sites including rock art, wāhi tapu and wāhi taonga sites.
- Stormwater and sewerage management.
- Management of natural hazards including flooding and coastal erosion.
- Effects of industrial development/expansion at Washdyke.

Your Councillors and Community Boards

As at September 2021



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Mayor

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Jan Finlayson	(03) 693 7297 021 502 297	janfinlayson@xtra.co.nz
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McGregor Simpson	03 696 3963 021 147 2014	

Plus Geraldine Ward Councillor: Gavin Oliver

Pleasant Point Community Board

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John McDonald (Deputy Chairperson)	(03) 614 7619 027 860 7966	jdmcdonald60@gmail.com
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Plus Pleasant Point-Temuka Ward Councillors: Richard Lyon (Chairperson) and Paddy O'Reilly

Temuka Community Board

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Charles Scarsbrook	(03) 615 9444 027 615 5500	homemade@xtra.co.nz

Plus Pleasant Point-Temuka Ward Councillors: Richard Lyon and Paddy O'Reilly (Chairperson)

Timaru District Profile

Ngāi Tahu as Mana Whenua of Timaru District

Ngāi Tahu are a Treaty Partner of the Crown and are mana whenua of the area administered by the Timaru District Council. Ngāi Tahu is the collective representation of whānau and hapū who share a common ancestry and are tangata whenua (people of the land). Information on Council's relationship with mana whenua is provided earlier in this document.

Geography and climate

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

Timaru District is the fourth largest district by population and sixth largest by area in the Canterbury region. It has a population density of 16.5 persons per square kilometre.

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

Demographics

The estimated resident population of the Timaru District as at 30 June 2020 was 48,400. The 2018 Census population was 46,296. Population projections, based on a medium growth scenario, project the district's population to increase to 49,400 (+8.8%) by 2028, peaking in 2038 at 50,200. The rate of natural increase will become negative from around 2028 meaning there will be more deaths than births. This reflects the age makeup of the district's population. Growth from 2028 will be reliant on net migration.

The population is expected to age in the future. Virtually all growth in future years is projected to be in age groups 65+, with the proportion of 65+ increasing from 20.1% in 2013 to 28.2% in 2028 and 32.9% in 2043.

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

* Based on Statistics NZ Population Projections

Our Economy

The Timaru District economy is strongly influenced by its agricultural heritage. From its birth in pioneering sheep farming, our richly productive agricultural sector has grown to become New Zealand's "food bowl".

Today's farming is heavily influenced by dairy, with horticulture, intensive cropping, meat and wool also playing an important role. Significant manufacturing, processing, engineering and distribution operations contribute to extensive export and domestic supply of a wide range of goods and services.

This provides an array of employment opportunities across all sectors from trades and manufacturing to the professional, service and primary sectors. The Timaru District prides itself on having one of the lowest unemployment rates in New Zealand.

The wider South Canterbury region enjoys reliable and accessible water for irrigation and industry – indeed some of the most affordable resource in the country. This continues to provide the impetus for the development and growth of successful food processing and exporting operations. Large scale investment in water storage, quality and management is continuing, helping to ensure a robust, diverse economic future for the District.

Our Communities

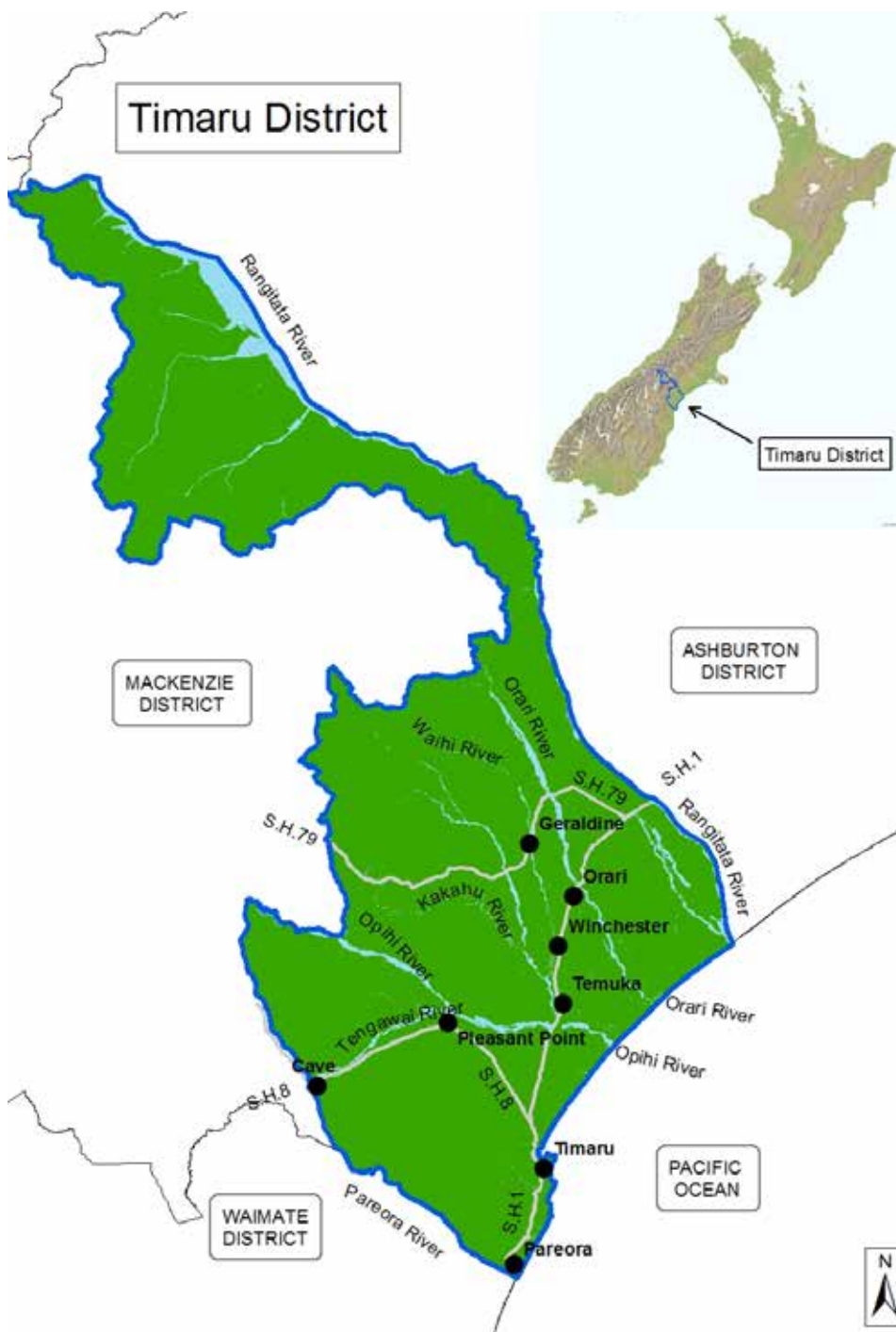
Timaru is the largest community, housing nearly two thirds (29,600) of the total population of the district. The next largest community is Temuka (4,120), followed by Geraldine (2,310) and Pleasant Point (1,220).

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 Ara Institute providing tertiary education services.

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.



Statement of Compliance

Compliance

The Council and management of the Timaru District Council confirm that not all the statutory requirements of the Local Government Act 2002 have been complied with.

The Timaru District Council was required under section 98(7)(a) of the Local Government Act 2002 to complete its audited financial statements and service performance information by 31 December 2021. This timeframe was not met because Audit New Zealand was unable to complete the audit within this timeframe principally due to an auditor shortage and the consequential effects of Covid-19, including lockdowns.

Responsibility

The Council and management of Timaru District Council accept responsibility for the preparation of the annual Financial Statements and the judgements used in them.

The Council and management of Timaru District Council accept responsibility for establishing and maintaining a system of internal control designed to provide reasonable assurance as to the integrity and reliability of financial reporting.

In the opinion of Council and management of Timaru District Council, the annual Financial Statements for the year ended 30 June 2021 fairly reflect the financial position and operations of Timaru District Council.



Nigel Bowen

Mayor

22 March 2022

Bede Carran

Chief Executive

22 March 2022

Independent Auditor's Report

To the readers of Timaru District Council's annual report for the year ended 30 June 2021

The Auditor-General is the auditor of Timaru District Council (the District Council) and its controlled entities (the Group). The Auditor-General has appointed me, John Mackey, using the staff and resources of Audit New Zealand, to report on the information in the District Council's annual report that we are required to audit under the Local Government Act 2002 (the Act). We refer to this information as "the audited information" in our report.

We are also required to report on:

- whether the District Council has complied with the requirements of Schedule 10 of the Act that apply to the annual report; and
- the completeness and accuracy of the District Council's disclosures about its performance against benchmarks that are required by the Local Government (Financial Reporting and Prudence) Regulations 2014.

We refer to this information as "the disclosure requirements" in our report.

Our audit was completed late

Our audit was completed on 22 March 2022. This is the date at which our opinion is expressed. We acknowledge that our audit was completed later than required by the section 98(7)(a) of the Local Government Act 2002. This was due to an auditor shortage in New Zealand and the consequential effects of Covid-19, including lockdowns.

Opinion on the audited information

In our opinion:

- the financial statements on pages 109 to 112 and pages 118 to 176:
 - present fairly, in all material respects:
 - the District Council and group's financial position as at 30 June 2021; and
 - the results of the operations and cash flows for the year ended on that date; and
 - comply with generally accepted accounting practice in New Zealand in accordance with Public Benefit Entity Reporting Standards;
- the funding impact statement on page 113, presents fairly, in all material respects, the amount of funds produced from each source of funding and how the funds were applied as compared to the information included in the District Council's annual plan;
- the statement of service performance on pages 39 to 103:
 - presents fairly, in all material respects, the levels of service for each group of activities for the year ended 30 June 2021, including:
 - the levels of service achieved compared with the intended levels of service and whether any intended changes to levels of service were achieved; and
 - the reasons for any significant variation between the levels of service achieved and the intended levels of service;
 - complies with generally accepted accounting practice in New Zealand;
- the statement about capital expenditure for each group of activities on pages 42 to 104, presents fairly, in all material respects, the actual capital expenditure as compared to the budgeted capital expenditure included in the District Council's Long-term plan; and
- the funding impact statement for each group of activities on pages 42 to 104, presents fairly, in all material respects, the amount of funds produced from each source of funding and how the funds were applied as compared to the information included in the District Council's Long-term plan.

Report on the disclosure requirements

We report that the District Council has:

- complied with the requirements of Schedule 10 of the Act that apply to the annual report; and
- made the disclosures about performance against benchmarks as required by the Local Government (Financial Reporting and Prudence Regulations 2014) on pages 177 and 178, which represent a complete list of required disclosures and accurately reflects the information drawn from the District Council's audited information and, where applicable, the District Council's long-term plan and annual plans.

Emphasis of matter – The Government's three waters reform programme announcement

Without modifying our opinion, we draw attention to note 34 on page 169, which outlines that subsequent to year-end, the Government announced it will introduce legislation to establish four publicly owned water services entities to take over responsibilities for service delivery and infrastructure from local authorities from 1 July 2024. The impact of these reforms, once legislated, will mean that the District Council will no longer deliver three waters services.

Basis for our opinion on the audited information

We carried out our audit in accordance with the Auditor-General's Auditing Standards, which incorporate the Professional and Ethical Standards and the International Standards on Auditing (New Zealand) issued by the New Zealand Auditing and Assurance Standards Board. We describe our responsibilities under those standards further in the "Responsibilities of the auditor for the audited information" section of this report.

We have fulfilled our responsibilities in accordance with the Auditor-General's Auditing Standards.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion on the audited information.

Responsibilities of the Council for the audited information

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

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

The Council is responsible for such internal control as it determines is necessary to enable it to prepare the information we audit that is free from material misstatement, whether due to fraud or error.

In preparing the information we audit the Council is responsible for assessing its ability to continue as a going concern. The Council is also responsible for disclosing, as applicable, matters related to going concern and using the going concern basis of accounting, unless there is an intention to amalgamate or cease all of the functions of the District Council and the Group or there is no realistic alternative but to do so.

Responsibilities of the auditor for the audited information

Our objectives are to obtain reasonable assurance about whether the audited information, as a whole, is free from material misstatement, whether due to fraud or error, and to issue an audit report that includes our opinion.

Reasonable assurance is a high level of assurance but is not a guarantee that an audit carried out in accordance with the Auditor General's Auditing Standards will always detect a material misstatement when it exists. Misstatements are differences or omissions of amounts or disclosures and can arise from fraud or error. Misstatements are considered material if, individually or in the aggregate, they could reasonably be expected to influence the decisions of readers taken on the basis of this audited information.

For the budget information reported in the audited information, our procedures were limited to checking that the budget information agreed to the District Council's annual plan.

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

As part of an audit in accordance with the Auditor-General's Auditing Standards, we exercise professional judgement and maintain professional scepticism throughout the audit. Also:

- We identify and assess the risks of material misstatement of the audited information, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- We obtain an understanding of internal control relevant to the audit 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 and Group's internal control.

- We evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Council.
- We determine the appropriateness of the reported intended levels of service in the statement of service performance, as a reasonable basis for assessing the levels of service achieved and reported by the District Council.
- We conclude on the appropriateness of the use of the going concern basis of accounting by the Council and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast a significant doubt on the District Council and Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our audit report to the related disclosures in the audited information or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our audit report. However, future events or conditions may cause the District Council and the Group to cease to continue as a going concern.
- We evaluate the overall presentation, structure and content of the audited information, including the disclosures, and whether the audited information represents, where applicable, the underlying transactions and events in a manner that achieves fair presentation.
- We obtain sufficient appropriate audit evidence regarding the entities or business activities within the Group to express an opinion on the consolidated audited information.

We communicate with the Council regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Other information

The Council is responsible for the other information included in the annual report. The other information comprises the information included on pages 2 to 11, 12 to 17, 23 to 38, 105 to 108, and 179 to 189, but does not include the audited information, the disclosure requirements, and our auditor's report thereon.

Our opinion on the audited information and our report on the disclosure requirements do not cover the other information.

Our responsibility is to read the other information. In doing so, we consider whether the other information is materially inconsistent with the audited information and the disclosure requirements, or our knowledge obtained during our work, or otherwise appears to be materially misstated. If, based on our work, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Independence

We are independent of the Council and Group in accordance with the independence requirements of the Auditor-General's Auditing Standards, which incorporate the independence requirements of Professional and Ethical Standard 1: International Code of Ethics for Assurance Practitioners issued by the New Zealand Auditing and Assurance Standards Board.

In addition to our audit and our report on the disclosure requirements, we have audited the District Council's long-term plan and reported on an assurance engagement pursuant to its Debenture Trust Deed. These engagements are compatible with those independence requirements.

Other than these engagements we have no relationship with or interests in the District Council or the Group.



John Mackey
Audit New Zealand
On behalf of the Auditor-General
Christchurch, New Zealand
31 March 2022





The Year in Review

\$94M

TOTAL EXPENDITURE
(Compared with budget of \$83M)

\$55M

RATES REVENUE LEVIED
(Compared with budget of \$54M)

**Financial
Overview**

\$1,357M

**TOTAL COUNCIL
NET ASSETS**
(2019/20: \$1,055M)

\$36M

RESERVE FUNDS
(2019/20: \$37M)



Expenditure and Revenue

Overall operating expenditure was \$11,580,000 higher than budget. The major items in this unfavourable variance were:

- Reduction in provision of \$2,434,000 for aftercare expenditure on Timaru's Redruth landfill due to interest rate changes and reassessment of the costs to provide aftercare and the Peel Forest closed landfill.
- Roothing maintenance costs were \$1,564,000 above budget attributable to emergency works response and increased sealed pavement maintenance required as a result of the flooding event.
- Urban water supply costs attributable to reticulation and overhead costs were \$634,000 above budget as a result of additional maintenance.
- Depreciation and amortisation was \$6,997,000 larger than budget due to the 2019/20 revaluation of assets within three waters infrastructure assets (water, sewer, stormwater) and the 2020/21 revaluation of roading assets. The budget was based on pre-revaluation values.
- Finance costs were \$196,000 under budget due to the actual timing of capital works being different from the budgeted timing. In many cases this is due to the planning, design and consenting processes taking longer than initial forecast. There was also lower than budgeted interest rates achieved.

Overall actual revenue was \$13,692,000 better than the budget. The major items in this favourable variance were:

- Subsidies and grants was \$3,255,000 more than budget.

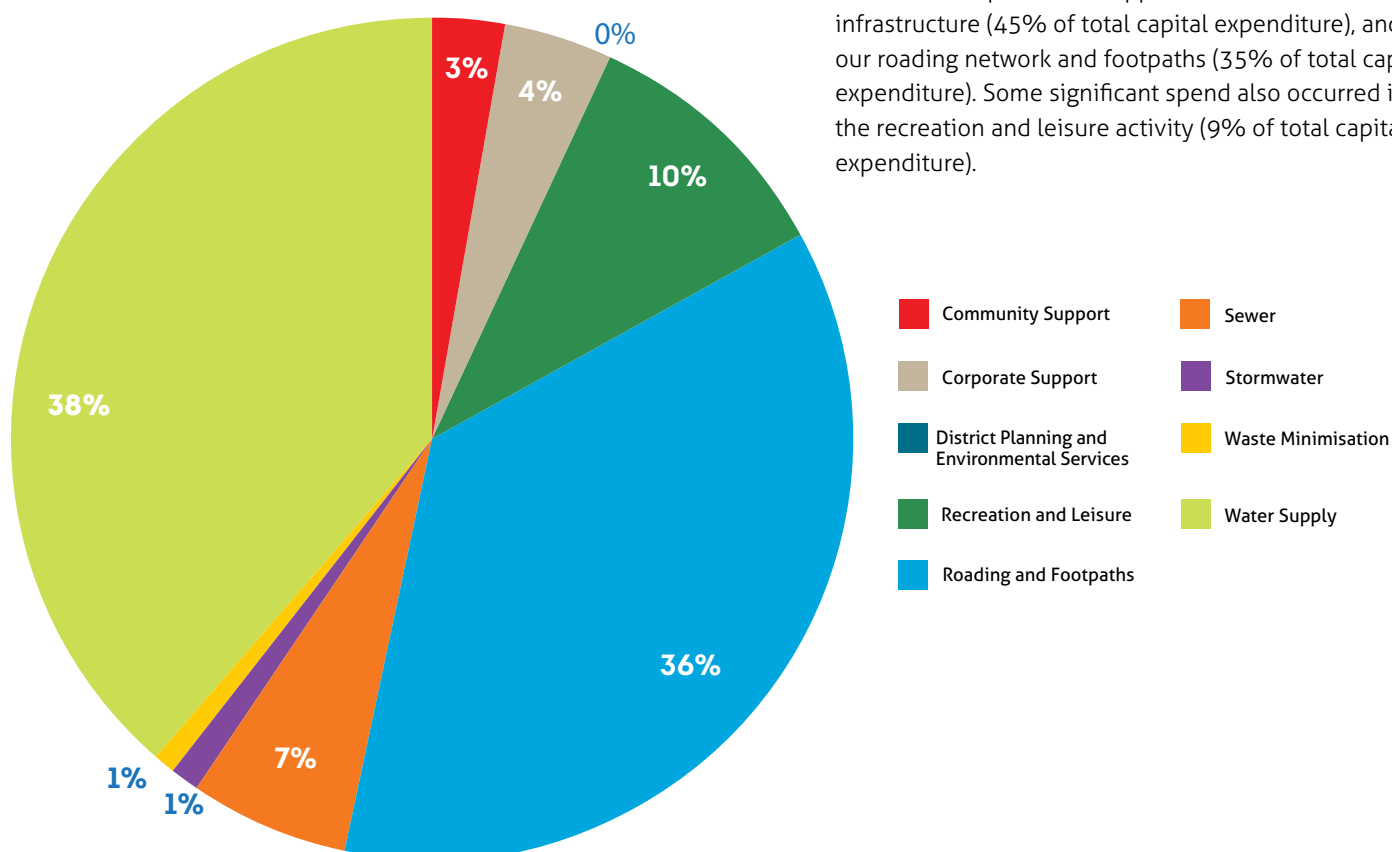
This was largely attributable to the following:

- The Department of Internal Affairs provided an unbudgeted grant for water stimulus projects. \$3,430,000 was received during the 2020/21 year.
- The Ministry for Business, Innovation and Employment provided an unbudgeted grant for development of the Theatre Royal. \$2,320,000 was received during the 2020/21 year, of which \$565,000 was recognised as revenue.
- Other revenue was \$8,084,000 more than budget. Assets of \$5,961,000 from residential developments were vested in Council during the year. The budget only includes minimal service connections vesting (approximately \$40,000). In addition, residential developments contributed to an increase in consenting fees of \$500,000 above budget.
- Other gains/(losses) of \$1,594,000 related to the following:
 - Unrealised gains on interest rate swaps of \$2,413,000 were not budgeted for due to difficulties in forecasting market conditions.
 - Loss on disposal of property, plant and equipment of \$943,000.

Capital Expenditure programme

- During 2020/21 capital expenditure on Council's infrastructure, facilities and services totaled \$59M. This provided numerous employment opportunities for our local workforce while keeping our facilities and infrastructure well maintained and fit-for-purpose.
- Most of the expenditure happened on three waters infrastructure (45% of total capital expenditure), and on our roading network and footpaths (35% of total capital expenditure). Some significant spend also occurred in the recreation and leisure activity (9% of total capital expenditure).

Capital Expenditure by Group of Activity



Contributing to the wellbeing of our community

Council's role in the community is much broader than simply providing services. Our role also encompasses promoting the wellbeing of residents through shaping places and services to meet the needs of our community. We are able to do this more effectively when we work in

partnership with the community and draw on the wealth of talent, understanding and enthusiasm we have in the Timaru District.

The decisions Council makes about the services and facilities are made to enhance the quality of life of all Timaru district residents.

**HEALTHY
HOMES
UPGRADING
UNDERWAY**

1,800+
library materials
delivered, and significant
increases in material
available via e books and
audio books digital apps

93.5%
SOCIAL HOUSING
UNIT OCCUPANCY

15

DOG CONTROL
EDUCATION
INITIATIVES
DELIVERED

Social wellbeing

278

PEOPLE ATTENDED
COMMUNITY BASED
ART GALLERY
TALKS

Art Gallery

Five visits
to local
rest homes

Traffic disruption due
to road maintenance
and renewal works
kept to a minimum

No formal complaints
received by Council

99.46%

Resource consents
processed within
statutory timeframes

7%

OF ROADING NETWORK
RESURFACED -
EXCEEDING TARGET
OF 4%

12.92

AVERAGE DAYS
BUILDING CONSENT
PROCESSING TIME

Economic wellbeing

Working with Plant & Food
Research on opportunities
for new horticulture and
energy cropping opportunities
through a regional land
mapping exercise

100

new apprentices employed in Mid
and South Canterbury and North
Otago in a 5 month period through
the Regional Apprenticeship
Initiative coordinated by Venture
Timaru, 90 of these in the
construction industry

Cultural wellbeing

16

art gallery exhibitions hosted, with aspects of these uploaded digitally for national and international viewing

Fostering our young learners through innovative cultural and learning programmes, including

- Museum Young Explorers Club
2,000+ primary school age members
- Over 400 sessions hosted at the libraries during school holiday and after school
- School holiday programmes hosted at the Art Gallery, including Anzac themed activities, Matariki workbooks and flax weaving sessions

MATARIKI
-THE MĀORI
NEW YEAR, 24
JUNE

A time for celebration, growth and renewal, with numerous events held across the district

70+

NEW CITIZENS
WELCOMED TO THE
DISTRICT

Museum

172

CULTURALLY AND
HISTORICALLY
SIGNIFICANT
ACQUISITIONS

"Blue bin" glass collection introduced to boost recycling

Environmental wellbeing

31,378

transactions at the
"Crow's Nest" reuse
shop

100%

COMPLIANCE WITH
SEWER, STORMWATER
AND WATER RESOURCE
CONSENTS

Sustainable is Attainable

Venture Timaru initiative with 20+ local industries exploring opportunities including:

- Bio-fuel and bio digesters
- Plastic shredders
- Protein extraction plants
- Blue lab – cleantech facilities

14,500

TONNES OF GREEN
WASTE DIVERTED FROM
THE LANDFILL

How we measure our service performance

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

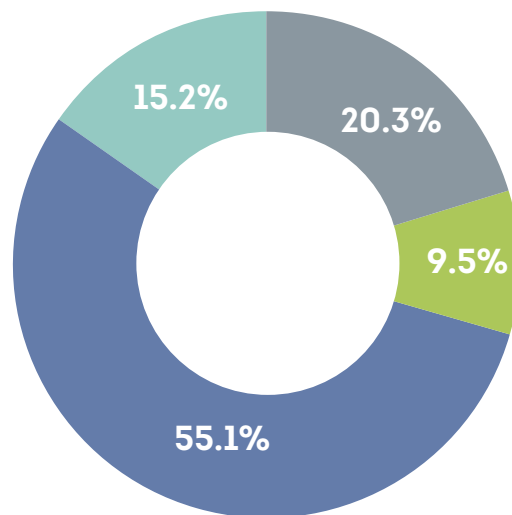
We have 158 performance measures with targets that we report on across 10 groups of activities.

We achieved 55% of targets (87 measures) and nearly achieved 9% (15 measures). 20% were not achieved (32 measures) and 15% not measured (24 measures).

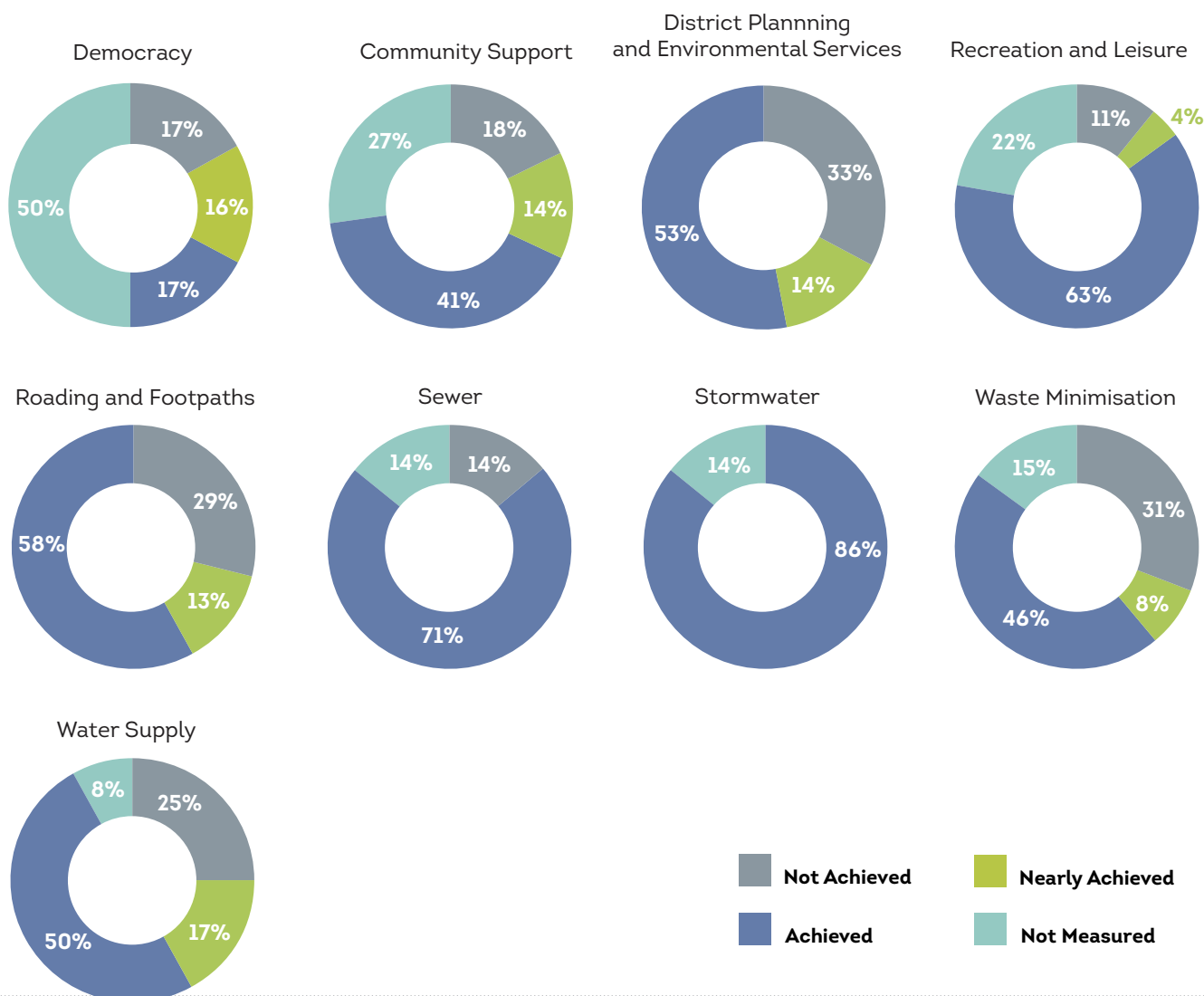
Of the 24 measures that were not measured this year, the majority are biennial measures relating to the community survey, which will be conducted in 2021/22.

Note: Nearly Achieved applies where the result achieved was within 5% of target

Overall Performance Summary



Performance Summary by Group of Activities





Highlights and challenges

Timaru District Council Stimulus Fund \$2M

The fund, which was agreed in the 2020/21 Annual Plan, was aimed at supporting initiatives that would boost recovery in response to Covid-19, and contribute to community wellbeing and stimulating economic activity.

Ten local projects were selected by Council to share \$1.85 million of the Covid-19 stimulus fund. As a separate part of the overall \$2 million fund, \$150,000 has been allocated to district development agency Venture Timaru to support local events.

The successful applicants were

Levels Raceway Resealing Project

Tennis South Canterbury Court Resurfacing Project at the Trust Aoraki Centre

Redevelopment of Alpine Energy Stadium

Temuka Projects

Geraldine Domain Redevelopment

Re-roofing of the main building at the Winchester domain/Showgrounds

South Canterbury Bike Skills Park

Cycle Trail - Stage 1: Timaru to Pleasant Point

New Classic Truck & Vintage Tractor Building

C-Play Timaru



Retro Rock

The fourth annual Retro Rock at the Museum event was held in February – an evening of music and dance enjoyed by a crowd of over 600 “retro rockers”

May 2021 Flood Event – recovery is ongoing

In late May the district experienced a 1-100 year flood event, with a state of emergency declared on 30 May.

Serious flows occurred in northern district rivers – the Orari, Waihi and Temuka, with reasonable flows in Te Moana and Kakahu Rivers and lesser flows in Te Ana Wai, Opihi and Pareora Rivers. Flood breakouts were experienced from Kowhai Stream into Peel Forest. The Orari River suffered a large flood below State Highway One with flood breakouts into Coopers Creek channel.

This resulted in serious on-farm damage, some house flooding and isolation, with transport links severed and significant damage to the roading network.

While the impact was significant, it would have been worse had it not been for the previous dry period, the low level of Lake Opuha, less rainfall in the southern tributaries of the Opihi and key rivers remaining within their banks.

The flood event has left the district vulnerable to further flood damage, particularly in the Orari and Waihi Rivers, with significant gravel distribution and vegetation loss. Other recent events such as the 2019 Rangitata River flood and an ocean swell event in June 2021 meant significant repair work and restoration has been required across the district which may take years to complete.



Swimming Pool Facilities

338,317

Visitors to the CBay pool complex

467

Aqua Fitness classes – well above previous years

3,460

Swim for life participants

3,086

Learn to Swim students

114

Participants in our competitive squad per term



Shakespeare comes to town

The Aigantighe gallery gardens was the venue for the Aidan Theatre's play Shakespeare's Romeo and Juliet.

The performance was in the art gallery sculpture garden and held two performances, with a total audience of 225.

Entry was by koha and Cafe Cherie was on site for both performances, providing refreshments and high tea treats from their pop-up cafe.

Significant infrastructure projects making progress

Winchester – Geraldine roundabout nearing completion

The significant road safety project between Winchester and Geraldine is practically complete. The new rural roundabout was the first Road to Zero project approved under an enhanced financial assistance rate by Waka Kotahi (NZTA).

Sewer Main renewals and upgrading

Good progress was made during the year upgrading and renewing sewer infrastructure in priority areas across the district.

Te Ana Wai (Downlands) Water Supply Scheme upgrade

Construction of the Water Treatment Plant building, and site works for the Treated Water Reservoir have commenced.

Timaru – Pareora Pipeline upgrade

Further progress was made on this multi year project, with Section 1 nearing completion and contracts let for Sections 2 and 3.

Temuka Water Supply

Construction of the new treated water reservoir was completed.



Highlights and challenges

Significant reforms for Local Government

The local government operating environment is set for significant change in the coming years. Council is engaging in these processes, keeping the community informed of options and implications, and advocating on behalf of the community.

Three Waters Reform

In July 2020, the Government announced its Three Waters Reform, a three-year programme to change the way drinking water, sewer and stormwater are delivered, to improve public health, environmental and economic outcomes.

Council signed a Memorandum of Understanding (MoU) with the Government and received \$6.8M of stimulus funding to maintain and improve three waters infrastructure. By signing this MoU we agreed to participate in the exploration of future service delivery options for the three waters services and to collaborate with agencies involved in the reform. This process will continue to unfold over several years.

Future for Local Government Review

The Government review into the future of local government was launched in April 2021. The review is to consider, report and make recommendations on:

- roles, functions and partnerships
- representation and governance and
- funding and financing.

The Review final report is due by 30 April 2023 to the Minister of Local Government and Local Government New Zealand.

Repeal of the Resource Management Act 1991

The repeal of the Resource Management Act and replacement with three new pieces of legislation, the Natural and Built Environments Act and a Strategic Planning Act, and Managed Retreat and Climate Change Adaptation Act has been signalled by the Government. Participating in, and representing the district's interests in this significant reform process has commenced, and will continue over the next few years.

Long Term Plan 2021-31

Together we can thrive

Following meetings with nearly 40 community groups, and consideration of 560 submissions on a wide range of matters that are important to our community, Council adopted the Long Term Plan 2021-31.

As well as an ambitious capital work programme of \$557 million (including inflation) over the next ten years, Council is committed to progressing a number of strategies focussed on connecting our communities and enhancing wellbeing.

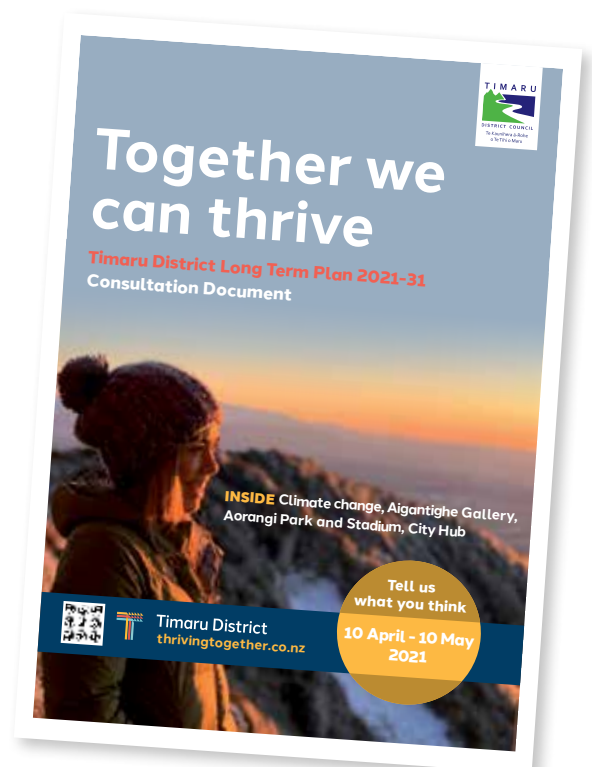
Through the Long Term Plan consultation, decisions were made to progress the four big issues discussed with the community.

