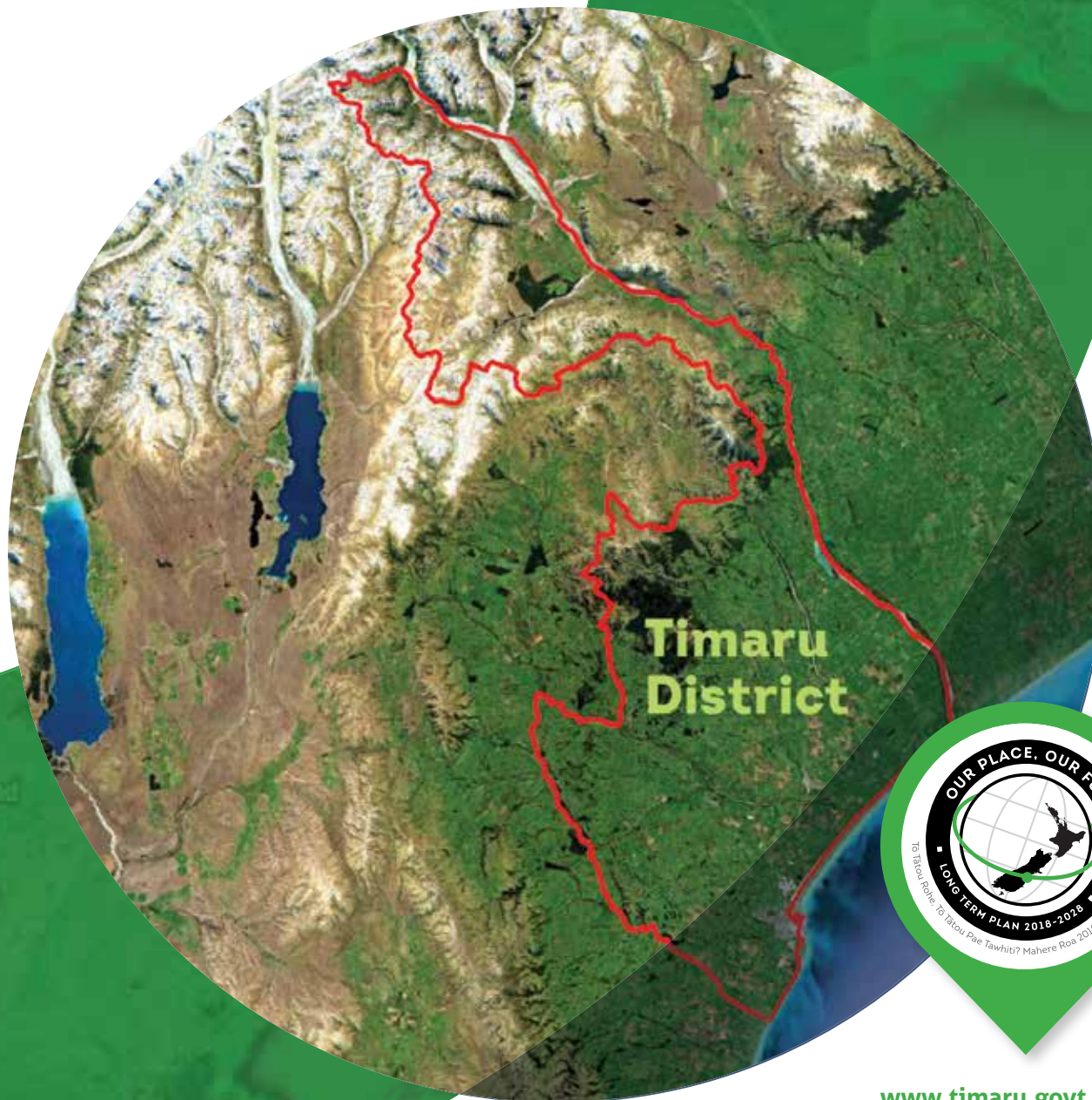


OUR PLACE

Long Term Plan 2018-2028

Including the Annual Plan 2018/2019



www.timaru.govt.nz



**Timaru District Council
Long Term Plan 2018-28**

For the year beginning 1 July 2018

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An Introduction from your Mayor and Chief Executive

Nau mai ki te Mahere Roa o te Kaunihera Rohe o Te Tihi o Maru (Welcome to the Timaru District Council Long Term Plan)

Thank you for your interest in, and contribution to our Long Term Plan 2018-28.

Developing the plan has involved us all – Council staff, elected members, Community Boards and most importantly you – the residents and ratepayers who choose to live in this special part of the world.

Through the “Our Place, Our Future?” consultation we received over 1,000 submissions – three times the number we’ve received in the past! You shared your views on the key issues we asked for feedback on as well as a wide range of other issues. Many of you also choose to come to the Council meeting to present your views in person. We really appreciate your interest, ideas and commitment to the district.

After 18 months of work, we have now completed the 2018/28 Long Term Plan

This included:

- considering and reviewing our strategic direction
- carrying out LTP pre-consultation to determine potential issues
- considering and reviewing key policies
- reviewing our financial & planning assumptions
- reviewing all our activities, including their direction, budgets and future work programmes
- identifying issues and options to be included in the LTP Consultation Document
- consulting on the LTP via our 'Our Place, Our Future?', Consultation Document
- listening, considering, debating your feedback on the proposals

As your elected representatives we debated all of the issues raised, and made some important decisions we believe will support the continued prosperity and enjoyment of the district for everyone. You can read more detail about these decisions, later in this document.

We’ve got big plans for the district over the next 10 years. Some of the key projects include:

- Continued upgrading of district water supplies, investigating options and costs of additional water sources, and options implementation of water metering to encourage efficient use of water
- Upgrading the Theatre Royal
- Development of a new Heritage Facility
- Upgrading stormwater management systems to meet new environmental standards
- Art Gallery earthquake strengthening and renewals
- Support for a new Eco Centre at the Redruth Resource Recovery Park to focus on education to help us divert more waste from our landfill
- Roading projects – bridge replacements and road reconstructions

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

The outcome of the LTP development has resulted in an average annual rate increase of 5.05% (including inflation) over the next ten years. The 2018/19 increase is 5.80%. Increases will vary depending on where you live, the nature of your property, the services you receive and the impact of the decisions made through this LTP on your property.

We are grateful that so many of you came and shared your passion and ideas for Timaru District. These are reflected in the LTP and contribute to making Timaru District a great place to live, work and play.

Kei te harikoa mātou ki te mahi tahi ki a koutou- ko Tō Tātou Rohe, ko Tō Tātou Pae Tawhiti!

(We look forward to working with you - it's Our Place and Our Future!)

Ngā mihi nui



Damon Odey
Mayor

Koromatua

Bede Carran
Chief Executive

Kaiwhakahaere

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OVERVIEW

We look forward to working with you as we progress our vision for the Timaru District:

- Fantastic Lifestyle
- Thriving Economy
- Strong Identity
- Inspiring Leadership

Your Council and Community Boards



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

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

What's an LTP?

What's the Long Term Plan all about?

We call it the LTP for short and it is a plan that presents the Council's blueprint for the delivery of its activities over the next ten years. It sets out what the Council will do, how it will be paid for and when it will happen. It is the critical document that sets the direction and intent of how the Council intends to make the Timaru District an even better place to live, work and play. The LTP is reviewed every three years and at that time, Council looks for input from the residents, ratepayers and other stakeholders in the district.

What has it got to do with me?

The LTP has got a lot to do with you! It isn't just Council's document, it's yours as well! Council relies on community input to make sure it is on the right track. For LTP 2018-28 we sought community input through our LTP Consultation Document "Our Place, Our Future" We'll talk more about your input shortly, but it was great to have more greater community feedback than we have ever had.

The LTP includes:

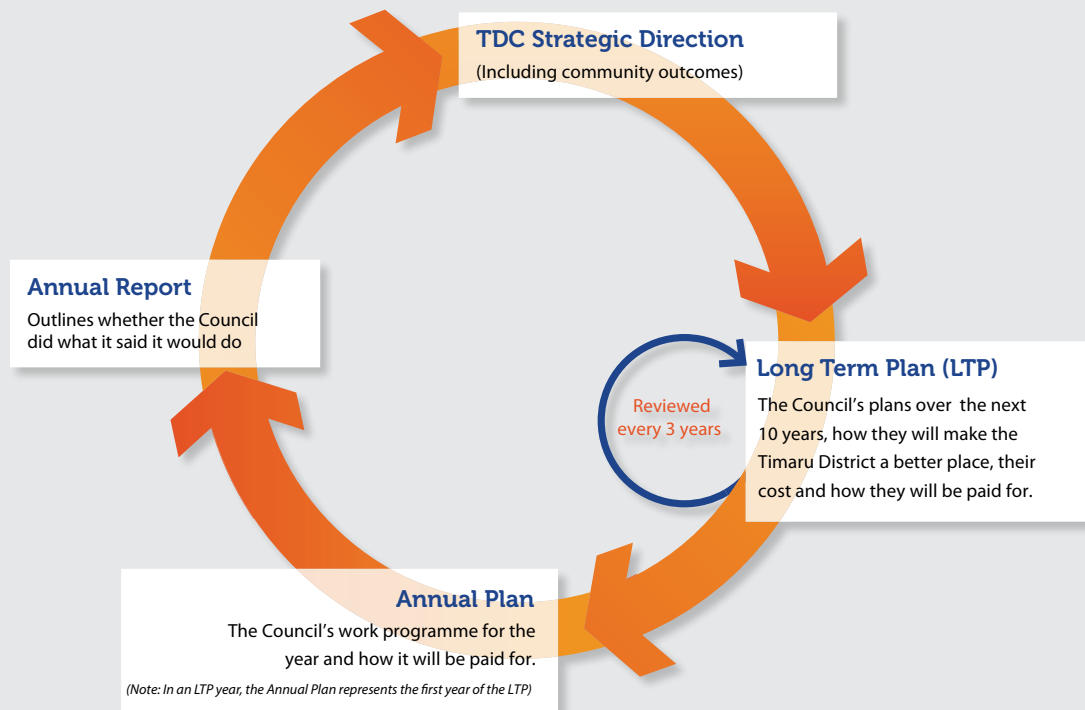
- Issues that will influence the Council over the next ten years
- Information about the array of activities the Council is involved with and services Council delivers

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

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

The Local Government Planning Cycle

This diagram shows the Council's planning cycle and where the Long Term Plan fits.



OUR STRATEGIC DIRECTION

The Timaru District Strategic Direction includes a Vision, Community Outcomes and Strategic Priorities.

Council's contribution towards the Strategic Direction is outlined in Section Two of the Long Term Plan through the services we provide.

The Council will continue to work with numerous organisations (e.g. health, business, environmental, community, government departments) who also contribute towards achieving the Strategic Direction through the activities and services they provide.



CO = Community Outcome

VISION

Inspiring Leadership

Inspiring, people-focused leadership

We build on our strengths, minimise our weaknesses, challenge our threats and grasp our opportunities. This takes leadership.

This means:

- We lead to inspire and enable our people and our future leaders
- We proactively reduce barriers. Our leaders help create the environment for the future to happen

- We plan for the future to take advantage of its opportunities and recognise and address its challenges
- Our leaders make decisions that enable our community and economy to prosper
- We serve our customers and community well

Strong Identity

Strong and enviable reputation and identity

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

This means:

- We are proud of our district - our environment, our lifestyle, our communities, our people, our success
- We build and own our identity
- Our residents are our strongest advocates – locally, nationally, internationally
- We respect and honour our heritage and individuality

- We value, encourage and celebrate ethnic diversity
- We celebrate and sell our story
- New residents are welcomed, and feel welcome
- Our creative and energetic arts and culture scene enhances and reflects our identity
- Our communities preserve and grow their own individual identities
- We celebrate our success

Thriving Economy

Thriving and innovative economy where opportunities abound

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

This means:

- We build on our economy's agricultural roots and support innovative, future-focused industries
- Our industries and businesses produce high quality goods and services while valuing the environment from which their raw materials are sourced
- Our businesses are well supported and enabled to grow
- Our district has a variety of training and employment opportunities available

- Our standard of living grows continuously
- We have planned balanced growth that keeps our businesses, population and youth local
- We maintain and build on our district's strong economic diversification
- New businesses choose Timaru District
- Our businesses and other agencies work together for maximum district benefit
- High quality infrastructure underpins the delivery of economic opportunity and prosperity
- We put out the red carpet, not the red tape

Fantastic Lifestyle

Fantastic, sustainable lifestyle second to none

We live in a pretty special place. We want to keep it that way. We want to make it even better for ourselves, our children, their children.

This means:

- Our communities are well serviced with essential services
- We have a humming, vibrant mix of places to go to and things to do
- We feel safe walking the streets and crime rates remain low

- Our families are strong and our children and youth are provided with great opportunities to learn and grow
- We care for and respect our elderly
- We have abundant leisure, cultural, and sporting opportunities
- We care for, enhance and respect the natural environment
- Our district's opportunities attract people, skilled workers and families here to live, work and play

STRATEGIC PRIORITIES

Council has identified the following community outcomes



Smart, diversified economic success and growth supported and enabled

The Timaru District economy is well diversified. The Council is committed to being recognised as a business friendly Council – putting out the red carpet, not the red tape – and serving our customers with pride



High quality infrastructure to meet community and business needs

Providing high quality infrastructure is a core role of the Council, and is essential to strong, connected communities and sustainable economic prosperity.



A valued, healthy and accessible environment

A healthy natural environment is critical to the district's prosperity. We must ensure that our actions enhance, protect and restore our natural environment wherever possible.



People enjoying a high quality of life

A higher quality of life is everyone's goal. The Council provides services that underpin everyone's quality of life – the potable water that flows from your tap, to the transport network that connects you to your work, family and friends or the playground your children and grandchildren enjoy.



A strong identity forged and promoted

Our identity defines our place in New Zealand and the world. We have much to value, to celebrate and to promote. Our identity is something that all current and future residents own, and that the Council is committed to promoting.



Communities that are safe, vibrant and growing

We want the places where we live and play to be full of vitality, to be safe and to be well-planned for. The Council plays an important role in this through delivering excellent recreational, sporting and cultural facilities, supporting community events and initiatives and managing development and behaviour through appropriate rules and regulation.

The Council has identified four strategic priorities.

Invest in our Community

Promote integrated, highly liveable communities

Support areas of economic and district strength

Ensure critical infrastructure meets future needs

Section Two outlines how the Council's work aligns with these priorities.

Look out for the Community Outcome stamps in Section 2 Council Activities indicating which services contribute to which community outcome.

Relationship with Ngāi Tahu

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). 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 off-shore 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 Iraheku, Ngāti Huirapa and Ngāti Te Ruahikihiki. Chiefs from these hapu occupied and established themselves as mana whenua in various parts of the takiwā; Ngāti Huirapa in the Timaru District.

Te Rūnanga and Papatipu Rūnanga (ngā rūnanga)

The Act recognises Te Rūnanga o Ngāi Tahu (Te Rūnanga) as the iwi authority within the Ngāi Tahu takiwā. Te Rūnanga 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 – whose takiwā centres on Arowhenua and extends from Rakaia to Waitaki, sharing interests with Ngāi Tūāhuriri ki Kaiapoi between Hakatere and Rakaia, and thence

inland to Aoraki and the Main Divide.

Te Rūnanga o Waihao – whose takiwā centres on Wainono and sharing interests with Te Rūnanga o Arowhenua to Waitaki, and extends inland to Omarama and the Main Divide.

Under s15 of the Te Rūnanga o Ngāi Tahu Act, Te Rūnanga must consult with papatipu rūnanga in forming a view on any matter. In practice, Te Rūnanga encourages councils, other government agencies and individuals to consult directly with papatipu rūnanga on issues in their takiwā. Te Rūnanga 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 (RMA) processes from time to time but they are not mana whenua or the iwi authority.

Treaty of Waitangi & Duties of Local Authorities

The Council is required to take into account the principles of the Treaty of Waitangi when carrying out its duties under the Local Government Act 2002 (s4) and the Resource Management Act 1991 (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.

The Council is also required to engage directly with mana whenua in relation to policy-making and decision-making under both the Local Government Act (LGA) and the 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 the 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.

Council Relationship with Mana Whenua

The 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 the Council to meet its statutory requirements under the LGA and RMA. The 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. Aoraki Environmental Consultancy Ltd is mandated by Te Rūnanga O Arowhenua to help advise Councils and other agencies on issues of interest to Arowhenua Rūnanga, to facilitate consultation with Arowhenua Rūnanga, and to ensure timely and appropriate input into policy, plans and processes on behalf of Te Rūnanga O Arowhenua. The 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 in the LTP

Mana whenua interests in Council activities is broad.

Rangatiratanga and kaitiakitanga involve care for the natural environment and also the economic, social and spiritual wellbeing of the people and communities who live within and depend upon the natural environment. 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 me wahi 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.

While mana whenua are interested in all aspects of local governance, limitations on people's time and resources means some things are prioritised. Mana whenua will have a particular interest in the following projects identified in the LTP:

- The District Plan Review
- Upgrades of stormwater infrastructure
- Water supply upgrades

Key issues facing the District

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

1. Meeting environmental standards

New environmental standards will impact on some Council services over the next ten years, particularly stormwater, sewer, water supply and waste minimisation. Delivering the new environmental standards on behalf of the community creates considerable cost, but it is essential that we take a responsible attitude and aim to leave our environment in a better state for our children, and theirs.

2. Increasing cost of providing services

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

3. Growth and demand

Many different growth and demand factors impact on the delivery of Council services, such as demographic changes, fluctuations in the local economy, new industries, and changes in land use.

Key demographics changes (Statistics New Zealand Population Projections released in December 2016 -based on the 2013 census*) include:

- Timaru District population is projected to peak at around 50,200 in 2038.
- Based on the medium projection, the rate of natural increase will become negative from around 2028, meaning there are more deaths than births. This reflects the age makeup of the Timaru District population. Growth from 2028 will be reliant on net migration.
- Virtually all growth in future years will be in age groups 65+. It is noted that this growth is now forecast at a slower rate than previously. The 65+ age group will grow from 20.1% of the (Timaru District) population in 2013 to 28.2% in 2028 and 32.9% in 2043.
- Growth is projected to occur at around a rate of 0.6% annually until 2028.
- The District's households are projected to grow to 21,500 in 2028 (+11.4%), rising to 22,300 households in 2038.
- Household size is declining over time as the population ages.

Demographic changes and changes in the local economy place different pressures on Council services and infrastructure. To help with forward planning for the district as a whole Council has developed the 'Timaru District 2045 - Growth Management Strategy'.

The Growth Management Strategy (GMS) is a 30 year strategy to manage land use growth and will inform the strategic approach to the supply of zoned land provided through the District Plan Review. It addresses urban and rural land use growth in the district, including the growth of residential, rural residential, industrial, commercial and recreational activities. The GMS also informs the Long Term Plan, particularly the provision of

infrastructure services.

The Council will continue to monitor growth and demand through activity planning, balancing the changing needs of the community and continuing to build the district's future, with the need to keep rates affordable.

4. Legislative and regulatory change

As a creature of statute the Council is constantly subject to legislative changes that impact on how services are funded and delivered.

Regulatory reform also occurs at a regional level, with changes in Environment Canterbury policies, such as the Land and Water Regional Plan, which places a range of obligations on Council.

With the change of government in September 2017 a number of legislative and policy changes affecting local government have been signalled. The most significant of these include:

- The four wellbeings to return to the purpose of local government (LGA 2002 section 10)
- Responsiveness to Maori will be a priority
- Climate Change – Zero Carbon Act, Climate Change Commission, Climate Assessments
- Transport – sustainable transport, regional rail, safety focus
- Freshwater – Clean Waters summit, stronger regulatory instruments
- RMA reform – review of recent amendments, enhancing community participation, more National Policy Statements
- Three Waters – Continuation of Three Waters review, an increased regulatory regime, particularly in relation to NZ Drinking Water Standards
- Local Government funding review
- Regional development opportunities
- Waste Minimisation - review of Waste Minimisation Act and future approach to waste issues

* Based on Statistics New Zealand Population Household Projections

Key issues facing the District

5. Delivering on community expectations while keeping it affordable

There is ongoing pressure from the community for higher quality facilities and services to be provided for most Council activities. Smoother roads, modern technology and convenience are some examples. The expectation is for a higher level of service for the same amount of money – in other words doing more with less. Community expectations can be influenced by numerous drivers such as generational change, legislation, environmental standards, facilities experienced elsewhere and new technology. The increase in expectations is not unique to Timaru District and is a nationwide trend. Council facilities must cater for the expectations of the community by remaining accessible, well maintained and fit for purpose. All of this costs money, and must be balanced and prioritised against building our district's future and the ability of the community to pay.

6. Ageing Infrastructure

A significant amount of our core infrastructure is getting older and will require replacing over the next 50 years. This includes roads, footpaths, sewer pipes, and water supply assets. In the next 10 years over \$152M is planned for building and replacing roading infrastructure, such as reconstruction of roads, renewal and bridge replacements. Around \$125M is planned on replacing and upgrading old water supply network assets. Around \$24M is planned to replace sewer network assets.

7. External influences

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

LTP 2018-28 Consultation - Our Place, Our Future?

Our LTP consultation, branded “Our Place, Our Future?”, invited community input on four key issues.

What's this consultation document all about?

This document is about getting your feedback.

This is about OUR Place and OUR Future.

Every three years we review the Long Term Plan (or LTP).

This sets out directions for the next ten years, the important issues going forward, our plans to address them and the impact it will have on the district and ultimately on you.

We'd love your feedback on:

- 1 OUR WATER...WHAT PRICE??**
A resilient future water supply? How should we achieve this?
- 2 TO BE OR NOT TO BE?**
Theatre Royal redevelopment
- 3 MOVING OUR PAST...TO OUR FUTURE?**
Developing a new heritage facility
- 4 DO WE REALLY WANT BETTER WATERWAYS?**
Dealing with Stormwater to improve our environment

Now is your opportunity to guide how your district works, what it looks like and where and how the money is spent.



www.ourplaceourfuture.co.nz

Council received a record 1,036 submissions, over three times more than the previous LTP. There was extensive consultation utilizing digital media such as interactive story maps, radio, videos and facebook promotions, as well as the more traditional printed media, with the consultation document being delivered to every household.

A particular highlight was elected members connecting with over 3,000 high school pupils - at assemblies and smaller focus groups to discuss views on the big issues facing our district.

Council officers responded with hundreds of comments in relation to 260 other topics raised through the submissions process, these ranged from cycleways, footpaths, CBD revitalization, art gallery, waste minimisation, rates and many more.

Council spent three days hearing 90 submitters present their submissions and debating the topics covered by submissions.

The “Big Four issues” received the most comment, with submission numbers shown below.

Issue	Submissions
Water Resilience	544
Theatre Royal	534
Heritage Facility	547
Stormwater	518



LTP 2018-28 Consultation – Our Place, Our Future?

The “Big Four” Issues

In the Consultation Document Council sought feedback on 4 big issues facing the district. Options for each of the issues were presented, including Council’s preferred option. These are summarised below.

Issue 1 Our Water...What Price? A Resilient future water supply – How should we achieve this?

The Consultation Document proposed the following three options, with Council indicating a preference for Option 1 – Introducing urban water metering and charging.

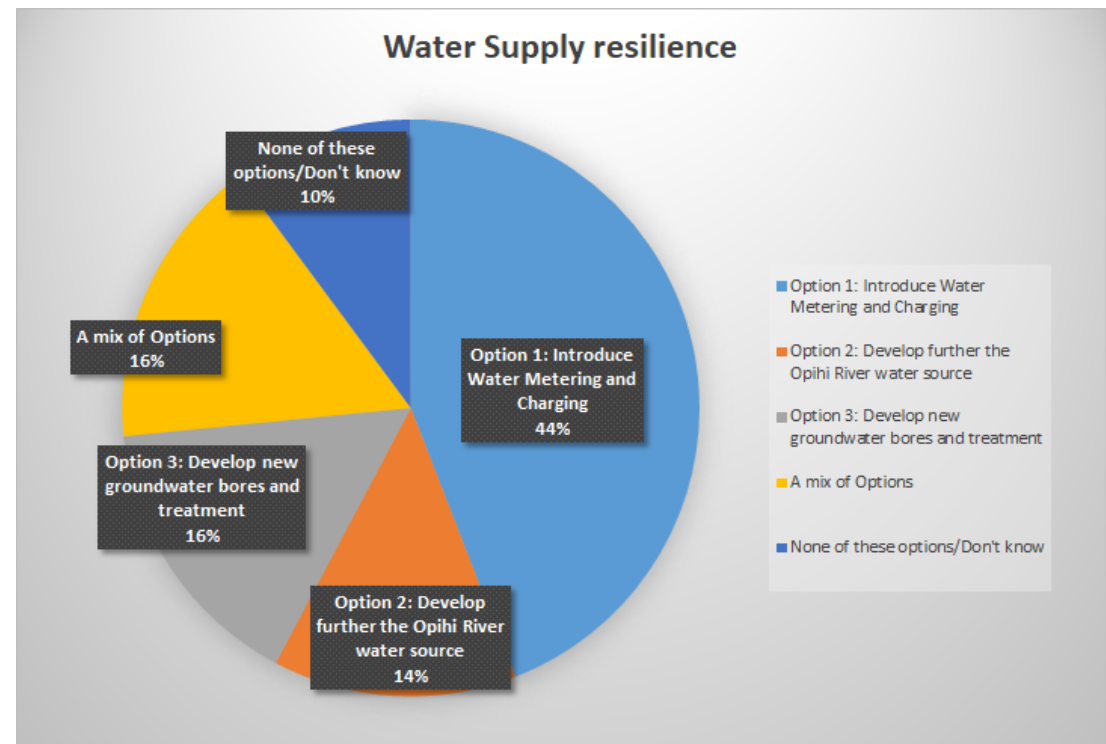
Council’s decision

Council noted the considerable public support for water metering, and also for developing other water sources. Council is committed to ensuring that the district has sufficient water to meet future demand and to efficient and effective use of water. To achieve this Council decided:

- To proceed with upgrading the infrastructure of the existing Pareora and Opihi water supply systems to improve resilience. The Opihi river intake will be upgraded in 2021 at an estimated cost of \$2M. The Pareora pipeline upgrade will commence in 2018/19 and is likely to take four years to complete, at an estimated cost of \$20M.
- Investigate options for water metering, with a view to implement in 2023/24
- Continue to investigate options for alternative water sources

1	Introduce urban water metering and charging	Water metering and charging would be introduced progressively for urban water users in Timaru, Pleasant Point, Temuka, Winchester, Peel Forest and Geraldine. Firstly, the best technology and most cost efficient metering options would be investigated and selected, with implementation proposed for years 4-6 of the Long Term Plan (i.e. starting in 2021/22).
2	Develop further the Opihi River Water Source	A water intake upgrade on the Opihi River would be needed to take more water. Treatment processes at the Claremont treatment plant would be changed from ozone to membrane treatment. Pipework would be upgraded as demand increased. If water metering was introduced, and there was no significant increase in industrial demand, the majority of this work might be delayed for 20 years. If water metering was not introduced, work would need to be considered in the next five years, and in the meantime more stringent water restrictions would be imposed more often.
3	Develop new groundwater bores and treatment	New groundwater bores could be developed to complement the existing water sources, with treatment processes upgraded to deal with the water quality. As with Option 2, work would need to be considered in the next 5 years, with more stringent water restrictions imposed more frequently.

Submitter responses are summarised in the graph below:



LTP 2018-28 Consultation – Our Place, Our Future ?

Issue 2 – To be or not to be? – Theatre Royal Redevelopment

The Consultation Document proposed the following three options, with Council indicating a preference for Option 3.

Council's decision

Council noted the loss of potential shows to Timaru due to the ageing facility that is no longer fit for purpose, the opportunity to create a multi purpose theatre and the opportunity to give life to the south end of the city. Broad support from submitters for upgrading the Theatre Royal was also noted.

Council decided to proceed with Option 3 - to upgrade both behind the scenes back of house and the front of house foyer area, at a total estimated cost of \$11.8M. Work is scheduled to commence in 2018/19 and take approximately 3 years to complete. It is likely that some of the design work will happen in conjunction with the new Heritage Facility development.

1 Just leave the Theatre Royal as it is

Retain the Theatre Royal at its current standard with no upgrading work. This would not cost, but does mean less income from shows unable to run at the facility and

restricts the types of shows that could use the Theatre in the future, reducing its attractiveness as a venue and cultural drawcard.

2 Upgrade just the "Behind the Scenes" facilities

Improve the Theatre Royal by upgrading the "Behind the Scenes" back of house facilities, plus the auditorium floor and seating, at a total capital cost of \$8.7M.

The upgrading could start in 2018/19, and would take up to 3 years to complete (9 months planning with 18-month construction period).

3 Upgrade both "Behind the Scenes" AND the "Front of House" foyer area

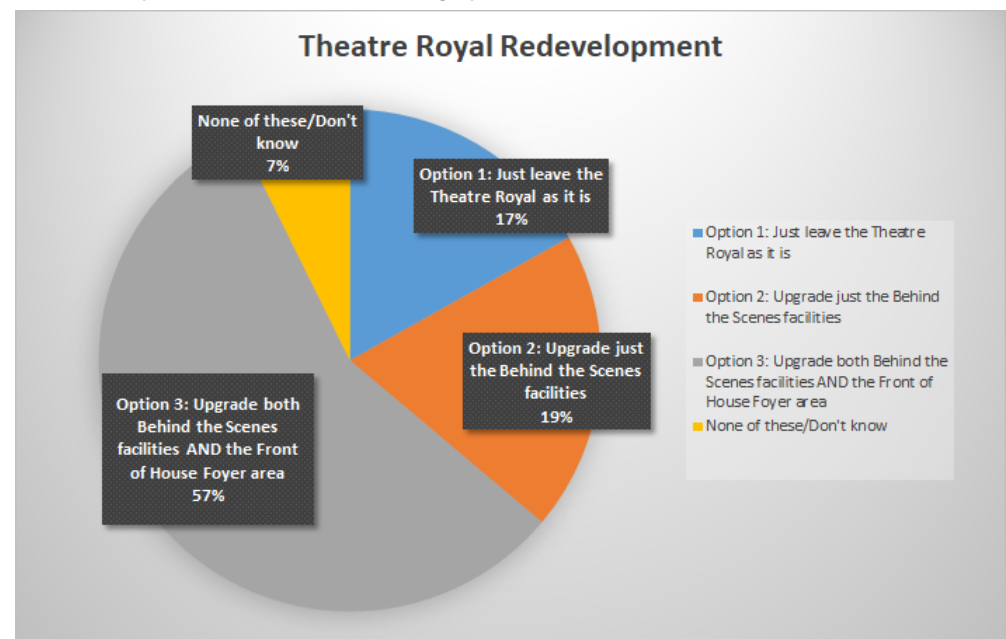
Upgrading the "Behind the Scenes" back of house and "Front of House" Foyer facilities at a total capital cost of \$11.8M.

Incorporating the Front of House Foyer area upgrade adds a further \$2.5M capital cost to the upgrading.

This upgrade option would still likely commence in 2018/19 and take approximately 3 years to complete.

Potentially, it would be designed in conjunction with the possible Heritage Facility development proposed in the vicinity of the Theatre Royal, but would likely be constructed separately to this project if it went ahead.

Submitter responses are summarised in the graph below:



LTP 2018-28 Consultation – Our Place, Our Future ?

Issue 3: Moving our past to our future? Developing a new heritage facility

The Consultation Document proposed two options – developing a new multi-purpose heritage facility co-located with the Theatre Royal, or retaining the South Canterbury Museum as it is.

Council's decision

Council noted the majority of submitters supported Option 1 – New multi-purpose Heritage Facility co-located with the Theatre Royal. Of those who preferred this option, nearly 75% preferred a mix of funding options being used, including rates, Council funds and fundraising.

The Council acknowledged the proposed heritage facility could create an opportunity to develop a cultural hub for the district, with huge potential to provide a legacy community facility and to help rejuvenate the south end of Timaru's CBD.

Council decided to proceed with Option 1 New multi-purpose Heritage Facility co-located with the Theatre Royal. At this point construction is planned to start in approximately 2021, following planning, design and fundraising work.

During the submission process the possible use of the historic Turnbull building as a Heritage Facility was raised. After discussion Council decided that while it did not propose using this site for the Heritage Facility, it was open to working with the property owners on options for the building.

1 New multi-purpose Heritage Facility co-located with Theatre Royal

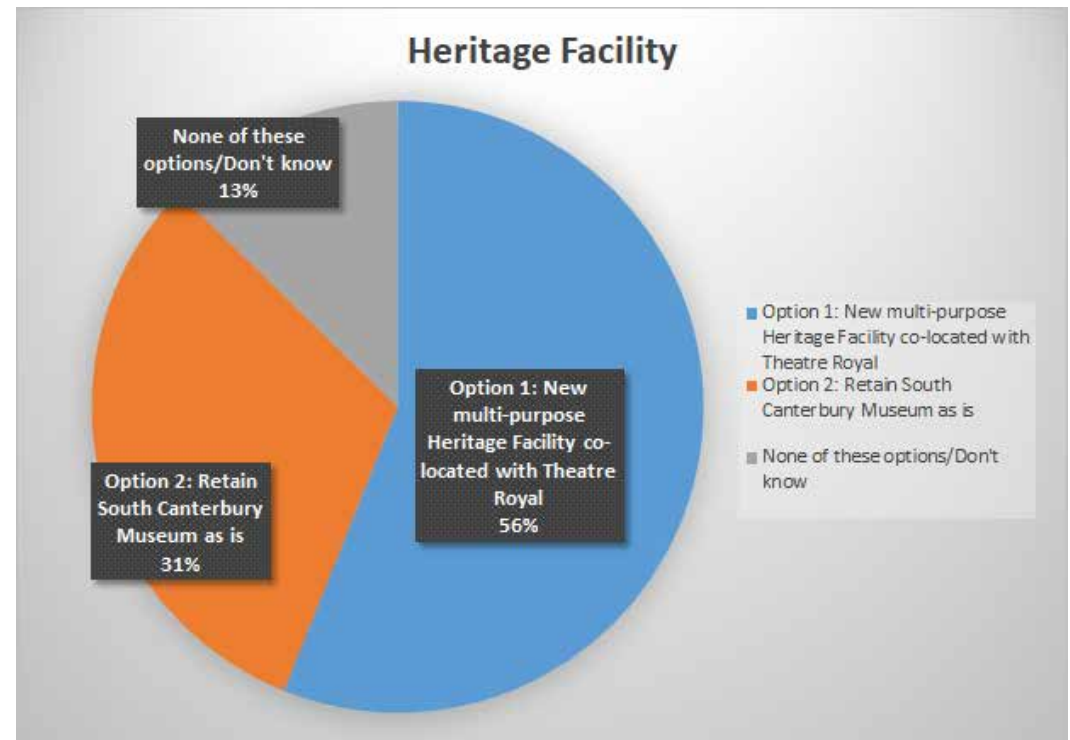
Relocate the museum exhibition areas to a new multi-purpose Heritage Facility built in the vicinity of and connected to the Theatre Royal. The existing museum site would be used for collection storage, research, archives and exhibition preparation. The new facility would be used mainly for the museum, but additional exhibition space would be available for the Aigantighe Art Gallery and for touring heritage exhibitions. Its connection with the Theatre Royal and other nearby facilities

(e.g. Te Ana Maori Rock Art Centre) would enable the development of a heritage and cultural precinct. At this point, construction is planned for around 2021, following the work needed to plan, design and fundraise for the development. Council purchased some land adjacent to the Theatre Royal site in 2005 and 2008. The project is proposed to be funded via a mix of debt, Council reserves and non-Council funding (e.g. fundraising), as outlined in the "What will these Options mean" table.

2 Retain South Canterbury Museum as is

Retain the museum on its current site in its current form, with further consideration of future options. Offsite storage leases would be extended.

Submitter responses are summarised in the graph below



LTP 2018-28 Consultation – Our Place, Our Future?

Issue 4– Do we really want better waterways? – Dealing with stormwater to improve our environment

The Consultation Document proposed the following three options, with Council indicating a preference for Option 2.

Council's decision

Council noted the majority of submitters supported Option 2 – the medium term implementation of stormwater work.

Council considers that this option strikes an acceptable balance between improving stormwater treatment to enhance the quality of our waterways, and spreading the cost for ratepayers. The medium term option also provides time for Council to investigate the most up to date technology developments to enable better stormwater solutions.

The project will start in 2018/19, with one of the first key steps being the development of an Implementation Plan once further information is available on the Canterbury Regional Council Sub Regional Plan, which dictates stormwater discharge requirements.

1 Do it quick – complete stormwater work by 2025

Complete the work required by 2025, starting in 2018/19. This would involve speeding up the preparation of stormwater management plans and the implementation of infrastructure improvements. A focus to meet the requirements would be treatment at end

discharge points – those points where stormwater enters waterways (there is over 100 of these). This option has high capital and maintenance costs due to the complex treatment options required and challenges with land availability at end discharge points.

2 Spread it out – spread stormwater work and cost over a medium 10-15 year period

Complete the work required over 10 to 15 years (medium term) starting 2018/19 that would mean completion would occur within the expected life of the area stormwater discharge consent. This would involve achieving all of that suggested in Option 1, but with the ability to identify better options to treat, capture and slow down stormwater at source, such as swales, bunds, raingardens and filtration areas.

This would mean less treatment required at end discharge points, with reduced complexity and maintenance costs.

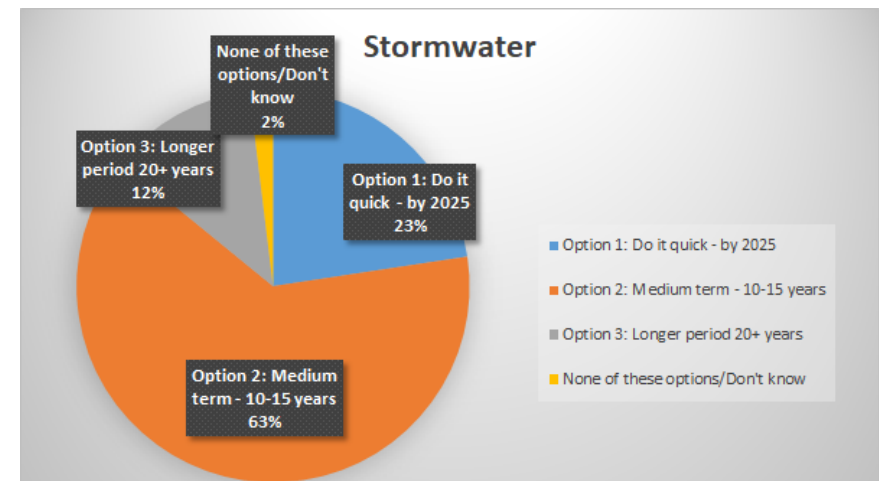
This option has the advantages of achieving some real improvements to the quality of our waterways, while spreading the cost, and as a result, reducing the impact on rates increases.

3 Take more time – spread stormwater work and cost over a longer period 20+ years

Complete the work required over 20+ years (long term), starting in 2018/19 to spread the cost over more generations of ratepayers and reduce the overall impact. Again, this would involve doing all of that suggested in Option 2, but over a longer timeframe.

Options 2 and 3 mean that we may be out of step with regional council and central government policies and regulations. We would achieve our community responsibilities to improve the quality of stormwater discharged into our local waterways, as well as reducing the potential damage to property and infrastructure from flooding, but over a longer timeframe.

Submitter responses are summarised in the graph below:



LTP 2018-28 Consultation – Our Place, Our Future?

Other Council Decisions

Other decisions made by Council relating to the LTP consultation include:

Chlorination of Pleasant Point and Geraldine Water Supplies

Another issue receiving a significant number of submissions was chlorination of the Geraldine and Pleasant Point Water Supplies. Of the 431 submissions received, 429 related to the Geraldine Water Supply, and 97% of these opposed chlorination.

Having considered all aspects of the issue, and noting the strength of public feeling against chlorination of the Geraldine Water Supply Council decided to proceed with the chlorination of the Pleasant Point Water Supply, but not to proceed with routine chlorination of the Geraldine water supply until such time as it becomes mandatory under the NZ Drinking Water Standards, noting that chlorination would be allowed if required in emergency situations.

Eco Centre at Redruth Resource Recovery Park

Council decided to support the Sustainable South Canterbury Trust (SSCT) with funding towards the cost of an Eco Centre at Redruth – an amount of \$150,000 – being 10% of the estimated cost of the project. This funding will be sourced from increased revenue at Redruth, and will be made available over a 2 years period from 2018/19. Council's funding contribution will be released once confirmation has been received from SSCT that they have sourced sufficient funding to enable the project to be completed.

Aorangi Park - Fibre connection

Investigate the costs of improving the fibre connection at Aorangi Park in conjunction with Sport Canterbury and other user groups.

Timaru CBD

- CBD Working Group – Council will continue to support the CBD Group and the vision for revitalising the CBD area. The suggestion of a traffic free area that arose from local High School consultation will be part of the consideration.
- Parking - Conduct a global review of Timaru CBD parking with a view to arranging this for maximum benefit for all users.
- CBD Tiles –Further investigation around the issue of slippery tiles, and consideration of the options and costs for remedial work or replacement of the tiles.

Cycle Trail Development Opportunities

Several submissions were received regarding opportunities for cycle trail development for both local residents and as an attraction for visitors to the district. These included options for developing connections to existing trails in neighbouring districts, and developing dedicated mountain bike trails.

Council decided to take a lead in exploring this concept, with the Mayor to facilitate a working group incorporating Waimate and Mackenzie District Council, service clubs and local groups to look at options and possible funding for all cycleway proposals raised during the Long Term Plan consultation.

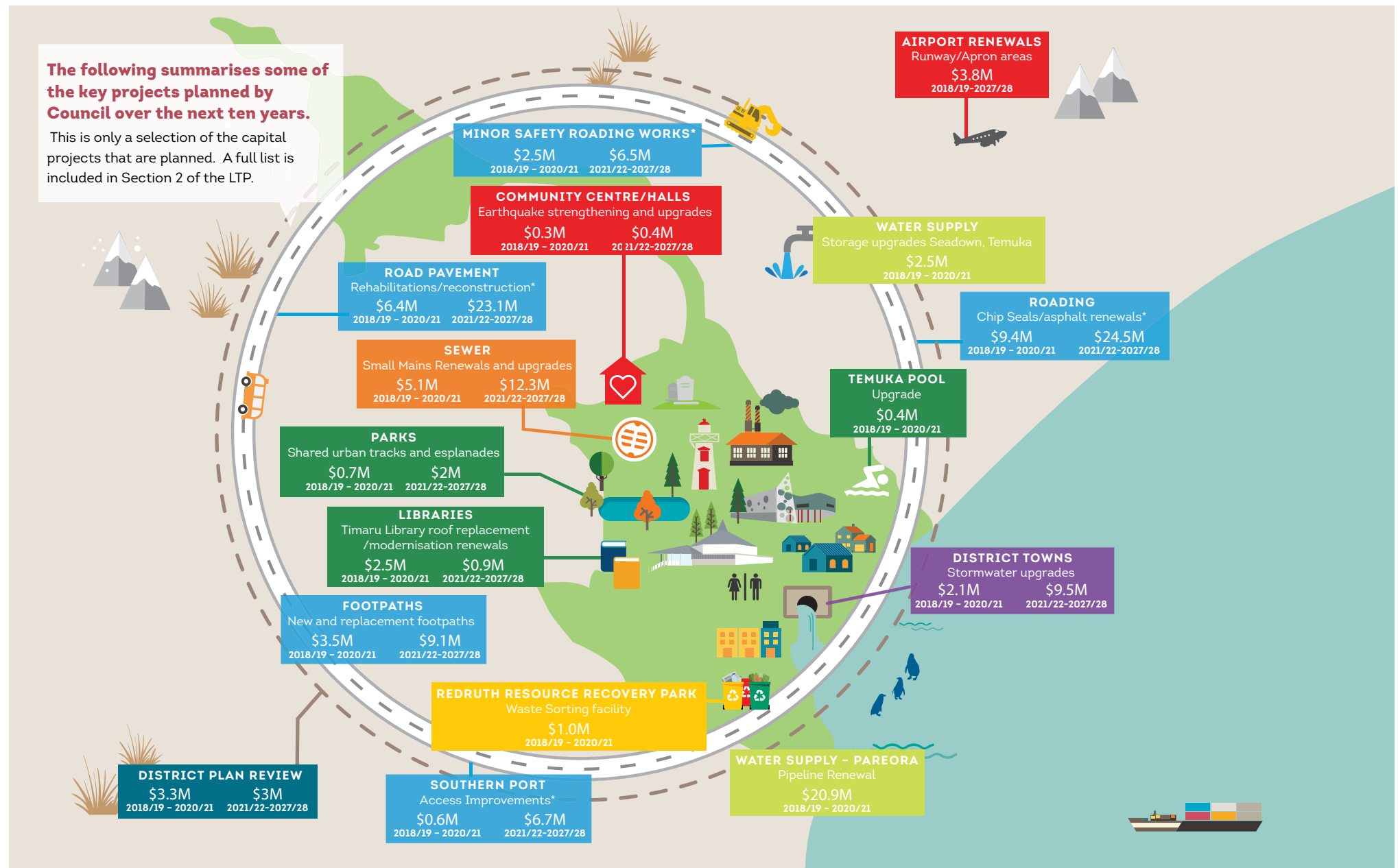
Downlands Water Supply

Upgrades to the Downlands Water Supply are programmed to be carried out over the next three years which will comply with the Drinking Water Standards for NZ and ensure future demand and security of supply is provided.

Summary of Projects

The following summarises some of the key projects planned by Council over the next ten years.

This is only a selection of the capital projects that are planned. A full list is included in Section 2 of the LTP.



Other KEY PROJECTS

CEMETERIES

Timaru Cemetery replacement

\$3.8M 2018/19-2020/21

ART GALLERY

House Gallery Earthquake strengthening and renewals

\$0.6M 2018/19-2020/21

THEATRE ROYAL

Redevelopment

\$11.8M 2018/19-2020/21

SOUTH CANTERBURY HERITAGE FACILITY DEVELOPMENT

\$0.4M 2018/19-2020/21

\$11.4M 2021/22-2027/28

CAROLINE BAY TRUST AORAKI CENTRE

Renewals

\$0.2M 2018/19-2020/21

\$0.6M 2021/22-2027/28

CAROLINE BAY

Soundshell seating

\$1.8M 2021/22-2027/28

PARKS

New and replacement playgrounds

\$0.5M 2018/19-2020/21

\$3M 2021/22-2027/28

STRUCTURAL BRIDGE REPLACEMENTS*

\$2.7M 2018/19-2020/21

\$8M 2021/22-2027/28

ROADING

Seal Extensions/Widening*

\$3.4M 2018/19-2020/21

\$8.7M 2021/22-2027/28

WASHDYKE

Roading Network Improvements*

\$2M 2018/19-2020/21

\$0.6M 2021/22-2027/28

TIMARU SOUTH

Parking development

\$0.8M 2018/19-2020/21

SEWER

Geraldine Siphon upgrade

\$0.6M 2018/19-2020/21

WATER SUPPLY

Te Moana treatment upgrade

\$2.2M 2018/19-2020/21

WATER SUPPLY

Chlorination treatment upgrade Pleasant Point

\$0.1M 2018/19-2020/21

WATER SUPPLY

Water Metering implementation

\$17.2M 2021/22-2027/28

WATER SUPPLY – DOWNLANDS

Treatment and Storage Upgrade

\$11.4M 2018/19-2020/21

\$0.14M 2021/22-2027/28

*All figures include inflation

* NZTA Financial support at 51%

Group of Activities

 Recreation and Leisure

 Water Supply

 District Planning and
Environmental Services

 Roothing and Footpaths

 Community Support

 Sewer

 Waste Minimisation

 Democracy

 Stormwater

Financial Strategy

Summary

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

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

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

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

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

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

- Regulatory framework for stormwater
- Drinking Water Standards
- Change in demands on road network
- Sustainable Transport/Active Transport
- Legislative change
- Community expectations and changes in demand
- Ageing infrastructure
- Earthquake strengthening of facilities

The Council will continue to maintain and renew our assets for current and future generations while providing the services that the community enjoy. The implications of this strategy, combined with the requirement for prudent financial management, the necessity to manage a complex array of operations and assets with long lives, and continuing improvements in required levels of service stemming from either legislative change or community demand means that there is little room for further significant projects within the next 10 years.

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

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

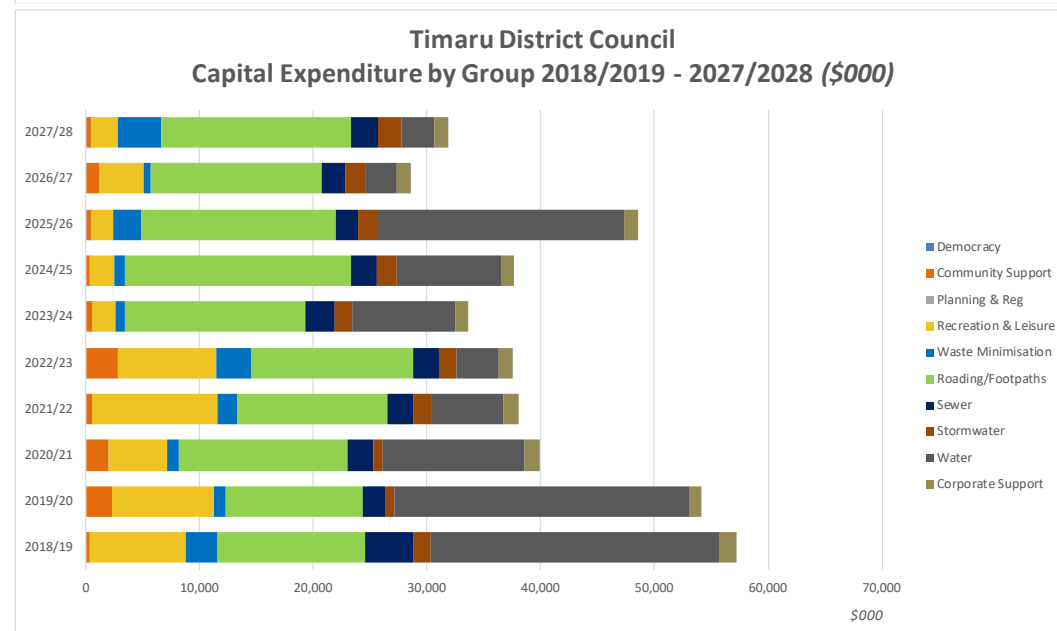
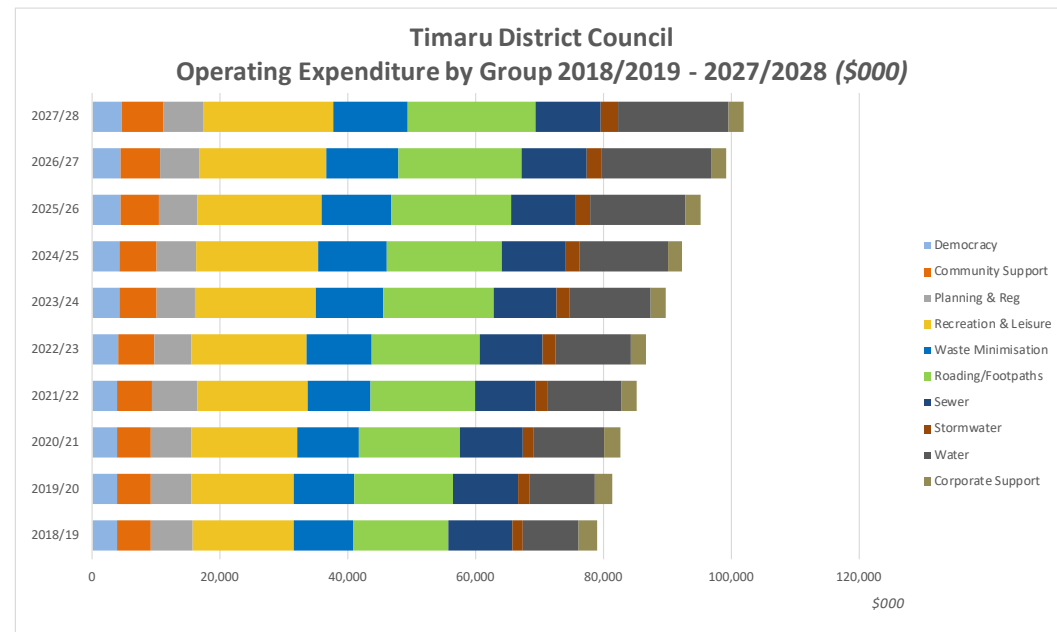
The next section summarises the key forecast financial numbers of Council over the LTP period.

Financial Strategy

Expenditure

Key points are:

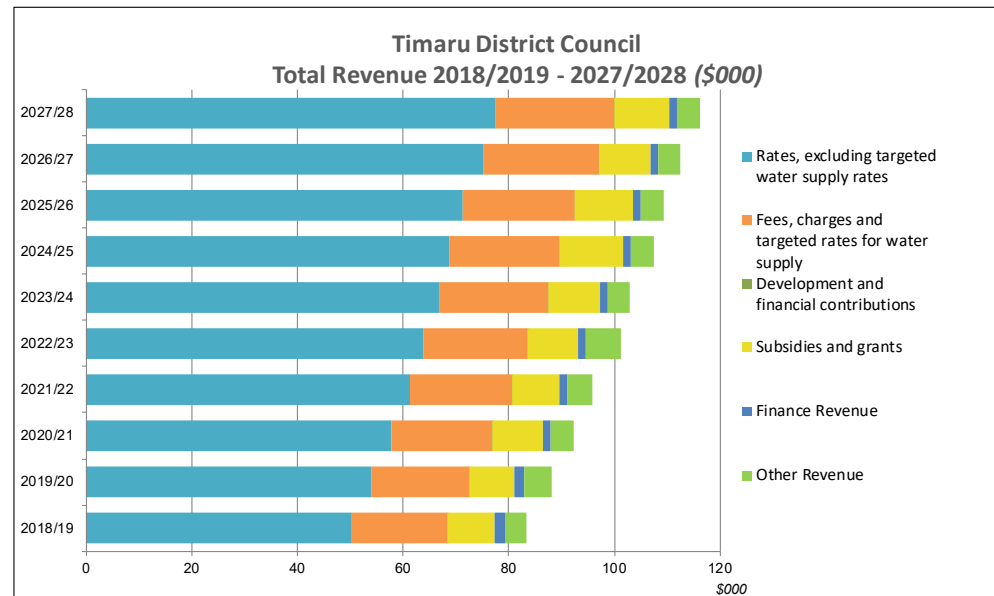
- In total, Council plans to spend over \$1.3 billion over the next ten years. The graph illustrates where this will be spent across Council activities.
- By far the majority will be spent on core services, such as roading, sewer and water supplies.
- Around \$893M will be spent on operating expenditure, costs associated with running the day to day of Council activities and facilities, such as maintenance, labour, depreciation, electricity and so on.
- Around \$407M will be spent on capital expenditure, such as replacing worn out pipes, new roads and building new facilities.



Revenue

Key points are:

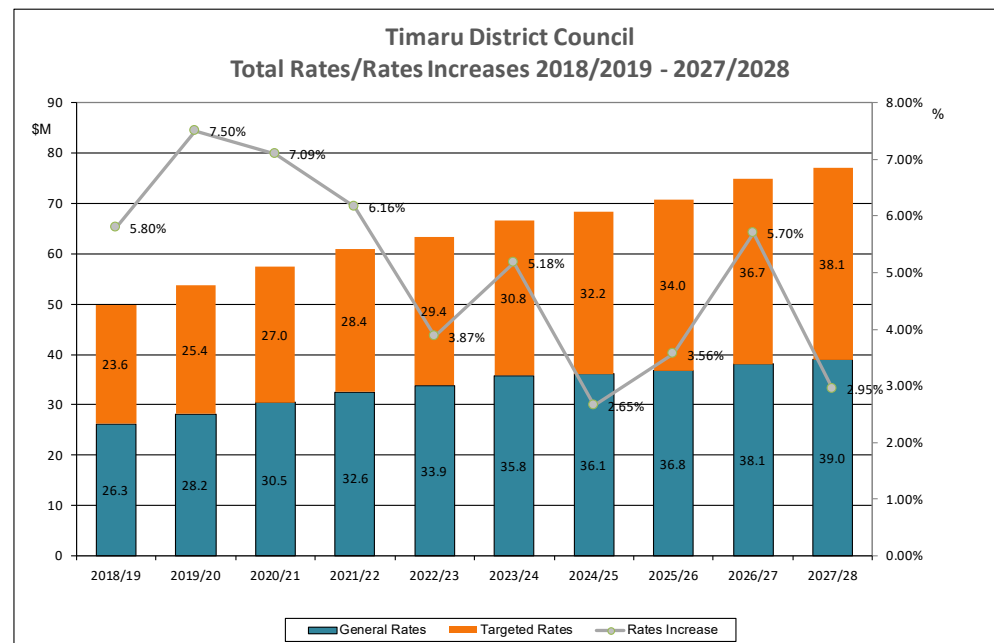
- A number of sources will be used to pay for Council expenditure.
- Rates will provide over half the funding annually.
- Other sources such as NZTA financial assistance, fees and charges (or revenue from exchange transactions), interest, dividends and other income will provide the remainder.
- Council's overall income and expenditure includes the annual impact of inflation, of around 2-2.7% annually based on Council assumptions



Rates

Key points are:

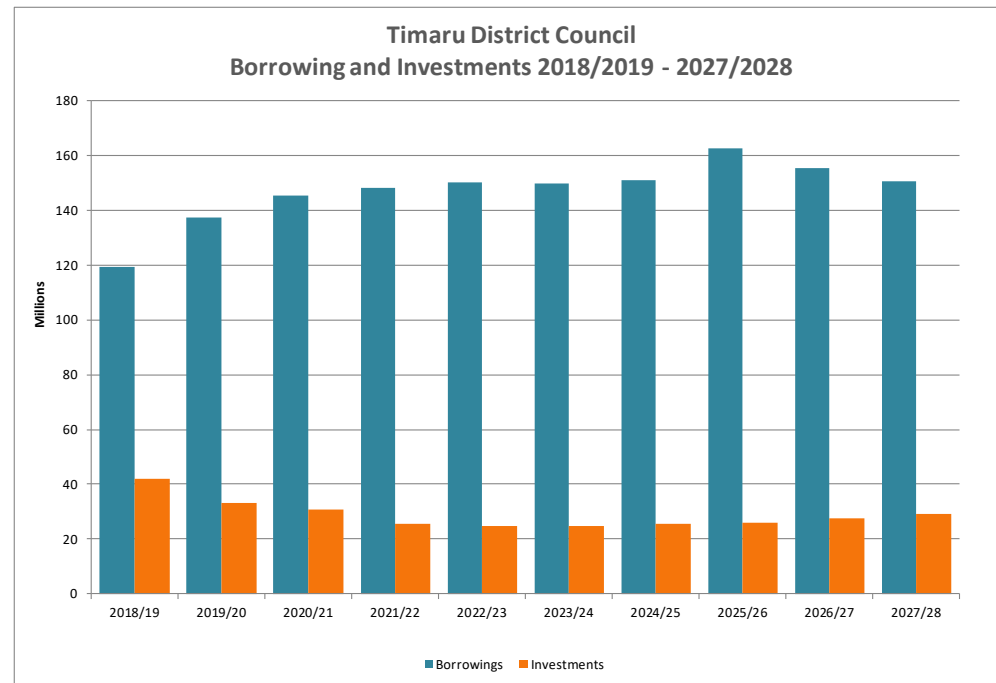
- Funding sourced from rates, will increase to around \$77M by 2027/28 (including the impact of inflation).
- Rates are forecast to rise over this period by 50%.
- Annual rate increases are forecast to vary between 2.6% to 7.5% over this period.
- Rates as a percentage of total Council income will vary between 60-66%.
- Targeted rates (e.g. Water supply charge, Sewer charge) will represent just under half of annual rates income, with General Rates (e.g. Uniform Annual General Charge, General Rate) covering the remainder



Borrowings and Investments

Key points are:

- Council debt will increase to around \$162M by 2025/26, and then will begin to reduce
- The value of Council investments will be \$40M, in 2018/19 and reduce to around \$29M in 2027/28
- During the 10 year period, the Council will remain within its ratios for borrowing relative to assets and revenue, and interest relative to revenue
- Debt is used to fund asset development expenditure proposed within the plan









The Breakdown - How will this affect you?