Preparing for climate change

Redeveloping Aigantighe Art Gallery

Regenerating the Timaru City Hub

Developing Aorangi Park and Stadium







Council Activities

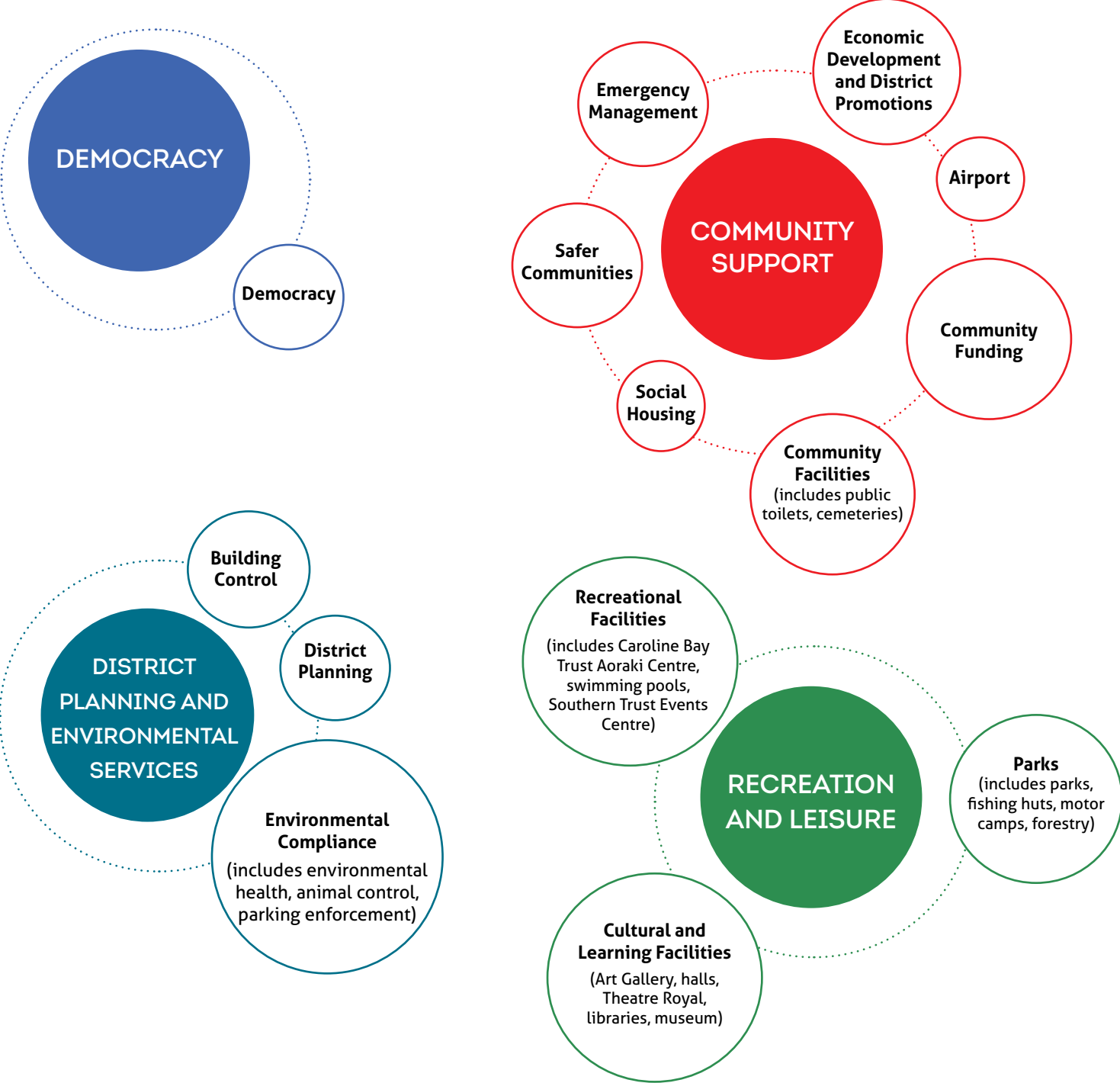
Section Overview

This section describes the work and performance of the Council's Groups of Activities, for the 2020/21 year.

What we do
A description of the activities included within each group and their key functions.

Contributions to Community Wellbeing Outcomes
An indication of which community wellbeing outcomes these activities contribute to.

Council has nine groups of activities as outlined below. We also have a Corporate Activities group that provides support across the organisation.



Highlight and Challenges

A description of some of the highlights and challenges for each activity.

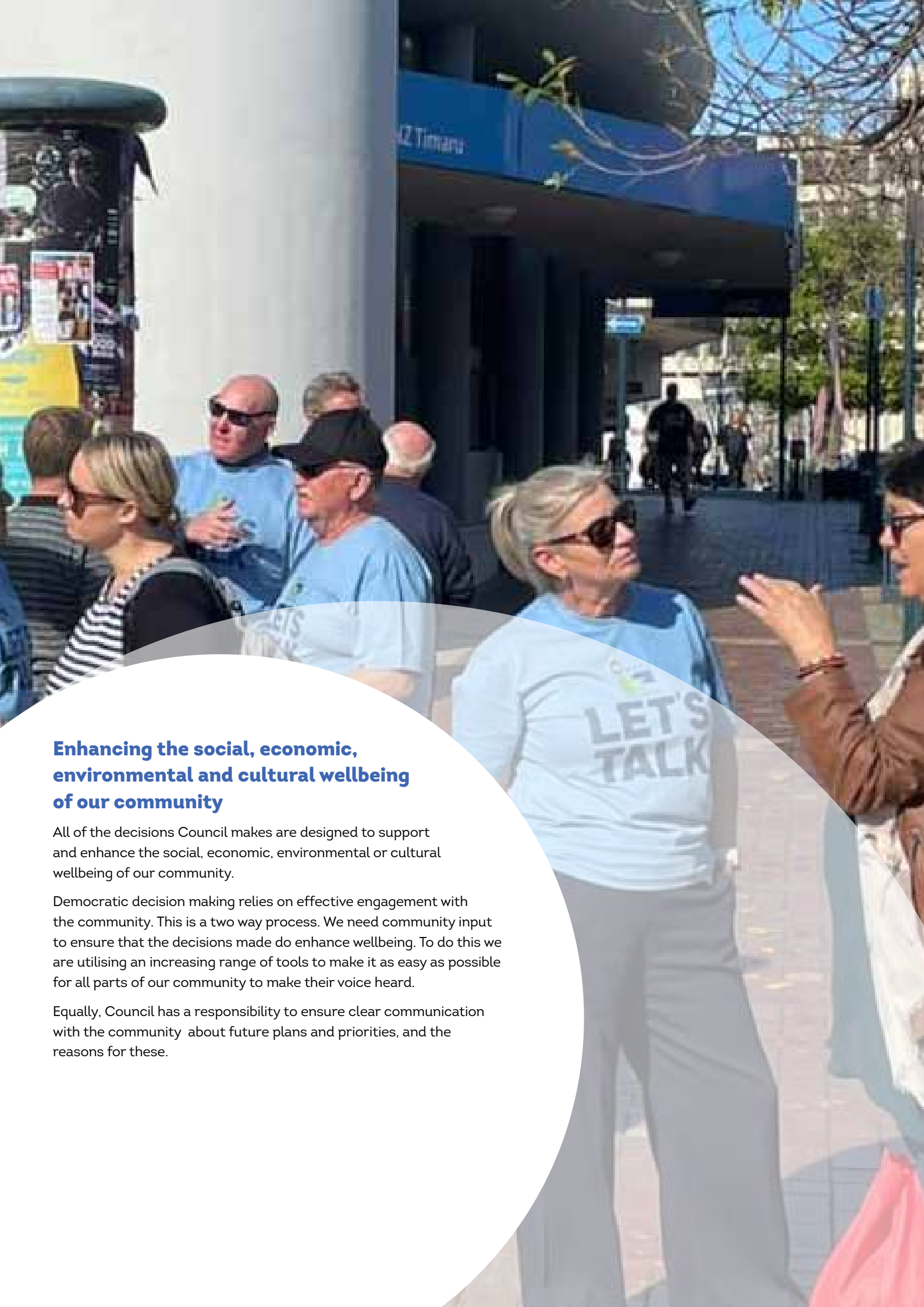
Service Performance

A summary of how the Council performed against performance measures for each activity.

Financial Information

A funding impact statement that show how each group of activities has been paid for.





Enhancing the social, economic, environmental and cultural wellbeing of our community

All of the decisions Council makes are designed to support and enhance the social, economic, environmental or cultural wellbeing of our community.

Democratic decision making relies on effective engagement with the community. This is a two way process. We need community input to ensure that the decisions made do enhance wellbeing. To do this we are utilising an increasing range of tools to make it as easy as possible for all parts of our community to make their voice heard.

Equally, Council has a responsibility to ensure clear communication with the community about future plans and priorities, and the reasons for these.

Democracy

What we do

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

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

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

Key tasks include:

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



Democracy Highlights

2021-31 Long Term Plan

Following the release of the Consultation Document for the Long Term Plan in April 2021, Councillors had the opportunity to hear community views on priorities for the district from nearly 40 different groups in our community.

Hearing from our younger residents

Through the LTP Youth Competition Council heard views from some of our younger residents.

Mazaiah Isaako Tuala - receiving recognition for her submission on the regeneration of the Timaru City Hub



Oliver Kirke presenting his video on how Council should respond to climate change



Advocacy on behalf of the community

To ensure that the district's views on proposed legislation and policy direction is heard, Council made submissions on the following:

- Review of Burial and Cremation Act 1964
- Environment Canterbury Long Term Plan
- Draft Canterbury Regional Land Transport Plan
- Amendment to the Building Act 2004 on Building Products and Methods, Modular Components and other Matters

Council is also engaging extensively with Department of Internal Affairs as part of the Memorandum of Understanding on the Three Waters Reform to ensure the Timaru District is best placed to respond to the proposed changes to these essential services.

Long Term Plan
559 formal
submissions
received.

40+ events to hear
community views

Service Performance

Level of Service	Performance Measure	Target	Result/Achievement
Make decisions in an open, transparent manner	Proportion of main items held in open Council meetings*	≥90%	Nearly achieved 85.79% (2019/20: 88.76%) The proportion of items considered in open meetings decreased from previous years with all items held in closed meetings for reasons outlined under the Local Government Official Information and Meetings Act.
	Resident satisfaction with influence on Council decision making	≥50%	Not measured biennial – next survey 2020/21 (2019/20: 47%)
Provide leadership on issues affecting the district	Resident satisfaction with Council's leadership	≥65%	Not measured biennial – next survey 2021/22 (2019/20: 66%)
Communicate with the community on topics of interest	Resident satisfaction with how well Council keeps public informed and involved in decision-making	≥65%	Not measured biennial – next survey 2021/22 (2019/20: 60%)
Monitor the Council Organisation's performance	Clear audit opinion for Long Term Plan and Annual Report	Unmodified opinion received	Achieved A clear, unmodified audit opinion was received for the 2019/20 Annual Report and end of year audit and the 2021-31 Long Term Plan. (2019/20: Achieved)
Meet our statutory and legislative obligations	Compliance with LGA planning and accountability requirements	LGA planning and accountability requirements met	Not Achieved Statutory Local Government Act Planning and Regulatory requirements were met in respect of the 2019/20 Annual Report. This was adopted by Council on 22 December 2020, within the extended statutory timeframe of 31 December. A clear (unmodified) audit opinion was received. However the 2021/31 Long Term Plan was adopted by Council on 14 July 2021, which was after the 30 June statutory timeframe. (2019/20: Achieved)

*This refers to the main business topics on the full Council and four Standing Committee agendas

Timaru District Council: Funding Impact Statement for 2020/21 Democracy

	2019/20 Long-term plan (\$000)	2020/21 Long-term plan (\$000)	2020/21 Actual (\$000)
Sources of Operating Funding			
General Rates, Uniform annual general charges, rates penalties	3,926	3,970	4,091
Targeted rates	22	-	22
Subsidies and grants for operating purposes	-	-	-
Fees and charges	3	3	-
Internal charges and overheads recovered	-	-	-
Local authorities fuel tax, fines, infringement fees and other receipts	-	-	-
Total operating funding	3,951	3,973	4,113
Applications of operating funding			
Payments to staff and suppliers	1,304	1,320	3,616
Finance costs	-	-	-
Internal charges and overheads	2,686	2,592	3,719
Other operating funding applications	-	-	-
Total applications of operating funding	3,990	3,912	7,335
SURPLUS / (DEFICIT) OF OPERATING FUNDING	(39)	61	(3,222)
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	-	-	-
Other dedicated capital funding	-	-	-
Total sources of capital funding	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	(39)	61	-
Increase/(decrease) of investments	-	-	(3,222)
Total applications of capital funding	(39)	61	(3,222)
Surplus (deficit) of capital funding	39	(61)	3,222
Funding Balance	0	0	0
Internal Loans			
Raised during year	0		
Repaid during year	0		
Balance as at 30/06/2021	0		
Finance Costs for year	0		

Note: Figures in the LTP columns agree in total, but for presentation purposes, some sources and applications of funding have been reallocated in the LTP 2019/20 column to ensure information is comparable.

Significant Financial Variances between Actual and the Long Term Plan

Payments to staff and suppliers \$2,296,000 above LTP

\$2,000,000 of an unbudgeted Stimulus funding grant received had been paid at 30 June 2021. This is funded from the Stimulus Fund reserve set up as part of the 2020/21 Annual Plan.

Internal charges and overheads \$1,127,000 above LTP

There was a change in the way internal charges and overheads were applied to the Democracy Activity during 2020/21.

Increase / (decrease) in investments \$3,222,000 below LTP

Movements in investments were not budgeted, the decrease in investments relates to additional funds required to support the applications of operating funding.

An aerial photograph of a coastal area. In the foreground, a dark, eroded cliff face runs along the shoreline. Waves are breaking at the base of the cliff, creating white foam. To the right of the cliff, there is a flat area with some buildings and a fence. In the background, a sandy beach leads to a line of trees and a small town or village under a clear sky.

Enhancing the social, economic, environmental and cultural wellbeing of our community

Our community support services are focused on enhancing the social, economic, environmental and cultural wellbeing of our community.

This includes a particular focus on economic wellbeing through the Economic Development and District Promotions function, and social and environmental wellbeing through the Emergency Management activity. Social and cultural wellbeing are a particular focus for our Safer Communities and Community Funding activities. Timaru Airport provides important links with other centres, and plays a significant role in enhancing economic and community wellbeing.

Our district cemeteries are an important part of each local community's history, and play a role in enhancing social and cultural wellbeing.

Housing affordability is a national issue, and while our district may not be experiencing the extremes often publicised, through our social housing portfolio we are able to provide a number of low cost housing units for some of the most vulnerable members of our community.

Community Support

What we do

The Community Support group includes Timaru Airport, Community Facilities (Cemeteries and Public Toilets), Community Funding, Economic Development and District Promotions Emergency Management, Safer Communities and Social Housing.

The focus of these activities is to help:

- build strong, connected and supportive communities
- provide high quality community facilities (cemeteries and public toilets)
- support people, organisations and the business community
- ensure healthy communities
- assist vulnerable people in our communities
- assist individuals and communities to be prepared and resilient in times of adversity



Community Support **Highlights**

AIRPORT

Civil Aviation Authority confirmation of a further five year accreditation for Timaru Richard Pearce Airport.

This includes the new Airport Safety Management System documentation.

More carparking at the airport – construction of 18 new drop off carpark, the construction and installation of 4 electric vehicle charging stations was completed.

Economic Development and Tourism

Venture Timaru, a Council Controlled Organisation, focuses on fostering economic development and tourism within the district.

Some of the highlights during the year included:

Sustainable is Attainable – an initiative in conjunction with 20+ local industries exploring opportunities to improve sustainability, working in conjunction with a range of entities including University of Canterbury, Lincoln University and AgResearch

Impact of supply chain disruptions on local industry and regional productivity – working with central government agencies to raise awareness of the impact on the local economy of freight distribution and supply chain disruptions and advocating for solutions

Advocating for the Timaru Ara campus to become the Central South Island satellite training hub for apprentices – many who are travelling outside the region for training

“Celebrating Success” and “Did you know?” – recently launched promotional campaigns celebrating local successes and raising awareness of local business with “fast facts” not commonly known.

Response to May 2021 flood

In late May the district experienced a 1-100 year flood event, with a state of emergency declared. This activated a multi agency civil defence emergency, with a focus on evacuations where needed, road closures, and close monitoring of river levels and the state of bridges in the district.

The impact on private property, as well as river protection works, roading and other key infrastructure will involve several years of recovery work.

EMERGENCY MANAGEMENT

During the year we continued the ongoing roll out of new sirens as well as working with local communities to develop and update evacuation and response plans.

The May 2021 state of emergency is a stark reminder of the importance of this work.



COMMUNITY FUNDING

By making a financial contribution to community groups Council seeks to foster community wellbeing

From the regular community funding allocation, some of the successful applicants were

- Sutherlands Hall – painting and reroofing
- South Canterbury Holden Club -hosting national event
- Wai iti Tennis Club – recovering of courts
- Timaru Lions – Christmas events
- Athletics South Canterbury – resurfacing of the all-weather track at Aorangi Park
- New Zealand Raptor Trust – education centre and hospital at their Redruth Facility.

Timaru District Council Stimulus Fund

Ten local projects were selected by Council to share \$18.5 million of the Covid-19 stimulus fund. As a separate part of the overall \$2 million fund, \$150,000 has been allocated to district development agency Venture Timaru to support local events.

Public Toilets

- Upgrading Pleasant Point and Aorangi Park public toilets were completed during the year
- The very small number of complaints about public toilets again this year is confirmation Council's facilities and the cleaning regime are of a high standard.

Social Housing upgrades

Completing the Healthy Homes requirements has been a big focus, with installation of bathroom fans and kitchen rangehoods throughout the district.

Despite some delays with supplies throughout the year all installations have been completed and independent Healthy Homes inspections are underway.



**South Canterbury
Holden Club – hosting
the NZ Holden
national event**

Service Performance

Level of Service	Performance Measure	Target	Result/Achievement
Community facilities are well maintained, clean and safe	Airport user satisfaction with facility	>70%	Not measured No survey was undertaken during 2020/21 as for a significant period of the year it was not possible to have the electronic touch screen survey operational due to Covid-19 concerns. (2019/20: 80%)
	Airport Civil Aviation Authority accreditation	Annual CAA accreditation identifies no significant matters that prevent ongoing accreditation	Achieved The five yearly CAA Part 139 certification for Timaru Richard Pearce Airport was confirmed during 2020/21. Accreditation has been re issued for a further five years. (2019/20: Not Measured)
	Satisfaction with cemeteries	Visitor: ≥85% Resident: ≥85%	Not measured biennial - next survey 2021/22 (2019/20: Visitor 94%, Resident 96%)
	Satisfaction with public toilets	User: ≥65%	Not measured biennial - next survey 2021/22 (2019/20: 68%)
	Complaints about public toilet cleaning standards*	< 6	Achieved 2 complaints (2019/20: no complaints)
Social housing units are tenanted and well managed	Occupancy rate	≥97%	Nearly Achieved 93.59% (2019/20: 91%) Bedsit units are increasingly difficult to fill. Upgrades are often undertaken between tenancies.
	Response to urgent service requests within 24 hours	100%	Achieved 100% (2019/20 :100%)
Provide accessible and up to date cemetery records	Percentage of cemetery records are updated within a month	95%	Achieved 100% (2019/20: 100%)
Improve individual and community awareness of the risks from hazards and assist them to build resilience to emergency events	Community Response Plans (CRP) developed	1	Achieved Blandswood CRP developed. Rollout delayed due to May 2021 flood event, and June 2021 coastal inundation event. (2019/20: 0)
	Number of community educational presentations to reduce risks from hazards to our district	20	Not Achieved 12 Staff resourcing issues meant limited educational sessions were able to be held. (2019/20:16)

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

Level of Service	Performance Measure	Target	Result/Achievement
Improve Council and partner agencies capability to respond to and recover from emergencies	Enhance capability to manage and recover from Civil Defence emergencies	Sufficient EOC staff for 24/7 coverage	Nearly Achieved It is becoming increasingly difficult to retain sufficient coverage (2019/20: Achieved)
		Annual Civil Defence Emergency Management exercise participation	Not Achieved No training exercise held, however several emergency events during the year provided "live training" (2019/20: Achieved)
		Maintain registered volunteer teams, run Annual Volunteer training programme	Achieved (2019/20: Achieved)
		Complete District Welfare and Recovery Plans	Nearly Achieved Work continues on updating these plans, utilising the 2019/20 updated Pandemic Plan. Progress slowed due to resource redirected to Covid - 19 and Flood event responses. (2019/20 Achieved)
Manage and allocate community funding scheme grants and loans	Annual Community funding rounds held	8	Achieved General donations, Substantial grants, Community loans: 2 Youth Initiatives: 2 Creative Communities Fund: 4 (2019/20: 8)
	Percentage Accountability forms returned	≥90%	Not Achieved 14% Issues with changing personnel at community groups. Follow ups underway. (2019/20: 93%)
Respond to existing and emerging crime trends with community sanctioned initiatives and operate Project Turnaround programme	Ministry of Justice (MoJ) Project Turnaround contract criteria are met		Service ceased in 2020/21
Contribute to the economic development of the Timaru District	Percentage of residents who believe Timaru is a better place to do business than three years ago	≥35%	Not measured biennial – next survey 2020/21 (2019/20: 25% -44% believe it is the same, making a total of 69% who consider Timaru is either the same or a better place to do business)
	Percentage of residents who believe Timaru is a better place to live than three years ago	≥40%	Not measured biennial – next survey 2020/21 (2019/20: 39%)
	Venture Timaru CCO Statement of Intent targets met	100%	Not Achieved All initiatives underway, but progress on some, such as unemployment rate, affected by external factors. Four targets achieved, three not achieved. (2019/20: Achieved)

Timaru District Council: Funding Impact Statement for 2020/21 Community Support

	2019/20 Long-term plan (\$000)	2020/21 Long-term plan (\$000)	2020/21 Actual (\$000)
Sources of Operating Funding			
General Rates, Uniform annual general charges, rates penalties	2,916	3,058	2,844
Targeted Rates	-	-	-
Subsidies and grants for operating purposes	288	289	5
Fees and charges	561	2,000	1,621
Interest and dividends	-	-	13
Internal charges and overheads recovered	-	-	-
Local authorities fuel tax, fines, infringement fees and other receipts	1,430	29	188
Total operating funding	5,195	5,376	4,672
Applications of operating funding			
Payments to staff and suppliers	3,856	3,924	4,015
Finance costs	214	271	119
Internal charges and overheads	631	617	784
Other operating funding applications	-	-	-
Total applications of operating funding	4,700	4,812	4,918
Surplus (deficit) of operating funding	494	564	(246)
Sources of capital funding			
Subsidies and grants for capital expenditure	-	-	-
Development and financial contributions	-	-	-
Increase/(decrease) in debt	1,663	1,305	1,592
Gross proceeds from the sale of assets	-	-	-
Lump sum contributions	-	-	-
Other dedicated capital funding	-	-	-
Total sources of capital funding	1,663	1,305	1,592
Application of capital funding			
Capital expenditure			
- to meet additional demand	1,037	851	-
- to improve the level of service	1,170	1,006	55
- to replace existing assets	112	131	1,459
Increase/(decrease) in reserves	(162)	(120)	-
Increase/(decrease) of investments	-	-	(169)
Total applications of capital funding	2,158	1,868	1,346
Surplus (deficit) of capital funding	(495)	(563)	246
Funding Balance	(1)	1	0
Internal Loans			
Raised during year	1,100		
Repaid during year	304		
Balance as at 30/06/2021	4,576		
Finance Costs for year	119		

Note: Figures in the LTP columns agree in total, but for presentation purposes, some sources and applications of funding have been reallocated in the LTP 2019/20 column to ensure information is comparable.

Significant Financial Variances between Actual and the Long Term Plan

General rates, uniform annual general charges, rates penalties \$214,000 below LTP

There was a lower rating requirement than forecast in the LTP to fund this activity.

Subsidies and grants for operating purposes \$284,000 below LTP

A Safer Communities grant of \$150,000 for Project Turnaround was budgeted for but not received as this service ceased at the end of the 2019/20 financial year.

Fees and charges \$379,000 below LTP

The main contributors to a reduction in fees and charges revenue was in relation to Cemetery ground maintenance and burial costs and a reduction in Airport engineering design costs.

Increase / (decrease) in debt \$287,000 above LTP

Additional debt funding above the LTP was required to support the increased applications of operating and capital funding.

Capital expenditure – to improve the level of service \$474,000 below LTP

Social housing expenditure on healthy home upgrades and refurbishments was budgeted at \$937,000, actual expenditure incurred was \$574,000.



Enhancing the social, economic, environmental and cultural wellbeing of our community

How we use land has a major effect on the look and feel of our district, and how resilient our communities are.

Through our District Planning function, Council supports the growth of the District while ensuring our environment is protected.

Regulating building activities in the District supports safe and sustainable housing and commercial development.

Our environmental compliance services administer legislation and regulation designed to protect public health and safety.

Together these services work to enhance all aspects of community wellbeing.

District Planning and Environmental Services

What we do

District Planning and Environmental Services activities include:

- **Building Control** – administering and implementing the provisions of the Building Act 2004. Under the Act Council is an accredited Building Consent Authority and is responsible for processing and granting building consents and a range of other inspection and monitoring work. A 2016 amendment to the Building Act requires Council to ensure that all potentially earthquake prone buildings within the District are assessed within the statutory timeframe, for the purpose of identifying their level of structural compliance.
- **District Planning** – primarily concerned with managing how land is used and how subdivision is undertaken in the district. The key tool for managing this is the Timaru District Plan which outlines the district's resource management issues and objectives, policies, methods and rules.
- **Environmental Compliance** – primarily concerned with preserving, improving, and promoting public health and safety in the District. It deals with matters such as food safety, disease containment, noise control, hazardous substances, liquor licensing, environmental nuisance, gambling control, parking enforcement and animal control, as well as enforcement of the Timaru District Consolidated Bylaw 2018.

These activities are concerned with sustainable building and land use development, consenting, compliance, monitoring and enforcement functions across a wide cross-section of statutes that focus on the protection of community health, wellbeing, safety and amenities.



District Planning and Environmental Services

Highlights

BUILDING CONTROL

Launching new consenting software and an online application portal is providing an improved customer experience with a fully online process. This also enables processing efficiencies at Council.



Our dog education programme in schools continues to be well received. Animal Control Officer Jo Hamilton and her pet dog Stevie attend schools to educate children on how best to behave around dogs to prevent dog bites. Having Stevie in the classroom to practice safe ways of greeting and patting her is proving an effective way of getting the message across.

DISTRICT PLANNING

Consultation on the Draft District Plan has been completed, and we are progressing to the next stage of finalising the Plan.

This has been slightly delayed as a result of further work required on the Growth Management Strategy. The Proposed District Plan is now expected to be notified by April 2022.



Service Performance

Level of Service	Performance Measure	Target	Result/Achievement
Perform statutory functions as a regulator under key legislation	Building Consent Authority accreditation	Accreditation retained	Achieved (2019/20: Achieved)
	District Plan statutory compliance	District Plan complies with statutory requirements	Not Achieved The District Plan does not currently comply with all statutory requirements as it has not given effect to the National Policy Statement for Electricity Transmission and the National Policy Statement for Renewable Electricity Generation. Although plan changes were prepared to give effect to these National Policy Statements, Council decided to not proceed and instead give effect to the National Policy Statements through the District Plan Review, which is currently in progress. This is considered a relatively minor statutory non-compliance, which the Ministry for the Environment is aware of. (2019/20: Not Achieved)
	Council milestones for the District Plan review are met	2020/21: Proposed District Plan notified	Not Achieved Project is slightly delayed as a result of further work required on the Growth Management Strategy. The Proposed District Plan will likely be notified by April 2022.

Level of Service	Performance Measure	Target	Result/Achievement
Deliver timely, efficient processing of consents and related requirements	Percentage of building consents granted within 20 working days.	100%	Not Achieved 91.48% Loss of experienced staff has impacted on results (2019/20: 99.29%)
	Average building consent processing time	Processing time reduces	Nearly Achieved 12.92 days (2019/20: 12.38 days)
	Percentage of Land Information Memorandums (LIM) processed within 10 working days	100%	Achieved 100% (2019/20: 100%)
	Percentage of resource consents granted within statutory timeframes	100%	Nearly Achieved 99.46% (2019/20: 100%)
	Percentage of Land Use consents monitored within a year of being given effect to	100%	Achieved All consents due were monitored, plus some additional consents that required monitoring, hence exceeding 100% (2019/20: 80.39%)
Provide useful, timely and consistent information and education on building, planning and regulatory services	Percentage of customer satisfaction with information and education from building control services	≥90%	Achieved 90% (2019/20: 90%)
	Percentage of customer satisfaction with information and education from district planning services	≥90%	Not Achieved No survey undertaken in 2020/21 due to administrative issues (2019/20: 93%)
	Percentage of customer satisfaction with information and education from environmental compliance services	≥90%	Achieved 92.98% (2019/20: 100%)
Support responsible dog ownership	Percentage of known dogs in District registered	≥95%	Achieved 99.70% (2019/20: 98.33%)
	Number of dog control education initiatives delivered	≥5	Achieved 15 Demand is still high for educational programmes, particularly from local schools. (2019/20: 29)

Level of Service	Performance Measure	Target	Result/Achievement
Ensure buildings with a Building Warrant of Fitness, and swimming pools, food and liquor premises inspected are safe and comply with legislation	Percentage of food premises* under a Food Control Plan audited	100%	Not Achieved 79% (2019/20: 85%) Results are not a reflection of the true position as all but 5 of the audits that were due were undertaken. There were 227 registered premises at the beginning of the year. Only 180 were due for inspection during the year due to businesses opening and closing during the period, and changes in business status meaning different audit requirements and timeframes.
	Percentage of Health regulated premises and Bylaw regulated premises inspected	80%	Achieved 80% (2019/20: 81%)
	Percentage of non-compliant businesses or premises subsequently become compliant	100%	Achieved No non-compliance identified at inspection (2019/20: 100%)
	Percentage of alcohol premises monitored annually	80%	Not Achieved 49% Year end target not achieved due to staffing/resourcing issues during the year. (2019/20: 34%)
	Percentage of non-compliant buildings identified by the Council audit of BWOF have corrective action taken (measured from an audit of 5% of public buildings audits conducted through the year)	100%	Achieved 100% While all audits undertaken were found to be compliant, the number of BWOF audits able to be undertaken was less than the 5% target due to staffing/resourcing issues during the year. (2019/20: 100%)
	Percentage of registered swimming pools inspected annually	33%	Not Achieved 31% Although all pools due for inspection received inspection, the target of 33% was not met as only 31% of pools were due for inspection this year. (2019/20: 33%)
	Percentage of non-compliant swimming pools identified at inspection that have had issues resolved in line with the Building Act 2004	100%	Nearly Achieved 97% 12 of the 449 pools on the register are still being followed up to achieve compliance. (2019/20: 99%)
	Percentage EPBs (Priority Buildings) identified by July 2022	100%	Achieved during 2019/20 therefore no further priority buildings required identification during 2020/21.
Fulfill Council's statutory requirements under the Building (Earthquake-prone Buildings) Act			

Timaru District Council: Funding Impact Statement for 2020/21 District Planning and Environmental Services

	2019/20 Long-term plan (\$000)	2020/21 Long-term plan (\$000)	2020/21 Actual (\$000)
Sources of Operating Funding			
General Rates, Uniform annual general charges, rates penalties	2,689	2,615	2,027
Targeted rates	-	-	-
Subsidies and grants for operating purposes	-	-	-
Fees and charges	3,462	3,548	3,507
Internal charges and overheads recovered	28	28	20
Local authorities fuel tax, fines, infringement fees and other receipts	39	30	109
Total operating funding	6,218	6,221	5,663
Applications of operating funding			
Payments to staff and suppliers	4,972	5,000	5,266
Finance costs	-	-	40
Internal charges and overheads	1,302	1,267	1,497
Other operating funding applications	-	-	-
Total applications of operating funding	6,274	6,267	6,803
Surplus (deficit) of operating funding	(57)	(47)	(1,140)
Sources of capital funding			
Subsidies and grants for capital expenditure	-	-	-
Development and financial contributions	-	-	-
Increase/(decrease) in debt	-	-	1,392
Gross proceeds from the sale of assets	-	-	-
Lump sum contributions	-	-	-
Other dedicated capital funding	-	-	-
Total sources of capital funding	0	0	1,392
Application of capital funding			
Capital expenditure			
- to meet additional demand	-	-	-
- to improve the level of service	3	3	3
- to replace existing assets	3	3	4
Increase/(decrease) in reserves	(62)	(52)	-
Increase/(decrease) of investments	-	-	245
Total applications of capital funding	(56)	(47)	252
Surplus (deficit) of capital funding	56	47	1,140
Funding Balance	(1)	0	0
Internal Loans			
Raised during year	818		
Repaid during year	122		
Balance as at 30/06/2021	1,912		
Finance Costs for year	40		

Note: Figures in the LTP columns agree in total, but for presentation purposes, some sources and applications of funding have been reallocated in the LTP 2019/20 column to ensure information is comparable.

Significant Financial Variances between Actual and the Long Term Plan

General rates, uniform annual general charges, rates penalties \$588,000 below LTP

This is a result of change of funding for the District Plan Review from rate funded to loan funded over ten years, with a \$588,000 decrease realised.

Payments to staff and suppliers \$266,000 above LTP

This is a result of increased operational spend on District Planning.

Increase / (decrease) in debt \$1,392,000 above LTP

The 2020/21 Annual Plan changed the funding of the District Plan Review from rate funded to loan funded over ten years in line, with industry practice. As a result, debt funding was raised to cover expenditure on the District Plan Review.

Increase / (decrease) in investments \$245,000 above LTP

Movements in investments were not budgeted, the increase in investments shown is offset by the increase in debt.



Enhancing the social, economic, environmental and cultural wellbeing of our community

Our cultural and learning facilities foster social and cultural wellbeing across all sectors and age groups in our community, and help make the district an enticing place for visitors to experience.

Our parks and open spaces help protect, restore and enhance our district's green landscape – both urban and rural, and provide community spaces that residents and visitors can enjoy.

We're involved in providing quality recreational facilities and experiences to offer health, learning, social and leisure benefits.

Together these services are an important part of enhancing all aspects of community wellbeing.

Recreation and Leisure

What we do

Recreation and Leisure activities provide quality cultural, learning and recreation facilities for residents and visitors to enjoy.

Cultural and Learning Facilities

- Aigantighe Art Gallery
- South Canterbury Museum
- Timaru District Libraries – facilities in Timaru, Geraldine, Temuka and online, with the Geraldine and Temuka Libraries doubling as Council Service Centres
- Halls (including 7 facilities owned and managed by Council, 11 community halls owned by Council and managed by community committees, and a number of facilities operated but not owned by Council)
- Theatre Royal

Parks

- Premier parks of particular significance to the district, such as Timaru Botanic Gardens, Caroline Bay and the Temuka and Geraldine Domains
- Sports and recreation parks
- Neighbourhood parks, in urban areas and often incorporating playgrounds
- Amenity parks designed to provide open spaces and plantings
- Natural parks, located predominately in rural areas, often including walking and cycling tracks
- Special purpose parks and civic spaces

Recreational Facilities

- Caroline Bay Trust Aoraki Centre (CBay)
- Swimming pools in Geraldine, Pleasant Point and Temuka
- Southern Trust Events Centre



Recreation and Leisure **Highlights**

Theatre Royal and Heritage Facility Project

This key CBD regeneration project sees the development of a group of buildings housing the Theatre Royal and the South Canterbury Museum, along with new touring exhibition space and an education and function space. The \$29.8M project is forecast for completion in 2023.

The Theatre Royal was closed in November 2020 followed by the Criterion Hotel in May 2021 for the project to commence decommissioning works and demolition of four old buildings on site.

Project Managers RDT Pacific Limited commenced the project with a concept plan, adopted by Council in May 2021, subject to further design and cost estimate agreement. The design team are due to complete Preliminary Design by the end of August 2021, a significant milestone for the project which allows procurement of a construction firm to begin. Timaru District Council applied to Crown Infrastructure Partners for 'Shovel Ready Funding', and in September 2020 we were advised of an \$11.6M cash injection from the fund for this project.

LIBRARIES

Even more programmes and resources were offered by our libraries this year:

Digital Literacy Programmes – better digital futures for seniors – DORA – the Digital On-Road Access bus travelled the district offering services such as online banking classes and device advice.

Hoopla – a streaming platform for audiobooks, music, video, comics and ebooks was made available. This is a first in a New Zealand library.

Assistive technology to assist those with low vision/dyslexia/irrlens syndrome including:

C-pens – pocket-sized reading pens that read text out loud with a human-like digital voice.

Low vision equipment such as magnifiers, low vision victor readers, and a magnifying computer for in library usage.

Outreach Programmes including Multicultural storytimes, Holiday programmes, Sea Week, Virtual reality sessions, Storylines Tour, visiting children's authors, reading challenge, pre-school sessions, Coding Club, school visits, World Knitting in Public Day, Mahjong Club, Knit and Knatter groups, Book Clubs, Housebound Services and the list goes on.



Guinness World
Record Attempt: Largest
Knitted Blanket Fort by the
Community for the Community
launched in June 2020

Knitters around South Canterbury have been knitting with gusto as they attempt to break a world record (70,000 squares) for the largest blanket fort.

So far 20,000 squares have been produced through knitting clubs, individuals and community groups throughout the region, and are starting to be sewn together after the Timaru District Council issued a challenge to residents to help break the Guinness World Record.

Art Gallery

As well as regular exhibitions of both local and visiting artists, other fun and innovative events were hosted at the gallery

- Reflections on Covid-19 lockdown – a community exhibition of images reflecting lockdown. This vibrant community project has created a record of this unique time in South Canterbury history.
- Hosting Aidan Theatre's production of Shakespeare's Romeo and Juliet in the garden with local actors Kate Low playing Juliet and Cameron Lines as Romeo. Performing in the garden meant the audience could appreciate the great characters up close.
- South Canterbury schools Artarama – with limited space in the gallery at present due to renovations, the entries were displayed outdoors – livening up the perimeter safety fencing.
- 'My Beloved' – the community had the opportunity to vote for their beloved paintings in the Aigantighe collection.



- A display of the largest painting ever hung in the gallery by internationally renowned New Zealand painter Judy Millar.
- Gallery talks and community events are now uploaded to youtube to share far and wide – national and international viewing are proving popular.

Museum

Sunsational summer challenge

Coordinated by Museum staff there was a range of activities at the Museum, Aigantighe Art Gallery, Libraries, Parks and Temuka and Geraldine Museums that local families could undertake to collect passport stamps. This ran in January 2021, with over 1,000 passports given out and several hundred participants completing all of the challenges to enter the final prize draw.

Museum Explorers Club

This free membership club for primary school-aged children, with well over 2,000 current members, encourages frequent visitation by members and their families, and provides notification of a range of activities for members. These include craft activity events in the Museum, trips to nature sites such as the Pareora River fossil site, and annual events such as Museum in the Dark.

Heritage Education Service

This is funded through the Ministry of Education's Learning Experiences out of the Classroom (LEOTC) fund. As well as providing lessons in the Museum, the Service's educators utilise sites such as Waimate Museum and the rock pool area at Dashing Rocks to provide access to programmes that suit schools that can't travel to Timaru or who need to learn in the natural environment. This is particularly useful for senior high school classes undertaking unit standards for biology. Over 6,600 students participated in these programmes during the year.

Here for a good time, not a long time

The temporary exhibition programme included two community shows developed in partnership with Fire and Emergency NZ Timaru and the SC Kindergarten Association. Plans for further community shows have also been developed.



RECREATIONAL FACILITIES

Swimming Pools

Record numbers at CBay swimming complex, with many sessions at capacity

338,317	467	3,460	3,086	114
Visitors to the CBay pool complex	Aqua Fitness classes – well above previous years	Swim for Life participants	Learn to Swim students	Participants in our competitive squad per term

PARKS

Highfield Recreation Park

Public consultation on the future of the Highfield Recreation Area was completed in late 2020. This included discussion with stakeholders and the general public, as well as inviting public feedback on three options on the future of area. The next step in this process is a golf facilities review.

Developing Aorangi Park and the Stadium

In Council’s Long Term Plan 2021-31 the decision was made to fast track the development of Aorangi Park and the Stadium, with construction to commence in 2023/24. In preparation for this the Aorangi Master Plan was reviewed in January 2021. This included input from users and other stakeholders. The next step is preparing a project plan for development.

Bike Skills Park at Caroline Bay

Stage One of the Bike Skills Park at Caroline Bay was completed in December 2020 by the Timaru Suburban Lions Club with community funding and some funding from Council’s Stimulus funding. Stage Two – a covered seating area that will be shared with CPlay playground development is being designed with a view to beginning construction in 2021/22.

Pest control in Council owned recreation and indigenous vegetation areas – Waitohi Bush, Claremont Bush, Otupua wetlands, Centennial Park

Four voluntary groups have been helping with pest control at various locations. This joint approach means this work is able to be progressed faster, and it also helps raise the profile of these projects in the community.



There have been a large number of events in Parks over the summer period

Ranging from Caroline Bay Carnival Rock and Hop, The lantern walk in Geraldine around river walkway and movie night at the Botanic Gardens

Service Performance

Level of Service	Performance Measure	Target	Result/Achievement
Recreation and leisure facilities, programmes and materials are accessible to district residents, students and visitors	Art Gallery – visitor numbers*	19,000	Not Achieved 14,654 (2019/20: 12,638)
	Art Gallery – online users	Annual increase	Achieved: 1,855 (Facebook followers) (2019/20: 1,565)
*note: total engagement has increased when face to face and digital interactions are combined	Museum – visitor numbers *	20,000	Not Achieved: 18,099 (2019/20: 15,563)
	Museum – online users	Annual increase	Achieved 56,605 (web page users) (2019/20: 41,718*) * error reported in 2019/20 annual report as 23,381
	Museum – student users	≥4,000	Achieved 6,614 (2019/20: 4,198)
	Library – visitor numbers*	350,000	Not Achieved 294,105 (2019/20: 248,388)
	Library – Online website and catalogue searches	300,000	Achieved 665,408 There was significant uptake of the Timaru Libraries Mobile App in particular (2019/20: 492,280)
	Library – Database searches including PressReader	220,000	Not Achieved 166,794 Numbers reduced due to PressReader withdrawing access to popular publications (2019/20: 301,000)
	Library – Aotearoa People's Network Kaharoa (APNK) PC and Wifi library sessions per year	≥80,000	Nearly Achieved 77,035 (2019/20: 98,942)
	Library issues (physical & digital) of materials per year	≥500,000	Achieved: 542,115 Digital issues continue to increase (2019/20: 463,473)
	CBay swimming complex – visitor numbers	325,000	Achieved: 338,317 (2019/20: 271,976)

Level of Service	Performance Measure	Target	Result/Achievement
	Satisfaction with Art Gallery	Resident: ≥80% User: ≥90%	Not measured biennial – next survey 2021/22 (2019/20: User 89%, Resident 89%)
	Satisfaction with Libraries	Resident: ≥95% User: ≥95%	Not measured biennial – next survey 2021/22 (2019/20: Resident 94%, User 95%)
	Satisfaction with Museum	Resident: ≥80% User: ≥80%	Not measured biennial – next survey 2021/22 (2019/20: Visitor 94%, Resident 96%)
	Satisfaction with Parks and Recreation	Resident: ≥90% User: ≥92%	Not measured biennial – next survey 2021/22 (2019/20 User 97%, Resident 97%)
	Satisfaction with Swimming Pools	Resident: ≥80% User: ≥75%	Not measured biennial – next survey 2021/22 (2019/20: User 90%, Resident 89%)
Recreation and leisure facilities provide regular and varied services, exhibitions and programmes to support community wellbeing	Number of school holiday programmes	Art Gallery: 4 Libraries: 4 Museum: 4	Nearly Achieved Art Gallery: 6 Libraries: 3 Museum: 8 (2019/20: Art Gallery 2, Museum 3, Library 3 although school holiday library events were offered at each school holiday period)
	Number of annual exhibitions	Art Gallery: ≥10 Museum: ≥3	Achieved Art Gallery: 16 Museum: 4 (2019/20: Art Gallery: 13, Museum 3)
	Number of aqua fitness classes	≥350	Achieved 467 (2019/20: 346)
	Aqua swimming education	Swim for Life participants: ≥2,000	Swim for Life: 3,460 Achieved
		Learn to Swim enrolments: ≥3,000	Learn to Swim: 3,086 Achieved
		Competitive squad swimmers (per term): ≥70	Competitive squad swimmers (per term): 114 Achieved (2019/20: Swim for Life 1,551, Learn to Swim 2,916, squad 87)
Recreation and Leisure facilities are safe, fit for purpose and well maintained	Facilities meet legislative safety requirements	Art Gallery: Yes Libraries: Yes Museum: Yes Swimming Pools: Yes Theatre Royal: Yes	Achieved (2019/20: Achieved)
Recreation and Leisure facilities are safe, fit for purpose and well maintained	Number of closures of playground equipment due to safety issues	0	Not Achieved 4 closures – 3 as the result of vandalism and one due to a leaking watermain (2019/20: 3)

Level of Service	Performance Measure	Target	Result/Achievement
Collections of local heritage and art objects, records and information preserved for and available to the community and visitors	Art Gallery – Percentage of new acquisitions catalogued	100%	Achieved 100% (2019/20: 100%)
	Art Gallery – Number of collection works re-catalogued	50	Achieved 362 (2019/20: 1,211)
	Art Gallery – Number of art works conserved	≥5	Achieved 6 (2019/20: 3)
	Museum – number of acquisitions	≥150	Achieved 172 (2019/20: 126)
	Percentage of Museum collection items held in acceptable conditions	≥90%	Achieved 98% (2019/20: 97%)
	Percentage of Museum collection items documented to acceptable standards	≥85%	Achieved 93% (2019/20: 95%)
Develop and maintain Park facilities to meet future expectations and demand	Kilometres of off-road walking and biking tracks	58km	Achieved 63km (2019/20: 61km)
	Number of playgrounds per 1,000 residents under 15 years of age	≥5.3	Achieved 5.38 (2019/20: 5.4)
	Park hectares per 1,000 residents	14ha	Achieved 14.45ha (2019/20: 14.45)
	Trevor Griffiths Rose Garden and Timaru Botanic Gardens retained as Gardens of Significance	1 Garden of National Significance, 1 Garden of Significance	Achieved (2019/20: Achieved)

Timaru District Council: Funding Impact Statement for 2020/21 Recreation and Leisure

	2019/20 Long-term plan (\$000)	2020/21 Long-term plan (\$000)	2020/21 Actual (\$000)
Sources of Operating Funding			
General Rates, Uniform annual general charges, rates penalties	12,887	13,418	10,892
Targeted rates	20	-	20
Subsidies and grants for operating purposes	30	2	647
Fees and charges	2,033	3,479	1,328
Internal charges and overheads recovered	317	317	17
Local authorities fuel tax, fines, infringement fees and other receipts	1,326	119	2,201
Total operating funding	16,613	17,335	15,105
Applications of operating funding			
Payments to staff and suppliers	11,298	11,539	12,042
Finance costs	947	1,108	445
Internal charges and overheads	1,795	1,772	1,867
Other operating funding applications	-	-	-
Total applications of operating funding	14,040	14,419	14,354
Surplus (deficit) of operating funding	2,573	2,916	751
Sources of capital funding			
Subsidies and grants for capital expenditure	1,000	-	-
Development and financial contributions	-	-	18
Increase/(decrease) in debt	4,438	2,162	767
Gross proceeds from the sale of assets	-	-	-
Lump sum contributions	-	-	-
Other dedicated capital funding	43	-	-
Total sources of capital funding	5,480	2,162	785
Application of capital funding			
Capital expenditure			
- to meet additional demand	95	81	-
- to improve the level of service	4,372	2,131	684
- to replace existing assets	4,484	2,902	4,950
Increase/(decrease) in reserves	(897)	(36)	-
Increase/(decrease) of investments	-	-	(4,098)
Total applications of capital funding	8,054	5,078	1,536
Surplus (deficit) of capital funding	(2,573)	(2,916)	(751)
Funding balance	0	0	0
Internal Loans			
Raised during year	1,550		
Repaid during year	1,160		
Balance as at 30/06/2021	14,107		
Finance Costs for year	445		

Note: Figures in the LTP columns agree in total, but for presentation purposes, some sources and applications of funding have been reallocated in the LTP 2019/20 column to ensure information is comparable.

Significant Financial Variances between Actual and the Long Term Plan

General rates, uniform annual general charges, rates penalties \$2,526,000 below LTP

There was a lower rating requirement than forecast in the LTP to fund this activity.

Subsidies and grants for operating purposes \$647,000 above LTP

The Ministry for Business, Innovation and Employment provided an unbudgeted grant for development of the Theatre Royal. \$2,320,000 was received during the 2020/21 year, of which \$565,000 was recognised as revenue.

Fees and charges \$2,151,000 below LTP

This offsets the increase in Local Authorities fuel tax, fines, infringements and other receipts below due to a classification change.

Local authorities fuel tax, fines, infringement fees and other receipts \$2,082,000 above LTP

This offsets the reduction in fees and charges above due to a classification change.

Payments to staff and suppliers \$503,000 above LTP

Additional operating costs were incurred to deliver required levels of service.

Finance costs \$663,000 below LTP

Funds were not borrowed at the level planned and resulted in lower financing costs.

Increase / (decrease) in debt \$1,395,000 below LTP

Due to delays with the Theatre Royal upgrade a lower amount of debt has been raised to date.


Capital expenditure \$519,000 above LTP

The main contributing areas to the variance to the 2020/21 Annual Plan budget were the following:

- Theatre Royal – expenditure on the Theatre Royal and Heritage Centre upgrade was budgeted in the 2020/21 Annual Plan at \$5,352,000, actual expenditure incurred was \$945,000.
- Aigantighe Art Gallery – expenditure on the building upgrade was budgeted at \$610,000, actual expenditure was \$327,000.
- Parks and Reserves – expenditure on improvements, building upgrades and reseals was budgeted at \$2,322,000, actual expenditure was \$1,304,000.
- Halls and Community Centres – expenditure to date on the upgrade to the Sound Shell seating was budgeted at \$1,991,000, actual expenditure incurred was \$267,000.

Increase / (decrease) in investments \$4,098,000 below LTP

Movements in investments were not budgeted, the decrease in investments shown is a result of receiving subsidies and grants which had not been fully applied to capital expenditure at 30 June 2021.



Enhancing the social, economic, environmental and cultural wellbeing of our community

Our roading, footpath, cycleway and walkway network aims to make the District easy to move around. We work hard to provide a safe road network for the users of all transport modes, focusing on improving road infrastructure, providing road safety education and school travel planning.

Quality, safe and fit for purpose infrastructure is critical for community wellbeing. It allows communities to connect and receive services, which is a vital part of enhancing social and economic wellbeing.

Our cycleway and walkway network promotes social, as well as personal wellbeing. Some of the negative effects of transportation, such as air and noise pollution, are mitigated by providing road surfacing designed to reduce noise where there are high traffic flows and providing alternative transport methods, such as cycling, walking and public transport, that have less environmental impacts.

Roading and Footpaths

What we do

The Roothing and Footpaths group includes:

- Roothing and Footpaths
- Cycleways and Walkways
- Parking Facilities
- Road Safety

Timaru District is a regional transportation hub, servicing large agricultural areas, associated processing plants and a significant port operation. Council currently manages over 1,700km of sealed and unsealed roads, 297 bridges (including single lane bridges, weight restricted bridges, large culverts and footbridges), 312km of footpath, drainage facilities (e.g. soak pits, culverts), street furniture, signs, bus stops, carparks, traffic signals, kerb and channel, 4,406 street lights, cycleways, road marking and some minor structures. Overall management of these assets is provided by Council, with operational work carried out by contractors.

Funding for the roading and footpaths network is provided from rates, loans, and user charges together with funding assistance received from central government through Waka Kotahi (the New Zealand Transport Agency - NZTA). Waka Kotahi is also responsible for the State Highway network.



Roading and Footpaths Highlights

Collaborating for a better deal

The road resurfacing contract was awarded for work in both the Timaru and Waimate Districts. This large multi year contract has resulted in efficiencies and savings for all parties.

Winchester – Geraldine roundabout

The significant road safety project between Winchester and Geraldine is practically complete. The new rural roundabout was the first Road to Zero project approved under an enhanced financial assistance rate by Waka Kotahi (NZTA). This was due to the potential deaths and serious injuries that the intersection improvement could prevent.

\$948k

Orari Back Road Seal extension was completed and has provided a sealed heavy transport link between the Upper Orari bridge and Orari.

Significant damage to the roading networking – May 2021 flood event

The late May 2021 flood event resulted in significant damage to roads and bridges throughout the district, with 66 bridges affected, three requiring full replacement, and a further nine needing significant structural repairs.

The event also caused approximately 7km of road to be completely washed out, a further 60km requiring significant rebuilding from scour and over 250km of unsealed roads needing gravel application due to gravel loss.

This is larger than our normal unsealed road maintenance programme for the entire year. As a result resources were diverted to attend to the damage, and this had a negative

impact on the level of service on some other parts of the roading network.

Upgrades to surfaces on rural roads to improve safety included:

Talbot Street and Earl Road, Geraldine,
Muff Road at Orari
Two sites on Route 72,
Winchester Geraldine Road.
Road upgrades on Arowhenua Road
Wilson Street, Geraldine – installation of
the first roundabout in Geraldine.

Cox Street Carpark in Geraldine

Improvement work has been completed including signposted and marked EV charging space, marked nose-in parking and provision for large/long vehicle parking bays.

For a number of years local interest groups have been working with Council to create a safer habitat for the native Southern grass skink *Oligosoma polychrome*, who made their home in a disused Council gravel pit in the Oliver Dryland Reserve.

During the May 2021 floods the gravel pit was badly scoured, but lizard losses were minimal thanks to new habitats that have been created on higher ground in the reserve.



Service Performance

Level of Service	Performance Measure	Target	Result/Achievement
Roads are designed and maintained to community expectations	Percentage of ratepayers believe they get value for money – Roading	≥80%	Achieved 91.5% (2019/20: 80%)
	Percentage of customer service requests responded to within 10 working days – Roading (Mandatory)	≥70%	Achieved 78% (2019/20: 47%)
Roads and Bridges are fit for purpose and provide for comfortable and efficient travel	Morning Journey time on key Timaru routes*	<96.36 minutes	Achieved 92.50 minutes (2019/20: 86.5)
	Evening Journey time on key Timaru routes*	<96.58 minutes	Achieved 95.20 minutes (2019/20: 88.50 mins)
	Number of complaints about traffic disruption due to maintenance and renewal works	≤10	Achieved 0 (2019/20: 5)
	Road condition – Average quality of ride on sealed local road network percentage smooth travel exposure index (Mandatory)	≥90%	Achieved 95% (2019/20: 95%)
	Percentage resident satisfaction with maintenance of unsealed roads	≥70%	Nearly Achieved 66% (2019/20: 70%)
	Percentage resident satisfaction with maintenance of sealed roads	≥75%	Not Achieved 68.5% Result reflects increasing damage to the network from heavy vehicles. Despite a large and prioritised programme of road renewals and resurfacing there are still a number of roads that do not meet customer expectations. (2019/20: 76%)
	Percentage sealed local road network resurfaced (Mandatory)	4%	Achieved 7% (2019/20: 7%)
	Percentage of bridges that have capacity for full HPMV loading	65%	Nearly Achieved 63% (2019/20: 63%)

* Combined travel time of a number of key routes.

Level of Service	Performance Measure	Target	Result/Achievement
Footpaths are safe, well designed and maintained	Percentage resident satisfaction with footpaths	≥70%	Achieved 77% (2019/20: 79%)
	Percentage of footpaths to be in average or better condition (Mandatory)	75%	Achieved 90% (2019/20: 91%)
	Kilometres of footpaths resurfaced	7km	Achieved 7.72km (2019/20: 6.64km)
Traffic signals, road signage and markings and amenity lighting provide clear guidance	Percentage resident satisfaction with road signs and markings provide guidance that is helpful and effective	≥95%	Achieved 95.5% (2019/20: 98%)
	Percentage resident satisfaction that there is sufficient lighting of streets and intersections in urban areas	≥95%	Not Achieved 89.5% (2019/20: 93.5%)
Roading works and road safety initiatives help promote district road safety and awareness	Percentage of residents believe the road network is safe	85%	Nearly Achieved 84.5% (2019/20: 88%)
	Change in number of road fatalities and serious injury crashes on local road network (<i>from previous financial year</i>) (Mandatory)	Reduction from previous financial year	Achieved Zero fatal crashes and 7 serious injury crashes on the local road network. (2019/20: 1 fatal crash and 9 serious injury crashes)
	Percentage of residents aware of road safety programmes or advertisements	40%	Not Achieved No clear reason for not meeting target. Reviewing delivery of programme using a multi-media approach. This is a regional issue involving collaboration with other partners, including police. 18% (2019/20: 24%)

Level of Service	Performance Measure	Target	Result/Achievement
Car parks are available, fit for purpose and easy to access	Percentage resident satisfaction with access to car parking	75%	Not Achieved 69.5% There have been no major changes to parking throughout the district and recent surveys show that there is a large number of under utilised parks in the Timaru Central Business district. (2019/20: 82.5%)
	Percentage resident satisfaction with location, design and maintenance of car parking	80%	Achieved 88% (2019/20: 90.5%)
Sustainable transport options are facilitated and provided**	Number of school travel plan completed or reviewed annually	1	Achieved 2 (2019/20: 1)
	Percentage of residents using public transport	15%	Not Achieved 4% Major changes in Timaru public transport are showing signs of modest increasing usage (2019/20: 1.5%)
	Percentage of residents regularly cycling	30%	Not Achieved 15% (2019/20: 20.5%)
	Percentage of residents regularly walking	80%	Not Achieved No clear reason for not meeting target. 41.5% (2019/20: 42.5%)

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

Timaru District Council: Funding Impact Statement for 2020/21 Roading and Footpaths

	2019/20 Long-term plan (\$000)	2020/21 Long-term plan (\$000)	2020/21 Actual (\$000)
Sources of Operating Funding			
General Rates, Uniform annual general charges, rates penalties	9,136	9,770	7,352
Targeted rates	1,983	2,558	1,626
Subsidies and grants for operating purposes	2,971	2,990	8,077
Fees and charges	700	1,186	1,224
Internal charges and overheads recovered	1,945	1,970	(50)
Local authorities fuel tax, fines, infringement fees and other receipts	450	-	49
Total operating funding	17,184	18,474	18,278
Applications of operating funding			
Payments to staff and suppliers	8,117	8,320	8,606
Finance costs	770	827	471
Internal charges and overheads	2,736	2,738	2,451
Other operating funding applications	-	-	-
Total applications of operating funding	11,622	11,885	11,529
Surplus (deficit) of operating funding	5,562	6,589	6,749
Sources of capital funding			
Subsidies and grants for capital expenditure	5,104	6,076	5,679
Development and financial contributions	-	-	-
Increase/(decrease) in debt	301	2,480	7,114
Gross proceeds from the sale of assets	-	-	346
Lump sum contributions	-	-	-
Other dedicated capital funding	165	165	-
Total sources of capital funding	5,571	8,721	13,139
Application of capital funding			
Capital expenditure			
- to meet additional demand	106	526	-
- to improve the level of service	2,832	4,213	-
- to replace existing assets	9,054	10,050	21,410
Increase/(decrease) in reserves	(860)	521	-
Increase/(decrease) of investments	-	-	(1,523)
Total applications of capital funding	11,133	15,310	19,888
Surplus (deficit) of capital funding	(5,562)	(6,589)	(6,749)
Funding Balance	0	0	0
Internal Loans			
Raised during year	4,286		
Repaid during year	729		
Balance as at 30/06/2021	17,970		
Finance Costs for year	471		

Note: Figures in the LTP columns agree in total, but for presentation purposes, some sources and applications of funding have been reallocated in the LTP 2019/20 column to ensure information is comparable.

Significant Financial Variances between Actual and the Long Term Plan

General rates, uniform annual general charges, rates penalties \$2,418,000 below LTP

There was a lower rating requirement than forecast in the LTP to fund this activity.

Targeted rates \$932,000 below LTP

There was a change in the targeted rate methodology.

Subsidies and grants for operating purposes \$5,087,000 above LTP

The NZTA operating subsidies received were above the amount budgeted in the LTP.

Internal charges and overheads recovered \$2,020,000 below LTP

In the 2019/20 Annual Plan, the Land Transport Unit was reclassified as a Corporate Overhead and removed from being included within the Roothing and Footpaths activity. This has resulted in only expenditure charged to Roothing and Footpaths from the Land Transport Unit being shown within this activity.

Subsidies and grants for capital expenditure \$397,000 below LTP

NZTA capital expenditure subsidies received were \$397,000 below budget.

Increase / (decrease) in debt \$4,634,000 above LTP

Additional debt funding above the LTP was required to support the increased applications of operating and capital funding.

Gross proceeds from the sale of assets \$346,000 above LTP

Proceeds from the sale of assets were not budgeted.

Capital expenditure \$6,622,000 above LTP

There was an increase in the budget from the LTP of \$5,894,000 to meet increased capital expenditure, with an actual increase of \$6,621,000 realised.

Increase / (decrease) in reserves \$521,000 below LTP

Depreciation appropriations were below budget due to the timing of capital expenditure.

Increase / (decrease) in investments \$1,523,000 below LTP

Movements in investments were not budgeted, the decrease in investments relates to additional funds required to support the applications of operating funding.



Enhancing the social, economic, environmental and cultural wellbeing of our community

Quality wastewater infrastructure underpins the health and wellbeing of our communities, as well as the financial and environmental prosperity of the Timaru District.

Safe treatment and disposal of wastewater is of vital importance to the protection of the quality of life and public health of District residents. It safeguards waterways and the environment from direct discharges and helps protect their life-supporting capacity. Removal and mitigation of the adverse impacts of wastewater enhances environmental wellbeing for both current and future generations.

Sewer

What we do

Our sewer services include the collection, treatment and disposal of domestic, commercial and industrial wastewater.

Wastewater reticulation systems are provided in the urban areas of Timaru, Temuka, Geraldine (including the Downs area) and Pleasant Point. These systems are linked via pipelines to the main wastewater treatment plant and ocean outfall in Timaru. A small collection scheme also serves the Arowhenua community which feeds into the Temuka pond for treatment. Additional sewer services are not currently available for any rural zoned areas. Rural houses manage their own effluent. Approximately 80% of the total district residential population receives the sewer service.

Timaru's industrial wastewater stream is treated separately from the domestic wastewater stream. Primary treatment is done onsite by industries to comply with tradewaste discharge limits set by Council before discharging to the public wastewater system, and ultimately ocean discharge.

**Contributions to Community
Wellbeing Outcomes**

Sustainable Environment

Resilient Infrastructure

Sewer Highlights

Pleasant Point oxidation ponds

The scheduled desludging of the oxidation ponds at Temuka, Geraldine and Pleasant Point was successfully completed.

Good progress was made with sewer main renewal and upgrading projects completed around the district, including:

- Temuka Domain and Golf Course Sewer main Upgrade
- Temuka State Highway Sewer main Renewal
- Saltwater Creek Timaru, Sewer main Renewal
- Talbot Street Geraldine, Sewer main Renewal (Kennedy to Huffey Streets)
- Gresham Street, Geraldine, Sewer main and Water main Renewal
- Temuka and Opihi Bridges Pipe Brackets Replacement
- Norwood Street Sewer main Renewal

Planning is underway for a number of other projects, including

- Brough Gully Timaru, Sewer main Network Extension
- Douglas Street Timaru, Sewer main Upgrade
- Waimataitai Timaru, Sewer main Upgrade (Highfield Golf Course)
- Orbell Street Timaru, Sewer main and Water main Renewal
- Beverley Hill Timaru, Sewer main Renewal
- Peel Street Geraldine, Sewer main Renewal

Network overflow faults meeting targets.

Responding to faults and rectifying these is a priority. While target response times are set we strive to respond and resolve issues as soon as possible

Median attendance time: 0.31 hour

Median resolution time: 3.5 hours

Service Performance

Level of Service	Performance Measure	Target	Result/Achievement
Maintain excellent sewer network services	Number of dry weather overflows from the sewerage system per 1,000 connections (Mandatory)	≤2.5	Not Achieved 2.74 (2019/20: 3.16)
Deliver sewer services according to required environmental standards	Compliance with Resource Consent conditions - (Mandatory)	No abatement notices, infringement notices, enforcement orders and convictions	Achieved (2019/20: Achieved)
Provide management of trade waste services	Percentage of industries with trade waste agreements that have been monitored for compliance	100%	Achieved 100% (2019/20: 100%)
Maintain excellent customer service	Median attendance times to sewerage overflow faults in the network (Mandatory)	<1 hour	Achieved 0.31 hour (2019/20: 0.47 hour)
	Median resolution time (in hours) to sewerage overflow faults in the network (Mandatory)	<8 hours	Achieved 3.50 hours (2019/20: 2.06 hours)
	Number of complaints per 1,000 connections received about : 1) Sewerage odour 2) Sewerage system faults 3) Sewerage system blockages 4) The TDC response to sewerage system issues (Mandatory)	≤14	Achieved 7.49 1) Odour: 0.67 2) System faults: 1.16 3) Blockages: 5.66 4) TDC response: 0 (2019/20: 8.26)
	User satisfaction with sewer services	≥85%	Not measured biennial – next survey 2021/22 (2019/20: 93%)

Timaru District Council: Funding Impact Statement for 2020/21 Sewer

	2019/20 Long-term plan (\$000)	2020/21 Long-term plan (\$000)	2020/21 Actual (\$000)
Sources of Operating Funding			
General Rates, Uniform annual general charges, rates penalties	-	-	54
Targeted rates	7,130	7,130	6,719
Subsidies and grants for operating purposes	-	-	125
Fees and charges	2,430	2,679	2,736
Internal charges and overheads recovered	-	-	7
Local authorities fuel tax, fines, infringement fees and other receipts	186	210	84
Total operating funding	9,746	10,019	9,725
Applications of operating funding			
Payments to staff and suppliers	2,623	2,236	2,506
Finance costs	2,458	2,374	1,492
Internal charges and overheads	1,896	1,861	1,632
Other operating funding applications	-	-	-
Total applications of operating funding	6,978	6,471	5,630
Surplus (deficit) of operating funding	2,768	3,548	4,095
Sources of capital funding			
Subsidies and grants for capital expenditure	-	-	575
Development and financial contributions	169	-	207
Increase/(decrease) in debt	(1,736)	(1,651)	(3,585)
Gross proceeds from the sale of assets	-	-	-
Lump sum contributions	-	-	-
Other dedicated capital funding	-	-	-
Total sources of capital funding	(1,567)	(1,651)	(2,803)
Application of capital funding			
Capital expenditure			
- to meet additional demand	102	104	-
- to improve the level of service	-	-	-
- to replace existing assets	1,910	2,153	3,872
Increase/(decrease) in reserves	(812)	(361)	-
Increase/(decrease) of investments	-	-	(2,580)
Total applications of capital funding	1,200	1,896	1,293
Surplus (deficit) of capital funding	(2,767)	(3,548)	(4,095)
Funding balance	1	0	0
Internal Loans			
Raised during year	500		
Repaid during year	2,293		
Balance as at 30/06/2021	44,201		
Finance Costs for year	1,492		

Note: Figures in the LTP columns agree in total, but for presentation purposes, some sources and applications of funding have been reallocated in the LTP 2019/20 column to ensure information is comparable.

Significant Financial Variances between Actual and the Long Term Plan

Targeted rates \$411,000 below LTP

There was a lower rating requirement than forecast in the LTP to fund this activity.

Finance costs \$882,000 below LTP

The 2017-2018 budget included a loan to be raised for capital works of \$13,604,300 which in the 2020-2021 budget included interest costs to service that loan. Due to delays with renewal works the loan was not raised and has resulted in less interest cost being incurred.

Subsidies and grants for Capital expenditure \$575,000 above LTP

An unbudgeted amount was received from the Department of Internal Affairs for water stimulus projects.

Development and financial contributions \$207,000 above LTP

Unbudgeted capital funding was received this year relating to the Murchison Gully Sewer and Waimataitai Sewer Catchment.

Increase / (decrease) in debt \$1,934,000 below LTP

Due to timing of completion of capital expenditure, a decrease in debt was realised above budgeted.

Capital expenditure \$1,615,000 above LTP

The 2020/21 Annual Plan increased the budget from the LTP by \$1,867,000 and related to reticulation renewals, upgrades and modelling.

Increase / (decrease) in reserves \$361,000 above LTP

No transfers from reserves were required to fund the increased capital expenditure that was incurred.

Increase / (decrease) in investments \$2,580,000 below LTP

Movements in investments were not budgeted, the decrease in investments relates to additional funds required to support the applications of operating funding.



Enhancing the social, economic, environmental and cultural wellbeing of our community

Effective management of stormwater is critical for the safety of our community – both people and property. The discharge of stormwater also has the potential to cause adverse effects on the environment. The natural attributes of rivers, lakes and other freshwater bodies can be degraded by excessive sediment and contaminants, or by the flow rates and volumes of stormwater discharges.

Council has a responsibility to ensure that stormwater is managed in a way that sustainably supports the environmental, social, cultural and economic wellbeing of our communities.

Stormwater

What we do

Council is responsible for the collection, treatment and disposal of urban stormwater.

Stormwater is rainwater that flows from surfaces like roofs, footpaths and roads. Large amounts of uncontrolled stormwater can lead to flooding and damage to property and can lead to environmental harm, so it's important it is managed properly.

Stormwater reticulation infrastructure is provided in the urban townships of Timaru, Temuka, Geraldine and Pleasant Point. Rural stormwater is managed mainly through land drainage with some minor infrastructure provided in Winchester, Cave and Pareora.

Our stormwater systems include pipelines, pump stations, culverts, channels, detention dams, retention and filtration basins. Where practicable we are making increasing use of low impact design systems that reduce discharge flows into natural waterways, use the natural environment where possible and when not used for stormwater purposes, provide open green space for people to enjoy.



Stormwater **Highlights**

Timaru District "Seaweed 2021" - engaging our communities to help keep waterways clean

In conjunction with Environment Canterbury and Mediaworks, Council ran a successful week of activities for all ages aimed raising awareness of the simple things all residents can do to help protect our waterways from unnecessary pollution.

Key stormwater new and upgrading projects were completed during the year:

- Fraser Street Temuka, Basin Overflow Pipe Installation
- Geraldine Domain Swale and Network Improvement
- Huffey and Talbot Street Geraldine, Stormwater Upgrade
- Washdyke Flat Road Stormwater Retention Basin
- Gleniti Area Stormwater System Bund Construction – one more bund was completed, with two more under construction

More projects are in the planning phase, including:

- Kauri Street Stormwater Upgrade
- Serpentine Creek, Geraldine, Rehabilitation Project
- Taitarakahi Creek Culverts Installation
- Waimataitai Stormwater Upgrade (Highfield Golf Course)



Service Performance

Level of Service	Performance Measure	Target	Result/Achievement
Maintain excellent stormwater network services * Note: The May 2021 flooding event was a 1 in 100 year event and as such was outside the criteria of rain events up to a 1 in 5 year return for residential zones and flooding events for rain events up to a 1 in 10 year return for commercial and industrial zones. These specified return periods for flooding events represent the level of service for the Timaru District stormwater network.	*Number of flooding events for rain events up to a 1 in 5 year return for residential zones (Mandatory)	0	Achieved 0 (2019/20: 0)
	*Number of flooding events for rain events up to a 1 in 10 year return for commercial and industrial zones (Mandatory)	0	Achieved 0 (2019/20: 0)
	Number of habitable floors affected by flooding events in the Timaru district, per 1000 properties connected to the stormwater system (Mandatory)	0	Achieved 0 (2019/20: 0)
Deliver stormwater services according to required environmental standards	Compliance with Resource Consent conditions for discharge from stormwater systems (Mandatory)	No abatement notices, infringement notices, enforcement orders and convictions	Achieved (2019/20: Achieved)
Maintain excellent customer service *Note: Three properties were affected during the May 2021 flood events with a response time of 2.35 hours. This flooding event was declared a Civil Emergency and it exceeded the performance criteria of flooding events for rain events up to a 1 in 5 year return for residential zones and flooding events for rain events up to a 1 in 10 year return for commercial and industrial zones. These specified return periods for flooding events represent the level of service for the Timaru District stormwater network.	Median response times to attending a flooding event (Mandatory)	<1 hour	Achieved No flooding events within the parameters of this measure (2019/20: Achieved)
	Total complaints (per 1000 connections) received about performance of stormwater system (Mandatory)	≤10	Achieved 0.06 (1 complaint received) (2019/20: 0)
	Percentage resident satisfaction with stormwater services	≥65%	Not measured biennial – next survey 2021/22 (2019/20: 68%)

Timaru District Council: Funding Impact Statement for 2020/21 Stormwater

	2019/20 Long-term plan (\$000)	2020/21 Long- term plan (\$000)	2020/21 Actual (\$000)
Sources of Operating Funding			
General Rates, Uniform annual general charges, rates penalties	-	-	14
Targeted rates	1,714	1,820	1,770
Subsidies and grants for operating purposes	-	-	225
Fees and charges	-	-	-
Internal charges and overheads recovered	-	-	-
Local authorities fuel tax, fines, infringement fees and other receipts	-	-	15
Total operating funding	1,714	1,820	2,024
Applications of operating funding			
Payments to staff and suppliers	485	490	801
Finance costs	63	75	30
Internal charges and overheads	239	235	183
Other operating funding applications	-	-	-
Total applications of operating funding	787	800	1,015
Surplus (deficit) of operating funding	928	1,021	1,010
Sources of capital funding			
Subsidies and grants for capital expenditure	-	-	350
Development and financial contributions	-	-	460
Increase/(decrease) in debt	245	321	399
Gross proceeds from the sale of assets	-	-	-
Lump sum contributions	-	-	-
Other dedicated capital funding	36	63	-
Total sources of capital funding	281	384	1,208
Application of capital funding			
Capital expenditure			
- to meet additional demand	87	-	-
- to improve the level of service	447	626	-
- to replace existing assets	236	205	815
Increase/(decrease) in reserves	438	572	-
Increase/(decrease) of investments	-	-	1,403
Total applications of capital funding	1,208	1,403	2,218
Surplus (deficit) of capital funding	(927)	(1,020)	(1,010)
Funding Balance	1	1	0
Internal Loans			
Raised during year	270		
Repaid during year	71		
Balance as at 30/06/2021	1,215		
Finance Costs for year	30		

Note: Figures in the LTP columns agree in total, but for presentation purposes, some sources and applications of funding have been reallocated in the LTP 2019/20 column to ensure information is comparable.