This graphic illustrates the impact of the overall increase in rates revenue for 2018/19.

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

For 2018/19, the rate increase is 5.80%. Your own individual rate increase will vary depending on:

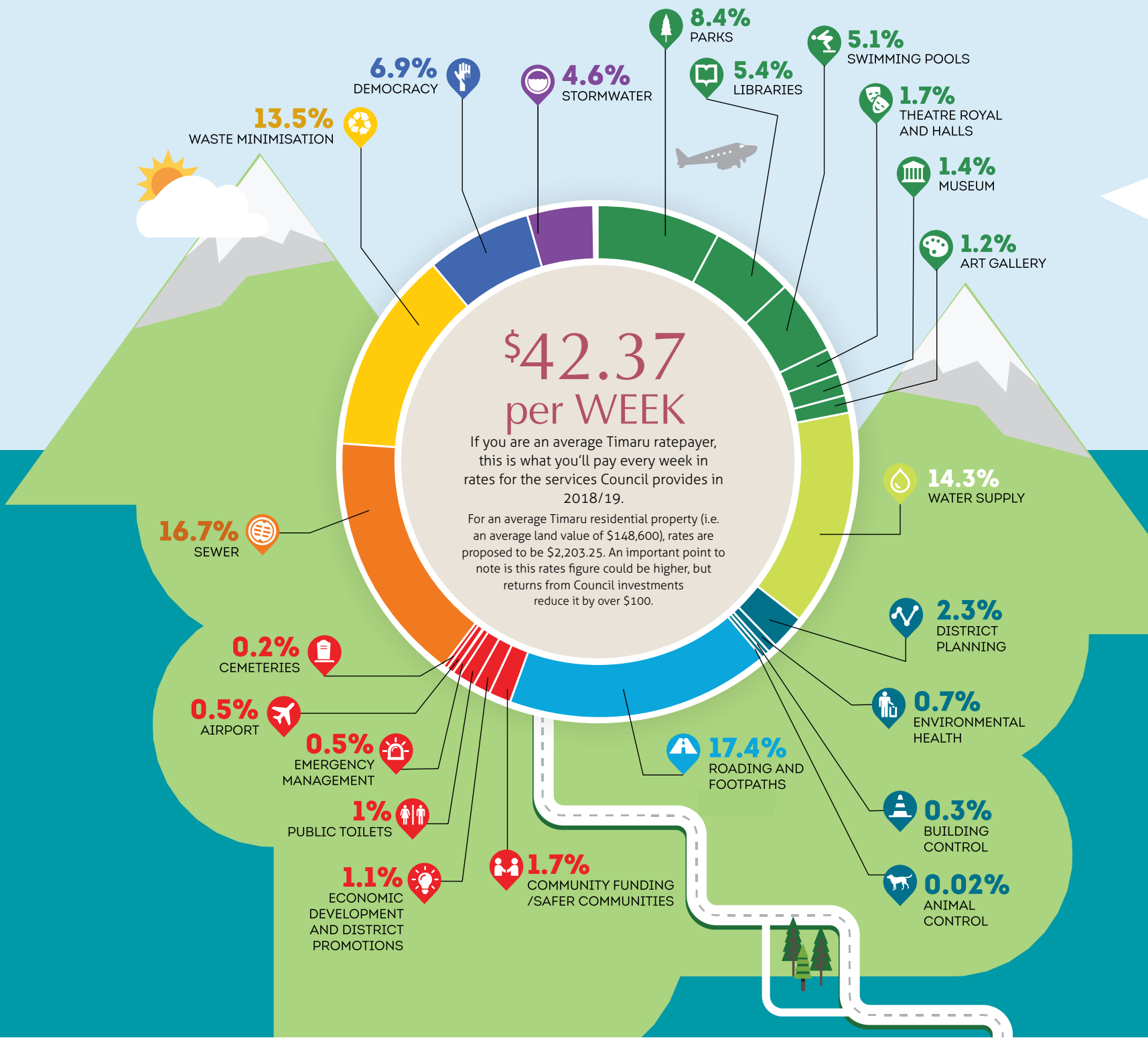
- Where you live in the district
- The services you receive
- The type and value of your property
- The impact of the changes agreed through the LTP

	 Geraldine	 Pleasant Point	 Temuka	 Timaru				
Land Value	\$166,400 <i>(Average)</i>	\$137,500 <i>(Average)</i>	\$105,600 <i>(Average)</i>	\$148,600 <i>(Average)</i>	\$389,900 <i>(Sample)</i>	\$1,493,800 <i>(Sample)</i>	\$3,898,800 <i>(Sample)</i>	\$403,600 <i>(Sample)</i>
General Rates (including UAGC)	\$1,076.36	\$1,007.00	\$930.44	\$1,033.64	\$1,144.88	\$2,469.56	\$5,355.56	\$4,547.52
Targeted Rates	\$1,221.60	\$980.88	\$1,236.50	\$1,169.61	\$19.50	\$74.69	\$194.94	\$1,513.86
Total Rates	\$2,297.96	\$1,987.88	\$2,166.94	\$2,203.25	\$1,164.38	\$2,544.25	\$5,550.50	\$6,061.38
Increase % over 17/18	5.36%	3.56%	6.24%	6.49%	7.20%	8.82%	9.58%	5.43%
Increase \$ over 17/18	\$116.88	\$68.28	\$127.24	\$134.21	\$78.24	\$206.25	\$485.16	\$312.38
Cost per week	\$44.19	\$38.23	\$41.67	\$42.37	\$22.39	\$48.93	\$106.74	\$116.57
Cost per day	\$6.30	\$5.45	\$5.94	\$6.04	\$3.19	\$6.97	\$15.21	\$16.61

All figures are GST inclusive

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

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



But what do you get for that money...?

You can see how this breaks down in the infographic, including all of the services you either directly receive, contribute towards or have available to you to use.

This is based on an overall rate take increase of 5.80% for 2018/19.

Group of Activities

- Recreation and Leisure
- Water Supply
- District Planning and Environmental Services
- Roading and Footpaths
- Community Support
- Sewer
- Waste Minimisation
- Democracy
- Stormwater

Timaru District, our Special Corner of the World

Geography & Climate

Timaru District covers 2,737 square kilometres of South Canterbury. Two rivers naturally define its northern and southern boundaries, the Rangitata and Pareora, with the district stretching along the gentle curve of the South Canterbury coastline. Timaru District is the fourth largest district by population and sixth largest by area in the Canterbury region. It has a population density of 16.5 persons per square kilometre. The district enjoys a temperate climate, with Timaru enjoying an annual average of around 1,826 hours of sunshine and 573mm of rain.

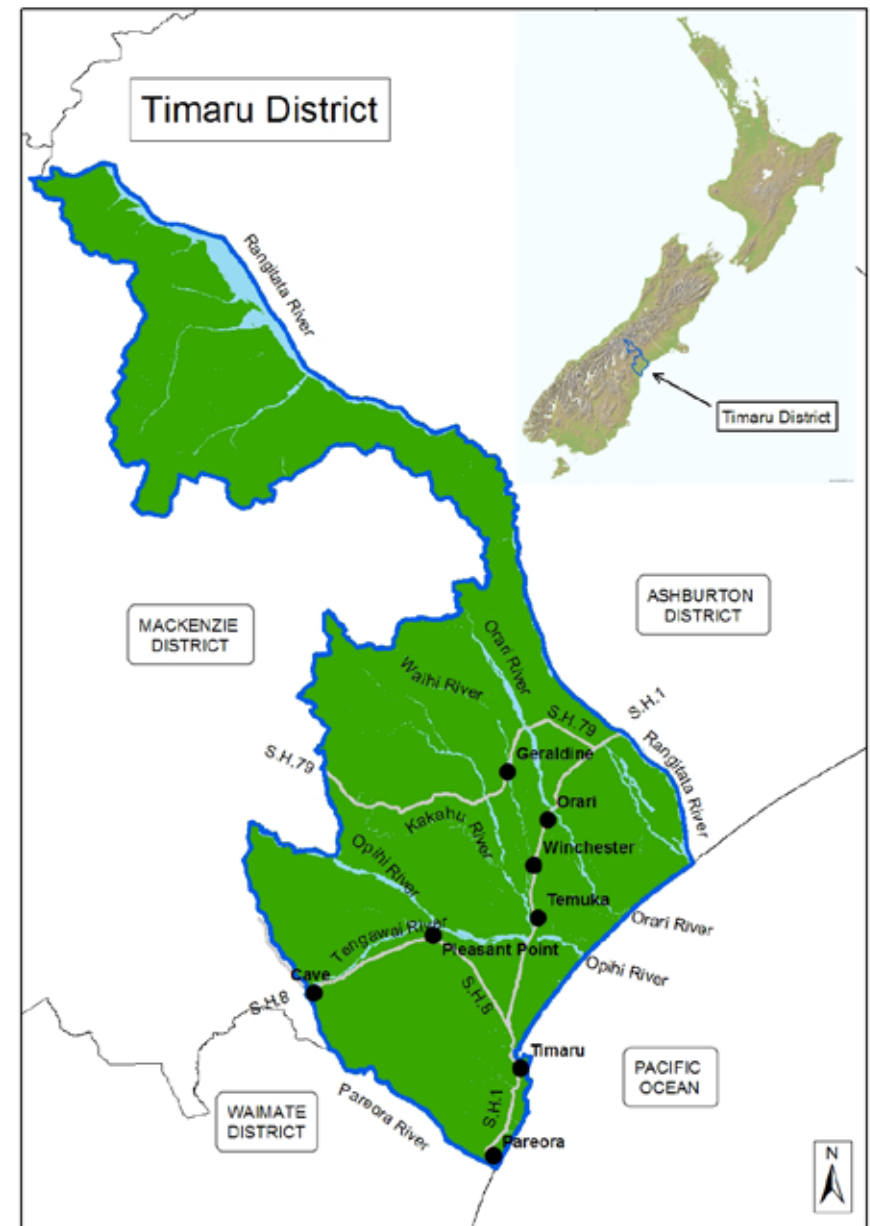
Demographics

The estimated resident population of the Timaru District as at June 2017 was 47,100. The 2013 Census population was 43,929. 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 update (released December 2016)



Timaru District, our Special Corner of the World

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

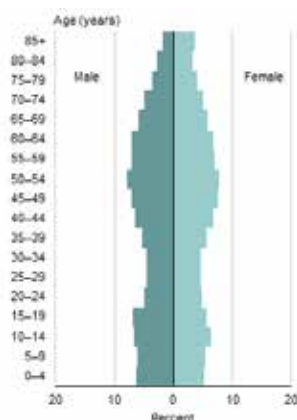
Cultural Diversity

Timaru District residents are:

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

Age-Sex Profile

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



Source: Statistics New Zealand

Household Composition

In Timaru District: 67.3% are one-family households (NZ: 68.3%) 28.4% are one-person households (NZ: 23.5%) The average household size is 2.3 people (NZ: 2.7 people) The medium scenario for the district's households project growth to 21,105 households in 2033 (+13.1%), peaking in 2043 at 21,451 households, and declining slightly to 21,355 by 2063. Households are expected to increase to 20,680 (+10.8%) by 2028 which includes the 2015-25 LTP period. The increase in family households is for primarily couples without children (i.e. couples

who do not yet have children, couples who do not/will not have children, couples whose children have left home). One-person households will increase, reflecting the structural ageing of the population.

Families

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

Work

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

Income

In Timaru District:

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

Economy

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

Employment in the district is strong, with the majority of people employed in manufacturing, health care and social assistance, retail trade, agriculture, forestry and fishing, and construction sectors. As at March 2018, there were approximately 5,589

businesses. The Agriculture, Forestry and Fishing industry sector accounts for around 22% of these businesses.

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

The latest Infometrics report for the quarter ended March 2018 shows progress for some key economic indicators, compared to the NZ situation.

Indicators	Timaru District	New Zealand
Annual average % change		
Gross Domestic Product	⬆ 2.2%	⬆ 2.7%
Traffic Flow	⬆ 1.3%	⬆ 2.0%
Residential Consents	⬇ -25%	⬆ 2.5%
Non-Residential Consents	⬇ -35%	⬆ 2.6%
House Prices*	⬆ 5.7%	⬆ 9.5%
House Sales	⬇ -12%	⬇ -15%
Guest Nights	⬆ 4.2%	⬆ 3.9%
Retail Trade	⬆ 4.5%	⬆ 4.5%
Car Registrations	⬆ 4.8%	⬆ 4.4%
Commercial Vehicle Registrations	⬆ 12%	⬆ 13%
Job Seekers Support	⬇ -5.9%	⬆ -0.5%
Tourism Expenditure	⬆ 6.1%	⬆ 9.3%

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

Timaru District, our Special Corner of the World

Communities

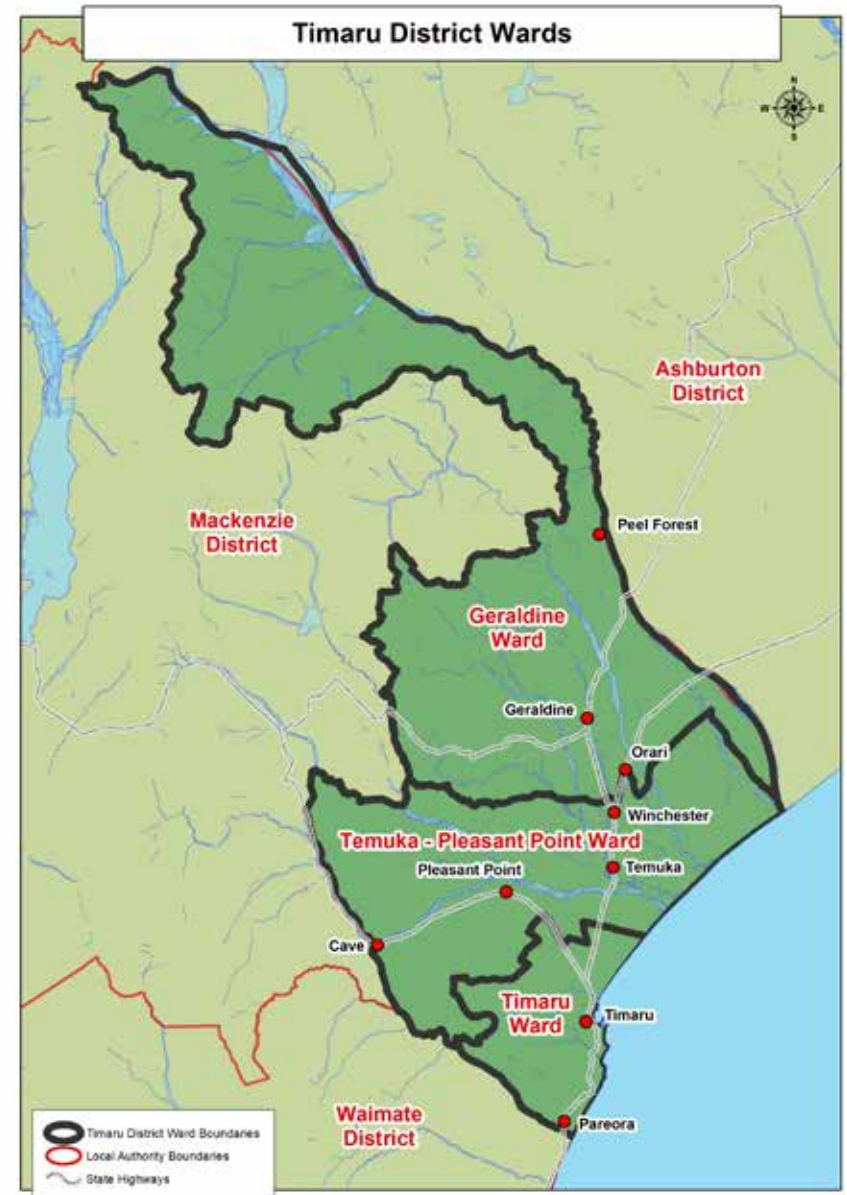
Timaru is the largest community, housing nearly two thirds (27,600 people) of the total population of the district. The next largest community is Temuka (4,120), followed by Geraldine (2,310) and Pleasant Point (1,220). Our communities are well serviced with education, health and recreational services along with a vast range of clubs and organisations. The South Canterbury District Health Board is the major health provider, with the Ara Institute providing tertiary educational services throughout the South Island.

Environment

The diverse landscapes of the Timaru District include rolling downlands, tussock land, coastal plains and wetlands, forest remnants, river gorges and rugged mountain ranges. The coastal plains to the north and downlands to the south are highly modified for intensive cropping, meat, wool and dairy production. Pasture and exotic woodlots dominate the modified hills and downs from Peel Forest to Cave, with occasional shrub and forest remnants. Limestone outcrops and volcanic sediment add to the diversity of the landforms.

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

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



Audit Opinion

To the reader: Independent auditor's report on Timaru District Council's 2018-28 Long-Term Plan

AUDIT NEW ZEALAND
Mana Arotake Aotearoa

I am the Auditor-General's appointed auditor for Timaru District Council (the Council). Section 94 of the Local Government Act 2002 (the Act) requires an audit report on the Council's long-term plan (the plan). Section 259C of the Act requires a report on disclosures made under certain regulations. We have carried out this work using the staff and resources of Audit New Zealand. We completed our report on 26 June 2018.

Opinion

In my opinion:

- the plan provides a reasonable basis for:
 - long-term, integrated decision-making and co-ordination of the Council's resources; and
 - accountability of the Council to the community;
- the information and assumptions underlying the forecast information in the plan are reasonable; and
- the disclosures on pages 250 to 253 represent a complete list of the disclosures required by Part 2 of the Local Government (Financial Reporting and Prudence) Regulations 2014 (the Regulations) and accurately reflect the information drawn from the plan.

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

Basis of opinion

We carried out our work in accordance with the International Standard on Assurance Engagements (New Zealand) 3000 (Revised): Assurance Engagements Other Than Audits or Reviews of Historical Financial Information. In meeting the requirements of this standard, we took into account particular elements of the Auditor-General's Auditing Standards and the International Standard on Assurance Engagements 3400: The Examination of Prospective Financial Information that were consistent with those requirements.

We assessed the evidence the Council has to support the information and disclosures in the plan and the application of its policies and strategies to the forecast information in the plan. To select appropriate procedures, we assessed the risk of material misstatement and the Council's systems and processes applying to the preparation of the plan.

Our procedures included assessing whether:

- the Council's financial strategy, and the associated financial policies, support prudent financial management by the Council;
- the Council's infrastructure strategy identifies the significant infrastructure issues that the Council is likely to face during the next 30 years;
- the information in the plan is based on materially complete and reliable information;
- the Council's key plans and policies are reflected consistently and appropriately in the development of the forecast information;

- the assumptions set out in the plan are based on the best information currently available to the Council and provide a reasonable and supportable basis for the preparation of the forecast information;
- the forecast financial information has been properly prepared on the basis of the underlying information and the assumptions adopted, and complies with generally accepted accounting practice in New Zealand;
- the rationale for the Council's activities is clearly presented and agreed levels of service are reflected throughout the plan;
- the levels of service and performance measures are reasonable estimates and reflect the main aspects of the Council's intended service delivery and performance; and
- the relationship between the levels of service, performance measures, and forecast financial information has been adequately explained in the plan.

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

Responsibilities of the Council and auditor

The Council is responsible for:

- meeting all legal requirements affecting its procedures, decisions, consultation, disclosures, and other actions relating to the preparation of the plan;

- presenting forecast financial information in accordance with generally accepted accounting practice in New Zealand; and
- having systems and processes in place to enable the preparation of a plan that is free from material misstatement.

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

Independence

In carrying out our work, we complied with the Auditor-General's:

- independence and other ethical requirements, which incorporate the independence and ethical requirements of Professional and Ethical Standard 1 (Revised); and
- quality control requirements, which incorporate the quality control requirements of Professional and Ethical Standard 3 (Amended).

Other than our work in carrying out all legally required external audits, we have no relationship with or interests in the Council or any of its subsidiaries.



Ian Lothian

Audit New Zealand

On behalf of the Auditor-General, Christchurch, New Zealand





COUNCIL ACTIVITIES

Groups of Activities

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

A roadmap of the information within this section can be found on the following pages.

GROUP OF ACTIVITIES	ACTIVITIES	
Democracy	Democracy	
Community Support	Airport Community facilities (includes Public Toilets, Cemeteries) Community Funding	Economic Development and District Promotions Emergency Management Safer Communities Social Housing
District Planning and Environmental Services	Building Control District Planning	Environmental Compliance (includes 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 Aquatic Centre, Swimming Pools, Southern Trust Events Centre)
Roading and Footpaths	Roading and Footpaths (includes Parking Facilities, Cycleways, Walkways)	
Waste Minimisation	Waste Minimisation	
Sewer	Sewer	
Stormwater	Stormwater	
Water Supply	Water Supply	

Section Road Map

What we don't

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

The elected members of Council set direction, lead and make decisions. This is focused around progressing towards Council's Vision and Community Outcomes with the overall aim of providing a high quality of life for all.

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

Key to the Governance and Leadership activity are the following:

- Advocacy issues that affect the district
- Allocating funding to Council activities
- Consultation with the community
- Communicating facilities, policy and activities to community and stakeholders
- Developing and implementing strategy and policy
- Civil functions, such as (statutory ceremonies, award ceremonies and awards)
- Elections and Representation review
- Governance strategy (governance functions (e.g. Standing Orders, Delegation Registers))
- Partnering with external agencies
- Performance, planning and accountability
- The development and adoption of any Council planning and governance documents (e.g. the Local Plan, Annual Plan and the Annual Report)
- Maintenance of Sister City relationships with USA, Japan, Wuxi (China), Guangzhou (Australia) and Chengdu (China)
- Oversight of members of the Council's committees

What we do

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

► Why we do it

As a statutory body, Council exists to meet the purpose of local government, as set out in Section 20 of the Local Government Act 2002: "to enable democratic local decision making and by, and on behalf of, communities; and to meet the current and future needs of communities for good quality local infrastructure, local public services, and performance of regulatory functions in a way that is most cost effective for households and businesses".

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

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

Why we do it

This outlines the reasons for our involvement with each activity. It particularly focuses on the contribution each activity makes to improving the community. It also covers the various legislative requirements that each activity must meet where applicable.

Democracy

How this Group contributes to the Strategic Direction
Activities within this Group contribute directly to the following Corporate Business

How the Brainworks Activity contributes towards Core2's Strategic Priorities

[illegible]

10. <http://www.fishbase.org>

Contribution to Community Outcomes

These symbols indicate which community outcomes activities within the Group primarily contribute towards.

Contributions to Councils Strategic Priorities

This table shows how the activities within the group contribute to Council's strategic priorities. It explains what we are aiming to provide, as well as what we do and how we do it.

→ Democracy

[illegible]

Effects on community wellbeing

This table details the negative effects that the activity may have on community wellbeing, and which aspect of community wellbeing may be affected – economic, environmental, cultural or social. The table also summarises what the Council will seek to do to mitigate or address these effects.

Section Road Map

Key Issues for next 10 years

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

Some of the projects and larger issues facing the entity are summarised below.

Electoral Plan Review

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

Service Review

Local Government Act 2002 Section 27A came into being in August 2004. Section 27A requires a local authority to review all contracts to ensure that they are cost effective in terms of meeting the needs of the community for good quality infrastructure, local public services and performance of regulatory services. A programme of review will be completed by October 2018.

Legislative Changes

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

Council has a long planned long term for infrastructure. However the changes to the LGA have now forced us to

Democracy

Levels of Service and Performance Measures

Level of Service	Performance Measure	Target	Year 1 - 2018/19	Year 2 - 2019/20	Year 3 - 2020/21
Rate of Council	Rate of Council	Rate of Council	Rate of Council	Rate of Council	Rate of Council
Rate of Council	Rate of Council	Rate of Council	Rate of Council	Rate of Council	Rate of Council
Rate of Council	Rate of Council	Rate of Council	Rate of Council	Rate of Council	Rate of Council
Rate of Council	Rate of Council	Rate of Council	Rate of Council	Rate of Council	Rate of Council

This table is a summary of the data and is not intended to be used for comparison.

How this activity is funded

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

Source	Amount	Percentage
General Rate	100,000	100%
Other Sources	0	0%

For further information on how this activity is funded, refer to the Revenue and Funding Policy and Funding Report Document.

11. Information on Council Long Term Plan 2018-2028: Council Activities

Community Support

Projects

Project Name	Description	Start Date	End Date	Amount	Percentage
Project 1	Project 1 Description	2018/19	2019/20	100,000	100%
Project 2	Project 2 Description	2019/20	2020/21	100,000	100%
Project 3	Project 3 Description	2020/21	2021/22	100,000	100%
Project 4	Project 4 Description	2021/22	2022/23	100,000	100%
Project 5	Project 5 Description	2022/23	2023/24	100,000	100%

12. Information on Council Long Term Plan 2018-2028: Council Activities

Key Issues

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

Levels of service and how we measure them

Outlined here are the key levels of service the Council will deliver. This table also includes our performance measures and the targets the Council will aim for.

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

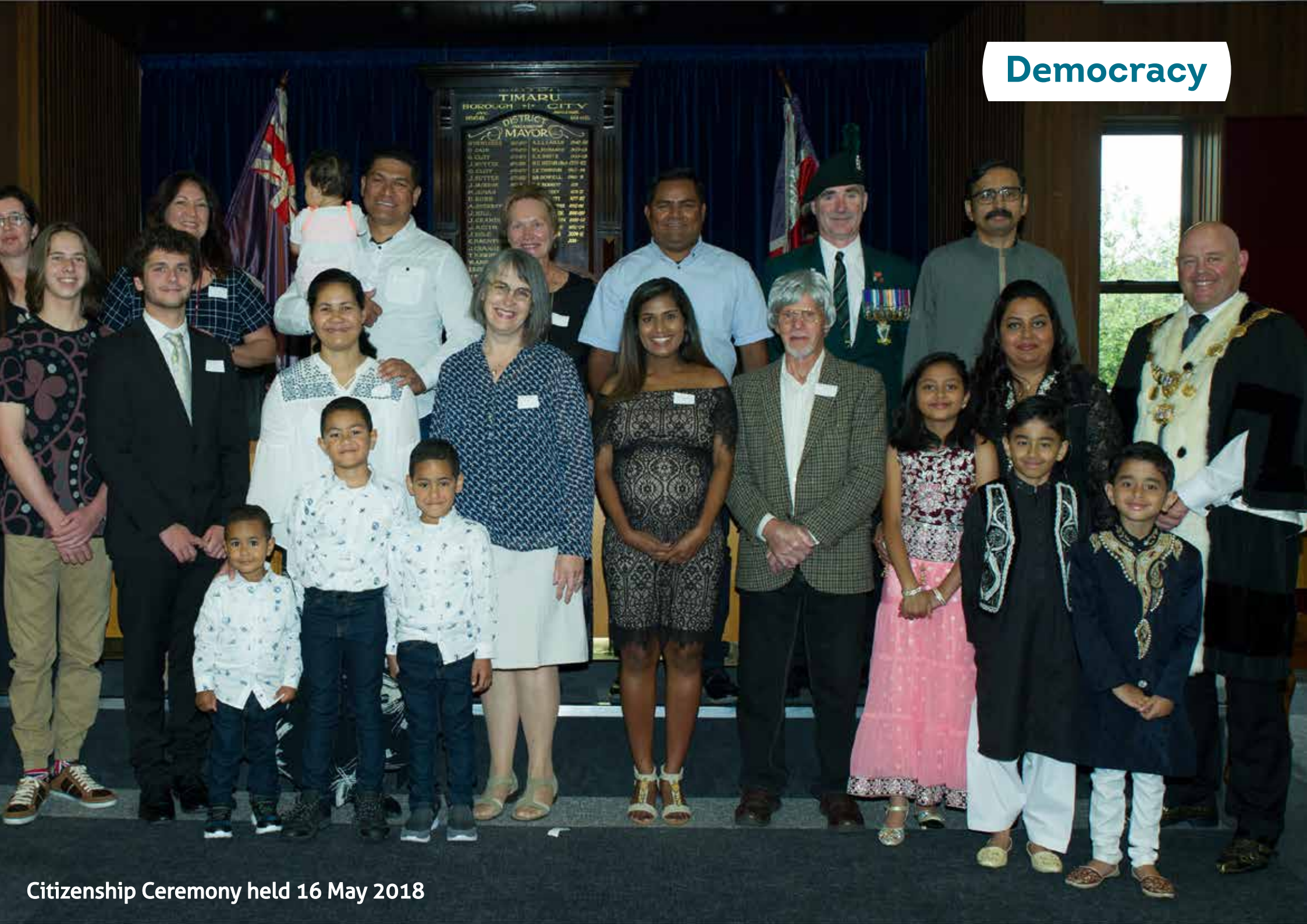
The Council's performance measurement framework includes both factual and perception based measures. Factual measures are generally sourced from Council systems.

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

Copies of survey results are available on the Council's website.

Projects

A summary of the major capital projects planned over the next 10 years.



Citizenship Ceremony held 16 May 2018

Democracy

What we do

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

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

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

The key functions 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 the 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 the Council operation.

Why we do it

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

The Council's vision of Fantastic Lifestyle – Strong Identity – Thriving Economy – Inspiring Leadership focuses on progressing the district and making it a great place to live, work and do business. Identified Community Outcomes and Strategic Priorities outline specific areas Council will focus on as it works towards achieving its vision.

Council also aims to find the right balance between continuously improving Timaru District communities, listening and responding to community needs and expectations, and complying with a host of government legislation, while maintaining affordable services.

Council decisions and policy have many beneficial impacts on community well-being by providing good quality infrastructure and local public services,

Democracy

How this Group contributes to the Strategic Direction

Activities within this Group contribute primarily towards the following Community Outcomes:



How the Democracy Group contributes to Council's Strategic Priorities

Strategic Priority	What we'll aim for	What we'll do and how we'll do it
Invest in our community	<ul style="list-style-type: none"> ■ A robust plan for the District's future and Council's role in that future ■ People and communities that are represented and community views are heard ■ Affordable service provision ■ Responsive and efficient Council services ■ Effective engagement with the community ■ Council representation on community groups 	<p>Listed below is a summary of the main areas of work within this Group:</p> <ul style="list-style-type: none"> ■ Lead, govern and make decisions about the overall direction of the Council on behalf of the community ■ Prepare and adopt statutory accountability documents (e.g. Annual Report, Long Term Plan) ■ Conduct elections every three years and by-elections as required ■ Conduct Representation Reviews every six years ■ Review the Triennial Agreement following Council elections ■ Meet other statutory requirements as required (e.g. Local Government Official Information and Meetings Act) ■ Conduct regular Council, Community Board and Standing Committee meetings ■ Develop and grow relationships with the district's mana whenua ■ Advocate on district issues on behalf of the community ■ Maintain, collaborate and develop relationships and partnerships with other agencies and community organisations to provide solutions to district issues ■ Provide opportunities for community engagement, including informal and formal consultative processes, such as Special Consultative Procedures (SCP's), and two yearly community survey ■ Communicate with the community regarding Council plans and work via a range of tools including the Council website and facebook page, face to face meetings and a range of printed media ■ Maintain a structured and proactive media presence to communicate with the community ■ Review, develop and adopt existing and new policy for issues as they arise, including rating, financial policies and strategy reviews ■ Monitor the performance of the overall Council operation and Council Controlled Organisations ■ Build Sister City relationships ■ Conduct the District Plan review ■ Develop and maintain clean air partnerships ■ Redeveloping and enhancing infrastructure and community facilities ■ Support and facilitate district development opportunities
Promote integrated, highly liveable communities	<ul style="list-style-type: none"> ■ Digital connectivity ■ Better urban air quality ■ Fit for purpose community facilities 	
Support areas of economic and district strength	<ul style="list-style-type: none"> ■ Council processes that are easy for business ■ Advocacy on key issues, government plans and policy impacting on the district 	
Ensure critical infrastructure meets community needs	<ul style="list-style-type: none"> ■ Infrastructure that meets community needs 	

Democracy

Effects on community wellbeing

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

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

Key issues for the next 10 years

The key issues and major projects proposed over the next 10 year period are discussed under each of the Activity sections in this Long Term Plan. These require input from elected members of Council to make decisions in the best interests of the community they represent.

Balancing community expectations

Council continues to face challenges of community expectations for increased levels of service, doing more with less money in the face of increasing costs, and legislative changes increasing budgetary pressures on local government. Over the next 10 year period decisions will be required on issues such as upgrading cultural facilities, replacing aging infrastructure, meeting environmental requirements, enhancing drinking water, dealing with earthquake prone buildings and reviewing the District Plan. This will involve balancing community expectations with legislative and budgetary requirements.

Legislative Changes

A number of recent legislative changes, and impending changes that have been signalled by government place new requirements on Council. One of the most significant is new legislation regarding earthquake prone buildings – this affects Council as a building owner, and also requires Council to adopt a new role in terms of inspection and monitoring of buildings under legislation.

The Resource Legislation Amendment Act has introduced new requirements to the resource consent process and has changed aspects of the District Plan review.

With the change of government in late 2017 a number of other legislative and policy changes have been signalled, including water supply, environmental standards, and civil defence and emergency management.

District Plan Review

The District Plan Review is a major focus for elected members over the next 3 years. The Timaru District Plan is one of the key planning documents setting direction for planning our district's future. It provides rules and guidelines for the proper management of land use, development, amenity and the protection of land and associated natural and physical resources. The Resource Management Act (RMA) requires Councils to review their District Plan every ten years. The review commenced in 2015/16 and will take ten years to complete. It involves consultation with the community and stakeholders as it strives to find the right balance between community, business and environmental needs within the legislative requirements. Changes to the RMA have meant changes are required to the review approach.

Democracy

Levels of Service and Performance Measures

Levels of Service		Performance Measure	Targets	
			Year 1 – 3 target: 2018/19-2020/2021	Year 4 – 10 target: 2021/22 – 2027/28
1.	Make decisions in an open, transparent manner	Proportion of main items held in open meetings ¹	≥ 90% main business items held in open meeting	≥ 90% main business items held in open meeting
		Resident satisfaction with influence on Council decision making	Resident satisfaction level of 50% or greater	Resident satisfaction level of 50% or greater
2.	Provide leadership on issues affecting the district	Resident satisfaction with Council's leadership	Resident satisfaction level of 65% or greater	Resident satisfaction level of 70% or greater
3.	Communicate with the community on topics of interest	Resident satisfaction with how well Council keeps public informed and involved in decision making	Resident satisfaction level of 65% or greater	Resident satisfaction level of 70% or greater
4.	Monitor the Council organisation's performance	Clear audit opinion for Long Term Plan and Annual Report	Unmodified opinion received	Unmodified opinion received
5.	Meet our statutory and legislative obligations	Compliance with LGA Planning and Accountability requirements	Statutory Local Government Act Planning and Regulatory requirements are achieved	Statutory Local Government Act Planning and Regulatory requirements are achieved

¹ This refers to the main business topics on the full Council and four Standing Committee agendas

How this activity is funded

Operating expenditure for activities within the Democracy group is funded through the following mechanisms:

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

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

Democracy

Funding Impact Statement

	Budget 2017/18 \$'000	Budget 2018/19 \$'000	Budget 2019/20 \$'000	Budget 2020/21 \$'000	Budget 2021/22 \$'000	Budget 2022/23 \$'000	Budget 2023/24 \$'000	Budget 2024/25 \$'000	Budget 2025/26 \$'000	Budget 2026/27 \$'000	Budget 2027/28 \$'000
Sources Of Operating Funding											
General Rates, Uniform annual general charges, rates penalties	3,916	3,957	3,948	3,970	3,965	4,038	4,291	4,215	4,394	4,588	4,615
Targeted Rates (other than a targeted rate for water supply)											
Subsidies and grants for operating purposes											
Fees charges and targeted rates for water supply	3	3	3	3	3	3	3	3	3	3	3
Internal charges and overheads recovered											
Local authorities fuel tax, fines, infringement fees and other receipts											
Total Operating Funding	3,918	3,959	3,951	3,973	3,968	4,041	4,294	4,218	4,397	4,591	4,618
Applications Of Operating Funding											
Payments to staff and suppliers	1,331	1,219	1,304	1,320	1,279	1,402	1,448	1,334	1,537	1,521	1,493
Finance costs											
Internal charges and overheads applied	2,236	2,709	2,686	2,592	2,660	2,713	2,785	2,856	2,935	3,010	3,097
Other operating funding applications											
Total Applications Of Operating Funding	3,567	3,928	3,990	3,912	3,939	4,116	4,233	4,190	4,472	4,531	4,590
Surplus/(Deficit) Of Operating Funding	351	31	(39)	61	28	(75)	60	28	(75)	60	28
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	0	0	0	0	0	0	0	0
Applications Of Capital Funding											
Capital expenditure											
- to meet additional demand											
- to improve the level of service											
- to replace existing assets											
Increase/(decrease) in reserves	351	31	(39)	61	29	(75)	60	28	(75)	60	28
Increase/(decrease) of investments											
Total Applications Of Capital Funding	351	31	(39)	61	29	(75)	60	28	(75)	60	28
Surplus/(Deficit) Of Capital Funding	(351)	(31)	39	(61)	(29)	75	(60)	(28)	75	(60)	(28)
Funding Balance	0	0	0	0	0	0	0	0	0	0	0

Community Support



Community Support

What we do

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

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

Airport

The Council manages the Richard Pearse airport located approximately 10 kilometres northwest of Timaru. The airport provides a key business and community link from the district to Wellington with daily return flights. The Council owns and manages the asset – the main airport facility, including the terminal building and runway. Council is responsible for ensuring the airport is run to legislative and Civil Aviation rules and provides other services such as car parking and land for lease to commercial and private aircraft hangars and aviation orientated industry.

Community Facilities

Community Facilities includes cemeteries and public toilets. Council currently operates eight cemeteries for burial and cremation interments at Timaru, Temuka, Pleasant Point, Geraldine, Arundel, Woodbury, Mesopotamia and Pareora West. The day to day maintenance and interments at Mesopotamia and Woodbury cemeteries are managed by local communities.

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

Community Funding

Community Funding involves assisting groups with projects and activities through various Council funding schemes, where they comply with Council policies. Council policy is focused on local

events, rural community halls, museums and community services and on substantial donations or loans for improved or new facilities. Funding support is also provided to community groups through low interest loans. Council administers the Creative Communities Scheme supported by Creative NZ. This activity also includes internal grants for rate remissions, a sport and recreation sewer charge and over 65's and over 80's swimming concessions.

Economic Development and District Promotions

This activity is concerned with promoting and assisting economic development and visitor opportunities in the district.

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

A specific economic development component is delivered in partnership with a Council Controlled Organisation (CCO), Aoraki Development.

Key objectives for Aoraki Development include actively attracting and assisting the establishment of new business, assisting businesses to retain and attract a skilled workforce, encouraging new opportunities and facilitating the growth of existing businesses.

The District Promotions component, called Aoraki Tourism, is delivered via contract. The principal objective of the contract is to lead, coordinate and promote the Timaru District's visitor industry.

Emergency Management

Communities that are safe, vibrant and growing are the cornerstone of emergency management. Developing resilient communities in an effective, adaptable and sustainable way is achieved through the '4Rs': Readiness, Reduction, Response and Recovery. Timaru District Council is an active member of the Canterbury Civil Defence Emergency Management Group (CDEM) and closely coordinates with neighbouring local authorities and other agencies to deliver services. By coordinating with partner emergency, health and welfare agencies, emergency events can be managed more effectively and in a manner that the community can support. Council works with communities in

writing community and agency response plans, facilitating strong communication networks, and providing best practice training for volunteers and staff.

Safer Communities

The Safer Communities activity helps to enhance the safety of the community, both now and in the future. It includes:

- Project Turnaround - A Restorative Justice programme funded by the Ministry of Justice
- Safer Communities - Targeted programmes, such as dealing with graffiti, run in conjunction with strategic partners with the aim of helping to reduce crime, raise awareness of issues and facilitate communication.

Social Housing

Council has 236 social housing units that fill a need in the community for quality but affordable housing for those in need. This compliments other rental property provided by central government community housing, rest homes and the private sector. Demand for the units is high, with an occupancy rate of 95%+ and a large waiting list. A comprehensive social housing policy sets the criteria for tenant selection, and requires the activity to be self-funding without any rates input.

Community Support

Why we do it

Community Support contributes to all aspects of the Council's Strategic Direction. This group primarily includes activities that 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
- individuals and communities be prepared and resilient in times of adversity

Airport

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

Community Facilities

Cemeteries and Public Toilets are essential community facilities expected by district residents and visitors. Public Toilets are important to maintain public health and correct disposal of human waste. High profile public toilets can help create a good impression for visitors to the district.

Local authorities have a legal obligation under the Burial and Cremations Act 1964 to ensure sufficient cemeteries are provided. Cemeteries provide spaces for remembrance of loved ones and an important historical record for future generations. They also ensure public health is maintained through proper burial. Cemeteries provide some amenity values through their preservation as parkland once they have reached capacity.

Community Funding

Where Council policy criteria is met, community funding supports the provision of events, services and facilities that help meet the community's social and cultural needs, and enhance the district's

identity.

Economic Development and District Promotions

Economic development enables people and communities to improve their standard of living and lifestyle. This activity helps create a vibrant and innovative business community by facilitating the creation of employment and business opportunities, encouraging and supporting business enterprise and innovation and promoting a positive profile for the district that will help attract visitors, events and investment.

Emergency Management

Emergency Management is concerned with safeguarding life and property through providing a coordination role in the preparation for, response to, and recovery from emergencies. Resilient communities are developed by identifying and understanding the risks from natural hazards and reducing those risks where possible.

Council works with communities and individuals through public education, Civil Defence training for volunteers and staff, relationship building and establishment of communications networks that will function in adverse conditions.

Council's emergency management role and responsibilities are formally identified in the Civil Defence Emergency Management Act 2002.

Safer Communities

Safer Communities aims to enhance the safety of people in the Timaru district, both now and in the future. It encourages a coordinated approach to emerging district crime issues. This increases community participation, ownership and involvement in these issues, enabling effective local solutions to be developed and implemented.

Council also contributes financially towards services for "At Risk" youth via a partner agency. Working together with other agencies means strategies for reducing rates of youth crime can be implemented.

Restorative justice is a proven tool for reducing offending and improving outcomes for victims of crime.

The Safer Community activity also contributes to maintaining and improving the image and perception of the district, both through physical actions such as graffiti removal and through addressing issues that could damage the district's reputation.

Social Housing

Social housing fills a need for quality housing units that are comfortable and affordable. Provision of these services reflects a community that cares for its most vulnerable citizens.

Community Support

How this Group contributes to the Strategic Direction

Activities within this Group contribute primarily towards the following Community Outcomes:



How the Community Support Group contributes to the Council's Strategic Priorities

Strategic Priority	What we'll aim for	What we'll do and how we'll do it
Invest in our community	<ul style="list-style-type: none"> ■ Strong communities that are nurtured through leadership, partnership, and advocacy ■ Partnerships that improve community wellbeing ■ Positive social outcomes for the district ■ Safe communities ■ Strong, resilient communities ■ Affordable housing for our most vulnerable residents 	<p>Listed below is a summary of the main areas of work within this Group:</p> <ul style="list-style-type: none"> ■ Support community partnerships and programmes ■ Support Safer Communities projects and Youth-at-risk initiatives ■ Promote restorative justice in the community through Project Turnaround ■ Provide emergency management training for volunteers and council staff ■ Inter-agency planning, training and exercises for emergency management ■ Work with partner agencies to identify hazards that affect our communities. ■ Conduct planning and media campaigns to educate and inform individuals and communities about the risks they face, to encourage self-resilience ■ Develop and review the Civil Defence Emergency Management Plan ■ Assist communities in understanding the hazardscape they live in to encourage and enable them to develop appropriate community response plans ■ Monitor hazard information (e.g FENZ weather station) and events as they progress and maintain networks that provide timely information to communities and partner agencies ■ Implement the District Economic Development Strategy ■ Provide funding and support for economic development and district promotions ■ Monitor delivery of services in line with the Aoraki Development Statement of Intent and District Promotions contract requirements ■ Maintain a business friendly Council approach to customer relationships ■ Ensure economic development is a high priority in decision-making ■ Proactively facilitate and assist business development through Council processes ■ Maintain district cemeteries and provide sufficient cemetery plots and beams for interments ■ Maintain an electronic cemetery database ■ Provide and maintain public toilets ■ Manage community facilities contracts, including contracts for regular maintenance and cleaning ■ Provide a 24-7 Customer Service Request System for the public to notify Council of any shortfall in services/damage ■ Provide, operate and maintain Timaru Airport facilities
Promote integrated, highly liveable communities	<ul style="list-style-type: none"> ■ A commercially vibrant Timaru central business district ■ Vibrant and compact village centres in smaller communities ■ Coordinated CDEM partner agencies ready to respond to emergency events 	
Support areas of economic and district strength	<ul style="list-style-type: none"> ■ Areas of economic strength that are thriving and maximising local economic growth ■ Training and employment opportunities and initiatives ■ Business innovation and success that is celebrated and supported ■ Strong advocacy in areas that maximise economic opportunity and benefits for the district ■ A strong Timaru District identity and support for those who contribute to this ■ Maximising benefits from visitors to the district ■ Communities that treasure and support their diversity and heritage 	

Community Support

Strategic Priority	What we'll aim for	What we'll do and how we'll do it
Ensure critical infrastructure meets community needs	<ul style="list-style-type: none"> ■ A commercially functional and viable airport in Timaru District 	<ul style="list-style-type: none"> ■ Retain Civil Aviation Authority (CAA) accreditation by satisfying annual audit requirements ■ Manage the Council's social housing portfolio including building maintenance and managing the waiting list in accordance with eligibility criteria ■ Promote and manage the Council's community funding schemes, community loans and the Creative Communities scheme



Community Support

Effects on community wellbeing

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

Effect	Type of effect	How Council intends to mitigate effect
Airport		
Noise nuisance caused by airport activities to surrounding landowners	Social Environmental	Monitor activities according to standards defined in the District Plan and respond to complaints
Deterioration of airport structures and facilities	Environmental	Facilities maintained to defined standards, guidelines and policies. Funding will be maximised to ensure appropriate maintenance of the airport facilities and structures
Community Facilities		
Rural public toilets can impact on the environment through wastewater contamination	Environmental	Rural toilets with ageing septic tanks are being replaced with self-contained Envirotilets. To date several septic tanks have been replaced, improving the service considerably
Public toilets can be targets for vandalism and antisocial behaviour, causing significant cost to Council	Social Economic	Anti-graffiti paint, security cameras, gating and locking toilets in recurring vandalised areas will be used as necessary
New public toilet blocks and cemeteries can be regarded as unwelcome by neighbouring property owners	Social	New toilet blocks to be constructed as far away as is practical from urban housing. Where possible screening from neighbouring properties will be provided. Consent requirements for a new cemetery will require effects on neighbouring properties to be mitigated
Cemeteries can potentially cause contamination of waterways	Social Environmental	Consents require cemetery developments to be set back an appropriate distance from watercourses. Plantings and integration of cemeteries into the local environment to improve their aesthetics.
Community Funding		
Funding is limited and not all organisations can benefit	Cultural Social Economic	Criteria are clearly outlined in Council's Donations and Loans Policy. The policy is continually reviewed to ensure criteria remain relevant
May lead to a culture of reliance on Council funding	Social	All applications are considered individually by Council committees and there is no certainty of ongoing funding for applicants

Community Support

Effects on community wellbeing

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

Effect	Type of effect	How Council intends to mitigate effect
Economic Development and District Promotions		
Some business sectors may perceive they do not receive sufficient support from Council initiatives	Economic	Council sets clear criteria and expectations via the Aoraki Development Statement of Intent and contracts to provide the district promotions component
Emergency Management		
Lack of volunteer base or adequate resourcing could put effective emergency response at risk	Cultural Social Economic	Volunteers are actively recruited and training is provided. Partnerships are formed and fostered with other agencies. The community is kept aware via education, development of community response plans and regular advertising
Response to emergencies can have potential negative short term effects on the environment	Cultural	Environmental impacts will be mitigated where possible
Safer Communities		
There are no negative effects from this activity		
Social Housing		
Existing income stream not meeting costs due to inflation, increasing fixed and maintenance costs	Social Economic	Regular rent reviews to keep in line with inflation
Most units being insured for indemnity insurance only	Social Economic	If a major disaster occurs, flats will be unable to be rebuilt causing potential housing depletion in the community

Community Support

Key issues for next 10 years

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

Meeting community expectations

This group of activities has direct contact with and impact on the community. Examples include facilitating travel to and from Timaru district via the airport, providing public toilets, responding to disasters, funding community events or programmes and providing social housing. The expectation from the community is generally for levels of service to be maintained or higher levels of service delivered for a similar amount of money. It is an ongoing challenge for Council to meet these expectations in the face of increasing costs.

Council will continue to maintain and manage key facilities, such as cemeteries and public toilets. This includes work such as repairing damaged headstones to maintain safety in local cemeteries. Some upgrading projects are planned to public toilets on Caroline Bay, Timaru Botanic gardens, and various parks toilets.

Making use of new technology

The ongoing implementation of new technology is planned to continue to improve services to the community. An example of improvements include the installation of Envirotollets or similar in place of old rural long drop facilities. The old facilities are planned to be replaced at the rate of one per year during the period covered by this LTP. Use of portable IT, website portals, better public communications (e.g. via Facebook) and improved communications devices for Emergency Management will allow targeted community response to occur quicker and in a more informed way.

Changing needs – Meeting demand

Activities within this group are subject to various drivers and demands.

The districts ageing population means that Social Housing units continue to be in demand with high waiting lists. While there are no plans to increase the housing stock, there is an ongoing

upgrading programme to ensure the ageing housing stock remains fit for purpose. As the social housing activity is self-funding the demand for upgrading needs to balance with maintaining affordable rentals.

While many of the district's cemeteries have sufficient space, Timaru will require a new cemetery in the future, and investigations are continuing into options for a new cemetery site. There is a growing interest in the community for natural burials. While current cemetery sites do not cater for natural burial requirements, this will be factored into a new cemetery site. Consideration will also be given to the need for separate areas for different religious denominations, reflecting the grouping ethnic and cultural diversity in the district.

Changes in legislation can impact on the delivery of services within this group. This can particularly impact on the Emergency Management and Cemeteries activities who operate within specific legislative frameworks.

Requests for community funding have been steady over the years. Demand in some areas is likely to increase, such as for over 80s swimming. Council regularly reviews the community funding policy to ensure it reflects for changing community needs. The most recent review reduced the focus on annual grants and placed greater emphasis on events, rural community halls, heritage and community services.

Economic Development

The district has a diverse and thriving economy covering a wide spectrum of business and industry. The economy will change according to local demand and in response to external factors such as changes in world markets. Many of the activities Council undertakes make a significant contribution to economic development. Council through its CCO, Aoraki Development has a specific focus on promoting the district for business and encouraging sustainable economic growth where possible. The challenge is for Council and Aoraki Development to remain flexible and adapt to any changes in the district's economic environment to ensure the best possible outcomes for the district as a whole.

Ageing social housing stock

The social housing stock currently sits at 236 units and varies in age from those built quite recently to the oldest being built over 60 years ago. The needs of people seeking housing 60 years ago were far different to the needs of people today, and upgrading our older units is becoming increasingly necessary to meet tenant's needs.

The project to upgrade Council's social housing units will continue with upgrades to showers, ongoing renovations of units when they become vacant and ongoing heating and maintenance projects. Upgrades are taking place over time so as not to place the burden of significant rent increases on tenants. There will be a rent increase of \$5 per week for single bedroom units and \$2 per week for bedsit units in July 2018. The activity intends to remain self-funding, with no ratepayer input.

Development of new cemetery sites

The cemeteries in the district range in remaining capacity, from Timaru at 14 years through to Pleasant Point and Geraldine at 150 years. These timeframes are variable depending on the demand for interments.

Council is currently developing a plan to purchase a new site to replace the Timaru cemetery. Funding has been included in the 2019/20 year to purchase land. As resource consenting and development may take some years, the funding for planning and construction is allocated over the period 2019-2021.

Community Support

Levels of Service and Performance Measures

Levels of Service	Performance Measure	Targets	
		Year 1 – 3 target: 2018/19-2020/2021	Year 4 – 10 target: 2021/22 – 2027/28
1. Community facilities are well maintained, clean and safe	Airport user satisfaction with facility	70% or greater of users are satisfied with the airport facility	80% or greater of users are satisfied with the airport facility
	Satisfaction with district cemeteries	User satisfaction >=85% Resident satisfaction >=85%	User satisfaction >=85% Resident satisfaction >=85%
	User satisfaction with public toilets	65% or greater of users are satisfied with public toilets	70% or greater of users are satisfied with public toilets
	Complaints about public toilet cleaning standards ¹	6 or less complaints per year	6 or less complaints per year
	Airport Civil Aviation Authority accreditation	Annual CAA accreditation audits identify no significant matters that prevent ongoing accreditation	Annual CAA accreditation audits identify no significant matters that prevent ongoing accreditation
2. Social housing units are tenanted and well managed	Occupancy rate of social housing units	97% or greater occupancy	97% or greater occupancy
	Social housing requests for urgent service	100% of urgent service requests responded to within 24 hours	100% of urgent service requests responded to within 24 hours
3. Provide accessible and up to date cemetery records	Cemetery records are up to date	95% of cemetery records are updated within a month	95% of cemetery records are updated within a month
4. Improve individual and community awareness of the risks from hazards and assist them to build resilience to emergency events	Community Response Plans (CRP) where a need is identified	Develop one CRP per year	Develop one CRP per year
	Reduce risks from hazards to our district	Deliver 20 educational presentations to community groups per year	Deliver 20 educational presentations to community groups per year
5. Improve Council and partner agencies capability to respond to and recover from emergencies	Enhance our capability to manage civil defence emergencies	Recruit, train and maintain sufficient EOC staffing for 24/7 coverage	Recruit, train and maintain sufficient EOC staffing for 24/7 coverage
		Council, staff and partner agencies participate in annual CDEM Group Exercise	Council, staff and partner agencies participate in annual CDEM Group Exercise
		Recruit, train and maintain registered volunteer teams and provide an annual volunteer training programme to meet registration criteria.	Recruit, train and maintain registered volunteer teams and provide an annual volunteer training programme to meet registration criteria.
	Enhance our capability to recover from civil defence emergencies	District Welfare Plan completed 2018/19 District Recovery Plan completed 2019/20	District Welfare Plan and District Recovery Plan reviewed annually

¹ 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

Community Support

Levels of Service	Performance Measure	Targets	
		Year 1 – 3 target: 2018/19-2020/2021	Year 4 – 10 target: 2021/22 – 2027/28
6. Manage and allocate community funding scheme grants and loans	Annual funding round	TDC: General donations, Substantial grants, Community Loans: 2 TDC Youth Initiatives: 2 Creative Communities Fund: 4	TDC: General donations, Substantial grants, Community Loans: 2 TDC Youth Initiatives: 2 Creative Communities Fund: 4
	% Accountability forms returned	90% or greater accountability forms are returned as required	90% or greater accountability forms are returned as required
7. Respond to existing and emerging crime trends with community sanctioned initiatives and operate Project Turnaround programme	Ministry of Justice (MoJ) Project Turnaround contract criteria are met	100% of MoJ contract criteria are met	100% of MoJ contract criteria are met
8. Contribute to the economic development of the Timaru District	Business Friendly environment	35% or more residents believe Timaru is a better place to do business than three years ago	40% or more residents believe Timaru is a better place to do business than three years ago
	Perception of living in Timaru District	40% or more residents believe Timaru is a better place to live than three years ago	45% or more residents believe Timaru is a better place to live than three years ago
	CCO reporting to Council	Aoraki Development meets targets as agreed in the Statement of Intent	Aoraki Development meets targets as agreed in the Statement of Intent

Community Support

How this activity is funded

Operating expenditure for activities within the Community Support group is funded through the following mechanisms,:

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

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

Community Support

Projects

Project Title	Summary	Expenditure			
		2018/19	2019/20	2020/21	2021/22-2027/28
Social Housing-Refurbishment	The ongoing refurbishment of the Council's social housing units to ensure they remain fit for purpose by replacing ovens, upgrading bathrooms and converting bedsits to units.	120,000	132,900	146,200	1,204,800
Public Toilets-Renewals	The renewal or upgrading of public toilets within the district, including the toilet block behind the Bay Hall at Caroline Bay, toilets at Timaru Botanic Gardens and various other parks. In addition, rural "long drop" type toilets are to be replaced with modern environmentally friendly toilets.	120,000	81,800	114,900	621,800
Airport-Renewals	Replacement and upgrading of various fixtures at the Timaru Airport, including the taxi way reseal, stormwater infrastructure, and reservoir pump.		17,400		3,813,600
Airport-Aviation Park Development	Airport land has been set aside for lease to aviation enthusiasts at Timaru Airport, for those who want access to the runway and a residence with an aircraft hangar attached. The project is dependent upon interest from potential lessees. Council funding will be used for fencing and road access.				70,500
Cemeteries -Timaru District Replacement Site	Land is required to replace the Timaru Cemetery and provide a facility for the future. Funding has been set aside for investigating potential sites with a view to purchasing land in 2019/20.		2,044,000	1,671,200	
Cemeteries-Reseal and roading programme	Resealing and repairing roads within the district's cemeteries. This includes provision for new roading in the Timaru Cemetery.	16,500	1,000	37,400	39,100
Cemeteries - Temuka extension	Planting, fencing and internal roads for the Temuka cemetery extension.				73,300
Cemeteries-Concrete Beams, Furniture, Structures and Services	Concrete beams are installed in larger cemeteries to mark plot locations and provide a base for memorials. Furniture and structures such as seating are replaced as required.	12,700	13,300	13,600	144,300
Civil Defence-Equipment	The purchase of radio equipment and other electronic equipment to facilitate communications between field operatives, welfare centres and Area HQs during Civil Defence emergencies.	12,000	5,100	5,200	40,200
Civil Defence-Sirens	Installation of new warning sirens at Waipopo and replacement sirens at Rangitata and Milford Huts.	62,000	24,500		

Community Support

Funding Impact Statement

	Budget 2017/18 \$'000	Budget 2018/19 \$'000	Budget 2019/20 \$'000	Budget 2020/21 \$'000	Budget 2021/22 \$'000	Budget 2022/23 \$'000	Budget 2023/24 \$'000	Budget 2024/25 \$'000	Budget 2025/26 \$'000	Budget 2026/27 \$'000	Budget 2027/28 \$'000
Sources Of Operating Funding											
General Rates, Uniform annual general charges, rates penalties	2,651	2,855	2,916	3,058	3,170	3,190	3,381	3,450	3,516	3,590	3,926
Targeted Rates (other than a targeted rate for water supply)											
Subsidies and grants for operating purposes	322	287	288	289	291	292	294	295	297	299	301
Fees charges and targeted rates for water supply	1,746	1,915	1,962	2,000	2,031	2,103	2,183	2,242	2,304	2,371	2,442
Internal charges and overheads recovered											
Local authorities fuel tax, fines, infringement fees and other receipts	29	29	29	29	29	29	29	29	29	29	29
Total Operating Funding	4,748	5,086	5,195	5,376	5,521	5,614	5,888	6,017	6,146	6,290	6,698
Applications Of Operating Funding											
Payments to staff and suppliers	3,654	3,783	3,856	3,924	4,001	4,096	4,185	4,292	4,420	4,509	4,791
Finance costs	201	188	214	271	288	331	394	395	379	406	435
Internal charges and overheads applied	522	634	631	617	628	637	648	659	672	684	698
Other operating funding applications											
Total Applications Of Operating Funding	4,378	4,604	4,700	4,812	4,917	5,064	5,227	5,346	5,471	5,599	5,925
Surplus/(Deficit) Of Operating Funding	371	481	495	564	604	551	661	670	675	691	774
Sources Of Capital Funding											
Subsidies and grants for capital expenditure											
Development and financial contributions											
Increase/(decrease) in debt	75	(262)	1,663	1,305	(349)	2,021	(347)	(347)	(347)	497	(373)
Gross proceeds from the sale of assets											
Lump sum contributions											
Other dedicated capital funding											
Total Sources Of Capital Funding	75	(262)	1,663	1,305	(349)	2,021	(347)	(347)	(347)	497	(373)
Applications Of Capital Funding											
Capital expenditure											
- to meet additional demand	76	38	1,037	851	89	16	17	17	18	18	19
- to improve the level of service	933	189	1,170	1,006	280	196	153	161	169	174	179
- to replace existing assets	116	117	112	131	126	2,551	309	108	222	924	263
Increase/(decrease) in reserves	(679)	(124)	(162)	(120)	(240)	(191)	(165)	37	(81)	72	(60)
Increase/(decrease) of investments											
Total Applications Of Capital Funding	446	219	2,158	1,868	255	2,572	314	323	328	1,188	401
Surplus/(Deficit) Of Capital Funding	(371)	(481)	(495)	(564)	(604)	(551)	(661)	(670)	(675)	(691)	(774)
Funding Balance	0	0	0	0	0	0	0	0	0	0	0

District Planning and Environmental Services



Earthquake-prone buildings workshop held 16 May 2018

District Planning and Environmental Services

What we do

District Planning and Environmental Services activities provided by Council include:

- Building Control
- District Planning
- Environmental Compliance

These activities are concerned with consenting, compliance, monitoring and enforcement functions across a wide cross-section of statutes that focus on the protection of community health, well-being, safety and amenity.