Significant Financial Variances between Actual and the Long Term Plan

Subsidies and grants for operating purposes \$225,000 above LTP

An unbudgeted grant of \$225,000 was received from the Department of Internal Affairs for water stimulus projects.

Development and financial contributions \$460,000 above LTP

\$460,000 from capital contributions was received as a result of two large subdivisions in Timaru receiving service connections (Pages Road, Kelson Road).

Increase / (decrease) in reserves \$572,000 below LTP

Depreciation appropriations were below budget due to the timing of capital expenditure.

Increase / (decrease) in investments \$1,403,000 above LTP

Movements in investments were not budgeted, the increase in investments shown is offset by the increase in debt.



Enhancing the social, economic, environmental and cultural wellbeing of our community

Waste minimisation services protect people's health and enhance environmental wellbeing by minimising the production of rubbish and promoting recycling and reuse.

An effective waste management system promotes Timaru District as sustainable and environmentally responsible – enhancing our sense of social and environmental wellbeing as a community.

Waste Minimisation

What we do

Through waste minimisation services, Council manages the safe and effective collection, recycling, recovery and disposal of waste materials with a focus on minimising waste.

Since 2006, the Council has operated the 3-2-1-ZERO kerbside collection in the District. This highly successful system provides 85% of the District's households with organic waste, recycling and rubbish bins which are collected regularly with materials sorted and managed at the Redruth Resource Recovery Park.

Council manages the service and owns waste minimisation sites and facilities while operational work is carried out by contractors. Waste Management New Zealand Ltd (WMNZ) was contracted until June 2021 to provide kerbside collection, transfer stations, landfill, composting and recycling operations. We also offer proactive waste minimisation information, education and support within the community.



The separation of waste has many environmental benefits, including a reduction of waste to landfill, fewer greenhouse gas emissions, composting of green waste (which eventually goes back onto the land to improve soil structure), and reusing waste materials which can lower the demand for raw materials. Managing waste locally avoids the significant financial and environmental cost of transporting waste out of the District for disposal.

Waste Minimisation Highlights

A new contract for waste management

A new contract for waste management in the district (including Mackenzie and Waimate District Councils) has been agreed with Enviro Waste. This 15 year contract commenced 1 July 2021. This coincides with new blue bins provided to each property for separate glass collection.

A high profile campaign to reduce contamination in recycling

"Sticky or icky? Not in your recycling"; "1,2,5 plastics only in your yellow bin"; and "In Timaru, our recycling goes topless. Lids go in your red bin".

The campaign, headed by high profile locals, achieved good results, but more improvement is needed.

Peel Forest closed landfill – multiple stakeholders are working together on a solution to contain the landfill including mitigation works to protect any contamination in the nearby Rangitata river

In Timaru, we recycle topless



Service Performance

Level of Service	Performance Measure	Target	Result/Achievement
Waste Minimisation facilities are adequate and available to the community, including provision of regular kerbside collection services to enable separation of waste for recycling and compost	Satisfaction with waste minimisation services	Resident: ≥90% User: ≥90%	Not measured biennial - next survey 2021/22 (2019/20: Resident 91% User 92%)
No adverse effects on the environment or human health from the operation of waste minimisation services	Compliance with Resource Consent conditions (excluding all minor non-compliances as reported by Environment Canterbury)	Full compliance with Resource Consent conditions	Achieved (2019/20: Achieved)

Level of Service	Performance Measure	Target	Result/Achievement
Waste is diverted from landfill	Materials Recovery Facility (MRF) – recycling nett tonnages diverted	3,600 tonnes	Not Achieved 2,922 tonnes Diversion rates through MRF did not meet target due to contamination in recycling. Further education and consideration of enforcement options underway. (2019/20: 2,889)
	Compost Facility – Organic nett tonnages diverted	15,000 tonnes	Nearly Achieved 14,479 tonnes (2019/20: 11,951)
	Resource Facility – Recycling nett tonnages diverted via recycling other than for MRF recyclables	300 tonnes	Achieved 377 tonnes (2019/20: 315)
	Number of transactions at re-use shop	20,000	Achieved 31,378 (2019/20: 18,926)
Public information and programmes promote waste minimisation and appropriate sorting of waste	General waste minimisation information provided across a range of media	2,000 items	Achieved 9,900+ the increase associated with the roll out of “What’s in your bin” campaign (2019/20: 5,695)
	Kerbside collection information provided across a range of media	2,000 items	Achieved 27,000 Large increase as result of “what’s in your bin” campaign (2019/20: 3,060)
	Number of businesses provided with zero waste support	75	Not achieved 13 in Jul – Oct period, after which the position delivering this service was disestablished and the resource focused on preparing for the new Waste Contract to commence July 2021. (2019/20: 41)
	Number of programmes/ initiatives provided to encourage waste diversion	18	Achieved 20 (2019/20: 23)
	Number of events provided with zero waste support	25	Not achieved 8 in Jul – Oct period, after which the position delivering this service was disestablished and the resource focused on preparing for the new Waste Contract to commence July 2021. (2019/20: 35)
	Number of zero waste support talks/tours	52	Not achieved 8 in Jul – Oct period, after which the position delivering this service was disestablished and the resource focused on preparing for the new Waste Contract to commence July 2021. (2019/20: 25)

Timaru District Council: Funding Impact Statement for 2020/21 Waste Minimisation

	2019/20 Long-term plan (\$000)	2020/21 Long-term plan (\$000)	2020/21 Actual (\$000)
Sources of Operating Funding			
General Rates, Uniform annual general charges, rates penalties	315	-	319
Targeted rates	6,425	6,831	6,472
Subsidies and grants for operating purposes	175	175	165
Fees and charges	2,937	3,406	5,132
Internal charges and overheads recovered	-	-	-
Local authorities fuel tax, fines, infringement fees and other receipts	404	-	43
Total operating funding	10,256	10,412	12,131
Applications of operating funding			
Payments to staff and suppliers	7,875	8,116	5,666
Finance costs	325	305	196
Internal charges and overheads	584	573	581
Other operating funding applications	-	-	-
Total applications of operating funding	8,784	8,994	6,443
Surplus (deficit) of operating funding	1,472	1,418	5,688
Sources of capital funding			
Subsidies and grants for capital expenditure	-	-	-
Development and financial contributions	-	-	-
Increase/(decrease) in debt	(414)	(373)	196
Gross proceeds from the sale of assets	-	-	-
Lump sum contributions	-	-	-
Other dedicated capital funding	-	-	-
Total sources of capital funding	(414)	(373)	196
Application of capital funding			
Capital expenditure			
- to meet additional demand	-	-	-
- to improve the level of service	1,021	951	769
- to replace existing assets	13	130	106
Increase/(decrease) in reserves	25	(36)	-
Increase/(decrease) of investments	-	-	5,008
Total applications of capital funding	1,058	1,045	5,883
Surplus (deficit) of capital funding	(1,472)	(1,418)	(5,688)
Funding Balance	0	0	0
Internal Loans			
Raised during year	788		
Repaid during year	690		
Balance as at 30/06/2021	6,088		
Finance Costs for year	196		

Note: Figures in the LTP columns agree in total, but for presentation purposes, some sources and applications of funding have been reallocated in the LTP 2019/20 column to ensure information is comparable.

Significant Financial Variances between Actual and the Long Term Plan

General Rates, Uniform annual general charges, rates penalties \$319,000 above LTP

This source of funding was not budgeted in the LTP, however was included in the 2020/21 Annual Plan.

Fees and charges \$1,726,000 above LTP

Income from fees at landfills is above budget due to increased tonnage received at sites.

Payments to staff and suppliers \$2,450,000 below LTP

The landfill aftercare provision was reset as at 30 June 2021 resulting in a reduction in the provision of \$2,434,000 expensed.

The Kerbside collection contractor, waste site maintenance and procurement support services were budgeted in the LTP at \$6,584,000.

Actual expenditure incurred was \$7,347,000 and is a result of increased tonnage picked up and processed over that budgeted. The unfavourable variance is offset by increased income from fees and charges.


In addition, consultants were budgeted at \$45,000, actual expenditure was \$402,622. Advertising was \$101,466 above budget and operating expenditure on carbon credits was \$344,000 against \$1,250,000 budgeted in the 2020/21 Annual Plan.

Increase / (decrease) in debt \$569,000 above LTP

Additional debt funding above the LTP was required to support the increased applications of operating and capital funding.

Increase / (decrease) in investments \$5,008,000 above LTP

Movements in investments were not budgeted, the increase in investments relates to the positive movement in the landfill aftercare provision.



Enhancing the social, economic, environmental and cultural wellbeing of our community.

The provision of safe water is fundamental to all aspects of community wellbeing.

Water that is safe to drink is critical for the health and social wellbeing of our residents. High quality and a reliable quantity of water supports ongoing economic development in the district.

Environmental wellbeing is safe guarded by limits on water abstraction. This also ensures protection of the cultural values of water bodies. Managing water use in a sustainable way minimises adverse impacts on our environment for the benefit of current and future generations, discourages water wastage and ensures water is directed to the best purposes.

Water supply

What we do

Our water supply services provide for the safe and effective abstraction of water from the water source, and the treatment, storage and distribution of the water to urban and rural parts of the district.

Over 19,000 residential and non-residential properties are connected to one of 12 individual water supplies operated on behalf of the residents.

Urban Water Supplies

- Geraldine
- Peel Forest
- Pleasant Point
- Temuka
- Timaru
- Winchester

Rural Drinking Water and Stockwater Supplies

- Downlands
- Orari
- Seadown
- Te Moana

Stockwater only Schemes

- Beautiful Valley
- Rangitata – Orari Water Race

Contributions to Community
Wellbeing Outcomes

Sustainable Environment

Resilient Infrastructure

Water Supply Highlights

Water Treatment Plant - Te Ana wai (Downlands)

Work has commenced on the construction of the Water Treatment Plant building. While Covid-19 has impacted the delivery of plant ordered from overseas, the plant is currently scheduled for completion in December 2021.

Treated Water Reservoir - Te Ana wai (Downlands)

Work commenced in early June 2021 with the site works for the foundation pad for the reservoir. Further work will continue in 2021/22.

Downlands Water Supply Scheme upgrade

This multi year and multi million dollar project is progressing. The new water supply intake was commissioned in June 2021

Other key projects were also progressed

Timaru - Pareora Pipeline Upgrade

Approximately 75% of Section 1 has been completed and the contracts have been let for Sections 2 and 3. Construction on Section 3 commenced before the end of June 2021 and is programmed for completion in March 2022. Section 2 is due to commence physical works in February 2022 and be completed by July 2022.

Watermain renewals and upgrades have been progressed

- Talbot Street Geraldine
- Earl Road Watermain Renewal
- Port Loop Road Watermain Upgrade
- Taitarakahi Watermain Upgrade
- Mckeown Road, Pleasant Valley Road, School Road and Te Moana Road Watermain Upgrade
- Richard Pearce Drive Watermain Renewal
- Te Moana water supply

Temuka Water Supply

Construction of new treated water reservoir completed.

Downlands Raw Water Storage Ponds

Work commenced in mid-January 2021 with the construction of the ponds. Lining of the floor and internal walls of the ponds was completed in late May 2021, following which filling of the ponds commenced.



Service Performance

Level of Service	Performance Measure	Target	Result/Achievement
Provide safe drinking water	Drinking Water Standards (Part 4) – Bacterial Compliance (Mandatory)	100% (12 schemes)	<p>Not Achieved: 8 out of 12 treatment plants were compliant for the whole year.</p> <p>The remaining treatment schemes had some technical non-compliances at some point during the year. However Drinking Water Assessor leniency was granted for, meaning technically all schemes were compliant during the year. The issues identified were:</p> <p>Pareora Treatment Plant which complied with the treatment processes for a small water supply. However these requirements include a current Water Safety Plan. The plan has expired hence the Treatment Plant was technically non-compliant. The Drinking Water Assessor agreed that once sampling to test for bacteria commenced in November 2020, and provided the results were negative, the Treatment Plant is considered compliant. No e-coli was detected in any sample.</p> <p>Pleasant Point Treatment Plant was technically non compliant as a result of the meter malfunction. The Drinking Water Assessor determined that as there was sufficient evidence that no water had passed through the Treatment Plan while the UV unit was turned off, the Treatment Plant is considered to have been compliant.</p> <p>Te Moana scheme One of the three reticulation zones within the Te Moana Water Supply Scheme, supplying less than 500 consumers did not comply as 1 sample had e-coli detected following the May 2021 flood event.</p> <p>Temuka and Seadown Treatment Plants had several days following the May 2021 flood event where they did not comply with the treatment compliance criteria, however sampling during this period was undertaken and all samples were compliant.</p> <p>Note: 1 of the 17 reticulation zones did not comply as e-coli was detected in a single sample.</p> <p>These results are provisional, pending the assessment of compliance by the independent Drinking-Water Assessor.</p> <p>(2019/20: 3 non compliant treatment schemes)</p>
	Drinking Water Standards (Part 5) – Protozoal Compliance (Mandatory)	100% (8 treatment plants currently treat for protozoal)	<p>Not Achieved: 4 of the 12 treatment schemes were compliant for the whole the year.</p> <p>Treatment Plants that were non compliant at some point in the year were:</p> <ul style="list-style-type: none"> - Downlands – Pareora - Seadown - Temuka - Te Moana - Downlands – Springbrook - Downlands – Te Ngawai - Downlands – Waitohi - Downlands – Camerons <p>These results are provisional, pending the assessment of compliance by the independent Drinking-Water Assessor.</p> <p>(2019/20: 4 out of 8 treatment plants were compliant)</p>

Level of Service	Performance Measure	Target	Result/Achievement
Maintain excellent water supply network services	Percentage of real water loss from TDC's networked reticulation systems (Mandatory)	% reduces	Not Achieved 25.1% Urban Schemes = 21%, Rural Schemes = 27% water loss (2019/20: 17.81%) Percentage of water loss is arrived at through a complex calculation of variables from the characteristics of the water supply schemes.
Maintain excellent customer services	Median <u>attendance</u> time for urgent callouts for water supply faults or unplanned interruptions in the network (Mandatory)	Urban: <1 hour Rural: < 4 hours	Achieved Urban: 0.32 hours Rural: 0.55 hours (2019/20: Urban 0.48 hour, Rural 0.70 hour)
	Median <u>resolution</u> time for urgent callouts for water supply faults or unplanned interruptions in the network (Mandatory)	Urban: <4 hour	Achieved Urban: 2.17 hours
		Rural: < 8 hours	Nearly Achieved Rural: 8.8 hours (note: data accuracy issues) (2019/20: Urban 2.39 hours, Rural 5.5 hours)
	Median <u>attendance</u> and <u>resolution</u> time (in hours) for non-urgent callouts for urban and rural water supply faults or unplanned interruptions in the network (Mandatory)	Median time to be reported	Achieved: 7.9 hours attendance time and 14.26 resolution time (2019/20: 6.5 attendance and 10.8 resolution time – hours)
	Number of complaints per 1,000 connections received about drinking water (mandatory)	<26	Achieved: 14.57 (clarity 1.22 taste 1.32; odour 0.19; water pressure/ flow 2.44; continuity of supply 8.32;TDC response to complaints 1.08) (2019/20: 14.52)
	Percentage user satisfaction with water supply services	≥85%	Not measured biennial – next survey 2021/22 (2019/20: 92%)
Provide demand management of water supply services	Average consumption of drinking water per day per resident within the Timaru District (litres) (Mandatory)	300 litres	Nearly achieved: 312 litres (2019/20: 310 litres)
Deliver water services according to required environmental standards	Compliance with Resource Consent conditions – Water Supply	100% compliance	Achieved (2019/20: Achieved)

Timaru District Council: Funding Impact Statement for 2020/21 Water Supply

	2019/20 Long-term plan (\$000)	2020/21 Long-term plan (\$000)	2020/21 Actual (\$000)
Sources of Operating Funding			
General Rates, Uniform annual general charges, rates penalties	-	-	60
Targeted rates	8,885	9,838	11,131
Subsidies and grants for operating purposes	-	-	-
Fees and charges	1,791	1,830	2
Other Operating funding	-	-	55
Internal charges and overheads recovered	80	80	130
Local authorities fuel tax, fines, infringement fees and other receipts	95	52	28
Total operating funding	10,850	11,800	11,407
Applications of operating funding			
Payments to staff and suppliers	4,030	3,954	4,256
Finance costs	1,813	2,421	329
Internal charges and overheads	1,477	1,448	2,643
Other operating funding applications	-	-	-
Total applications of operating funding	7,321	7,823	7,228
Surplus (deficit) of operating funding	3,529	3,978	4,179
Sources of capital funding			
Subsidies and grants for capital expenditure	-	-	2,490
Development and financial contributions	-	-	180
Increase/(decrease) in debt	17,113	7,125	16,594
Gross proceeds from the sale of assets	-	-	-
Lump sum contributions	-	-	-
Other dedicated capital funding	157	161	-
Total sources of capital funding	17,270	7,286	19,264
Application of capital funding			
Capital expenditure			
- to meet additional demand	-	-	-
- to improve the level of service	5,669	7,273	-
- to replace existing assets	20,298	5,197	22,684
Increase/(decrease) in reserves	(5,166)	(1,207)	6,140
Increase/(decrease) of investments	-	-	(5,382)
Total applications of capital funding	20,801	11,263	23,442
Surplus (deficit) of capital funding	(3,531)	(3,977)	(4,179)
Funding Balance	(2)	1	0
Internal Loans			
Raised during year	8,900		
Repaid during year	603		
Balance as at 30/06/2021	18,185		
Finance Costs for year	329		

Note: Figures in the LTP columns agree in total, but for presentation purposes, some sources and applications of funding have been reallocated in the LTP 2019/20 column to ensure information is comparable. These now include Downlands Water Supply figures.

Significant Financial Variances between Actual and the Long Term Plan

Targeted rates \$1,293,000 above LTP

There was a higher rating requirement than forecast in the LTP to fund this activity and increased capital expenditure.

Fees and charges \$1,828,000 below LTP

Fees and charges were not budgeted in the 2020/21 Annual Plan as the source of funding has changed since the LTP was produced.

Finance costs \$2,092,000 below LTP

The decrease was due to more favourable interest rates from the LTP as well as less funding required to be raised in the previous financial years from what was budgeted.

Subsidies and Grants for capital expenditure \$2,490,000 above LTP.

Unbudgeted grant was received from the Department of Internal Affairs for water stimulus projects.

Development and financial contributions \$180,000 above LTP

There were two large subdivisions within Timaru that received service connections and paid financial reserve contributions (Pages Road and Kelson Road).

Increase / (decrease) in debt \$9,469,000 above LTP

Additional debt funding above the LTP was required to support the increased applications of operating and capital funding.

Capital expenditure \$10,214,000 above LTP

2019/20 works were re-budgeted and undertaken in the 2020/21 financial year. These included upgrades to the treatment plant and treated water storage, renewals of the Te Ana Wai infiltration gallery and low lift pump and mains, tanks and intakes. Urban Water expenditure on reticulation renewals and the Pareora pipeline renewals were budgeted in the Annual Plan at \$11,084,000, actual costs incurred were \$12,498,000.

Increase / (decrease) in reserves \$7,347,000 above LTP

Transfer from reserves was higher due to more capital project expenditure from what was budgeted.

Increase / (decrease) in investments \$5,382,000 below LTP

Movements in investments were not budgeted, the decrease in investments shown is offset by the increase in debt.

Corporate Activities

What we do

Corporate Activities are functions at Council that support other activities and assist the day to day running of our activities.

The key functions include:

- Financial Services - financial planning, monitoring, and reporting; administering the rating, accounts receivable and payable functions
- Information Technology - providing high quality, secure and cost effective technology-based services
- People and Capability - employee recruitment, training, performance and remuneration; health and safety
- Customer Services - Council's interface with our communities - assisting with payments, bookings, documentation, and answering general enquiries
- Communications - managing the sharing of Council information with the community through a range of media.



Timaru District Council: Funding Impact Statement for 2020/21 Corporate Activities

	2019/20 Long-term plan (\$000)	2020/21 Long-term plan (\$000)	2020/21 Actual (\$000)
Sources of Operating Funding			
General Rates, Uniform annual general charges, rates penalties	-	-	-
Targeted rates	-	-	19
Subsidies and grants for operating purposes	-	-	-
Fees and charges	-	-	703
Other Operating Funding	-	-	2,902
Internal charges and overheads recovered	-	-	18,320
Local authorities fuel tax, fines, infringement fees and other receipts	-	-	1,942
Total operating funding	-	-	23,885
Applications of operating funding			
Payments to staff and suppliers	-	-	18,712
Finance costs	-	-	(184)
Internal charges and overheads	-	-	2,467
Other operating funding applications	-	-	-
Total applications of operating funding	-	-	20,996
Surplus (deficit) of operating funding	-	-	2,890
Sources of capital funding			
Subsidies and grants for capital expenditure	-	-	-
Development and financial contributions	-	-	-
Increase/(decrease) in debt	-	-	(14,468)
Gross proceeds from the sale of assets	-	-	43
Lump sum contributions	-	-	-
Other dedicated capital funding	-	-	-
Total sources of capital funding	-	-	(14,425)
Application of capital funding			
Capital expenditure			
- to meet additional demand	-	-	-
- to improve the level of service	-	-	33
- to replace existing assets	-	-	2,107
Increase/(decrease) in reserves	-	-	(3,184)
Increase/(decrease) of investments	-	-	(10,492)
Total applications of capital funding	0	0	(11,535)
Surplus (deficit) of capital funding	0	0	(2,890)
Funding Balance	0	0	0

Internal Loans

Raised during year	426
Repaid during year	188
Balance as at 30/06/2021	3,642
Finance Costs for year	114

Note: Figures in the LTP columns agree in total, but for presentation purposes, some sources and applications of funding have been reallocated in the LTP 2019/20 column to ensure information is comparable.





Financial Reporting

Section Overview

This section outlines the financial results of Council activities for 2020/21. It includes:

Statement of Comprehensive Revenue and Expense

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

Statement of Changes in Equity

Equity is the residual interest in the assets of Timaru District Council after the deduction of its liabilities. This statement shows movement in that interest.

Statement of Financial Position

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

Statement of Cashflows

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

Funding Impact Statement

The Funding Impact Statement sets out the sources of operating and capital funding Council will use to fund its activities.

Council Controlled Organisations

This reports against the Council's CCOs policies, objectives, activities and performance targets.

Notes to the Financial Statements

The notes contain additional information to facilitate greater understanding of the main financial statements, outlined above.

Disclosure Statement

The purpose of this statement is to disclose the council's financial performance in relation to various benchmarks to enable the assessment of whether the council is prudently managing its revenues, expenses, assets, liabilities, and general financial dealings.

Statement of Comprehensive Revenue and Expense

for the year ended 30 June 2021

		Council			Group	
		Actual 2021 \$000	Budget 2021 \$000	Actual 2020 \$000	Actual 2021 \$000	Actual (Restated) 2020 \$000
REVENUE						
	Note					
Rates	3	55,433	53,556	54,422	55,129	54,080
Fees and charges	4	16,253	16,722	14,308	16,253	14,088
Subsidies and grants	5	17,263	14,008	11,265	19,291	11,321
Finance Revenue	6	948	1,578	1,862	619	1,345
Dividend Revenue	7	2,022	2,041	3,058	1,579	5,769
Other Revenue	7	11,485	3,401	5,283	14,263	7,969
Other gains/(losses)	8	1,594	-	(881)	5,460	1,237
Total Revenue		104,998	91,306	89,317	112,594	95,809
EXPENDITURE						
Personnel costs	9	20,994	20,998	19,785	21,599	20,176
Operating costs	10	46,624	41,841	42,980	49,348	42,991
Finance costs	6	2,937	3,133	3,516	3,358	4,204
Depreciation and amortisation	17, 17a,18	23,754	16,757	19,207	23,946	19,393
Total Operating Expenditure		94,309	82,729	85,488	98,251	86,764
OPERATING SURPLUS / (DEFICIT) BEFORE TAX		10,689	8,577	3,829	14,343	9,045
Share of associate surplus/(deficit) (restated)	21	-	-	-	10,724	6,360
SURPLUS / (DEFICIT) BEFORE TAX		10,689	8,577	3,829	25,067	15,405
Income Tax credit/(expense)	11	-	-	-	(635)	(16)
SURPLUS / (DEFICIT) AFTER TAX		10,689	8,577	3,829	24,432	15,389
OTHER COMPREHENSIVE REVENUE						
Gains on Revaluation of Assets	17,27	291,888	-	228,859	291,888	228,859
Total Other Comprehensive Revenue		291,888	-	228,859	291,888	228,859
TOTAL COMPREHENSIVE REVENUE		302,577	8,577	232,688	316,320	244,248

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

Statement of Changes in Equity

for the year ended 30 June 2021

	Note	Council			Group	
		Actual 2021 \$000	Budget 2021 \$000	Actual 2020 \$000	Actual 2021 \$000	Actual (Restated) 2020 \$000
Equity at beginning of year		1,054,539	834,939	821,851	1,133,896	903,217
Prior year adjustment	21	-	-	-	-	(13,569)
Restated equity at the beginning of the year		1,054,539	834,939	821,851	1,133,896	889,648
Total comprehensive revenue (restated)		302,577	8,577	232,688	316,320	244,248
Equity at end of year		1,357,116	843,516	1,054,539	1,450,216	1,133,896

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

Statement of Financial Position

as at 30 June 2021

		Council			Group	
		Actual 2021 \$000	Budget 2021 \$000	Actual 2020 \$000	Actual 2021 \$000	Actual (Restated) 2020 \$000
ASSETS		Note				
Current assets						
Cash and cash equivalents	12	4,107	4,747	19,238	5,999	21,392
Debtors and other receivables	13	14,493	5,220	9,938	14,008	11,295
Inventories	14	8	77	35	8	36
Other financial assets	15	21,950	27,826	28,339	24,777	29,534
Total current assets		40,558	37,870	57,550	44,792	62,257
Non-current assets						
Property, Plant and equipment	17	1,383,805	894,418	1,051,971	1,384,357	1,052,696
Intangible assets	18	3,802	1,383	3,305	3,803	3,307
Forestry	19	1,420	1,201	1,217	1,420	1,217
Investment Property	20	1,739	1,546	1,628	46,448	49,110
Investments in associates (restated)	21	-	-	-	102,764	92,040
Investment in CCOs and other similar entities	15	53,659	54,173	53,659	478	218
Other financial assets	15	4,430	51	4,691	4,430	4,691
Future tax benefits	15	-	-	-	2	16
Total non-current assets		1,448,855	952,772	1,116,471	1,543,702	1,203,295
Total Assets		1,489,413	990,642	1,174,021	1,588,494	1,265,552
LIABILITIES						
Current liabilities						
Trade and other payables	23	21,861	7,434	15,189	23,881	15,731
Employee benefit liabilities	24	2,045	614	2,192	2,089	2,230
Borrowings	26	38,500	6,000	42,602	38,500	42,602
Derivative financial instruments	16	1,016	5,500	1,669	1,016	1,864
Total current liabilities		63,422	19,548	61,652	65,486	62,427
Non-current liabilities						
Provisions	25	5,542	5,000	7,377	5,959	7,377
Employee benefit liabilities	24	458	1,526	130	458	130
Borrowings	26	60,984	121,053	46,882	64,484	58,282
Derivative financial instruments	16	1,891	-	3,441	1,891	3,441
Total non-current liabilities		68,875	127,579	57,830	72,792	69,230
Total liabilities		132,297	147,127	119,482	138,278	131,657
Net assets		1,357,116	843,515	1,054,539	1,448,812	1,132,492
EQUITY						
Retained earnings	27	800,749	807,300	788,185	890,798	864,295
Other reserves	27	35,593	36,215	37,468	38,644	40,715
Asset revaluation reserves	27	520,774	-	228,886	520,774	228,886
Total Equity		1,357,116	843,515	1,054,539	1,450,216	1,133,896

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

Statement of Cashflows

for the year ended 30 June 2021

	Council			Group	
	Actual 2021 \$000	Budget 2021 \$000	Actual 2020 \$000	Actual 2021 \$000	Actual 2020 \$000
CASHFLOWS FROM OPERATING ACTIVITIES					
Cash was provided from					
Rates	55,271	72,110	51,285	54,967	50,942
Other Revenue	38,068	15,537	30,819	43,767	33,423
Interest	948	1,578	1,862	620	1,340
Dividends	2,022	2,041	3,058	3,464	8,619
	96,309	91,266	87,024	102,818	94,324
Cash was disbursed to					
Suppliers & Employees	(66,512)	(62,839)	(54,662)	(69,756)	(55,049)
Interest Paid	(2,937)	(3,133)	(3,516)	(3,357)	(4,204)
	(69,449)	(65,972)	(58,178)	(73,113)	(59,253)
Net cash inflow/(outflow) from operating activities	26,860	25,294	28,846	29,705	35,071
CASHFLOWS FROM INVESTING ACTIVITIES					
Cash was provided from					
Sale of Fixed Assets and intangibles	389	-	-	389	-
Sale of Investments	28,521	-	46,938	35,037	46,938
	28,910	0	46,938	35,426	46,938
Cash was disbursed to					
Purchase of Fixed Assets and intangibles	(58,951)	(79,247)	(31,588)	(58,970)	(31,706)
Purchase of Investments	(21,950)	-	(31,454)	(23,650)	(34,736)
	(80,901)	(79,247)	(63,042)	(82,620)	(66,442)
Net cash inflow/(outflow) from investing activities	(51,991)	(79,247)	(16,104)	(47,194)	(19,504)
CASHFLOWS FROM FINANCING ACTIVITIES					
Cash was provided from					
Debt Issues	10,000	37,569	-	10,000	-
	10,000	37,569	0	10,000	0
Cash was disbursed to					
Debt Repayment	-	-	(5,000)	(7,904)	(7,500)
	0	0	(5,000)	(7,904)	(7,500)
Net cash inflow/(outflow) from financing activities	10,000	37,569	(5,000)	2,096	(7,500)
NET INCREASE/(DECREASE) IN CASH HELD	(15,131)	(16,384)	7,742	(15,393)	8,067
Opening Cash Balance 1 July	19,238	21,131	11,496	21,392	13,325
	4,107	4,747	19,238	5,999	21,392
REPRESENTED BY					
Cash & cash equivalents	4,107	4,747	19,238	5,999	21,392
	0	0	0	0	0

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

Funding Impact Statement

for the year ended 30 June 2021

	2019/20 Annual Plan (\$000)	2019/20 Annual Report (\$000)	2020/21 Annual Plan (\$000)	2020/21 Actual (\$000)
Sources Of Operating Funding				
General Rates, Uniform annual general charges, rates penalties	28,302	27,962	27,609	27,654
Targeted Rates (other than metered water supply rates)	26,027	24,683	27,698	27,779
Subsidies and grants for operating purposes	5,119	3,643	7,156	9,245
Fees and charges	17,899	15,594	15,308	16,253
Interest and dividends from investments	4,784	4,920	3,619	2,970
Local authorities fuel tax, fines, infringement fees and other receipts	1,629	4,602	2,842	4,659
Total Operating Funding	83,760	81,404	84,232	88,559
Applications Of Operating Funding				
Payments to staff and suppliers	59,299	62,941	62,839	64,881
Finance costs	4,655	3,516	3,133	2,937
Other operating funding applications	0	0	0	0
Total Applications of Operating Funding	63,954	66,457	65,972	67,818
Surplus/(Deficit) Of Operating Funding	19,806	14,947	18,260	20,741
Sources Of Capital Funding				
Subsidies and grants for capital expenditure	6,273	7,622	6,852	9,094
Development and financial contributions	30	197	182	865
Increase/(decrease) in debt	25,384	5,000	47,569	10,000
Gross proceeds from the sale of assets	45	1	0	389
Lump sum contributions	0	0	0	0
Other dedicated capital funding	244	0	0	0
Total Sources Of Capital Funding	31,976	12,820	54,603	20,347
Applications Of Capital Funding				
Capital expenditure				
- to meet additional demand	4,345	696	1,773	0
- to improve the level of service	20,061	4,579	29,353	1,598
- to replace existing assets	46,068	26,313	48,497	57,355
Increase/(decrease) in reserves	(18,692)	(3,322)	(6,760)	2,956
Increase/(decrease) of investments	0	(500)	0	(20,821)
Total Applications Of Capital Funding	51,782	27,767	72,863	41,088
Surplus/(Deficit) Of Capital Funding	(19,806)	(14,947)	(18,260)	(20,741)
Funding Balance	0	0	0	0

Note: The Funding Impact statement is required under the Local Government Act 2002 Schedule 10 and conforms to the Local Government (Financial Reporting) Regulations 2014. General accepted accounting practice does not apply to the preparation of the funding impact statement as stated in S111(2) of the Local Government Act. Figures in the LTP columns agree in total, but for presentation purposes, some sources and applications of funding have been reallocated in the LTP 2019/20 column to ensure information is comparable.

Statement of Financial Involvement in Council Controlled Organisations

Timaru District Council has control over the following entities:

- Timaru District Holdings Limited
- Venture Timaru
- Aorangi Stadium Trust

Timaru District Holdings Limited has a significant interest in PrimePort Timaru Limited and Alpine Energy Limited. Advances to subsidiaries includes loans to Timaru District Holdings Limited of \$22.2M on normal commercial terms (2020: \$22.2M).

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

	Dividends 2020/21 \$000	Interest 2020/21 \$000	Total 2020/21 \$000
Subsidiaries			
Timaru District Holdings Limited	2,000	365	2,365
	2,000	365	2,365

Timaru District Holdings Limited (TDHL) and subsidiaries

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

Mission Statement

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

Nature and Scope of Activities

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

Performance Measures and Targets

TDHL oversees the governance 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, with both the Board and officers.

Performance targets 2020/21	Target	Actual	Achieved
Net profit after tax to shareholder's funds	3%	12.5%	Yes
Net tangible assets per share	\$3.57	\$2.77	No
Earnings per fully paid share	\$0.09	\$0.53	Yes
Dividends per fully paid share	\$0.06	\$0.06	Yes
Shareholder funds to total assets	80%	83%	Yes

Statement of Financial Involvement in Council Controlled Organisations

Venture Timaru (formerly Aoraki Development and Promotions Limited)

Venture Timaru is a Council Controlled Organisation focused on regional economic development. It is 100% owned by Timaru District Council (2020: 100%).

Vision

Every person and whānau is actively engaged in, contributing to, and benefiting from a thriving Timaru District economy

Key Objectives

- Encourage innovation and facilitating the growth of existing business
- Assist businesses to attract and retain and redeploy a skilled workforce
- Deliver Tourism and Visitor attraction services for the District
- Create an environment to attract and assist new and developing business

Venture Timaru Statement of Performance 2020/21			
Objective	Measurement	Achieved	Commentary
Encourage innovation and facilitate the growth of existing business.	A minimum of 20 new connections facilitated for existing businesses per month.	Yes	With a strong focus on "facilitate, enable and grow" our local economy and communities, we have proactively facilitated a wide range of new connections across all sectors of business, education, health, and community. Our now well-established industry business connections groups coupled with our extensive local, regional, and national networks of contacts have ensured value add connections and introductions have occurred in excess of the stated measurement.
Assist business to redeploy, retain, and attract a skilled workforce, with success measured through year on year improvement.	quarter on quarter improvement in the district's unemployment rate.	No	Sept 3.7%, Dec 4.0%, March 4.2%, and June 4.3%. Below NZ in all quarters with recent months seeing a reducing number of jobseekers trending to below pre-covid levels.
Deliver tourism and visitor attraction services for the district, with success measured through year on year improvement.	quarter on quarter improvement in the district's tourism expenditure.	No	Quarter on quarter visitor spend Sept \$36m, Dec \$44m, March \$40m and June \$39m. Notably, when comparing 2019.20 year to recent 2020.21 year (normalised by excluding April/May o/a lockdown months) both Canterbury and Rest of NZ Visitor spend well up on prior year by \$7m and \$4.3m, respectively. Totals being 2019.20 visitor spend \$129.3m v 2020.21 Visitor Spend \$132.6m.

Statement of Financial Involvement in Council Controlled Organisations

Venture Timaru Statement of Performance 2020/21			
Objective	Measurement	Achieved	Commentary
Create an environment to attract and assist new and developing business, and success measured through year on year improvement.	A minimum of 10 new and developing business opportunities identified and engaged per quarter, with a minimum 10% conversion rate of new business established.	No	3 new businesses established via our direct involvement across training, roading and retail sectors. New business enquiries and activity severely impacted, in some cases curtailed or deferred due to ongoing impact of COVID 19.
	A minimum of 30 "district influencers" identified and supplied with new quarterly Timaru District Heartbeat report.	Yes	A variety of district influencers have been established and are proactively engaged with and utilised to promote the district to visitors, new business and new residents.
	Feedback received via Annual Survey of local business and organisations evidencing value added by Venture Timaru.	Yes	<ul style="list-style-type: none"> ■ The 2020/21 Venture Timaru survey was undertaken by an independent third party. 136 responses were received. The results (previous year in brackets) evidenced the largest concern not unexpectedly related to the COVID 19 event with: ■ 46% (2019/20: 66%) advised reduced income was the biggest effect of COVID 19 on their business. ■ 30.7% experienced COVID-19 positively affecting their business, 38.6% negatively affected, and 30.7% neither positive or negative effect. ■ 46% accessed COVID-19 wage subsidy ■ 40% implemented wellbeing initiatives because of COVID-19 with 40% confirmed enhanced use of technology. ■ 79% (2019/20: 94%) of respondents had direct involvement with VT via the variety of projects undertaken during the year. ■ 87% (2019/20: 86%) of respondents acknowledged VT had added value with projects they had been involved in. ■ Respondents on average rated the ease of doing business in the Timaru District at 3.8% well up on the 86% on 2017/18 year.
	Activity and achievements reflected in VT quarterly reporting to Council.	Yes	All quarterly reports provided as scheduled with Chair and CE attending Council meetings to present report and discuss.

Statement of Financial Involvement in Council Controlled Organisations

Aorangi Stadium Trust

Aorangi Stadium Trust (AST) is incorporated in New Zealand under the Charitable Trusts Act 1957. The Trust is controlled by Timaru District Council and is a Council Controlled Organisation.

Objectives

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

Structure

The Trust comprises a board of four Trustees who oversee the governance of the Trust. The facility is leased to Timaru District Council who manage the facility and undertake administration for the Trust.

Aorangi Stadium Trust Statement of Performance 2020/21				
Measure	Target	Actual	Achieved	2019/20
Ratio of equity to total assets	90%	5.7%	No	9.04
Regular liaison with the tenant (Timaru District Council)	at least six monthly	six monthly		
Promote ongoing development and maintenance of Aorangi Sports Stadium on Morgans Road Recreation Reserve	regular promotion	regular promotion undertaken	Yes	Yes
Audited annual report completed	within 3 months of financial year end	Not achieved	No	No

Notes to the Financial Statements

for the year ended 30 June 2021

1. Statement of Accounting Policies for the year ended 30 June 2021

Reporting entity

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

The Group consists of the ultimate parent, Timaru District Council, and its subsidiaries: Timaru District Holdings Limited (100% owned) and Venture Timaru Limited (100% owned; previously known as Aoraki Development and Promotions Limited). The Council's share in Downlands Water Supply, which has been assessed as a joint arrangement, is consolidated into the Group financial statements based on the Council's 82% share, as is 100% of the council controlled organisation, Aorangi Stadium Trust.

Timaru District Holdings Limited owns associate companies PrimePort Timaru Limited (50% owned) and Alpine Energy Limited (47.5% owned).

All of these entities are domiciled in New Zealand.

The primary objectives of the Council are to provide infrastructure, local public services and regulatory functions to the community for social benefit rather than making a financial return.

The reporting date of the Council, controlled entities and the joint arrangement is 30 June.

The Council has designated itself and the Group as public benefit entities (PBEs) for the purpose of complying with generally accepted accounting practice (GAAP).

The financial statements of the Council and Group are for the year ended 30 June 2021.

The financial statements were authorised for issue by the Council on 22 March 2022.

Basis of preparation

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

Certain comparative period information has been represented and restated. Refer to note 21 for further details.

Statement of Compliance

The financial statements of the Council and Group have been prepared in accordance with the requirements of the LGA and the Local Government (Financial Reporting and Prudence) Regulations 2014 (LG(FRP)R), which include the requirement to comply with New Zealand Generally Accepted Accounting

Principles (NZ GAAP).

The financial statements have been prepared in accordance with and comply with PBE Accounting Standards.

Presentation currency and rounding

The financial statements are presented in New Zealand dollars and where rounded have been rounded to the nearest thousand dollars (\$000) unless otherwise stated, particularly the related party transactions in Note 31, remuneration disclosures in Note 32 and severance payment disclosures in Note 36 which are rounded to the nearest dollar.

Contingencies in Note 30 are as stated in the Note.

Changes in accounting policies

There have been no changes in accounting policies.

Standards issued and not adopted early

Standards and amendments, issued but not yet effective that have not been early adopted, and which are relevant to the Council and group are:

PBE IPSAS 41 Financial Instruments

In January 2017, the External Reporting Board (XRB) issued PBE IFRS 9 Financial Instruments which replaces PBE IPSAS 29 Financial Instruments: Recognition and Measurement. PBE IFRS 9 is effective for annual periods beginning on or after 1 January 2021, with early application permitted. The main changes under PBE IFRS 9 are:

- New financial asset classification requirements for determining whether an asset is measured at fair value or amortised cost.
- A new impairment model for financial assets based on expected losses, which may result in the earlier recognition of impairment losses.
- Revised hedge accounting requirement to better reflect the management of risks.

The Council is not planning to apply this standard and instead early adopt PBE IPSAS 41 in preparing its 30 June 2022 financial statements. The Council and Group have not yet assessed the effects of the new standards.

In March 2019, the XRB issued PBE IPSAS 41 Financial Instruments. When applied, this standard supersedes both PBE IPSAS 29 Financial Instruments: Recognition and Measurement and PBE IFRS 9 Financial Instruments. The main changes under PBE IPSAS 41 are:

- New financial asset classification requirements for determining whether an asset is measured at fair value or amortised cost.
- A new impairment model for financial assets based on expected losses, which may result in the earlier recognition of impairment losses.

Notes to the Financial Statements

for the year ended 30 June 2021

- Revised hedge accounting requirement to better reflect the management of risks.

The Council and Group plan to early adopt this standard in preparing its 30 June 2022 financial statements instead of adopting PBE IFRS 9. The Council and Group have not yet assessed the effects of the new standards.

Amendment to PBE IPSAS 2 Cash Flow Statement

An amendment to PBE IPSAS 2 requires entities to provide disclosures that enable users of financial statements to evaluate changes in liabilities arising from financing activities, including both changes arising from cash flows and non-cash changes. The amendment is effective for the year ending 30 June 2022, with early application permitted. This amendment will result in additional disclosures. The Council has not adopted this amendment early.

PBE IPSAS 40 PBE Combinations

PBE IPSAS 40 replaces PBE IFRS 3 Business Combinations. PBE IFRS 3 excluded from its scope combinations under common control and combinations arising from local authority reorganisations. These are now included within the scope of PBE IPSAS 40, through the inclusion of both acquisition and amalgamation accounting. This new standard is effective for the year ending 30 June 2022 and is applied prospectively. This Council has not adopted this amendment early.

PBE FRS 48 Service Performance Reporting

PBE FRS 48 replaces the service performance reporting requirements of PBE IPSAS 1 Presentation of Financial Statements and is effective for the year ending 30 June 2023, with early application permitted. The Council has not yet determined how application of PBE FRS 48 will affect its statement of service performance and does not plan to adopt the standard early.

Summary of Significant Accounting Policies

Basis of consolidation

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

The consolidated financial statements are prepared using uniform accounting policies for like transactions and other events in similar circumstances. The consolidation of an entity begins from the date when the Council obtains control of the entity and ceases when the Council loses control of the entity.

Control over an entity is determined when the Council has exposure, or rights, to variable benefits from its involvement with the entity and has the ability to affect the nature or amount of those benefits through its power over another

entity including the ability to appoint or remove a majority of the entity's governance and management, binding arrangements the Council enters into, group voting rights and pre-determination mechanisms. The Council reassesses whether or not it controls another entity if facts and circumstances change.

The Council and Group will recognize goodwill where there is an excess of the consideration transferred over the net identifiable assets acquired and liabilities assumed. If the consideration transferred is lower than the net fair value of the Council and Group's interest in the identifiable assets acquired and liabilities assumed, the difference will be recognized immediately in the surplus or deficit.

Subsidiaries

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

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

Associates

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

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

Where the Group transacts with an associate, surpluses or deficits are eliminated to the extent of the Group's

Notes to the Financial Statements

for the year ended 30 June 2021

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

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

Joint Arrangements

A joint arrangement is an arrangement over which two or more parties have joint control. Joint control exists when there is a binding agreement between the parties involved in the arrangement and this agreement requires the relevant activities of the arrangement to be decided by unanimous consent from all parties involved in the arrangement.

For joint arrangements, the Council recognises in its financial statements its assets, liabilities, revenue and expenses relating to its share in the arrangement.

The Council has a joint arrangement with the Waimate District Council and Mackenzie District Council for the Downlands Rural Water Scheme. The Downlands Rural Water Scheme is a joint operation rather than a joint venture because the three Councils jointly own their specified share of the whole scheme and have rights to the assets and obligations for the liabilities relating to the arrangement, due to the structure of the arrangement not being through a separate vehicle. The Council's share in the joint arrangement equates to 82%, with Waimate District Council's share being 14% and Mackenzie District Council's 4%.

Goods and services tax

Items in the financial statements are stated exclusive of goods and services tax (GST), except for receivables and payables, which are presented on a GST inclusive basis. Where GST is not recoverable as input tax, it is recognised as part of the related asset or expense.

The net amount of GST recoverable from or payable to, the IRD is included as part of receivables or payables in the statement of Financial Position.

The net GST paid to or received from the IRD, including the GST relating to investing and financing activities, is classified as an operating cash flow in the statement of cash flows.

Commitments and contingencies are disclosed exclusive of GST.

Budget figures

The Budget figures presented in this report are those approved by the Council in its 2020/21 annual plan unless stated otherwise. The budget figures have been prepared in accordance with GAAP, using accounting policies that are consistent with those adopted by the Council in preparing these financial statements.

Critical accounting estimates and assumptions

In preparing these financial statements, estimates and assumptions have been made concerning the future. These estimates and assumptions may differ from the subsequent actual results. Estimates and assumptions are continually evaluated and are based on historical experience and other factors, including expectations or future events that are believed to be reasonable under the circumstances.

The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are:

- Assumptions regarding investments in other financial assets, including subsidiaries and other entities (see Note 15).
- Estimating the fair value of property, plant and equipment (see Note 17).
- Estimating the landfill aftercare provision (see Note 25).
- Estimating the fair values of debt (see Note 26).
- Estimating the fair values of financial instruments (see Note 35).
- Estimating the fair value of forestry assets (see Note 19)
- Estimating the retirement and long service leave obligations (see Note 24)

Critical judgments in applying accounting policies

Management has exercised the following critical judgments in applying accounting policies:

- Classification of property (see Note 17)
- Valuation methodology for property, plant and equipment (see Note 17).
- Donated or vested land and buildings with use or return conditions (see Note 7)

Revenue recognition

Revenue is measured at fair value.

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

Rates Revenue

The following policies for rates have been applied:

- General rates, targeted rates (excluding water-by-meter), and uniform annual general charges are recognised at the start of the financial year to which the rates resolution relates. They are recognised at the amounts due. The Council considers the effect of payment of rates by instalments is not sufficient to require discounting of rates receivables and subsequent recognition of interest revenue.
- Rates arising from late payment penalties are recognised

Notes to the Financial Statements

for the year ended 30 June 2021

as revenue when rates become overdue.

- Revenue from water-by-meter rates is recognised on an accrual basis based on usage. Unbilled usage, as a result of unread meters at year end, is accrued on an average usage basis.
- Rate remissions are recognised as a reduction of rates revenue when the Council has received an application that satisfies its rates remission policy.
- Rates collected on behalf of Environment Canterbury are not recognised in the financial statements, as the Council is acting as an agent for Environment Canterbury.

Development and financial contributions

Development and financial contributions are recognised as revenue when the Council and Group provides or is able to provide the service for which the contribution was charged, otherwise development and financial contributions are recognised as liabilities until such time as the Council and Group provides or is able to provide the service.

Waka Kotahi (New Zealand Transport Agency) roading subsidies

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

Other grants received

Other grants are recognised as revenue when they become receivable unless there is an obligation in substance to return the funds if conditions of the grant are not met. If there is such an obligation, the grants are initially recorded as grants received in advance and recognised as revenue when conditions of the grant are satisfied.

Building and resource consent revenue

Fees and charges for building and resource consent services are recognised based on the recovery of costs as they are incurred.

Entrance fees

Entrance fees are fees charged to users of the Council's facilities and is recognised upon entry to such facilities.

Landfill fees

Fees for the disposing of waste at Council-operated landfill sites are recognised on the utilisation of the landfill by users.

Provision of commercially based services

Revenue derived through the provision of services to third parties in a commercial manner is recognised in proportion to the stage of completion at balance date where material and is generally determined by the proportion of costs incurred

to date relative to the estimated total costs of providing the service.

Sales of goods

Revenue from the sale of goods is recognised when a product is sold to a customer.

Infringement fees and fines

Infringement fees and fines mostly relate to traffic and parking infringements and are recognised when the infringement notice is issued. The revenue recognised is determined based on the probability of collecting fines, which is estimated by considering the collection history of fines over the preceding two year period.

Vested or donated physical assets

For assets received for no or nominal consideration, the asset is recognised at its fair value when the Council obtains control of the asset. The fair value of the asset is recognised as revenue unless there is a use or return condition attached to the asset.

The fair value of vested or donated assets is usually determined by reference to the cost of constructing the asset. For assets received from property developments the fair value is based on construction price information provided by the property developer.

For long-lived assets that must be used for a specific use the Council immediately recognises the fair value of the asset as revenue. A liability is recognised only if the Council expects that it will need to return or pass the asset to another party.

Donated and bequeathed financial assets

Donated and bequeathed financial assets are recognised as revenue unless there are substantive use or return conditions in which case a liability is recorded and subsequently released to revenue as the conditions are met.

Crown suspensory loans

The Council considers that a suspensory loan from the crown is, in substance, a grant with conditions, and therefore recognises the funds received as a liability and releases the liability to revenue on a straight line basis over the 20 year term of the agreement.

Interest and dividends

Interest revenue is recognised using the effective interest method.

Dividends are recognised when the right to receive payment has been established. Dividends are recognised in the surplus or deficit unless the dividend clearly represents a recovery of part of the cost of the investment.

Agency Revenue

Where revenue is derived by acting as an agent for another

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for the year ended 30 June 2021

party, the revenue that is recognised is the commission or fee on the transaction.

Borrowing costs

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

Foreign currency transactions

Transactions in foreign currencies are converted into New Zealand Dollars (the functional currency) using the exchange rate at the date of the transactions. Transactions covered by foreign currency forward exchange contracts are measured and reported at the forward rates specified in those contracts.

At balance date foreign monetary assets and liabilities are translated at the exchange rate as at 30 June, and exchange variations arising from these transactions are included in the surplus or deficit.

Income tax

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

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

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

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

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

Leases

Leases in which substantially all of the risks and rewards of ownership transfer to the lessee are classified as finance leases. At inception, finance leases are recognised as assets and liabilities on the Statement of Financial Position at the lower of the fair value of the leased asset and the present value of the minimum lease payments. Lease payments are

apportioned between finance charges and reduction of the lease obligation so as to achieve a constant rate of interest on the remaining balance of the liability. Any additional direct costs of the lessee are added to the amount recognised as an asset. Subsequently assets leased under a finance lease are depreciated as if the assets are owned.

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

Cash and cash equivalents

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

Bank overdrafts are shown with borrowings in current liabilities in the statement of financial position.

Trade and other receivables

Short-term receivables are recorded at the amount due, less impairment.

Rates are written off when remitted in accordance with the Council's rates remission policy and in accordance with the write-off criteria of sections 90A (where rates cannot be reasonably recovered) and 90B (in relation to Maori freehold land) of the Local Government (Rating) Act 2002.

Other receivables are written-off when there is no reasonable expectation of recovery.

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 and Group 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.

Payables and deferred revenue

Short-term creditors and other payables are measured at the amount payable.

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

Notes to the Financial Statements

for the year ended 30 June 2021

Deferred revenue represents receipts the conditions of which have not yet been fulfilled but which are expected to be recognised as revenue within 12 months.

Financial instruments

The Council and Group are risk averse, and seek to minimise exposure arising from its treasury activity.

The Council and Group use derivative financial instruments to manage its exposure to interest rate risks. In accordance with the Investment Policy and Liability Management Policy the Council and Group do 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 and Group would receive or pay to terminate the swap at balance sheet date, taking into account current interest rates and the current creditworthiness of the swap counterparties.

Inventories

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

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

An assessment is made as to which stock held should be included as inventory or expensed immediately based on usage and materiality.

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 financial assets, including unquoted equity investments

Other financial assets held by Council and Group are classified as being "available for sale" and are stated at the lower of cost or net realisable value, with any resultant gain or loss being recognised directly in other comprehensive revenue or expense, except for impairment losses. When these assets are derecognised, the cumulative gain or loss is recognised through the surplus or deficit.

Property, plant and equipment

Non-Current Assets Held For Sale

Non-current assets are classified as held for sale if their carrying amount will be recovered through a sale transaction rather than through continuing use. They are measured at the lower of their carrying amount and fair value less costs to sell.

Any impairment losses for write-downs are recognised in the surplus or deficit.

Any increases in fair value (less costs to sell) are recognised up to the level of any impairment losses that have been previously recognised.

Non-current assets are not depreciated or amortised while they are classified as held for sale (including those which are part of a disposal group).

Property, Plant & Equipment – Valuation

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

Operational assets include:

- Land
- Buildings and building Improvements
- Airport Improvements
- Plant and Equipment (including motor vehicles)
- Furniture and office equipment
- Library books
- Art works
- Heritage assets

Notes to the Financial Statements

for the year ended 30 June 2021

Operational assets are all assets not included elsewhere, utilised by the Council to deliver services, directly and indirectly.

■ Infrastructure assets include:

- Sewer, stormwater, water
- Roads, bridges and lighting
- Land under roads

Infrastructure assets are the fixed utility systems, with each including all components required for the network to function.

■ Restricted assets include:

- Parks and Reserves

Restricted assets cannot be disposed of because of legal or other restrictions.

Unless specifically stated below, acquisitions are initially valued at cost. Prior to 1 July 2005 a number of valuations were undertaken for several asset classes, separately outlined below which has become the opening cost value for that class.

Revaluations

For asset classes where revaluations are now performed regularly, assets are revalued with sufficient regularity to ensure that their carrying value does not differ materially from fair value, and at least every three years with revaluation movements accounted for on a class-of-asset basis.

The net revaluation results are credited or debited to other comprehensive revenue and expense and are accumulated to an asset revaluation reserve in equity for that class-of-asset, however where this would result in a debit balance in the asset revaluation reserve, this balance is not recognised in other comprehensive revenue and expense but is recognised in the surplus or deficit. Any subsequent increase on revaluation that reverses a previous decrease in value recognised in the surplus or deficit will be recognised first in the surplus or deficit up to the amount previously expensed and then recognised in other comprehensive revenue and expense.

Additions

Additions are recognised as an asset when it is expected that future economic benefit or service potential will occur beyond one year, otherwise they will be expensed in the financial period in which the cost is incurred or committed or the value derived from the expenditure is initially delivered subject to reliable valuation.

Additions will usually be initially valued at cost, through an exchange transaction, but which may include its estimated fair value at the time of acquisition when acquired through a

non-exchange transaction or on the anticipated net present value of future benefits where appropriate.

Subsequent costs relating to an existing asset will be capitalised based on the same assessment of future benefits as the initial acquisition. Costs that do not meet the requisite capitalisation assessment, such as the costs of servicing assets, will be recognised in the surplus and deficit as they are incurred.

Disposals

Gains and losses on disposal are determined by comparing the disposal proceeds with the carrying value of the asset and are reported net in the surplus or deficit. When revalued assets are sold, the amounts included in assets revaluation reserves relating to the assets disposed of are transferred to accumulated funds.

Land

Land, other than airport land, has been stated at cost, which is the fair value as assessed by I Fairbrother ANZIV of QV Valuations at 1 July 2005.

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

Buildings and building improvements

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

Airport improvements

Airport improvements, including runway, have been stated at cost less depreciation and impairment losses, which is optimised depreciated replacement cost as valued by B Dench ANZIV of QV Valuations as at 1 July 2005.

Plant and Equipment

Plant and equipment for parks and pools is stated at cost less depreciation and impairment losses, which is the optimised depreciated replacement cost as assessed by Maunsell Limited, Valuers, at 1 July 2005.

Other plant and equipment (including motor vehicles) are at cost less depreciation and impairment losses.

Furniture and office equipment

Furniture and office equipment have been stated at cost less depreciation and impairment losses, which is the assessed fair value at 1 July 2005 based on the 1 July 1993 indemnity value as assessed by Morton & Co Limited, Valuers with acquisitions from 1 July 1993 to 1 July 2005 at cost.

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Library books

The Timaru District Library, Temuka Library and Geraldine Library collections have been revalued as at 30 June 2021 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 cost which is the assessed fair value at 1 July 2005 based on the 1 April 1992 insurance value by the Art Gallery Director, with acquisitions from 1 April 1992 to 30 June 2021 at cost.

Sewer, Stormwater, Water

Sewer, Stormwater and Water assets are stated at their fair value using standard unit rates as per the depreciated replacement cost methodology, however acquisitions subsequent to 1 July 2019 are valued at cost, until future revaluations are performed.

Prior to 1 July 2019, Water Infrastructure assets were stated at their cost less depreciation and impairment losses, which is optimised depreciated replacement cost valued as at 1 July 2005 by Maunsell Limited, Valuers.

The assets were revalued on 1 July 2019 by Timaru District Council officers and peer reviewed by B. Smith, CA, of Brian Smith Advisory Services Limited.

Sewerage, Stormwater and Water infrastructural assets are valued using the depreciated replacement cost method. There are a number of estimates and assumptions exercised when valuing infrastructural assets using this method, including:

- The replacement costs where appropriate reflect optimisation due to over-design or surplus capacity. No opportunities for optimisation was identified within the 2019 revaluation.
- Estimating the replacement cost of the asset: the replacement cost of an asset is based on recent construction contracts in the region for modern equivalent assets, from which unit rates are determined. Unit rates have been applied to components of the network based on size, material, depth, and location.

If recent contract cost information is considered out of date, it is indexed using Statistics New Zealand's Capital Goods Price Index (based on the March 2019 quarter index with an estimate for June 2019) for civil constructions to convert them to current dollar value at the valuation date.

- Estimates of the remaining useful life over which the asset will be depreciated: these estimates can be affected by the local condition, for example, pipe material or wall

thickness.

If useful lives do not reflect the actual consumption of the benefits of the asset, then the Council and Group could be over- or under-estimating the annual depreciation charge recognised as an expense in the statement of comprehensive revenue and expense. To minimise this risk, infrastructural asset useful lives have been determined with reference to the New Zealand Infrastructural Asset Valuation and Depreciation Guidelines published by the National Asset Management Steering Group, and have been adjusted for local conditions based on past experience.

Acquisition subsequent to 1 July 2019 are measured at their fair value using standard unit rates.

Following the announcement by the Local Government Minister on 27 October 2021 regarding central government proceeding with the three waters service delivery reforms using a legislated "all in" approach, Council continues to recognise its three waters assets at 30 June 2021 in accordance the accounting policies set out on pages 74 to 76. There has been no adjustment in these financial statements to reflect the expected future transfer of assets to the new water entity. It is expected central government will develop details around the mechanism for the transfer of the water assets and this will be completed prior to 1 July 2024. As further details are established this may require adjustments to Council's three water assets either in respect of disclosure or measurement.

Roads, Bridges, Footpaths, Street Furniture and Lighting

Roads, bridges, footpaths, street furniture and lighting assets are stated at their fair value using standard unit rates as per the depreciated replacement cost methodology, however acquisitions subsequent to 1 July 2020 are valued at cost, until future revaluations are performed.

Prior to 1 July 2020, roads, bridges, footpaths, street furniture and lighting assets were stated at their cost less depreciation and impairment losses which is optimised depreciated replacement cost, valued as at 1 July 2005 by Maunsell Limited, Valuers, less accumulated depreciation and impairment losses.

Roading assets were revalued as at 1 July 2020 by Mark Gordon MBA, BE (Hons), CPEng, CMEngNZ of IAM Consulting (M Gordon) Limited.

Road pavements, structures, footpaths, drainage, street lighting and a range of other assets used for delivering roading services are valued using the depreciated replacement cost method. There are a number of estimates and assumptions made when valuing infrastructural assets using this method, including:

- The unit rates used in estimating the replacement cost

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value of the asset: these reflect commercial costs for provision of modern equivalent assets by contract and assume realistic quantities of assets within contracts to ensure cost effective allowances and rates. Where appropriate, replacement value also reflects optimisation due to over-design or surplus capacity. No opportunities for optimisation were however identified in the 2020 revaluation.

- Unit rates have been applied to components of the road network based on the type of asset, its size, and material type. Rates are derived from TDC unit rate information for recent contract-based construction and maintenance work and recent valuation information from similar local authority infrastructure, indexed to the valuation date using Statistics New Zealand's Capital Goods Price Indices for Transport Ways. Where detailed asset component information is not available, estimations are made on an aggregate basis.
- Estimates of the remaining useful life over which the asset will be depreciated: these estimates can be affected by local conditions, for example, traffic use or climatic conditions. If useful lives do not reflect the actual consumption of the benefits of the asset, then the Council could be over- or under-estimating the annual depreciation charge recognised as an expense in the statement of comprehensive revenue and expense. To minimise this risk, infrastructural asset useful lives have been determined with reference to the New Zealand Infrastructure Valuation and Depreciation Guidelines, issued by the National Asset Management Steering Group (NAMS) of IPWEA NZ, and have been adjusted for local conditions based on past experience.

Land under Roads

Land under roads has been stated at cost less any impairment losses at an average of adjacent "undeveloped land value" valued at 1 July 2005 by Maunsell Limited, Valuers.

Heritage Assets

Heritage buildings are included in the buildings asset class.

Significant statues are stated at cost less depreciation and impairment losses, which is the 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.

Property, Plant & Equipment – Depreciation

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

Depreciation has been provided at the following rates.

Land	Nil
Buildings and building improvements	1-30% Straight Line
Airport Improvements	2-50% Straight Line
Plant and equipment: pools and parks	2%-33% Diminishing Value
Plant and equipment: motor vehicles	5-25% Diminishing Value
Plant and equipment: other	10%-50% Diminishing Value
Furniture and office equipment	4-50% Diminishing Value
Library collection: permanent retention	Nil
Library collection: current	12% Straight Line
Art Works	Nil
Water - plant and facilities	1% - 50% Straight line
Water - reticulation	1% - 50% Straight line
Sewerage – plant and facilities	1% - 50% Straight line
Sewerage – reticulation	1% - 50% Straight line
Stormwater - plant and facilities	1% - 50% Straight line
Stormwater - reticulation	1%-50% Straight Line
Roading	1%-50% Straight Line
Bridges	1%-3% Straight Line
Lighting	6%-8% Straight Line
Land under Road	Nil
Heritage assets	1%-7% Straight Line

Capital Work In Progress

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

Impairment

Property, plant and equipment that have a finite useful life are reviewed for impairment at each balance date and whenever events or changes in circumstances indicate that the carrying amount may not be recoverable.

An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs to sell and its value in use.

If an assets carrying amount exceeds its recoverable amount the asset is regarded as impaired and the carrying amount is written down to the recoverable amount. For revalued assets the impairment loss is recognised against the revaluation reserve for that class of asset. Where that results in a debit balance in the revaluation reserve the balance is recognised in the surplus or deficit.

Notes to the Financial Statements

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For assets not carried at a revalued amount the total impairment loss is recognised in the surplus or deficit.

The reversal of an impairment loss on a revalued asset is credited to other comprehensive revenue and expense and increases the asset revaluation reserve for that class of asset, however to the extent that an impairment loss for that class of asset was previously recognised in the surplus or deficit a reversal of the impairment loss is also recognised in the surplus or deficit.

For assets not carried at a revalued amount the reversal of an impairment loss is also recognised in the surplus or deficit.

Value in use for non-cash generating assets

Non-cash generating assets are those assets that are not held with the primary objective of generating a commercial return.

For non-cash generating assets value in use is determined using an approach based on either a depreciated replacement cost approach, a restoration cost approach or a service units approach. The most appropriate approach used to measure value in use depends on the nature of the impairment and availability of information.

Value in use for cash-generating assets

Cash-generating assets are those assets that are held with the primary objective of generating a commercial return.

The value in use for cash-generating assets and cash-generating units is the present value of expected future cash flows.

Intangible Assets

Software acquisition and development

Computer software licenses are capitalised on the basis of costs incurred to acquire and bring to use the specific software.

Costs that are directly attributable to the development of software for internal use are recognised as an intangible asset.

Direct costs include the software development employee costs and an appropriate portion of relevant overheads.

Staff training costs are recognised in the surplus or deficit when incurred.

Costs associated with maintaining computer software are recognised as an expense when incurred.

Costs associated with the development and maintenance of the Council's website are recognised as an expense when incurred.

Carbon credits

Purchased carbon credits are recognised at cost on

acquisition. Free carbon credits received from the Crown are recognised at fair value on receipt. They are not amortised but are instead tested for impairment annually. They are derecognised when they are used to satisfy carbon emission obligations.

Amortisation

The carrying value of an intangible asset with a finite life is amortised on a straight-line basis over its useful life. Amortisation begins when the asset is available for use and ceases at the date that the asset is derecognised. The amortisation charge for each financial year is recognised in the surplus or deficit.

The useful lives and associated amortisation rates of major classes of intangible assets have been estimated as follows:

Computer software	3 to 5 years	20% to 33.3%
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Impairment of intangible assets

Intangible assets that have an indefinite useful life or are not yet available for use are not subject to amortisation and are tested annually for impairment, applying the same impairment principles as are used for property, plant and equipment.

Forestry Assets

Standing forestry assets are independently revalued annually at fair value less estimated costs to sell for one growth cycle. Gains or losses arising on initial recognition of forestry assets at fair value less costs to sell and from a change in fair value less costs to sell are recognised in the surplus or deficit.

Forestry maintenance costs are recognised in the surplus or deficit when incurred.

Investment Property

Properties leased to third parties under operating leases are classified as investment property unless the property is held to meet service delivery objectives, rather than to earn rentals or for capital appreciation.

Investment property is measured initially at its cost, including transaction costs.

After initial recognition all investment property is measured at fair value at each reporting date.

Gains or losses arising from a change in the fair value of investment property are recognised in the surplus or deficit.

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 or the estimated full date.

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Borrowings and other financial liabilities

Borrowings on normal commercial terms are initially recognised at the amount borrowed plus transaction costs. Interest due on the borrowings is subsequently accrued and added to the borrowings balance.

Borrowings are classified as current liabilities unless the Council or Group has an unconditional right to defer settlement of the liability for at least 12 months after balance date.

Finance Leases

A finance lease transfers to the lessee substantially all the risks and rewards incidental to ownership of an asset, whether or not title is eventually transferred.

At the start of the lease term finance leases are recognised as assets and liabilities in the statement of financial position at the lower of fair value of the leased item and the present value of the minimum lease payments.

The finance charge is charged to the surplus or deficit over the lease period so as to produce a constant periodic rate of interest on the remaining balance of the liability.

The amount recognised as an asset is depreciated over its useful life. If there is no reasonable certainty as to whether the Council and Group will obtain ownership at the end of the lease term the asset is fully depreciated over the shorter of the lease term and its useful life.

Employee Entitlements

Short-term employee entitlements

Employee benefits that are expected to be settled wholly within 12 months after the balance date in which the employee provides the related service are measured based on accrued entitlements at current rates of pay. These include salaries and wages accrued up to balance date, annual leave earned up to but not yet taken as at balance date, and any other leave earned expected to be taken within 12 months where the value of the leave is acquired and accumulated as a condition of employment.

A liability and expense are recognised for bonuses where the Council or Group has a contractual obligation or where there is a past practice that has created a constructive obligation and a reliable estimate of the obligation can be made.

Long-term employee entitlements

Employee benefits which are not expected to be settled wholly before 12 months after balance date in which the employee provides the related service, including retirement and long-service leave, have been calculated on an actuarial basis. The calculations are based on:

- likely future entitlements accruing to employees, based on years of service, years to entitlement, the likelihood that employees will reach the point of entitlement and

contractual entitlement information; and

- the present value of the estimated future cash flows.

Presentation of employee entitlements

All leave entitlements expected to be utilised and settled within 12 months of balance date are classified as a current liability and leave entitlements expected to be settled beyond 12 months from balance date are classified as a long-term liability.

Provision For Landfill Post Closure Costs

A provision for post-closure costs is recognised as a liability relating to the ongoing costs of a landfill over its expected life following its discontinuance. The liability for post-closure costs arises from the inception of the landfill and therefore the estimated provision is recognised from that date and is adjusted and amortised over the life of the landfill prior to closure.

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

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

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

Equity & Reserves

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

- Retained Earnings
- Restricted reserves - special funds
- Separate reserves (funds)
- Property revaluation reserve

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 (special funds) 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.

Also included in restricted reserves are reserves restricted by Council decision. The Council may alter them without

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reference to any third party or the Courts. Transfers to and from these reserves are at the discretion of the Council.

Separate reserves (separate funds) are maintained for targeted rates charged for a specific purpose or for self-funded activities. A separate account is maintained for each targeted rate of self-funded activity to ensure that the funds are held and used for the specific purpose intended.

Transfers from these reserves may be made only for certain specified purposes or when certain specified conditions are met.

Overhead Allocation

The Council has derived the net cost of services for each significant activity of the Council using the cost allocation system outlined below. This involves the cost of internal service type activities being allocated to the external service type activities. External activities are those which provide a service to the public and internal activities are those which provide support to the external activities.

Cost allocation policy

Direct costs are charged directly to significant activities. Indirect costs are charged to significant activities based on cost drivers and related activity/usage information.

Criteria for direct and indirect costs

'Direct' costs are those costs directly attributable to a significant activity. 'Indirect' costs are those costs which cannot be identified in an economically feasible manner with a specific significant activity.

Cost drivers for allocation of indirect costs

The costs of internal services not directly charged to activities are allocated based on the services provided. This is allocated based on a historical costing analysis which utilised a number of cost drivers, including staff numbers, area and transaction volumes.

Intra-Group and internal transactions

All transactions occurring within the Group are eliminated on consolidation however within each Group entity they will be reflected within the appropriate categorisation. Intra-entity transactions are not generally eliminated within that entity as the transactions allocate costs and revenue within the entity to reflect an accurate economic picture for that entity however they will eliminate against each other within the net 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.

Going Concern and the impact of COVID-19

During August and September 2020 and February and March 2021, Timaru District moved into Alert Level 2 along with other parts of the country. In all other parts of the year, the District remained in Alert Level 1.

- At Alert Level 2, the Council enforced stronger social distancing practices and noted lowered patronage at community facilities such as the library, swimming pools, and use of community halls.
- There were no disruptions to infrastructure servicing. This did not materially affect the amount of user charges collected during the year.
- At Alert Level 1, the Council continued to run business as usual.

For the previous year's revaluation of investment property at 30 June 2020, the Council's external valuer included a statement in their valuation report that the assessed value was subject to "material valuation uncertainty" due to Covid-19. For the 30 June 2021 valuation, the valuer has not noted the impact on property values at 30 June 2021 due to Covid-19.

New Zealand returned to Alert Level 4 in August 2021 with a number of community cases from the "Delta" variant of COVID-19 introduced from New South Wales.