Building Control

Building Control is responsible for administering and implementing the provisions of the Building Act 2004 (the Act). This involves balancing delivery of a customer focused service within legislative requirements, while managing the risk to the community and Council.

Under the Act, Council must maintain accreditation as a Building Consent Authority. It is responsible for processing and granting building consents, inspecting and monitoring building work, issuing Code Compliance Certificates, Certificates of Public Use, and processing Land and Project Information Memorandums, providing advice on building related matters and enforcing numerous other provisions under the Act. The Act's main purpose is to provide for the regulation of building work, the establishment of a licensing regime for building practitioners, and the setting of performance standards for buildings. As a result of a 2016 amendment to the Building Act Council has a requirement to ensure that all potentially earthquake prone buildings within the district are assessed within the statutory time frame, for the purpose of identifying their level of structural compliance.

District Planning

The District Planning Activity is primarily concerned with managing how land is used and how subdivision is undertaken in the district. The key tool for managing this is the Timaru District Plan. This outlines the district's resource management issues and objectives, policies, methods and rules. These are used to achieve integrated management of the effects of the use, development, or protection of land and associated natural and physical resources

of the district.

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

Environmental Compliance

The Environmental Compliance activity is primarily concerned with preserving, improving, and promoting public health and safety in the district. It deals with a multitude of issues such as food safety, disease containment, noise control, hazardous substances, liquor licensing, environmental nuisance, gambling control, parking enforcement and animal control. The activity is also responsible for the general administration, review and enforcement of the Timaru District Consolidated Bylaw 2018. The bylaws cover a wide variety of issues in the community that require rules, ranging from premises such as tattooists and ear piercing businesses, to overgrown or overhanging vegetation.

Council has two shared service arrangements with Mackenzie District Council and Waimate District Council, to provide health protection, bylaw, liquor and health licencing services.

This activity administers the District Licensing Committee which considers applications and renewals relating to liquor licences, including Special Licences obtained for selling liquor at events or special occasions under the Sale and Supply of Alcohol Act.

District Planning and Environmental Services

Why we do it

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

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

Building Control

Building Control services are provided to ensure a safe residential and commercial built environment exists for people to use in accordance with the provisions of the Building Act. The Council has a responsibility as the regulator and Building Consent Authority to ensure the purposes of the Building Act 2004 are met. This varies from inspecting and consenting building developments to strict standards set by legislation, to ensuring existing buildings are safe and hazards dealt with. Recent amendments to the Building Act have introduced new requirements in relation to earthquake prone buildings and inspection of swimming pools. This will be a key focus over this LTP period.

District Planning

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

Environmental Compliance

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



District Planning and Environmental Services

How this Group contributes to the Strategic Direction

Activities within this Group contribute primarily towards the following Community Outcomes:



How the District Planning and Environmental Services Group contributes to Council's Strategic Priorities

Strategic Priority	What we'll aim for	What we'll do and how we'll do it
Promote integrated, highly liveable communities	<ul style="list-style-type: none"> ■ Sustainably managed natural and physical resources ■ Integrated planning across the district ■ Quality urban design in district communities ■ A high quality natural and built environment ■ A built environment that is proactively monitored and regulated in line with legislation, bylaws and guidance ■ Protection of significant built and natural heritage, where community safety is not compromised 	<p>Listed below is a summary of the main areas of work within this Group:</p> <ul style="list-style-type: none"> ■ Administer all legislative requirements under District Planning and Environmental Services related legislation ■ Undertake the District Plan review ■ Promote an integrated planning approach ■ Provide a Growth Management Strategy ■ Provide a Heritage Enhancement fund ■ Provide a Significant Natural Areas fund ■ Issue Code of Compliance Certificates where building work is completed to required standards ■ Administer requirements of the Building Warrant of Fitness and Fencing of Swimming Pools regimes ■ Meet the requirements to remain accredited as a Building Consent Authority ■ Process and grant building consents ■ Inspect building work for which consents are granted ■ Process and grant resource consents ■ Process and issue Land Information Memorandums and Project Information Memorandums ■ Process and issue other Building Act requirements (e.g. notices to fix) ■ Process Resource Management Act requirements (e.g. alterations to designations) ■ Allocate and maintain urban and rural numbering in the district ■ Provide accurate information to customers throughout consent processes and enquiries ■ Provide up to date application forms and information sheets ■ Provide education opportunities via brochures, sector sessions and other methods ■ Monitor and review the Council bylaws ■ Administer the registration process for all known dogs in the District ■ Follow up unregistered known dogs ■ Investigate and resolve animal control complaints ■ Inspect and/or audit registered food premises, health premises and licensed premises selling or supplying alcohol
Support areas of economic and district strength	<ul style="list-style-type: none"> ■ Sufficient land is available to meet development needs 	

District Planning and Environmental Services

Effects on community wellbeing

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

Effect	Type of effect	How Council intends to mitigate effect
Building Control		
Cost of compliance, and building consent conditions and processing timeframes may be a barrier for some people	Social Economic	Costs are set according to Council's policy and recognise benefits are primarily to property owners and developers. Consent conditions and processing timeframes are set by legislation. Council will pro-actively manage these processes to ensure they are effective and efficient
Can be conflicting views on what is the best outcome	Economic	The Building Control Unit provides education and information on Council policy and legislative requirements
District Planning		
Can be conflicting views on what is the best outcome	Cultural Social Economic Environmental	Objection and appeal rights are available under the Resource Management Act 1991. The District Planning Unit provides education and information on the District Plan and legislative requirements
Enforcement of district planning requirements may impact upon economic development	Social Economic	The Growth Management Strategy will help inform the District Plan Review, Infrastructure Strategies and the Long Term Plan to support the provision of sufficient zoned land to support economic development in the District. Development proposals are subject to the District Plan and adverse environmental effects must be avoided, remedied, or mitigated. Appeal and review by the Environment Court options are available
Cost of compliance and resource consent conditions and processing timeframes may be a barrier for some people	Social Economic	Costs are set according to Council's policy and recognise benefits are primarily to property owners and developers. Consent conditions are set through the resource consent process in accordance with the Council's District Plan and legislation. Processing timeframes are set by legislation Council will pro-actively manage these processes to ensure they are effective and efficient
Environmental Compliance		
Food or health hygiene concerns may temporarily limit community access to services and facilities	Social Environmental	Closures are to safeguard public health and are withdrawn when this is no longer threatened
Some people believe their rights are restricted by regulations such as those managed by this activity	Social Environmental	The Environmental Compliance Unit provides education and information on legislative requirements
Cost of compliance (e.g. dog fees) may be a barrier to some people and closure of premises for non-compliance could have an adverse economic effect on operators	Social Environmental Economic	Costs are set according to Council's policy and recognise benefits are primarily to individuals or services regulated through this activity. Some fees are set by government legislation.

District Planning and Environmental Services

Key issues for next 10 years

The District Planning and Environmental Services group cover a variety of functions and services on behalf of the Council under numerous statutes, policies and plans. Key issues therefore often relate to legislative changes.

Legislative change

Legislative changes to how the District Planning and Environmental Services group delivers services occur regularly. Striving to meet the new demands placed on services, while maintaining a constant level of service and skilled staff, contributes to a heavy workload.

The Building (Earthquake-prone Buildings) Amendment Act 2016 is an example of a legislative change that will increase the workload for the Building Unit as Territorial Authorities are required to assess the level of structural compliance of potentially earthquake prone buildings within the statutory timeframes.

Meeting changes in demand

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

Making use of new technology

The introduction of new technology is planned to continue to improve service to the community. These include the full use of electronic consenting, and back scanning of historic building files.

Meeting increasing customer expectations

This group of activities is charged with meeting legislative requirements to maintain public safety and a healthy and sustainable environment. Enforcing these rules can cause tension

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

Maintaining building accreditation

The Council (Building Unit) must maintain its accreditation as a Building Consent Authority, first attained in 2008. The accreditation has to be audited and scrutinised every two years with systems and skills being assessed to ensure accreditation continues with International Accreditation New Zealand (IANZ). The most recent accreditation audit was conducted in February 2018.

District Plan review

The District Plan Review is a major project for the District Planning Unit in the next LTP period. The Resource Management Act requires Council's to review their District Plan every ten years. The District Plan is one of the core Council documents for planning the district's future in line with the Council's Strategic Direction. This multi-year project requires significant Council resources and will involve ongoing consultation with the community throughout the review process. The key milestones for this project are:

- 2018/19: District Plan drafting commences
- 2019/20: Consultation on draft District Plan completed
- 2020/21: Proposed District Plan notified
- 2021/22: District Plan Review Hearings completed
- 2022/23: Decision on submissions released
- 2024/25: Appeals resolved

Protection and restoration of biodiversity

Council has an important role to play in the protection and restoration of ecosystems and biodiversity in the district. This is

reflected in the increase in the Significant Natural Areas Fund from \$30,000 to \$100,000 per annum. This will be used for physical works to maintain Significant Natural Areas, education, information and support for landowners, and collaboration with stakeholders and partner agencies.

District Planning and Environmental Services

Levels of Service and Performance Measures

Levels of Service	Performance Measure	Targets	
		Year 1 – 3 target: 2018/19-2020/2021	Year 4 – 10 target: 2021/22 – 2027/28
1. Perform statutory functions as a regulator under key legislation	Retain accreditation as Building Consent Authority	Associated audit processes ensure accreditation retained	Associated audit processes ensure accreditation retained
	District Plan compliance with statutory requirements	District Plan complies with statutory requirements	District Plan complies with statutory requirements
	Council milestones for District Plan review are met	2018/19: District Plan drafting commences 2019/20: Consultation on draft District Plan completed 2020/21: Proposed District Plan notified	2021/22: District Plan Review Hearings completed 2022/23: Decision on submissions released 2024/25: Appeals resolved
2. Deliver timely, efficient processing of consents and related requirements	Building consent processing within statutory timeframes and average processing time reduces	100% of building consents granted within 20 working days. Average building consent processing time reduces	100% of building consents granted within 20 working days. Average building consent processing time reduces
	Land Information Memorandum's (LIM) processed within statutory timeframes	100% of LIM's processed within 10 working days.	100% of LIM's processed within 10 working days.
	Resource Consent processing to take place within statutory timeframes	100% processed within statutory timeframes	100% processed within statutory timeframes
	Land Use consents are monitored (consents issued post March 2018)	All land use consents are monitored within 1 year of consent being given effect to	All land use consents are monitored within 1 year of consent being given effect to
3. Provide useful, timely and consistent information and education on building planning and regulatory services	Customer satisfaction levels with information and education from building control services	Customer satisfaction level of 90% or greater	Customer satisfaction level of 90% or greater
	Customer satisfaction levels with information and education from district planning services	Customer satisfaction level of 90% or greater	Customer satisfaction level of 90% or greater
	Customer satisfaction levels with information and education from environmental compliance services	Customer satisfaction level of 90% or greater	Customer satisfaction level of 90% or greater
4. Support responsible dog ownership	Percentage of known dogs in District registered	95% or greater of known dogs registered	95% or greater of known dogs registered
	Dog control education initiatives	At least 5 dog control education initiatives are completed	At least 5 dog control education initiatives are completed

District Planning and Environmental Services

Levels of Service	Performance Measure	Targets	
		Year 1 – 3 target: 2018/19-2020/2021	Year 4 – 10 target: 2021/22 – 2027/28
5. Ensure buildings with a Building Warrant of Fitness, and swimming pools, food and liquor premises inspected are safe and comply with legislation	Carry out audits and/or inspections* of registered food premises (those premises under a Food Control Plan [FCP] and those not under a FCP), health related premises, alcohol premises, and other bylaw regulated premises	<ul style="list-style-type: none"> ■ Food businesses * – 100% of businesses on FCP's have undergone audit as required – 80% of premises not on FCP's have been inspected. 	<ul style="list-style-type: none"> ■ Food businesses * – 100% of businesses on FCP's have undergone audit as required – 80% of premises not on FCP's have been inspected.
		■ 80% of Health regulated premises and Bylaw regulated premises have been inspected	■ 80% of Health regulated premises and Bylaw regulated premises have been inspected
		■ 100% of non-compliant businesses or premises found above subsequently become compliant	■ 100% of non-compliant businesses or premises found above subsequently become compliant
		■ 80% of alcohol premises are monitored annually	■ 80% of alcohol premises are monitored annually
	Building Warrant of Fitness Audits (BWOFF) for buildings with specified systems. (measured from an audit of 5% of public buildings audits conducted through the year)	■ 100% of non-compliant buildings identified by the Council audit of BWOFF have corrective action taken	■ 100% of non-compliant buildings identified by the Council audit of BWOFF have corrective action taken
6. Fulfill Council's statutory requirements under the Building (Earthquake-prone Buildings) Act	All Swimming pools inspected and comply with the Building Act 2004	1/3 of registered pools are inspected each year 100% of non-compliant pools that are identified at inspection have had issues resolved in line with the Building Act 2004	1/3 of registered pools are inspected each year 100% of non-compliant pools that are identified at inspection have had issues resolved in line with the Building Act 2004
	All potentially Earthquake Prone Buildings (EPBs) are identified within the statutory time frames	All potentially EPBs (Priority Buildings) identified by July 2022	All potentially EPBs (Non-Priority Buildings) identified by July 2027

* (targets relate to Timaru District businesses and premises only)

District Planning and Environmental Services

How this activity is funded

Operating expenditure for activities within the District Planning and Environmental Services group is funded through the following mechanisms:

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

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

Projects

Project Title	Summary	Expenditure			
		2018/19	2019/20	2020/21	2021/22-2027/28
District Plan Review	A major overhaul and review of the Timaru District Council District Plan. The review is prescribed to take place by legislation every 10 years and will take several years to complete.	1,446,600	961,400	861,000	2,967,500
Dog Control Signage	Replace and renew dog control signage in the district as required.	5,000	5,100	5,200	40,200

District Planning and Environmental Services

	Budget 2017/18 \$'000	Budget 2018/19 \$'000	Budget 2019/20 \$'000	Budget 2020/21 \$'000	Budget 2021/22 \$'000	Budget 2022/23 \$'000	Budget 2023/24 \$'000	Budget 2024/25 \$'000	Budget 2025/26 \$'000	Budget 2026/27 \$'000	Budget 2027/28 \$'000
Funding Impact Statement											
Sources Of Operating Funding											
General Rates, Uniform annual general charges, rates penalties	1,855	3,089	2,689	2,615	3,432	2,086	2,204	2,111	1,865	1,951	1,959
Targeted Rates (other than a targeted rate for water supply)											
Subsidies and grants for operating purposes											
Fees charges and targeted rates for water supply	3,313	3,439	3,471	3,548	3,627	3,711	3,797	3,889	3,987	4,091	4,203
Internal charges and overheads recovered	28	28	28	28	28	28	28	28	28	28	28
Local authorities fuel tax, fines, infringement fees and other receipts	30	30	30	30	30	30	30	30	30	30	30
Total Operating Funding	5,226	6,585	6,218	6,221	7,116	5,855	6,058	6,057	5,909	6,100	6,219
Applications Of Operating Funding											
Payments to staff and suppliers	4,123	5,336	4,972	5,000	5,872	4,591	4,770	4,745	4,569	4,733	4,822
Finance costs											
Internal charges and overheads applied	1,122	1,311	1,302	1,267	1,293	1,312	1,339	1,365	1,394	1,422	1,454
Other operating funding applications											
Total Applications Of Operating Funding	5,244	6,646	6,274	6,267	7,164	5,904	6,109	6,110	5,963	6,155	6,276
Surplus/(Deficit) Of Operating Funding	(18)	(62)	(57)	(46)	(48)	(49)	(51)	(52)	(54)	(56)	(57)
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	0	0	0	0	0	0	0	0
Applications Of Capital Funding											
Capital expenditure											
- to meet additional demand											
- to improve the level of service	3	3	3	3	3	3	3	3	3	3	3
- to replace existing assets	3	3	3	3	3	3	3	3	3	3	3
Increase/(decrease) in reserves	(23)	(67)	(62)	(52)	(54)	(54)	(56)	(58)	(60)	(62)	(64)
Increase/(decrease) of investments											
Total Applications Of Capital Funding	(18)	(62)	(57)	(46)	(48)	(49)	(51)	(52)	(54)	(56)	(57)
Surplus/(Deficit) Of Capital Funding	18	62	57	46	48	49	51	52	54	56	57
Funding Balance	0	0	0	0	0	0	0	0	0	0	0

Recreation and Leisure



Recreation and Leisure

What we do

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

- Cultural and Learning Facilities
- Parks
- Recreational Facilities

Cultural and Learning Facilities

Aigantighe Art Gallery

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

South Canterbury Museum

The South Canterbury Museum is a regional museum of nature, history and culture located in Timaru. It provides access to unique collections of local heritage items, images, archives and information, long term displays, a programme of short term exhibitions, a variety of public programmes and services and heritage programmes for schools both at the museum and around the District (Government funded). The museum is open 6 days a week with free admission.

Timaru District Libraries

Timaru District Libraries provide public library services delivered from facilities in Timaru, Temuka and Geraldine and online. Temuka and Geraldine libraries also double as Council Service Centres, with an Information Centre at Temuka. The main Timaru library provides a public library service and coordinates branch services. Library facilities are heavily used for other community purposes such as study places, computers, WiFi, photocopying, and historical collections for in-library reading, writing, research, relaxation and communication. The libraries are also meeting places for groups and a place for the sharing of community

information.

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

Halls and Theatres

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

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

- *Facilities owned and managed solely by TDC*
These include the Caroline Bay Hall, Lounge, Entertainment Centre and Sound Shell, Pleasant Point Hall, Temuka Alpine Energy Centre, Winchester Hall and Washdyke Community Hall and Sports Centre. These facilities are managed entirely by Council, including hall bookings, maintenance, upgrades and payment of rates and insurance.
- *Facilities owned by Council and managed by committees*
Eleven community halls are owned by Council (e.g. Clandeboye, Pleasant Valley, Taiko Halls). These halls are managed by local communities through committees, who are responsible for upkeep and annual expenses. The Westend Hall in Timaru is also owned by Council and available to the public but leased and managed by the Masonic Lodge. Council will occasionally provide funding for major structural or capital work, or support halls through existing TDC community funding schemes.
- *Facilities operated by the Council but not owned*
Since 1 February 2012, the Council has leased the Aorangi Stadium from the Aorangi Stadium Trust and promotes and manages this facility in conjunction with the Caroline Bay Trust Aoraki Centre. There are also a number of halls owned

by community organisations (e.g. Claremont, Seadown and Fairview halls). These are supported via targeted rates which are collected on behalf of the hall owners.

Parks

The Parks activity provides and manages over 615 hectares (excluding Crown leases) of parks, reserves, sports grounds and gardens throughout the district. The district's parks network is grouped into five main categories as follows:

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

Recreation and Leisure

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

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

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

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

A Parks Strategy provides a vision for parks in the Timaru District that, while not binding, gives an indication of Council's intentions for the future provision of park land in the district.

Forestry

The Council manages a small forestry programme comprising mixed aged and species plantations. Forestry is planted primarily on over 235 hectares of reserve land unsuitable for other uses, with 58 separate sites. The primary species planted are Radiata Pine (65%), Douglas Fir/Oregon Pine (28%), Macrocarpa (5%) and Poplar/Other species (2%). The forestry resource is wholly owned by the Council and is operated as a land management activity, with some investment return.

Fishing Huts and Motor Camps

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

Five motor camps are managed on domain reserves at Geraldine, Temuka, Pleasant Point, South Rangitata and Winchester. Geraldine, Temuka and Winchester are open permanently, while Pleasant Point and South Rangitata are seasonal. All motor camps, except Pleasant Point, are leased under management agreements. The Pleasant Point Motor Camp is managed by the Council with local businesses supporting its operation.

Recreational Facilities

Swimming Pools

The district's premier swimming complex, the Caroline Bay Trust Aoraki Centre (CBay) is located at Maori Park, Timaru. CBay opened in July 2012. It incorporates a 50 metre outdoor pool and an indoor complex featuring a ten-lane 25 metre lap pool, a programme pool, a 250m² leisure pool with a lazy river and learn to swim area, an attached toddlers pool and wet playground, a chillax area featuring a spa pool, a steam room and sauna as well

as a Fitness facility. There is also a café and retail space within the facility.

Pool complexes are also provided at the following locations:

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

Southern Trust Events Centre

This facility is a triple basketball court complex located on Aorangi Park, Timaru. It was previously operated by the Aorangi Stadium Trust, however Council assumed operational management in 2012. It also contains a fitness studio which is available for hire by non-profit groups, several tenanted rooms (main tenants are Sport Canterbury and South Canterbury Basketball) and a lounge facility which is also available for hire. The facility is owned by the Aorangi Stadium Trust - a Council Controlled Organisation.



Recreation and Leisure

Why we do it

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

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

Cultural and Learning Facilities

Cultural and Learning Facilities are essential community facilities that enrich individual and community wellbeing. They provide shared community meeting spaces and venues for study, relaxation, learning and recreation. They are a necessary part of the fabric of a civilised and democratic society. They provide recreational and educational opportunities that people could not individually afford.

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

Library facilities help foster lifelong learning through the broad range of literature and other information they make available for the community. Service Centres in Geraldine and Temuka also provide local access to Council services for residents.

The Cultural and Learning facilities are important visitor attractions that showcase the district's heritage. They benefit the district economy, both through providing employment and supporting businesses and employees with information and resources.

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

Provision and management of these facilities enables the Council

to fulfil legal obligations in respect of donated buildings, art works, funds and heritage.

The Theatre Royal provides a venue for visiting cultural and entertainment shows and also available for community use.

Community halls are an important part of the fabric of the district. As well as providing meeting places for small communities they are also venues in times of emergency. Partnerships with local institutions, businesses and community groups enhance community ownership and pride.

Parks

Parks are the 'shop window' for the district, promoting its unique character, and are a significant contributor to community pride. Parks and gardens help enhance and improve the environment, through enhancing open spaces, suppressing pest plants and animals, enabling native revegetation programmes and providing habitats for native wildlife. They also act as a carbon sink. Esplanade strips enable the filtering of contaminants to improve water quality. Local parks can also provide a focal point for smaller suburbs.

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

The Forestry activity is self funding and it provides some investment income. It is also a mechanism for storing carbon, and has a positive contribution to Council's carbon credit balance.

Recreational Facilities

Recreational facilities including swimming pools and the Southern Trust Events Centre are essential facilities for enhancing people's health and wellbeing. They enable and promote participation and active and healthy lifestyles. Individuals and teams are able to enjoy recreational and sporting pursuits and learn and develop skills.

A controlled pool environment provides a safe venue for learning to swim, developing water confidence and generally having fun

in the water. Swimming pool facilities can also have therapeutic benefits in helping heal injury and ease aches and pains. These facilities are an integral part of the fabric of the community, providing spaces for events, entertainment, recreational pursuits and other activities.

Recreation and Leisure

How this Group contributes to the Strategic Direction

Activities within this Group contribute primarily towards the following Community Outcomes:



How the Recreation and Leisure Group contributes to the Council's Strategic Priorities

Strategic Priority	What we'll aim for	What we'll do and how we'll do it
Invest in our community	<ul style="list-style-type: none"> ■ High quality and affordable recreational, cultural, sporting and leisure facilities ■ Leisure, sporting and recreational spaces that keep up with modern trends and requirements ■ Community infrastructure and facilities that are designed to meet future community needs 	<p>Listed below is a summary of the main areas of work within this Group:</p> <ul style="list-style-type: none"> ■ Ensure cultural and learning facilities, parks and swimming pools, halls and theatres are accessible and open to the community and visitors according to agreed opening hours, and are clean and well maintained ■ Enhance recreation and leisure, and cultural and learning facilities, including upgrading the Theatre Royal and development of a new heritage facility ■ Carry out structural work to meet earthquake strengthening requirements
Promote integrated, highly liveable communities	<ul style="list-style-type: none"> ■ Caroline Bay the 'jewel in the crown' ■ District heritage and history that is valued, preserved and celebrated ■ Cultural and Learning Facilities that contribute to enhancing the districts identity 	<ul style="list-style-type: none"> ■ Maintain and develop parks, esplanade reserves and strips ■ Encourage active lifestyles by providing for off road transport options, including the ongoing development of walking and cycling tracks ■ Maintain up to date Reserve Management plans ■ Carry out native planting programmes
Support areas of economic and district strength	<ul style="list-style-type: none"> ■ District creativity that is supported and fostered 	<ul style="list-style-type: none"> ■ Progress the South Canterbury Spaces and Places plan ■ Manage the recreation contract with Sport Canterbury ■ Provide sports grounds for seasonal use for various sports and recreational activities ■ Provide exhibitions, cultural events and celebrations, including those that showcase local talent and creativity at all cultural and learning facilities ■ Provide quality print and digital collections and online resources at all cultural and learning facilities ■ Provide school holiday programmes at all cultural and learning facilities ■ Provide formal education programmes for schools at the Museum and around the region (LEOTC-funded) ■ Provide Learn to Swim and other swimming and recreational programmes to the community ■ Catalogue and preserve art work and collections in line with museum and art gallery collection policies

Recreation and Leisure

Effects on community wellbeing

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

Effect	Type of effect	How Council intends to mitigate effect
Cultural and Learning Facilities		
Closure of local halls could adversely affect local communities	Cultural Social	Any proposed closure of halls would normally be initiated by the local committee. It would be subject to prior consultation with relevant community groups and discussions with the committee to assess their ability to continue management. The closure and disposal of such halls would go through the Council's committee processes
Facility upgrades can be costly and beyond the ability of the community to pay	Cultural Social Economic	Funding sources other than the ratepayer are investigated and used where possible
Facilities don't meet changing community needs	Social Cultural	Ongoing upgrading and enhancement of cultural and learning facilities
Parks and Recreational Facilities		
Fees for this activity are unsatisfactory for some people	Social Economic	Fees are set according to Council policy based on cost. A significant proportion of facility provision is funded by rates. Some discounts are available (e.g. discounts for over 65's swimming and over 80's swim for free)
Swimming pool facilities are high energy users	Economic Environmental	Swimming pool facilities use solar heating, heat recovery technology, insulating pool covers and recycle water. This reduces water usage and retains heat, thereby using less energy and lowering the Council's carbon footprint. CBay uses a wood fired boiler to meet some of its energy needs.
Forestry market is difficult to predict, potentially leading to lower returns	Economic	Returns will be maximised where possible
Space constraints for some aquatic facilities	Social	Careful programme planning to avoid clashes where possible, and investigate options for extending facilities such as the programme pool

Recreation and Leisure

Key issues for next 10 years

Meeting community expectations

There is ongoing pressure from the community and users for higher quality facilities and services to be provided for most of the activities in this group. The expectation is for a higher level of service for the same amount of money – in other words doing more with less. The increase in expectations is not particular to Timaru District and is a nationwide trend. Out of town visitors also expect a high quality experience, often driven by what they have experienced in other centres. Council facilities must cater for the expectations of users by remaining modern, accessible, well maintained, engaging to a wide section of the community and by making use of technology where appropriate. Council is considering options for improving storage at the Art Gallery, redevelopment of the Museum Facility and Theatre Royal, providing additional court space at Aorangi Park and additional group fitness and programme pools space at CBay. An ongoing modernisation at the Libraries will continue in conjunction with a new roof at the Timaru Library.

Meeting the needs of an ageing population

The proportion of people aged 65+ in the district's population is expected to increase from 20.1% in 2013 to approximately 28.2% by 2028 (Based on Stats NZ Population Projections Update released December 2016). An ageing population is likely to result in increased demand for some services – for example older age group swimming programmes, particular types of library collections, the range of amenities provided at parks, and require consideration of accessibility issues to many of the Council owned facilities.

Making use of new technology

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

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

Changing lifestyles and encouraging physical activity

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

Earthquake Strengthening requirements

New requirements as a result of the Building (Earthquake-prone Buildings) Amendment Act 2016 mean that a number of Council facilities require earthquake strengthening work. Planning, prioritising and funding this work is a major focus for Council over the next 10 years. A number of facilities have already been identified as requiring structural improvements. These include the Aigantighe House Gallery and Pleasant Point Hall.

Climate change

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

- Coastal erosion of footpaths and coastal plantings
- Increased frequency of flooding or drought and the consequences of those changes on parks and reserves in terms of damage and maintenance

- Wind damage to Council owned plants and trees
- Increased or decreased rates of vegetation growth due to changing climate and the subsequent impact on maintenance

Heritage Facility development and addressing collection storage issues

Over the last few years, we have been working on finding solutions to issues faced by the museum, relating to rapidly growing collections, storage space, exhibition space and modernising the facility to make it fit for purpose into the future.

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

The current museum building has reached the limits of its suitability as a museum space. Parts of the building do not meet modern museum standards. Following consultation with the community, Council has decided to relocate the museum exhibition areas to a new multi-purpose heritage facility to be built in the vicinity of and connected to the Theatre Royal. The existing museum site will be used for collection storage for both the Museum and Art Gallery, research, archives and exhibition preparation. The new facility will be used mainly for the museum, but additional exhibition space would be available for the Aigantighe Art Gallery and for touring heritage exhibitions. This will be a multi year project, during which there will be challenges maintaining levels of service for the community.

Initial planning will commence in conjunction with the Theatre Royal upgrade project, as the facilities will be co-located. with construction to start in 2021/22.

Theatre Royal Upgrade

Currently the Theatre Royal is restricted in its ability to hold certain shows, both those coming from outside the district and those produced locally. The weight of stage sets and lighting has increased significantly since the current equipment was installed.

Recreation and Leisure

Work is needed to provide the show 'infrastructure' and to meet health and safety regulations that modern shows require. There is also potential to enhance the Theatre as a community facility, through redeveloping the foyer area to benefit show patrons and provide facilities like meeting rooms so that a bigger range of events could be hosted in future at the Theatre Royal. This is a multi year project that will be designed in conjunction with the new heritage facility. Following consultation with the community Council has decided to upgrade both the "behind the scenes" back of house and the "front of house" foyer facilities. Planning and initial construction is budgeted to commence in 2018/19.



Recreation and Leisure

Levels of Service and Performance Measures

Levels of Service	Performance Measure	Targets	
		Year 1 – 3 target: 2018/19-2020/2021	Year 4 – 10 target: 2021/22 – 2027/28
1. Recreation and leisure facilities, programmes and materials are accessible to district residents, students and visitors	Visitors to Art Gallery, Museum and Library per year	In person: ■ Art Gallery (incl school visits) >19,000 ■ Museum (excludes MoE school programme) >20,000 ■ Library >= 350,000 Online ■ Art Gallery online users increase annually ■ Museum online users increase annually ■ Library >300,000 online searches (websites & catalogues), 220,000 database searches including Press Reader	In person: ■ Art Gallery (incl school visits) >19,000 ■ Museum (excludes MoE school programme) >20,000 ■ Library >= 350,000 Online ■ Art Gallery online users increase annually ■ Museum online users increase annually ■ Library >330,000 online searches (websites & catalogues), 220,000 database searches including Press Reader
	Visitors to CBay per year	>325,000	>325,000
	School student users at the Museum per year	>=4,000 (dependent on external Ministry of Education funding)	Dependent on external funding
	Library issues of materials per year	>=500,000	>=500,000
	Aotearoa People's Network Kaharoa (APNK) PC sessions and Wifi library sessions per year	>=80,000	>=80,000
2. Provide a high quality experience at district recreation and leisure facilities	Satisfaction with Recreation and Leisure facilities:		
	Art Gallery	Resident satisfaction >=80% User satisfaction>=90%	Resident satisfaction >=80% User satisfaction>=90%
	Libraries	Resident satisfaction >=95% User satisfaction>=95%	Resident satisfaction >=95% User satisfaction>=95%
	Museum	Resident satisfaction >=80% User satisfaction>=80%	Resident satisfaction >=80% User satisfaction>=80%
	Parks and Recreation	Resident satisfaction >=90% User satisfaction>=92%	Resident satisfaction >=90% User satisfaction>=92%
	Swimming Pools	Resident satisfaction >=80% User satisfaction>=75%	Resident satisfaction >=85% User satisfaction>=80%

Recreation and Leisure

Levels of Service	Performance Measure	Targets	
		Year 1 – 3 target: 2018/19-2020/2021	Year 4 – 10 target: 2021/22 – 2027/28
3. Recreation and leisure facilities provide regular and varied services, exhibitions and programmes to support community wellbeing	Art Gallery, Libraries and Museum school holiday programmes	4 holiday programmes per year	4 holiday programmes per year
	Art Gallery and Museum - annual exhibitions (touring, regional and permanent art works)	Art Gallery >= 10 per year Museum >= 3 per year	Art Gallery >= 10 per year Museum >= 4 per year
	Aqua Fitness classes provided at Swimming Pools	>= 350 classes per year	>= 450 classes per year
	Aquatic swimming education	>=2,000 swim for life participants per year >=3,000 students enrolled in Learn to Swim programmes >=70 competitive swimmers (squad) per term	>=2,000 swim for life participants per year >=3,000 students enrolled in Learn to Swim programmes >=70 competitive swimmers (squad) per term
4. Recreation and leisure facilities are safe, fit for purpose and well maintained	Facilities meet legislative safety requirements (Art Gallery, Libraries, Museum, Swimming Pools, Theatre Royal)	Building Warrant of Fitness (WOF), Fire Regulations and Licence requirements are current. All pools are Pool Safe certified	Building Warrant of Fitness (WOF), Fire Regulations and Licence requirements are current. All pools are Pool Safe certified
	Closures of playground equipment due to safety issues	No unplanned playground equipment closures due to safety issues	No unplanned playground equipment closures due to safety issues
5. Collections of local heritage and art objects, records and information preserved for and available to the community and visitors	Cataloguing and re-cataloguing of new acquisitions and existing collection works at the Art Gallery	All new acquisitions are catalogued, 50 collection works are re-catalogued annually	All new acquisitions are catalogued, 50 collection works are re-catalogued annually
	Preservation of art works at the Art Gallery	>= 5 art works conserved annually through budgeted funding and from funding from Friends of the Aigantighe	>= 5 art works conserved annually through budgeted funding and from funding from Friends of the Aigantighe
	Acquisitions per year at the Museum	>= 150 acquisitions are made in alignment with the Museum Collection Policy	>= 150 acquisitions are made in alignment with the Museum Collection Policy
	% Museum collection items held in acceptable conditions	>=90%	>=95%
	% of Museum collection items documented to acceptable standards	>=85%	>=85%
6. Develop and maintain Park facilities to meet future expectations and demand	Length of off-road walking and biking tracks	58km of off road walking and biking tracks	65km of off road walking and biking tracks
	Playgrounds per 1,000 residents under 15 years of age	>= 5.3 playgrounds per 1,000 residents under 15 years of age	>= 5.3 playgrounds per 1,000 residents under 15 years of age
	Park hectares per 1,000 residents	14 park hectares per 1,000 residents	14 park hectares per 1,000 residents
	Trevor Griffiths Rose Garden and Timaru Botanic Gardens retained as Gardens of Significance	1 Garden of National Significance and 1 Garden of Significance	1 Garden of National Significance and 1 Garden of Significance

Recreation and Leisure

How this activity is funded

Operating expenditure for activities within the Recreation and Leisure group is funded through the following mechanisms:

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

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

Recreation and Leisure

Projects

Project Title	Summary	Expenditure			
		2018/19	2019/20	2020/21	2021/22-2027/28
Libraries - Purchase Books and Resources	Funding used for the purchase of books and resources to ensure the district's libraries are able to deliver a high level of service to the community.	350,000	357,700	365,600	2,811,000
Libraries - Bequests - Dowling and MacKay	Funding provided by the Dowling bequest for the purchase of Christian books and the MacKay bequest for the purchase of art literature.	10,000	10,300	10,400	66,000
Libraries - Equipment/Furniture	Purchase of equipment and furniture for the district libraries and service centres.	97,000	144,100	79,400	315,100
Libraries - Timaru Library Car Park Resurfacing	The resurfacing of the Timaru Library car park.		40,900		
Libraries – Self-Check Out	The installation of a self-check out system at the Timaru Library.			20,900	110,900
Libraries - Replacement of Library Carpets	As carpets in the district's libraries come to the end of their useful life they will be replaced.	185,000		88,800	
Libraries - Replacement of Security System	Replacement of the security system at district libraries.		5,100	5,200	114,300
Libraries - Timaru Library Heating System Upgrade	Upgrade of the heating system for the Timaru Library to ensure there is adequate heating for users.				355,100
Libraries - Timaru Library Roof	The roof of the Timaru Library is approaching the end of its useful life and is to be replaced.	1,834,000			
Libraries - Temuka Library Upgrade	Upgrade of the Temuka library including fixtures and equipment		11,200	20,900	160,600
Art Gallery - Bequests Sevicke-Jones, Lattimore and MacKay	Funding used for the purchase of art works from the Sevicke-Jones Lattimore and MacKay bequests.	9,800	10,000	10,200	72,700
Art Gallery - Art works	Funding used for the purchase of art works from rates.	6,200	6,300	6,500	49,900
Art Gallery - Building Renewals	Refurbishment of Art Gallery buildings and additions/extensions to the Art Gallery's art stores for growing collection to ensure art works are housed in suitable conditions.	560,000	61,300	52,200	
Art Gallery - Furniture and Equipment	Purchase of furniture and equipment for the art gallery.	12,000	32,700	2,100	16,000
Museum - Exhibition Areas Upgrades	Upgrade of exhibition areas in the South Canterbury Museum to ensure the continued delivery of a high level of service.	20,000	76,700		160,100
Museum - Security System	Replacement of the security system at the museum in 2019/20.		30,700		

Recreation and Leisure

Project Title	Summary	Expenditure			
		2018/19	2019/20	2020/21	2021/22-2027/28
Museum - Smoke Detection System	Replacement of the smoke detection system at the museum in 2018/19.	40,000			
Museum - Replace dehumidifiers & heating	Replacement of dehumidifiers and heating at the museum in 2018/19.	82,100			
Museum - Office furniture/Fittings & Equipment	Replacement of office furniture, fittings and equipment as required	1,500	1,500	1,600	1,104,200
Museum - Extension construction	Construction of a new multi purpose heritage facility			41,800	11,384,400
Halls & Theatres - Theatre Royal Upgrade	Building renewals and flying system,battens and seats	2,750,000	6,410,600	2,611,200	
Halls & Theatres - Theatre Royal Car Park & Renewals	Construction of car park and general internal renewals	47,000	7,200	7,300	96,300
Halls & Theatres - Community Centre Upgrades	Maintenance and upgrading at Washdyke Community Centre, Temuka Stadium, Caroline Bay Hall and Soundshell, and earthquake strengthening work at Pleasant Point Hall	38,000	58,300	125,300	152,500
Halls & Theatres - Caroline Bay Hall Roof Renewal	Caroline Bay Hall roof renewal			67,900	266,900
Halls & Theatres - Caroline Bay Soundshell Seating Upgrade	Upgrade of the seating at the Caroline Bay Soundshell				1,793,300
Aorangi Stadium - Plant and Equipment	Upgrade of plant and equipment	19,200	25,600	28,200	27,900
Halls & Theatres - Furniture and Equipment Replacements	Replacement of furniture and equipment in any community halls in the district as required	4,000	4,100	4,200	32,200
Swimming Pools - Geraldine Pool Renewals	Equipment renewals at the Geraldine Pool, including shade sails, inflatables, pool cover and lane ropes.	8,000	19,900	9,400	43,900
Swimming Pools - Pleasant Point Renewals	Equipment renewals at the Pleasant Point Pool, including, inflatables, pool cover, lane ropes, tiles and a heating plant in 2022/23.	19,000	9,200	9,900	221,400
Swimming Pools - Temuka Pool Upgrade/Renewal	Upgrading and refurbishment at the Temuka Pool. The bulk of the work will take place in 2018/19. Equipment renewals include shade sails, pool cover and lane ropes.	470,300	10,200		42,900
Swimming Pools - Caroline Bay Trust Aoraki Centre – Renewals	Equipment renewals including fitness equipment, lane ropes and outdoor pool painting, plus building renewals.	125,000	51,200	52,200	594,100
Parks and Recreation - Courts Resurfacing	Resurfacing of courts at the Temuka Domain and Caledonian Track in Timaru, subject to club contribution.	300,000	173,700		
Parks and Recreation - Structures	Replacement of retaining walls, bridges and minor structures in the district's parks.	184,200	90,100	199,300	822,500

Recreation and Leisure

Project Title	Summary	Expenditure			
		2018/19	2019/20	2020/21	2021/22-2027/28
Parks and Recreation - Reseal Programme	Resurfacing of the hard surfaces in the district's parks, as they come to the end of their useful life.	412,200	445,600	354,200	2,681,400
Parks and Recreation - Playground Equipment & Under-surfacing	Replacement of playground equipment and under-surfacing in the district's parks and the installation of new equipment/under-surfacing.	179,100	151,600	154,900	2,981,100
Parks and Recreation -Furniture and Signs	Replacement and installation of new park furniture and signage	51,000	48,400	44,100	863,600
Parks and Recreation -Fences	Replacement of fences in the district's parks	16,700	17,100	17,400	134,100
Parks and Recreation -Services	Replacement of parks services such as water mains, drains and culverts.	75,600	86,300	155,900	461,000
Parks and Recreation -Rural Plantings	Rural plantings at the district's parks, including replacement tree planting at Winchester Domain in 2020/21	3,600	3,700	3,800	28,700
Parks and Recreation -Temuka Domain Development	The continuing redevelopment of the Temuka Domain. Capital expenditure includes roading, carparks, relocate monuments, planting, earthworks, aviary alterations, footpaths and signage.	164,000	167,600	171,300	1,317,200
Parks and Recreation -New Neighbourhood Parks	Provision for new neighbourhood parks				122,000
Parks and Recreation -Shared Urban Tracks	The implementation and development of the Off-road walking and biking strategy.	213,700	218,400	223,200	2,010,000
Parks and Recreation -Walkway Esplanade Enhancement	The redevelopment of walkways and planting along esplanade strips.	35,300	36,100	36,900	283,500
Parks and Recreation - Esplanade Reserves Acquisition	Purchase of land for esplanade reserves.	52,700	53,900	55,000	423,300
Forestry -Fencing Renewals	Renewals of fencing in and around Council owned forest land.		9,700	21,900	82,200
Motor Camps -Renewals	The replacement of power supply equipment in the district's motor camps and road reseals	36,000	52,100	55,400	70,000

Recreation and Leisure

Funding Impact Statement

	Budget 2017/18 \$'000	Budget 2018/19 \$'000	Budget 2019/20 \$'000	Budget 2020/21 \$'000	Budget 2021/22 \$'000	Budget 2022/23 \$'000	Budget 2023/24 \$'000	Budget 2024/25 \$'000	Budget 2025/26 \$'000	Budget 2026/27 \$'000	Budget 2027/28 \$'000
Sources Of Operating Funding											
General Rates, Uniform annual general charges, rates penalties	11,972	12,498	12,907	13,418	13,809	14,876	15,513	15,770	15,985	16,314	16,751
Targeted Rates (other than a targeted rate for water supply)											
Subsidies and grants for operating purposes	59	75	30	2	2	2	2	2	2	2	2
Fees charges and targeted rates for water supply	2,899	3,103	3,242	3,479	3,517	3,654	3,937	3,718	3,823	3,914	4,077
Internal charges and overheads recovered	317	317	317	317	317	317	317	317	317	317	317
Local authorities fuel tax, fines, infringement fees and other receipts	198	118	1,117	119	119	120	123	123	122	126	135
Total Operating Funding	15,445	16,110	17,613	17,335	17,764	18,968	19,892	19,930	20,248	20,672	21,281
Applications Of Operating Funding											
Payments to staff and suppliers	10,447	11,303	11,298	11,539	11,791	12,146	12,492	12,703	12,943	13,288	13,658
Finance costs	840	766	947	1,108	1,292	1,476	1,638	1,708	1,644	1,697	1,737
Internal charges and overheads applied	1,530	1,794	1,795	1,772	1,805	1,835	1,871	1,906	1,946	1,985	2,029
Other operating funding applications											
Total Applications Of Operating Funding	12,816	13,863	14,040	14,419	14,888	15,456	16,001	16,318	16,533	16,970	17,424
Surplus/(Deficit) Of Operating Funding	2,629	2,247	3,573	2,916	2,877	3,512	3,891	3,612	3,715	3,702	3,857
Sources Of Capital Funding											
Subsidies and grants for capital expenditure	80	0	0	0	430	2,000	0	0	0	0	0
Development and financial contributions											
Increase/(decrease) in debt	578	3,013	4,438	2,162	5,563	2,195	(1,008)	(1,008)	(1,007)	(1,006)	(1,004)
Gross proceeds from the sale of assets											
Lump sum contributions											
Other dedicated capital funding	65	0	43	0	0	0	0	0	0	0	0
Total Sources Of Capital Funding	723	3,013	4,480	2,162	5,993	4,195	(1,008)	(1,008)	(1,007)	(1,006)	(1,004)
Applications Of Capital Funding											
Capital expenditure											
- to meet additional demand	148	90	95	81	115	85	87	89	91	94	96
- to improve the level of service	990	2,442	4,372	2,131	6,913	5,564	565	575	612	836	683
- to replace existing assets	4,875	5,880	4,484	2,902	4,009	3,038	1,478	1,528	1,284	3,003	1,526
Increase/(decrease) in reserves	(2,661)	(3,152)	(897)	(37)	(2,168)	(980)	753	412	720	(1,237)	548
Increase/(decrease) of investments											
Total Applications Of Capital Funding	3,352	5,260	8,053	5,078	8,869	7,707	2,882	2,604	2,708	2,696	2,853
Surplus/(Deficit) Of Capital Funding	(2,629)	(2,247)	(3,573)	(2,916)	(2,877)	(3,512)	(3,891)	(3,612)	(3,715)	(3,702)	(3,857)
Funding Balance	0	0	0	0	0	0	0	0	0	0	0

Roading and Footpaths



Roading and Footpaths

What we do

Roading and Footpaths includes the following activities provided by Council:

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

Roothing and Footpaths is concerned with provision of the land transport network and associated assets and services throughout the district. It delivers both asset (such as roads, signs, and infrastructure) and non-asset functions (such as street cleaning, garden/berm maintenance, temporary traffic management and road safety initiatives).

Timaru District is a regional transportation hub, servicing significant 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 the assets is provided by the Council, with operational work carried out by contractors.

The activity also includes managing the parking asset (e.g. parking meters and carparks). Monitoring parking compliance in the district is carried out by the Environmental Services Group.

Council also provides many cycleways and walkways throughout the district. These range from cycleways in the road corridor, to combined walkways and cycleways that are off-road, such as beside urban and rural streams. Off road walkways and cycleways are often managed jointly between the Parks and Recreation Unit and the Land Transport Unit.

Service delivery is influenced by a complex array of government legislation and policies as well as national and regional strategies. The Council also has several strategies that help guide delivery, headlined by the Timaru Transportation Strategy, with other strategies for active transport, off road walking and cycling, public transport, road safety, lifecycle management and parking.

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

Roading and Footpaths

Why we do it

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

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

Roding and Footpaths

Roding and Footpaths provides access for the movement of people and goods, access to properties, public corridors for utility services, and is integral to prosperity, growth and connected communities. With more than 93% of freight transported by road, an efficient transport network is critical to support businesses to deliver efficient freight movement, and is a prerequisite for attracting new enterprises. It also significantly contributes to current and future economic growth. Timaru has regionally significant freight hubs at PrimePort Timaru, Washdyke, and Clandeboye dairy factory. Roding infrastructure is essential for maintaining and facilitating road corridor based utility infrastructure (e.g. power, telecommunications, gas, water, wastewater, stormwater). It allows visitors to travel through and around the district and district residents to visit other locations.

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

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

The One Network Roding Classification (ONRC) framework that categorises roads throughout the country has been implemented. The (ONRC) considers the needs of all road users (motorists, cyclists, or pedestrians). It will provide road users more consistency and certainty about what standard and services to expect on the national road network, including the most

appropriate safety features. The ONRC also helps New Zealand to plan, invest in, maintain and operate the road network in a more strategic, consistent and affordable way throughout the country.

"Right Road, Right Value, Right Time."- ONRC

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

The transport network helps encourage healthy lifestyles by supporting active transport modes. It also enables delivery of public passenger transport options. A network of formed and unformed roads provides ongoing public access to the natural environment.

Cycleways and Walkways

Cycleways and walkways are often inherently tied into the roading and footpaths network as many of the reasons for Council's involvement in roading and footpaths also apply to cycleways and walkways. Good network infrastructure enhances communities as places to live and provide opportunity to use active transport modes, such as cycling and walking.

In the Timaru District, multiple transportation modes are used. Community preferences have changed over the years, and Council is responding by working towards access to safer and healthier modes of transport. Providing the infrastructure for healthier transportation modes will encourage the community to choose a healthier alternative transportation mode, such as walking and cycling, and leaving the private vehicle in the garage. It also provides a transportation mode for those in the community without the ability or means to drive a private vehicle.

Roading and Footpaths

How this Group contributes to the Strategic Direction

Activities within this Group contribute primarily towards the following Community Outcomes:



How the Roading and Footpaths Group contributes to the Council's Strategic Priorities

Strategic Priority	What we'll aim for	What we'll do
Invest in our community	<ul style="list-style-type: none"> ■ Resilient and affordable roading infrastructure that meets community needs ■ Rural roads that are appropriate for community needs 	<p>Listed below is a summary of the main areas of work within this Group:</p> <ul style="list-style-type: none"> ■ Undertake transport planning to ensure the district's future roading infrastructure requirements are met ■ Maximise central government funding assistance for roading projects ■ Manage and maintain all aspects of the roading and footpath network to minimise disruption for the road user, including: <ul style="list-style-type: none"> – Prepare and manage roading and footpaths contracts – Manage and update asset data, transport model and related information – Manage inspection and condition rating of network assets – Provide engineering, survey and design services for transport projects – Ensure Traffic Management Plans are in place for all road works sites – Manage notified and emergency road closures – Manage vehicles crossing and road opening processes – Develop and implement Corridor Management Plan with utility providers – Monitor, inspect and audit roading network assets – Monitor the state of the roading network, including traffic counts, pavement roughness and condition – Manage and maintain traffic signals, signage and road markings on the transport network – Manage footpath renewals and maintenance projects – Monitor, inspect and audit footpath assets – Determine future footpath projects based on defined prioritisation approach and future demand ■ Manage and maintain the street lighting network and amenity lighting and renewal programme including LED lighting upgrades ■ Implement budgeted roading upgrades (eg intersections, seal widening, renewals, bridge replacements) ■ Manage stormwater for road runoff ■ Work collaboratively with neighbouring Councils ■ Implement the road safety strategy ■ Conduct safety audits on aspects of the districts roading network ■ Deliver quality community road safety campaigns to improve road behaviour and awareness ■ Monitor road accident statistics and locations ■ Maintain Timaru CBD surveillance camera network ■ Implement Active Transport Strategies including cycleways, walkways, school travel plans
Promote integrated, highly liveable communities	<ul style="list-style-type: none"> ■ Safe roads, footpaths and street networks ■ Walking and cycling options across the district ■ Implementation of new transport technologies 	
Support areas of economic and district strength	<ul style="list-style-type: none"> ■ Fit for purpose roading infrastructure (road and structures) that enables areas of economic strength to thrive and maximises local economic growth 	
Ensure critical infrastructure meets community needs	<ul style="list-style-type: none"> ■ A well maintained and designed roading network ■ Fit for purpose strategic district roading routes ■ Bridge infrastructure that meets capacity requirements ■ Rural roads that are sufficient for business and industry needs 	

Roading and Footpaths

Strategic Priority	What we'll aim for	What we'll do
		<ul style="list-style-type: none">■ Support provision of Timaru public transport services (ECan provided)■ Regularly inform and engage the community via a range of mediums■ Seek user views via community surveys■ Provide a customer service request system 24 hours a day, 7 days a week■ Manage and maintain Timaru District parking facilities in urban communities■ Plan for future provision of car parking requirements based on demand■ Enhance the district entrance signage■ Maintain and refresh the district's township CBDs

Roading and Footpaths

Effects on community wellbeing

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

Effect	Type of effect	How Council intends to mitigate effect
Road and environment factors can contribute to crashes, particularly those that involve loss of control	Social Economic Environmental	<ul style="list-style-type: none"> ■ Monitor and analyse through Crash Analysis System ■ Develop and implement crash reduction studies ■ Maximise funding for road safety and minor safety programmes ■ Signage and road delineation ■ Promotion and education of road safety. ■ Road safety audit
Amenity value affected by design of land transport facilities	Cultural Social Economic Environmental	<ul style="list-style-type: none"> ■ Managed through community consultation, good urban design and well defined standards
Contaminated road water runoff causing environmental degradation	Environmental	<ul style="list-style-type: none"> ■ Managed through contracts, standards and policies ■ Monitor work done and possible contaminated road water runoff ■ Encourage off road stock corridors and road underpasses ■ Stormwater management treatment initiatives e.g. rain gardens
Dust from unsealed roads and noise can affect surrounding land, properties and the environment	Social Economic Environmental	<ul style="list-style-type: none"> ■ Managed through standards and policies ■ Funding and commitment to seal extension programme where possible ■ Monitor road roughness ■ Promotion of active and alternative transport options
Increase in traffic volumes leads to congestion on roads contributing to greater travel times and associated costs	Cultural Social Economic Environmental	<ul style="list-style-type: none"> ■ Monitor traffic counts ■ Increase the availability, options, and infrastructure for active and alternative transport ■ Promotion of and education about active and alternative transport options ■ Public transport encouragement and facilities
Road deterioration where renewals are not completed affects vehicles through increased wear and associated costs	Cultural Social Economic Environmental	<ul style="list-style-type: none"> ■ Managed through maintenance contracts, standards and levels of service ■ Maximise funding for maintenance and renewals ■ Good Road Assessment and Maintenance Management (RAMM) data ■ Forward planning of works ■ Timely renewals ■ Condition monitoring of assets

Roading and Footpaths

Effects on community wellbeing

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

Effect	Type of effect	How Council intends to mitigate effect
Insufficient road corridor space for non-vehicle users such as utilities	Social Economic Environmental	<ul style="list-style-type: none"> ■ Managed through legislation and policies ■ Co-ordination of programmes between transport and utilities ■ Good urban design to protect the road carriageway integrity by having underground utilities in the berm area
Pavement and structures (e.g. bridges) deterioration and failure due to increased economic activity. Increased economic activity has resulted in growth and freight movement on freight intensive roads and previously low freight volume roads	Social Economic Environmental	<ul style="list-style-type: none"> ■ Managed through maintenance contracts, standards and levels of service ■ Maximise funding for maintenance and renewals ■ Good Road Assessment and Maintenance Management (RAMM) data ■ Forward planning of works ■ Robust data collection and analysis

Roading and Footpaths

Key issues for next 10 years

This group of activities is one of the key functions of Council in terms of providing quality infrastructure to meet the needs of the community today and in the future.

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

Funding pressures and affordability

The One Network Road Classification (ONRC) introduced in 2013, has been applied throughout New Zealand and will potentially impact on the availability of funding for district roads. Following the change of government in October 2017 a new draft Government Policy Statement on Land Transport was released in March 2018. The key strategic priorities are safety and access, along with two supporting strategic priorities - value for money and environment. This may also result in changes in NZTA funding allocations.

Timaru District Council is working in collaboration with other boundary Councils. The Mid-South Canterbury Roothing Collaboration (ARC) comprises the Councils of Ashburton, Mackenzie, Timaru and Waimate Districts. This collaboration has allowed for sharing of resources between Councils, and economies of scale.

The introduction of the Better Business Case Approach by NZTA for funding bids has created a greater and more robust analysis of road expenditure and funding requirements. It is anticipated that this business case will be successful in providing the funding TDC requires to ensure a fit for purpose road network.

With better data collection and understanding of future needs, the long term renewals funding requirements have increased particularly in footpaths and roading. This will need to be funded and is progressively being implemented.

Managing growth and demand

Growth and demand on the transport network comes from many different pressures. The key growth factor in roading is the increased freight task. This is expected to double in the next 10 years, resulting in a significant increase in numbers of heavy vehicles and the weight of such vehicles. Over 93% of freight is transported by road. With our rural economy, access to farms

is critical and therefore low volume rural roads and structures (e.g. bridges) must meet increased demands (fit for purpose).

Key activities planned to manage growth in the future include:

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

The key drivers and issues affecting the activity over the next ten years are summarised in the table (over page).

The key identified problems are:

- Increased economic activity has resulted in growth in freight movements on freight intensive roads and previously low freight volume roads. There are load carrying capacity constraints on some bridges and an increased risk of pavement failure.
- The increase in environmental standards required by the Canterbury Land and Water Regional Plan requires treatment of road runoff at the time of renewal or improvement, which increases the cost of projects.
- Rural mid-block curve section crashes are over-represented in the number of fatal and serious injuries.
- A lack of infrastructure to support mobility alternatives is limiting transport mode options within and across some of our communities for the transport disadvantaged.

Ageing Infrastructure

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

Changing Land Use and Demand

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

Increasing Standards and Expectations

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

Affordability

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

Resilience and Long Term Sustainability

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

Roading and Footpaths

Demand Driver	Issues
Growth	<ul style="list-style-type: none"> Population increase Demographic change Land use change Industrial/commercial growth Freight Tourism
Level of Service	<ul style="list-style-type: none"> Increasing community expectations External influences New Technology Travel behaviour change Vehicle change (increasing heavy vehicle mass and electric vehicles) Ageing infrastructure
Sustainability	<ul style="list-style-type: none"> Road safety Environmental protection Health Improved urban design Funding affordability

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

Steady population and household growth will impact on the district's roading network as traffic volumes increase. By 2028 the population is expected to increase to 49,400 and households are expected to increase to 21,500. The ageing of the population will also cause potential changes in transportation modes. However, other growth factors particularly economic growth are likely to have a greater impact on the district's roading network.

Land use change

Global commodity markets are driving changing land use in the rural sector. There has been a significant increase in dairy farming with many dry stock farm conversions to dairy. The availability of irrigation has allowed more intensive farming.

Intensive dairy and crop farming has significantly increased the

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

Increasing freight volumes

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

The study estimated increases in freight for these sectors as:

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

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

The Timaru State Highway 1 northern corridor is an area that is already facing congestion problems. Existing congestion issues are expected to worsen in the future due to PrimePort Timaru activity, and general district-wide economic growth. The northern corridor is an important part of the Timaru road network providing access

for southbound traffic entering Timaru and congestion should ideally be minimal. Council continues to advocate to NZTA for improvements in this key route.