Due to the unique circumstances that have faced New Zealand (and the world) over the past 18 months, the Council Group has continued to recover from COVID-19 and contribute to Timaru's economic and social recovery. As Council provides a wide range of services and facilities to residents, due to the nature of these services, there have been no noticeable impacts to service delivery results due to COVID-19 lockdown.

The financial statements presented in this report include the direct and indirect impact from the changes in alert levels due to the global coronavirus pandemic (COVID-19). The Council and its subsidiaries continued to be impacted to varying degrees both financially and non-financially due to on-going supply chain constraints, increased costs and border closures.

There has been no change to the Council's short and long term credit rating.

Notes to the Financial Statements

for the year ended 30 June 2021

2. Summary Revenue and Expenditure for Group of Activities

	Council		
	Budget 2021 \$000	Actual 2021 \$000	Actual 2020 \$000
Revenue			
Corporate Support	1,057	2,286	2,848
Democracy	4,863	4,891	4,248
Community Support	5,556	5,218	5,202
District Planning and Environmental Services	5,481	6,016	4,865
Recreation and Leisure	16,724	17,447	16,042
Roading and Footpaths	24,607	28,355	22,715
Waste Minimisation	10,507	12,151	10,643
Sewer	9,468	11,040	10,287
Stormwater	1,850	3,919	1,970
Water Supplies	11,193	13,675	10,498
Total Activity Revenue	91,306	104,998	89,318
Expenditure			
Corporate Support	4,470	3,888	3,230
Democracy	4,738	7,336	4,687
Community Support	5,648	5,634	5,235
District Planning and Environmental Services	7,407	6,791	6,126
Recreation and Leisure	16,204	16,491	16,100
Roading and Footpaths	14,944	21,537	16,337
Waste Minimisation	9,853	9,578	11,467
Sewer	8,641	8,901	9,615
Stormwater	1,674	2,990	2,433
Water Supplies	9,150	11,163	10,258
Total Expenditure	82,729	94,309	85,488

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

Notes to the Financial Statements

for the year ended 30 June 2021

3. Rates

The Council is required by the LGFA Guarantee and Indemnity Deed to disclose in its financial statements (or notes) its annual rates revenue. That Deed defines annual rates revenue as an amount equal to the total revenue from any funding mechanism authorised by the Local Government (Rating Act) 2002 together with any revenue received by the Council from other local authorities for services provided by that Council for which those other Local Authorities rate. The annual rates revenue of the Council for the year ended 30 June 2019 for the purpose of the LGFA Guarantee and Indemnity Deed disclosure is shown below:

	Council		Group	
	Actual 2021 \$000	Actual 2020 \$000	Actual 2021 \$000	Actual 2020 \$000
General Rates	27,102	27,566	26,798	27,224
Targeted Rates				
Water, excluding metered water supply rates	9,353	8,267	9,353	8,267
Metered water supply rates	1,778	1,777	1,778	1,777
Sewerage	6,719	7,190	6,719	7,190
Solid Waste	6,472	5,997	6,472	5,997
Community Works & Services	3,457	3,229	3,457	3,229
Rates Penalties	552	396	552	396
	<u>55,433</u>	<u>54,422</u>	<u>55,129</u>	<u>54,080</u>

Rating base

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

	Council	
	Actual 2021	Actual 2020
Number of rating units at end of preceding year	22,944	22,830
	Council	
	Actual 2021 \$000	Actual 2020 \$000
Total capital value of rating units at end of preceding year	14,315,411	14,200,797
Total land value of rating units at end of preceding year	7,216,928	7,199,800

Total rates write-off for the 2020/21 financial year is \$73,964 (including penalties write off).

Notes to the Financial Statements

for the year ended 30 June 2021

4. Fees and Charges

	Council		Group	
	Actual 2021 \$000	Actual 2020 \$000	Actual 2021 \$000	Actual 2020 \$000
Trade Waste	2,736	2,674	2,736	2,674
Landfill Use	5,132	4,102	5,132	4,102
Consent Fees	2,500	2,051	2,500	2,051
Social Housing Rent	990	1,229	990	1,229
Parking Fees	1,212	792	1,212	792
Swimming Pool Admission Fees	1,082	866	1,082	866
Other Fees and Charges	2,601	2,594	2,601	2,374
Total Fees and Charges and Metered Water Supply	16,253	14,308	16,253	14,088

5. Subsidies and Grants

	Council		Group	
	Actual 2021 \$000	Actual 2020 \$000	Actual 2021 \$000	Actual 2020 \$000
New Zealand Transport Roding subsidies	13,297	10,892	13,297	10,892
Other subsidies and grants	3,966	373	5,994	429
Total Subsidies and Grants	17,263	11,265	19,291	11,321

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

Notes to the Financial Statements

for the year ended 30 June 2021

6. Finance Revenue and Finance Costs

	Council		Group	
	Actual 2021 \$000	Actual 2020 \$000	Actual 2021 \$000	Actual 2020 \$000
Finance revenue				
Interest Revenue				
Term deposits	570	1,282	606	1,327
Related party loans	365	562	-	-
Community loans	13	17	13	17
Investments in debt securities	-	1	-	1
Total Finance Revenue	<u>948</u>	<u>1,862</u>	<u>619</u>	<u>1,345</u>
Finance costs				
Interest expense				
Interest expense on borrowings	<u>2,937</u>	<u>3,516</u>	<u>3,358</u>	<u>4,204</u>
Total Finance Costs	<u>2,937</u>	<u>3,516</u>	<u>3,358</u>	<u>4,204</u>

Any gain/(loss) on changes in the fair value of interest rate swaps are shown in Note 8. Other gains /(losses)

7. Other Revenue

	Council		Group	
	Actual 2021 \$000	Actual 2020 \$000	Actual 2021 \$000	Actual 2020 \$000
Rental revenue from investment properties	234	203	3,179	2,889
Petrol tax	463	514	463	514
Vested assets	5,961	976	5,961	976
Development and financial contributions	865	49	901	49
Other	<u>3,962</u>	<u>3,541</u>	<u>3,759</u>	<u>3,541</u>
Total Other Revenue	<u>11,485</u>	<u>5,283</u>	<u>14,263</u>	<u>7,969</u>
Dividend Revenue	2,022	3,058	1,579	5,769

Notes to the Financial Statements

for the year ended 30 June 2021

8. Other gains/(losses)

	Council		Group	
	Actual 2021 \$000	Actual 2020 \$000	Actual 2021 \$000	Actual 2020 \$000
Gain/(loss) on changes in fair value of forestry assets	203	16	203	16
Gain/(loss) on disposal of property, plant & equipment	(943)	(167)	(1,032)	(167)
Gain on changes in fair value of investment property	111	82	3,871	1,956
Gain in disposal of investments classified as fair value through equity	(6)	43	(6)	43
Gain/(Loss) on changes in fair value of derivative financial instruments	2,413	(884)	2,608	(640)
Gain/(Loss) Other	(184)	29	(184)	29
Total gains/(losses)	1,594	(881)	5,460	1,237

9. Personnel costs

	Council		Group	
	Actual 2021 \$000	Actual 2020 \$000	Actual 2021 \$000	Actual 2020 \$000
Salaries and wages	20,247	19,050	20,852	19,441
Defined contribution plan employer contributions	562	556	562	556
Increase/(decrease) in employee benefit liabilities	185	179	185	179
Total personnel costs	20,994	19,785	21,599	20,176

Employer contributions to defined contributions plans include contributions to Kiwisaver.

10. Operating Costs

	Council		Group	
	Actual 2021 \$000	Actual 2020 \$000	Actual 2021 \$000	Actual 2020 \$000
Expenses include:				
<i>Fees to principal auditor</i>				
Audit fees for financial statement audit	224	121	250	144
Audit fees for Long-Term Plan audit	135	-	135	-
Audit fees for Debenture Trust Deed audit	5	4	5	4
Fees to other auditors	-	-	11	6
Impairment of receivables (note 13)	40	9	40	9
Bad debts written off	-	-	5	15
Rates Remissions	189	189	189	189
Minimum lease payments under operating leases	151	430	151	430
Direct expenses from investment property generating revenue	-	12	-	12
Other operating expenses	45,880	42,215	48,562	42,182
Total other expenses	46,624	42,980	49,348	42,991

Notes to the Financial Statements

for the year ended 30 June 2021

11. Tax

	Council		Group	
	Actual 2021 \$000	Actual 2020 \$000	Actual 2021 \$000	Actual 2020 \$000
Surplus/(deficit) before tax	10,689	3,830	25,067	15,405
Tax at 28% (2020: 28%)	2,993	1,072	7,019	4,313
Non-taxable income @ 28%	(29,399)	(25,009)	(33,150)	(28,362)
Non-deductible expenditure @ 28%	26,926	23,937	27,074	24,064
Impact of imputation credits	(560)	-	(436)	-
Adjustments to current tax	-	-	48	-
Tax expense/(benefit)	-	-	554	16
Comprising of:				
Current tax	-	-	621	-
Deferred tax	-	-	14	16
Tax Expense/Benefit	-	-	635	16
Deferred tax benefit/(liability)				
Opening balance	-	-	16	30
Temporary differences				
Long Term assets	-	-	(4)	-
Employee entitlements	-	-	1	1
Others	-	-	(11)	(15)
Closing balance	-	-	2	16
Future tax benefit/(deferred taxation) is represented by:				
Long term assets	-	-	(4)	-
Employee entitlements	-	-	2	4
Tax Losses	-	-	-	12
Other	-	-	4	-
	-	-	(2)	16

During the year, Timaru District Council made no subvention payments to Timaru District Holdings Limited (2020: \$Nil). As at 30 June 2021, there were no subvention payments payable by Timaru District Council (2020: \$Nil).

The Timaru District Council Group has imputation credits of \$19,763,225 (2020: \$18,424,955) with \$1,338,270 (2020: \$3,024,101) which can be used to impute dividend payments to the Council.

Notes to the Financial Statements

for the year ended 30 June 2021

12. Cash and cash equivalents

	Council		Group	
	Actual 2021 \$000	Actual 2020 \$000	Actual 2021 \$000	Actual 2020 \$000
Cash at bank and in hand	4,107	16,238	4,955	18,392
Short term deposits maturing 3 months or less from date of acquisition	-	3,000	1,044	3,000
Total cash and cash equivalents	4,107	19,238	5,999	21,392

The carrying value of short-term deposits with maturity dates of 3 months or less approximate their fair value. The total value of cash and cash equivalents that can only be used for a specified purpose as outlined in the relevant trust deeds is \$25,567 (2020: \$5,600,000).

13. Debtors and other receivables

	Council		Group	
	Actual 2021 \$000	Actual 2020 \$000	Actual 2021 \$000	Actual 2020 \$000
Rates receivables	2,528	2,366	2,528	2,366
Other receivables	11,285	6,210	11,420	8,275
Related party receivables (note 31)	645	875	-	138
Less provision for impairment of receivables	(171)	(137)	(171)	(137)
	14,287	9,314	13,777	10,642
Prepayments	206	624	231	653
Total receivables	14,493	9,938	14,008	11,295

Total receivables comprise:

Receivables from non-exchange transactions - including outstanding amounts for rates, grants, infringements, and fees and charges that are partly subsidised by rates

3,677	2,836	3,677	2,836
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Receivables from exchange transactions - including outstanding amounts for commercial sales and fees and charges that have not been subsidised by rates

10,610	6,478	10,100	7,806
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14,287	9,314	13,777	10,642
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Fair value

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

Impairment

As at 30 June 2021 and 2020, all overdue receivables have been assessed for impairment and appropriate provisions applied. Timaru District Council does not hold collateral as security or other credit enhancements over receivables that are either past due or impaired.

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

The carrying amount of receivables that would otherwise be past due or impaired, whose terms have been renegotiated is \$30,413 (2020: \$48,866).

Notes to the Financial Statements

for the year ended 30 June 2021

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

	2021			2020		
	Gross \$000	Impairment \$000	Net \$000	Gross \$000	Impairment \$000	Net \$000
Council						
Not past due	10,592	-	10,592	6,740	-	6,740
Past due 1 - 60 days	1,135	(44)	1,091	189	(28)	161
Past due 61 - 120 days	4	(1)	3	8	(2)	6
Past due > 120 days	199	(52)	147	148	(40)	108
Total	11,930	(97)	11,833	7,085	(70)	7,015
Group						
Not past due	10,017	-	10,017	8,068	-	8,068
Past due 1 - 60 days	1,199	(44)	1,155	189	(28)	161
Past due 61 - 120 days	8	(1)	7	8	(2)	6
Past due > 120 days	196	(52)	144	148	(40)	108
Total	11,420	(97)	11,323	8,413	(70)	8,343

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

	2021			2020		
	Gross \$000	Impairment \$000	Net \$000	Gross \$000	Impairment \$000	Net \$000
Council						
Not past due	2,340	-	2,340	2,156	-	2,156
Past due 1 year	31	-	31	32	-	32
Past due 2 years	41	-	41	43	-	43
Past due 3 years	36	(9)	27	37	(5)	32
Past due > 3 years	80	(65)	15	98	(62)	36
Total	2,528	(74)	2,454	2,366	(67)	2,299

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

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

	Council		Group	
	Actual 2021 \$000	Actual 2020 \$000	Actual 2021 \$000	Actual 2020 \$000
As at 1 July	137	133	137	133
Additional provisions made/(released) during the year	-	-	-	-
Receivables written off during year	34	4	34	4
At 30 June	<u>171</u>	<u>137</u>	<u>171</u>	<u>137</u>

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

Notes to the Financial Statements

for the year ended 30 June 2021

14. Inventories

	Council		Group	
	Actual 2021 \$000	Actual 2020 \$000	Actual 2021 \$000	Actual 2020 \$000
Pool shop inventories	8	-	8	-
Other	-	35	-	36
Total Inventories	8	35	8	36

The carrying amount of inventories pledged as security for liabilities is \$Nil (2020: \$Nil).

Notes to the Financial Statements

for the year ended 30 June 2021

15. Other financial assets

	Council		Group	
	Actual 2021 \$000	Actual 2020 \$000	Actual 2021 \$000	Actual 2020 \$000
Current portion				
Short term deposits	21,820	28,190	24,647	29,385
Community loans	130	149	130	149
Total Current Portion	21,950	28,339	24,777	29,534
Non-current portion				
Investments in CCOs and similar entities				
Unlisted shares in Civic Financial Services	218	218	218	218
Investment in TDHL Ltd	31,000	31,000	-	-
Investment in ADAP LTD	260	260	260	-
Loans to related parties (note 31)	22,181	22,181	-	-
Total investments in CCOs and similar entities	53,659	53,659	478	218
Investments in other entities				
Unlisted share in Levels Plain Irrigation Co	50	50	50	50
Unlisted shares in Greenfield's Co-operative Society Limited	1	1	1	1
Community loans	305	417	305	417
Investments in LGFA	1,502	1,072	1,502	1,072
Investments in debt securities	2,572	3,151	2,572	3,151
Total investment in other entities	4,430	4,691	4,430	4,691
Future tax benefits	-	-	2	16
Total Non-Current Portion	58,089	58,350	4,910	4,925

Fair Value

Short term deposits

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

Community loans

The fair value of community loans is \$368,417 (2020: \$565,888). Fair value has been determined using cash flows discounted at a rate based on the loan recipients risk factors of 10.0% (2020: 10.0%).

The face value of community loans is \$331,904 (2020: \$599,008).

Notes to the Financial Statements

for the year ended 30 June 2021

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

	Council		Group	
	Actual 2021 \$000	Actual 2020 \$000	Actual 2021 \$000	Actual 2020 \$000
At 1 July	566	501	566	501
Amount of new loans granted during the year	110	69	110	69
Fair value adjustment on initial recognition	21	90	21	90
Loans repaid during the year (principal and interest)	(254)	(183)	(254)	(183)
Unwind of discount and interest charged	(10)	89	(10)	89
At 30 June	433	566	433	566

Investments in debt securities

The fair value of investments in debt securities is \$2,572,640 (2020: \$3,150,681). Fair value has been determined based on current market values using yields of between 0.72% and 1.79% (2020: 0.77% and 3.25%).

Loans to related parties

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

Impairment

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

16. Derivative Financial Instruments

	Council		Group	
	Actual 2021 \$000	Actual 2020 \$000	Actual 2021 \$000	Actual 2020 \$000
Current liability portion				
Interest rate swaps	1,016	1,669	1,016	1,864
	<u>1,016</u>	<u>1,669</u>	<u>1,016</u>	<u>1,864</u>
Non-current liability portion				
Interest rate swaps	1,891	3,441	1,891	3,441
	<u>1,891</u>	<u>3,441</u>	<u>1,891</u>	<u>3,441</u>

The notional principal amounts of the outstanding interest rate swap contracts at 30 June 2021 were \$46,000,000 (2020: \$53,900,000). Maturity dates range from April 2022 to April 2025.

At 30 June 2021, the interest rates for interest rate swaps vary from 0.97% to 4.7% (2020: 0.97% to 6.82%).

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

Notes to the Financial Statements

for the year ended 30 June 2021

17. Property, plant and equipment

Insurance on Assets

The following information relates to the insurance of Council assets as at 30 June:

	Council	
	Actual 2021 \$000	Actual 2020 \$000
The maximum amount to which insured assets are insured	349,965	317,183
The total value of all Council assets covered by insurance contracts*	131,357	107,981
The total value of all Council assets covered by financial risk-sharing arrangements	474,169	471,211
Maximum amount available to the Council under financial risk-sharing arrangements	736,311	821,088
Total value of assets that are self-insured**	761,938	469,406
Value of funds maintained for self insurance	2,577	2,438

* The carrying value of assets is calculated on deemed cost. Separate insurance valuations are obtained for significant assets.

** Roading assets are not insured. Council anticipates that most events would receive Waka Kotahi (NZTA) subsidy and the balance would be funded from debt.

Core infrastructure asset disclosures

Included in the Council infrastructure assets are the following core assets:

	Closing Book Value	Additions: constructed by Council	Additions: transferred to Council	Most recent replacement cost estimate for revalued assets*
	\$000	\$000	\$000	\$000
2021				
Water:				
- treatment plants and facilities	31,416	3,613	-	88,058
- other assets (such as reticulation systems)	116,872	689	1,134	227,797
Sewerage:				
- treatment plants and facilities	56,937	104	-	77,668
- other assets (such as reticulation systems)	130,374	2,586	557	230,072
Stormwater	104,852	844	1,147	205,170
Roads and footpaths	582,195	19,622	3,133	862,107
2020				
Water:				
- treatment plants and facilities	31,200	1,923	-	86,854
- other assets (such as reticulation systems)	116,431	3,106	283	224,360
Sewerage:				
- treatment plants and facilities	57,939	397	-	77,724
- other assets (such as reticulation systems)	129,775	1,082	151	227,468
Stormwater	105,026	445	217	203,459
Roads and footpaths	276,831	14,669	192	-

* Council holds some assets at deemed cost and others have recently been revalued.

The potential impact of assets not specifically identified as 3 Waters assets which may be reclassified as that as part of the proposed 3 Waters changes is estimated at \$4,200,000, particularly related to land and buildings.

Notes to the Financial Statements

for the year ended 30 June 2021

Work in progress

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

	Council		Group	
	Actual 2021 \$000	Actual 2020 \$000	Actual 2021 \$000	Actual 2020 \$000
Roading network	798	700	798	700
Water system	22,695	5,338	22,695	5,338
Drainage system	751	981	751	981
Sewerage system	2,460	1,427	2,460	1,427
Waste Minimisation	-	125	-	125
Buildings and improvements	1,680	2,038	1,680	2,038
Plant and Equipment	979	216	979	216
Furniture and Equipment	-	69	-	69
	29,363	10,894	29,363	10,894

Notes to the Financial Statements

for the year ended 30 June 2021

2021	Cost/ Revaluation 1 July 2020	Accum deprn and impairment charges 1 July 2020	Carrying amount 1 July 2020	Current year additions	Current year transfers	Reclassifi- cation of cost/ reval	Reclassifi- cation of accum deprn and impairment charges	Current year disposals	Current year impairment charges	Current year deprn	Revaluat- ions	Cost/ Revaluation 30 June 2021	Accum deprn and impairment charges 30 June 2021	Carrying amount 30 June 2021
Council restricted assets														
Land	23,926	-	23,926	14								23,940	-	23,940
Buildings and improvements	7,802	(4,335)	3,467	86						(171)		7,888	(4,506)	3,382
Total restricted assets	31,728	(4,335)	27,393	100	-	-	-	-	-	(171)	-	31,828	(4,506)	27,322
Council operational assets														
Land and Buildings	91,493	(19,504)	71,989	3,542	2,500	-	6			(1,566)		97,535	(21,064)	76,471
Furniture and equipment	10,895	(6,837)	4,058	711	319	-	-			(526)		11,925	(7,363)	4,562
Art Works	2,543	-	2,543	45		-	-			(1)		2,588	(1)	2,587
Heritage assets	1,542	(366)	1,176			-	-			(25)		1,542	(391)	1,151
Library collections	4,799	(2,670)	2,129	382		(2,352)	2,345			(263)	86	2,915	(588)	2,327
Plant and equipment	23,153	(11,428)	11,725	786	131	54	(56)	(52)		(1,033)		24,072	(12,517)	11,555
Work in Progress	3,402	-	3,402	1,103	(2,950)							1,555	-	1,555
Total operational assets	137,827	(40,805)	97,022	6,569	-	(2,298)	2,295	(52)	-	(3,414)	86	142,132	(41,924)	100,208
Council infrastructural assets														
Land and buildings	35,887	(5,047)	30,840	2,844	645	493	(71)	(400)	-	(637)	-	39,469	(5,755)	33,714
Sewerage system	190,960	(3,246)	187,714	3,049	197	10	(1)	-	-	(3,276)	(383)	193,834	(6,523)	187,311
Water system	151,567	(3,936)	147,631	4,311	1,125	-	-	(299)	-	(4,053)	(427)	156,277	(7,989)	148,288
Stormwater network	106,970	(1,944)	105,026	1,558	347	(4)	-	(50)	-	(1,976)	(135)	108,686	(3,920)	104,766
Roads and footpaths	290,097	(69,354)	220,743	20,762	166	(69,798)	69,376	-	-	(7,905)	278,613	519,840	(7,883)	511,957
Bridges	64,733	(11,853)	52,880	814		(11,856)	11,853			(1,344)	7,785	61,476	(1,344)	60,132
Land under roads	171,857	-	171,857	203		-	-			-		172,060	-	172,060
Lighting	5,420	(2,212)	3,208	1,013		(2,218)	2,218			(550)	6,435	10,650	(544)	10,106
Landfill - post closure costs	590	(425)	165			-	-			(31)		590	(456)	134
Work in Progress	7,492	-	7,492	22,797	(2,480)							27,809	-	27,809
Total infrastructural assets	1,025,573	(98,017)	927,556	57,351	-	(83,373)	83,375	(749)	-	(19,772)	291,888	1,290,690	(34,414)	1,256,276
Total Timaru District														
Council property, plant and equipment	1,195,128	(143,157)	1,051,971	64,020	-	(85,671)	85,670	(801)	-	(23,357)	291,974	1,464,649	(80,844)	1,383,805
Subsidiaries property, plant and equipment														
Buildings	4,251	(3,584)	667					(1)		(172)		4,250	(3,756)	494
Furniture and equipment	181	(123)	58	16				-		(15)		114	(55)	59
Work in Progress	-	-	-							-		-	-	-
Total subsidiaries	4,432	(3,707)	725	16	-	-	-	(1)	-	(187)	-	4,364	(3,811)	553
Total group plant, property and equipment	1,199,560	(146,864)	1,052,696	64,036	-	(85,671)	85,670	(802)	-	(23,544)	291,974	1,469,013	(84,655)	1,384,358

Notes to the Financial Statements

for the year ended 30 June 2021

2020	Cost/ Revaluation 1 July 2019	Accum depn and impairment charges 1 July 2019	Carrying amount 1 July 2019	Current year additions	Current year transfers	Reclassific ation of Cost/Reval	Reclassific ation of depn and impairment charges	Current year disposals	Current year impairment charges	Current year depn	Revaln's	Cost/ Reval 30 June 2020	Accum depn and impairment charges 30 June 2020	Carrying amount 30 June 2020
Council restricted assets														
Land	23,926	-	23,926	-	-	-	-	-	-	-	-	23,926	-	23,926
Buildings and improvements	7,804	(4,164)	3,640	-	-	(2)	-	-	-	(171)	-	7,802	(4,335)	3,467
Total restricted assets	31,730	(4,164)	27,566	-	-	(2)	-	-	-	(171)	-	31,728	(4,335)	27,393
Council operational assets														
Land and buildings	89,590	(17,825)	71,765	1,216	106	612	(138)	(31)	-	(1,541)	-	91,493	(19,504)	71,989
Furniture and equipment	10,310	(6,307)	4,003	611	-	(26)	24	-	-	(554)	-	10,895	(6,837)	4,058
Art Works	2,516	-	2,516	27	-	-	-	-	-	-	-	2,543	-	2,543
Heritage assets	1,542	(338)	1,204	-	-	-	-	-	-	(28)	-	1,542	(366)	1,176
Library collections	4,530	(2,417)	2,113	243	68	-	-	-	-	(253)	(42)	4,799	(2,670)	2,129
Plant and equipment	39,011	(17,269)	21,742	1,216	-	(17,030)	6,908	(44)	-	(1,067)	-	23,153	(11,428)	11,725
Work in progress	968	-	968	2,515	(81)	-	-	-	-	-	-	3,402	-	3,402
Total operational assets	148,467	(44,156)	104,311	5,828	93	(16,444)	6,794	(75)	-	(3,443)	(42)	137,827	(40,805)	97,022
Council infrastructural assets														
Land and buildings	67,092	(9,076)	58,016	2,535	15	(33,755)	4,620	-	-	(591)	-	35,887	(5,047)	30,840
Sewerage system treatment	98,673	(26,957)	71,712	1,630	-	2,872	26,957	(43)	-	(3,246)	87,828	190,960	(3,246)	187,714
Water system reticulation	94,689	(26,602)	68,087	5,312	-	(17,307)	26,602	(437)	-	(3,936)	69,310	151,567	(3,936)	147,631
Stormwater network	45,971	(11,369)	34,598	662	-	(11,296)	11,369	(87)	-	(1,944)	71,720	106,970	(1,944)	105,026
Roads and footpaths	279,378	(65,053)	214,325	10,719	-	-	-	-	-	(4,301)	-	290,097	(69,354)	220,743
Bridges	61,373	(10,968)	50,405	3,360	-	-	-	-	-	(885)	-	64,733	(11,853)	52,880
Land under roads	171,851	-	171,851	6	-	-	-	-	-	-	-	171,857	-	171,857
Lighting	4,638	(1,934)	2,704	15	767	-	-	-	-	(278)	-	5,420	(2,212)	3,208
Landfill - post closure costs	590	(394)	196	-	-	-	-	-	-	(31)	-	590	(425)	165
Work in progress	7,239	-	7,239	1,128	(875)	-	-	-	-	-	-	7,492	-	7,492
Total infrastructural assets	831,494	(152,353)	679,133	25,367	(93)	(59,486)	69,548	(567)	-	(15,212)	228,858	1,025,573	(98,017)	927,556
Total Timaru District Council property, plant and equipment	1,011,691	(200,673)	811,010	31,195	-	(75,932)	76,342	(642)	-	(18,826)	228,816	1,195,128	(143,157)	1,051,971
Subsidiaries property, plant and equipment														
Buildings	4,251	(3,411)	840	-	-	-	-	-	-	(173)	-	4,251	(3,584)	667
Furniture and equipment	154	(113)	41	27	-	-	-	-	-	(10)	-	181	(123)	58
Work in progress	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Total subsidiaries	4,405	(3,524)	881	27	-	-	-	-	-	(183)	-	4,432	(3,707)	725
Total group property, plant and equipment	1,016,096	(204,197)	811,891	31,222	-	(75,932)	76,342	(642)	-	(19,009)	228,816	1,199,560	(146,864)	1,052,696

Notes to the Financial Statements

for the year ended 30 June 2021

17a. Depreciation and amortisation expense by group of activity

	Council	
	Actual 2021 \$000	Actual 2020 \$000
Corporate Support	1,162	1,130
Democracy	1	1
Community Support	530	519
District Planning and Environmental Services	7	8
Recreation and Leisure	2,151	2,153
Roading and Footpaths	9,958	5,603
Waste Minimisation	637	607
Sewer	3,279	3,261
Stormwater	1,976	1,945
Water Supplies	4,053	3,980
	23,754	19,207

Notes to the Financial Statements

for the year ended 30 June 2021

18. Intangible assets

	Council and Group		
	Computer Software \$000	Carbon Credits \$000	Total \$000
Balance as at 1 July 2020			
Cost	5,579	1,300	6,879
Accumulated amortisation and impairment	(3,572)	-	(3,572)
Opening carrying amount	2,007	1,300	3,307
Year ended 30 June 2021			
Additions	892	-	892
Amortisation charge	(397)	-	(397)
Movement for the year	495	-	495
Balance as at 30 June 2021			
Cost	6,471	1,300	7,771
Accumulated amortisation and impairment	(3,969)	-	(3,969)
Closing carrying amount	2,502	1,300	3,802
Balance as at 1 July 2019			
Cost	4,879	604	5,483
Accumulated amortisation and impairment	(3,246)	-	(3,246)
Opening carrying amount	1,633	604	2,237
Year ended 30 June 2020			
Additions	700	696	1,396
Amortisation charge	(326)	-	(326)
Movement for the year	374	696	1,070
Balance as at 30 June 2020			
Cost	5,579	1,300	6,879
Accumulated amortisation and impairment	(3,572)	-	(3,572)
Closing carrying amount	2,007	1,300	3,307

19. Forestry assets

	Council		Group	
	Actual 2021 \$000	Actual 2020 \$000	Actual 2021 \$000	Actual 2020 \$000
Balance as at 1 July	1,217	1,201	1,217	1,201
Increases due to purchases	-	-	-	-
Gains/(losses) arising from changes in fair value due to growth	125	138	125	138
Gains/(losses) arising from changes due to log price changes	332	(122)	332	(122)
Gains/(losses) arising from changes in fair value due to harvest or sale	(254)	-	(254)	-
Balance as at 30 June	1,420	1,217	1,420	1,217

Notes to the Financial Statements

for the year ended 30 June 2021

Timaru District Council owns 181.5 hectares of Radiata Pine, Douglas fir and Macrocarpa forest, which is at varying stages of maturity ranging from 0 to 70 years.

The District Forester employed by Ashburton District Council has valued the forestry assets as at 30 June 2021. A pre-tax discount rate of 7.0% has been used in discounting the present value of expected cash flows.

Financial risk management strategies

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

20. Investment property

	Council		Group	
	Actual 2021 \$000	Actual 2020 \$000	Actual 2021 \$000	Actual 2020 \$000
Balance as at 1 July	1,628	1,546	49,110	47,036
Additions from acquisitions	-	-	-	118
Fair value gains/(losses) on valuation (note 8)	-	-	(6,533)	-
Properties held for sale	111	82	3,871	1,956
Balance as at 30 June	1,739	1,628	46,448	49,110

Timaru District Councils investment properties are valued annually at fair value effective 30 June 2021 for the financial year by Ian Fairbrother VP (Urban) FNZIV, FPINZ, of Telfer Young (Canterbury) Limited. All investment properties are valued based on open market evidence.

Investment property held by Timaru District Holdings Limited was independently valued as at 30 June 2021 for the financial year by Ian Fairbrother VP (Urban) FNZIV, FPINZ, of Telfer Young (Canterbury) Limited. The valuation is based on fair value.

The fair value of investment property has been determined using the capitalisation of net revenue and discounted cashflow methods. These methods are based on assumptions including future rental revenue, anticipated maintenance costs, and appropriate discount rates. Where just the land value has been assessed, a 'market comparison' approach has been adopted. This method involves reference to sales of properties which have similar attributes to the subject property. Comparisons are drawn between the subject property and the sales evidence. Subjective adjustments are applied where necessary to account for factors which have a direct impact on the sale price and value.

There are no contractual obligations in relation to investment properties at balance date but not recognised in the financial statements (2020: Nil)

21. Investments in associates

PrimePort Timaru Ltd

The Group has a 50% interest in PrimePort Timaru Limited through Timaru District Holdings Ltd.

PrimePort Timaru Limited is a New Zealand based company and its principal activity is the efficient and cost effective transfer of commodities between land and water transport systems.

The strategic investment is held due to the intergenerational nature of these assets, the value they add and their strategic importance to the Timaru District community. The investment is held to support and enable the growth of the local economy through its connection to world markets.

The investment in the associate company is included in the carrying value of Timaru District Holding Company in the Council's (parent entity) statement of financial position.

Notes to the Financial Statements

for the year ended 30 June 2021

	Group	
	Actual 2021 \$000	Actual (Restated) 2020 \$000
Movements in the carrying amount of investments in associates		
Balance as at 1 July	19,887	18,196
Share of total recognised revenue and expenses	3,575	2,541
Share of dividend	(850)	(850)
Balance as at 30 June	22,612	19,887

Summarised statement of the financial position of PrimePort Timaru Limited presented on a gross basis

	Actual 2021 \$000	Actual (Restated) 2020 \$000
Current assets	4,070	5,028
Non-current assets	83,631	66,092
Current liabilities	5,533	3,862
Non-current liabilities	36,190	26,729
Net assets	45,978	40,529

Summarised statement of comprehensive revenue and expense of PrimePort Timaru Limited on a gross basis

	Actual 2021 \$000	Actual (Restated) 2020 \$000
Revenue	26,948	24,189
Expense	16,572	16,731
Tax expense	3,227	2,376
Total comprehensive revenue and expense	7,149	5,082
Group's interest	50.00%	50.00%

Alpine Energy Limited

The Group has a 47.50% interest in Alpine Energy Limited through Timaru District Holdings Limited and its reporting date is 31 March.

Alpine Energy Limited is a New Zealand based company and its principal activity is electricity distribution to households and businesses in the South Canterbury region via its electricity distribution system. The group, comprising Alpine Energy Limited and its subsidiary and associated entities, also undertakes asset management and contracting services.

The strategic investment is held due to the intergenerational nature of these assets, the value they add and their strategic importance to the Timaru District community. The investment is held to ensure the provision of a secure reliable electricity supply in South Canterbury. The investment in the associate company is included in the carrying value of Timaru District Holding Company in the Council's (parent entity) statement of financial position.

The financial statements for Alpine Energy are prepared for the year to March 2021 and there have been no significant transactions or events between that date and 30 June 2021 that require adjustments for equity accounting purposes.

	Group	
	Actual 2021 \$000	Actual (Restated) 2020 \$000
Movements in the carrying amount of investments in associates		
Balance as at 1 July	72,153	67,484
Share of total recognised revenue and expenses	9,177	9,380
Share of dividend	(1,178)	(4,711)
Balance as at 30 June	80,152	72,153

Notes to the Financial Statements

for the year ended 30 June 2021

Summarised statement of the financial position of Alpine Energy Limited on a gross basis

	Actual 2021 \$000	Actual (Restated) 2020 \$000
Current assets	18,215	24,584
Non-current assets	287,886	283,000
Current liabilities	18,364	25,999
Non-current liabilities	122,748	133,435
Net assets	164,989	148,150

Summarised statement of comprehensive revenue and expense of Alpine Energy Limited on a gross basis

	Actual 2021 \$000	Actual (Restated) 2020 \$000
Revenue	86,902	91,308
Expense	62,122	64,105
Tax expense	5,460	7,456
Total comprehensive revenue and expense	19,320	19,747
Group's interest	47.50%	47.50%

Reconciliation of the summarised financial information to the carrying amount of associate investment

	Actual 2021 \$000	Actual (Restated) 2020 \$000
PrimePort Timaru Limited		
Net assets (gross)	45,978	40,529
Group share 50%	22,990	20,265
Historical difference	(378)	(378)
Closing investment in PrimePort Timaru Limited	22,612	19,887
Alpine Energy Limited		
Net assets (gross)	164,989	148,150
Group share 47.5%	78,370	70,371
Historical difference	1,782	1,782
Closing investment in Alpine Energy Limited	80,152	72,153

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

Restatement of the Group share of associate surplus/(deficit) and investment in associates

The Group is required to prepare its financial statements using uniform accounting policies for like transactions and events in similar circumstances

The Group identified that certain equity accounted investees' financial statements had not been prepared in line with the Group's property, plant and equipment accounting policies (refer to Note 1 for the Group's policies).

In particular, land owned by Prime Port Timaru Limited and land and property owned by Alpine Energy Limited had been measured at fair value rather than at cost in accordance with the Group's policy, consequently the Group's retained earnings and investment in associates had been overstated.