Freight logistics are a challenge and can change rapidly particularly around port activity. PrimePort Timaru freight growth has increased substantially recently with the partnership with the Port of Tauranga. This growth is expected to continue in the future placing increasing pressure on the roading network. Currently, the Council still proposes to improve the southern access to the port. In the long term, it is most likely through an overpass off North Street, but in the short term, Council will upgrade the Heaton Street railway crossing having recently acquired a medium term Deed of Grant to service this access point.

Meeting community expectations

Our community has high expectations of the roading infrastructure. Council needs to balance providing a well-managed and maintained, reliable, safe and efficient transportation infrastructure for the community, businesses, and visitors, with the communities ability to pay.

Council also needs to manage expectations arising from conflicts between road users, congested traffic flows in certain locations, pedestrian and cycle safety and access on busy roads, dust nuisance from unsealed rural roads, change in usage such as increased mobility scooter traffic, public transport preferences, growth causing increased traffic movements and road design. Roding and footpaths budgets are targeted towards many of the issues raised by the community, particularly where these are ongoing. This can be limited by the funding available and conflicting priorities.

Changing technology

Changing technology will drive increasing community expectations and new requirements on the roading infrastructure. Significant new technologies include electric vehicles, automated vehicles, vehicle information sharing, electric bicycles (e-bikes) and communication systems. The Council will monitor and facilitate new technologies as the need arises and funding becomes available.

Roading and Footpaths

Planning and funding framework for roading and footpaths

A complex planning and funding framework exists for transport, which encompasses local, regional and central government. Government legislation and Regional Land Transport policies, strategies have a significant impact on funding of the activity and the targets it has to meet. Key legislation includes the Land Transport Management Act 2003 (LTMA) and Local Government Act 2002 (LGA). The purpose of the LTMA is to contribute to an effective, efficient, and safe land transport system in the public interest.

Roading projects are subject to a regional approval process through the Canterbury Regional Transport Committee. This in turn is subject to the priorities identified by government through the Government Policy Statement on Land Transport. Currently, the final approved national Land Transport programme occurs in August, which follows Council's consultation on and adoption of the LTP. This means that funding is not guaranteed for projects identified in the Council's programme.

Ageing infrastructure

A significant amount of the district's roading, bridge and footpaths infrastructure was constructed between 50 and 80 years ago, during "pioneer" or "boom" times to provide access to land, industry, rail and ports. At this time there was significant optimism of continued growth and infrastructure was often designed to accommodate these future demands. While this foresight has had benefits, a proportion of the district's roading assets are now nearing the end of their service life.

Planned work includes reconstruction of roads, renewal of kerb and channel, footpaths, traffic signals and signs, resealing, bridge replacements and culvert renewals.

While the district's 297 bridges are generally in good condition, many are ageing and will require replacement in 10-20 years time. Larger and heavier farm machinery and trucks are also demanding a higher level of service for bridges, many of which are rural, one-lane and narrow. Funding requirements will increase in future years as more bridges need replacement, with a larger increase beyond 2020.

Road safety

Improving road safety in the district continues to be a priority for Council. Of particular concern is the over representation of rural mid-block curve section crashes in the number of fatal and serious injury crashes. Other issues include speed, intersections, alcohol, poor observation and young drivers. Improving road safety is also about changing behaviour and attitudes. This can often take generations and there are no quick fix solutions.

In recent years, some gains have been made and crash statistics have continually trended downwards. Work is ongoing and includes both improvements to the existing road network and educating drivers about appropriate behaviour. Council aims to work with partner agencies to improve road safety in the district and is the lead agency for the South Canterbury sub-region (Timaru, Mackenzie, and Waimate Districts) for road safety education.

Active transport promotion

Council aims to encourage active lifestyles within the district and the Active Transport Strategy forms part of this. It provides a framework that recognises that our roads are public spaces and not simply the domain of vehicles, and

that our network also has to cater for other modes of transport such as cycling, walking and the use of public transport. The strategy will continue to be implemented as funding permits.

Stormwater quality improvements

New requirements under the Canterbury Land and Water Plan mean stormwater quality has to improve. This has implications for the activity as it will potentially require stormwater treatment or retention options to be built into roading renewal work, such as swales or rain gardens. Challenges in achieving this include land availability in the road reserve, ongoing maintenance costs and the capital installation cost.

Roading and Footpaths

Levels of Service and Performance Measures

Levels of Service	Performance Measure	Targets	
		Year 1 – 3 target: 2018/19-2020/2021	Year 4 – 10 target: 2021/22 – 2027/28
1. Roads are designed and maintained to community expectations	Ratepayer satisfaction with value for money	>= 80% of ratepayers believe they get value for money	>= 85% of ratepayers believe they get value for money
	Response to customer service requests (Mandatory)	>= 70% of customer service requests are responded to within 10 working days	>= 70% of customer service requests are responded to within 10 working days
2. Roads and Bridges are fit for purpose and provide for comfortable and efficient travel	Timaru travel times on key transport routes	Total travel journey times on key Timaru transport routes are maintained at 2005 levels plus 10%	Total travel journey times on key Timaru transport routes are maintained at 2005 levels plus 10%
	Effect of roading maintenance and renewals work on travel times	<=10 complaints per year about traffic disruption due to maintenance and renewal works	<=10 complaints per year about traffic disruption due to maintenance and renewal works
	Road condition - average quality of ride on sealed local road network (Mandatory)	The average Smooth Travel Exposure Index on all sealed district roads >= 90%	The average Smooth Travel Exposure Index on all sealed district roads >=90%
	Resident satisfaction with maintenance of sealed roads	>= 75% of residents are satisfied with the maintenance of sealed roads	>= 80% of residents are satisfied with the maintenance of sealed roads
	Resident satisfaction with maintenance of unsealed roads	>= 70% of residents are satisfied with the maintenance of unsealed roads	>= 75% of residents are satisfied with the maintenance of unsealed roads
	Resurfacing of road network (Mandatory)	4% of the sealed road network is resurfaced annually	4.5% of the sealed road network is resurfaced annually
	Percentage of bridges that have capacity for full HPMV loading	65% of bridges have capacity for full HPMV loading	68% of bridges have capacity for full HPMV loading
3. Footpaths are safe, well designed and maintained	Resident satisfaction with footpaths	>=70% residents are satisfied with the smoothness, safety and maintenance of the footpaths	>=75% residents are satisfied with the smoothness, safety and maintenance of the footpaths
	Footpath condition	75% of footpaths to be average or better condition	75% of footpaths to be average or better condition
	Kilometres of footpaths resurfaced	7km of footpaths resurfaced annually	7km of footpaths resurfaced annually
4. Traffic signals, road signage and markings and amenity lighting provide clear guidance	Resident satisfaction with signage, road markings and amenity lighting	>=95% residents are satisfied that road signs and markings provide guidance that is helpful and effective	>=95% residents are satisfied that road signs and markings provide guidance that is helpful and effective
		>=95% of residents are satisfied that there is sufficient lighting of streets and intersections in urban areas	>=95% of residents are satisfied that there is sufficient lighting of streets and intersections in urban areas

Roading and Footpaths

Levels of Service	Performance Measure	Targets	
		Year 1 – 3 target: 2018/19-2020/2021	Year 4 – 10 target: 2021/22 – 2027/28
5. Roothing works and road safety initiatives help promote district road safety and awareness	Resident satisfaction with overall safety of road network	85% of residents believe the road network is safe	90% of residents believe the road network is safe
	Road fatalities and serious injury crashes (Mandatory)	Number of fatalities and serious injury crashes on the local road network is less than the previous financial year on an annual basis	Number of fatalities and serious injury crashes on the local road network is less than the previous financial year on an annual basis
	Road safety awareness	40% of residents are aware of road safety programmes or advertisements	50% of residents are aware of road safety programmes or advertisements
6. Car parks are available, fit for purpose and easy to access	Resident satisfaction with access to car parking	75% of residents are satisfied that access to Council provided car parking is adequate	80% of residents are satisfied that access to Council provided car parking is adequate
	Resident satisfaction with location, design and maintenance of car parking	80% of residents are satisfied with the location, design and maintenance of car parking	85% of residents are satisfied with the location, design and maintenance of car parking
7. Sustainable transport options* are facilitated and provided	School travel plans completed or reviewed annually	1 school travel plan completed or reviewed annually	1 school travel plan completed or reviewed annually
	Percentage of residents utilising active or public transport modes	80% of residents regularly walk, 30% of residents regularly cycle and 15% of residents use public transport	80% of residents regularly walk, 30% of residents regularly cycle and 15% of residents use public transport

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

Roading and Footpaths

How this activity is funded

Operating expenditure for activities within the Roothing and Footpaths group is funded through the following mechanisms:

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

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

Roading and Footpaths

Projects

Project Title	Summary	Expenditure			
		2018/19	2019/20	2020/21	2021/22-2027/28
Structural Bridge Replacements	The replacement of bridges in the district, which are at the end of their design life. This includes strengthening of rural bridges to provide capacity for full High Productivity Motor Vehicles.	760,000	776,700	1,211,600	7,969,700
Pavement Rehabilitations	Reconstruction of roading in the district at the end of its design life to ensure maintenance costs are reduced.	2,100,000	2,146,200	2,193,400	23,134,100
Minor Improvements Works	General improvements to the roading network, such as safety improvements, upgrades or new cycle ways.	805,000	822,700	840,800	6,465,500
Kerb and Channelling – Renewals	Renewals of kerb and channelling in the district, including enhancements to create safer speed environments.	850,000	1,073,100	1,096,700	9,317,300
New Kerb and Channelling	New kerbing and channelling in the district's roading network.	300,000	306,600	156,700	2,233,900
Chip Seal Renewals	Renewals of chip seal road surfaces in the district.	2,550,000	2,606,100	2,663,400	20,480,600
Asphalt Surface Renewals	Renewals of asphalt road surfaces in the district.	500,000	511,000	522,200	4,015,900
Unsealed Road Metalling Renewals	Renewals of road metal on unsealed roads across the district.	500,000	511,000	522,200	4,015,900
Intersection Upgrades/Safety Improvements	Safety improvements to intersections, which may include traffic signals, roundabouts or the upgrading of intersections to improve traffic safety and flow.	250,000	102,200	104,400	2,235,200
District Footpath Improvements/Renewals	Renewals of footpaths across the district, including Geraldine, Temuka, Timaru, Pleasant Point and other rural townships.	973,000	1,042,500	1,010,000	7,980,200
New District Footpaths	New footpaths across the district, including Geraldine, Temuka, Timaru, Pleasant Point and other rural townships.	153,000	113,500	166,100	1,074,300
Signage Renewals	Renewals of damaged, vandalised or stolen road signs and signage that has reached the end of its useful life.	130,000	132,900	135,800	1,044,100
New Roads and Bridges	New bridge on Rangitata Gorge Road at Powerhouse Stream	140,000			
New Signs	Provide new signs for the Timaru District roading network	80,000	81,800	83,600	642,500
Traffic Light Renewals	The replacement of district traffic lights at the end of their useful life or when damaged.	40,000	81,800	41,800	321,300
Culvert Renewals	Renewals of culverts in the districts roading network.	80,000	81,800	83,600	642,500
New Culverts	New culverts in the district's roading network.	90,000	92,000	94,000	722,900
Street Light and Lantern Renewals	Replacement of street lights, bulbs and lanterns. Also included are subdivision contributions where required to enhance lighting or services provided by the developers of new subdivisions, if the enhancement is for the public good.	40,000	40,800	41,800	321,200

Roading and Footpaths

Project Title	Summary	Expenditure			
		2018/19	2019/20	2020/21	2021/22-2027/28
Street lighting - LED Lantern replacements	Active replacement of streetlights with LED lanterns allowing for lower maintenance and energy costs.		153,300	156,700	1,204,800
Seal Extensions	Seal extension of unsealed roads according to Council policy.	330,000	337,300	344,700	2,650,500
Seal Widening	Seal widening of roads across the district. (Edgebreak and Upgrading)	900,000	919,800	522,200	6,066,500
CBD Renewals (Refresh) - District Wide	A freshen up of all the districts Central Business Districts.				678,300
Security Cameras projects	New security cameras to add to the current Geraldine (18/19) and Timaru (21/22, 25/26) CBD surveillance systems.	20,000	20,400		55,500
Welcome signage upgrades	Upgrading to signage welcoming people to Timaru (18/19, 22/23, 26/27) and Geraldine (24/25).	18,000			57,300
Bus Shelters -Relocations	District bus shelters relocations	10,000	10,200		
Temuka Road Upgrades	Upgrade of roading in the north-western part of Temuka to facilitate residential development. This includes installation of kerb and channelling and footpaths in Grant Street, Wallingford Road, Donald Street and Lachlan Street.	200,000		313,300	563,900
Southern Road Access-Port	Project to improve the southern access to the port of Timaru. Improvement on Railway crossing (18/19), design(21/22-22/23) and construction of a new bridge (24/25 - 25/26)	600,000			6,727,400
Washdyke Network Improvements	Project to improve the Washdyke roading network - to better facilitate commercial activity in the area and to provide infrastructure for future development.	500,000		1,566,700	572,000
Christmas Decorations replacement	Replacement Christmas decorations for Timaru (18/19, 26/27-27/28), Geraldine (18/19 - 19/20) and Temuka (18/19 - 22/23).	79,000	9,100	4,200	496,400
Subdivision contribution	Council's contribution towards subdivision costs associated with street lighting	4,000	4,100	4,200	32,200
Timaru CBD Car parking	New Timaru CBD car park likely to be located in the south end.			835,600	
Carparks - Resealing	The resealing of carparks in the district.			73,100	91,500
Car parking - Pay and Display machines	Replacement of pay and display machines across the district.	25,000	15,300		56,100
Office Equipment	The replacement of specialist engineering equipment in the Land Transport Unit.				76,400

Roading and Footpaths

Funding Impact Statement

	Budget 2017/18 \$'000	Budget 2018/19 \$'000	Budget 2019/20 \$'000	Budget 2020/21 \$'000	Budget 2021/22 \$'000	Budget 2022/23 \$'000	Budget 2023/24 \$'000	Budget 2024/25 \$'000	Budget 2025/26 \$'000	Budget 2026/27 \$'000	Budget 2027/28 \$'000
Sources Of Operating Funding											
General Rates, Uniform annual general charges, rates penalties	8,117	8,520	8,850	9,769	10,253	11,714	12,414	12,629	13,086	13,664	13,709
Targeted Rates (other than a targeted rate for water supply)	1,731	2,068	2,269	2,558	2,691	3,002	3,117	3,341	3,476	3,717	3,870
Subsidies and grants for operating purposes	3,082	2,864	2,971	2,990	2,949	3,009	2,903	2,955	2,988	2,975	2,962
Fees charges and targeted rates for water supply	1,113	1,116	1,150	1,186	1,211	1,261	1,281	1,343	1,387	1,435	1,486
Internal charges and overheads recovered	1,756	1,892	1,945	1,970	2,012	2,064	2,128	2,179	2,232	2,288	2,350
Local authorities fuel tax, fines, infringement fees and other receipts											
Total Operating Funding	15,800	16,460	17,184	18,474	19,117	21,050	21,843	22,447	23,168	24,079	24,377
Applications Of Operating Funding											
Payments to staff and suppliers	7,638	7,841	8,117	8,320	8,473	8,743	8,917	9,102	9,403	9,614	9,838
Finance costs	841	743	770	827	900	929	1,022	1,176	1,286	1,365	1,370
Internal charges and overheads applied	2,427	2,688	2,736	2,738	2,797	2,862	2,944	3,013	3,086	3,161	3,244
Other operating funding applications											
Total Applications Of Operating Funding	10,907	11,272	11,622	11,885	12,170	12,533	12,883	13,291	13,775	14,140	14,452
Surplus/(Deficit) Of Operating Funding	4,894	5,188	5,562	6,589	6,946	8,518	8,960	9,156	9,394	9,939	9,925
Sources Of Capital Funding											
Subsidies and grants for capital expenditure	4,619	5,592	5,104	6,076	5,555	6,127	6,382	8,704	7,495	6,220	7,022
Development and financial contributions											
Increase/(decrease) in debt	732	1,156	301	2,480	1,007	659	881	2,790	1,686	(1,289)	(1,001)
Gross proceeds from the sale of assets											
Lump sum contributions											
Other dedicated capital funding	165	165	165	165	0	165	0	165	165	165	165
Total Sources Of Capital Funding	5,516	6,913	5,571	8,721	6,562	6,951	7,263	11,658	9,346	5,096	6,185
Applications Of Capital Funding											
Capital expenditure											
- to meet additional demand	104	134	106	526	143	114	228	153	157	161	165
- to improve the level of service	3,904	4,271	2,832	4,213	3,300	3,141	4,068	7,912	5,495	2,810	3,294
- to replace existing assets	9,406	8,622	9,054	10,049	9,755	10,930	11,546	11,891	11,532	12,012	13,140
Increase/(decrease) in reserves	(3,004)	(926)	(860)	521	310	1,284	383	858	1,556	52	(489)
Increase/(decrease) of investments											
Total Applications Of Capital Funding	10,410	12,101	11,133	15,310	13,508	15,468	16,224	20,814	18,740	15,035	16,110
Surplus/(Deficit) Of Capital Funding	(4,894)	(5,188)	(5,562)	(6,589)	(6,946)	(8,518)	(8,960)	(9,156)	(9,394)	(9,939)	(9,925)
Funding Balance	0	0	0	0	0	0	0	0	0	0	0

Sewer



Sewer

What we do

Timaru District Council Sewer Services include the collection, treatment and disposal of domestic and industrial wastewater.

Sewer systems are provided in the urban areas of Timaru, Temuka, Geraldine and Pleasant Point. These systems are linked via pipelines to the main wastewater treatment plant and ocean outfall in Timaru. A small collection scheme also serves the Arowhenua community which feeds into the Temuka pond for treatment. Additional sewer is 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 on-site by industries to comply with tradewaste discharge limits set by Council before discharging to the public wastewater system, and ultimately ocean discharge

The Sewer activity looks after an asset base consisting of the main wastewater treatment plant in Timaru, three oxidation ponds at the inland towns of Geraldine, Pleasant Point and Temuka, 24 sewer pump stations, and a reticulation network of approximately 354km of pipeline and nearly 4,000 manholes. The assets at the main wastewater treatment plant at Aorangi Road in Timaru consist of a milliscreen plant for industrial wastewater; a domestic wastewater treatment system consisting of a network of screening structures, treatment ponds, and pump station; a reception facility for tankered discharges; and an ocean outfall for discharging of the treated wastewater.

Environment Canterbury has granted Council consent to discharge to the ocean until 2045.

Why we do it

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

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

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

Removal and mitigation of the adverse impacts of wastewater on the environment benefits current and future generations. Safe treatment and disposal of sewage are of vital importance to the protection of the quality of life and public health of district residents. It safeguards district waterways and the environment from direct discharges and helps protect their life-supporting capacity.

Sewer services infrastructure is an essential element to maintaining district prosperity and promoting economic development. Well planned infrastructure facilitates the continued development of industry and future proofed systems attract business to the district. Ongoing maintenance of wastewater systems occurs to ensure minimal impact on businesses and essential services.

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

- Local Government Act 2002
- Resource Management Act 1991
- Health Act 1956
- Civil Defence Emergency Management Act 2002
- Health and Safety at Work Act 2015
- National Environmental Standards for Sources of Human Drinking Water 2007
- National Environmental Standard for Assessing and Managing Contaminants in Soil to Protect Human Health 2011
- New Zealand Coastal Policy Statement 2010
- National Policy Statement for Freshwater Management (NPS-FM) 2014

- Regional Coastal Environment Plan 2005 (Environment Canterbury)
- Canterbury Regional Policy Statement 2013 (Environment Canterbury)
- Canterbury Land and Water Plan Regional Plan 2016 (LWRP) (Environment Canterbury)
- Canterbury Water Management Strategy 2009 (Environment Canterbury)
- Timaru District Plan 2005
- Timaru District Consolidated Bylaw 2018

Sewer

How this Group contributes to the Strategic Direction

Activities within this Group contribute primarily towards the following Community Outcomes:



How the Sewer Group contributes to the Council's Strategic Priorities

Strategic Priority	What we'll aim for	What we'll do and how we'll do it
Invest in our community	<ul style="list-style-type: none"> Quality sewer systems that meet district needs 	<p>Listed below is a summary of the main areas of work within this Group:</p> <ul style="list-style-type: none"> Collect, treat and dispose of domestic and industrial wastewater Manage, monitor and maintain wastewater networks in accordance with resource consent conditions Monitor changes in regulatory requirements for wastewater activities Provide a customer service request system 24 hours a day, 7 days a week and respond to service faults Implement budgeted sewer infrastructure renewals and upgrades Manage growth of the wastewater network Monitor demand on all wastewater schemes Manage sewer services contracts Monitor condition and performance of wastewater reticulation and assets Manage the collection and disposal of tankered waste product Review and update the Risk Management Strategy Monitor compliance with trade waste effluent discharge agreement conditions Negotiate and review new or existing trade waste agreements as required
Promote integrated, highly liveable communities	<ul style="list-style-type: none"> Safe sewage treatment and disposal that protects and maintains public health and the environment 	
Support areas of economic and district strength	<ul style="list-style-type: none"> Sewer infrastructure that meets business and industry requirement 	
Ensure critical infrastructure meets community needs	<ul style="list-style-type: none"> Sewer infrastructure that meets future community needs 	

Effects on community wellbeing

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

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

Sewer

Key issues for next 10 years

The Timaru District Wastewater Strategy implemented in the last 10 years provided significant improvements in the sewer services infrastructure enabling a district-wide system of sewer treatment and disposal to be implemented along with meeting the requirements of resource consents.

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

Replacing below ground sewer infrastructure

Poor pipe condition has led to higher rates of inflow and infiltration where rain and groundwater enter the sewers through pipe defects. Based on the assessed remaining life of these assets, there are around 70km of pipes (20% of the network) that will be due for replacement in the next 10 years. Estimated cost is around \$15 million.

Growth and development

Demand for sewer services is primarily driven by demographic and economic growth factors. While population and households are expected to slowly increase, they are not expected to significantly impact on sewer services in the next ten years.

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

Climate change

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

Maintaining affordability and meeting community expectations

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

Monitoring sewer systems usage

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

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

Network extensions

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

Consumer education

Effective communication with users is required regarding the consequences of inappropriate practices and materials being flushed down toilets and drains. Specifically, there needs to be greater consumer awareness of:

- The consequential level of service failure due to blockages and the unnecessary cost of clearing up the sewer network of foreign materials
- The importance of commercial and industrial discharges obtaining and adhering to trade waste consent conditions.

Sewer

Levels of Service and Performance Measures

Levels of Service	Performance Measure	Targets	
		Year 1 – 3 target: 2018/19-2020/2021	Year 4 – 10 target: 2021/22 – 2027/28
1. Maintain excellent sewer network services	Number of dry weather overflows from the sewerage system (Mandatory)	2.5 or fewer recorded dry weather overflows per 1,000 connections	2.5 or fewer recorded dry weather overflows per 1,000 connections
2. Deliver sewer services according to required environmental standards	Compliance with Resource Consent conditions (Mandatory)	No abatement notices, infringement notices, enforcement orders and convictions	No abatement notices, infringement notices, enforcement orders and convictions
3. Provide management of trade waste services	Industry compliance with trade waste agreements	100% of industries with trade waste agreements are monitored for compliance	100% of industries with trade waste agreements are monitored for compliance
4. Maintain excellent customer service	Median attendance and resolution times to sewerage overflow faults in the network# (Mandatory)	<ul style="list-style-type: none"> ■ Median attendance time will be less than 1 hour ■ Median resolution time will be less than 8 hours 	<ul style="list-style-type: none"> ■ Median attendance time will be less than 1 hour ■ Median resolution time will be less than 8 hours
	Total complaints received about: <ul style="list-style-type: none"> 1. Sewage odour 2. Sewerage system faults 3. Sewerage system blockages 4. The TDC response to sewerage system issues (Mandatory) 	14 or fewer complaints received per 1,000 connections	10 or fewer complaints received per 1,000 connections
	Satisfaction with sewer services	>=85% user satisfaction	>=85% user satisfaction

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

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

How this activity is funded

Operating expenditure for activities within the Sewer group is funded through the following mechanisms:

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

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

Sewer

Projects

Project Title	Summary	Expenditure			
		2018/19	2019/20	2020/21	2021/22-2027/28
Drainage/Sewer-Small Mains Renewals and Capital Upgrades	Replacement of pipes and other sewer assets across the district as they reach the end of their useful life.	2,030,000	1,114,000	1,566,700	11,128,400
Maintenance Generated Renewals	Renewals generated as a result of planned maintenance to the sewer network.	140,000	143,100	146,200	1,124,500
Model Analysis and Calibration	Wastewater network modelling and flow monitoring for model calibration purposes.	115,000	153,300	67,900	439,500
Pump Renewals	Renewal of pumps as they come to the end of their useful life.	200,000	100,200	100,300	909,500
Data Capture Equipment Repairs	Repair of sewer sampling and monitoring equipment.	16,000	16,400	16,700	128,600
Mechanical Plant and Equipment Renewals	Replacement of plant and equipment that has reached the end of its design life, including telemetry, and upgrading of the milliscreen plant conveyors and presses.	180,000	316,800	240,300	973,300
Inland Towns Ponds Screens and Aerators Renewals	Renewals of pond screens and aerators that have reached the end of their useful life.	100,000	51,100		110,500
Building and Equipment renewals, including Tractor replacement	Renewals at buildings and equipment associated with the sewer network	15,000	15,300	15,700	160,500
Talbot Street, Geraldine Siphon Upgrade	Installation of a new siphon, in addition to the existing one, to improve sewer network capacity downstream to the Geraldine Pond.	600,000			
Trade Waste Charging review	Review of the Trade Waste Charging system	20,000			
New Sewer Reticulation	The extension of reticulation in sewer networks to enable residential development in urban areas.	820,000	102,200	104,400	803,200

Sewer

Funding Impact Statement

	Budget 2017/18 \$'000	Budget 2018/19 \$'000	Budget 2019/20 \$'000	Budget 2020/21 \$'000	Budget 2021/22 \$'000	Budget 2022/23 \$'000	Budget 2023/24 \$'000	Budget 2024/25 \$'000	Budget 2025/26 \$'000	Budget 2026/27 \$'000	Budget 2027/28 \$'000
Sources Of Operating Funding											
General Rates, Uniform annual general charges, rates penalties											
Targeted Rates (other than a targeted rate for water supply)	7,070	7,130	7,130	7,130	7,130	7,130	7,130	7,200	7,500	7,700	8,200
Subsidies and grants for operating purposes											
Fees charges and targeted rates for water supply	2,531	2,556	2,616	2,679	2,742	2,810	2,880	2,954	3,033	3,097	3,184
Internal charges and overheads recovered											
Local authorities fuel tax, fines, infringement fees and other receipts	130	145	169	210	210	210	210	210	210	110	110
Total Operating Funding	9,731	9,831	9,915	10,019	10,082	10,150	10,220	10,364	10,743	10,907	11,494
Applications Of Operating Funding											
Payments to staff and suppliers	2,136	2,520	2,623	2,236	2,205	2,697	2,316	2,364	2,530	2,516	2,589
Finance costs	3,191	2,515	2,458	2,375	2,288	2,197	2,310	2,396	2,268	2,317	2,345
Internal charges and overheads applied	1,436	1,764	1,896	1,861	1,709	1,726	1,766	1,827	1,793	1,837	1,939
Other operating funding applications											
Total Applications Of Operating Funding	6,763	6,799	6,978	6,471	6,203	6,619	6,392	6,587	6,591	6,670	6,872
Surplus/(Deficit) Of Operating Funding	2,968	3,032	2,937	3,548	3,880	3,531	3,828	3,777	4,152	4,237	4,622
Sources Of Capital Funding											
Subsidies and grants for capital expenditure											
Development and financial contributions											
Increase/(decrease) in debt	(1,837)	(565)	(1,736)	(1,651)	(1,869)	(1,843)	(1,954)	(2,162)	(2,163)	(2,164)	(2,157)
Gross proceeds from the sale of assets											
Lump sum contributions											
Other dedicated capital funding											
Total Sources Of Capital Funding	(1,837)	(565)	(1,736)	(1,651)	(1,869)	(1,843)	(1,954)	(2,162)	(2,163)	(2,164)	(2,157)
Applications Of Capital Funding											
Capital expenditure											
- to meet additional demand	550	820	102	104	107	109	112	114	117	120	124
- to improve the level of service	0	620	0	0	0	0	0	0	0	0	0
- to replace existing assets	3,683	2,796	1,910	2,154	2,102	2,121	2,466	2,174	1,852	2,001	2,261
Increase/(decrease) in reserves	(3,102)	(1,769)	(812)	(361)	(198)	(542)	(703)	(672)	21	(47)	80
Increase/(decrease) of investments											
Total Applications Of Capital Funding	1,131	2,467	1,200	1,897	2,011	1,688	1,874	1,616	1,990	2,073	2,465
Surplus/(Deficit) Of Capital Funding	(2,968)	(3,032)	(2,937)	(3,548)	(3,880)	(3,531)	(3,828)	(3,777)	(4,152)	(4,237)	(4,622)
Funding Balance	0	0	0	0	0	0	0	0	0	0	0

Stormwater



Stormwater

What we do

Timaru District Council provides stormwater services in the urban townships of Timaru, Temuka, Geraldine and Pleasant Point. The schemes range from piped to open channel systems and comprise Council's primary stormwater networks. Stormwater is disposed to soakpits, surface water bodies (e.g. drains, rivers) or the ocean, depending on the scheme.

Rural stormwater is managed mainly through land drainage with minimal conveyances provided in Winchester, Cave and Pareora.

The management of stormwater is critical for the safety of the community and the protection of public and private property. If not effectively collected and drained, stormwater can become a significant hazard and can cause damage to structures and properties. The discharge of stormwater also has the potential to cause adverse effects on the environment and subsequently the wellbeing of communities. The natural attributes of rivers, lakes and other freshwater bodies can be degraded by excessive sediment and contaminant inputs or by the flow rates and volumes of stormwater discharges. Council has a responsibility to ensure that stormwater is managed in a manner that sustainably supports the environmental, social, cultural and economic wellbeing of the communities it serves.

The activity looks after an asset base of around 146km of pipeline, 33km of open channel, 6 detention dams, 1 retention and filtration basin, 2 pump stations, over 2,344 manholes, 216 soak pits, over 3,000 sumps, and secondary/overland flow paths.

Where practicable Council is making increasing use of low impact design systems that when not used for stormwater purposes, provide open green space for people to enjoy.

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

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

Stormwater

Why we do it

Stormwater services particularly contribute to the economy and lifestyle aspects of the Council's vision. Stormwater management is of vital importance to the quality of life and public health of the district's residents.

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

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

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

Treatment of stormwater is now required under the Canterbury Land and Water Regional Plan to ensure adverse environmental impacts are minimised.

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

- Local Government Act 2002 and 1974
- Resource Management Act 1991
- Health Act 1956
- Canterbury Land and Water Regional Plan 2016 (LWRP) (Environment Canterbury)
- Canterbury Regional Policy Statement 2013 (Environment Canterbury)
- Regional Coastal Environment Plan 2005 (Environment Canterbury)
- Canterbury Water Management Strategy 2009 (Environment Canterbury)
- New Zealand Coastal Policy Statement 2010
- National Policy Statement for Freshwater Management (NPS-FM) 2014

- Resource Management (National Environmental Standards for Sources of Human Drinking Water) Regulations 2007
- Resource Management (National Environmental Standard for Assessing and Managing Contaminants in Soil to Protect Human Health) Regulations 2001
- Timaru District Plan 2005 (TDC)
- Timaru District Consolidated Bylaw 2018 (TDC)



Stormwater

How this Group contributes to the Strategic Direction

Activities within this Group contribute primarily towards the following Community Outcomes:



How the Stormwater Group contributes to the Council's Strategic Priorities

Strategic Priority	What we'll aim for	What we'll do and how we'll do it
Invest in our community	<ul style="list-style-type: none"> Stormwater infrastructure that efficiently disposes of stormwater to appropriate design levels and environmental standards 	<p>Listed below is a summary of the main areas of work within this Group:</p> <ul style="list-style-type: none"> Collection and disposal of stormwater via stormwater schemes Manage, monitor and maintain stormwater systems in accordance with resource consent conditions Monitor changes in regulatory requirements for stormwater activities Implement budgeted stormwater network upgrades and development works Provide a customer service request system 24 hours a day, 7 days a week and respond to service faults Manage growth of the stormwater network Monitor demand on all stormwater schemes Manage stormwater services contracts Monitor condition and performance of stormwater networks Develop and implement system for recording flooding events Review and update the Risk Management Strategy Develop stormwater quality monitoring systems Progressively upgrade and complete Stormwater Management Plans in line with the Canterbury Land and Water Regional Plan
Promote integrated, highly liveable communities	<ul style="list-style-type: none"> Effective treatment and disposal of wastewater with minimal impact on the environment 	
Support areas of economic and district strength	<ul style="list-style-type: none"> Key infrastructure that meets business and industry requirements 	
Ensure critical infrastructure meets community needs	<ul style="list-style-type: none"> Stormwater infrastructure that efficiently disposes of stormwater to appropriate design levels and environmental standards 	

Stormwater

Effects on community wellbeing

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

Effect	Type of effect	How Council intends to mitigate effect
Highly engineered stormwater systems may result in the loss of connected community greenspace along waterways in urban centres, which is of increasing value to communities	Cultural Social	Alternatives to traditional stormwater control using low impact design techniques (e.g. swales, retention dams) are being investigated and used where possible in new developments or retrofitting existing areas
Highly engineered stormwater systems in urban areas can have a significant negative impact on the environment Poor quality stormwater runoff can be discharged into coastal and surface waters.	Social Environmental	Alternatives to traditional stormwater control using low impact design techniques (e.g. swales, retention dams) are being investigated and used where possible in new developments or retrofitting existing areas. Systematic identification, prioritisation and implementation of network improvements will be used to help address environmental effects
Adverse impacts for property result from damage to secondary (or overland) flow paths	Social Economic	District Plan provisions for overland flow paths are being reviewed with management, protection and maintenance improvements to be identified and resourced
Absence of or an inadequate stormwater system can have severe economic effects for communities	Social Economic	Systems are designed to a certain capacity based on the community's ability to pay. These can potentially be exceeded in severe weather events
Localised adverse impacts for property result from blocked or damaged stormwater drains during storm events	Social Economic	Renewals, maintenance, and prompt responses to reactive issues minimise the impacts

Stormwater

Key issues for next 10 years

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

Increasing environmental standards

Increasing environmental standards are driven by national and regional initiatives to improve environmental quality. For Council the most significant influences will be the Canterbury Land and Water Regional Plan (LWRP) and the National Policy Statement for Freshwater Management.

The LWRP requires a commitment to progressive improvement of stormwater discharges to meet receiving water quality standards by 2025. There are significant cost implications in meeting these requirements in terms of new or additional assets that may need to be acquired and stormwater quality improvements that need to be carried out (e.g. riparian or creek improvements).

Following consultation with the community, Council has decided to commence this work in 2018-19, with the intention of completing with required work over a 10-15 year period. This timeframe will enable real improvements to the quality of our waterways, while spreading the cost over a medium term and so reducing the impact on rate increases.

Meeting the requirements of the LWRP will be a major focus of the stormwater activity over the next ten years. Council is required to prepare Stormwater Management Plans (SMPs) for all stormwater catchments in the district, as a prerequisite when applying for resource consent to discharge stormwater. With the number of catchments in the district, this is a significant task that requires substantial expenditure. It will include work such as investigations to determine actual levels of contaminants in the district's stormwater and the level of degradation of the receiving environment that are attributable to stormwater discharges, and plans to mitigate the risk of breaches of stormwater rules and resource consent conditions.

Climate change

Climate change predictions are for more intense rain events to occur more frequently in the district. Particular attention must be paid to areas prone to flooding or nuisance ponding where

existing stormwater infrastructure has insufficient capacity.

Secondary/overland flow paths

Secondary or overland flow paths are currently not clearly identified and protected. They are important to mitigate localised flooding where obstructions in the primary stormwater network impede the flow of the run-off.

Growth and development

Growth and land use changes have several impacts on stormwater management in the district. The challenges associated with these are:

- a. Applying and implementing appropriate standards to new development, redevelopment and renewal of assets
- b. Ensuring that building and solid fencing do not contribute to the degradation of secondary stormwater flow paths and short-term storage areas
- c. Limiting creation of impervious areas in stormwater catchments. If more areas are built-up, or with increasing in-fills, more natural spaces for stormwater are occupied and more impervious areas are created. This puts greater pressure on the existing capacity of stormwater pipes/systems and will increase infrastructure requirement to manage stormwater flows
- d. The additional cost of extending the stormwater infrastructure.

Replacing stormwater infrastructure

There are legacy issues with the existing stormwater infrastructure due to the significant growth and land use changes that have occurred since the pipes for the main stormwater drains were originally designed. There are now more impervious areas and greater stormwater flows and volumes going into the piped networks. Also, historically, the district's stormwater networks were designed to collect stormwater and transport it as quickly as possible to discharge largely untreated stormwater to the receiving environment.

Asset renewals need to reflect new levels of service, including retrofitting to meet treatment and attenuation requirements.

Balancing affordability with community expectations and regulatory requirements

Increasing community expectations and more stringent environmental standards must be balanced with the ability of the community to pay for enhanced stormwater services. Greater awareness of community responsibilities for onsite devices to treat water quality plays an important part in managing this balance.

Stormwater

Levels of Service and Performance Measures

Levels of Service	Performance Measure	Targets	
		Year 1 – 3 target: 2018/19-2020/2021	Year 4 – 10 target: 2021/22 – 2027/28
1. Maintain excellent stormwater network services	Number of flooding events in the Timaru district* (Mandatory)	Zero flooding for rain events up to a 1 in 5 year return for residential zones, and a 1 in 10 year return for commercial and industrial zones	Zero flooding for rain events up to a 1 in 5 year return for residential zones, and a 1 in 10 year return for commercial and industrial zones
	Number of habitable floors* affected by flooding events in the Timaru district (Mandatory)	Zero habitable floors affected by a flooding event	Zero habitable floors affected by a flooding event
2. 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	No abatement notices, infringement notices, enforcement orders and convictions
3. Maintain excellent customer service	Median response times to attending a flooding event (Mandatory)	Median time to attend a flooding event will be less than one hour	Median time to attend a flooding event will be less than one hour
	Total complaints received about performance of stormwater system (Mandatory)	10 or fewer per 1,000 connected properties	10 or fewer per 1,000 connected properties
	Satisfaction with stormwater services	>=65% resident satisfaction	>65% resident satisfaction

* Number of habitable floors affected per 1000 properties connected to the stormwater system.

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

How this activity is funded

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

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

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

Stormwater

Projects

Project Title	Summary	Expenditure			
		2018/19	2019/20	2020/21	2021/22-2027/28
Geraldine Stormwater Renewals	General renewal of minor culverts, sumps and soak pits in Geraldine.	5,000	5,100	5,200	40,200
Geraldine Stormwater Capital Upgrades, including Hislop - Domain/ Huffy Streets	Upgrading of the Geraldine stormwater network, and other projects that will be identified in the Geraldine Stormwater Management Plan (SMP). Includes work to improve stormwater quality in line with the Land & Water Regional Plan.	437,000	336,300	318,600	1,872,800
Temuka Stormwater Renewals	General renewal of minor culverts, sumps and soak pits in Temuka.	15,000	15,300	15,700	120,500
Temuka Stormwater Capital Upgrades	Upgrading of the Temuka stormwater network, and other projects that will be identified in the Temuka SMP. Includes work to improve stormwater quality in line with the Land & Water Regional Plan.	65,500	169,100	209,400	1,891,500
Timaru - Fixed Plant and Equipment Renewals	Renewal of plant and equipment that have reached the end of their useful life including electrical, instrumentation, controls and telemetry.	46,000	36,800	53,300	
Timaru Stormwater New Reticulation	New pipes, minor culverts, sumps and soak pits in Timaru including vested assets constructed by developers.	100,000			344,700
Timaru - Gleniti Dams	Construction of bunds to attenuate stormwater flow in the Gleniti area.		86,900		197,800
Timaru Stormwater Capital Upgrades	Projects to improve stormwater network capacity and flow quality. Includes work to improve stormwater quality in line with the Land & Water Regional Plan.	100,000	112,400	198,500	5,075,800
Timaru Stormwater Renewals	Maintenance generated renewal of minor culverts, sumps and soak pits in Timaru.	20,000	20,400	20,900	160,600
Timaru Stormwater - Network renewals	Network renewal work including improvements at the Washdyke pump station.	760,000	153,300	104,400	1,385,300
Timaru - Number 1 Drain Upgrade	Increasing the capacity of the stormwater drain to improve network flow and quality of discharge.	200,000			
Rural Stormwater Renewals	General renewals of stormwater reticulation, minor culverts, sumps and soak pits in rural locations.	5,000	5,100	5,200	40,200
Rural Stormwater Capital Upgrades	Projects to improve stormwater network capacity, flow and quality. Includes work to improve stormwater quality in line with the Land & Water Regional Plan.			62,700	607,000
Stormwater - Vested Assets	Stormwater assets as a result of new developments and subdivisions	30,000	30,700	31,300	241,000

Stormwater

Funding Impact Statement

	Budget 2017/18 \$'000	Budget 2018/19 \$'000	Budget 2019/20 \$'000	Budget 2020/21 \$'000	Budget 2021/22 \$'000	Budget 2022/23 \$'000	Budget 2023/24 \$'000	Budget 2024/25 \$'000	Budget 2025/26 \$'000	Budget 2026/27 \$'000	Budget 2027/28 \$'000
Sources Of Operating Funding											
General Rates, Uniform annual general charges, rates penalties											
Targeted Rates (other than a targeted rate for water supply)	1,560	1,747	1,714	1,818	1,836	1,984	2,099	2,237	2,350	2,485	2,648
Subsidies and grants for operating purposes											
Fees charges and targeted rates for water supply											0
Internal charges and overheads recovered											
Local authorities fuel tax, fines, infringement fees and other receipts											
Total Operating Funding	1,560	1,747	1,714	1,818	1,836	1,984	2,099	2,237	2,350	2,485	2,648
Applications Of Operating Funding											
Payments to staff and suppliers	458	588	485	489	527	590	653	720	778	849	930
Finance costs	36	49	63	75	104	147	185	225	258	289	331
Internal charges and overheads applied	181	222	239	235	215	217	222	229	225	230	243
Other operating funding applications											
Total Applications Of Operating Funding	675	858	787	798	846	954	1,060	1,174	1,261	1,369	1,504
Surplus/(Deficit) Of Operating Funding	886	889	928	1,020	991	1,030	1,039	1,063	1,090	1,116	1,144
Sources Of Capital Funding											
Subsidies and grants for capital expenditure											0
Development and financial contributions											
Increase/(decrease) in debt	531	489	245	321	1,165	968	938	1,040	624	938	1,148
Gross proceeds from the sale of assets											
Lump sum contributions											
Other dedicated capital funding	20	35	36	63	69	76	95	97	100	102	105
Total Sources Of Capital Funding	551	524	281	384	1,234	1,044	1,033	1,137	723	1,040	1,253
Applications Of Capital Funding											
Capital expenditure											
- to meet additional demand	110	100	87	0	107	93	0	114	0	0	229
- to improve the level of service	1,176	582	447	627	1,335	1,283	1,285	1,316	1,357	1,384	1,489
- to replace existing assets	231	851	236	205	208	213	218	223	287	295	303
Increase/(decrease) in reserves	(81)	(120)	438	572	575	486	569	547	169	478	377
Increase/(decrease) of investments											
Total Applications Of Capital Funding	1,436	1,412	1,208	1,404	2,225	2,075	2,072	2,200	1,813	2,157	2,397
Surplus/(Deficit) Of Capital Funding	(886)	(889)	(928)	(1,020)	(991)	(1,031)	(1,039)	(1,063)	(1,090)	(1,117)	(1,144)
Funding Balance	0	0	0	0	0	0	0	0	0	0	0

Waste Minimisation



Waste Minimisation

What we do

Waste Minimisation addresses the management of waste generated in the Timaru district. This involves 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.

The vision for Waste Minimisation is:

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

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

- Kerbside collection service to urban and some rural residents for organic (green) waste, recycling and rubbish
- Transfer station facilities at Geraldine, Pleasant Point, Temuka and Timaru (Redruth) incorporating:
 - recycling, composting and rubbish dropoff
 - scrap dropoff
 - scrap metal and cleanfill dropoff
 - household hazardous waste dropoff
 - reusable goods dropoff
- Waste Minimisation facilities at Redruth Resource Recovery Park including:
 - landfill
 - recycling and composting facilities
 - a retail shop for reusable materials called "The Crow's Nest" at Redruth. This also offers a kerbside collection service for large reusable goods
- An off-site scrap metal recycling drop-off

- Information and education resources for the public and businesses
- 3-2-1-ZERO waste minimisation support for public zero waste events
- 3-2-1-Zero Public Place Recycling
- Implementation of business and community waste minimisation programmes such as the modern cloth nappy programme

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

A full review was conducted in conjunction with the 2018-28 LTP. This commenced with a waste assessment in 2017 which highlighted the need for continuing to implement waste diversion opportunities and an increased focus on community education. Following discussion with the community as part of consultation on the 2018-28 LTP, these priorities continue to be at the forefront of the WMMP.

Waste Minimisation

Why we do it

Waste Minimisation contributes to the economy and lifestyle aspects of the Council's vision. Provision of waste minimisation services is a core service for the community. In line with the NZ waste strategy, the focus is on separating waste materials and minimising waste to lengthen the life of the Redruth landfill.

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

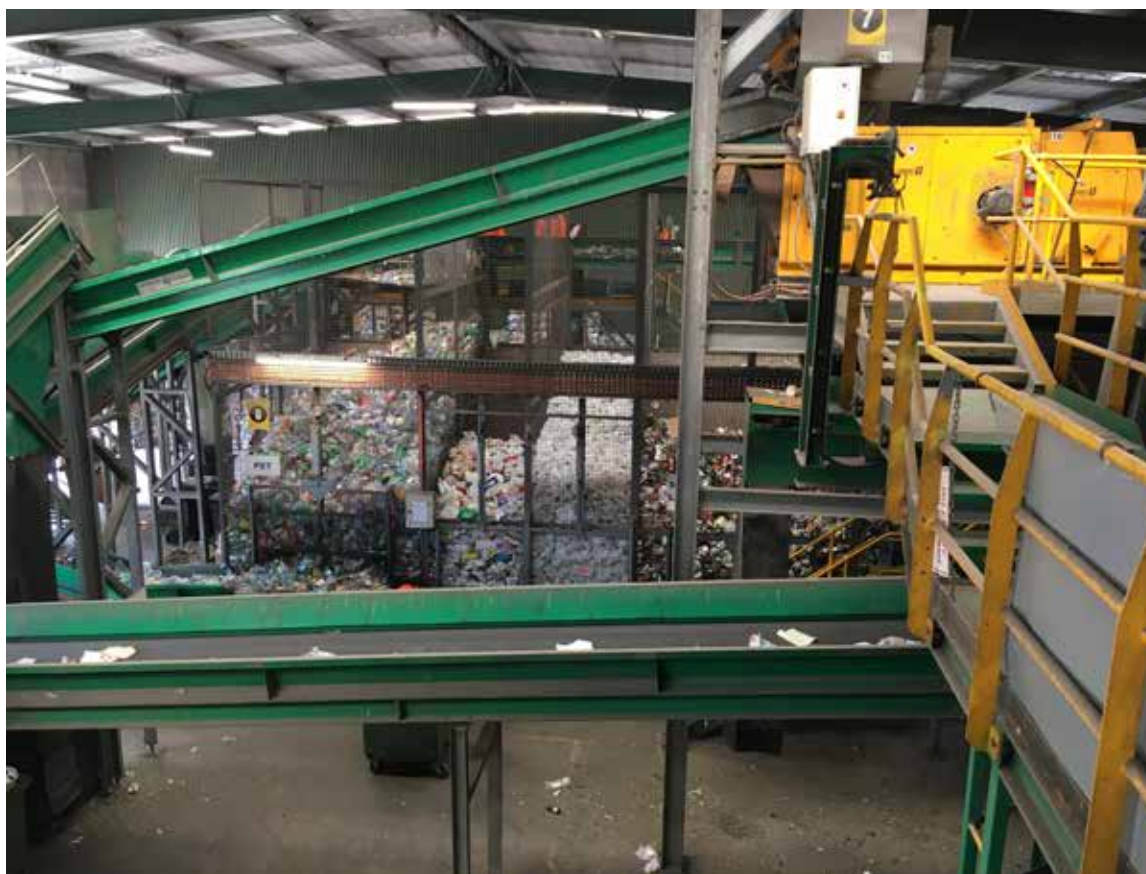
An effective waste management system also promotes Timaru district as sustainable and environmentally responsible, and maintains a tidy and attractive district. This activity is critical in protecting human health. Collection and appropriate disposal of waste reduces the potential for disease and vermin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

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

The delivery of waste management services is guided and governed by several Acts and regional and local plans and policies including the:

- Waste Minimisation Act (WMA) 2008
- NZ Waste Strategy 2010
- Local Government Act 2002
- Hazardous Substances and New Organisms Act 1996

- Resource Management Act 1991
- Canterbury Hazardous Waste Strategy
- Timaru District Council Waste Management and Minimisation Plan 2018 (WMMP)



Waste Minimisation

How this Group contributes to the Strategic Direction

Activities within this Group contribute primarily towards the following Community Outcomes:



How the Waste Minimisation Group contributes to the Council's Strategic Priorities

Strategic Priority	What we'll aim for	What we'll do and how we'll do it
Invest in our community	<ul style="list-style-type: none"> Effective waste reduction towards a zero waste environment 	<p>Listed below is a summary of the main areas of work within this Group:</p> <ul style="list-style-type: none"> Manage and maintain all aspects of the waste minimisation operation including a competitive contract tender process Divert waste to lengthen landfill life Provide 3-2-1-zero waste kerbside collection services Provide the following service components: <ul style="list-style-type: none"> Transfer station facilities including diversion opportunities Waste sorting at the Timaru transfer station Facilities for separation of waste at Redruth Resource Recovery Park Re use facilities - the Crow's Nest (re-use shop) under contract for the collection, drop-off and sale of recyclable and reusable items A Pyrolysis Facility for drop-off and processing of sorted timber A Waste Exchange service Deliver Waste Minimisation education and business support Provide a customer service request system 24 hours a day, 7 days a week and respond to service faults Review and update the Waste Management and Minimisation Plan as required Implement budgeted renewals and improvements Manage waste minimisation facilities in accordance with resource consent conditions and the waste minimisation bylaw Apply for renewal of waste minimisation consents as required Monitor changes in regulatory requirements for waste minimisation activities Monitor compliance of existing and closed waste minimisation facilities with resource consent conditions Implement new methods, systems, innovation and technologies to improve waste minimisation Conduct audits of three – bin kerbside collection system Measure contamination levels in waste minimisation activities Promote waste minimisation programmes Provide support to the Sustainable South Canterbury Trust for the Eco Centre project at the Redruth Resource Recovery Park
Promote integrated, highly liveable communities	<ul style="list-style-type: none"> Effective waste reduction towards a zero waste environment 	
Support areas of economic and district strength	<ul style="list-style-type: none"> Key infrastructure that meets business and industry requirements 	
Ensure critical infrastructure meets community needs	<ul style="list-style-type: none"> Key infrastructure that meets business and industry requirements 	

Waste Minimisation

Effects on community wellbeing

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

Effect	Type of effect	How Council intends to mitigate effect
Potential for odour, dust, vermin, litter, fire emergencies involving hazardous waste contamination of surface and groundwater and noise from waste minimisation facilities (e.g. landfills), which may affect neighbours and public health	Cultural Social Economic	Monitored and mitigated via operational management plans, monitoring site activities and ensuring compliance with resource consent conditions
Range of environmental effects possible from existing and closed landfills (e.g. gas, leachate contamination)	Cultural Social Economic Environmental	Site operational management plans are implemented and sites monitored to reduce, mitigate, avoid or remedy effects
Cost of waste system is unsatisfactory for some people	Social Economic	Costs are set according to Council policies to recover costs of the activity. Services are managed effectively to minimise costs.
Income from recyclable goods subject to cyclic and global market effects	Cultural Social Economic	Development of local solutions to avoid market fluctuations
Lack of buy-in to the "waste ethic" to separate waste	Social Environmental	Education, information and enforcement are used to encourage compliance

Waste Minimisation

Key issues for next 10 years

Maximising the life of our landfill

The Redruth landfill life is estimated at 30–40 years. The biggest challenge and highest priority is to instigate further waste minimisation programmes as soon as possible to achieve maximum diversion and a corresponding increase in landfill life. New programmes and initiatives include:

- A waste sorting facility - to improve the recovery of materials from the residual waste stream. This aims to divert timber, metal, organics and other materials from the landfill. The facility being trialed at the Redruth transfer station allows for sorting of waste after it is dropped off. A machine with a grapple extracts timber, scrap metal, cardboard and other recyclables from waste. The remaining waste will then be compacted and transported to the landfill for disposal.
- Collection and processing of timber, both treated and untreated, in a new pyrolysis facility, in partnership with Waste Transformations Limited is being trialed.
- Improvements are planned to the Redruth Resource Recovery Park to provide the public with enhanced facilities for safely dropping off a range of existing and future recyclable materials (eg household recycling, scrap and child safety seats).

Legislation and policy

National and regional plans and policies are continually evolving with associated changes that impact on Council's waste management services. Two examples are the requirement to develop a stormwater management plan, and to meet the National Environmental Standards for Air Quality. Indications are that the change of government in late 2017 could bring about further legislative and policy changes that place a greater emphasis on environmental protection. Council must comply with these policy and regulatory requirements to continue to operate its waste minimisation services. Council will consider the work and budget implications of these regulatory changes in a timely manner to minimise the financial impacts on ratepayers.

Meeting needs – changing demand

Population and household growth in the district is not expected to have a significant impact on waste minimisation services

during the next ten years. Demand should be able to be met during the term of the contract with Waste Management New Zealand (WMNZ). However, if there was substantial growth beyond this period, it is possible that extra vehicles may be needed for collections.

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

Markets for recyclable materials

International markets for recycled materials are very volatile at present, particularly with the recent announcement that China is restricting imports of waste products. Ongoing changes to the global recycling market are expected.

While new initiatives for onshore processing are emerging, it will take time to develop new manufacturing plants to process recycling materials and the markets for the materials they produce.

Council will continue to collaborate with others in the sector to help develop solutions both locally and nationally.

Affordability and community expectations

Consumers expect waste minimisation services to be provided at a reasonable price. Council community surveys consistently show 90%+ of residents are satisfied with waste minimisation services. Council will continue to investigate options to ensure waste services provided offer the most cost effective service to ratepayers. Charges will be monitored and set at the most affordable level possible.

Sustainable South Canterbury

The Sustainable South Canterbury Trust is proposing to develop a Sustainability Eco-Centre educational facility at the Redruth Resource Recovery Park. The intention is to provide a facility to demonstrate practical solutions for sustainability and to enhance environmental education. The site would be used to educate and engage the community in sustainability. Council has given

its support in principle to the Trust by providing a \$150,000 contribution to the work.

Waste Minimisation

Levels of Service and Performance Measures

Levels of Service	Performance Measure	Targets	
		Year 1 – 3 target: 2018/19-2020/2021	Year 4 – 10 target: 2021/22 – 2027/28
1. Waste Minimisation facilities are adequate and available to the community, including provision of regular kerbside collection services to enable separation of waste for recycling and compost	Satisfaction with waste minimisation services	User satisfaction >=90% Resident satisfaction >=90%	User satisfaction >=90% Resident satisfaction >=90%
2. No adverse effects on the environment or human health from the operation of waste minimisation services	Compliance with Resource Consent conditions*	Full compliance* with Resource Consent conditions	Full compliance* with Resource Consent conditions
3. Waste is diverted from landfill	Materials Recovery Facility (MRF) - recycling nett tonnages diverted	3,600 nett tonnes processed	3,600 nett tonnes processed
	Compost Facility - Organic nett tonnages diverted	15,000 nett tonnes processed	15,000 nett tonnes processed
	Resource Recovery - Recycling nett tonnages diverted via recycling other than for MRF recyclables	300 nett tonnes diverted	300 nett tonnes diverted
	Re – use - No. of transactions at re-use shop	20,000 transactions	20,000 transactions
4. Public information and programmes promote waste minimisation and appropriate sorting of waste	Kerbside collection and general information is provided across a range of media	Distribution of 2,000 items of Kerbside Collection information per year	Distribution of 2,000 items of Kerbside Collection information
		Distribution of 2,000 items of general Waste Minimisation information per year	Distribution of 2,000 items of general Waste Minimisation information
	Zero Waste event and business support, talks and tours	■ Businesses supported – Yr 1: 53 – Yr 2: 75 – Yr 3: 75 ■ Events supported: 25 ■ Talks/Tours: 52	■ Businesses supported: 75 ■ Events supported: 25 ■ Talks/Tours: 52
	Provide a range of programmes/initiatives to encourage waste diversion	■ Programmes/initiatives: 18	■ Programmes/initiatives: 18

*Excludes all minor non compliance as reported by Environment Canterbury

Waste Minimisation

How this activity is funded

Operating expenditure for activities within the Waste Minimisation group is funded through the following mechanisms:

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

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

Waste Minimisation

Projects

Project Title	Summary	Expenditure			
		2018/19	2019/20	2020/21	2021/22-2027/28
Redruth Landfill	New cell development, site works, fixed asset renewals, closure of cells that have reached capacity, and aftercare work	343,000	509,800	605,400	7,870,000
Complementary Business (All activities at Redruth site other than landfill)	Kerbside collection - new and renewal bins Transfer station - new weighbridge kiosks and sheds, compactor replacement, and roading work Crow's Nest, and Materials Recovery Facility - building and road renewal work Supporting the establishment of a sustainability focus education facility Compost Facility - additional compost and maturation pads	2,251,300	511,600	346,100	4,903,900
Other Sites	Rural Transfer stations - compactor replacement, roading work, bin replacements Rural closed landfill aftercare treatment Extending public place recycling	152,000	12,500	130,000	777,300

Waste Minimisation

Funding Impact Statement

	Budget 2017/18 \$'000	Budget 2018/19 \$'000	Budget 2019/20 \$'000	Budget 2020/21 \$'000	Budget 2021/22 \$'000	Budget 2022/23 \$'000	Budget 2023/24 \$'000	Budget 2024/25 \$'000	Budget 2025/26 \$'000	Budget 2026/27 \$'000	Budget 2027/28 \$'000
Sources Of Operating Funding											
General Rates, Uniform annual general charges, rates penalties											
Targeted Rates (other than a targeted rate for water supply)	6,961	6,552	6,740	6,831	7,001	6,992	7,584	7,610	7,937	7,888	8,085
Subsidies and grants for operating purposes	175	175	175	175	175	175	175	175	175	175	175
Fees charges and targeted rates for water supply	3,180	3,264	3,341	3,406	3,472	3,542	3,615	3,692	3,774	3,862	3,955
Internal charges and overheads recovered											
Local authorities fuel tax, fines, infringement fees and other receipts											
Total Operating Funding	10,316	9,991	10,256	10,412	10,648	10,710	11,374	11,477	11,886	11,924	12,215
Applications Of Operating Funding											
Payments to staff and suppliers	7,363	7,812	7,875	8,116	8,271	8,482	8,698	8,928	9,174	9,435	9,714
Finance costs	320	320	325	305	294	333	387	373	327	303	382
Internal charges and overheads applied	408	587	584	573	581	588	597	606	615	625	635
Other operating funding applications											
Total Applications Of Operating Funding	8,091	8,719	8,784	8,994	9,147	9,403	9,681	9,906	10,116	10,363	10,731
Surplus/(Deficit) Of Operating Funding	2,225	1,272	1,472	1,418	1,501	1,307	1,692	1,570	1,770	1,562	1,484
Sources Of Capital Funding											
Subsidies and grants for capital expenditure											
Development and financial contributions											
Increase/(decrease) in debt	(65)	597	(414)	(373)	(51)	1,605	(856)	(799)	(728)	(854)	2,456
Gross proceeds from the sale of assets											
Lump sum contributions											
Other dedicated capital funding											
Total Sources Of Capital Funding	(65)	597	(414)	(373)	(51)	1,605	(856)	(799)	(728)	(854)	2,456
Applications Of Capital Funding											
Capital expenditure											
- to meet additional demand	1,066	0	0	0	0	0	0	265	0	0	0
- to improve the level of service	829	2,594	1,021	952	1,468	2,852	787	611	2,380	662	3,749
- to replace existing assets	0	152	13	130	306	281	11	11	20	12	136
Increase/(decrease) in reserves	266	(877)	25	(36)	(325)	(221)	38	(117)	(1,357)	34	55
Increase/(decrease) of investments											
Total Applications Of Capital Funding	2,160	1,869	1,058	1,045	1,450	2,912	836	771	1,042	708	3,939
Surplus/(Deficit) Of Capital Funding	(2,225)	(1,272)	(1,472)	(1,418)	(1,501)	(1,307)	(1,692)	(1,570)	(1,770)	(1,562)	(1,484)
Funding Balance	0	0	0	0	0	0	0	0	0	0	0

Water Supply



Water Supply

What we do

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

Over 19,000 residential and non-residential properties are served through the following 12 individual water supplies (see map) operated on behalf of the residents of the Timaru District.

Urban Water Supply Schemes:

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

Rural Drinking Water and Stockwater Supply Schemes:

- Downlands
- Orari
- Seadown
- Te Moana

Stockwater only Schemes:

- Beautiful Valley
- Rangitata – Orari Water Race

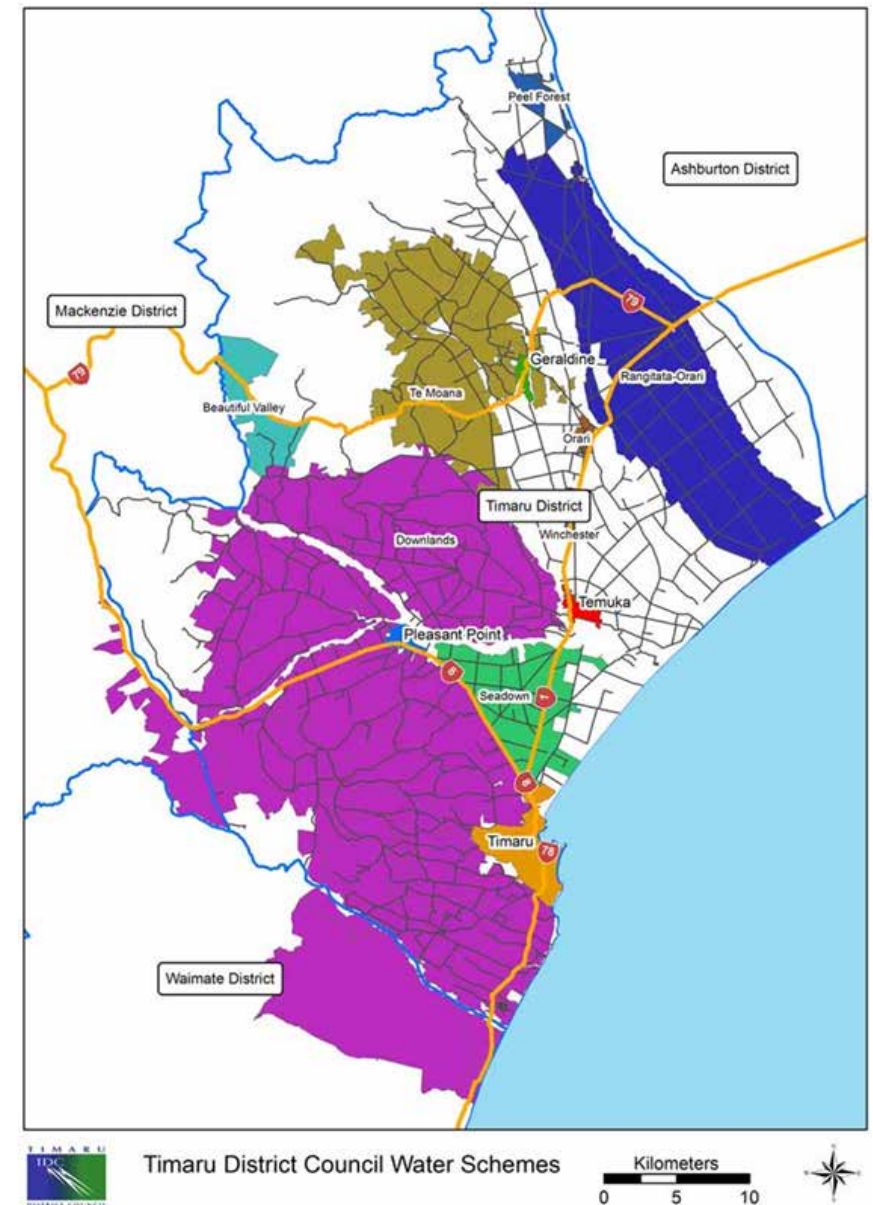
Urban water schemes operate as individual water supplies but are managed and funded via a single budget. The Downlands scheme is managed and operated by Timaru District Council on behalf of residents of the Timaru, Mackenzie and Waimate districts. The policy for this scheme is determined by a Joint Standing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

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

Water supply assets managed include 19 water intakes, 12 treatment plants, 35 reservoirs and 24 pump stations. The

total length of the pipe networks is approximately 1,854 kilometres.

The urban schemes are generally on-demand at the tap. The rural drinking water and stockwater schemes are flow control supplies (using restrictors) to private storage tanks except the Seadown scheme which supplies directly to stockwater troughs. The Seadown scheme is currently under review to enable more efficient supply and use of water. The Rangitata-Orari water race scheme supplies stockwater to water races on or adjacent to scheme properties.



Timaru District Council Water Schemes

Water Supply

Why we do it

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

Water supply is a core service expected by the community. Provision of safe water is essential to maintain and protect public health. It also assists with fire fighting in most urban reticulated areas to protect public safety.

Collective provision of water supply services is the only realistic option to ensure large populations enjoy the benefits of safe, collective treatment and distribution of water for human use.

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

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

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

- Local Government Act 2002
- Health Act 1956
- Resource Management Act 1991
- Drinking Water Standards for New Zealand (DWSNZ) 2005 (Revised 2008)
- National Environmental Standard for Sources of Human Drinking Water 2007
- National Policy Statement for Freshwater Management (NPS-FM) 2014
- Resource Management (National Environmental Standards for Sources of Human Drinking Water) Regulations 2007
- Civil Defence and Emergency Management Act 2002

- Health and Safety at Work Act 2015
- Canterbury Water Management Strategy 2009 (Environment Canterbury)
- Canterbury Land and Water Regional Plan 2016 (LWRP) (Environment Canterbury)
- Opihi River Regional Plan 2000 (Environment Canterbury)
- Pareora Catchment Environmental Flow and Water Allocation Regional Plan 2012 (Environment Canterbury)
- Canterbury Regional Policy Statement 2013 (Environment Canterbury)
- Timaru District Plan 2005
- Timaru District Consolidated Bylaw 2018

Water Supply

How this Group contributes to the Strategic Direction

Activities within this Group contribute primarily towards the following Community Outcomes:



How the Water Supply Group contributes to the Council's Strategic Priorities

Strategic Priority	What we'll aim for	What we'll do and how we'll do it
Invest in our community	<ul style="list-style-type: none"> ■ Sufficient quantity of potable water to meet reasonable demands ■ Potable water that meets required quality standards 	<p>Listed below is a summary of the main areas of work within this Group:</p> <ul style="list-style-type: none"> ■ Provide water supply for domestic, commercial, firefighting, rural and industrial purposes ■ Manage, maintain, and monitor all water supply schemes in accordance with resource consent conditions ■ Apply for renewal of water supply consents as required ■ Monitor ongoing regulatory change for water supply activities ■ Develop and implement Water Supply Services Strategies for Timaru, Downlands, Geraldine Area, Temuka Area and Seadown supplies ■ Manage, maintain and monitor all water supplies under requirements of Drinking Water Standards ■ Upgrade water treatment facilities and processes to meet Drinking Water Standards for NZ ■ Water quality monitoring ■ Implement Water Safety Plans for drinking water schemes ■ Investigate and develop options for possible new water sources ■ Develop and implement Demand Management strategies appropriate for each water supply scheme ■ Build additional water storage facilities ■ Undertake water supply infrastructure maintenance, renewal and upgrading ■ Manage growth of the water supply network ■ Manage water supply services contracts ■ Monitor condition and performance of water supply reticulation and assets ■ Analyse data to predict asset failure/identify priority improvements required ■ Implement leak detection and reduction programmes ■ Provide a customer service request system 24 hours a day, 7 days a week to investigate and rectify water supply services complaints ■ Develop and implement a district wide water conservation education programme ■ Review and update the Risk Management Strategy
Promote integrated, highly liveable communities	<ul style="list-style-type: none"> ■ Sufficient quantity of potable water to meet reasonable demands ■ Potable water that meets required quality standards 	
Support areas of economic and district strength	<ul style="list-style-type: none"> ■ Water supply infrastructure that meets business and industry requirements 	
Ensure critical infrastructure meets community needs	<ul style="list-style-type: none"> ■ Water supply infrastructure that is sufficient to meet future community needs ■ Adequate water is available for emergency situations 	

Water Supply

Effects on community wellbeing

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

Effect	Type of effect	How Council intends to mitigate effect
Demand for greater volumes of water and consistency of supply even during periods of drought has the potential to negatively affect the natural water resources of the district	Cultural Social Economic Environmental	The Council will continue to carefully investigate options regarding available sources and their management. Preservation of the District's water resources is an important sustainable development issue. Council will improve water use efficiency measures through timely repair of network defects and increased consumer education on water conservation. Council is considering introducing universal urban water metering from 2024 onwards
The unavailability or severely restricted use of water can be critical for major industrial and commercial water users in the district and could result in substantial costs being incurred	Social Economic	As above
Affordability to meet legislated water safety requirements. The capital cost and subsequent operational costs is potentially very high for some supplies, which may result in water supply charges becoming unaffordable to consumers.	Social Economic	The Council will continue to investigate options for water supply sources and treatment in order to provide the most cost effective service. Charges will be monitored and set at as affordable level as possible.
A major industrial consumer leaving or stopping operating in Timaru may result in increased charges for consumers	Social Economic	The Council will continue to investigate options and implement appropriate measures for increasing operational efficiency of water supply services to maintain affordability of water charges.
Periods of drought or water networks service failure can lead to restrictions for water consumers	Social Economic	The Council will continue to carefully investigate options regarding available sources and their management. Council will improve water use efficiency measures through timely repair of network defects and increased consumer education on water conservation. Council is considering introducing universal urban water metering from 2024 onwards

Water Supply

Key issues for next 10 years

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

Meeting NZ Drinking Water Standards

Council is required to take all practicable steps to comply with the Drinking Water Standards for New Zealand (DWSNZ) for all drinking water supplies. An approved Water Safety Plan (formerly Public Health Risk Management Plan) for drinking water schemes must be implemented addressing identified public health risks within set timelines. While all of Council's drinking water supplies are safe, some risks have been identified in a number of supplies, largely requiring upgrading of water treatment processes and construction of water treatment infrastructure. Upgrades of water treatment facilities have already been completed at Pleasant Point, Temuka, Peel Forest, Seadown and Pareora pipeline (Downlands). Upgrades are planned for the remaining drinking water supplies. This includes chlorination of the Pleasant Point Water Supply. After consultation with the community, and taking community views as expressed via submissions to the LTP, Council decided it would not carry out routine chlorination of the Geraldine Water Supply until such time as it becomes mandatory under the NZ Drinking Water Standards. Chlorination would continue to be used as required in emergency situations.

There could be more stringent standards and regulatory controls around the supply of drinking water arising from the Government Inquiry into the Havelock North Drinking Water Contamination.

Changes in national/regional plans and policies

Water is a highly regulated resource, with national and regional policies, standards and plans directing how Council must use it (e.g. how much water Council can take, quality of drinking water supplies). These regulations are continually evolving with associated changes in requirements that impact on Council's operation of its water supplies. In 2016, the Canterbury Land and Water Regional Plan (LWRP) replaced the Natural Resources Regional Plan (NRRP). In 2017, the National Policy Statement for Freshwater Management 2014 (NPS-FM) was amended in line

with central government's clean water reforms. The more stringent water management regimes in these policy instruments could translate into higher resource consent requirements for Council's water abstractions.

The Government Inquiry into the Havelock North Drinking Water Contamination has recommended amendments to the Health Act and to the Resource Management Act for stricter enforcement of regulations governing supply of safe drinking water.

Council must account for these increased requirements and associated costs in implementing its Water Safety Plans and in planning the upgrade of its water supplies. Government policy with respect to the Havelock North Stage 2 report of the Havelock North Drinking Water Contamination Inquiry likely to be announced during 2018.

Council must comply with these policy and regulatory requirements to continue to operate its water supplies. Council plans must consider the work and budget implications of these regulatory requirements.

Climate change

An increased frequency of droughts diminishes the availability of source water for Council water supplies, with associated water take restrictions. An increased frequency of high intensity rainfalls impacts on raw water quality with the need for more complex treatment processes. These issues have implications for the security of the district's water supply and Council's ability to meet demand. Council will continue to investigate options regarding available sources and their management.

Meeting competing demands for water resources

Meeting the water supply requirements of consumers is paramount objective of Council's water supply services. However, there are many competing uses for water, ranging from recreational to industry use. These competing demands place pressure on water resources in the district. The schemes managed by Council are subject to resource consent conditions which limit the amount of water that can be taken from the water source. Significant growth in demand is likely to result in the need for substantial infrastructure upgrades.

While population and household growth in the district is

not expected to have a significant impact on water supply requirements over the next 10 years, land use change and industry growth may potentially mean higher demand for water and infrastructure to provide the service.

Following consultation with the community Council will continue to investigate additional water sources. Funding has been provided for this for a three year period commencing 2018/19.

There are six water supply schemes that supply water for stock use. Three of these schemes have on-farm flow control (restrictors) and currently have limited ability to meet any future growth in demand. Council continues to investigate options to improve delivery mechanisms in these rural water schemes.

Council needs to consistently advocate for more efficient use of water by all consumers (i.e domestic, commercial, industrial, non-residential) to ensure that the water supplies continue to meet demand now and in the future. After consultation with the community, where considerable support was expressed for urban water metering as a means of encouraging efficient use of water, Council will continue to investigate water metering options, with a view to implementation in 2023/24.

Replacing water supply infrastructure

In late 2017 asbestos was discovered in the Temuka water scheme. The source of the asbestos was determined to be the 9km Trunk Water Main constructed in 1964 using 300mm asbestos cement pipe. As a matter of urgency the pipe was replaced. A further assessment of the remaining life of all asbestos cement pipes is to be carried out.

Other plant, facilities and a significant amount of the District's water supply network will need replacing based on age and performance issues.

Council is carrying out further pipe condition assessment based on factors such as asset performance and maintenance history in order to confirm the renewals programme. It is crucial that the assessment methodologies are robust to allow greater accuracy in estimating the remaining life of assets, and mitigate the risk of an asset failing ahead of its estimated expiry date. The condition of ageing infrastructure will continue to be reviewed along with its current and future adequacy to meet consumer requirements.

Water Supply

Planning for a significant upgrade of the Downlands Water Scheme is currently underway. The upgrade will involve the replacement of the trunk main in the Albury area and the construction of a water treatment plant so that the scheme will comply with the NZ Drinking Water Standards. The replacement of the trunk main will commence in 2018 and the design of the new water treatment plant will commence in the 2018/19 year.

The Opihi River intake of the Timaru Urban Water Scheme is to be upgraded during 2020/21. This upgrade is required to enable the consented volume of water to be abstracted from the infiltration gallery, which is located just north of the Opihi River Saleyards Bridge. This work is estimated to cost \$2M. The Timaru Urban Water intake, located in the Upper Pareora Gorge, is a vital source of water for Timaru. The 42 km pipeline from this source is now over 75 years old and needs replacing. Field investigations and design work for this significant project are now progressing and it is expected that procurement of the physical works will commence in the 2018/19 year. The project is estimated to cost \$20M and is projected to take two years to complete.

Maintaining affordability and meeting community expectations

The cost of providing water is likely to increase over the next 10 years as the above issues are addressed. Consumers expect good quality water to be available on demand in reasonable quantities at a reasonable price. Balancing cost and affordability is a major challenge and Council must continue to investigate options in order to provide the most cost effective service.

Resilience building

There is a growing focus on resilience in asset management, driven primarily by increased awareness of the many hazards made apparent by recent major natural disasters and events, such as the earthquakes in Christchurch (2011) and Kaikoura (2017), the flooding in the Bay of Plenty (2017), and the contamination of drinking water in Havelock North (2017). An increased understanding of the vulnerability of the Timaru district's public water supply services is necessary, not only to build resilience to natural disasters but also other factors such as an economic crisis, and decline in population. Council must then invest in the right solutions to build or strengthen the asset and organisational

capacity to withstand disruption, act effectively and adapt to change.

Water Supply

Levels of Service and Performance Measures

Levels of Service	Performance Measure	Targets		
		Year 1 – 3 target: 2018/19-2020/2021		
1 Provide safe drinking water	Compliance with Drinking Water Standards (Part 4) – Bacterial Compliance (Mandatory)	Bacterial compliance – all schemes		
	Compliance with Drinking Water Standards (Part 5) – Protozoal Compliance (Mandatory)	2018/19	2019/20	2020/21
		1 Downlands -Pareora	1 Downlands -Pareora	1 Downlands -Pareora
		2 Pleasant Point	2 Pleasant Point	2 Downlands -Springbrook
		3 Seadown	3 Seadown	3 Pleasant Point
		4 Temuka*	4 Temuka*	4 Seadown
		5 Geraldine	5 Geraldine	5 Temuka*
		6 Timaru **	6 Timaru **	6 Geraldine
		7 Peel Forest	7 Peel Forest	7 Timaru **
			8 Te Moana	8 Peel Forest
				9 Te Moana
2 Maintain excellent water supply network services	Percentage of real water loss from TDC's networked reticulation systems (Mandatory)	% real water loss from network system reduces		
3 Maintain excellent customer services	Median attendance ¹ and resolution ² times for urgent ³ and non-urgent callouts for water supply faults or unplanned interruptions in the network (Mandatory)	■ The median time to attend urgent: <ul style="list-style-type: none"> urban callouts - less than 1 hour rural callouts - less than 4 hours ■ The median time to resolve urgent: <ul style="list-style-type: none"> urban callouts - less than 4 hours rural callouts - less than 8 hours The median time to attend and resolve all non-urgent callouts will be reported.		
	Total complaints received about:	26 or fewer complaints received per 1000 connections		
	1 Drinking water clarity			
	2 Drinking water taste			
	3 Drinking water odour			
	4 Drinking water pressure or flow			
	5 Continuity of supply			
	6 The TDC response to these issues (Mandatory)			
	Satisfaction with water supply services	User satisfaction >=85%		

Levels of Service		Performance Measure	Targets	
			Year 1 – 3 target: 2018/19-2020/2021	Year 4 – 10 target: 2021/22 – 2027/28
4	Provide demand management of water supply services	Average consumption of drinking water per day per resident within the Timaru district (Mandatory)	300 litres per day per resident	20% reduction in average consumption of drinking water per day per resident
5	Deliver water services according to required environmental standards	Compliance with Resource Consent conditions***	Compliance with all consent conditions***	Compliance with all consent conditions***

Notes:

*Temuka Treatment plant supplies Temuka, Orari and Winchester, ** Timaru Treatment plant supplies Hadlow, which is part of Downlands, ***Excluding all minor non-compliance as reported by Environment Canterbury

1. Median Attendance - response time applies from the time the local authority receives notification, to the time service personnel reach the site; 2. Resolution times - response time applies from the time the local authority receives notification, to the time service personnel confirm resolution of the fault or interruption; 3. Urgent callout is one that has a P1 priority rating and leads to a complete loss of supply of drinking water

How this activity is funded

Operating expenditure for activities within the Water Supply group is funded through the following mechanisms:

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

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

Water Supply

Projects

Project Title	Summary	Expenditure			
		2018/19	2019/20	2020/21	2021/22-2027/28
Urban Water Supplies -Reticulation and Services Renewals	Renewal of pipes, valves, hydrants and other water supply assets in the urban water schemes that have reached the end of their design life, including renewals generated as a result of maintenance to the water supply network	1,518,500	1,551,900	1,586,100	12,196,000
Urban Water Supplies - Network Improvements	Improving resilience of the Washdyke Water Supply - options being investigated			3,133,500	3,202,400
Urban Water Supplies - Cast Iron Mains Renewals	Renewal of Strategic Cast Iron Mains as required				678,300
Urban Water Supplies - Vested Assets	Water reticulation assets as a result of new development and subdivisions	10,000	10,200	10,400	80,300
Urban Water Supplies -Fixed Plant and Equipment	Renewals at urban water supplies, including pumps, reservoir pipeworks, plant equipment, instrumentation, electrical, controls, telemetry, intakes and treatment renewals	1,643,000	817,600	2,064,900	15,373,800
Urban Water Supplies - Timaru Pareora Pipeline Renewal	Renewal of the Timaru Pareora pipeline due to condition and performance issues	10,480,000	10,424,400		
Urban Water Supplies -Temuka Treated Water Storage and Pumps	A new treated water storage facility for Temuka to increase storage capacity for the network	2,100,000			
Urban Water Supplies - Timaru Reservoir Cover	Renewal of the Timaru Reservoir cover that has deteriorated due to age. This will occur in stages.		51,100	783,400	873,600
Urban Water Supplies - Water Meters	Investigation and Installation of Water Meters for urban water users				17,168,100
Urban Water Supplies – Upgrade to Supply Te Moana from Geraldine	Upgrade of Geraldine network related to the supply of water to the Te Moana Scheme	364,000			
Te Moana Downs Water Supply - Reticulation Renewals	Renewal of pipes, valves, hydrants and other reticulation assets that have reached the end of their useful life, plus pump renewals	1,049,000	327,000	334,200	2,587,400
Te Moana Downs Water Supply - Treatment Upgrade	Upgrade to the treatment of the Te Moana Downs water supply to meet drinking water standards	2,200,000			
Rangitata-Orari Renewals	Renewal of the stock races, intake protection and fish screens	115,000	15,300	15,700	120,500
Seadown Water Supply - Reticulation Renewals	Renewal of pipes, valves, hydrants and other reticulation assets that have reached the end of their useful lives	75,000	76,700	78,300	602,400
Seadown Water Supply - Treatment Upgrade	Upgrade to the treatment of the Seadown water supply to meet drinking water standards	60,000	12,300	28,200	127,200
Seadown Water Supply - Water Storage	Construction of a new treated water reservoir	400,000			

Downlands Water Supply (82% owned by TDC - figures for TDC portion only)

Project Title	Summary	Expenditure			
		2018/19	2019/20	2020/21	2021/22-2027/28
Mains, Tanks, Intake Renewals and Leak Detection	Programmed renewal of mains, intake renewals, and network leak detection and renewal of pipes, plant and other assets identified through maintenance of the network.	3,066,800	6,679,228	291,182	2,239,256
Network Analysis and Metering	Water supply modelling and meters to establish water demand in particular areas of the Downlands water supply.				181,138
Equipment renewals	Renewal of telemetry, pumps, chlorination equipment & switchboard and solar panels renewal	45,100	19,270	42,722	185,402
Infiltration Gallery Upgrade and Low Lift Pumps	Upgrade of the Te Ngawai infiltration gallery and low lift pumps	738,000			
Reservoir Cover and Pipework	Re-covering, lining and pipework renewals at Downlands Scheme reservoirs		335,216		141,368
Opihi River Crossing	Pipe replacement across Opihi River	164,000			
Treatment Plant Upgrade	Starting in 2021 the Te Ngawai Treatment Plant will be upgraded for supply to meet drinking water standards		4,190,200	4,111,070	
Raw Water Storage	Planned construction of raw water storage for the Downlands scheme starting in 2019	1,312,000			
Treated Water Storage	Construction of a reservoir at Te Ngawai Treatment Plant		1,257,060		
Springbrook Treatment Upgrade	The upgrading of the Springbrook water treatment facility for supply to meet drinking water standards		209,510		

Water Supply

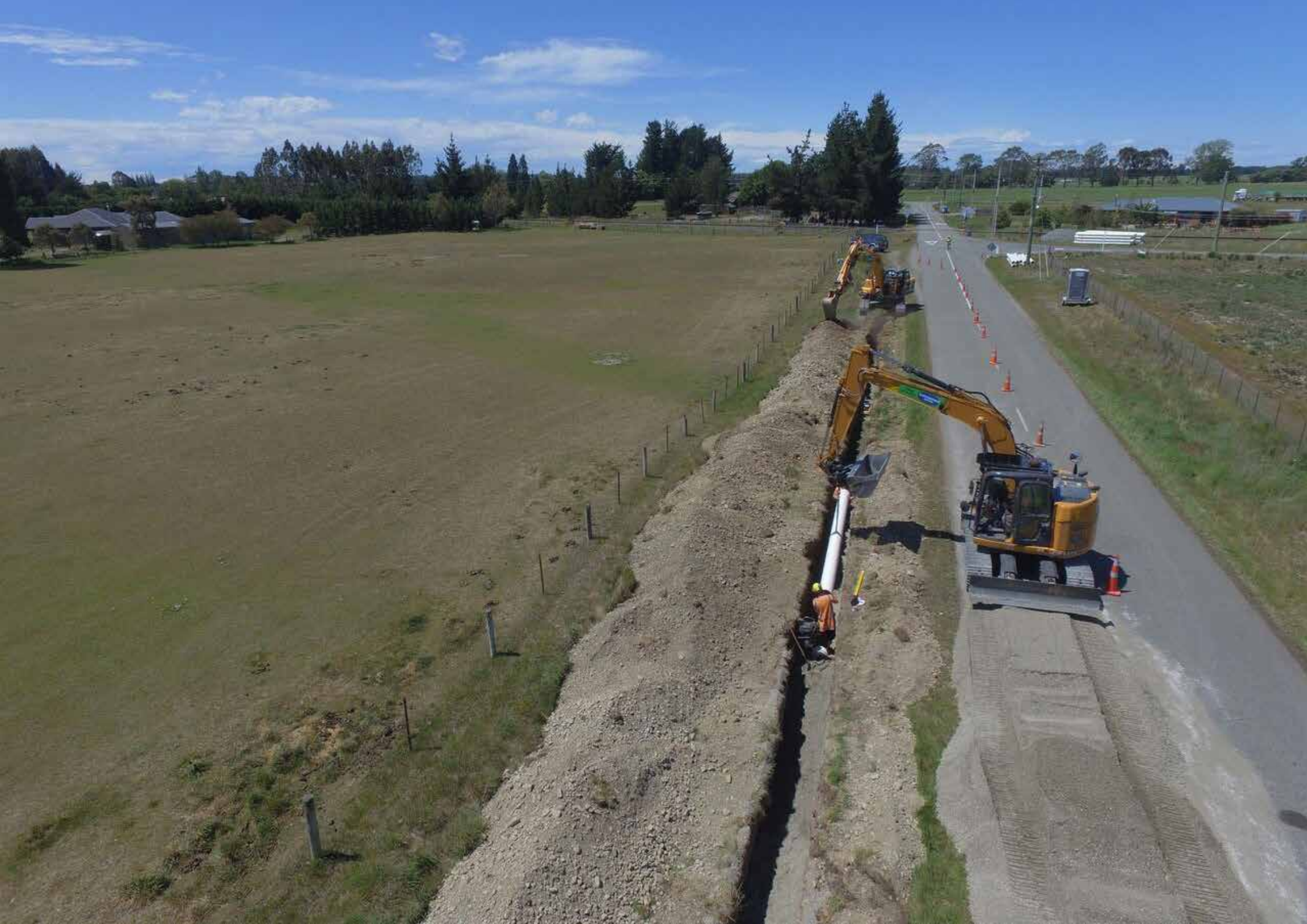
Funding Impact Statement

	Budget 2017/18 \$'000	Budget 2018/19 \$'000	Budget 2019/20 \$'000	Budget 2020/21 \$'000	Budget 2021/22 \$'000	Budget 2022/23 \$'000	Budget 2023/24 \$'000	Budget 2024/25 \$'000	Budget 2025/26 \$'000	Budget 2026/27 \$'000	Budget 2027/28 \$'000
Sources Of Operating Funding											
General Rates, Uniform annual general charges, rates penalties											
Targeted Rates (other than a targeted rate for water supply)	5,601	6,007	7,327	7,952	8,682	9,012	9,523	10,173	11,123	13,183	13,553
Subsidies and grants for operating purposes											
Fees charges and targeted rates for water supply	1,554	1,652	1,791	1,830	1,871	2,024	2,070	2,120	2,174	2,230	2,291
Internal charges and overheads recovered	80	80	80	80	80	80	80	80	80	80	80
Local authorities fuel tax, fines, infringement fees and other receipts											
Total Operating Funding	7,235	7,739	9,197	9,862	10,633	11,116	11,673	12,373	13,376	15,493	15,924
Applications Of Operating Funding											
Payments to staff and suppliers	3,230	3,391	3,566	3,473	3,554	3,675	3,836	4,011	4,066	4,384	4,528
Finance costs	387	841	1,384	1,671	1,804	1,836	2,127	2,580	3,185	3,889	4,016
Internal charges and overheads applied	1,034	1,261	1,338	1,311	1,224	1,238	1,266	1,307	1,291	1,333	1,399
Other operating funding applications											
Total Applications Of Operating Funding	4,650	5,492	6,289	6,455	6,583	6,749	7,229	7,899	8,542	9,606	9,943
Surplus/(Deficit) Of Operating Funding	2,585	2,247	2,909	3,407	4,051	4,367	4,444	4,474	4,834	5,887	5,981
Sources Of Capital Funding											
Subsidies and grants for capital expenditure											
Development and financial contributions											
Increase/(decrease) in debt	3,297	13,769	7,932	3,459	1,820	(611)	4,581	4,095	15,958	(2,509)	(2,475)
Gross proceeds from the sale of assets											
Lump sum contributions											
Other dedicated capital funding	22	22	73	75	76	78	80	82	84	86	88
Total Sources Of Capital Funding	3,319	13,790	8,005	3,533	1,896	(533)	4,660	4,177	16,041	(2,423)	(2,387)
Applications Of Capital Funding											
Capital expenditure											
- to meet additional demand											
- to improve the level of service	2,321	5,124	12	3,162	3,213	2	5,597	5,815	5,871	0	0
- to replace existing assets	6,895	14,881	13,264	4,863	2,622	3,367	3,152	2,938	15,405	2,428	2,519
Increase/(decrease) in reserves	(3,312)	(3,967)	(2,362)	(1,085)	112	464	355	(102)	(401)	1,036	1,074
Increase/(decrease) of investments											
Total Applications Of Capital Funding	5,904	16,037	10,914	6,940	5,947	3,834	9,104	8,650	20,876	3,464	3,593
Surplus/(Deficit) Of Capital Funding	(2,585)	(2,247)	(2,909)	(3,406)	(4,051)	(4,367)	(4,444)	(4,474)	(4,835)	(5,887)	(5,980)
Funding Balance	0	0	0	0	0	0	0	0	0	0	0

Water Supply

Funding Impact Statement - Downlands

	Budget 2017/18 \$'000	Budget 2018/19 \$'000	Budget 2019/20 \$'000	Budget 2020/21 \$'000	Budget 2021/22 \$'000	Budget 2022/23 \$'000	Budget 2023/24 \$'000	Budget 2024/25 \$'000	Budget 2025/26 \$'000	Budget 2026/27 \$'000	Budget 2027/28 \$'000
Sources Of Operating Funding											
General Rates, Uniform annual general charges, rates penalties											
Targeted Rates (other than a targeted rate for water supply)	1,394	1,476	1,558	1,886	1,886	1,886	2,132	2,296	2,378	2,378	2,378
Subsidies and grants for operating purposes											
Fees charges and targeted rates for water supply											
Internal charges and overheads recovered											
Local authorities fuel tax, fines, infringement fees and other receipts	113	147	95	52	48	44	40	34	26	19	10
Total Operating Funding	1,507	1,623	1,653	1,938	1,934	1,930	2,172	2,330	2,404	2,397	2,388
Applications Of Operating Funding											
Payments to staff and suppliers	411	464	464	481	555	615	620	632	667	682	706
Finance costs	197	107	429	750	829	801	849	892	859	892	922
Internal charges and overheads applied	119	136	139	137	134	135	138	140	141	143	147
Other operating funding applications											
Total Applications Of Operating Funding	727	707	1,032	1,368	1,518	1,551	1,606	1,665	1,667	1,717	1,775
Surplus/(Deficit) Of Operating Funding	780	916	621	570	416	379	566	665	738	680	614
Sources Of Capital Funding											
Subsidies and grants for capital expenditure											
Development and financial contributions											
Increase/(decrease) in debt	6,382	3,726	9,181	3,667	(537)	(582)	(582)	(535)	(584)	(584)	(533)
Gross proceeds from the sale of assets											
Lump sum contributions											
Other dedicated capital funding	0	0	84	86	438	448	183	188	193	198	203
Total Sources Of Capital Funding	6,382	3,726	9,265	3,753	(99)	(134)	(399)	(348)	(391)	(386)	(330)
Applications Of Capital Funding											
Capital expenditure											
- to meet additional demand											
- to improve the level of service	0	1,476	5,657	4,111	0	0	0	0	0	0	0
- to replace existing assets	8,242	3,850	7,034	334	482	340	333	394	418	360	421
Increase/(decrease) in reserves	(1,080)	(684)	(2,804)	(122)	(165)	(96)	(166)	(77)	(72)	(66)	(137)
Increase/(decrease) of investments											
Total Applications Of Capital Funding	7,162	4,642	9,886	4,323	316	244	167	317	346	294	284
Surplus/(Deficit) Of Capital Funding	(780)	(916)	(621)	(570)	(416)	(379)	(566)	(665)	(738)	(680)	(614)
Funding Balance	0	0	0	0	0	0	0	0	0	0	0





A coastal landscape featuring a lighthouse on a cliff in the background, a dead tree in the foreground on the left, and a large green circular graphic overlay in the center. The text is centered within this green circle.

INFRASTRUCTURE STRATEGY 2018-2068

Infrastructure Strategy

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1.0 EXECUTIVE SUMMARY

Welcome to the second Timaru District Council Infrastructure Strategy.

Section 101B of the Local Government Act 2002 requires the Council to develop an Infrastructure Strategy (IS). The first IS was developed for the 2015-25 Long Term Plan and this experience has been used to refine the 2018-68 IS.

Council decided during 2017 to extend the IS to 50 years and to add the Waste Minimisation activity. As a minimum, the IS must cover Council’s water, sewer, stormwater and roading activities for 30 years.

The purpose of the IS is to:

- Identify significant infrastructure issues;
- Identify principal options for managing those issues;
- Identify the implications of the options.

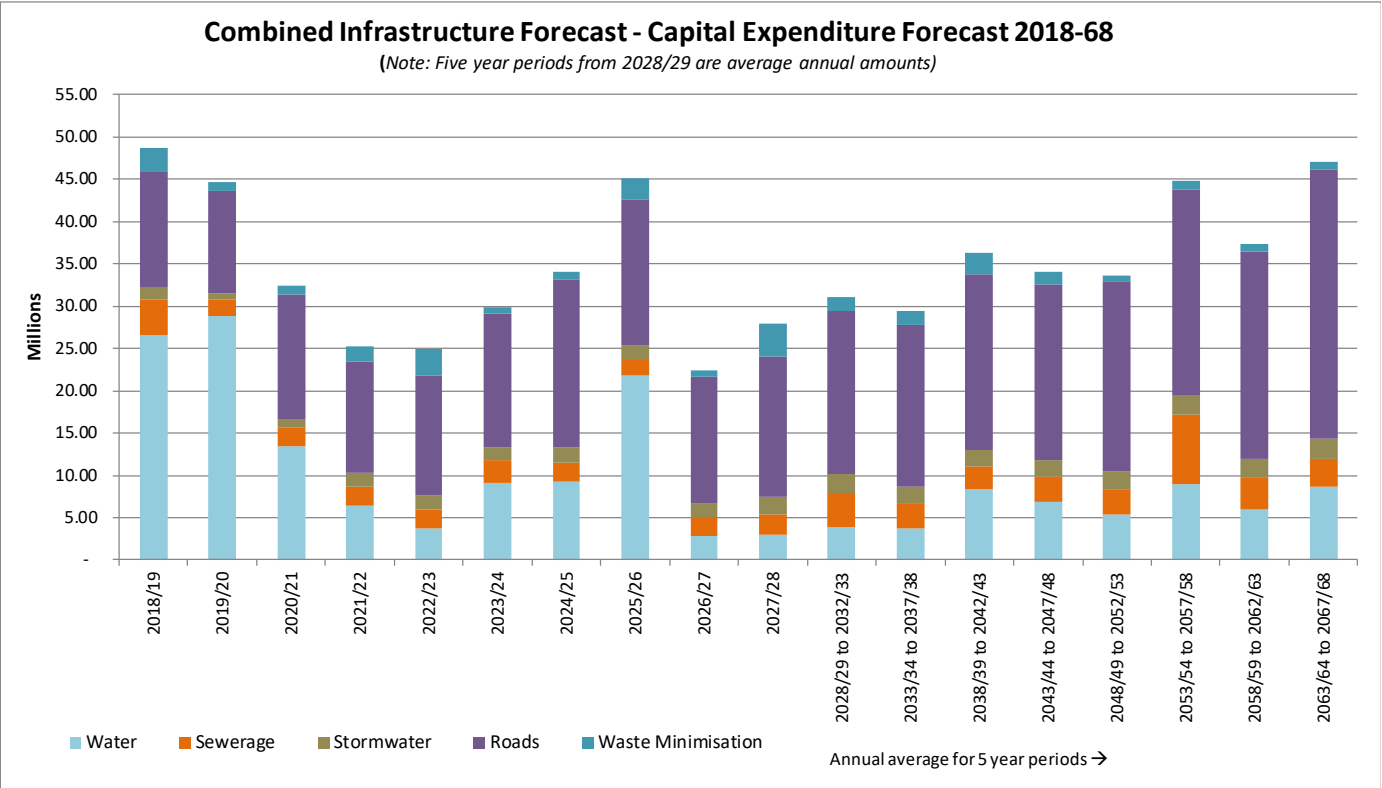
In addition, the Council must outline how it intends to manage its infrastructure assets taking into account the need to:

- Renew or replace existing assets;
- Respond to growth or decline in demand;
- Increase or decrease in levels of service;
- Maintain or improve public health and environmental outcomes;
- Provide for infrastructure resilience.

1.1 Strategy Direction

The strategy includes an overriding direction of ‘Responsible Stewardship’ - “ensuring responsible stewardship of our key infrastructure assets to meet the needs of tomorrow’s community”. It aims to ensure the district’s infrastructure is meeting the community’s needs aligned with the Council’s Strategic Direction. It considers potential future factors that will affect the Council’s infrastructure, particularly the ageing of infrastructure, societal change and resilience. The strategy sets out the Council’s priorities as:

- Timely and cost effective maintenance of infrastructure to optimise its life
- Replacing ageing infrastructure in a timely manner
- At a minimum, maintaining existing levels of service
- Managing the impacts of growth and land use change in a



sustainable way

- Compliance with legislative requirements
- Providing long term affordable services
- Managing the impact of technology changes

The IS outlines four key future issues, as follows:

- Roading renewals
- Securing Timaru’s water supply
- Timing and Funding the Stormwater strategy
- Extending the life of the Redruth Landfill

Options are presented relating to these issues and the Council’s preferred option is included in the overall financial impact of the Strategy.

1.2 Financial Impact

Capital expenditure of \$1.8 billion is included in the proposed draft IS over the 50 years, of which \$335 million is currently incorporated into the proposed 10 year budget. Current loan levels are forecast to peak at \$156 million in 2021/22. This peak is well within the limits prescribed within the liability management policy.

The graph above shows the planned capital expenditure (including inflation) across the five activities included in the Strategy.

For these activities, the following table shows total expenditure and the expected spend related to growth, levels of service and renewals over the next fifty years:

Asset	Total Expenditure	Growth	Levels of Service	Renewals
Roading and Footpaths	\$1,066M	4% (\$42M)	22% (\$236M)	74% (\$787M)
Sewer	\$179M	4% (\$8M)	>1% (\$.02M)	96% (\$171M)
Stormwater	\$100M	3% (\$3M)	71% (\$71M)	26% (\$26M)
Waste Minimisation	\$72M	5% (\$4M)	61% (\$44M)	34% (\$24M)
Water Supply	\$395M	3% (\$9.6M)	26% (\$104.6M)	70% (\$281M)

2.0 INTRODUCTION

This is Timaru District Council's second Infrastructure Strategy. It has been prepared from Council's 2018 suite of Activity Management Plans and forms part of the Long Term Plan.

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

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

2.1 Strategy Layout

The Strategy document sections and corresponding Local Government Act (LGA) sections are tabled below:

		LGA 2002 (Section 101B)
1	Executive Summary	
2	Identifies the purpose of the Infrastructure Strategy and the core infrastructure included in this strategy	2(a) and 6
3	Describe the district and illustrate the linkage between strategic documents	2(a)
4	Describe the core infrastructure, its condition and performance while recording the significant assumptions, risks and mitigation	2, 3(e), 4 (c) & (d)
5	Discuss the emerging issues that will impact on the core infrastructure assets	3 (b) to 3(e)
6	Discuss Council's response to the emerging issues and the significant decisions to be made during the term of this strategy	2(b), 4(b)
7	Identifies the response options for the significant issues and documents the benefits, cost, timing and funding source	2(b); 3(a) to (e) & 4(a) to (c)
8	Identifies the costs associated with the actions proposed	4(a)

2.2 Purpose

Local Government Act 2002

Section 101B – Infrastructure Strategy states:

- (1) *A local authority must, as part of its long-term plan, prepare and adopt an infrastructure strategy for a period of at least 30 consecutive financial years.*
- (2) *The stated purpose of the Infrastructure Strategy is to;*
 - a) *Identify significant infrastructure issues for the local authority over the period covered by the strategy; and*
 - b) *Identify the principal options for managing those issues and the implications of those options.*

Section (6) defines infrastructure assets as including:

- a) *existing or proposed assets to be used to provide services by or on behalf of the local authority in relation to the following groups of activities:*
 - i. *water supply;*
 - ii. *sewerage and the treatment and disposal of sewage;*
 - iii. *stormwater drainage;*
 - iv. *flood protection and control works;*
 - v. *the provision of roads and footpaths; and*
- b) *any other assets that the local authority, in its discretion, wishes to include in the strategy.*

2.3 Timaru District Core Infrastructure Assets

The core Timaru District Infrastructure Assets are tabled with 2016/17 closing book values below:

Asset	Description	Asset Book Value	% of total
Roading and Footpaths	Roads (arterial, collectors, local; kerb and channels), bridges, footpaths	\$422M	65%
Water Supply	Water supply plant facilities and reticulation network	\$72M	11%
Sewer	Wastewater treatment plants, pump stations and reticulation network	\$107M	17%
Stormwater	Stormwater drainage assets	\$34M	5%
Waste Minimisation	Waste management including kerbside collection, transfer stations, disposal at landfill and processing (compost, recycling, reuse), and community services.	\$15M	2%
TOTAL		\$650M	100%

2.3.1 Other Activities

In addition to the mandatory requirements, the Timaru District Council has agreed to include the Waste Minimisation activity in the Infrastructure Strategy. The Timaru District Council has extended the Infrastructure Strategy to a fifty-year timeframe.

The reason for including the Waste Minimisation Activity in the Infrastructure Strategy is because the Redruth Landfill is projected to be full in 25-30 years and the development of either a new landfill or an alternative landfilling is considered a significant infrastructure issue.

The reason for extending the timeframe of the Infrastructure Strategy to 50 years is to capture and consider resource consent renewal issues, particularly for wastewater, water and landfilling. Resource consents have a maximum duration of 35 years and it is considered prudent to include any resource consent renewals within the Infrastructure Strategy over a longer than 30 year timeframe.

3.0 TIMARU DISTRICT

Geography & Climate

Timaru District covers 2,737 square kilometres of South Canterbury. Two rivers naturally define its northern and southern boundaries, the Rangitata and Pareora, with the district stretching along the gentle curve of the South Canterbury coastline. Timaru District is the fourth largest district by population and sixth largest by area in the Canterbury region. It has a population density of approximately 16.5 persons per square kilometre. The district has a temperate climate, with Timaru getting an annual average of 1,826 hours of sunshine and 573mm of rain. The district includes a variety of geographical environments ranging from densely populated low lying urban areas to remote sparsely populated mountain areas.

Demographics

The estimated resident population of the Timaru District as at June 2017 was 47,100. The 2013 Census population was 43,929. The District's population is projected to increase to 49,400 (+8.8%) by 2028, peaking in 2038 at 50,200.

Population Growth

Population growth is projected to occur at around a rate of 0.6% annually until 2028. Based on the medium projection, the rate of natural increase will become negative from around 2028, meaning there are more deaths than births. This reflects the age makeup of the Timaru District population. Growth from 2028 will be reliant on net migration.

Ageing population

The District's population is expected to continue to age into the future. The 65+ age group will grow from 20.1% of the population in 2013 to 28.2% in 2028 and 32.9% in 2043. In population numbers, between 2013 and 2028 this represents an increase of 4,780 people aged over 65. By 2043, the total increase in those aged 65+ will be 7,350. It is noted that this forecast growth is at a slower rate than previously forecast.

The population aged over 65 will also get progressively older, with those aged 75+ representing 50.1% of the total 65+ age groups in 2028 (2013: 46.7%) and 61.1% in 2043. Those aged 85+ will represent 13.9% of the total 65+ age groups in 2028 (2013: 10.8%) and 13.9% of the total 65+ age groups in 2028 (2013: 10.8%).

13.5%) rising to 21.1% in 2043.

Economy

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

An analysis of the District's industrial structure by broad sector contribution to Gross Domestic Product 2017 shows that:

- Primary sector industries contributed 12.7% (NZ: 6.8%)
- Secondary sector industries (manufactured and other processed goods) account for the largest proportion of the districts GDP in 2017 (27.6%). This is followed by tertiary industries (lower value adding service industries) at 26.1%.
- When compared with the New Zealand average both primary and secondary industries have a greater contribution to the local economy

Employment

Employment in the district is strong. Total employment averaged 24,926 in the year to March 2016, up 0.2% from a year earlier. Sectors that make the largest contribution to employment are manufacturing (18.1%), Health Care and Social Assistance (11.3%), Retail Trade (10.8%), and Agriculture, Forestry and Fishing (10.2%).

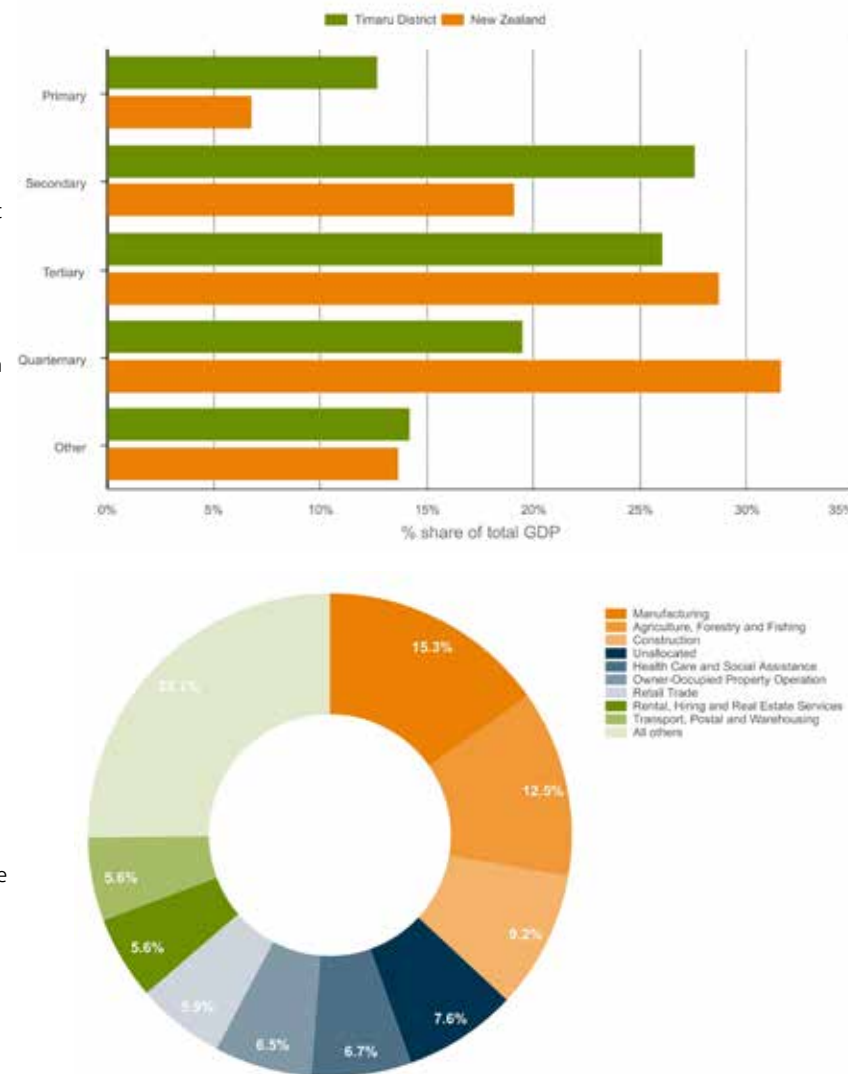


Figure 1: Timaru District's Economic Diversity

Source: Infometrics Timaru District Economic Profile 2017

Our Communities

Timaru is the largest community, housing nearly two thirds of the total population of the district (27,038). The next largest community is Temuka (4,050), followed by Geraldine (2,301) and Pleasant Point (1,278). Our communities are well serviced with education, health and recreational services along with a vast range of clubs and organisations. The South Canterbury District Health Board is a major health provider, with the Ara Institute of Canterbury providing local tertiary educational 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. The district is also defined by a number of waterways, including the Orari, Opihi, Rangitata, Waihi and Pareora Rivers. The Rangitata and Pareora physically define the district and all waterways are highly valued by the community for their recreational, social, natural amenity and economic values. The district has a number of outstanding natural features and landscapes, as well as areas of significant native vegetation habitats of native fauna. There are also numerous important heritage sites, buildings and places. **Figure 2** shows a map of the district.

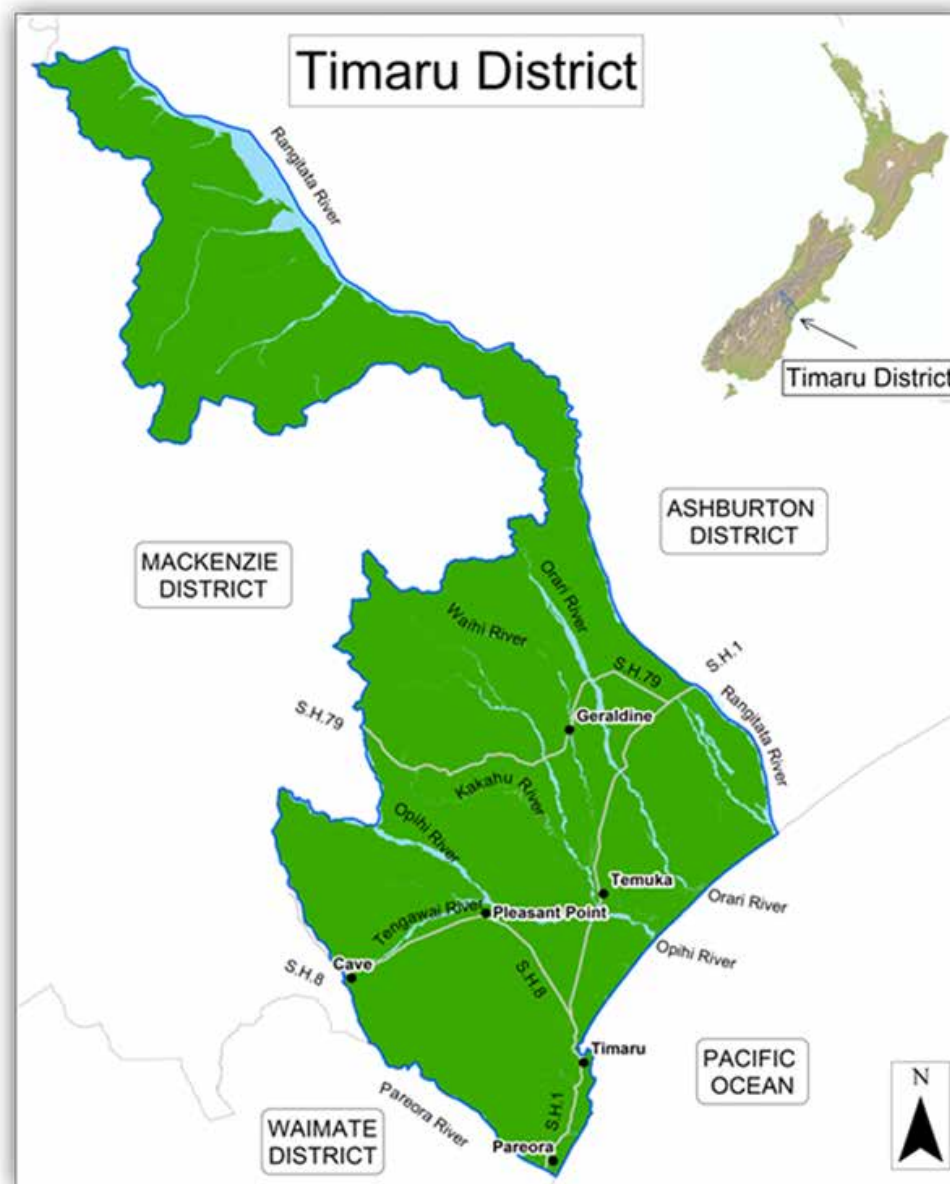


Figure 2: Timaru District

3.1 Timaru District Council Strategic Direction

Vision

Fantastic Lifestyle – Thriving Economy – Strong
Identity – Inspiring Leadership

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

The Timaru District Council's Long Term Plan includes the Council's strategic direction. This encompasses a Vision, Community Outcomes and Strategic Priorities. The Strategic Direction can be viewed in full in the Long Term Plan.

3.2 Linkage with Other Documents

The Infrastructure Strategy (IS) and Financial Strategy (FS) underpin the Long Term Plan. Planning for the activities included in the IS is covered within the relevant Activity Management Plan, as well as being informed by other documents such as the Growth Management Strategy and other strategies and legislation as shown in **Figure Three**.

3.2.1 Financial Strategy

The Financial Strategy defines the financial direction of the Council over the 10-year period of a Long Term Plan. It provides direction, drawn from a balancing of ratepayer affordability against community needs and aspirations.

The relationship between the IS and FS is two way. The FS presents a balance between ratepayer affordability and the following matters that arise from the IS:

- the need to maintain, replace and renew core infrastructure; and
- the obligation under law to build new infrastructure to meet new standards; and
- a desire to respond to the aspirations of the community for new and improved community infrastructure.

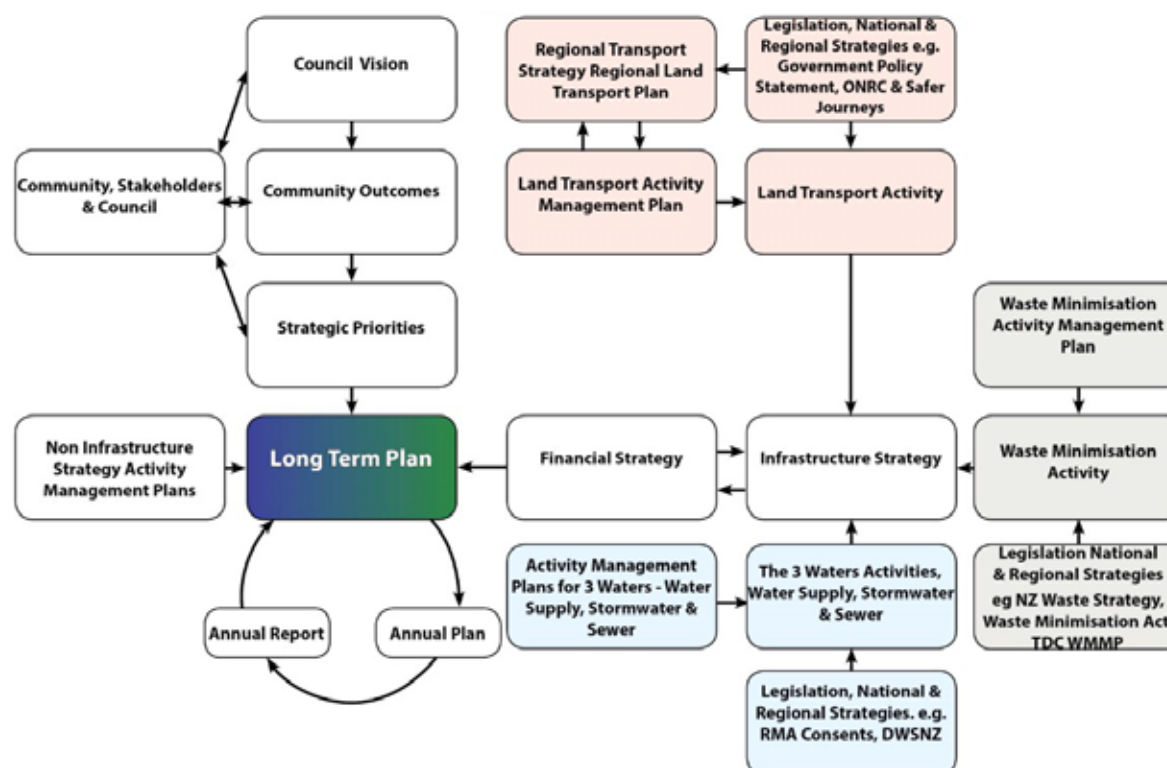


Figure 3: Infrastructure Strategy Linkage with other Documents

3.2.1 Significance and Engagement Policy

Council's Significance and Engagement Policy is the mechanism that underpins Council's sustainable decision-making. The purpose of the policy is to:

- enable the Council and its communities to identify the degree of significance attached to particular issues, proposals, assets, decisions and activities
- provide clarity about how and when communities can expect to be engaged in decisions about different issues, assets or other matters
- inform the Council from the beginning of a decision-making process about:
 - o the extent of any public engagement that is expected before a particular decision is made, and
 - o the form or type of engagement required.

With the exception of the Waste Minimisation activity, the assets and networks included in this IS are listed as Strategic Assets in the Significance and Engagement Policy – namely the Roding network as a whole, Wastewater and Stormwater networks as a whole, and Water supply networks as a whole.

The policy states that Council will use the Special Consultative Procedure in relation to any decisions to transfer the ownership or control of a strategic asset to or from Council, as required by the Local Government Act.

While the Waste Minimisation activity is not listed in the policy as a strategic asset, any decisions relating to the ownership or control of the activity would trigger many of the significance criteria used to determine the level of community engagement required before decisions are made and potentially the Special Consultative procedure.

3.3 Timaru District Council

Timaru District Council was formed in 1989 following the amalgamation of the Timaru City Council, Geraldine Borough Council, Strathallan County Council and the Temuka Borough Council.

Currently the Timaru District Council has an elected Mayor and nine Councillors elected over three wards:

- Timaru Ward - 6 Councillors
- Pleasant Point-Temuka Ward - 2 Councillors
- Geraldine Ward - 1 Councillor

There are three Community Boards in Geraldine, Pleasant Point and Temuka with 16 elected board members.