To rectify this error adjustments of \$12.4 million have been made to opening retained earnings and the investment in associate balance as at 1 July 2019 to reverse the historical valuation movements which were incorrectly recognised in periods prior to 1 July 2019. In addition, an adjustment of \$0.2 million has been made to the prior year financial statements to reverse the valuation movements that were incorrectly recognised in the prior year period.

In reviewing our historical accounting treatment of associates an additional issue was identified. In 2019 Alpine Energy Limited transitioned to NZ IFRS 15 Revenue from Contracts with Customers. As part of this transition Alpine Energy Limited changed its

Notes to the Financial Statements

for the year ended 30 June 2021

accounting policy on accounting for upfront customer contributions. The impact on transition was to reverse revenue previously recognised upfront for these contributions and instead recognise a contract liability on receipt and recognise the revenue subsequently as the related services are provided.

On accounting for the associate, this retrospective restatement was not accounted for and TDC had accounted for the change prospectively. This means Investments in associates and retained earnings were overstated by \$1.2 million as at the opening balance of 1 July 2019.

Affected financial statements have been restated for prior periods and are summarised in the following tables:

Year ended 30 June 2019 (Audited) \$000	Adjustment for NZ IFRS 15 Revenue from Contracts with Customers \$000	Adjustment for valuations \$000	Year ended 1 July 2019 (Restated) \$000
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Consolidated statement of financial position (extract)

Total Assets	1,033,458	(1,160)	(12,408)	1,019,890
Investment in Associates	99,249	(1,160)	(12,408)	85,681
Retained earnings	862,267	(1,160)	(12,408)	848,699
Total equity	903,216	(1,160)	(12,408)	889,648

Year ended 30 June 2020 (Audited) \$000	Adjustment for NZ IFRS 15 Revenue from Contracts with Customers \$000	Adjustment for valuations \$000	Year ended 30 June 2020 (Restated) \$000
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Consolidated statement of comprehensive revenue and expenses (extract)

Share of associate surplus	6,156	-	204	6,360
Surplus/(deficit) after tax	15,185	-	204	15,389
Total comprehensive revenue	244,044	-	204	244,248

Consolidated statement of financial position (extract)

Total Assets	1,278,917	(1,160)	(12,205)	1,265,552
Investment in Associates	105,405	(1,160)	(12,205)	92,040
Retained earnings	877,660	(1,160)	(12,205)	864,295
Total equity	1,147,261	(1,160)	(12,205)	1,133,896

22. Joint Arrangement

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

	Council and Group	
	Actual 2021 \$000	Actual 2020 \$000
Current assets	1,943	5,981
Non-current assets	30,517	25,130
Current liabilities	1,228	334
Revenue	1,992	1,661
Expenses	1,442	1,212

Notes to the Financial Statements

for the year ended 30 June 2021

23. Trade and other payables

	Council		Group	
	Actual 2021 \$000	Actual 2020 \$000	Actual 2021 \$000	Actual 2020 \$000
Trade creditors and accruals	16,349	12,863	17,627	13,120
Amounts due to related parties (note 31)	67	716	67	-
Contract retentions	743	387	743	387
Deposits and bonds	739	563	1,481	677
Revenue in Advance	3,616	246	3,616	380
Accrued interest expense	347	414	347	1,167
Total trade and other payables	21,861	15,189	23,881	15,731

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

24. Employee benefit liabilities

	Council		Group	
	Actual 2021 \$000	Actual 2020 \$000	Actual 2021 \$000	Actual 2020 \$000
Accrued salaries and wages	5	-	22	-
Annual leave	1,800	1,616	1,827	1,654
Long service leave	133	130	133	130
Retiring gratuities	565	576	565	576
Total employee benefits	2,503	2,322	2,547	2,360
Comprising:				
Current	2,045	2,192	2,089	2,230
Non-current	458	130	458	130
Total employee benefits	2,503	2,322	2,547	2,360

25. Provisions

a. Landfill aftercare provision

	Council		Group	
	Actual 2021 \$000	Actual 2020 \$000	Actual 2021 \$000	Actual 2020 \$000
Opening balance	7,377	6,227	7,377	6,227
Additional provisions made during the year	97	60	97	60
Amounts used during the year	(50)	-	(50)	-
Increase/(decrease) due to discount rate changes and assessment of liability	(2,498)	981	(2,498)	981
Discount unwinding	17	109	17	109
Closing balance	4,943	7,377	4,943	7,377

Timaru District Council gained a resource consent in May 1995 to operate the Redruth Landfill, Timaru. The Council has responsibility under the resource consent to provide ongoing maintenance and monitoring of the landfill after the site is closed. The remaining capacity of the site is 1,175,568 tonnes (refuse, clean fill and cover) (2020: 804,610).

The estimated remaining useful life is 26 years (2020: 30 years).

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

Notes to the Financial Statements

for the year ended 30 June 2021

The cash outflows for the landfill and post-closure costs are expected to occur between 2021 to 2072. The long term nature of the liability means that there are inherent uncertainties in estimating costs that will be incurred. The provision has been estimated taking into account existing technology and is discounted using the risk-free discount rates as at 30 June 2021 published by the Treasury.

A provision of \$500,000 was made for remedial works in regards to the closed landfill at Peel Forest, of which \$50,410 has been utilised.

b. Risk pool provision

	Council		Group	
	Actual 2021 \$000	Actual 2020 \$000	Actual 2021 \$000	Actual 2020 \$000
Opening balance	-	-	-	-
Additional provisions made during the year	38	-	38	-
Amounts used during the year	-	-	-	-
Closing balance	38	-	38	-

RiskPool provides public liability and professional indemnity insurance to its members. The Council was a member of RiskPool until 30/6/2017. The Trust Deed of RiskPool provides that, if there is a shortfall (whereby claims exceed contributions of members and reinsurance recoveries) in any fund year, then the Board may make a call on members for the fund year. The Council received a notice in 2009 in respect of the 2002/03 and 2003/04 fund years as those funds are exhibiting deficits due to the "leaky buildings" issue with a further notice received in May 2019 for a call on 1 July 2019. The anticipated final call, estimated at \$37,500 is expected in 2022/23.

c. Maintenance provision

	Council		Group	
	Actual 2021 \$000	Actual 2020 \$000	Actual 2021 \$000	Actual 2020 \$000
Opening balance	-	-	-	-
Additional provisions made during the year	-	-	416	-
Closing Balance	-	-	416	-

Aorangi Stadium Trust is a Council Controlled Organisation which owns the Aorangi Stadium. Following the receipt of a report assessing maintenance requirements for the Stadium, costs for which the Trust is responsible have been assessed and provided for.

d. Impairment provision

	Council		Group	
	Actual 2021 \$000	Actual 2020 \$000	Actual 2021 \$000	Actual 2020 \$000
Opening balance	-	-	-	-
Additional provisions made during the year	562	-	562	-
Closing Balance	562	-	562	-

Following a review of the value of capitalised assets an impairment provision has been made for estimated reductions in value.

Total Provisions

	5,543	7,377	5,959	7,377
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Notes to the Financial Statements

for the year ended 30 June 2021

26. Borrowings

	Council		Group	
	Actual 2021 \$000	Actual 2020 \$000	Actual 2021 \$000	Actual 2020 \$000
Current				
LGFA Debt	38,500	42,602	38,500	42,602
Total current borrowings	38,500	42,602	38,500	42,602
Non-current				
Secured loans	-	-	3,500	11,400
LGFA Debt	60,984	46,882	60,984	46,882
Total non-current borrowings	60,984	46,882	64,484	58,282

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

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

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

Security

The overdraft is unsecured. The maximum amount that can be drawn against the overdraft facility is \$nil (2020: \$Nil). There are no restrictions on the use of this facility.

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

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

Internal borrowings

Information about internal borrowings is provided on pages 35 to 104 of the Council's Annual Report. Internal borrowings are eliminated on consolidation of activities in the Council's financial statements.

Fair values of borrowings

	Council		Group	
	2021 \$000	2020 \$000	2021 \$000	2020 \$000
Carrying Amount				
Secured loans	-	-	3,500	11,400
LGFA Debt	99,484	89,484	99,484	89,484
	99,484	89,484	102,984	100,884
Fair Value				
Secured loans	-	-	3,500	11,400
LGFA Debt	99,560	89,602	99,560	89,602
	99,560	89,602	103,060	101,002

The fair values are based on borrowing rates ranging from 0.54% to 6.00% (2020: 0.65% to 6.00%). The carrying amounts of borrowings repayable within one year approximate their fair values, as the impact of discounting is not significant. Most borrowings are at floating rates, therefore carrying amounts approximate their fair values.

Notes to the Financial Statements

for the year ended 30 June 2021

27. Equity

	Council		Group	
	Actual 2021 \$000	Actual 2020 \$000	Actual 2021 \$000	Actual (Restated) 2020 \$000
Retained earnings				
As at 1 July	788,185	781,016	864,295	862,240
Prior year adjustment				(13,569)
Surplus/(deficit) for the year	10,689	3,830	24,432	15,389
Reserves Transfer				
Special Funds	(1,772)	8,588	(1,576)	5,484
Separate Funds	3,647	(5,249)	3,647	(5,249)
As at 30 June	800,749	788,185	890,798	864,295
Special funds				
As at 1 July	24,523	33,111	27,770	33,254
Transfers from Retained Earnings	22,963	16,381	22,963	19,431
Transfers to retained Earnings	(21,191)	(24,969)	(21,387)	(24,915)
As at 30 June	26,295	24,523	29,346	27,770
Separate funds				
As at 1 July	12,945	7,696	12,944	7,696
Transfers from Retained Earnings	13,275	20,349	13,275	20,349
Transfers to retained Earnings	(16,922)	(15,100)	(16,922)	(15,100)
As at 30 June	9,298	12,945	9,297	12,945
Total Other Reserves	35,593	37,468	38,643	40,715
Asset revaluation reserves				
As at 1 July	228,886	-	228,886	-
Revaluation gains/(losses)	292,833	228,859	292,833	228,859
Revaluation reserve written off	(945)	27	(945)	27
As at 30 June	520,774	228,886	520,774	228,886
Total Equity	1,357,116	1,054,539	1,450,215	1,133,896

Information about reserve funds held are provided on the following pages:

Notes to the Financial Statements

for the year ended 30 June 2021

Special Funds									
Name of Fund	Activity	Purpose	2021			2020			
			Balance 1 July \$000	Transfer into fund \$000	Transfers out of fund \$000	Balance 30 June \$000	Transfer into fund \$000	Transfers out of fund \$000	Balance 30 June \$000
Aquatic Centre contributions	Recreation and Leisure	Funds donated towards to Aquatic centre facility to be used for its construction and funding of interest payments.	0	4	0	4	0	0	0
Cemetery Future (Tu) Fund	Community Support	Development of future cemetery for Timaru.	91	1	0	92	2	0	91
Collett Bequest (Museum)	Recreation and Leisure	For museum items.	573	6	0	579	12	0	573
Community Development Interest Fund	Community Support	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.	306	49	290	65	35	12	306
Community Development Loan Fund	Community Support	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.	353	0	0	353	0	0	353
Contingency Fund	All of Council	For emergency purposes as determined by Council.	1,261	14	0	1,275	26	0	1,261
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.	(599)	12,604	13,388	(1,384)	8,973	13,153	(599)
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.	0	0	0	0	0	74	0
Depreciation Fund – Geraldine	Roading and Footpaths, 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).	0	0	0	0	(0)	78	0
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	0	1	0	0	1

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for the year ended 30 June 2021

Special Funds										
Name of Fund	Activity	Purpose	2021			2020			Balance 30 June \$'000	
			Balance 1 July \$'000	Transfer into fund \$'000	Transfers out of fund \$'000	Balance 30 June \$'000	Transfer into fund \$'000	Transfers out of fund \$'000		
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.	0	0	0	0	0	250	0	0
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	0	0	0	0	26	0	0
Depreciation Fund – Rural	Roading and Footpaths, 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).	0	0	0	0	0	175	0	0
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.	0	0	0	0	0	774	(0)	0
Depreciation Fund – Sewer	Sewer	For the renewal and/or replacement of Sewer depreciable assets and for the repayment of loans associated with such assets.	0	0	0	0	0	1,347	0	0
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.	0	0	0	0	0	342	(0)	0
Depreciation Fund – Temuka	Roading and Footpaths, 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).	0	0	0	0	0	(20)	20	0
Depreciation Fund – Timaru	Roading and Footpaths, 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).	0	0	0	0	0	1,160	0	0
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.	0	0	0	0	0	4,078	0	0
Depreciation Fund (Housing)	Community Support	For the renewal and/or replacement of Housing depreciable assets and for the repayment of loans associated with such assets.	196	211	568	(162)	210	226	240	196
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.	237	(1)	147	90	1	265	29	237
Disaster Relief Fund	All of Council	For the replacement of infrastructural assets excluding roading in the event of a natural disaster.	2,438	328	37	2,729	74	2,476	112	2,438
District Recreation Facilities Fund	All of Council	To be used for the development of significant recreation facilities in the district.	721	8	0	729	16	705	0	721

Notes to the Financial Statements

for the year ended 30 June 2021

Special Funds									
Name of Fund	Activity	Purpose	2021			2020			
			Balance 1 July \$000	Transfer into fund \$000	Transfers out of fund \$000	Balance 30 June \$000	Transfer into fund \$000	Transfers out of fund \$000	Balance 30 June \$000
Dowling Bequest	Recreation and Leisure	For the purchase of Christian fiction literature for the library.	19	1	0	20	21	0	19
Downlands Asset Replacement Fund	Water Supply	Replacement of infrastructural assets relating to Downlands Water Supply Scheme.	5,119	1,063	6,182	0	5,545	750	5,119
Downlands Capital Contribution Reserve	Water Supply	For the provision of capital expenditure financed from capital contributions.	147	55	0	202	133	13	147
Economic Development Fund	Community Support	For economic development support.	275	3	60	218	284	6	275
Election Expenses Fund	Democracy	To provide for meeting election expenses.	(22)	60	2	36	32	60	(22)
Endowment Land Geraldine Fund	All of Council	From the proceeds of Endowment Land. For the purchase of similar land.	808	9	0	816	790	17	808
Forestry Development Fund	Recreation and Leisure	To provide funding for the development of forests within the District.	233	2	74	161	395	4	233
George Barclay Bequest	Recreation and Leisure	Original bequest was \$600. Interest to be used for the purchase of reference books for the Timaru Children's Library.	2	0	0	2	2	0	2
Grants & Donations Fund	Community Support	For the provision of grants & donations (created from the unspent grant allocation and carried forward balances)	230	116	97	249	215	118	230
Investment Fund	All of Council	1. For the repayment of district wide loans. 2. For the funding of district wide capital projects. 3. For provision of internal loans.	7,243	6,158	2	13,399	1,800	5,798	7,243
Joan & Percy Davis Library Trust (Ger)	Recreation and Leisure	Interest to be used to purchase books for the Geraldine Library. (8/7/82)	1	0	0	1	1	0	1
Jordan Bequest (Art Gallery)	Recreation and Leisure	For the purchasing of art works for the Aigantighe Art Gallery.	523	6	28	501	525	11	523
Jordan Bequest (Museum)	Recreation and Leisure	For the purchase of articles for the Museum.	233	3	0	235	228	5	233
Lattimore W A (Tu) Bequest	Recreation and Leisure	Interest to be used for the purchasing of art works for the Aigantighe Art Gallery.	15	0	1	15	15	0	15
Mackay Bequest (Art Gallery)	Recreation and Leisure	For the purchase of paintings.	237	2	6	234	234	13	237
Mackay Bequest (Library)	Recreation and Leisure	For the purchase of books relating to art for the Timaru Library.	147	2	0	149	153	(0)	147
Main Creative Communities NZ Fund	Community Support	Carried forward balance of Creative Communities NZ fund – main committee.	16	0	0	16	15	1	16
Main Drains Cost Sharing Fund	Sewer, Stormwater, Water Supply	Extension of main drains on a cost sharing basis.	1,428	16	0	1,444	1,398	30	1,428

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for the year ended 30 June 2021

Special Funds									
Name of Fund	Activity	Purpose	2021			2020			
			Balance 1 July \$000	Transfer into fund \$000	Transfers out of fund \$000	Balance 30 June \$000	Transfer into fund \$000	Transfers out of fund \$000	Balance 30 June \$000
Mayor's Welfare Fund	Democracy	Help out the needy as determined by the Mayor.	18	5	0	23	14	5	18
McCarthy Bequest - Library	Recreation and Leisure	For general purposes at the Timaru Public Library	14	0	0	14	13	1	14
McCarthy Bequest - Parks	Recreation and Leisure	For general purposes at the Timaru gardens	50	1	0	51	49	1	50
Museum Acquisition Fund/ Alan Ward Fund	Recreation and Leisure	For the purchase of articles for the Museum.	10	0	0	10	10	0	10
National Libraries Partnership	Recreation and Leisure	For the purpose of funding for the National Libraries Partnership	0	153	0	153	0	0	0
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.	483	6	120	368	517	9	483
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.	(197)	609	190	222	126	75	(197)
Property Development Fund	All of Council	For the purchase or development of land and improvement projects within the District.	432	1,387	0	1,820	686	12	432
R C Hervey Fund	Recreation and Leisure	For providing improved services to the Timaru Library.	81	1	0	81	79	2	81
Reserves Development (Tu) Fund	Recreation and Leisure	For the planting of trees and general development of reserves owned by the District Council within Timaru.	12	0	0	12	12	0	12
Reserves from Subdivisions/ Development Levy	Recreation and Leisure	Development of reserves within the District as set out in the Local Government Act 1974 Section 288.	182	63	0	245	139	49	182
Safer Community Funds	Community Support	For Safer Communities projects.	289	3	0	292	327	6	289
Sevicke-Jones Bequest	Recreation and Leisure	For the purchasing of art works for the Aigantighe Art Gallery.	2	1	0	3	2	1	2
Social Housing Fund (TDC)	Community Support	Funding of new social housing units and major maintenance.	0	0	0	0	0	0	0
Sport and Recreation Loan Fund	Community Support	Sport and Recreation loans for facilities and/or major plant items in excess of \$2,000 total value.	852	11	0	862	832	19	852
Te Moana Water Capital Contributions	Water Supply	For the provision of extensions to the Te Moana water network.	0	0	0	0	353	0	0

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for the year ended 30 June 2021

Separate Funds										
Name of Fund	Activity	Purpose	2021			2020				
			Balance 1 July \$000	Transfer into fund \$000	Transfers out of fund \$000	Balance 30 June \$000	Balance 1 July \$000	Transfer into fund \$000	Transfers out of fund \$000	Balance 30 June \$000
Fishing Huts - Rangitata	Recreation and Leisure	Each fishing hut area retains its own annual surplus or deficit (including capital income and expenditure) which accumulates over its lifetime. Each individual reserve balance is only available for use by that fishing hut area.	(11)	0	10	(21)	(1)	1	11	(11)
Fishing Huts - Strathoena	Recreation and Leisure	Each fishing hut area retains its own annual surplus or deficit (including capital income and expenditure) which accumulates over its lifetime. Each individual reserve balance is only available for use by that fishing hut area.	40	5	0	46	36	4	0	40
Geraldine Community Board	Democracy	Each community board area (for which targeted rates are levied) retains its own annual surplus or deficit (including capital income and expenditure) which accumulates over the lifetime of each targeted rated board. Each individual reserve balance is only available for use by that board.	51	8	32	28	43	8	0	51
Pleasant Point Community Board	Democracy	Each community board area (for which targeted rates are levied) retains its own annual surplus or deficit (including capital income and expenditure) which accumulates over the lifetime of each targeted rated board. Each individual reserve balance is only available for use by that board.	27	6	4	29	25	6	4	27
Temuka Community Board	Democracy	Each community board area (for which targeted rates are levied) retains its own annual surplus or deficit (including capital income and expenditure) which accumulates over the lifetime of each targeted rated board. Each individual reserve balance is only available for use by that board.	55	10	17	48	51	9	5	55
Fairview Hall	Recreation and Leisure	Each community hall (for which targeted rates are levied) retains its own annual surplus or deficit (including capital income and expenditure) which accumulates over the lifetime of each targeted rated hall. Each individual reserve balance is only available for use by that community hall.	(6)	6	9	(10)	(2)	5	9	(6)

Notes to the Financial Statements

for the year ended 30 June 2021

Separate Funds										
Name of Fund	Activity	Purpose	2021			2020				
			Balance 1 July \$000	Transfer into fund \$000	Transfers out of fund \$000	Balance 30 June \$000	Balance 1 July \$000	Transfer into fund \$000	Transfers out of fund \$000	Balance 30 June \$000
Claremont Hall	Recreation and Leisure	Each community hall (for which targeted rates are levied) retains its own annual surplus or deficit (including capital income and expenditure) which accumulates over the lifetime of each targeted rated hall. Each individual reserve balance is only available for use by that community hall.	1	5	4	1	1	5	5	1
Otipua Hall	Recreation and Leisure	Each community hall (for which targeted rates are levied) retains its own annual surplus or deficit (including capital income and expenditure) which accumulates over the lifetime of each targeted rated hall. Each individual reserve balance is only available for use by that community hall.	0	1	1	0	0	1	1	(0)
Kingsdown Hall	Recreation and Leisure	Each community hall (for which targeted rates are levied) retains its own annual surplus or deficit (including capital income and expenditure) which accumulates over the lifetime of each targeted rated hall. Each individual reserve balance is only available for use by that community hall.	0	4	4	0	0	4	4	(0)
Seadown Hall	Recreation and Leisure	Each community hall (for which targeted rates are levied) retains its own annual surplus or deficit (including capital income and expenditure) which accumulates over the lifetime of each targeted rated hall. Each individual reserve balance is only available for use by that community hall.	7	5	0	12	4	3	0	7
Waste Minimisation	Waste Minimisation	Each waste collection area (for which targeted rates are levied) retains its own surplus or deficit (including capital income and expenditure) which accumulates over the lifetime of each targeted rated area. Each individual reserve balance is only available for use by that waste collection area.	739	8	0	747	2,630	35	1,926	739
Geraldine Works and Services	Roading and Footpaths and Stormwater	Each works and services area (for which targeted rates are levied) retains its own surplus or deficit (including capital income and expenditure) which accumulates over the lifetime of each targeted rated area. Each individual reserve balance is only available for use by that works and services area.	275	401	220	455	190	381	296	275

Notes to the Financial Statements

for the year ended 30 June 2021

Separate Funds										
Name of Fund		Activity	Purpose	2021			2020			
				Balance 1 July \$000	Transfer into fund \$000	Transfers out of fund \$000	Balance 30 June \$000	Balance 1 July \$000	Transfer into fund \$000	Transfers out of fund \$000
Rural Works and Services				225	114	89	250	71	350	196
	Roading and Footpaths and Stormwater	Each works and services area (for which targeted rates are levied) retains its own surplus or deficit (including capital income and expenditure) which accumulates over the lifetime of each targeted rated area. Each individual reserve balance is only available for use by that works and services area.								225
Temuka Works and Services				328	341	317	352	219	330	221
	Roading and Footpaths and Stormwater	Each works and services area (for which targeted rates are levied) retains its own surplus or deficit (including capital income and expenditure) which accumulates over the lifetime of each targeted rated area. Each individual reserve balance is only available for use by that works and services area.								328
Timaru Works and Services				1,215	3,083	2,354	1,944	164	3,607	2,556
	Roading and Footpaths and Stormwater	Each works and services area (for which targeted rates are levied) retains its own surplus or deficit (including capital income and expenditure) which accumulates over the lifetime of each targeted rated area. Each individual reserve balance is only available for use by that works and services area.								1,215
District Sewer				4,149	4,939	5,665	3,423	2,583	5,998	4,431
	Sewer	Each sewerage scheme (for which targeted rates are levied) retains its own surplus or deficit (including capital income and expenditure) which accumulates over the lifetime of each targeted rated area. Each individual reserve balance is only available for use by that scheme.								4,149
Beautiful Valley Water Supply				78	10	4	84	(2)	85	6
	Water Supply	Each water supply scheme (for which targeted rates are levied) retains its own surplus or deficit (including capital income and expenditure) which accumulates over the lifetime of each targeted rated area. Each individual reserve balance is only available for use by that scheme.								78
Orari Water Supply				281	7	7	281	25	259	3
	Water Supply	Each water supply scheme (for which targeted rates are levied) retains its own surplus or deficit (including capital income and expenditure) which accumulates over the lifetime of each targeted rated area. Each individual reserve balance is only available for use by that scheme.								281

Notes to the Financial Statements

for the year ended 30 June 2021

Separate Funds									
Name of Fund	Activity	Purpose	2021			2020			
			Balance 1 July \$000	Transfer into fund \$000	Transfers out of fund \$000	Balance 30 June \$000	Balance 1 July \$000	Transfer into fund \$000	Transfers out of fund \$000
<div>Rangitata Water Supply</div>	Water Supply	Each water supply scheme (for which targeted rates are levied) retains its own surplus or deficit (including capital income and expenditure) which accumulates over the lifetime of each targeted rated area. Each individual reserve balance is only available for use by that scheme.	248	10	142	116	303	47	102
									248
<div>Seadown Water Supply</div>	Water Supply	Each water supply scheme (for which targeted rates are levied) retains its own surplus or deficit (including capital income and expenditure) which accumulates over the lifetime of each targeted rated area. Each individual reserve balance is only available for use by that scheme.	930	139	92	977	172	920	162
									930
<div>Te Moana Water Supply</div>	Water Supply	Each water supply scheme (for which targeted rates are levied) retains its own surplus or deficit (including capital income and expenditure) which accumulates over the lifetime of each targeted rated area. Each individual reserve balance is only available for use by that scheme.	1,156	764	829	1,091	862	954	660
									1,156
<div>Urban Water Supplies</div>	Water Supply	Each water supply scheme (for which targeted rates are levied) retains its own surplus or deficit (including capital income and expenditure) which accumulates over the lifetime of each targeted rated area. Each individual reserve balance is only available for use by that scheme.	2,860	3,387	7,122	(874)	(24)	7,330	4,446
									2,860
<div>Dog Control</div>	District Planning & Environmental Services	Council's dog control enforcement activity retains its own surplus or deficit (including capital income and expenditure) which accumulates over the lifetime of the activity. The balance is only available for use by that activity.	299	19	0	318	348	7	56
									299
Total Separate Reserves			12,945	13,275	16,923	9,298	7,696	20,349	15,100
									12,945

Notes to the Financial Statements

for the year ended 30 June 2021

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

	Council		Group	
	Actual 2021 \$000	Actual 2020 \$000	Actual 2021 \$000	Actual (Restated) 2020 \$000
Surplus/(deficit) after tax	10,689	3,830	24,432	15,389
Add/(less) non-cash items:				
Share of associate surplus/(deficit)	-	-	(11,031)	(6,156)
Depreciation and amortisation	23,754	19,207	23,946	19,393
Impairment charges	602	-	603	-
Vested assets	(5,961)	(954)	(5,961)	(954)
Adjustment 2019 Assets	-	557	-	-
(Gains)/losses in fair value of biological assets	(203)	(16)	(203)	(16)
(Gains)/losses in fair value of investment property	(111)	(82)	(200)	(1,956)
Increase/(decrease) in deferred taxation	-	-	(2)	-
(Gains)/losses in fair value of derivatives	(2,413)	884	(2,608)	640
(Gains)/losses Other	(184)	(29)	123	(29)
Movement in provision	(1,834)	1,150	(1,418)	1,150
Other movements	(197)	2	(182)	(204)
Add/(less) items classified as investing or financing activities:				
(Gains)/losses on disposal of property, plant and equipment	943	167	943	167
(Gains)/losses on disposal of investment properties	-	-	89	-
(Gains)/losses on investment	6	(43)	6	(43)
Add/(less) movements in working capital items:				
Accounts receivable	(4,555)	(2,780)	(2,745)	(1,337)
Inventories	27	44	405	43
Accounts payable	6,116	6,909	3,310	8,984
Employee benefit liability	181	-	200	-
Income tax payable	-	-	(2)	-
Net cash inflow/(outflow) from operating activities	26,860	28,846	29,705	35,071

29. Capital commitments and operating leases

	Council		Group	
	Actual 2021 \$000	Actual 2020 \$000	Actual 2021 \$000	Actual 2020 \$000
Capital commitments				
Roading network	411	-	411	-
Water system	31,220	4,829	31,220	4,829
Sewerage system	813	457	813	457
Stormwater network	737	1,211	737	1,211
Buildings and improvements	140	329	140	329
	33,321	6,826	33,321	6,826

Refer to note 20 for capital commitments for investment properties.

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for the year ended 30 June 2021

Operating leases as lessee

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

	Council		Group	
	Actual 2021 \$000	Actual 2020 \$000	Actual 2021 \$000	Actual 2020 \$000
Not later than one year	-	7	-	7
Total non-cancellable operating leases	-	7	-	7

The total minimum future sublease payments expected to be received under non-cancellable subleases at balance date is \$nil (2020: \$nil).

Leases can be renewed at Timaru District Council's option, with rents set by reference to current market rates for items of equivalent age and condition. Timaru District Council does not have the option to purchase the asset at the end of the lease term. There are no restrictions placed on Timaru District Council by any of the leasing arrangements.

Operating leases as lessor

Timaru District Council leases its investment property under operating leases. These leases have a non-cancellable term of between 1 year and 14 years. The future aggregate minimum lease payments to be collected under non-cancellable operating leases are as follows:

	Council		Group	
	Actual 2021 \$000	Actual 2020 \$000	Actual 2021 \$000	Actual 2020 \$000
Not later than one year	120	181	2,250	2,409
Later than one year and not later than five years	397	570	4,487	7,221
Later than five years	243	343	15,819	30,617
Total non-cancellable operating leases	760	1,094	22,556	40,247

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

30. Contingencies

Contingent Liabilities

	Council		Group	
	Actual 2021 \$000	Actual 2020 \$000	Actual 2021 \$000	Actual 2020 \$000
Housing NZ social housing advance	1,100	1,100	1,100	1,100
	1,100	1,100	1,100	1,100

The Peel Forest landfill operated adjacent to the Rangitata River from the mid-1960s until it was formally closed as a landfill in 2004. The landfill measured 0.4ha with a fill volume of approximately 20,000m³ to a depth of 5m (ECan Listed Land Use Register).

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for the year ended 30 June 2021

A significant flooding event occurred in 2019 which increased the risk that the contents of the landfill may be exposed. Initial remediation work has commenced with a provision of \$500,000 while wider consideration, including community consultation, is made of future options and their potential costs. A wider closed landfill risk assessment of the 40 closed landfills identified in Timaru District is to be conducted to evaluate the risk related to these and future costs associated with the management of identified risks.

Housing New Zealand Corporation has provided \$1,100,000 as at 30 June 2021 (2020: \$1,100,000) towards the construction of social housing units. This advance is repayable, with interest, if the Council withdraws its investment in the joint funded social housing.

Timaru District Council has 18,550,000 shares (2020: 18,550,000) in Timaru District Holdings Limited at an issue price of \$1.35 each which have been paid to \$185.50 (2020: \$185.50). This uncalled capital is security for the Letter of Credit facility of \$19m with ANZ Bank for the credit facilities with Timaru District Holdings Limited.

Local Government Funding Agency

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

Together with the shareholders of LGFA and other guarantors, Timaru District Council is a guarantor of all of LGFA's borrowings. At 30 June 2021, NZLGFA had borrowings totalling \$13.6 billion (2020: \$11.9 billion).

Financial reporting standards require Timaru District Council to recognise the guarantee liability at fair value. However, Timaru District Council has been unable to determine a sufficiently reliable fair value for the guarantee, and therefore has not recognised a liability. The Council considers the risk of the LGFA defaulting on repayment of interest or capital to be very low on the basis that:

- it is not aware of any local authority debt default events in New Zealand; and
- local government legislation would enable local authorities to levy a rate to recover sufficient funds to meet any debt obligations if further funds were required.

Joint operation contingent liabilities

There are no contingent liabilities associated with Downlands Water Supply Joint operation (2020: \$nil).

Share of associates contingent liabilities

Timaru District Council's share of contingent liabilities of PrimePort Timaru Limited and Alpine Energy Limited, incurred jointly with other investors, is \$nil (2020: \$nil).

Alpine Energy Limited group has contingent liabilities as at 31 March 2021 of \$7.11m in the form of performance and import guarantees to cover ongoing project work (2020: \$11.55m)

Contingent assets

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

31. Related party transactions

During the year to 30 June 2021, the Council entered into various transactions with its associate companies (PrimePort Timaru Limited and Alpine Energy Limited) and subsidiaries (Timaru District Holdings Limited, Aorangi Stadium Trust and Venture Timaru Limited), including transactions with the associates and subsidiaries of those companies.

Related party disclosures have not been made for transactions with related parties that are within normal supplier or client/recipient relationships and on terms and conditions no more or less favourable than those that it is reasonable to expect the Council and Group would have adopted in dealing with the party at arm's length in the same circumstances.

No disclosure has been made for transactions with entities within the Council Group (such as funding and financing flows), where the transactions are consistent with the party at arm's length in the same circumstances.

The following transactions were carried out with related parties:

Notes to the Financial Statements

for the year ended 30 June 2021

	Actual 2021 \$000	Actual 2020 \$000
Timaru District Holdings Limited		
Interest paid to Timaru District Council	365	562
Loans payable to Timaru District Council	22,181	22,181
Dividends paid to Timaru District Council	2,000	2,850
Rates paid to Timaru District Council	517	575

The loan payable to Timaru District Council is secured by a debenture over the company's assets.

Key Management Personnel

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

During the prior year, Timaru District Council purchased goods and services from Parr & Co Limited, an organisation in which the previous Mayor, Damon Odey is a Director. The transactions amounted to \$12,687. The balance outstanding as at 30 June 2020 was \$460.

During the year, Timaru District Council purchased goods and services from Temuka Holiday Park Development Limited, an organisation in which Councillor Paddy O'Reilly is a Director. The transactions amounted to \$47,908 (2020: Nil). The balance outstanding as at 30 June 2021 is nil (2020: Nil).

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

No provision has been required, nor any expense recognised for impairment of receivables for any loans or other receivables to related parties (2020: Nil).

Key management personnel compensation

	Actual 2021 \$000	Actual 2020 \$000
Remuneration	2,210	2,040
Total key management personnel compensation	2,210	2,040

Key management personnel include Mayor, Councillors (10 FTE), Chief Executive and other senior management personnel (7 FTE).

Notes to the Financial Statements

for the year ended 30 June 2021

32. Remuneration

Elected representatives

	Total remuneration			
	Council		Group	
	2021	2020	2021	2020
Mayor Odey (ceased 19 October 2019)	-	39,284	-	45,515
Councillor/Mayor Bowen (commenced as Mayor 20 October 2019)	128,298	99,736	135,498	111,228
Councillor/Deputy Mayor Lyon (ceased as Deputy Mayor 19 October 2019)	52,621	52,323	79,421	70,323
Councillor Booth (commenced 20 October 2019)	46,545	30,982	46,545	30,982
Councillor Burt	52,486	50,344	73,286	50,344
Councillor Gilchrist (commenced 20 October 2019)	52,486	34,775	52,486	34,775
Councillor Jack (ceased 19 October 2019)	-	15,569	-	15,569
Councillor Leslie (ceased 19 October 2019)	-	13,179	-	13,179
Councillor Oliver (commenced 20 October 2019)	47,141	31,037	47,141	31,037
Councillor O'Reilly	46,677	44,251	46,677	44,251
Councillor Parker	52,486	47,905	52,486	47,905
Councillor Piddington commenced 20 October 2019	46,545	30,982	46,545	30,982
Councillor Stevens (ceased 19 October 2019)	-	15,706	-	21,937
Councillor/Deputy Mayor Wills (commenced as Deputy Mayor 20 October 2019)	64,370	57,932	64,370	57,932
Total	589,655	564,005	644,455	605,959
Chief Executive	324,529	301,506	324,529	301,506

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

	Council		Council
	2021		2020
<\$60,000	194	<\$60,000	217
\$60,000 - \$79,999	90	\$60,000 - \$79,999	60
\$80,000 - \$99,999	40	\$80,000 - \$99,999	40
\$100,000 - \$119,999	22	\$100,000 - \$119,999	15
\$120,000 - \$139,999	8	\$120,000 - \$139,999	6
\$140,000 - \$199,999	6	\$140,000 - \$219,999	7
\$200,000 - \$329,999	4	\$220,000 - \$319,999	4
	364		349

Total remuneration includes non-financial benefits provided to employees.

At balance date, the Council employed 201 full-time employees (2020: 205), with the balance of staff representing 57 full-time equivalent employees (2020: 49).

A full-time employee is determined on the basis of working a 37.5 or 40-hour working week.