4.0 CORE INFRASTRUCTURE

4.1 Asset Description

4.1.1 Roading and Footpaths

The Timaru District's land transport network comprise of roads, bridges, drainage (e.g. culverts), and footpaths.

Roads

A summary of information on the district's road network is provided in Table 3 below, by network length (km) and journeys travelled (million vehicle km) based on ONRC performance measures reporting tool (as of October 2017).

The pavement surfacing on the network is mostly chipseal (96%). However, over a quarter of the highest class routes (Primary Collector, Arterial and Regional) are surfaced in asphalt. Condition data available on the network is limited to visual condition rating, roughness, historical maintenance cost and some pavement strength data. Therefore, data available is at moderate confidence. Council is looking at doing High Speed Data (HSD) capture over the years to improve data confidence.

Based on the latest condition rating survey, cracking is the primary defect. Where cracking is observed, over 40% occurs on asphalt-surfaced pavements. This data suggests there is no observed defect on the majority (>90%) of the network, leading to the

expectation the chipseal network is currently in good surface health. The asphalt-surfaced routes are in average condition.

The Amenity measure within NZTA's ONRC (One Network Road Classification) framework assesses user comfort over the network based on roughness values. The rural network has displayed very smooth travel and is performing well against expectation. However, the urban network is not meeting Amenity measures – specifically Peak Roughness with almost 10% of Urban length exceeding roughness thresholds (ONRC allows up to 5% exceedance).

Council has undertaken FWD (Falling Weight Deflectometer) testing to ascertain the remaining useful lives of all Access road are above HPMV (High Productivity Motor Vehicles) routes and all Primary Collector (rural) are above ONRC classified roads. High Speed Data (HSD) testing is now proposed in order to provide better asset condition information of the roads. The potential impact of the moderate data confidence in road pavements is that the condition of assets and rate of deterioration is based on best practice assumptions (pavement age), rather than actual condition

data. Improved data will better inform decision-making and provide greater confidence in long-term renewal requirements.

ONRC Category	Urban (Km)	Rural (Km)	TOTAL LENGTH (Km)	Urban Journeys	Rural Journeys	ANNUAL TOTAL JOURNEYS TRAVELLED (M Veh Km)
Regional	3	11	14	2	8	10
Arterial	12	17	29	26	13	38
Primary Collector	27	48	75	42	23	65
Secondary Collector	44	285	329	24	40	64
Access	91	452	543	15	18	33
Low Volume	61	668	729	3	8	11
TOTAL NETWORK	237	1,481	1,718	111	110	222

Table 3: Timaru District Road Network Statistics

Bridges

The information in Table 4 is as at May 2017, and includes stormwater kerb and channels.

Figure 4 and Figure 5 illustrate the remaining useful life of bridges and major culverts in the District, based on current usage. Information presented is as at September 2015 and excludes Footbridges and Stock Underpasses. Assessments are conducted every three years, with the next assessment due in 2018.

The 2015/16 bridge structural inspection report completed by Opus Consultants identified 21 structures that require significant structural component replacements or full bridge renewal within the next 10 years. To date five of these have been renewed or removed. A further ten bridges need to be renewed and six require structural component replacements. The structural component replacements work extends the remaining useful life of the bridge structure and defers full bridge replacement.

Replacement cost data in Figure 6 above are Rough Order Estimates. It has been identified that it is unlikely that the current replacement programme Council has in place will keep up with the deterioration of the bridging stock beyond the short term (10 years), unless additional or alternative funding sources are allocated to this work.

Asset	Quantity	Asset	Quantity
Roading Bridges	280	Drainage Facilities	
One lane	139	Catchpits, soak pits, sumps	3,226
Weight restricted	5	Culverts, side culverts	3,666
Timber bridges (road and foot)	37	Fords (concrete, natural ground)	135
Footpaths	311.755km	Drains (Subsoil, cut-offs, other channels)	2,801
SW Channel - Kerb and Channel	398km	Others	17

Table 4: Bridges and Drainage Statistics

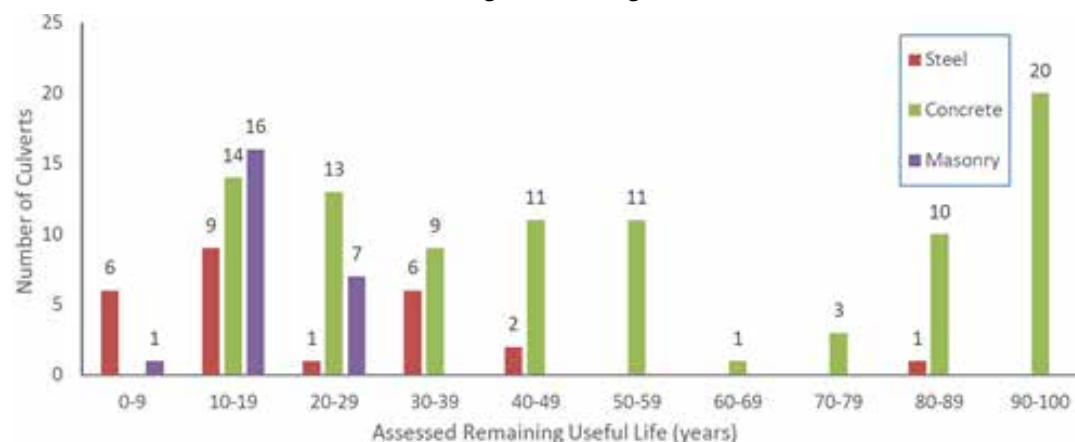


Figure 4: Timaru District Council Bridges Remaining Useful Life

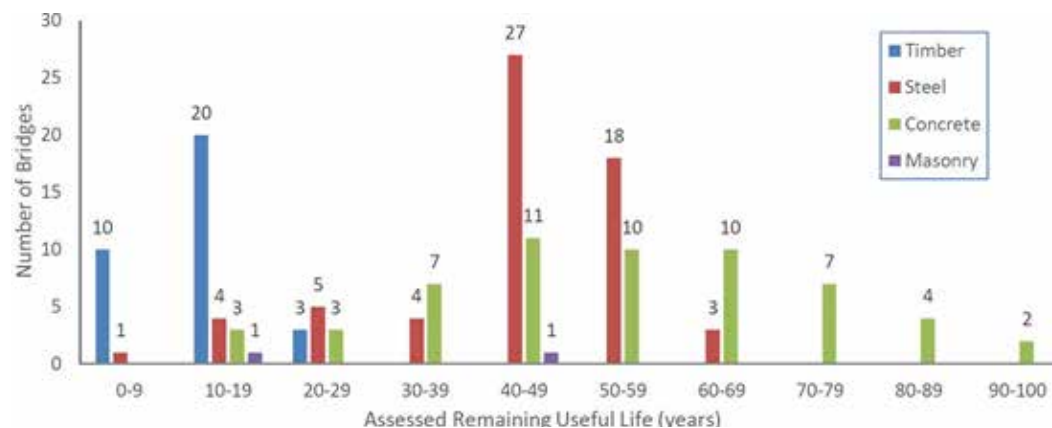


Figure 5: Timaru District Council Culvert Remaining Useful Life

Drainage (Kerb and Channel)

There has been a limited amount of data captured (27% of total) on the condition of the kerb and channel asset. Council is currently assessing and data capturing kerb and channel condition. With the assets that have been visually checked, it has been identified that there is a high level of kerb and channel in good condition. Data in Figure 7 below is as at August 2017.

Figure 8 identifies that there is about 30km of kerb and channel in the 60-70 year band, but with the correct maintenance programme. The useful life of kerb and channel is assumed as 80 years. It is noted that there is a high proportion of “unknown” condition as shown in Figure 7. It may be possible to extend the useful life of the asset before looking at renewal when condition data is improved. Although asset age and condition are generally related this is not always the case. Data presented is at August 2016.

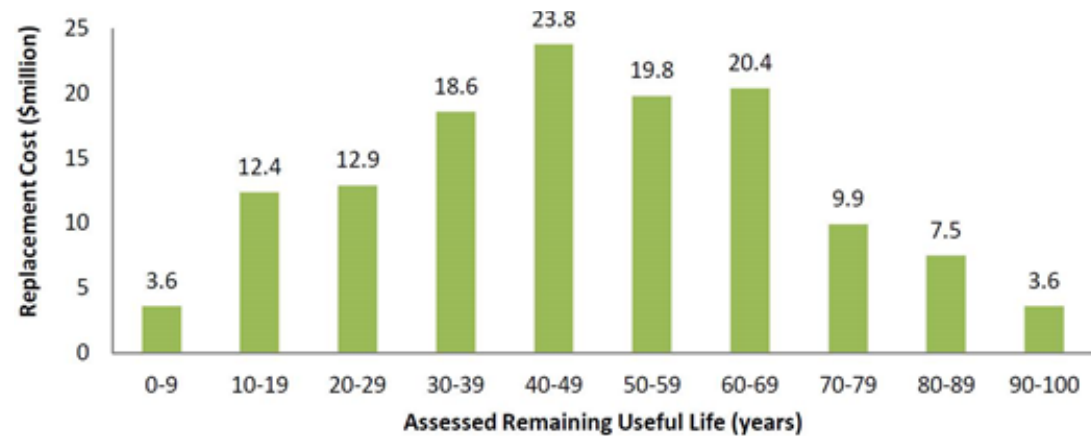


Figure 6: Bridge and Culvert Replacement Value

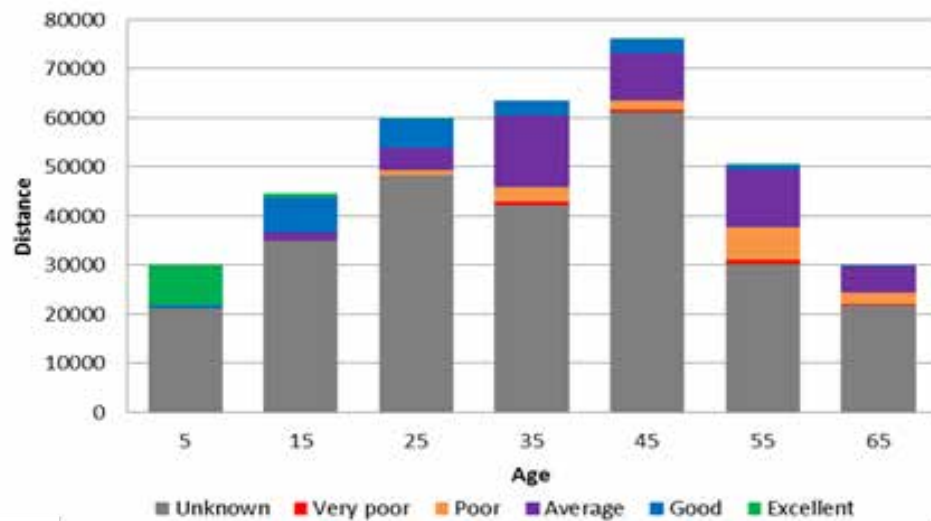


Figure 7: Condition Length of Kerb and Channels by Age Band

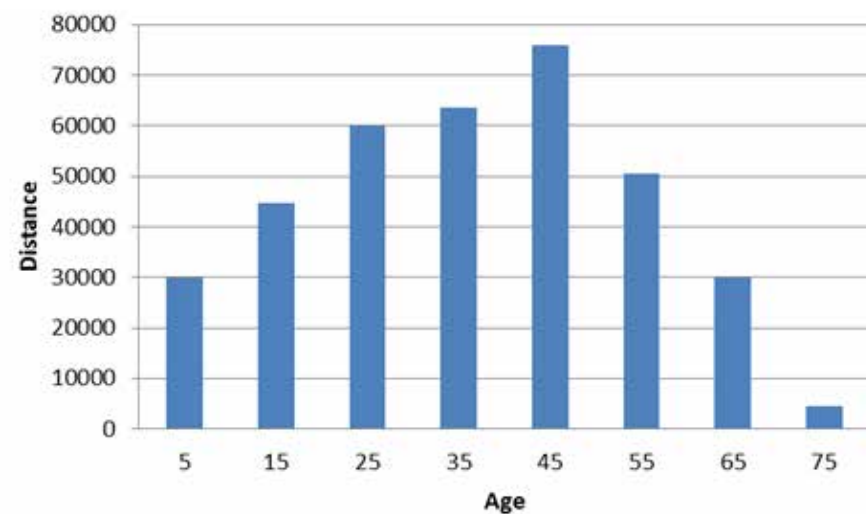


Figure 8: Age Distribution of Kerb and Channel

Footpaths

In the past few years, Council has developed footpath condition data for the whole District, but an update of the condition data is currently being assessed and captured. The general condition of footpaths in the Timaru District is good, but there is a wave of older footpaths that will require addressing in the next 10-15 years. Council's renewal strategy for footpaths is based on condition. Priority is given to footpaths with condition rating of very poor or poor with very poor replaced in 1 to 5 years and poor in 5 to 10 years.

Figure 9 shows that condition is generally proportional to age. Data presented is as at December 2016. Based on this, data the anticipated footpath renewal quantities is shown in Figure 10 that indicates an increase in renewal is required over the next five (5) years, particularly in Timaru. Footpath condition rating surveys are currently being undertaken that will improve data confidence and improve renewal programme forecasts.

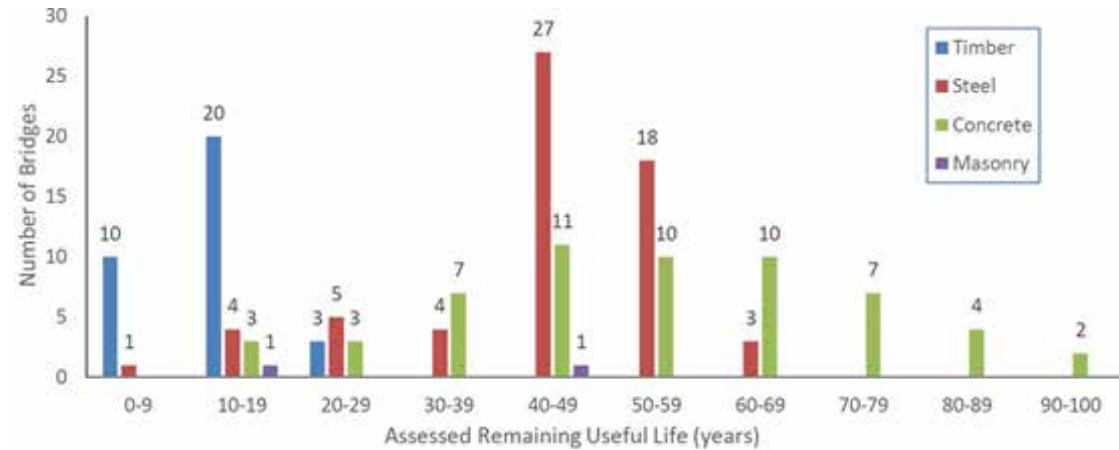


Figure 9: Quantity of Footpath by Age showing Condition

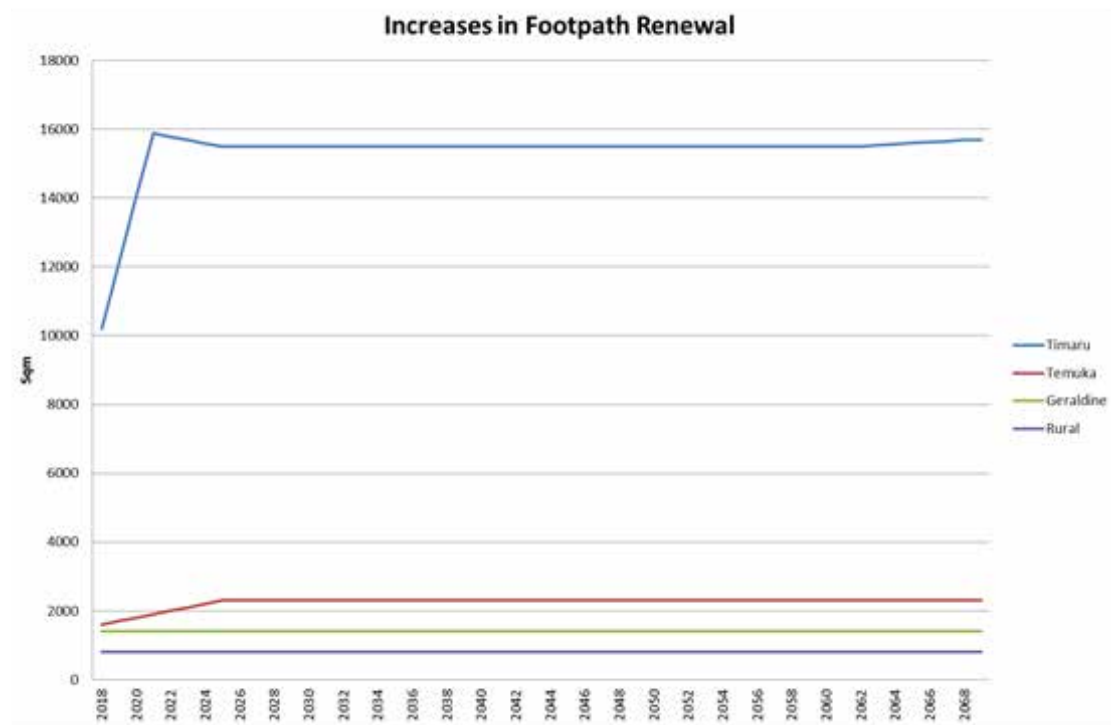


Figure 10: Footpath Renewal

Roading and Footpaths - Information Sources

The Timaru District Council conducts multiple surveys, analysis, and studies to obtain data and information on our assets, including:

Road User Surveys

Conducted biannually through an independent consultant, Key Research Limited. The survey obtains the perceptions of a broad range of road users across the District, which is used to identify the expected transport levels of service and the current perceived asset performance. From the survey result, Council is able to determine the areas for possible improvements.

NZTA Investment Audits

The objective of this audit is to provide assurance that the New Zealand Transport Agency's (NZTA's) investment in Timaru District Council's land transport programme is being well-managed and delivering value for money. NZTA also sought assurance that the Council is appropriately managing risk associated with the Transport Agency's investment. NZTA also recommends improvements where appropriate.

dTIMS Pavement Deterioration Modelling

This modelling is performed by Opus for the Timaru District Council's sealed road network. The report provides evidence that can be used in support of the Long Term Programme request and Better Business Case Approach. The key objectives for undertaking this modelling were to determine the optimal maintenance expenditure/quantities in order to achieve the long-term standards for the network, aligned with the NZTA's ONRC requirements, and the consequences of various maintenance regimes on the long-term condition of the network.

Crash Data – CAS

The NZTA manages the Crash Analysis System (CAS) – New Zealand's primary tool for capturing information on where, when, and how road crashes occur. The system provides tools to analyse and map crashes and enables users to identify high-risk locations and monitor trends and crash sites. This information helps inform transport policy, design and prioritise road safety improvements and monitor their effectiveness. The CAS database has been used to record details of road crashes since 1980. The system records all crashes whether fatal, injury, or non-injury, and is an important

tool in the analysis of road, intersection, and road user groups safety. All road crashes have a standard crash report prepared by Police that records details about the driver, occupants, vehicle, crash factors, and crash events. A copy of the crash report is provided by Police to Council for information, and report is sent to NZTA for entering in the CAS database.

TDC General Bridge Inspection

Timaru District Council commissions Opus to complete the three-yearly general inspections of all Council's bridge structures. This is in accordance with NZTA guidelines. TDC bridge inventory information is then updated with new relevant information and updated maintenance and component replacement schedule, and bridge replacement programme is prepared.

Traffic Counts

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

Footpath, Kerb and Channel Usage and Condition Analysis

Footpath, kerb and channel usage and condition data capture and analysis is done to provide stronger understandings of the TDC's assets. With the information, better informed decisions can be made. This is not done on a regular basis but TDC is looking at possibly capturing the information six yearly.

4.1.2 Water Supply

TDC owns and operates six urban water supply schemes, four rural water supply schemes and two stockwater supplies. Around 90% of the district population is served, with the rest relying on their own private supplies outside the public water supply scheme boundaries.

The District takes its drinking water supplies from rivers and bores or underground sources. The Opihi River and the Pareora River supply Timaru, which accounts for about 60% of the total water consumption. All water takes are subject to resource consents and

some of these could be restricted during very dry periods when river flows are low.

TDC provides the infrastructure to harvest, treat, store and distribute water to consumers. The main asset base consists of 12 treatment plants, 24 pump stations, 35 reservoirs, and around 1,854 kilometres of water reticulation network. These assets have a current replacement value of around \$255 million.

As at 2017, around 98% of the reticulation has been condition-assessed via physical sampling, expected life based on installation dates and failure rates. Of these, about 92% are in good to excellent condition while 8% are in poor to very poor condition.

Figure 11 summarises the age and condition profile of the water supply network. Some pipes still have significant remaining theoretical lives but have already demonstrated condition issues. Poor condition assets are prioritised for renewal. The prioritisation criteria balances a mix of factors that impact on asset performance including the age of the asset, its condition, criticality, and its maintenance history or failure rate. Timing the pipe renewal also factors in the roading work programme to synchronize, to the extent possible, the pipe renewal with the re-sealing of roads. Renewal priorities are reassessed annually taking account of additional information that becomes available. The ongoing pipe maintenance programme mitigates the risk of level of service failure.

The annual renewal programme of water mains averaged \$1.5 million/year in the last 3 years.

The reservoirs and other building structures for water treatment and storage were recently assessed in line with the identification of earthquake prone buildings owned by Council. A number were identified as requiring seismic strengthening and have been programmed for renewal. In general, condition assessment of above-ground assets has been largely informal and a protocol to improve the practice will be developed. Being above-ground, plant facilities are more accessible and can be checked routinely, thus mitigating failure risks. We have good confidence in our current knowledge of the condition of these assets.

TDC's Growth Management Strategy in the next 30 years suggests there will be moderate incremental increase in the demand for water from an increase in the number of consumers as well as in economic activity. Currently, roughly 50% of supply is utilised for

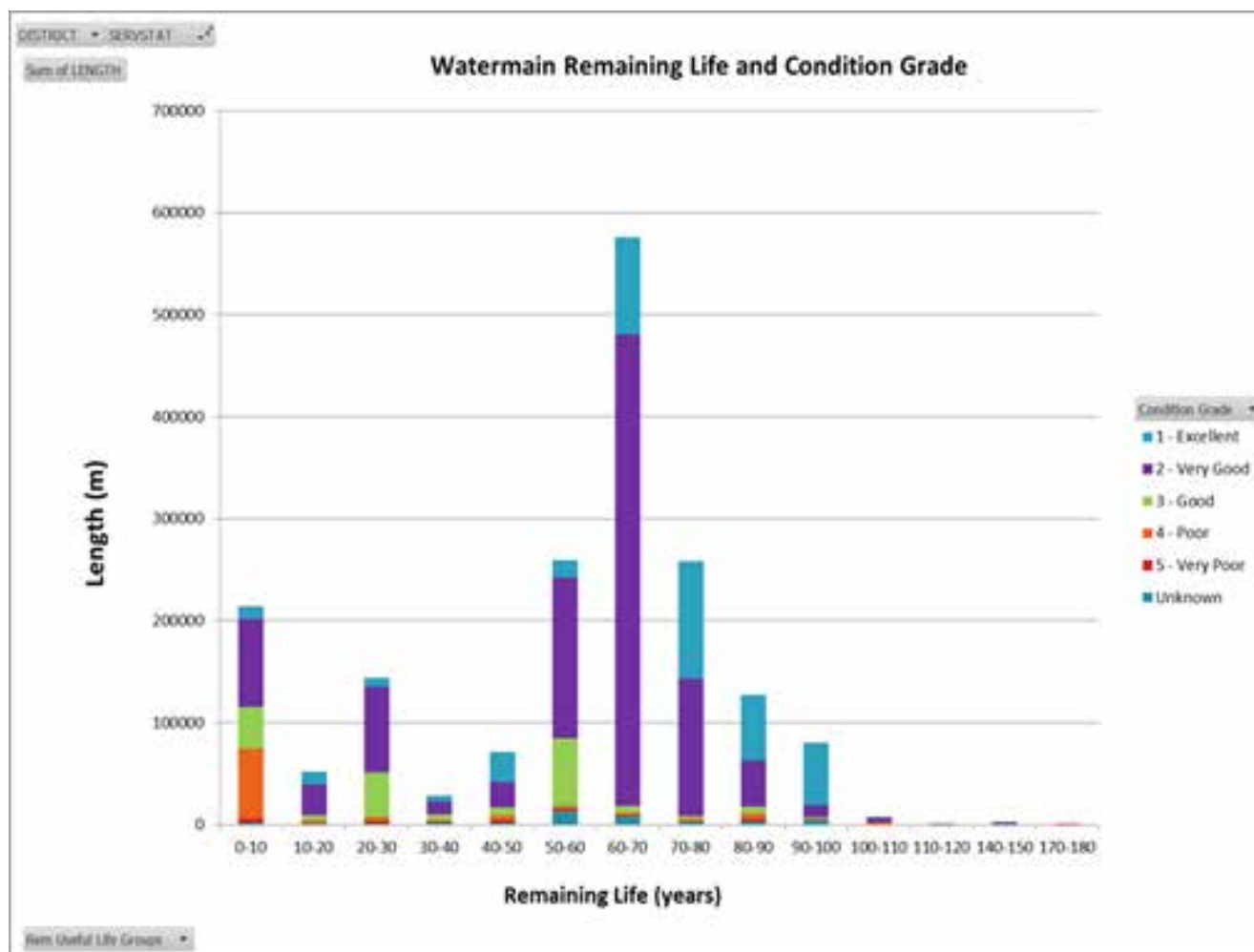


Figure 11: Water Supply Reticulation Network Profile

domestic and 50% for industry use. Council acknowledges that climate change is impacting on the security of the district's water supplies and accounts for it in asset planning and management to meet future demand.

In addition to future demand considerations, more stringent statutory and regulatory regimes around ensuring safety of drinking water supplies are also being anticipated in the water industry. These will require around \$400,000 additional budget in the next four years.

4.1.3 Sewer

TDC provides sewer services to the four main urban areas of the district including the township of Timaru and the inland towns of Geraldine, Pleasant Point and Temuka. Each area has a piped sewer network. Around 85% of the district population is served. Those located in the rural areas manage their own effluent. There are two significant industrial areas connected to the Timaru sewer network. These areas are located in the Port area and at Washdyke.

The main infrastructure asset base consists of three oxidation ponds at the inland towns of Geraldine, Pleasant Point and Temuka, a domestic and an industrial wastewater treatment plant, 23 pump stations, a reception facility for tankered discharges, an ocean outfall, and around 354km of sewer pipe network. Pump stations and treatment plants have been upgraded at various periods in the last 15 years with the implementation of the district wide wastewater strategy. These assets are generally in excellent condition. Renewals of the treatment plant facilities will occur at various periods within the next 50 years with a total estimated cost of around \$17 million.

Figure 12 summarises the age and condition profile of the sewer network. All assets have an assigned nominal life and are expected to perform for that time. Some 70km of the district's sewer pipe is estimated to reach the end of its economic life during the next 10 years.

The physical condition grade of sewer pipes is based from CCTV Condition Grading and from the Coarse Condition Grading for those pipes that have no CCTV data. As of 2017, nearly 50% of the 354 km sewer pipe network has been inspected via CCTV. The CCTV pipe condition assessment is an ongoing programme and is targeting aging, high flow and high criticality sewer mains

to ensure the structure and serviceability of the pipes are able to deliver the LOS and not creating any detrimental impact to the environment, public health, and other infrastructure. When CCTV inspection is impossible, laser and sonar inspection or other available inspection technology is used to analyse and determine the condition of assets relative to its assumed remaining life. Overall, based on CCTV results and maintenance scores, around 90% of the sewer network is considered to be in good to excellent condition.

Some pipes still have significant remaining lives but have shown condition issues. As with the water supply network, poor condition sewer pipelines are prioritised for renewal. The pipe renewal prioritisation and forecast is based on an assessment of remaining life, criticality, condition, maintenance history, future capacity requirement and the option of repair, rather than renewal, if appropriate. The renewal programme is re-assessed annually taking account of additional information, particularly from physical sampling of pipes. Deferred renewals are not expected or are minimised as Council funds the renewals from depreciation. The ongoing reticulation maintenance programme mitigates risks to levels of service from pipe failure.

There are inflow and infiltration issues associated with very old pipes in the network. The annual pipe renewal programme prioritises work required to maintain the level of service, and averaged \$1.7 million per year in the last 3 years. Estimated total replacement value of assets is around \$246 million (2014 assessment).

Currently, domestic wastewater accounts for 40% of the wastewater flows while industry contributes 60%.

Due to the construction of a separate facility for domestic wastewater treatment, there is more plant capacity for industrial wastewater treatment in support of future industrial growth. Most of these industries are located in the Washdyke and Port areas of Timaru.

Additional demand for domestic sewer lines may come from requests for extension of urban services at the periphery of residential zones.

Other than demand factors, the performance of the district's sewer infrastructure is also impacted by frequent intense or long duration wet weather which causes groundwater inflow and/or

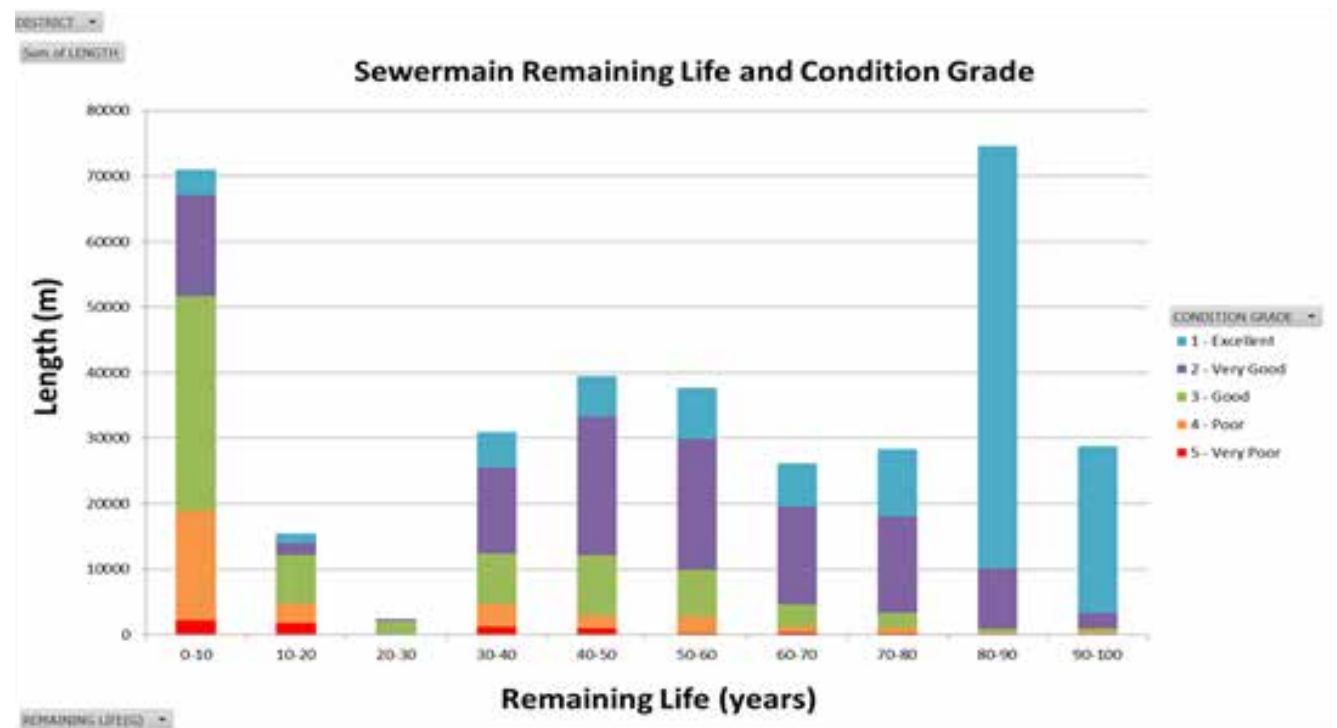


Figure 12: Sewer Reticulation Network Profile

stormwater infiltrating into the defects of sewer pipes, thereby consuming some of the capacity of the sewer network with resultant network overflows.

4.1.4 Stormwater

TDC provides stormwater services in the urban townships of Timaru, Temuka, Geraldine and Pleasant Point. Rural stormwater is managed mainly through land drainage with minimal infrastructure provided in Winchester, Cave and Pareora. Around 70% of the district's population is served.

The stormwater assets consist of 145km piped network, open channels, manholes, soakage pits, detention dams and swales. The network is generally aged. There is limited information on the physical condition of the pipes. Only about 15% of the pipe network have been CCTV'd and there is high confidence in this data. CCTV inspection is an ongoing program for all of Council's

piped networks. For the rest of the stormwater network that is unassessed, we rely mainly on the age of the pipe and its repair and maintenance history to gauge the condition of the asset. There is lower confidence in these data which are mainly based on desktop estimates. However, unlike sewer assets, which are subjected to daily flow, stormwater assets only operate during and after rain events. They lie dormant for a large portion of their lives and there have been minimal failure issues in the last 10 years.

Figure 13 summarises the age and condition profile of the network. Some pipes still have significant remaining theoretical lives but have shown condition issues. As with the water supply and sewer networks, poor condition stormwater pipelines are prioritised for renewal. The renewal programme is reviewed yearly for any re-prioritisation required. The ongoing reticulation maintenance programme mitigates the risk of level of service

failure arising from poor asset condition.

Pipe renewal expenditure averaged \$180,000 per year in the last 3 years. Estimated replacement value of stormwater assets is around \$159 million.

Council has adopted a district-wide Stormwater Management Strategy which provides the overall framework and direction to Council's decision-making on stormwater using an integrated management approach. It is driven by the policies and rules of the Canterbury Land and Water Regional Plan (CLWRP) which now requires that Council obtain a resource consent for its stormwater discharges, and comply with set standards and limits to the stormwater discharges from its reticulated network. There are a number of units within TDC that are involved in stormwater regulation and management. TDC's Stormwater Strategy aims to streamline its approach by setting specific goals, directives and methods relating to stormwater planning and regulation, asset management, the receiving environment, and stakeholder engagement and education. The Asset Management component of the Stormwater Strategy is implemented through the Stormwater Activity Management Plan and the stormwater-related activities of the Land Transport Plan and the Waste Minimisation Plan.

Overall, Council's approach to stormwater asset management is to acknowledge the requirements of the CLWRP. This includes progressively upgrading the network at the time of renewal to incorporate systems for attenuation and treatment of stormwater flows using low impact design or green infrastructure approaches where appropriate. The ongoing development of Stormwater Management Plans for urban catchments within the district will identify more specific infrastructure requirements. This will shape the asset renewal/development programme in the longer term and is expected to have significant cost and funding implications.

Although growth within the district is not projected to be at a high level, population and household number changes will still impact on stormwater services in the next 50 years. As more areas are built-up, or with increasing infill development, more impervious areas will be created with increased levels of contaminants and there is further potential for the natural paths for stormwater flows and soakage to be occupied. This puts greater pressure on the existing capacity of stormwater networks which increases the infrastructure requirement to manage stormwater flows.

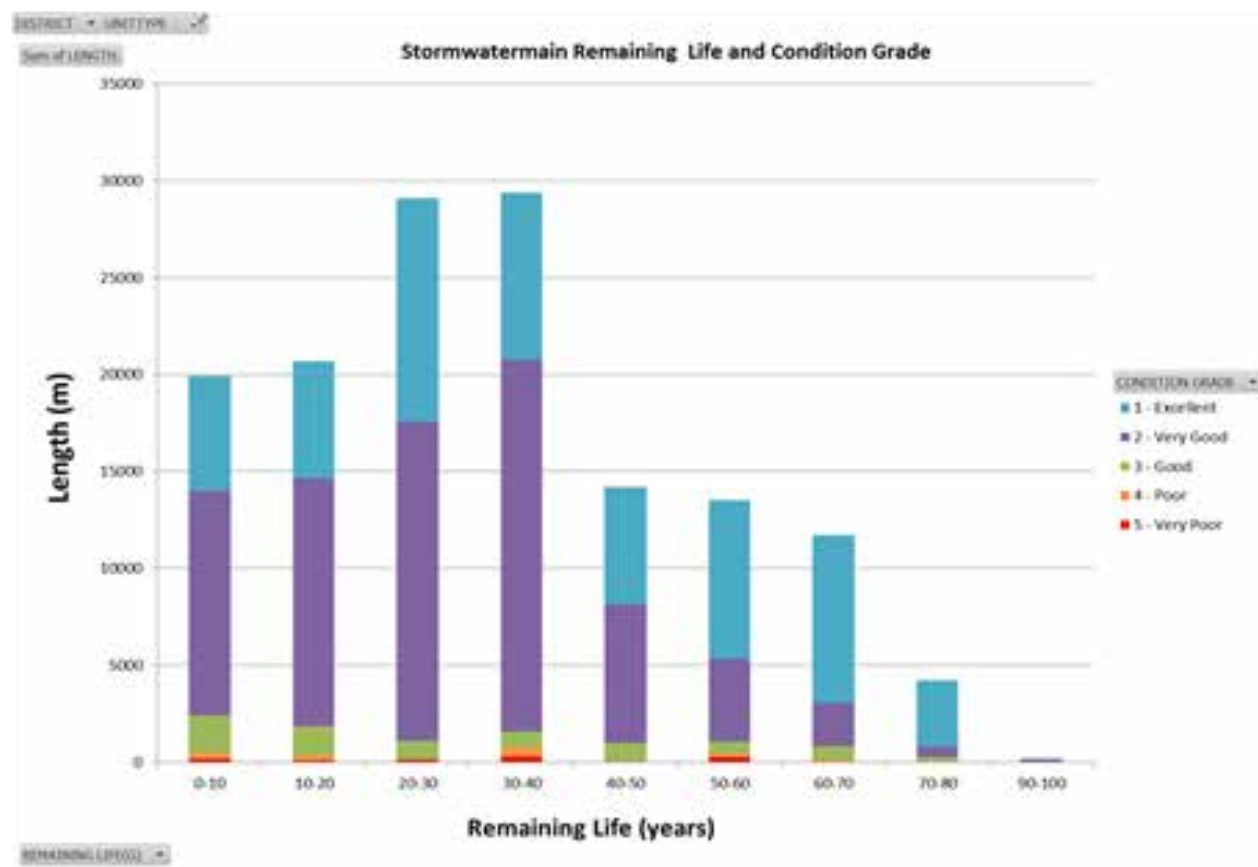


Figure 13: Stormwater Reticulation Network Profile

To address these issues, it is necessary to provide treatment for the removal of contaminants and the attenuation of stormwater flows to better match the natural pre-development flows. The use of low impact options, such as first flush retention dams, swales and rain gardens provide appropriate solutions, and these are being built into new residential development areas. As part of the 2018-28 LTP, the Council have considered options, and decided to spend \$15M over the next 10-15 years on this work to meet the CLWRP requirements.

4.1.5 Waste Minimisation

TDC provides a comprehensive Waste Minimisation Service with the rating revenue being very similar to that of both the sewer and the water activities. In addition, the current Redruth Landfill is projected to be full in 25-30 years and consideration needs to be given to future options for South Canterbury Waste Disposal. Accordingly, Council considers the provision of this Waste Minimisation Service to be a significant infrastructure activity and therefore is included in the Infrastructure Strategy.

The wide range of waste minimisation services that Council

provides include education and business support. Every urban household and many rural households (around 85% total) have access to a three-bin kerbside waste collection service. This service consists of a 240 litre organic waste bin emptied weekly, and a 240 litre recyclables bin and 120 litre residual waste bin emptied on alternate weeks.

All of the district's population has access to waste services at the transfer stations in Timaru, Temuka, Geraldine and Pleasant Point. Major infrastructure is provided at the Redruth Resource Recovery Park for processing and landfilling in Redruth, Timaru. Organic waste is processed into compost, recyclables are sorted and sold and the residual waste is buried in the landfill.

Kerbside collection

The kerbside collection system assets comprises of approximately 60,000 wheelie bins. The Timaru District Council receives comprehensive data from their contractor on bin numbers, bin repairs, and bin replacements. The original bin stock is now 12 years old and the budget allows for an increasing number of replacements until the number of replacements stabilises. Based on bin replacements to date and a reassessment of bin life this data is at a high level of confidence.

Transfer stations

Transfer stations roads and buildings are in good condition and well maintained. All sites will need renewals of the compactors and compactor bins in the near future. These have been budgeted for.

Materials Recovery Facility (MRF)

The Materials Recovery Facility was built in 2005 and has a maintenance schedule. It is in good condition.

Compost Facility

The eight compost pads were built in 2005 and have been allocated a life of 20 years. The pads will be rebuilt in a different location at that time with better grounding on a compacted pad. Current pads are in a poor condition due to landfill subsidence, but operational controls, such as regular cleaning mitigate this issue.

Redruth Landfill

The current landfill is operated by Waste Management NZ Ltd on

behalf of Council. Stage 3 is a modern A-grade landfill with full sub-soil and leachate drainage systems. Each cell will be capped in the short term after completion of filling and an LFG system installed. Filling will recommence in Stage 2 in early 2019, so full capping and gas installation can take place over the next 5 years.

Other businesses

The Crows Nest building was built in 2004 and is in good condition.

Asset performance

Waste Minimisation assets are recorded in the Hansen database, however, condition and lifecycle information is not allocated. Any assessment of assets is visual rather than databased. This is an area identified in the WMMP Improvement Plan and a project is planned during the next 3-year period to improve condition and lifecycle information to enable better asset planning.

4.2 Assumptions and Risks

The Assumptions are based on the Long Term Plan General and Financial Assumptions which reflect the issues that may impact on Council activities in the next 50 years. These assumptions underpin Council's determination of the most likely scenarios for management of key assets, and the significant decisions on capital expenditure over the period of the strategy.

Table 5: Significant Assumptions

Significant Assumptions	Risk	Consequence	Mitigation
<i>Macro-Level Assumptions</i>			
<p>Legislative demands on Council</p> <p>Government legislation relating to some activities that Councils are involved in will change over the period of the Infrastructure Strategy.</p> <p><i>Comment:</i> With the change of Government in September 2017, a number of legislative changes have been signalled. However, details are yet to flow through the parliamentary cycle. In the next three years, the following legislative impacts on Council are potentially expected in the following areas of Council operations – Building, Resource Management, Dog Control, Local Government Service Delivery, Water Supply management, Managing for Climate Change, Employment conditions, Roading and Transportation.</p>	<p>The impact of government legislation is more or less than expected.</p> <p>New legislation is introduced that alters the nature and scope of one or more Council activities.</p>	<p>Unrealised impacts of legislation may create greater impacts on Council operations, including operating budgets, workloads, increased time and resource availability. Lesser impacts may mean some operational review is required. These may lead to additional costs for the resident or ratepayer.</p>	<p>Council will regularly review existing and potential legislative change across its activities as it moves through the parliamentary cycle.</p> <p>The Council may submit on legislation where appropriate to encourage reduced or improved impacts on Council operations and better value for money for ratepayers.</p> <p>Where legislation requires review of Council processes or staffing, the Council will seek to achieve the most efficient and cost-effective way forward.</p> <p>Where legislation requires Councils to provide additional services or increased levels of service, this may require cost recovery through increases to rates or user fees.</p>
<p>Currency and oil price fluctuations</p> <p>Currency fluctuations are not forecast to cause significant variability in Council costs.</p> <p>Exchange rates are forecast to remain unchanged from current rates.</p> <p>Oil prices will continue to fluctuate due to international influences and exchange rate movement.</p>	<p>Exchange rates fluctuate more than expected.</p> <p>Oil price fluctuations are greater than expected.</p>	<p>Variability of prices from international suppliers could cause variability in Council costs. This may impact on the ability of Council to complete programmed work within budget.</p>	<p>Council purchases goods predominantly from New Zealand suppliers with contracts in New Zealand dollars.</p> <p>Currency exchange rates and oil prices will be continually monitored. Work programmes may need adjustment depending on the scale of any changes.</p>

Significant Assumptions	Risk	Consequence	Mitigation
Inflation The LTP is prepared on the inflation rates assumed in the table below for periods beyond 2018/19 which is based on Local Government Cost Index (LGCI) prepared by BERL: <ul style="list-style-type: none"> • 2018/19 2.0% • 2019/20 2.2% • 2020/21 2.2% • 2021/22 2.2% • 2022/23 2.3% • 2023/24 2.3% • 2024/25 2.4% • 2025/26 2.5% • 2026/27 2.6% • 2027/28 2.7% 	The rate of inflation differs from that assumed.	A significant change in inflation will result in changed revenue and expenditure. This could be significant and may adversely affect the ability of the Council to set rates at a level that is affordable to the community.	The Council will review its budget annually through the LTP/Annual Plan process and may adjust work programmes/budgets where necessary.
Climate Change Climate change will impact on the Council's operations and will require an appropriate response to adapt and prepare for potential impacts. <i>Comment:</i> Climate change effects on Timaru District may include an increase in temperature, stronger winds, sea level rise, longer dry periods and more intense rainfall events. These may impact directly on several Council services, such as stormwater, water supply and emergency management.	The effects of climate changes are more or less severe than expected.	Unrealised effects of climate change are likely to create additional costs to mitigate their impacts, such as improving protection of critical infrastructure. More severe weather events resulting from climate change may increase damage to infrastructure and place pressure on Council finances.	Council activities will build appropriate mitigation responses into infrastructure development. The Council will continue to monitor climate change science and the response of central government and adapt its response where required.

Significant Assumptions	Risk	Consequence	Mitigation
<i>District-Level Assumptions</i>			
<p>Population Change</p> <p>The District's Population is projected to increase to 49,400 (+8.8%) by 2028, peaking in 2038 at 50,200. This represents the Stats NZ medium⁴ projection scenario</p> <p><i>Comment:</i> Population projections do not represent forecasts, but indicate what the future size and structure will be if the underlying assumptions regarding births, deaths and migration prevail. Growth is projected to occur at around a rate of 0.6% annually until 2028. Based on the medium projection, the rate of natural increase will become negative from around 2028, meaning there are more deaths than births. This reflects the age makeup of the Timaru District population. Growth from 2028 will be reliant on net migration. Projections use the 2013 Census based Estimated Resident Population as a base and were prepared by Statistics NZ.</p>	Population change across the District occurs at a higher or lower rate than expected.	<p>A significant and consistent decline in population may adversely affect the ability of the Council to set rates at a level that is affordable to the community.</p> <p>A significant and consistent rise in population may adversely affect the ability of Council to deliver some services to existing service levels.</p>	<p>Council will continue to monitor population change in the District. Generally, small increases in population can be managed within the existing level of service. Declines in population will not necessarily reflect lower number of ratepayers as the number of people per household is declining.</p> <p>Where growth requires additional infrastructure (e.g. subdivisions), Council can require financial contributions for this work.</p> <p>Costs over this amount may result in additional Council expenditure, which is likely to be funded out of debt.</p>
<p>Household Change</p> <p>The District's households are projected to grow to 21,500 in 2028 (+11.4%), rising to 22,300 households in 2038. This represents the Stats NZ medium projection scenario.</p> <p><i>Comment:</i> Timaru District household change has historically been characterised by steady growth of households, with pockets of stronger growth in some locations and communities. Household size is declining over time as the population ages. Household projections do not represent forecasts, but indicate what future households will be if the underlying assumptions prevail. Projections use the 2013 Census based Estimated Resident Population as a base and were prepared by Statistics NZ.</p>	Household change across the District occurs at a higher or lower rate than expected.	A slower rate of household growth may mean some activities have overinvested in infrastructure (i.e. have too much capacity too soon).	<p>Council will continue to monitor household change in the District. Existing infrastructure is being managed to address specific growth factors associated with an activity (e.g. traffic demand) which may be generated from an increase in households.</p> <p>Where growth requires additional infrastructure (e.g. subdivisions), Council can require financial contributions for this work.</p>

⁴ Based on Statistics NZ Population Projections Update (released December 2016)

⁵ Based on Statistics NZ Family and Household Projections (released December 2017)

Significant Assumptions	Risk	Consequence	Mitigation
<p>Demographic Changes</p> <p>The District's population is expected to age significantly into the future.</p> <p><i>Comment:</i> The most notable change is the projected ageing population with an anticipated 28.2% (or nearly 14,000 people) of the Timaru District population above the age of 65 by 2028 (2013 Census: 20.1% or 9,100 people). By 2028, the median age will be 47.4 years (2013: 44.3 years). Population increase is expected to occur mainly in age groups above 65. All other age groups are expected to slowly decline. Gender-wise, the population will see a levelling of the male to female ratio over time. Ethnically, the population is expected to remain largely NZ European/New Zealander with a slowly increasing Maori, Asian and Pacific Islands population. This represents the medium scenario. Projections do not represent forecasts, but indicate what the future population size and structure will be if the underlying assumptions regarding births, deaths and migration prevail. Projections use the 2013 Census based Estimated Resident Population as a base and were prepared by Statistics NZ. Other information is sourced from the 2013 Census.</p>	Demographic changes across the District occur at a higher or lower rate than expected.	Changes to projected demographics may place pressure on some Council services due to increased demand over time, leading to provision of a lower level of service.	<p>Forecast demographic changes for a rapidly ageing population have been projected for Western world economies for a number of years. Due to the makeup of the Timaru District population, it will feel these potential effects more acutely.</p> <p>Council will continue to monitor demographic change in the District and adapt or redirect activity provision to meet needs where possible within reasonable costs.</p>
<p>Service Levels</p> <p>Levels of service do not significantly change.</p> <p><i>Comment:</i> Service level changes may be initiated from increased community expectations or demand, a need to vary level of service across the district due to local expectations, or changes required as a result of government legislation or regional policy. These may also impose significant new service levels on the Council.</p>	Significantly enhanced service levels are demanded by the community or imposed by the government on local authorities in one or more area of activity.	Increased or improved service levels inevitably require additional cost and/or resources to provide them.	<p>The Council regularly monitors existing service provision within its operation on a day to day basis and through activity management planning and corporate planning processes.</p> <p>Minor changes may be made to service levels where budget, contracts and resources allow. These will generally occur within existing budgets. Service levels may change due to technology enhancements.</p> <p>Major changes in service levels will be confirmed with the community via consultation. These will generally require increase to fees or rates, depending on how the service involved is funded.</p>

Significant Assumptions	Risk	Consequence	Mitigation
Demand Actual demand will be within expected levels. <i>Comment:</i> The impact of demand on Council activities will vary. Activities will be influenced by factors specific to them (e.g. a rise in building consents for building control). Activities may also be influenced by broader factors or trends (e.g. population change, demographic changes, household changes).	Changes in demand are significantly higher or lower than expected.	Significant and consistent variation from projected levels may adversely affect TDC's ability to meet levels of service at an affordable cost.	Council will continue to monitor growth and development changes and adapt or redirect activity provision to meet needs within reasonable costs. Updated demand information where available will be incorporated into future planning work.
Strategic Assets Council will remain involved in all activities involving strategic assets and continue to own and control all strategic assets.	Changes in control or ownership of strategic assets are required.	Changes in control or ownership of strategic assets will likely affect the level of service provided to the community.	Changes in control or ownership of strategic assets must occur as part of an LTP development or amendment, with a formal process required through the Local Government Act.
Useful Life of Significant Assets It is assumed that asset information is reliable and reflects the condition and performance of the assets. It is assumed that no significant assets will fail before the end of their useful lives as determined by the depreciation rates included in the accounting policies. <i>Comment:</i> Useful lives are detailed for significant assets in Asset/Activity Management Plans. These provide information to support replacement and renewal plans. Useful lives used in the calculation of depreciation are stated in the Council's Accounting Policies under Depreciation.	Significant assets fail sooner or later than estimated.	A significant change in the useful life of a major asset may have significant financial repercussions.	Asset life is based on the estimates of engineers and valuers. These are regularly reviewed through asset monitoring and testing. In the event of assets wearing out earlier than anticipated, capital projects could be brought forward. This may affect borrowing and depreciation expenses. Negative impacts are likely to be at least partially offset by some assets lasting longer than estimated. Mitigation may also involve reprioritisation of the capital expenditure program.
Joint Venture or Shared Service Arrangements/Council Controlled Organisations (CCOs) Existing joint venture or shared service arrangements or Council Controlled Organisations (CCOs) are expected to remain over the life of this Infrastructure Strategy.	New arrangements are proposed due to circumstances beyond the Council's control or existing arrangements are no longer tenable.	Additional costs may be created as the result of the failure of an existing arrangement.	Joint venture or shared service arrangements or CCO creation are undertaken following analysis of the potential benefits and costs and any proposed changes are subject to robust analysis. Where government legislation is involved, this will be monitored for any impacts on joint venture arrangements. Under Section 17A of the Local Government Act 2002, Councils are required to review the cost-effectiveness of current arrangements including governance, funding and delivery of activities every six years. A programme is in place to manage this requirement for any joint venture or shared service arrangements.

Significant Assumptions	Risk	Consequence	Mitigation
Availability of Contractors and Materials Contractors and materials will be available to undertake the work required to agreed standards, deadlines and cost.	Projects could be delayed if there is a shortage of contractors or materials, or contractors will not deliver to agreed standards, costs and timeframes.	Might increase cost and/or delay projects or mean something is delivered to a lesser level of service.	Spread projects as much as possible. Continue to engage with contractors. Ensure robust contracts are in place. Look at alternative resources.
Funding Sources Funding sources (including external funding sources) do not change over the life of this Infrastructure Strategy. <i>Comment:</i> Funding sources are specified in the Revenue and Financing Policy and Financial Strategy. This applies to user fees, charges and external funding towards projects and assets. It is assumed that the policy of not collecting Development Contributions will continue.	Projected revenue from user charges financial assistance is not achieved. Levels and sources of funding differ from those forecast.	Revenues could reduce without the ability to reduce expenditure proportionately. In this event, the account would run in deficit, with charges reviewed for the next financial year. Project and asset funding could result in projects being revised or alternative funding sources used.	Levels of revenue from user charges have been set at realistic levels in accordance with the ratios outlined in the Revenue and Financing Policy. There is a concentration of risk associated with a small number of industrial consumers for some revenue streams (e.g. extraordinary water charges and trade waste charges). Regular liaison is maintained with these consumers. Funding for projects and assets is considered before the commencement of each project or asset. A significant impact from changes in funding or funding sources may result in a revised capital work programmes, or changes in the level of user fees and charges, borrowing or rating requirements.
Credit Availability Credit can be obtained from financial markets on competitive terms and conditions.	Required credit cannot be obtained from financial institutions.	Funding would need to be obtained from alternative sources or work programmes adjusted.	Prudent debt levels are maintained to mitigate risk for financial institutions. Relationships are maintained with various financial institutions and Council regularly monitors credit markets. A credit rating is maintained.
Costs Costs will remain stable over the period of the Infrastructure Strategy (refer also to Inflation assumption). <i>Comment:</i> Maintenance expenditure has been based on historical trends.	Costs are higher or lower than anticipated.	Variability of prices, such as for oil, could cause variability in costs.	The Council and management will review its budget annually through the LTP/Annual Planning process and may adjust work programmes/ budgets where necessary.
Asset Depreciation Rates Asset depreciation rates will not change as shown in the Accounting Policies.	Further work on planned capital works may alter the depreciation expense.	Increased depreciation costs would result from assets that have shorter useful lives.	Asset life is based on the estimates of engineers and valuers. These are regularly reviewed through asset monitoring and testing. Negative impacts are likely to be at least partially offset by some assets lasting longer than estimated.

Significant Assumptions	Risk	Consequence	Mitigation
Revaluation of Significant Assets The Council have adopted deemed cost as its approach to revaluation <i>Comment:</i> This has been applied from 1 July 2005 for most assets. Investment properties and forest assets will be revalued annually in terms of their respective accounting policies.	Minimal risks as asset revaluations will not occur in the future for property, plant and equipment.		Revaluation affects the carrying value of fixed and infrastructural assets and the depreciation charge in the years subsequent to the revaluation. Annual revaluations are undertaken for investment properties and forestry assets.
Rating Base The number of rating units will not change significantly over the period of the Infrastructure Strategy. <i>Comment:</i> For the Infrastructure Strategy, no significant change is expected over the 10 years. A small increase may occur in the following 40 years to reflect smaller units, both residential and rurally. The commercial sector is however likely to see a reduction in rating units as smaller units are amalgamated.	Rating units could grow at an increased rate or could contract.	An increase in the overall rating base could result in a decrease in rates for rating units as the total rates are spread across a larger base. If the rating base was to reduce, there could be an increase in rates.	The rating base is reviewed annually when determining the rates for the year.
Resource Consents Resource consents will be obtained with acceptable conditions, and expiring resource consents will be renewed with similar conditions during the period of the Infrastructure Strategy. <i>Comment:</i> Resource consents due for renewal can be found within the relevant Activity Management Plan for individual activities. A resource consent to discharge stormwater will be applied for within the year or next. As the maximum period for any resource consent is 35 years, every consent for water services held by Council (water, sewer and stormwater) will be due for renewal within the period of this Infrastructure Strategy.	Resource consent is not obtained or renewed, or conditions imposed are unacceptable.	The non-granting or non-renewal of a major resource consent for a Council activity would have significant impacts on costs and the ability to provide that activity. A major non-renewal may mean an entirely new approach to the activity would be required. Non-granting of resource consent may delay project benefits.	Appropriate planning for resource consent applications/renewals should ensure that they are obtained. Monitoring of compliance with existing resource consent conditions will provide a record of compliance for future processes. The renewal of consents is dependent upon the legislative and environmental standards and expectations that exist at that time.
Natural Hazards/Local Natural Disaster There are no significant local disasters during the term of this Infrastructure Activity. <i>Comment:</i> The District is at risk from natural hazards such as flooding, earthquakes, storms, tsunami and wildfire. These events can strike without warning.	Natural disasters occur that have a significant impact on the District and Council services.	A disaster event can potentially cause significant unbudgeted costs, beyond the capacity of the Council to cope.	Council is a member of the Local Authority Protection Programme Disaster Fund Trust (LAPP) and has a variety of insurance cover which would cover some emergency works. Council also has a Disaster Relief Fund for the replacement of infrastructural assets excluding roading in the event of a natural disaster. Central government has role in disaster recovery after a natural disaster.

Significant Assumptions	Risk	Consequence	Mitigation
<i>Activity Specific Assumptions</i>			
<i>Roading and Footpaths</i>			
NZ Transport Agency Funding Assistance There will be no further changes to the funding assistance approach for transport funding administered by the New Zealand Transport Agency (NZTA), including funding criteria and NZTA funding. <i>Comment:</i> Funding assistance rates are currently 52% for 2018/19 and 51% thereafter for all projects.	Changes in NZTA subsidy rates or to criteria for roading and footpath projects have a positive or negative effect on Council's transport budget.	Funding would need to be obtained from alternative sources or work programmes adjusted. Levels of service may need to be adjusted. If sufficient funding is not available, it may mean that projects are delayed or scrapped.	The Council and management will review the budget annually through the LTP/Annual Plan process and may adjust work programmes/ budget where necessary. NZTA Funding Assistance Rates have been set to decrease to a level of 51%. The rate will lower to 52% in 2018/19 and 51% from 2019/20. These rates apply to all work.
Maintenance of State Highways State highways to continue being maintained by NZTA.	Reduced levels of service	State Highways through District poorly maintained.	Potential Council funding contribution.
Legislation for heavy vehicle mass There will be no further changes to the legislation of permitted heavy vehicle mass limits on the roads.	Legislation permits increased mass limits. Roding assets (pavement and bridge) are not fit for purpose.	Greater deterioration of Council roads, assuming Council took control of the road. Roding assets unable to provide suitable level of service.	Testing and prioritising of decision and work. Rates and NZTA funding request increase to pay for the costs or service levels could reduce.
Collaboration Collaboration continues to happen between the Mid-South Canterbury Councils.	Loss of commitment to collaboration and levels of service differ.	Loss of efficiency opportunities.	Implement suggested S17A review option.
Bitumen Availability There will be bitumen available and within reasonable price to sustain the ability to lay future roads.	Availability of bitumen becomes limited due to multiple reasons, including changes in vehicle technology (electric vehicles), therefore bitumen is not "produced" as a by-product of the process of producing fuel. This therefore could cause the cost of bitumen to become too expensive, and causing the cost for laying pavements too high and not value for money.	Pavements are not value for money and becomes really expensive to create / renew / maintain.	Monitor technology changes and their effects.
<i>Sewer</i>			
Compliance by Industry Industries comply with tradewaste discharge agreements.	Industries unable to comply with tradewaste discharge agreements.	Non-compliance may result in increased monitoring and compliance costs and ultimately industrial wastewater treatment upgrades.	Regular liaison with industry and close monitoring of industry compliance for early detection of issues.

Significant Assumptions	Risk	Consequence	Mitigation
<i>Stormwater</i>			
Stormwater Discharge Quality The deadline for meeting the environmental quality standards by 2025 is flexible.	No extension to the deadline.	Significant cost will be needed to implement stormwater treatment and comply with statutory environmental quality standards.	Regular liaison with ECan. Monitoring of legislative changes. Implement stormwater management projects over time. Monitor stormwater quality.
<i>Waste Minimisation</i>			
Waste quantities Waste quantities remain static or increase/decrease incrementally	That waste quantities vary unexpectedly.	Sudden increases in quantities mean landfill life is reduced. Sudden decreases in quantities mean income is reduced.	Communication with major commercial contractors. Management of landfill costs and charges.
Resource Consent Compliance	That Redruth Landfill consent is not renewed in 2030	Closure of landfill with airspace remaining. Increased costs to community for waste disposal.	Continue active work in monitoring and environmental management. Regular liaison with ECan.
<i>Water Supply</i>			
Fire Fighting Requirement Fire Fighting Code of Practice (FF COP) SNZ PAS 4509:2008 remains voluntary.	FF COP becomes mandatory resulting in significant reticulation upgrades.	Increased infrastructure costs.	Consideration of progressive upgrades to meet FF COP requirements when renewals are programmed. Monitoring of legislative changes.

5.0 EMERGING ISSUES

The task of building, operating and maintaining these infrastructure assets in an affordable and sustainable manner is becoming increasingly challenging in view of the following emerging issues.

5.1 Demographic Changes

For the 2018-28 Long Term Plan Council is using Statistics New Zealand Population Projections released in December 2016 (based on the 2013 census).

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

- Timaru District population is projected to peak at around 50,200 in 2038. Beyond this, on current projections the population will remain steady or may slightly decline. Based on the medium projection, the rate of natural increase will become negative from around 2028, meaning there are more deaths than births. This reflects the age makeup of the Timaru District population. Growth from 2028 will be reliant on net migration.
- Virtually all growth in future years will be in age groups 65+. It is noted that this growth is now forecast at a slower rate than previously. The 65+ age group will grow from 20.1% of the (Timaru District) population in 2013 to 28.2% in 2028 and 32.9% in 2043.
- Growth is projected to occur at around a rate of 0.6% annually until 2028.
- The District's households are projected to grow to 21,500 in 2028 (+11.4%), rising to 22,300 households in 2038.
- Household size is declining over time as the population ages.

The following graphs summarise the population and household projections:

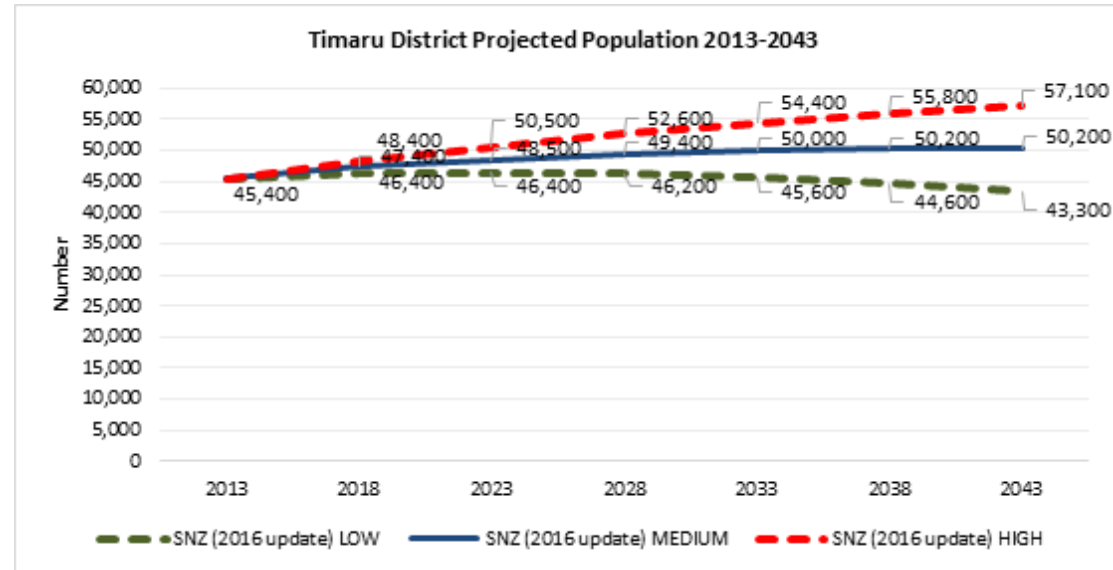


Figure 14: Projected Population of the Timaru District 2013-2043, by projection variant

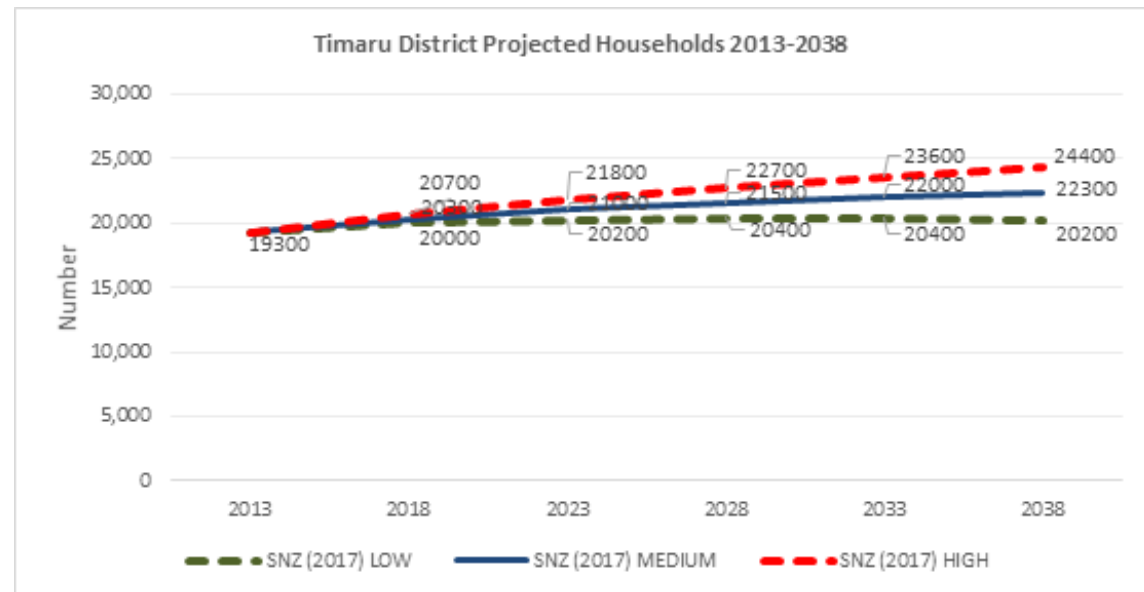


Figure 15: Projected Number of Households in the Timaru District 2013-2038, by projection variant

5.2 New Technologies

Industry practices are constantly evolving and technological advancements are an ongoing improvement that TDC aims to use in the roading, water services and waste minimisation activities. The impact of these is described below on the activities covered by this Infrastructure Strategy.

5.2.1 Roothing and Footpaths

Technology in the transportation, roading, and road vehicle industry is growing rapidly. There are multiple areas that Council has to monitor and consider. These technologies will potentially improve:

- Road and vehicle safety
- Vehicle Emissions
- Traffic and vehicle efficiency
- Resilience
- Data
- Communication

According to the Ministry of Transport website, "The Ministry of Transport is taking an active interest in the use of the following transport technologies in New Zealand:

- Road vehicle technologies
 - Autonomous (driverless) vehicles
 - Connected vehicles
 - Engine technologies (electric and hydrogen)
- Air navigation technologies
- Unmanned Aerial Vehicles (UAVs) (also known as Remotely Piloted Aerial Systems (RPAS), Unmanned Aircraft System (UAS), or drones)
- Smartphones and tablets
- Positioning systems

In the Timaru District, electric vehicles are increasing in popularity and numbers. These include but are not limited to:

- E-cars / vans
 - Driver assisted
 - Autonomous (Driverless)
- E-bikes
- Mobility scooters
- Paxters

These sorts of vehicles have their benefits, but have multiple

impacts on roading activity (e.g. Road safety - vehicular and pedestrians, charging stations – as demand increases, asset capability, cellular coverage).

Numerous software applications are emerging and in use. Some of these applications/software can assist with providing information to drivers (such as GPS mapping), and some assist organisations in gathering information.

Global Positioning System (GPS) are as good as the information available. If the software is not updated by the user or by the organisation, then the system can send users to unsuitable locations, all dependent of the options selected, such as "shortest routes". The road user may not have the right vehicle to handle the road conditions that the GPS has identified for them to travel.

With the younger generation more in-tune with the current technology, information such as Wi-Fi direct availability, charging points, online shopping, bus (real-time) location information, are becoming the standard expectation.

5.2.2 Water Services

(Water Supply, Sewer, Stormwater)

For water services, technological improvements continue to evolve and be promoted within the water services industry. Council acknowledges the utility and advantages of using more up to date materials and processes for operational efficiency. A process is embedded in the procurement of services where Council is provided a choice, for example, of the types of materials and methodologies to be used by contractors. In particular, Council's assessment of technology is around what could help increase asset performance, minimise life-cycle costs, and sustainably achieve community outcomes. These include, but are not limited to, the following:

- high performance pipe materials (e.g. crack/pressure resistant PE pipes)
- non-destructive pipe condition assessments (e.g. ultrasonic testing, broadband electromagnetic testing)
- more effective and environmentally sustainable treatment processes (e.g. for wastewater odour control; for stormwater treatment)
- greater integration of Information and Communication Technology tools in business processes (e.g. electronic

identification and tagging of buried assets; customised computers for field work management)

Looking at the 50-year horizon, Council will continue to pursue technological advancement that will bring about the greatest opportunities for efficiency and effectiveness in service delivery, taking into account the community's appetite for advancement or modernisation of public services given the associated costs.

5.2.3 Waste Minimisation

For waste minimisation, the application of new technology will include:

- RFID tags being trialed as a way to improve delivery of kerbside collection services.
- Electric trucks for kerbside collection are likely to be implemented in the next 5 years.
- New technologies and product stewardship schemes will emerge to deal with various waste streams.

Council can facilitate a wide range of projects recovering/recycling waste which correlates with the long term vision for the Redruth site to provide a resource recovery hub. Waste to energy may provide an alternative option following the closure of the landfill.

5.3 Changing Government Priorities and Legislative Environment

The change of government in September 2017 may impact significantly on the delivery of some infrastructural services. At the time of preparation of this IS much of the associated detail is unclear.

The government's current objective is that, "In 2045 New Zealand's infrastructure will be resilient and coordinated, and contribute to a strong economy and high living standards". This will be achieved through better use of existing assets and better allocation of new investment, as set out in the New Zealand Infrastructure Plan 2015.

Environmental compliance and progress is reflected through national policy statements and promulgated through regional and district plans.

The following provides a summary of the areas likely to impact on the delivery of Council infrastructure, based on current knowledge.

5.3.1 Roothing and Footpaths

Changes to the Government Policy Statement (GPS) on Land Transport

This is being revised to take account of the government's priorities, including:

- giving public transport greater priority in cities and expanding the public transport system to support new housing and interregional commuting
- increasing the use of rail to enable efficient passenger and freight use
- supporting regional development
- increasing support for active modes - walking and cycling
- delivering health, safety and environmental improvements
- reducing the environmental impact of transport
- mode neutrality in freight transport planning.

Submissions closed on the new draft GPS in May 2018. An announcement and release of the final GPS is expected by 30 June 2018. This will impact on the Regional Land Transport Plan as prepared by all Canterbury Councils, and potentially the funding and approach applied to the delivery of roading and footpaths services in the Timaru District.

5.3.2 Water Services

(Water Supply, Sewer, Stormwater)

Government Enquiry into Havelock North Drinking Water

With the Havelock North drinking water incident, government has a focus on water quality and the safety of drinking water supplies. There are likely to be changes in standards and regulatory controls with funding and cost implications for water supplies.

An enquiry into the Havelock North water supply contamination incident commenced in 2016 and was completed in December 2017. The second stage of this report deals with recommendations around:

- Any legal or regulatory changes or additions necessary and desirable to prevent or minimise similar incidents
- Any changes or additions to operational practices for monitoring, testing, reporting on and management of drinking water supplies, implementation of drinking water standards, contingency planning, and responses by local and central

government to address the lessons from this incident; and

- Any other matter which the Inquiry believes may promote the safety of drinking water and/or prevent the recurrence of similar incidents.

The second stage report was released in December 2017.

Government is currently considering their response to the report, and it may have significant implications on the delivery of water supply services.

National Policy Statement for Freshwater Management

The amendment in 2017 of the National Policy Statement for Freshwater Management 2014 (NPS-FM) is one component of central government's clean water reforms. This could translate into more stringent conditions in obtaining/renewing resource consents with associated asset development/upgrade costs.

Environmental compliance and progress is reflected through national policy statements and promulgated through regional and district plans.

5.3.3 Waste Minimisation

Indications are that the change of government in late 2017 could bring about further legislative and policy changes that place a greater emphasis on environmental protection.

5.4 Climate Change

Climate change is an important consideration in the Council's long-term planning. Guidance from the New Zealand government, based on the best available climate science is used to support the planning.

The Ministry for the Environment information on <http://www.mfe.govt.nz/climate-change/how-climate-change-affects-nz/how-might-climate-change-affect-my-region/canterbury> provides a summary of projected climate changes over the period 2031-2050 and 2081-2100, compared with 1986-2005 and the key impacts this is likely to have.

Potential key impacts are likely to include:

- Water shortages – Higher temperatures, less rainfall and greater evapotranspiration are likely to cause increasing pressure on water resources. Droughts are likely to become more frequent and more extreme.
- Fire risk – Strong winds, combined with high temperatures, low

humidity and seasonal drought may result in an increased fire risk. The length of the fire season is expected to increase.

- Sea level rise – As the climate changes and the sea level rises, the risk of flooding will increase. Coastal erosion is also likely to increase.
- Biosecurity – Climate change could increase the spread of pests and weeds. Banana passionfruit, a frost-tender plant, appears to be spreading, and argentine ants have survived through two winters, which was previously not thought possible. There may also be an increased threat to native species from changed distribution of disease vectors.
- Agriculture – Warmer temperatures, a longer growing season and fewer frosts could provide opportunities to grow new crops. Farmers might also benefit from faster growth of pasture and better crop growing conditions. However, these benefits may be limited by negative effects of climate change such as prolonged drought, increased flood risk, and greater frequency and intensity of storms. There is also likely to be increasing pressure on water resources.

These key likely impacts have been factored into the planning for our infrastructure assets.

Climate change is expected to be a key focus for the current government, which will potentially lead to a greater focus for local government in this area and more information to help determine the impact on our key infrastructure assets.

5.4.1 Roothing and Footpaths

Some Roothing and Footpaths infrastructure is exposed to the effects of climate change, including:

- Rise of sea level
- Adverse weather events:
 - Intensity of rainfall
 - Strong winds
 - Droughts
 - Snowfall
- Changes in average temperatures

These effects have the potential to increase:

- Longer dry periods causing increased dust on unsealed roads
- High temperatures causing bitumen softening causing flushing

and reducing skid resistance.

- Flooding and scouring damaging roads and bridges
- Trees and other structures falling / blocking roads

These all can affect road accessibility and network resilience. The mitigation of these will be reactive through timely response to events and repair works undertaken as required.

5.4.2 Water Supply

The associated risks to water supply relate to the availability and quality of source water. The increasing frequency of droughts could result in the probability of severe restrictions being imposed increasing above the 5% chance of occurring in any one year. More frequent and intense rainfalls could adversely impact on the quality of our raw water sources making it more difficult to treat to drinking water standards. These factors are acknowledged in Council's planning and operation of its assets, and measures are progressively being put in place (e.g. in design standards) to adapt to the effects of climate change. In the immediate term, universal urban water metering and pricing is being investigated as a demand management measure to encourage more efficient use of water and increase water availability. Over the longer term, greater resilience to climate change may require development of new water sources, investing in additional storage capacity, and/or treatment upgrades to mitigate the risks.

5.4.3 Sewer

The occurrence of more intense rainfall events in the district could exacerbate inflow and infiltration (I&I) into the sewer network, with implications on the performance of the assets. Levels of service failure could occur if the existing design capacity of the wastewater network is not able to deal with these more intense rainfall events.

The rate of I&I into the wastewater network is also a key factor in future wastewater volumetric demands. Most urban systems across New Zealand experience I&I with stormwater making up 20% to 40% of wastewater volumes.

Incidents involving overflow from the sewer network due to high levels of I&I make it more likely that breaches of resource consents will occur. Council has an ongoing Inflow and Infiltration Assessment Programme targeting known problem areas and test results are used to inform the pipe renewal programme. Overall,

timely renewal of defective pipes is key to mitigating the risk of sewer network overflows.

5.4.4 Stormwater

The effects of climate change on the district's stormwater networks are not quantifiable with any degree of accuracy. What is known is the district's primary stormwater networks are designed to meet a 1 in 5-year return rainfall event (i.e. a 20% chance of occurring in any one year) in residential areas and a 1 in 10 year return rainfall event (i.e. a 10% chance of occurring in any one year) in industrial and commercial areas.

The district's stormwater network is generally aged. With higher intensity rain events, some parts of the network do not meet their intended level of service resulting in overflows. Increasing the level of service to contain greater stormwater flow rates and volumes will involve significant investment in network capacity upgrade and development, and will be a major decision for Council and the community to consider. The LTP 2018 Consultation Document included a decision on the funding and timing of this and other stormwater improvements.

The Council have considered options, and decided to spend \$15M over the next 10-15 years on stormwater improvements to meet the CLWRP requirements. Work will be undertaken in a staged fashion (short to long term), with environmental outcomes progressively enhanced.

5.4.5 Waste Minimisation

Waste has a contributing effect to climate change through the generation of methane gas. Under the National Environmental Standard for Air Quality, Redruth Landfill is required to implement systems for gas collection and destruction. Landfill gas systems are planned for at each stage of cell development capping and closure.

High intensity rainfall will increase stormwater flow within the site and from the surrounding catchment. Stormwater planning will review controls required to mitigate the risks to the landfill stormwater system posed by climate change.

The location of the Redruth Landfill in a coastal area means the site may be at long term risk of erosion. This will be monitored. However, it is noted that the South Island main trunk railway lies between the Redruth landfill and the coast. The Redruth site may

also be susceptible to flooding, but high bunds and swales to divert stormwater mitigate the risk.

5.4.6 Coastal Erosion & Inundation

The district does not have significant roading or wastewater treatment infrastructure subject to the immediate threat of coastal erosion or inundation. However, it does have low lying recreation areas which are subject to it, for example the Otipua Wetlands and associated paths and bridges. The Redruth landfill is also potentially subject to erosion or inundation during the lifetime of this strategy. The issue can be summarised as follows:

- Coastal erosion is occurring along most of the South Canterbury Coastline with the exception of Caroline Bay, which is accreting.
- Erosion has been worsening in recent times as beach shingle is depleted, particularly in severe Northeasterly swells.
- Most at risk from current levels of erosion are coastal walkways, the Rail Corridor for the South Island main trunk railway line, Otipua Beach and the Otipua Wetlands.
- Looking to the next 25 to 50 years, more significant assets in terms of infrastructure may be affected by coastal erosion. If sea levels rise as predicted, together with more frequent extreme weather events, the rate of erosion and inundation will increase. This could potentially affect the following:
 - Washdyke Lagoon – if the seaward side of the lagoon were to be completely eroded, it may expose a main sewer line to the risk of damage from the effects of coastal erosion

The TDC Wastewater Treatment Plant and Oxidation Ponds have been built outside the coastal erosion zone, as defined by Environment Canterbury. It is anticipated that the plant and ponds may be at risk but not within the 100 year timeframe.

The Redruth landfill could be affected by erosion and inundation during the next 50 years. This could largely depend on whether KiwiRail take steps to protect the South Island main trunk railway line. If they do, that protection will likely protect the landfill. If not, the landfill could be at risk depending on the rate of erosion

Coastal erosion and inundation is a dynamic and variable phenomenon, which is hard to predict and does not occur in a linear manner. Accordingly, this is an issue that Council needs to monitor closely and address as required.

5.5 Infrastructure Resilience

Customers have a high expectation of continuing functionality and service delivery. Resilience is based on a design philosophy which acknowledges that failure will occur. Resilience requires early detection and recovery, but not necessarily through re-establishing the failed system. Multiple projects ongoing or planned contribute to improving resilience. For example, the installation of a new trunk water main to Washdyke is currently being investigated.

We have to consider managing and mitigating the risks to, and the resilience of our infrastructure assets not only from natural disasters but also from the impact of development and other factors (e.g. unexpected failure). Weakness in asset condition monitoring is also a risk to asset performance.

To be resilient and sustainable, we need to plan for and respond to both anticipated and unexpected changes. Canterbury faces disruption from acute events, such as floods, winds, earthquakes or serious vehicle crashes. The design of infrastructure and provision of alternative routes can help alleviate these risks.

More gradual and predictable threats provide even greater challenges in the long-term. Changes in demand will occur due to population growth, demographic and economic growth changes. Other changes need to be anticipated and planned for such as climate change.

The current heavy reliance on non-renewable fuels and its contributions to climate change emissions is a sustainability issue. At a regional level, the infrastructure and services provided will make relatively little difference to these issues. More substantial progress requires national and international responses, including strong policy responses and the introduction of new technology.

The integration of infrastructure and services with land use planning also contributes to long term sustainability as it can reduce costs and enhance accessibility, amenity and safety. More accurate physical condition assessment of assets can improve targeting of renewals and increase resilience of the infrastructure networks.

5.6 Ageing infrastructure

The district's infrastructure is ageing and the district is approaching an important period to ensure that its infrastructure

assets continue to meet the current and future needs of the community.

TDC's renewal strategy is intended to provide for the progressive replacement of individual assets that have reached the end of their useful life. The rate of asset renewal is intended to maintain the overall condition of the asset system at a standard, which reflects its age profile, and ensures that the community's investment in the district's Roading and Footpaths, Water Services (Water Supply, Sewer and Stormwater) and Waste Minimisation infrastructure is maintained.

The rate of required renewals determines the funding required. Deferred renewals may affect levels of service and increase maintenance costs. Timely renewal intervention in accordance with good asset management practice is needed to ensure long-term maintenance costs are minimised. Levels of Service are maintained and renewal costs optimised.

As stated by Office of the Auditor General, "*Asset management interventions should be driven by data about the factors that determine the cost of service to ratepayers and other users. This includes information about:*

- *Performance, condition, works, and cost, which is required to understand the current cost of service and trends;*
- *Cost driven information such as demand, volume, input price, and demand-related decay models, which is required to forecast maintenance and renewal need and cost; and*
- *Works achieved compared to target/expectation, maintenance compared to renewals expenditure, unit service delivery costs, and condition, which is required to assess trends in the effectiveness and efficiency of maintenance and renewal programmes."*

5.6.1 Roading and Footpaths

A significant amount of the District roading infrastructure was constructed between 50 and 80 years ago during the "pioneer" or "boom" times that provided access to land, industry, rail and ports. As a consequence these assets are in the second half of their useful life. This is most evident in the district's bridge stock where many will need replacing in 10 to 20 years time. Provision must be made for this "hump" of renewal expenditure.

In recent years, there has been a significant growth in the freight task and a modal shift to road transport. The result is more heavy

vehicles using our roads and increases in the mass of these vehicles. This has accelerated the deterioration of our road assets shortening their useful lives. Hence, a significant renewal programme is required. This is monitored on an ongoing basis by the following:

- Lifecycle assets strategy and plan implementation
- Condition monitoring and assessment
- Deterioration modelling (dTIMS)
- Effective and timely maintenance
- Renewals programmed and completed in effective and timely manner
- Costs recorded and intervention actions based on whole of life costs.

Currently, dTIMS (deterioration predictive modelling) is used for pavements, which identifies intervention strategies and determines timing, frequency and treatment type to be implemented. This also optimises intervention strategies and produces expenditure forecasts, work programmes and predictions of future condition.

Bridges are inspected and structurally assessed every three years and renewal programmes are reviewed based on these assessments. The ageing of the assets and accelerated deterioration will result in challenges for future funding and resources to meet demand. This is a significant issue for the Council.

5.6.2 Water Services

TDC's issue with the ageing of its water, sewer and stormwater services infrastructure is more relevant to its underground assets or buried pipes as they cannot always be visually inspected anytime, and condition assessment is generally inferred from the theoretical age of the asset and from sampling of certain portions of the entire pipe network. The timing of renewal of the asset becomes crucial and decisions around deferring a renewal is critical as there is always a considered risk that adjusted asset lives or extended use of an expired asset could cause operational issues and service level failure anytime.

5.6.2.1 Water Supply

The district's water supplies were established at various periods, the oldest being the Timaru town water supply in 1880, followed

by Temuka in 1906, and Downlands, Geraldine and Pleasant Point in 1938. The Peel Forest supply was established prior to 1950. The Winchester reticulation was installed in 1966-67. Seadown, Te Moana and Orari supplies were installed in the 1970s.

Figure 16 and Figure 17 show the age profile of the water supply network and the cost of the renewal programme, respectively. Around 200km of water mains (or 10% of the entire network) needs replacement within the next 10 years with an associated cost of around \$60M. These comprise mainly of steel and asbestos cement (A/C) pipes which were the typical older pipe installations. The quantum of pipes reaching the end of their theoretical economic life is going to progressively increase from an estimated 10% in the next 10 years to about 30% of the entire water supply network within the 50 year period of this Infrastructure Strategy. Renewals of assets are generally funded from reserves which have previously been funded from rates. If there are insufficient funds in the appropriate reserve for the renewal expenditure, council has elected to borrow to pay for some of the renewals.

Later in the period (i.e. from around year 50) there is a significant jump in pipe renewals required, yet they appear to cost significantly less. The difference relates to the size (diameter) of the pipes being replaced. For example, a large trunk main can cost many millions of dollars (e.g. \$20M for Pareora pipeline), whereas smaller water mains pipes cost a lot less to replace.

Because of the identification of unexpected degradation of the Temuka trunk main in December 2017, it is proposed to carry out a review of the sampling, testing and determination of remaining life of asbestos cement water pipes in the Timaru District.

5.6.2.2 Sewer

Figure 18 and Figure 19 show the age profile of the sewer network and the cost of the renewal programme, respectively. Poor condition of pipes and manholes associated with the age of the asset has led to higher rates of inflow and infiltration in the sewer systems. Cracks in pipes lead to intrusion of foreign materials, such as rocks, gravel, and solid waste matter into sewage flows and impact on the performance of the pipes, pumps and treatment facilities. Based on the assumed remaining life of the pipe assets, around 141km (40% of total network) need replacing over the next 50 years. There is an estimated \$15 million cost to renew around 20km (or 6%) in the next 10 years.

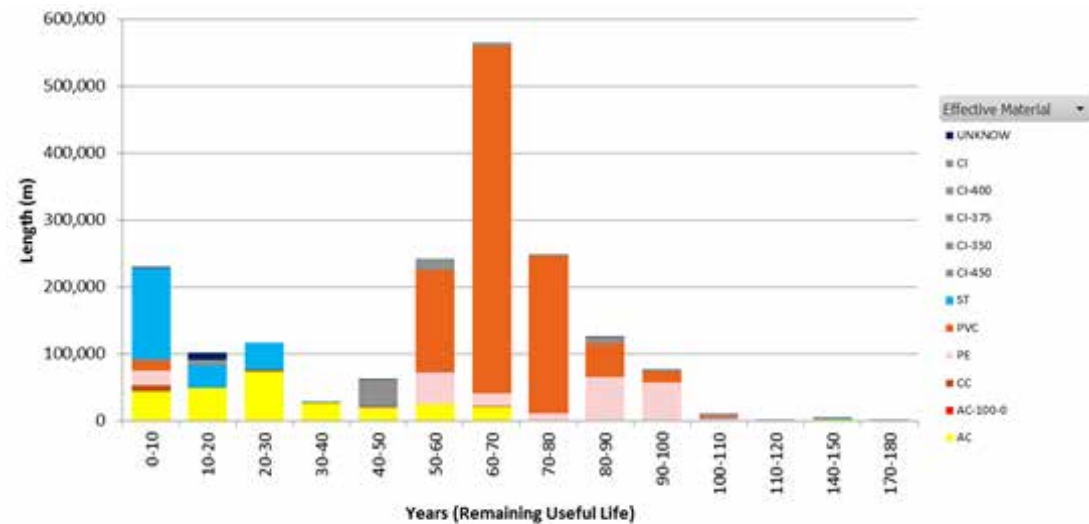


Figure 16: Age Profile of the Water Supply Network

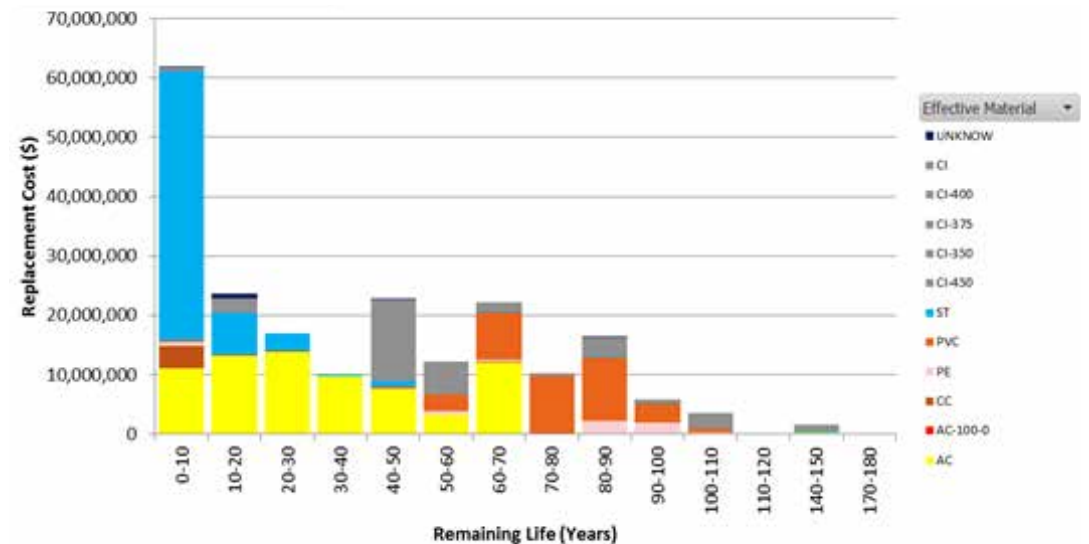


Figure 17: Age Profile of the Water Supply Network - Cost

5.6.2.3 Stormwater

Figure 20 and Figure 21 show the age profile of the stormwater network and the cost of the renewal programme, respectively. The issue with the district’s aged stormwater reticulation relates not so much with physical deterioration of the asset but with the capacity of parts of the network not being able to meet the current levels of service (i.e. no network overflows for rainfall return period of 1 in 10 years for residential areas and 1 in 20 years in commercial areas). Council has acknowledged this as a legacy issue that needs to be addressed in the renewal of the network. Evidently, the district’s stormwater network was originally designed based on smaller rain events relevant at that time. Some 3km of the stormwater pipe network will be renewed within the next 10 years at around \$3 million cost.

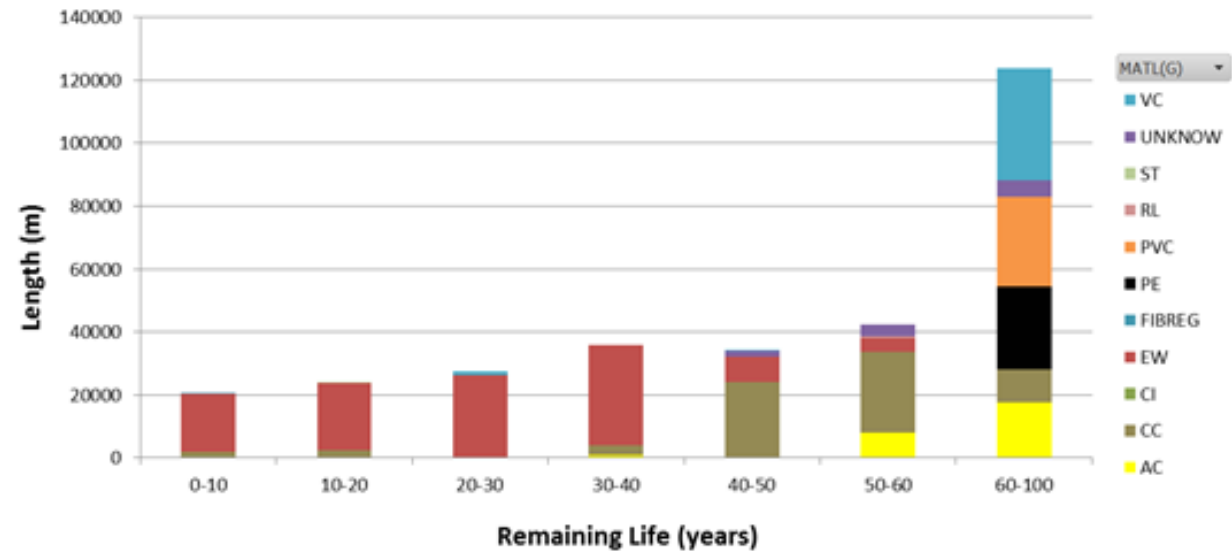


Figure 18: Age Profile of the Sewer Network

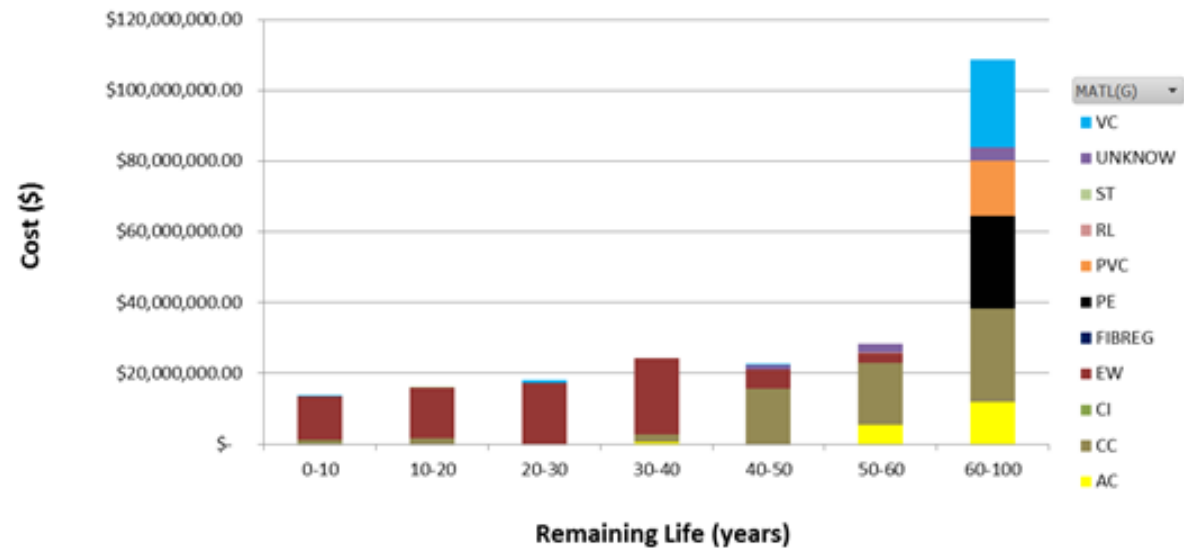


Figure 19: Age Profile of the Sewer Network - Cost

5.6.3 Waste Minimisation

In Waste Minimisation many of the assets are buried within closed or active landfills. The Stage 1 Redruth landfill, closed in 1996, has no such buried assets, but requires capping to improve environmental outcomes. Stage 2 and 3 combined form the “new Redruth Landfill” which will require an aftercare period of 30 years post-closure.

Pumps are the main landfill asset requiring renewal, and due to harsh conditions are often replaced on a failure basis. The transfer station infrastructure is between 17-25 years old and generally in good condition. Renewals are required for compactors after the initial 10-year period.

Above ground assets are listed in a database and more work is required to date and report on these assets to improve renewals planning and funding requirements.

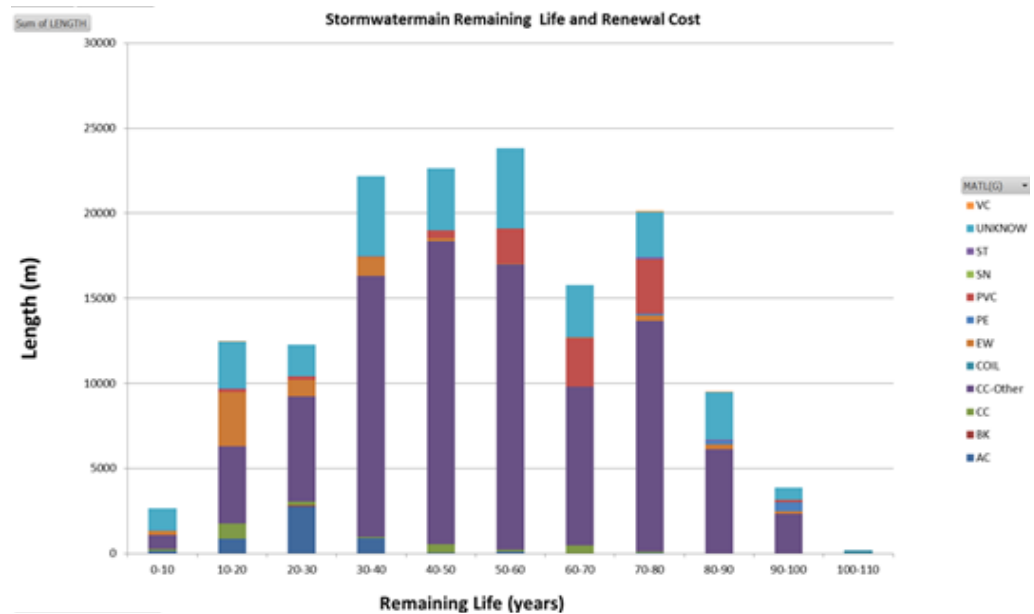


Figure 20: Age Profile of the Stormwater Network

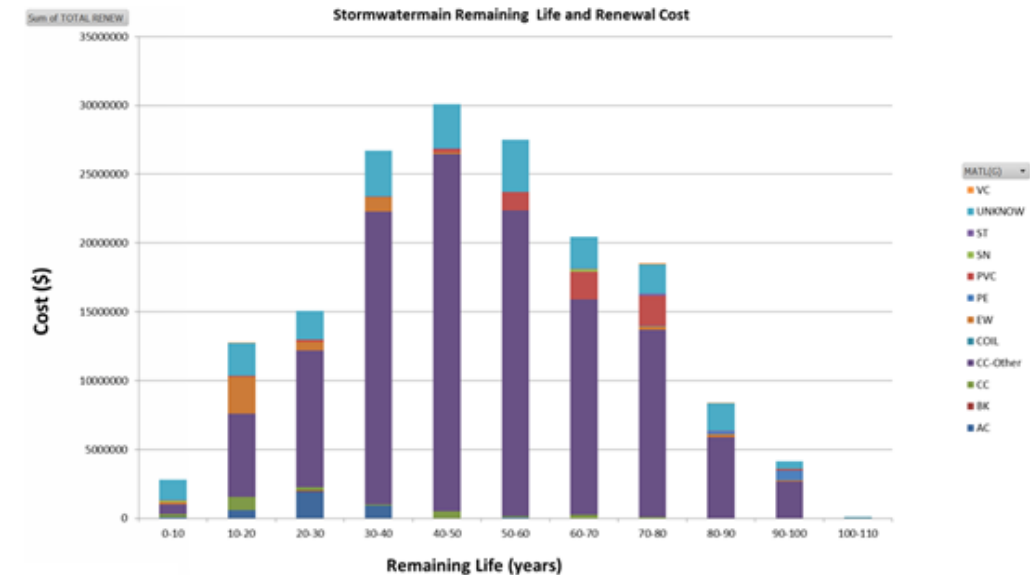


Figure 21: Age Profile of the Stormwater Network - Cost

5.7 Land Use Change

The use of land in the Timaru District has changed substantially in the last 15 years. In the future, significant growth in demand for infrastructure services is expected to occur in the following parts of the District:

- Washdyke as the main industrial growth area
- Timaru CBD and (potentially) the Showgrounds land for commercial use
- Residential growth continuing in Gleniti areas as well as Old North Road area
- Port-related land

At Washdyke, in 2011-14, Council rezoned 120 hectares of land from Rural to Industrial. This rezoning will result in developments that will require extensive new infrastructure, particularly roads, piped networks and electricity distribution systems. Council has determined that this recently zoned land will have infrastructure provided by developers at the time of development.

Rural land intensification has also occurred throughout the District with resultant impacts on infrastructure, particularly roads and bridges. In more recent times heavy trucks have been approved at a 50 tonne gross vehicle mass. The additional vehicle movements have resulted in extra costs in order to meet specified community levels of service.

Land use change impacts on water services are also significant. The increasing number of lifestyle blocks on the fringes of the District's urban areas has increased demand for extension of water supply services to these properties. As residential development continues, the extent of impervious areas grows and creates more demand for stormwater infrastructure services.

The current District Plan Review and subsequent revisions is required by the Resource Management Act 1991 to provide for the expected demand for additional urban land. The plan-led strategic approach taken by the Growth Management Strategy (GMS), which will inform the District Plan Review will ensure that any new areas of urban land are serviced with or can be serviced with infrastructure and that infrastructure is a key consideration in any decision on managing urban growth. This will help ensure new infrastructure provision is efficient. The issue of who prepares Outline Development Plans (ODPs) will be addressed in the GMS

or by a Council policy. If Council decides to prepare ODPs, that will increase the demand for design work.

5.8 Funding

Capital, maintenance, and operational funding of the Roothing and Footpaths, Water Services and Waste Minimisation activities is complex and made up of a number of streams.

Existing funding sources are as follows:

Roothing and Footpaths

- General Rates based on land values and differentiated
- NZ Transport Agency (NZTA) Funding Assistance
- Depreciation funds
- Loans
- User charges
- Private parties

Water Services

- General Rates based on land values based on community of interest for stormwater
- Targeted Rates via uniform annual charges for water and sewer
- Targeted Rates via land area (for rural water)
- Targeted Rates via water volumes (for rural water)
- Subsidies for approved sewer schemes
- Depreciation funds
- Loans
- User charges
- Private parties

Waste Minimisation

- Targeted Rates via uniform annual charges
- Depreciation funds
- Loans
- User charges
- Private parties - leases

For details on how these activities are funded, refer to the Council's Revenue and Financing Policy in the Long Term Plan. This policy outlines the proportion of funding that will come from each source. Financial Contributions are charged under the current Financial Contributions policy in the District Plan. Currently, the Council does not use Development Contributions as provided for in the Local Government Act. However, Financial Contributions are

being legislatively phased out and the Development Contributions Policy is to be reviewed before 2021.

Rating for these activities differs according to where the property is located, the land value of the property and the services received.

5.8.1 Roothing and Footpaths – Government Funding

Funding for Roothing and Footpaths from government through NZTA is reducing. This is subject to a number of potential changes as summarised below:

- *Government Policy Statement (GPS)* - funding category allocations are being reviewed by the government.
- *Funding Assistance Rule (FAR)* - the NZTA FAR review has implemented a flat rate for all activities and the outcome for Timaru is a reduced FAR of 52% for 2018/19 and 51% thereafter.
- *Business Cases* – business cases are to be prepared to support national priorities and contestability issues.
- *One Network Road Classification (ONRC)* – this is a national road classification hierarchy system. The ONRC system allows comparative analysis both nationally and with relevant peer groups. These comparative analysis reports provide evidence on a district's expenditure and asset management strategy efficiency.

Timaru District must carefully manage its investment in infrastructure to ensure it gets value for every dollar spent and provide infrastructure in a lawful, functional and affordable manner.

5.8.2 Waste Minimisation

Waste Minimisation income from user charges varies annually according to tonnages disposed of. This presents a risk that income from user charges can vary significantly, particularly if waste flight occurs.

6.0 FIFTY YEAR STRATEGY

Timaru District Council will comply with the relevant New Zealand legislation, while working towards the Strategic Direction, as outlined earlier in this document.

6.1 Responsible Stewardship

The main theme underpinning this Infrastructure Strategy is ensuring responsible stewardship of our key infrastructure assets to meet the needs of tomorrow's community.

This acknowledges the many and varied factors that influence the delivery of the district's infrastructure, as discussed in Section 5, including:

- *Ageing Infrastructure* – the need to address a 'bulge' of infrastructure that is nearing the end of its life. Infrastructure needs replacement to modern design and environmental standards. In some instances, significant redesign may be required to ensure it is fit for purpose.
- *Societal change* – our society is rapidly changing. Land use change, changing demographics, new government legislation and demands, technological change and increasing community expectations. New infrastructure development needs to be future-proofed and responsive to this change.
- *Resilience* – Built infrastructure needs to be able to handle the impact of natural hazards, at a minimum to protect human life. But this is not all, it must also cope with future demand and change, such as the impact of a growing economy and changes in land use.

Some of these challenges are legacy issues (e.g. the decisions of past Councils or how things were built over 40 years ago). Others are simply the demands of a progressive society that is constantly seeking to improve. Either way, the Council is responsible for ensuring built infrastructure enhances community wellbeing and is fit for purpose, good quality, safe, future-proofed, cost effective and appropriately funded.

The Council's priorities are:

- Timely and cost effective maintenance of infrastructure to optimise its life
- Replacing ageing infrastructure in a timely manner
- At a minimum, maintaining existing levels of service

- Managing the impacts of growth and land use change in a sustainable way
- Compliance with legislative requirements
- Providing long term affordable services
- Managing the impact of technology changes

6.2 Asset and Service Management Strategy

Council's management strategy is to be a prudent and knowledgeable asset manager that makes investment decisions based on asset age, condition, performance, deterioration and maintenance factors. Increasing legislative standards are acknowledged and actioned in all asset renewal projects.

Strategic and organisational priorities set the direction for planning of infrastructure that will continue to support quality living, economic development and environmental integrity in the District in the long-term. Looking ahead to the next 50 years, Council's approach is to be prudent in its investment decisions using a holistic lifecycle approach to asset management, responding to changes in demand for services, allowing for changes in levels of service, and mitigating identified risks. In planning and providing the district's infrastructure requirements in the next 50 years, Council will:

- **Maintain and optimise asset life** - through timely and effective maintenance. TDC's philosophy is to view maintenance as a value driver rather than a cost centre. The decision to perform maintenance at any time is based on cost/benefit analysis, understanding that maintenance can add economic value to assets. There is no one-size-fits-all care programme for all of council's infrastructural assets. TDC will continue to utilize a mix of approaches, including preventive maintenance, reactive maintenance, run-to-failure (breakdown maintenance), predictive maintenance which is condition rather than age based, and risk-based maintenance for critical assets that need to be monitored more frequently. The decision on what will work best requires a delicate balancing between the value that improved reliability can bring and the cost of maintenance.
- **Continue to replace ageing infrastructure** – through a robust asset renewal programme. Council has adopted a cyclic renewal strategy that provides for the progressive replacement of assets that are reaching the end of their useful life. The rate of asset renewal is intended to maintain the overall condition of the

asset system at a standard which reflects its criticality and age profile, and ensures that the community's investment in the infrastructure is sustained.

Deciding the timing of capital and maintenance expenditures is based on Council's understanding of the current condition and capacity of the assets, as well as future capacity, criticality and reliability requirements. Council will also consider the cost and risk associated with implementing or deferring renewals, upgrades or improvements. Council's strategy will be to:

- Prioritise capital and renewal projects within the next ten year period based on the strategic objectives of the Timaru District's Long Term Plan and Infrastructure Strategy and a holistic risk based condition assessment; and
- Forecast capital renewal, replacement and upgrade costs over the following 40 year period; and
- Forecast the funding requirements based on estimates of costs and asset valuations
- **Maintain the current level of service** - through a holistic lifecycle approach to asset management that covers the assets and their supporting resources, business processes, data and enabling technologies, critical to sustainably delivering agreed levels of service. This holistic approach to lifecycle asset management enables critical asset data, particularly condition and performance tracking, to be effectively used on a practical day-to-day business level to maximise the performance and life of the asset.
- **Manage the impacts of growth and land use change** – by providing the conceptual framework of infrastructure in support of development. The TDC's Growth Management Strategy provides guidance on potential future infrastructure development in the district through identifying the potential location and scale of future growth. Contributions from development will be taken to fund necessary infrastructure so that growth pays for growth, and costs are not unfairly borne by established communities.
- **Comply with legislative requirements** – by acknowledging and actioning legislated standards in infrastructure planning and development. Compliance with the RMA, through the resource consenting process, will drive sewer and stormwater including road infrastructure expenditures. Anticipated increase

in regulatory controls for drinking water supplies signals that additional capital expenditures will need to be made to upgrade water treatment processes and other infrastructure (e.g. A/C pipes).

Land Transport must continue to meet increasing requirements of the Land Transport Management Act, Transport Act and new road user rules such as heavy vehicle mass.

- **Provide long-term affordable services** - through prudent financial management that complements asset management. The financial strategy will continue to reflect the balancing of ratepayer affordability against community needs and aspirations.
- **Manage the impacts of technology changes** – through monitoring technology developments and appropriate responses. The next 50 years will see significant advances in technology, particularly in transportation, and roading infrastructure will need to respond to support these changes. These will include electric vehicle/bike charging stations, information technology on direction, travel and safety and providing appropriate infrastructure for autonomous vehicles. Other potential technology changes that may need a response are in waste disposal areas such as incineration, water quality monitoring, energy sources and use.

The Council has an Activity Management Policy that defines the appropriate level of asset management in line with the International Infrastructure Management Manual 2015 (IIMM). Activity Management Plans are prepared that incorporate key information for managing each individual aspect of the activity. These plans are reviewed regularly.

6.3 Cost Effective Delivery of Services

Section 10 (Purpose of Local Government) of the Local Government Act 2002, sets out a clear requirement to meet the current and future needs of communities for good-quality local infrastructure, local public services, and performance of regulatory functions in a way that is most cost-effective for households and businesses.

The Act defines good-quality, in relation to local infrastructure, local public services, and performance of regulatory functions, as infrastructure, services, and performance that are:

(a) efficient; and

(b) effective; and

(c) appropriate to present and anticipated future circumstances.

In order to deliver services that are efficient, effective and appropriate, Timaru District Council has adopted a philosophy of using a mix of in-house resources and consultants/contractors to carry out its work programme.

Core work is carried out by a wide range of professionals and support staff employed by the Timaru District Council. These staff carry out a base load of work and consultants are hired to carry out specialised work and also when the volume of work is greater than the internal capacity. The cost of hiring staff versus utilising consultants is evaluated on a job by job basis.

Water and Wastewater treatment operations are carried out by inhouse TDC staff. The reason for this approach is that Council wishes to be risk averse where public health and environmental matters are a priority. The consequence of failure to comply with Drinking Water Standards or resource consent conditions are so important to the TDC organisation it has been determined that close and direct control is required and therefore these tasks are carried out inhouse.

As for service delivery, whether for maintenance or construction work TDC has determined that contractors will be used. The Timaru area is well resourced with contractors with many national companies having bases in the District. The engagement of contractors is by negotiation, quotation or tender. Evaluation and assessment of quotations and tenders for roading work is via lowest price, weighted attributes or Price Quality methods as specified by the New Zealand Transport Agency.

The TDC has a procurement strategy that contains guidelines as well as a flow chart to guide asset managers on how to procure external resources to carry out work.

Currently, in the Land Transport activity, Timaru District Council is working in collaboration with other boundary Councils (Ashburton, Mackenzie, Waimate District Councils) as part of the Mid-South Canterbury (Aoraki) Roothing Collaboration (ARC). This collaboration was established to actively seek to collaborate and co-operate with each other to improve effectiveness and efficiency. The Councils aim to improve management and operations of their roading networks by working together. As

part of the collaboration, the following contracts have been successfully awarded:

1. Road Network Operations and Maintenance Contract
 - Joint procurement and documentation
2. Road Resurfacing Contract
 - Single South Canterbury joint contract (2 years from 1/8/17)

6.3.1 LGA Section 17A Delivery of Services

TDC undertook a review of the delivery of its services to meet the transitional provision under Section 17A of the Local Government Act 2002 Amendment Act 2014, requiring all services to be reviewed before 7 August 2017.

For the Water Supply, Sewer, Stormwater and the Waste Minimisation activities, Council determined that the services are being delivered cost effectively under existing governance, funding, management, and delivery approaches including contracting arrangements for operation, repair and maintenance of council assets.

In July 2017, Council received a Morrison Low report on the Land Transport activity. A wide range of service delivery options were considered for the future delivery of the Land Transport activity by the Council. The following two options were the service delivery options recommended in the review report that could provide improvements to the status quo for the Council:

1. Enhanced Status Quo
 - a. Involves implementing the improvement initiatives to build upon the regional collaboration that has already taken place in the physical works space.
2. Shared Service Agreement between the Councils
 - a. Involves a major change from the status quo and would represent a transformational shift in the way that the roading activity was managed and delivered in South Canterbury.
 - b. Includes the development of a formal South Canterbury Roothing Alliance with a shared services business unit incorporating all roading teams from the participating Councils.

Council's Policy and Development Committee in July 2017 considered a report presenting the recommendations and

resolved the following:

- a "That Timaru District Council supports the enhancement of the status quo for the delivery of roading professional services, building further on the Mid-South Canterbury Collaboration work to date.
- b That Timaru District Council supports further investigation of the development of a roading professional services alliance with Ashburton, Mackenzie, and Waimate District Councils and enters into discussions with them to explore the implementation of this option."

6.4 Addressing Resilience

"The infrastructure strategy must outline how the local authority intends to manage its infrastructure assets, taking into account the need to...provide for the resilience of infrastructure assets by identifying and managing risks relating to natural hazards and by making appropriate financial provision for those risks." (Source: LGA Section 101B (3)(e))

TDC's Risk Management Policy provides that risks, to which Council is exposed, must either be avoided or controlled to an acceptable level. The policy directs the development of subsidiary risk management plans for each of Council's activities. A register of risks is held on Council's infrastructure assets. Risks are generally managed through the lifecycle management of assets which covers capital works, operations and maintenance.

6.4.1 Natural Hazards

In terms of natural hazards, the District's overall risk profile identifies earthquakes and flooding as the predominant natural hazards for Timaru.

Council's primary approach in addressing risks from natural hazards is ensuring strong organisational capacity and capability to respond to events that may occur. This means having an operable local Emergency Response Management Plan, Contingency Plan or Business Continuity Plan in place. Ongoing capability building on emergency response is provided to TDC personnel through Council's Emergency Operations Centre. Regionally, TDC is a member of the Canterbury CDEM Group. The group adopted a Canterbury CDEM Group Plan in June 2014, a strategic document that provides direction on how comprehensive, risk-based emergency management will be

implemented in the Canterbury region. In implementing the plan, the Canterbury CDEM Group will work towards its vision of "A Resilient Canterbury — Waitaha Tukaha".

In particular, the Canterbury CDEM Group has established coordinative linkages among the region's Lifeline utilities that provide essential infrastructure services to the community (e.g. water, wastewater, transport, energy and telecommunications). Lifeline utilities are required by section 60 of the CDEM Act to continue to provide their services to the fullest possible extent during and following emergency events. Lifeline utilities in the region have developed and maintain response arrangements. Should, for example, a major event occurs that results in prolonged power outage in the district or the region, Council has standby generators and fuel supply as a contingency measure. However, it can be expected that the power utility and fuel suppliers will assist us through their own response plans.

Financial provision for replacement of water supply, sewer and stormwater infrastructure assets following catastrophic damage by natural disaster is covered by insurance. The below-ground assets are insured by Local Authority Protection Programme (LAPP). The above-ground assets are insured by Council's general insurance policy.

Provision for funding road damage from significant natural events is jointly provided by the NZ Transport Agency from the National Land Transport Fund and Council from the Disaster Recovery Fund.

6.4.2 Asset Resilience

On a day-to day basis, Council addresses all types of hazards to its assets and operations and progressively builds resilience through a whole-of-life approach to asset management. The aim is to continue to deliver the required level of service at all times. Activity Management Plans are updated on a 3-yearly cycle and identify specific risks to assets and operations. These are factored into the development of the associated capital expenditure strategies/programmes. For example, seismic assessments of Council buildings have indicated a high risk of structural failure of the Pleasant Point and the Temuka water supply reservoirs in the event of a local earthquake occurring. Seismic strengthening is therefore a major design input into the renewal of these facilities. Resilience to changes in the demand for Council's infrastructure-based services (e.g. increased traffic on roads, bigger volumes

of waste to the landfill, increased volume of stormwater flows, declining industry demand for water) is a major consideration in the long term planning of the district's infrastructure. Key performance indicators are continually measured and trended for significance. Any projected capital works are funded through the LTP budget, consistent with the financial/funding strategy at the time.

Both physical and system resilience are crucial. This means:

- Design and construction standards (where cost effective) that ensure infrastructure is able to withstand natural hazards and long term changes in circumstances such as those resulting from climate change.
- Organisations and networks of organisations with the ability to identify hazards must share information, assess vulnerabilities, and plan for and respond to emergencies.
- Acknowledging the value of adaptability and redundancy in the network to improve business confidence.
- Identifying and managing cross-sectoral dependencies, such as power supply for communications infrastructure.

In order to improve resilience, the Council's approach will be to:

- Investigate options for alternative service provision and system redundancy
- Identify critical assets and ensure mitigation methods are developed
- Better integration of resiliency criteria in infrastructure design and ensure design standards meet climate change effects.
- Improve accuracy of asset condition data for better targeting of renewals
- Strengthen integration of infrastructure services planning with land use planning
- Obtain insurance where this is deemed to be the most cost effective approach or ensure Council funding provision for large scale events is available.
- Plan for Resilience - Network Resilience Maintenance, Monitoring and Prioritised Improvement Plan in place and actionable.
- Do Proactive Maintenance - number of events where journeys are lost due to loss of road function through proactive maintenance taking place
- Plan for Alternative Routes – a plan is in place that details an

alternative route(s) available for vulnerable routes is robust in case of road closure

- Prepare an Emergency Response Plan - an Emergency Procedures and Response Plan (EPRP) is in place and actionable

6.5 Improving our Evidence Base

Council acknowledges there are limitations with its data that affects decision-making, as outlined in Section 4.0. A commitment to improving data collection and analysis is indicated below. The approach to data collection, management and implementation timeframes are discussed in the respective asset management plans and budgets included where appropriate.