Notes to the Financial Statements

for the year ended 30 June 2021

33. Capital Management

The Council's capital is its equity (or ratepayers' funds), which comprise retained earnings and reserves. Equity is represented by net assets.

The Local Government Act 2002 (the Act) requires Council to manage its revenue, expenses, assets, liabilities, investments and general financial dealings prudently and in a manner that promotes the current and future interests of the community. Ratepayer's funds are largely managed as a by-product of managing revenues, expenses, assets, liabilities, investments and general financial dealings.

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

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

Timaru District Council has the following Council created reserves:

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

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

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

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

34. Events after balance sheet date

On 27 October 2021, the Local Government Minister announced that central government will proceed with the three waters service delivery reforms using a legislated "all in" approach. The three waters reform involves the creation of four statutory water services entities to be responsible for the service delivery and infrastructure from local authorities from 1 July 2024. There is still a number of uncertainties associated with the new three waters delivery model including the mechanism for how assets will be transferred to the newly established entities, and the control and governance of these entities. Notwithstanding the current uncertainty the announcement once legislated will mean Council is no longer responsible for the delivery and infrastructure of three waters services from 1 July 2024.

Notes to the Financial Statements

for the year ended 30 June 2021

35. Financial instruments

Financial Instrument Categories

	Council		Group	
	Actual 2021 \$000	Actual 2020 \$000	Actual 2021 \$000	Actual 2020 \$000
FINANCIAL ASSETS				
Fair value through surplus or deficit - Held for trading				
Other financial assets:				
- Investments in debt securities	2,572	3,151	2,572	3,151
Total fair value through surplus or deficit	2,572	3,151	2,572	3,151
Loans and receivables				
Cash and cash equivalents	4,107	19,238	5,999	21,392
Trade and other receivables	14,287	9,314	13,777	10,642
Other financial assets:				
- Term deposits	21,820	28,190	24,647	29,385
- Community loans	433	567	433	567
- Loans to related parties	22,181	22,181	-	-
Total loans and receivables	62,828	79,490	44,856	61,986
Fair value through other comprehensive revenue				
Other financial assets:				
- Unlisted shares	33,031	32,601	2,031	1,601
FINANCIAL LIABILITIES				
Fair value through surplus or deficit - Held for trading				
Derivative financial instrument liabilities	2,907	5,110	2,907	5,305
Financial liabilities at amortised cost				
Trade and other payables	18,245	14,943	20,597	15,615
Borrowings:				
- Secured loans	-	-	3,500	11,400
- Bonds	99,484	89,484	99,484	89,484
Total financial liabilities at amortised cost	117,729	104,427	123,581	116,499

Fair value

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

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

Notes to the Financial Statements

for the year ended 30 June 2021

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

	Valuation technique			
	Total \$000	Quoted market price \$000	Observable inputs \$000	Significant non- observable inputs \$000
30 June 2021 - Council				
Financial assets				
Investments in debt securities	2,572	-	2,572	-
Shares	33,031	-	-	33,031
Financial liabilities				
Derivatives	2,907	-	2,907	-
30 June 2021 - Group				
Financial assets				
Investments in debt securities	2,572	-	2,572	-
Shares	2,031	-	-	2,031
Financial liabilities				
Derivatives	2,907	-	2,907	-
29 June 2020 - Council				
Financial assets				
Investments in debt securities	3,151	-	3,151	-
Shares	32,601	-	-	32,601
Financial liabilities				
Derivatives	5,110	-	5,110	-
29 June 2020 - Group				
Financial assets				
Investments in debt securities	3,151	-	3,151	-
Shares	1,601	-	-	1,601
Financial liabilities				
Derivatives	5,305	-	5,305	-

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

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

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

	Council		Group	
	2021 \$000	2020 \$000	2021 \$000	2020 \$000
Balance as at 1 July	32,601	32,601	1,601	1,601
Purchases	430	-	430	-
Balance as at 30 June	33,031	32,601	2,031	1,601

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

Notes to the Financial Statements

for the year ended 30 June 2021

Financial Instruments risks

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

Market risk

Currency risk

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

Interest rate risk

Fair value interest rate risk

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

Cash flow interest rate risk

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

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

Credit risk

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

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

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

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

	Council		Group	
	Actual 2021 \$000	Actual 2020 \$000	Actual 2021 \$000	Actual 2020 \$000
Cash at bank and term deposits	25,927	47,428	30,646	50,777
Trade and other receivables	14,287	9,314	13,777	10,642
Community loans	433	567	433	567
Related party loans	22,181	22,181	-	-
Investments in debt securities	2,572	3,151	2,572	3,151
Total credit risk	65,400	82,641	47,428	65,137

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

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

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

Notes to the Financial Statements

for the year ended 30 June 2021

Liquidity risk

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

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

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

Timaru District Council has a maximum amount that can be drawn down against its overdraft facility of \$nil (2017: \$nil). There are no restrictions on the use of this facility.

Contractual maturity analysis of financial liabilities, excluding derivatives

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

	Carrying Amount	Contractual Cashflows	Less than 1 year	1-2 years	2-5 years	More than 5 years
	\$000	\$000	\$000	\$000	\$000	\$000
Council 2021						
Trade and other payables	18,245	18,245	18,245	-	-	-
Bonds	99,484	103,766	39,843	17,131	36,646	10,146
Total	117,729	122,011	58,088	17,131	36,646	10,146
Group 2021						
Trade and other payables	20,561	20,561	20,561	-	-	-
Secured loans	3,500	3,500	3,500	-	-	-
Bonds	99,484	103,766	39,843	17,131	36,646	10,146
Total	123,545	127,827	63,904	17,131	36,646	10,146
Council 2020						
Trade and other payables	14,943	14,943	14,943	-	-	-
Bonds	89,484	93,947	44,400	17,276	32,271	-
Total	104,427	108,890	59,343	17,276	32,271	-
Group 2020						
Trade and other payables	15,319	15,319	15,319	-	-	-
Bank overdraft	11,400	11,400	11,400	-	-	-
Bonds	89,484	93,947	44,400	17,276	32,271	-
Total	116,203	120,666	71,119	17,276	32,271	-

Notes to the Financial Statements

for the year ended 30 June 2021

Contractual maturity analysis of derivative financial instruments

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

	Less than 1 year	1-2 years	2-5 years	More than 5 years
	\$000	\$000	\$000	\$000
Council 2021	902	973	1,014	-
Council 2020	902	973	1,014	-
Group 2021	1,688	1,140	2,281	-
Group 2020	1,883	1,140	2,281	-

Contractual maturity analysis of financial assets

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

	Carrying Amount	Contractual Cashflows	Less than 1 year	1-5 years	More than 5 years
	\$000	\$000	\$000	\$000	\$000
Council 2021					
Cash and cash equivalents	4,107	4,107	4,107	-	-
Trade and other receivables	14,287	14,287	14,287	-	-
Loans to related parties	22,181	22,181	-	-	22,181
Unlisted shares	33,031	33,031	-	-	33,031
Other financial assets:					
- term deposits	21,820	22,021	22,021	-	-
- community loans	433	433	130	303	-
- investment in debt securities	2,572	2,572	532	2,040	-
Total	98,431	98,632	41,076	2,343	55,212
Group 2021					
Cash and cash equivalents	5,999	5,999	5,999	-	-
Trade and other receivables	13,777	13,777	13,777	-	-
Unlisted shares	2,031	2,031	-	-	2,031
Other financial assets:					
- term deposits	24,647	24,874	24,874	-	-
- community loans	433	433	130	303	-
- investment in debt securities	2,572	2,572	532	2,040	-
Total	49,459	49,686	45,311	2,343	2,031
Council 2020					
Cash and cash equivalents	19,238	19,238	19,238	-	-
Trade and other receivables	9,314	9,314	9,314	-	-
Loans to related parties	22,181	22,181	-	-	22,181
Unlisted shares	32,601	32,601	-	-	32,601
Other financial assets:					
- term deposits	28,190	28,754	28,754	-	-
- community loans	566	566	149	384	33
- investment in debt securities	3,151	3,151	-	2,645	506
Total	115,241	115,805	57,455	3,029	55,321

Notes to the Financial Statements

for the year ended 30 June 2021

	Carrying Amount	Contractual Cashflows	Less than 1 year	1-5 years	More than 5 years
	\$000	\$000	\$000	\$000	\$000
Group 2020					
Cash and cash equivalents	21,392	21,392	21,392	-	-
Trade and other receivables	10,642	10,642	10,642	-	-
Unlisted shares	1,601	1,601	-	-	1,601
Other financial assets:					
- term deposits	29,385	29,973	29,973	-	-
- community loans	566	566	149	384	33
- investment in debt securities	3,151	3,151	-	2,645	506
Total	66,737	67,325	62,156	3,029	2,140

36. Severance payments

For the year ended 30 June 2021, the Council made eight (2020: five) severance payments to employees totalling \$163,642 (2020: \$57,918).

The value of each of the severance payments was \$64,500.00, \$39,492.48, \$12,607.49, \$11,591.96, \$11,591.96, \$11,353.62, \$10,541.44 and \$1,963.08. The value of each of the severance payments in 2020 was \$25,000.00, \$21,308.67, \$7,932.24, \$2,127.20 and \$1,549.48.

37. Explanation of major variances against budget

Timaru District Council made a net surplus of \$10,689,000 (budgeted surplus of \$8,577,000).

Revenue and expenditure	2021 \$000
Annual Plan surplus	8,577
Increases/(Reductions)	
Vested Assets	5,961
Subsidies and grants	3,255
Landfill aftercare provision	(2,434)
Depreciation and amortisation	(6,997)
Finance costs	196
Other expenditure	(2,542)
Finance revenue	(630)
Other revenue	5,302
	2,112
Annual Report Surplus	10,689

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

- Assets of \$5,961,000 from residential developments were vested in Council during the year. The budget only includes minimal service connections vesting (approximately \$40,000). In addition, residential developments contributed to an increase in consenting fees of \$500,000 above budget.
- The Department of Internal Affairs provided an unbudgeted grant for water stimulus projects. \$3,430,000 was received during the 2020/21 year.

Notes to the Financial Statements

for the year ended 30 June 2021

- The Ministry for Business, Innovation and Employment provided an unbudgeted grant for development of the Theatre Royal. \$2,320,000 was received during the 2020/21 year, of which \$565,000 was recognised as revenue.
- Depreciation and amortisation was \$6,997,000 larger than budget due to the 2019/20 revaluation of assets within three waters infrastructure assets (water, sewer, stormwater) and the 2020/21 revaluation of roading assets. The budget was based on pre-revaluation values.
- Finance revenue decreased due to lower than forecast interest rates.
- Other revenue includes capital contributions for sewer, stormwater and water supplies are \$687,938 higher than budgeted.
- Parking fees, infringements and related court fines were \$555,000 higher than budgeted.
- Volumes of waste processed by the landfill increased resulting in waste minimisation revenue exceeding budget by \$1,726,000.
- There has been a decrease in the landfill aftercare provision of \$2,434,000 due to interest rate changes and reassessment of the costs to provide aftercare.
- Finance costs were lower than budget by \$196,000 due to timing of expenditure on projects meaning that loans are not needed until later than expected, as well as lower than forecast interest rates.
- Additional expenditure included \$1,563,996 roading maintenance above budget attributable to emergency works response and increased sealed pavement maintenance required, and \$634,475 urban water supplies attributable to reticulation and overhead costs.
- Other gains/(losses) of \$1,594,000 related to the following:
 - Unrealised gains on interest rate swaps of \$2,413,000 were not budgeted for due to difficulties in forecasting market conditions.
 - Loss on disposal of property, plant and equipment of \$943,000.

Statement of financial position

With the delayed timing in capital expenditure, borrowings are less than budgeted, as some of these projects are being funded by borrowings.

Trade receivables and payables have increased from budget as a result of regular trading and timing of income and expenditure. In addition, \$1,755,000 Revenue in Advance was received for the Theatre Royal project.

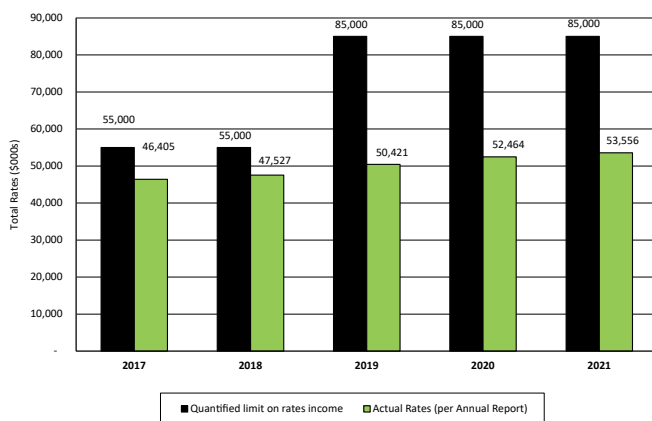
Asset revaluation reserve accounts have increased by \$291,888,000 against a \$nil budget, with a corresponding increase in property, plant and equipment against budget. \$291,888,000 relates to the revaluation of roading assets this year. \$228,859,000 revaluation of three waters assets occurred in the 2020 financial year.

Disclosure Statement

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

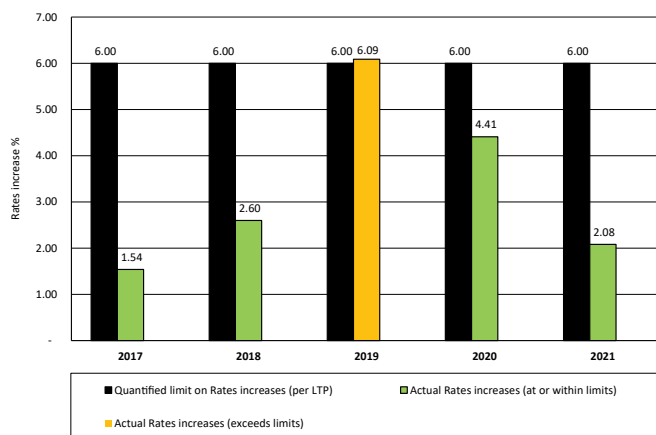
1. Rates (income) affordability benchmark

The following graph compares the Council's planned rates income with a quantified limit on rates contained in the financial strategy included in the Council's long-term plan. The quantified limit is \$55m (from 2016/17 to 2017/18) and \$85m (from 2018/19 to 2020/21).



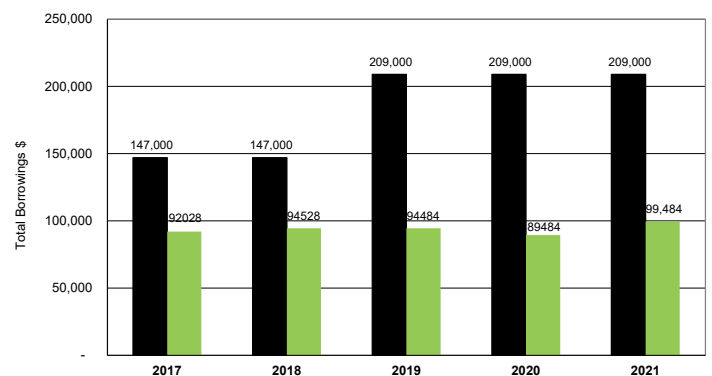
2. Rates (increase) affordability benchmark

The following graph compares the Council's actual rates increases with a quantified limit on rates increases included in the financial strategy in the Council's long-term plan. The quantified limit is 6% plus inflation.



3. Debt affordability benchmark

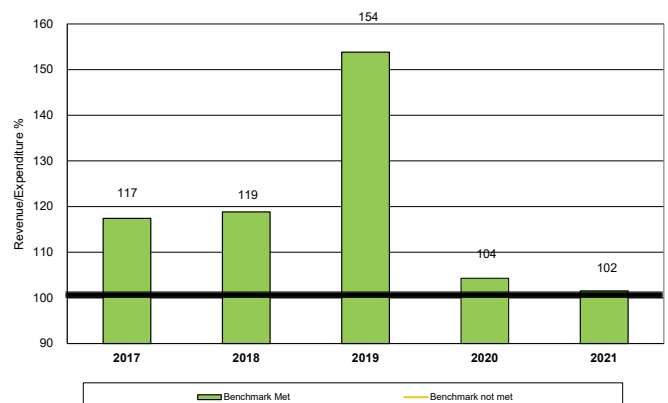
The following graph compares the Council's actual borrowing with a quantified limit on borrowing stated in the financial strategy included in the Council's long-term plan. The quantified limit is \$147m (from 2016/2017 to 2017/2018) and \$209m (from 2018/2019 to 2020/21). The Council meets the debt affordability benchmark if its actual borrowing is within each quantified limit on borrowing.



4. Balanced budget benchmark

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

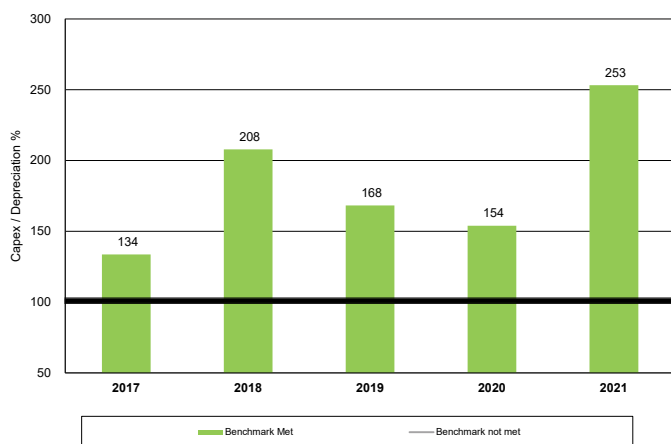
The Council meets this benchmark if its revenue equals or is greater than its operating expenses.



Disclosure Statement

5. Essential services benchmark

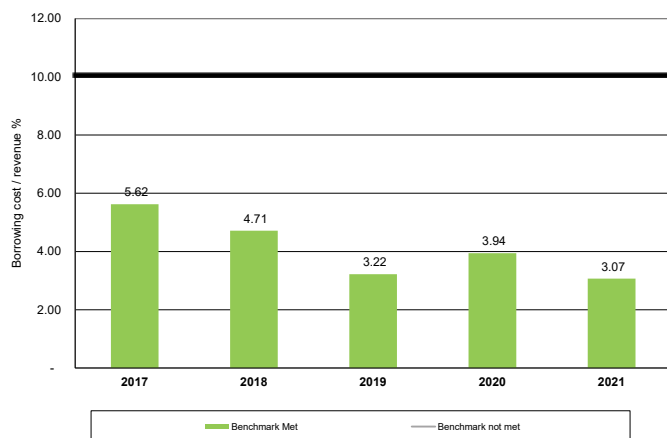
The following graph displays the Council's capital expenditure on network services as a proportion of depreciation on network services. The Council meets this benchmark if its capital expenditure on network services equals or is greater than depreciation on network services.



6. Debt servicing benchmark

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

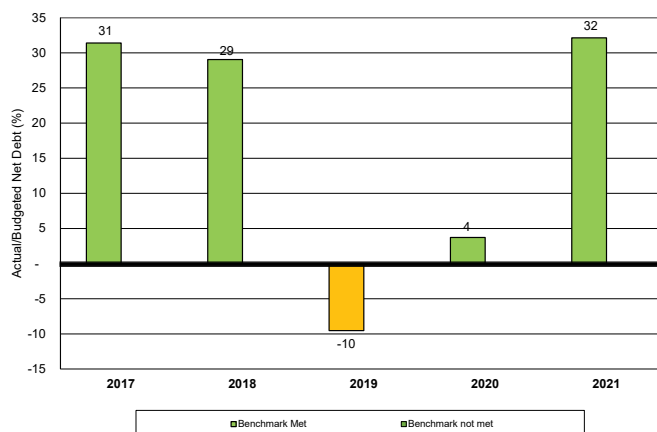
Because Statistics New Zealand projects the Council's population will grow more slowly than the national population growth rate, it meets the debt servicing benchmark if its borrowing costs are equal or less than 10% of its revenue.



7. Debt control benchmark

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

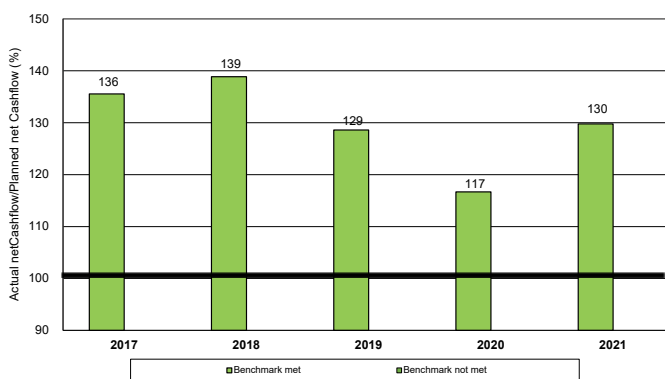
The Council meets the debt control benchmark if its actual net debt equals or is less than its planned net debt.



8. Operations control benchmark

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

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







Other information

Directory

Timaru District Council

Timaru District Council

PO Box 522

Timaru 7940

Timaru Main Office:

2 King George Place

Timaru 7910

Telephone: (03) 687 7200

Email: enquiry@timdc.govt.nz

Website: www.timaru.govt.nz

Hours (except statutory holidays)

Monday – Friday 8.30am – 5pm

Temuka Library, Service and Information Centre

72-74 King Street, Temuka 7920

Telephone: (03) 687 7591

Email: temuka.library@timdc.govt.nz

Hours (except statutory holidays):

Monday – Friday 8.30am – 5pm

Geraldine Library and Service Centre

78 Talbot Street, Geraldine 7930

Telephone: (03) 693 9336

Email: libger@timdc.govt.nz

Hours (except statutory holidays):

Monday – Friday 8.30am – 5pm

Bankers

Bank of New Zealand

247 Stafford Street

Timaru 7910

Auditors

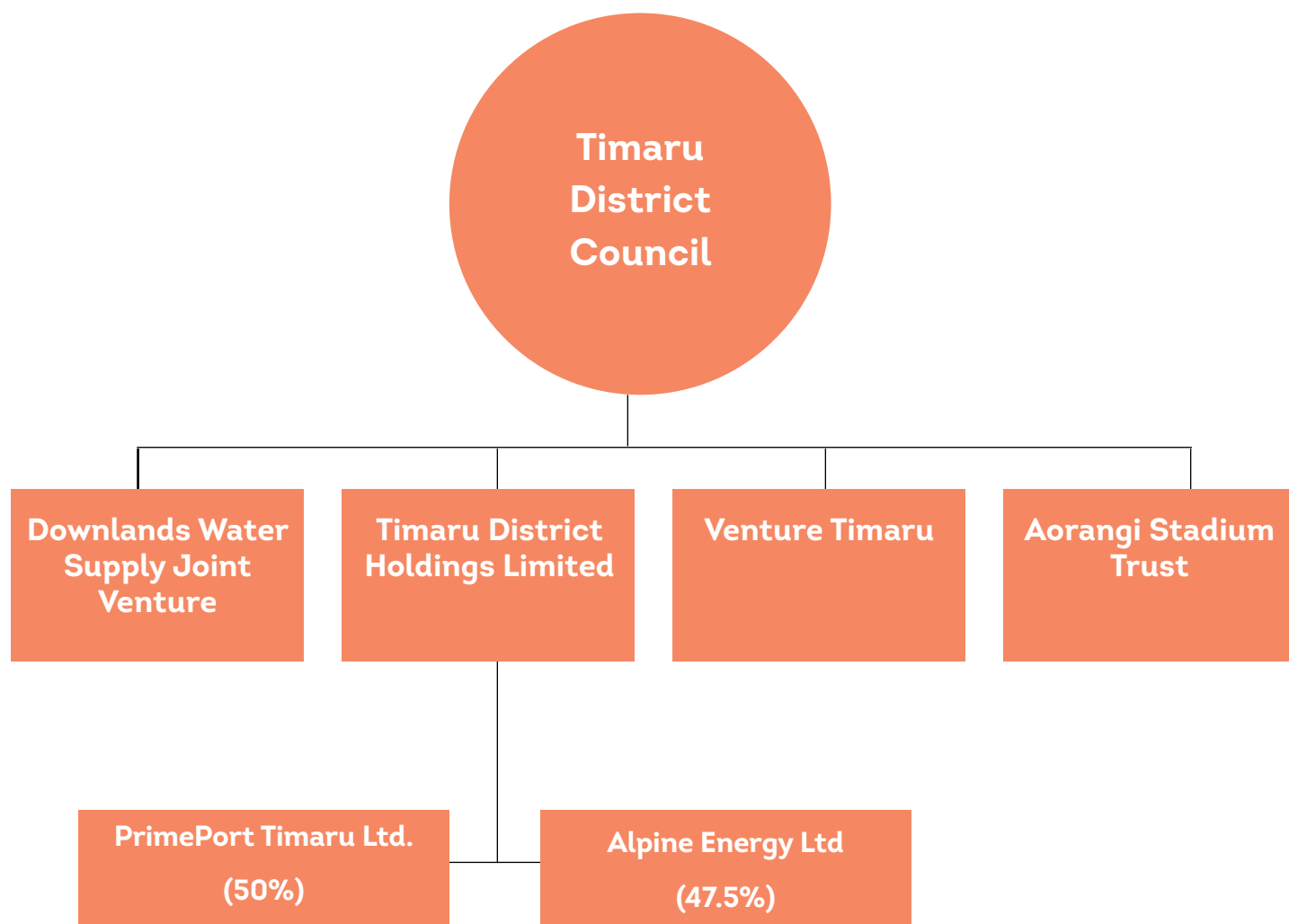
Audit New Zealand

on behalf of the Controller and Auditor-General

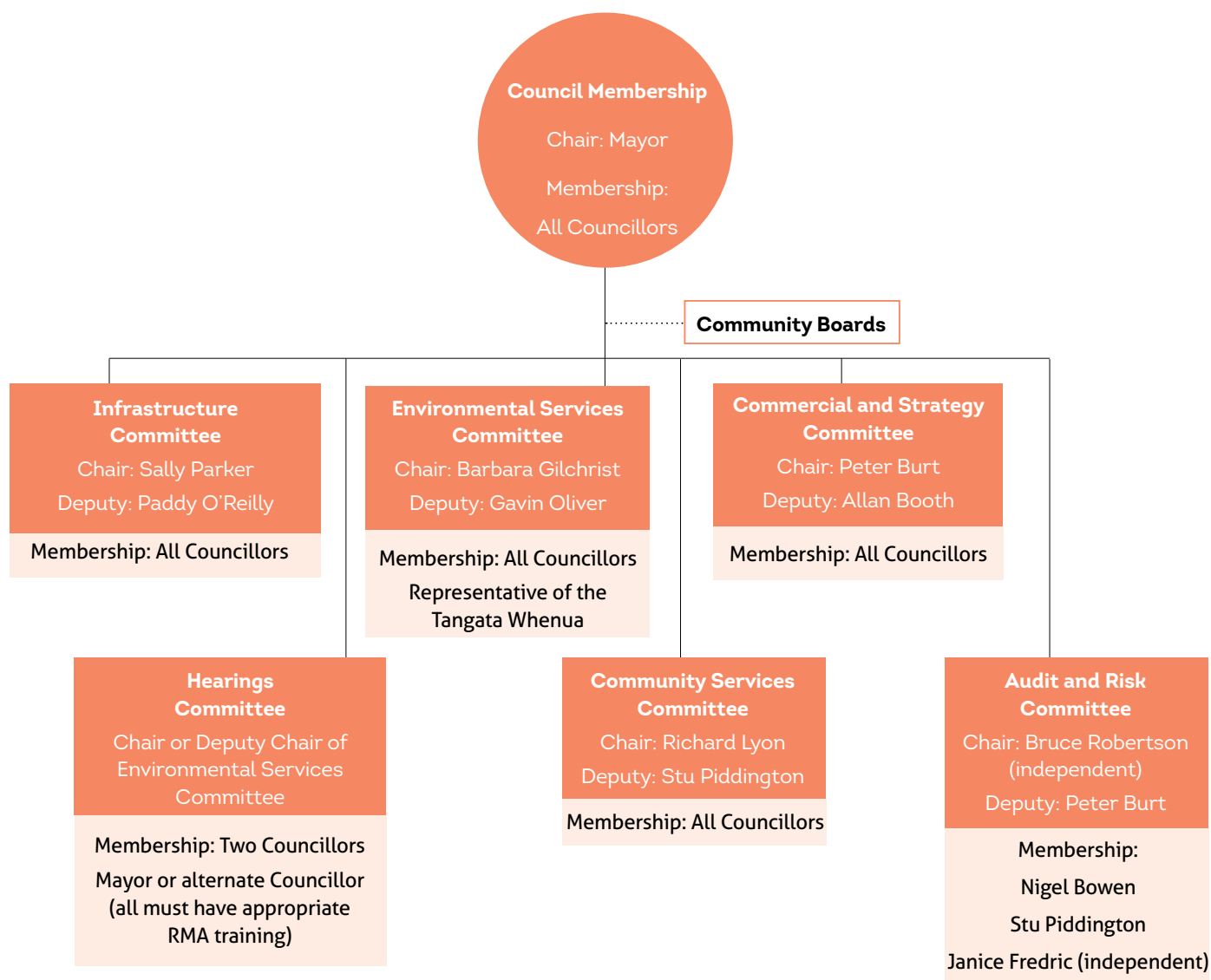
PO Box 99

Wellington 6140

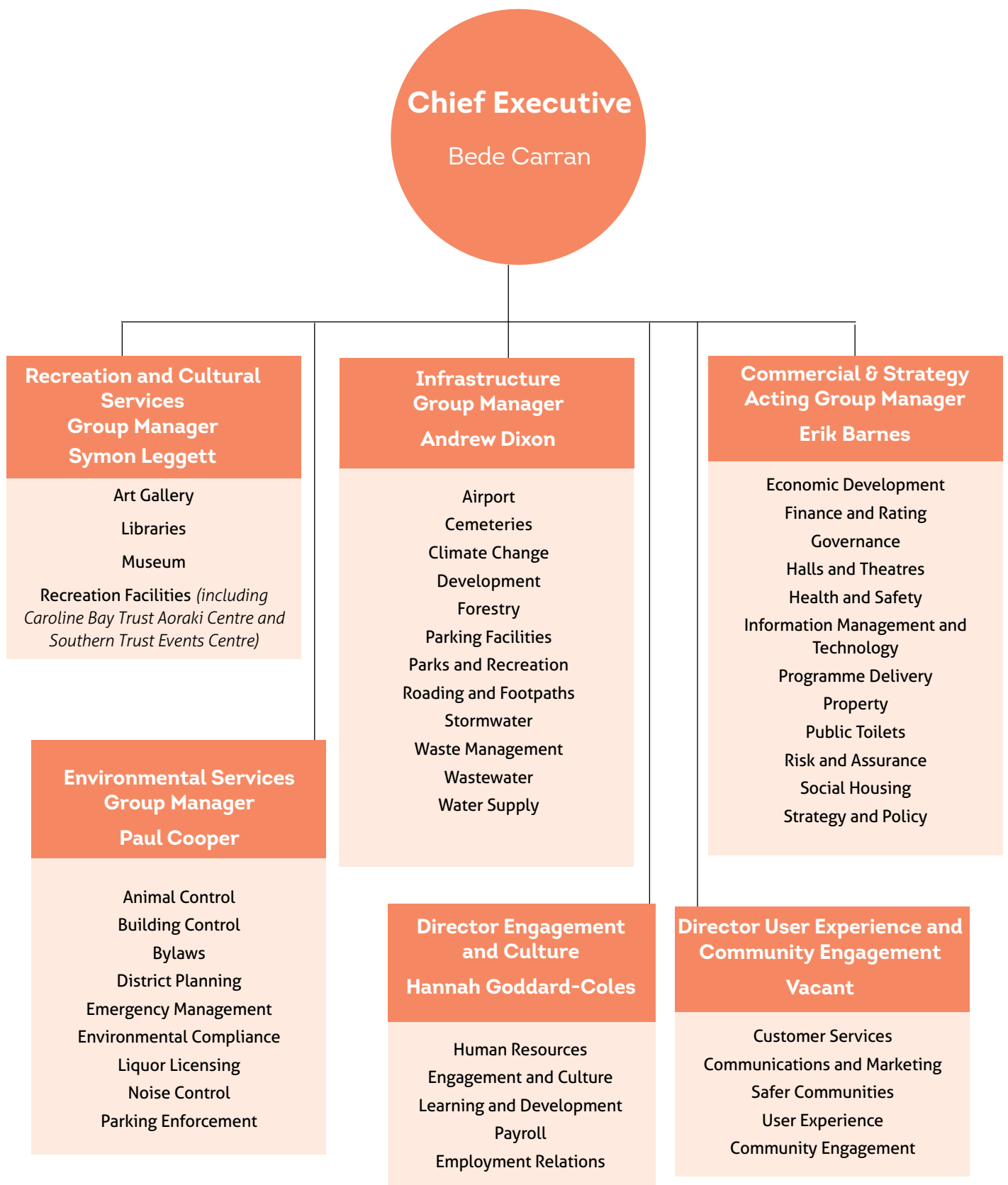
Group Organisation Structure



Council Committees (as at September 2021)



Council Management (as at September 2021)



Our Workforce

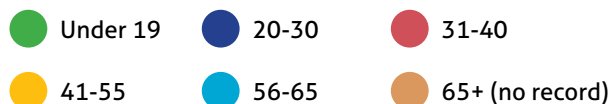
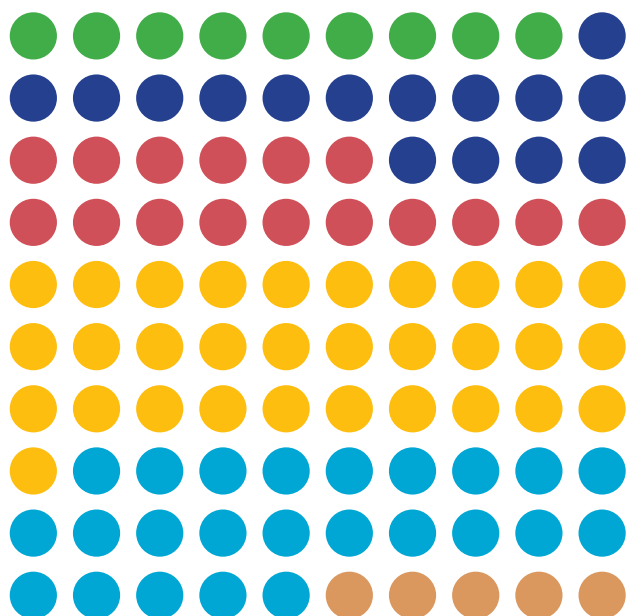
Timaru District Council employs a total of 260 full time equivalent staff (including casual positions)

Council has a strong commitment to the development and continuous improvement of its staff. We recognise that people are one of our most important assets and a more effective workforce positively impacts on Councils ability to deliver results for our community.

A very active and supportive Health and Safety Committee continues to be a key part of this process. We have an increasingly holistic focus, which incorporates the health and wellbeing of our staff and not just the safety components. This has included education about mental health awareness, domestic violence, suicide prevention, wellness and physical health.

Our staff – some quick facts

Age profile %



Length of Service

We have a good mix of experienced staff and staff new to the organisation.

22%
have worked for TDC
for less than one year

14%
have worked for TDC
for 10-20 years

34%
have worked for TDC
for 1-4 years

4%
have worked for TDC
for 21-30 years

22%
have worked for TDC
for 5-9 years

4%
have worked for TDC
for 30+ years

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. The first year of a Long Term Plan cycle represents the Annual Plan for that year.

Annual Report

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

Asset

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

Activity/Asset Management Plan

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

Borrowing

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

Capital Expenditure

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

Capital Value

Value of land including any improvements.

Community Boards

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

Community Wellbeing Outcomes

Community Wellbeing Outcomes are the social, economic, environmental, and cultural outcomes Council is seeking to promote for the communities it represents.

Council Controlled Organisations

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

Financial Strategy

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

Financial Year

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

General Rate

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

Group of Activities

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

Infrastructure Strategy

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

Land Value

Value of land, excluding any improvements.

Local Government Act 2002

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

Long Term Plan (LTP)

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

Operating Expenditure

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

Operating Revenue

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

Operating Surplus/(Deficit)

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

Performance Measure

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

Rates

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

Revenue and Financing Policy

This describes how the Council's work will be paid for and the mechanisms used for gathering funds (e.g. general rate, targeted rates, fees, user charges, grants).

Significance

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

Significance and Engagement Policy

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

Statement of Cash Flows

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

Statement of Comprehensive Revenue and Expense

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

Statement of Financial Position

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

Subsidies

Amounts received from other agencies for the provision of services.

Targeted Rates

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

Transfer to/from Reserves

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

User Charges

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

Working Capital

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



Timaru District Council

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