Table 6: Data Improvements

Activity	Data to be collected	Data to be analysed	Value this data provides
Roading	Traffic counts of Heavy Vehicles	Classified vehicle counts and HPMV vehicles	Heavy traffic counts will help identify key routes and align these with pavement management
Roading	Network road safety risk	Out of context curve corners Speed environment Vehicle crashes	Allows risks to be identified and more targeted investment to improve road network safety
Roading	Road safety education customer survey	Understanding and awareness of road safety campaigns	Allow assessment of campaign effectiveness
Roading	Asset condition data – High speed road condition data	Pavement strength / remaining useful life	Provides a baseline for pavement condition and regular measurement of key routes will identify the rate of deterioration, therefore improving pavement lifecycle analysis and management.
Roading	Kerb and channel condition rating	Remaining useful life	This will ensure appropriate programming for renewal and ensure timely replacement whilst allowing assets to obtain full life (just-in-time renewal)
Roading	Drainage data and improvements	Extent of drainage in rural network	Provides evidence of current drainage facilities on the rural network (limited surface water channels) and ensures a good programme for improvements targeting areas that have no drainage and high heavy vehicle movements
Sewer	Network condition data from CCTV, pipe sampling, etc.	Asset condition/performance/failure mode	More robust renewals forecasting and capital expenditure planning
Sewer	Inflow and Infiltration data	Network condition/performance	Targeted renewals planning
Sewer	Information generated from modelling the sewer network	Network capacity Inadequate sections of the network Impact of growth and development	Capital works/services planning
Stormwater	Network condition data from CCTV, pipe sampling, etc.	Asset condition	More robust renewals planning
Stormwater	Stormwater quantity – flow rates (rates of stormwater runoffs from urban catchments)	Network capacity	Level of service assessment/Capital works planning

Activity	Data to be collected	Data to be analysed	Value this data provides
Stormwater	District profiling on sources/ sites of stormwater pollutants: - transport corridors - industrial and commercial activities - hazardous sites - roof types	Treatment opportunities	Level of service assessment/capital expenditure planning
Waste Minimisation	Asset age and condition	Lifecycle and renewals	Evidence based scheduling of maintenance and renewals
Water supply	Network condition data – pipe sampling, etc.....	Asset condition/performance	More robust renewals forecasting and capital expenditure planning
Water supply	Metered water, volume	Water demands	Universal metering provides a comprehensive data set which is currently not leveraged to understand peak demands
Water supply	Water loss	Asset condition/performance	Informs renewals planning and maintenance planning

6.6 Significant Decisions Required

Taking a long-term view to the management of infrastructural assets, Timaru District Council needs to make key decisions in a timely manner. In addressing community desires and priorities, the following key decisions have been identified.

Table 7: Significant Decisions

Key Decision	Indicative Timeframe
<i>Roading and Footpaths</i>	
<i>Affordability</i> Consideration of policy on funding road activities eligible for but not financially assisted by NZ Transport Agency and extent of such funding to maintain current level of service.	3 Yearly (in conjunction with Long Term Plan)
<i>Bridges</i> A significant number of road bridges will reach the end of their useful life in 10-20 years. The renewal of these bridges will require an increase in expenditure from \$0.6M per annum to over \$2.1 million per annum. A renewal and funding strategy needs to be determined to manage this to maintain affordability.	2025/26
<i>Southern Port Access Overbridge</i> A deed of grant for the existing road to cross railway land at the Southern Port Access (Heaton Street) was granted in 2017. This allows the deferral of a new overbridge. Council will need to consider the future form of access prior to the expiry of the deed of grant.	2030
<i>Road Maintenance</i> The current road maintenance contract will expire on 30 November 2020. This contract is a generic contract for the four Mid-South Canterbury Councils. A decision is required on the future form of contract and further collaboration one year prior to the contract expiry.	2019
<i>Road Collaboration</i> The S17A Review identified efficiency opportunities in a potential alliance arrangement for road professional services delivery with co-location and resourcing of the South Canterbury Councils. Council resolved to further investigate the feasibility and support in 2017 and will need to review this in 2018.	2018-19
<i>Sewer</i>	
The resource consent for discharging of the district's treated wastewater to the ocean will be due for renewal in 2046. A decision needs to be made on whether to make any changes or modifications to the resource consent conditions and, therefore, in the associated further treatment that is appropriate before discharging into the ocean.	2038-42
<i>Stormwater</i>	
Council has adopted a Stormwater Strategy including concepts for treatment and flow mitigation to be implemented in order to meet resource consent conditions and environmental standards. A decision is required on the timing and funding of the work required. As a result of the 2018 -28 LTP consultation process, the agreed option is to complete the work required over 10 to 15 years starting 2018/19 while spreading the cost to reduce the impact on rates increases.	2018

Key Decision	Indicative Timeframe
<i>Waste Minimisation</i>	
<p><i>Landfill Life</i></p> <p>Landfill life can be extended by a commitment to proactively implementing further diversion strategies. The landfill life will already extend beyond the expiry date of the resource consent, but further diversion will increase the life of the landfill. This will defer the need to implement alternative disposal methods.</p>	2019 onwards
<i>Water Supply</i>	
<p><i>Level of Service for Fire Fighting Capacity Provided by the Water Reticulation</i></p> <p>Whether to progressively upgrade the water reticulation network at the time of pipe renewal to meet the NZ Code of Practice for Fire Fighting requirement at schools, hospitals, aged care facilities and industrial sites in addition to that currently provided for residential fire fighting.</p>	2018 onwards
<p><i>Drinking Water Treatment and Provision Changes</i></p> <p>The imminent changes in regulatory controls for drinking water supplies (as a result of the Havelock North Drinking Water Inquiry) is expected to result in increased standards for drinking water, which may include mandatory treatments. In line with this, a decision needs to be made by Council of the approach it will take in order to comply with these new requirements, particularly in providing for the necessary treatment upgrades across all of its drinking water supplies.</p>	2018/19
<p><i>Asbestos Water Pipes Replacement</i></p> <p>In regard to ageing water pipes, there needs to be a determination from Council of the possible replacement of major asbestos cement trunk mains across the district's water supply network as a matter of priority. This is in consideration of the criticality of these assets and to mitigate associated risks.</p>	2018-21
<p><i>Universal Urban Water Metering and Pricing</i></p> <p>There is a high demand for water by consumers in the district's urban supplies. This puts pressure on the availability of water. Water use restrictions are imposed during dry periods. A decision by Council is required on the approach to increase security of the district's urban water supply. The preferred option is to implement metering and pricing of all consumption to manage demand and reduce excessive use of water. The reduction in demand is expected to be significant to offset and delay any required investment in a new groundwater source. As a result of the 2018-28 consultation process, Council has agreed to delay the implementation of the water meters until 2023/24. Upgrades to the Pareora River pipeline and Opihi River water intake will progress, and other water options will continue to be investigated.</p>	2023 onwards

7.0 SIGNIFICANT INFRASTRUCTURE ISSUES

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

“(2) The purpose of the infrastructure strategy is to—

(a) identify significant infrastructure issues for the local authority over the period covered by the strategy; and

(b) identify the principal options for managing those issues and the implications of those options.”

In developing this 50 Year Strategy Council identified the anticipated significant infrastructure issues using its Significance and Engagement Policy as criteria (refer to details in Section 3.1), the considered actions, and the associated costs and benefits of the actions.

The significant infrastructure issues with the options to address these are presented in sections 7.1 to 7.4 and include the following:

- Roadway Renewals
- What price....Our water? - A resilient future water supply? How should we achieve this? - Securing Timaru’s Water Supply
- Do we really want better waterways? - Dealing with Stormwater to improve our environment - Timing and Funding the Stormwater Strategy
- Extending the Landfill’s Life

7.1 Rooding Renewals

Council's goal is to provide the Timaru District ratepayers, community, road users, and others a fit for purpose roading network.

Table 8: Rooding and Footpaths Significant Issue - Renewals

Issue – Rooding Assets Renewal (Bridges/Structures and Pavements)	
Renewals of road pavements and road bridges is a significant issue over the coming years. Obtaining the funding and managing the renewals will be challenging.	
<ul style="list-style-type: none"> • Pavements – The consumption of the asset is increasing due to the increase in freight task (numbers, weight and dimensions of heavy vehicles). This decreases the useful lives of the asset. In order to maintain fit for purpose roads, the structural integrity of pavements need to be renewed more frequently and increased in strength to optimise asset life. • Bridges/Structures – Many bridges were constructed over a short period of time. With the ageing of these bridge assets and the changes occurring in the area of freight task, the General Bridge Inspection Report 2015/16 has identified that there are a significant number of bridges/structures that will require renewals/replacements to address structural deterioration. The Council Bridge Policy (Doc # 423438), Council has identified that bridges on all primary collector and higher hierarchy roads shall be two lanes, and that all new and replacement bridges within the District shall be capable of minimum 50MAX capacity, and on collector and higher hierarchy roads shall be capable of full HPMV capacity. 	
<i>Main Options</i>	<i>Implications of Options</i>
<i>Option 1 – Responsive Level of Service (PREFERRED)</i>	<p>Pavements – To keep up with the increasing freight task, Council has to provide a level of service that is fit-for-purpose. In order to address this, pavement strengthening is required, and added drainage may be required. This leads to additional funding and resources required.</p> <ul style="list-style-type: none"> • Cost: \$139 million over the next 50 years. • Benefit: Increases in Levels of Service to ensure the road assets remain fit-for-purpose and effectively meeting the demands of increasing heavy vehicles. There are also improvements in road safety and resilience. <p>Bridges/Structures – There are a number of bridge/structure assets that are reaching their end of useful life. To meet the changes occurring with freight tasks, the bridge/structure assets will require improvements to increasing their level of service. Keeping in line with the Council's Bridge Policy, new and replacement bridges within the District on specific road hierarchies will need to be strengthened and changed to two lanes.</p> <ul style="list-style-type: none"> • Cost: \$91 million over the next 50 years. There is an increase in cost from year 10 as an increasing number of bridges reach the end of their useful life. • Benefit: Increases in Levels of Service to ensure the road assets remain fit-for-purpose and effectively meeting the demands of increasing heavy vehicles. There are also improvements in road safety and resilience. <p>This option is the preferred approach to ensure continued support for the increasing economic growth of the district and meeting the freight task associated with this growth. Managing this option could be challenging as it may strain funding and resources.</p>
<i>Option 2 – Do Minimum Level of Service</i>	<p>Pavements – The levels of service on roads can be reduced by allowing the road pavements to deteriorate and fail through less regular maintenance and deferral of renewals until full pavement failure. The reduction of levels of service may increase vehicle operating cost, reduce road safety and increase road roughness. There will be restrictions on heavy vehicle use of some roads that will increase freight costs and potentially restrict economic growth.</p> <p>Bridges/Structures – The levels of service is reduced for bridges/structures as bridge renewals are deferred. This will result in an increasing number of weight/speed restricted bridges/structures or closures. Portions of the roading network will be restricted and unable to be used by large heavy vehicles and it will be difficult to meet the increasing freight task. This may impact access, travel times and increase freight costs that will potentially restrict economic growth in our district.</p> <ul style="list-style-type: none"> • Cost: The monetary cost of renewals reduces, but maintenance will increase. The costs in other areas such as safety, risks, and Council image increases. An increase in other costs (freight transport) for stakeholders is expected. Assets may not be fit for purpose. • Benefit: Allowing for a reduction in levels of service will allow for Council to reduce overall renewal cost for the asset and gain additional life at a reduced Level of Service.

<i>Option 3 – Current Level of Service</i>	<p>Pavements – This will see the pavement asset deteriorating as pavements are not strengthened / widened. They will therefore not be fit-for-purpose and premature pavement failure will be an ongoing issue.</p> <p>Bridges/Structures – The current bridge/structure assets renewals will not keep pace with the asset useful life expectation of these structures and therefore bridge load restrictions will become necessary. This will restrict access to large heavy vehicles particularly High Productivity Vehicles that may increase travel times, restrict vehicle size and increase freight costs that will potentially restrict economic growth in our district.</p> <ul style="list-style-type: none"> • Cost: Council faces an increasing renewal demand as many bridges constructed in the early 1900's reach the end of their useful life and to meet pavement improvements. Current renewal funding will not address this "hump" and bridges renewals will need to be deferred. This means increasing maintenance cost and restricted network that increases freight and travel costs that will potentially restrict economic growth in our district. There is a risk of reduced road safety and also reduced asset resilience. • Benefit: This option allows maintaining current funding levels long term and therefore minimises future rates increases requirements for roading.
<i>Agreed option</i>	Option 1 – Responsive Level of Service
<i>Implementation period</i>	Continual over Infrastructure Strategy period
<i>Cost of agreed option</i>	

Cost (\$000 in 2018)	Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7	Year 8	Year 9	Year 10	Year 11-15	Year 16-20	Year 21-25	Year 26-30	Year 31-35	Year 36-40	Year 41-45	Year 46-50	Total Cost
	18-19	19-20	20-21	21-22	22-23	23-24	24-25	25-26	26-27	27-28	28/29-32/33	33/34-37/38	38/39-42/43	43/44-47/48	48/49-52/53	53/54-57/58	58/59-62/63	63/64-67/68	
Capital - Pavements	2,600	2,600	2,600	2,450	3,350	3,350	3,350	3,350	3,350	3,350	11,750	11,750	12,500	12,500	15,000	15,000	15,000	15,000	138,85
- Bridges	760	760	860	800	800	800	800	800	800	1,400	7,040	7,040	7,040	7,040	13,540	13,540	13,540	13,540	90,900
Operation	3,835	3,925	3,925	3,895	3,955	3,925	3,896	3,955	3,925	3,895	19,845	20,095	20,345	20,595	20,845	20,845	20,845	20,845	203,390
Total	7,195	7,285	7,385	7,145	8,105	8,075	8,046	8,105	8,075	8,645	38,635	38,885	39,855	40,135	49,385	46,385	49,385	49,385	433,140

7.2 Securing Timaru's Water Supply

Council's goal is to support and underpin the health, well-being and financial prosperity of the community by providing a lawful, reliable, sustainable and cost effective supply of water to meet the needs of the consumer.

Table 9: Water Supply Significant Issue

Issue	
<ul style="list-style-type: none"> Water shortage in the Timaru Water Supply Scheme is an emerging issue during dry weather periods when restrictions are imposed on its consents to take water from its existing sources, the Pareora River and the Opihi River. The Current Peak day demand is 29 ML/d (megalitres per day), including an Industrial demand of up to 15 ML/d. The Projected Future Peak day demand (with no additional industry) is 31 ML/d. The current Minimum water availability, based on Pareora low flows and Opihi capacity limitations, is 24 ML/d. The combined effects of dry weather periods and growth in demand intensifying into the future could potentially lead to greater future limitations in resource consents to take water from the Pareora and the Opihi River during low river flows. Council acknowledges that if it does nothing, more stringent water use restrictions will have to be imposed to manage demand during periods of water shortage. 	
Main Options	Implications of Options
<i>Option 1 – Secure additional water from an existing source through increased capacity from the Opihi River source with upgraded treatment at Claremont</i>	<p>The Canterbury Land and Water Regional Plan places community drinking water supplies as the highest priority in terms of water allocation and therefore it is probable that the Opihi source would not be restricted in times of drought. In that case the probable likely minimum water availability, with Opihi capacity upgrades, would be 40 ML/d, which would therefore be able to meet a 60% increase in industrial demand.</p> <p>Ensuring sufficient water is available from the Opihi during dry periods would currently require an intake upgrade and an upgrade to the Claremont treatment process (from ozone to membrane filtration), in order to treat the poorer quality water that could occur when the take is maximised. An upgrade to the Opihi pipeline would also be necessary once demand has increased. Although this option would be a significant cost, it would supply water of a quality similar to existing and could be staged to meet demand.</p> <ul style="list-style-type: none"> Cost: Opihi intake and staged treatment costs at \$22 million capital; pipeline and increased treatment capacity costs to meet demands of \$23 million capital. Operational cost increases of \$0.5 million per year. Benefit: Increased level of service with less risk of stringent water use restrictions being imposed due to unavailability of water. Increased domestic and industrial demand capacity.
<i>Option 2 – Development of new sources and treatment</i>	<p>Development of groundwater has risk related to developing the bore(s) to obtain the required take, and the local groundwater requires significant treatment to remove hardness, iron and manganese. The resultant water quality will have a detrimental impact on water users, especially industrial users that heat the water. This option, including a pipeline to deliver the treated water to Timaru would not be staged.</p> <ul style="list-style-type: none"> Cost: New bore field, treatment plant, and pipeline costs of \$35 million capital. Operational cost increases of \$0.8 million per year. Benefit: Increased level of service with less risk of stringent water use restrictions being imposed due to unavailability of water, however additional water will have residual hardness components. Increased domestic and industrial demand capacity. Increased resilience.
<i>Option 3 – Introduction of universal urban water metering and charging (PREFERRED)</i>	<p>Universal water metering and charging results in a well documented volumetric reduction of the peak day demand of 15 to 30% (normally 20 -25%).</p> <p>The introduction of universal urban water metering and charging is expected to result in the reduction of peak day demands of approximately 3 to 5 ML/d, which could delay the need to secure additional water for several years.</p> <ul style="list-style-type: none"> Cost: Additional capital costs of \$15 million for installation of meters on all urban connections. Operational cost increases of \$0.2 million per year, including charging administration. Meter replacement is on a 15 year cycle. Benefit: A reduction or deferment of capacity driven capital works would result (including intake, treatment and network upgrades). There would also be reduced operational treatment costs, although there would be increased water charging administration costs.
<i>Agreed option</i>	<p>Option 3. As a result of the 2018-28 consultation process, Council has agreed to delay the implementation of the water meters until 2023/24. Upgrades to the Pareora River pipeline and Opihi River water intake will progress, and other water options will continue to be investigated.</p>

Implementation period			Investigation in 2018/19. Implementation to commence in 2023/24.																
Cost of agreed option																			
Cost (\$000 in 2018)	Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7	Year 8	Year 9	Year 10	Year 11-15	Year 16-20	Year 21-25	Year 26-30	Year 31-35	Year 36-40	Year 41-45	Year 46-50	Total Cost
	18-19	19-20	20-21	21-22	22-23	23-24	24-25	25-26	26-27	27-28	28/29- 32/33	33/34- 37/38	38/39- 42/43	43/44- 47/48	48/49- 52/53	53/54- 57/58	58/59- 62/63	63/64- 67/68	
Capital	60	60	20	0	0	5,000	5,000	5,000	0	0	0	10,000	5,000	0	10,000	5,000	0	10,000	55,140
Operation	0	0	0	50	50	100	200	200	200	200	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	9,000
Total	100	0	0	50	50	5,100	5,200	5,200	200	200	1,000	11,000	6,000	1,000	11,000	6,000	1,000	11,000	64,140
Assumption			The current high residential demand from the urban water supplies will significantly reduce with water metering. The savings in water from water metering will be sufficient to a) meet growth in demand; and b) offset or delay investment in a new groundwater source for the Timaru Water Supply.																

7.3 Timing and Funding the Stormwater Strategy

Council's goal is to provide for the collection, treatment and disposal of stormwater to acceptable environmental standards.

Table 10: Stormwater Significant Issue

Issue	
<ul style="list-style-type: none"> Rules and regulations regionally under the Canterbury Land and Water Regional Plan (LWRP), and nationally through the National Policy Statement for Freshwater Management require Council to apply a higher level of service to the management, attenuation and treatment of stormwater. Poor stormwater quality affects the health of waterways, reduces their intrinsic value and limits the use of the resource. Council must increase efforts to reduce the level of contamination in discharges of stormwater. Stormwater treatment improvements are necessary to meet regulatory requirements and to reduce the levels of contaminants that discharge to urban waterways through stormwater. The rate of implementation of the stormwater treatment will impact on how quickly improvements to the environmental quality of the waterways are achieved. How quickly should the Stormwater Management Strategies be implemented and therefore what should the funding strategy be? 	
Main Options	Implications of Options
Option 1 – Fund and complete stormwater treatment work over a period of 5 years	<p>Fast tracked environmental quality improvements, with very high funding requirements.</p> <ul style="list-style-type: none"> Cost: Approximately \$3 million per year additional capital, with a significant increase in operating costs of up to \$700,000 per year. Total additional capital cost of around \$15M. Benefit: Increased levels of service in relation to stormwater treatment and management achieved in the short term. <p>Achieving environmental quality improvement outcomes as quickly as possible.</p>
Option 2 – Fund and complete stormwater treatment work over a period of 10 to 15 years (PREFERRED)	<p>Environmental quality improvements achieved over the term of the stormwater discharge consent, with medium funding requirements.</p> <ul style="list-style-type: none"> Cost: Approximately \$1 million per year additional capital, with a gradual increase in operating costs of up to \$600,000 per year. Total additional capital cost of around \$15M+. Benefit: Increased levels of service in relation to stormwater treatment and management achieved in the medium term. <p>Achieving environmental quality improvement outcomes in a progressive measured manner.</p>
Option 3 – Fund and complete stormwater treatment work over a period of 20+ years	<p>Environmental quality improvements achieved over many years, with the least impact on rates.</p> <ul style="list-style-type: none"> Cost: Approximately \$0.5 million per year additional capital, with a slow increase in operating costs of up to \$300,000 per year. Total additional capital cost of around \$15M+. Benefit: Increased levels of service in relation to stormwater treatment and management achieved in the long term. <p>Achieving environmental quality improvement outcomes gradually.</p>
Agreed option	Option 2 Fund and complete stormwater treatment work over 10-15 years
Implementation period	15 years commencing in 2018/19
Cost of agreed option	

Cost (\$000 in 2018)	Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7	Year 8	Year 9	Year 10	Year 11-15	Year 16-20	Year 21-25	Year 26-30	Year 31-35	Year 36-40	Year 41-45	Year 46-50	Total Cost
	18-19	19-20	20-21	21-22	22-23	23-24	24-25	25-26	26-27	27-28	28/29- 32/33	33/34- 37/38	38/39- 42/43	43/44- 47/48	48/49- 52/53	53/54- 57/58	58/59- 62/63	63/64- 67/68	
Capital	250	500	750	1,000	1,000	1,000	1,000	1,000	1,000	1,000	5,000	5,000	5,000	5,000	5,000	5,000	5,000	5,000	48,500
Operation	16	21	36	56	100	141	184	217	259	305	2,200	2,700	2,700	2,700	2,700	2,700	2,700	2,700	22,435
Total	266	521	786	1,056	1,100	1,141	1,184	1,217	1,259	1,305	7,200	7,700	7,700	7,700	7,700	7,700	7,700	7,700	70,935

Assumption

Stormwater discharge quality in the district's urban areas will not deteriorate significantly within the next 7 years (2018-2025).
A resource consent will be obtained with favourable conditions for achieving defined environmental outcomes in a progressive measured manner.

7.4 Extending the Landfill's Life

Council's goal is to provide safe, affordable, sustainable waste minimisation services that fully meet the environmental, economic and social needs of the district.

Table 11: Waste Minimisation Significant Issue

Main Issue: Landfill Life																			
Sub-issue 1: Diversion Strategy - does TDC wish to actively move towards an aspirational goal of Zero Waste and continue to implement programmes aimed at diversion																			
Main Options		Implications of Options																	
Option 1a - Maintain status quo with limited future action for diversion strategies		<ul style="list-style-type: none">Implications – Maintain the status quo without further investment in diversion. New programmes will not be taken up and landfill life will be shorter as a consequence.Cost: \$40,000Benefit: Existing waste minimisation programmes will continue																	
Option 1b - progressively implement diversion strategies		<ul style="list-style-type: none">Implications – TDC will implement waste minimisation projects every year, both minor and major including increase in staffing levels to implement / manage projectsCost: \$604,000Benefit: Redruth Landfill life will be lengthened. Best economic option for council and the community as high costs of moving to another landfill option will be deferred. Levels of Services (Los) for waste disposal will not change, but LoS for business visits will improve. The benefit of the capital spend on landfill operations is maximised. Business growth can be encouraged as waste fees will be lower than sending waste out of district.																	
Agreed option		Option 1b																	
Implementation period		2018 - 2038																	
Cost of agreed option																			
Cost (\$000 in 2018)	Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7	Year 8	Year 9	Year 10	Year 11-15	Year 16-20	Year 21-25	Year 26-30	Year 31-35	Year 36-40	Year 41-45	Year 46-50	Total Cost
	18-19	19-20	20-21	21-22	22-23	23-24	24-25	25-26	26-27	27-28	28/29-32/33	33/34-37/38	38/39-42/43	43/44-47/48	48/49-52/53	53/54-57/58	58/59-62/63	63/64-67/68	
Capital	10	10	10	10	10	10	10	10	10	10	50	50							200
Operation	26	50	100	56	50	10	26	10	10	10	50	96							494
Total	36	60	110	66	60	20	36	20	20	20	100	146							694
Assumption		That diversion is a cost-effective way to lengthen the life of the landfill.																	

Sub-issue 2: Resource Consent Renewal - the consent for the Redruth landfill expires in 2030 and this will be before the landfill is completely filled. A consent renewal will be required in order to continue using the site.

Main Options	Implications of Options
Option 2a - Do not renew consent	<ul style="list-style-type: none"> Implications – Alternative disposal would need to be sought. Cost: \$2,765,000 + early progression to Issue 3 Benefit: None. There would be environmental consequences and costs to closing the landfill before it is completely filled. Alternative disposal would cost more for the community, and have significant transport implications.
Option 2b - Renew consent	<ul style="list-style-type: none"> Implications – Redruth Landfill can continue filling to closure. Cost: \$300,000 Benefit: Best environmental and economic option for the community as it allows full use of consented space. Completing all filling and capping will shed stormwater, reduce leachate and capture and flare gas. All these beneficial effects are maximised with landfill closed according to Whole Of Life Plan.
Agreed option	Option 2b
Implementation period	2025

Cost of agreed option

Cost (\$000 in 2018)	Year 1 18-19	Year 2 19-20	Year 3 20-21	Year 4 21-22	Year 5 22-23	Year 6 23-24	Year 7 24-25	Year 8 25-26	Year 9 26-27	Year 10 27-28	Year 11-15 28/29-32/33	Year 16-20 33/34-37/38	Year 21-25 38/39-42/43	Year 26-30 43/44-47/48	Year 31-35 48/49-52/53	Year 36-40 53/54-57/58	Year 41-45 58/59-62/63	Year 46-50 63/64-67/68	Total Cost
Capital							100				20								120
Operation											80	100							180
Total							100				100	100							300

Assumption That if Option 2b was selected the consent will be renewed. That waste tonnages remain constant at 27,000 tonnes per annum.

Sub-issue 3: Post Redruth Landfilling - when the Redruth Landfill is full, an alternative means of disposal must be found.

Main Options	Implications of Options
Option 3a - seek a new landfill site in the Timaru District	<ul style="list-style-type: none"> • Implications – Significant cost and community consultation involved as well as 10+ year planning timeframe. • Cost: \$49,555,000 • Benefit: Local landfill controlled by TDC. Transport risk is reduced.
Option 3b - seek a new landfill site in South Canterbury with collaboration.	<ul style="list-style-type: none"> • Implications – Significant cost and community consultation involved as well as 10+-year planning timeframe. Collaboration with other parties required. • Cost: \$41,325,000 • Benefit: Regional landfill controlled by TDC and other parties reducing future transport risk.
Option 3c - Send waste to an alternative landfill site south of Timaru	<ul style="list-style-type: none"> • Implications – Subject to availability of space and permission to deliver waste. Cost of waste (including transport) likely to increase significantly. • Cost: \$51,635,000 • Benefit: Risk and cost of operations and management lies with external party.
Option 3d - Send waste to an alternative landfill site north of Timaru	<ul style="list-style-type: none"> • Implications - Subject to Canterbury Waste Joint Committee approval, it is possible Timaru District Council may opt into the Canterbury agreement for landfilling at Kate Valley north of Amberley. Cost of waste disposal (including transport) likely to increase significantly. • Cost: \$53,735,000 • Benefit: Risk of operations and management lies with regional group.
Agreed option	Option 3b
Implementation period	2025
Cost of agreed option	

Cost (\$000 in 2018)	Year 1 18-19	Year 2 19-20	Year 3 20-21	Year 4 21-22	Year 5 22-23	Year 6 23-24	Year 7 24-25	Year 8 25-26	Year 9 26-27	Year 10 27-28	Year 11-15 28/29-32/33	Year 16-20 33/34-37/38	Year 21-25 38/39-42/43	Year 26-30 43/44-47/48	Year 31-35 48/49-52/53	Year 36-40 53/54-57/58	Year 41-45 58/59-62/63	Year 46-50 63/64-67/68	Total Cost
Capital				20	50					100	650	1,100	1,000	500					3,420
Operation														1,805	9,025	9,025	9,025	9,025	37,905
Total				20	50					100	650	1,100	1,000	2,305	9,025	9,025	9,025	9,025	41,325

Assumption	That the consent will be renewed. That waste tonnages remain constant at 27,000 tonnes per annum.
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8.0 FINANCIAL ESTIMATES

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

(4) The infrastructure strategy must outline the most likely scenario for the management of the local authority's infrastructure assets over the period of the strategy and, in that context, must—

(a) show indicative estimates of the projected capital and operating expenditure associated with the management of those assets—

(i) in each of the first 10 years covered by the strategy; and

(ii) in each subsequent period of 5 years covered by the strategy

8.1 Roothing and Footpaths

The projected capital expenditure (including inflation) associated with the Roothing and Footpaths infrastructure assets is shown here.

There is an estimated total of \$1,066 million capital expenditure in the next 50 years. Of this:

- Around 4% (\$42M) relates to expenditure to meet growth or additional future demand (e.g. heavier vehicles, new connections required). This includes upgrading of Washdyke and Temuka roads, seal widening, improvements to Port roads including Heaton Street, construction of new roads, bridge strengthening, a new carpark in Timaru South and potential overbridge for southern access to the Port.
- Around 22% (\$236M) relates to capital expenditure for levels of service. This includes provision for seal extensions, road upgrading, two laning of bridges, construction of new bridges, improved stormwater run-off treatment, and new footpaths and cycleways.
- Around 74% (\$787M) is renewals expenditure for replacement of assets that are reaching the end of their lives. This includes pavement rehabilitation, resealing, replacing bridges, kerb and channel, culverts, traffic services, footpaths and streetlighting along with other assets such as the Piazza lift and carpark equipment.

Over the next 10 years, capital expenditure for roading and footpaths infrastructure will total around \$152M. Operating expenditure associated with this will total around \$85M.

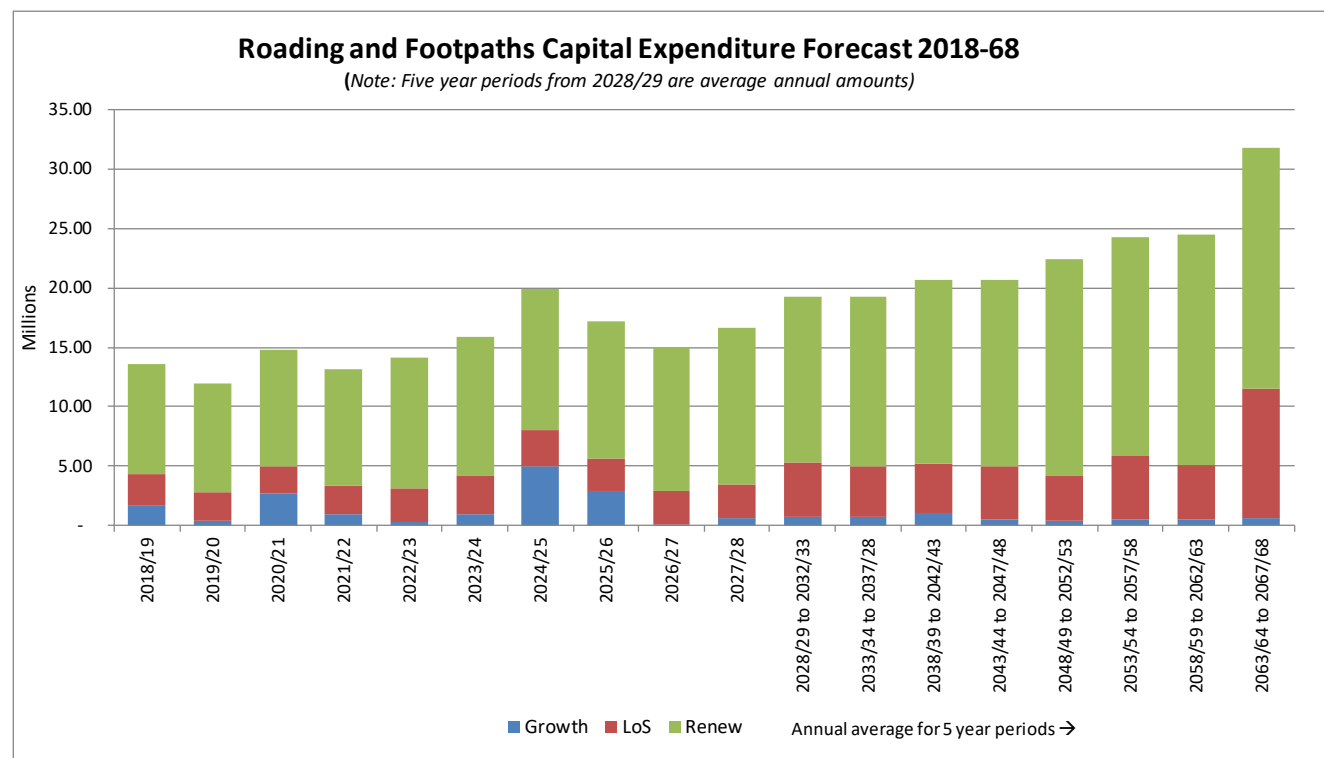


Figure 22: Projected Capital Expenditure - Roads and Footpaths

8.2 Sewer

The projected capital expenditure (including inflation) associated with the Sewer infrastructure assets is shown here.

There is an estimated total of \$179 million capital expenditure in the next 50 years. Of this:

- Around 4% (\$8M) relates to expenditure in order to meet growth or additional future demand.
- Less than 1% will be capital expenditure for levels of service upgrade.
- Around 96% (\$171M) will be renewals expenditure for replacement of aged assets to maintain the levels of service. The bulk of the renewal expenditures relate to reticulation renewals throughout the district. Major plant/facilities renewals are identified for a number of treatment plants.

Over the next 10 years, capital expenditure for sewer infrastructure will total around \$24M. Operating expenditure associated with this will total around \$26M.

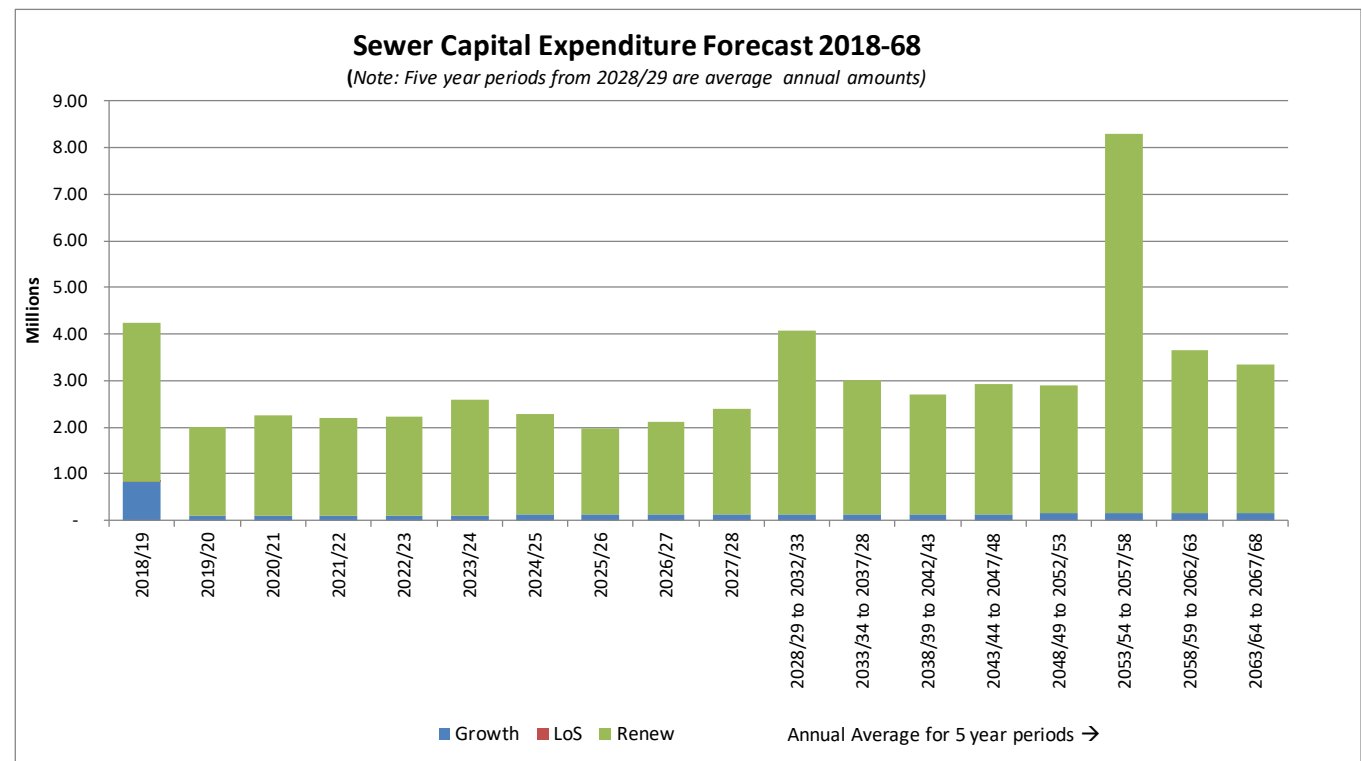


Figure 23: Projected Capital Expenditure - Sewer

8.3 Stormwater

The projected capital expenditure (including inflation) associated with the Stormwater infrastructure assets is shown here.

There is an estimated total of \$100 million capital expenditure in the next 50 years. Of this:

- Around 3% (\$3M) relate to expenditure in order to meet growth or additional future demand.
- Around 71% (\$71M) will be capital expenditure for levels of service upgrade. These include installing stormwater treatment and attenuation structures to improve the quality of the district's stormwater discharge. Network capacity upgrades are also programmed relating to the climate change factor that predicts a progressive increase in the frequency and/or intensity of rain events in the district.
- Around 26% (\$26M) will be renewals expenditure for replacement of aged assets to maintain the levels of service. The bulk of the renewal expenditures relates to reticulation renewals throughout the district.

Over the next 10 years, capital expenditure for stormwater infrastructure will total around \$15M. Operating expenditure associated with this will total around \$9M.

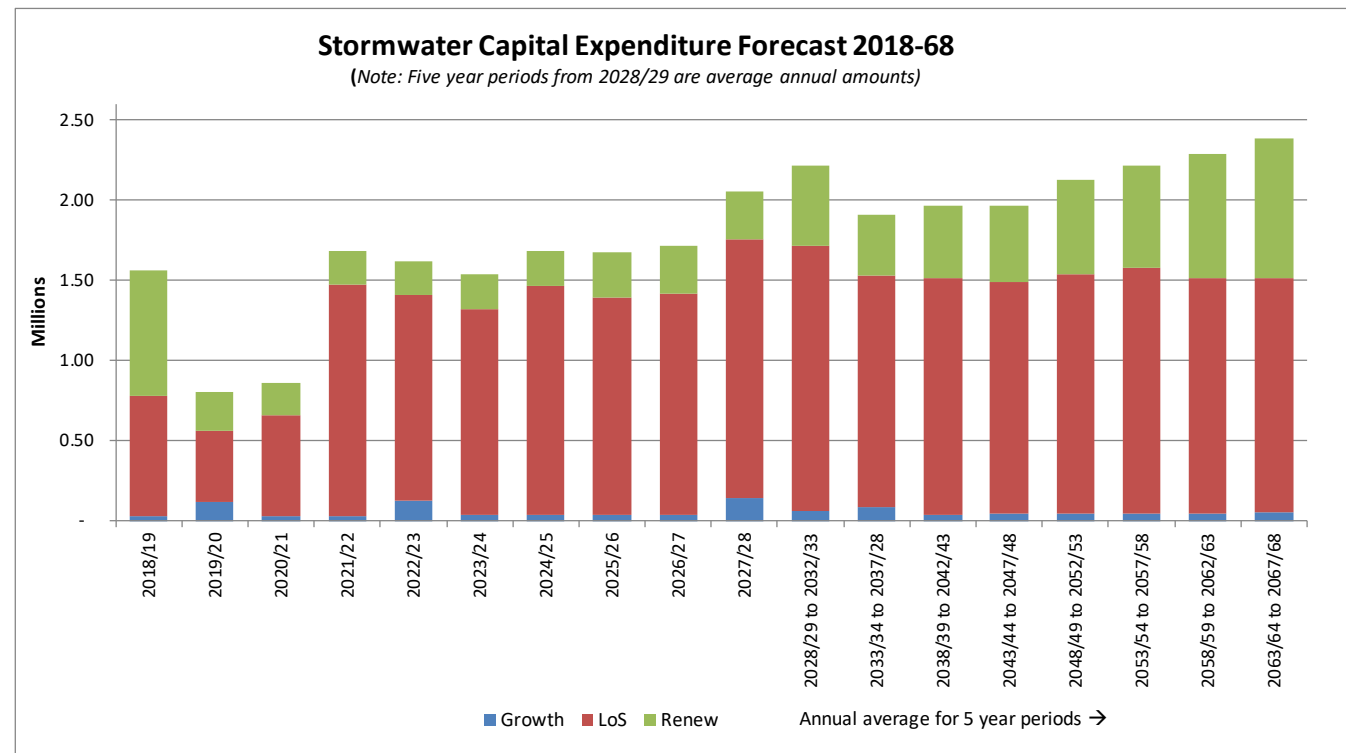


Figure 24: Projected Capital Expenditure - Stormwater

8.4 Waste Minimisation

The projected capital expenditure (including inflation) associated with the Waste Minimisation infrastructure assets is shown here.

There is an estimated total of \$72 million capital expenditure in the next 50 years. Of this:

- Around 5% (\$4M) will be related to expenditure in order to meet growth or additional future demand, such as purchase of new wheelie bins
- Around 61% (\$44M) will be capital expenditure for levels of service upgrade. These include cell construction, other landfill and transfer station site works, landfill capping and landfill aftercare and construction of a new landfill
- Around 34% (\$24M) will be renewals expenditure for replacement of aged assets to maintain the levels of service.

Over the next 10 years, capital expenditure for waste minimisation infrastructure will total around \$18M. Operating expenditure associated with this will total around \$88M.

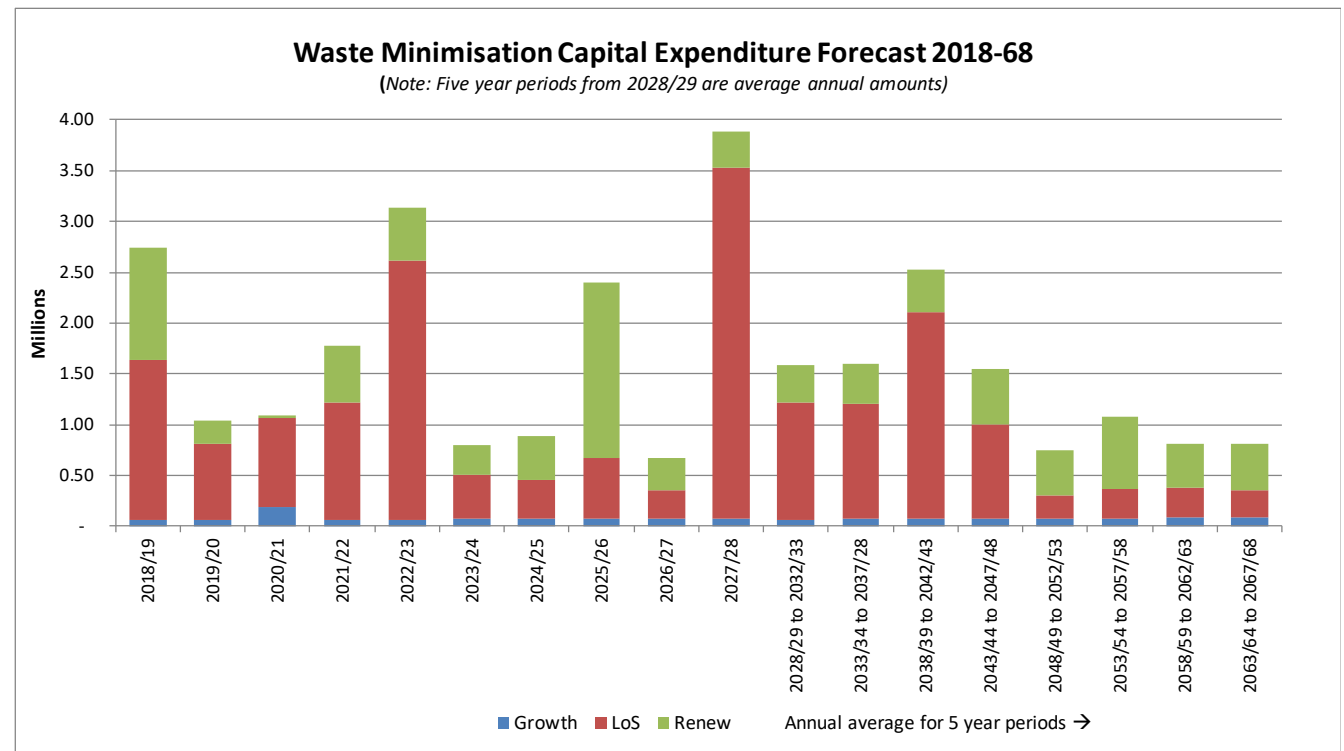


Figure 25: Projected Capital Expenditure - Waste Minimisation

8.5 Water Supply

The projected capital expenditure (including inflation) associated with the Water Supply infrastructure assets is shown here.

There is an estimated total of \$385 million capital expenditure in the next 50 years. Of this:

- Around 2% (\$9M) relates to expenditure in order to meet growth or additional future demand.
- Around 24% (\$93M) is capital expenditure for levels of service. These include upgrading of treatment facilities and processes in order to meet the Drinking Water Standards for New Zealand.
- Around 74% (\$285M) is renewals expenditure for replacement of aged assets. Fifty percent of the renewals expenditure relates to reticulation renewals throughout the district. Major plant/facilities renewals are identified for a number of water supplies.

Over the next 10 years, capital expenditure for water supply infrastructure will total around \$125M. Operating expenditure associated with this will total around \$32M.

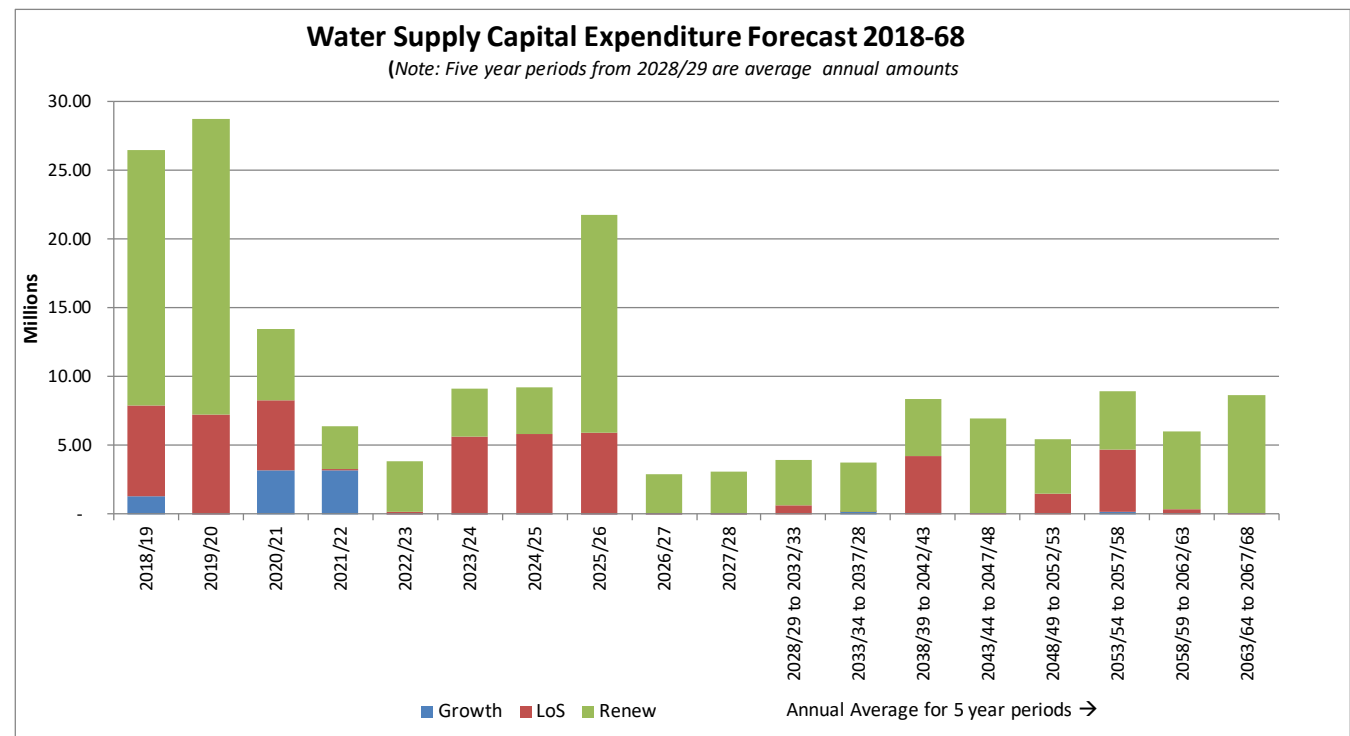


Figure 26: Projected Capital Expenditure – Water Supply

8.6 Total Expenditure

The projected capital and operating expenditure (including inflation) associated with the five infrastructure activities included in the Infrastructure Strategy is shown here.

There is an estimated total of \$1.8 billion capital expenditure in the next 50 years on these five infrastructure activities. Of this:

- Around 4% (\$65M) relates to expenditure in order to meet growth or additional future demand.
- Around 25% (\$445M) will be capital expenditure for levels of service upgrade.
- Around 71% (\$1.3B) will be renewals expenditure for replacement of aged assets to maintain the levels of service.

Over the next 10 years, capital expenditure for the five infrastructure activities will total around \$335M. Operating expenditure associated with this will total around \$241M.

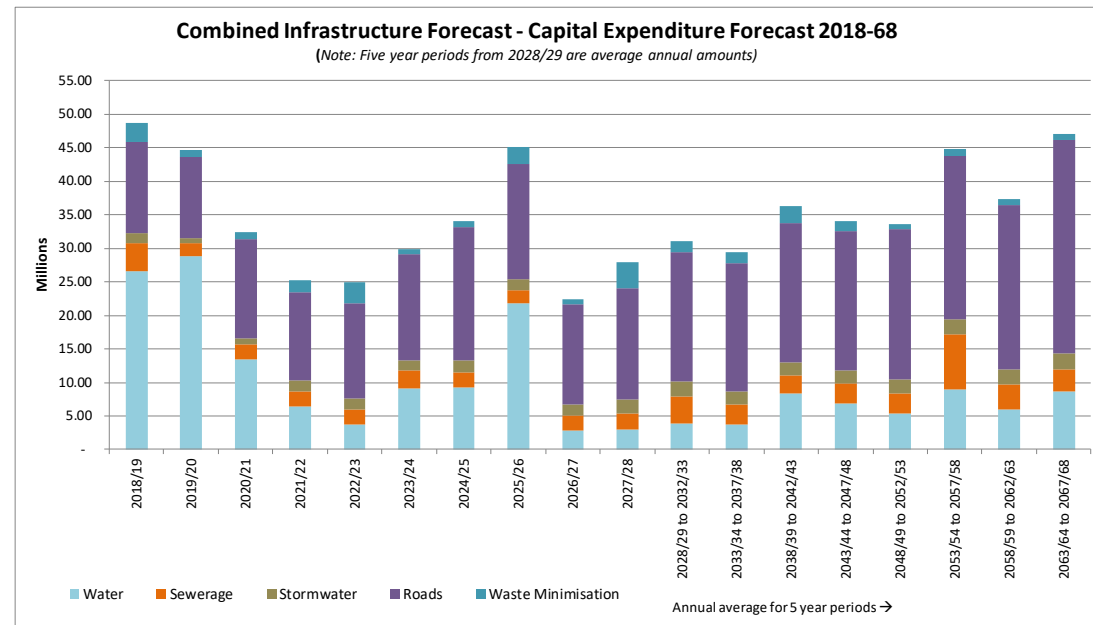


Figure 27:
Projected Capital
Expenditure -
Infrastructure Assets

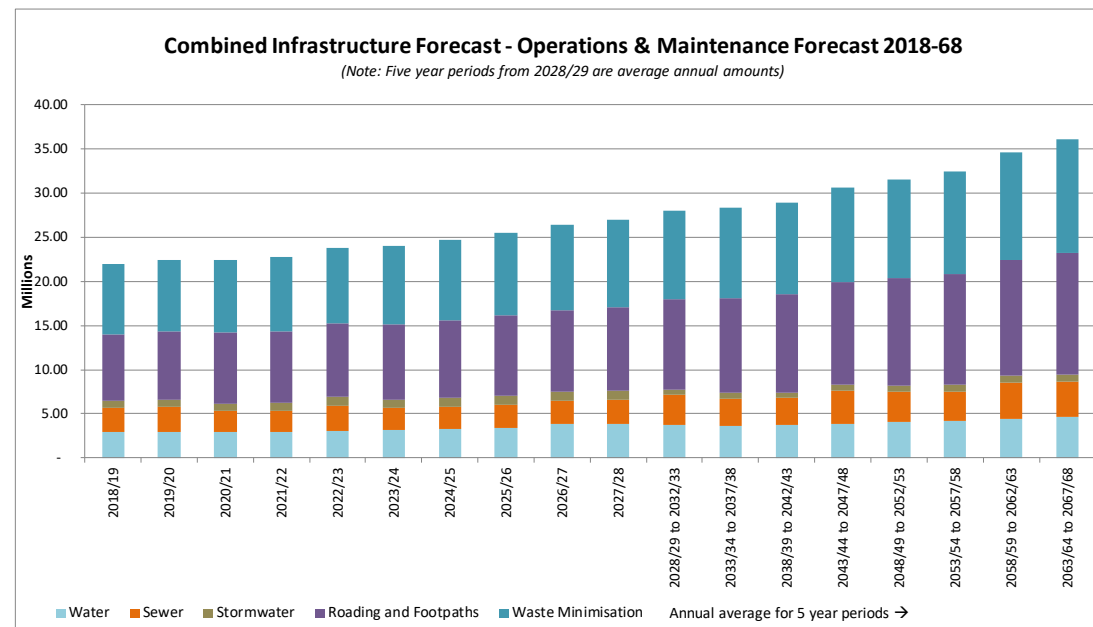


Figure 28:
Projected Operational
Expenditure –
Infrastructure Assets

8.7 Financial Impacts of the Infrastructure Strategy

Funding for asset renewals will be primarily funded from Depreciation Funds held by the Council. The Depreciation Funds held are not sufficient to fully fund all renewals and it will be necessary to fund some renewals via loans.

To reduce the amount of renewals that need to be loan funded, the amount of depreciation funded was increased as part of the 2015 Long Term Plan. This was based on the average renewals over the term of the Infrastructure Strategy. The increase was phased in over a period of six years from 2015. As part of the 2018 Long Term Plan, depreciation funding has also been reviewed and increased to reflect the renewals contained within the 2018 Infrastructure Strategy.

Expenditure associated with levels of service and growth will be loan funded to reflect the benefits being received by future ratepayers. Both internal loans and external loans will be used for this funding.



The image is a composite of two photographs. The background is a lush green golf course with a white gazebo in the distance, surrounded by tall trees. The foreground is filled with a dense field of yellow daffodils. A semi-transparent teal circle is superimposed over the right side of the image, containing the text 'FINANCIAL INFORMATION' in white, bold, sans-serif capital letters.

FINANCIAL INFORMATION

Section Roadmap

This section outlines financial information relating to the Long Term Plan and the Council operation. It includes:

Financial Strategy



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

Financial Statements



A number of Financial Statements are included, as outlined below:

Statement Concerning Balancing of Budget

This shows how the council has set operating revenues at a level sufficient to cover operating expenses (unless exceptions have been applied.)

Forecast Statement of Comprehensive Revenue and Expense

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

Forecast Statement of Movements in Equity

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

Forecast Statement of Movements in Retained Earnings

Retained Earnings are part of equity. This statement shows the movements relating to special funds which are held by Council for specific purposes.

Forecast Statement of Financial Position

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

Forecast Statement of Cashflows

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

These statements include inflation. A set of statements, excluding inflation is included at the back of the section.

Funding Impact Statement



This outlines Council's expenditure and sources of funds, including rates to be applied across the district.

Section Roadmap

Rating Contribution by Activity

This table lists various council activities and their contributions to the overall rating. The activities include categories like 'Rating Contribution by Activity', 'Rating Contribution by Activity', and 'Rating Contribution by Activity'. The contributions are listed in columns, showing the breakdown of costs for each activity.

This shows how each rating type contributes to the various council activities.

Accounting Policies

This document outlines the accounting policies and procedures used by the council. It covers areas such as 'Accounting Policies', 'Accounting Policies', and 'Accounting Policies'. The policies describe how the council calculates and reports its financial statements.

Accounting policies show the basis for preparation of the financial statements. They describe how the amounts in the financial statements are calculated.

Disclosure Statement

This document provides a disclosure statement for the council's long-term plan. It includes information on 'Long-Term Plan Disclosure Statement', 'Long-Term Plan Disclosure Statement', and 'Long-Term Plan Disclosure Statement'. The statement outlines the council's financial performance and its relationship to various benchmarks.

This outlines the Council's planned financial performance in relation to various benchmarks to enable the assessment of whether the council is prudently managing its revenues, expenses, assets, liabilities, and general financial dealings, as required under the Local Government (Financial Reporting and Prudence) Regulations 2014.

Fees 2018/19

This document lists the fees and charges for the 2018/19 financial year. It includes a table of 'Fees 2018/19' and 'Fees 2018/19'. The fees are categorized by type and amount, providing a summary of the council's revenue from these sources.

A summary of fees and charges for the 2018/19 year, particularly relating to Resource Management Act (RMA) fees. A full list of fees is available separately from the Council or from the Council website.

Reserve Funds Summary

This table provides a summary of the council's reserve and separate funds. It lists various 'Reserve Funds Summary' and 'Reserve Funds Summary'. The table shows the current balance and anticipated changes over a 10-year period.

This outlines Council's reserve and separate funds and anticipated changes over the 10 year period.

Financial Strategy

Summary

This Financial Strategy brings together important information set out in the Long Term Plan, integrating it with financial forecasts, strategies and policies to arrive at a sustainable and prudent budget. The financial strategy guides the way Council makes decisions over income, expenditure, borrowing and investments. It helps to explain how it plans to balance the books and summarises the implications of these plans for ratepayers. It links the decisions the Council makes on what services to provide and how they will be paid for. This acknowledges that at all times the Council is managing finances that belong to the Timaru District community.

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

The Council is in a sound financial position. Recent years' financial results have been positive, borrowing is well within the Council's limit and we retain a range of high performing investments.

Community facilities will be a focus for the next 10 years. This includes earthquake strengthening of facilities, refurbishing the Timaru library, enhancing the Theatre Royal and the development of a new heritage exhibition facility. These facilities are vital to meeting our strategic direction, maintaining our vibrant community and to ensure a high quality of facilities that are available locally.

Our core role remains to maintain and develop high quality, reliable infrastructure such as roads, water supplies, stormwater, wastewater networks, and waste management as well as parks and recreational facilities and the provision of regulatory functions.

In addition, a review of the District Plan is to be completed within the next 10 years. This is a significant project which guides development of the District into the future.

The main theme underpinning the Infrastructure Strategy is ensuring responsible stewardship of our key infrastructure assets to meet the needs of tomorrow's community. Key influences facing the delivery of the district's future infrastructure are:

- **Ageing Infrastructure** – the need to address a 'bulge' of infrastructure that is nearing the end of its life. Infrastructure needs replacement to modern design and environmental standards. In some instances, significant redesign may be required to ensure it is fit for purpose.
- **Societal change** – our society is rapidly changing. Land use change, changing demographics, new government legislation and demands, technological change and increasing community expectations. New infrastructure development needs to be future-proofed and responsive to this change.
- **Resilience** – Built infrastructure needs to handle the impact of natural hazards, at a minimum to protect human life. However, this is not all. It must also cope with future demand and change, (such as the impact of a growing economy, changes in land use) and the impacts of key issues like climate change.

Some of these challenges are legacy issues (e.g. the decisions of past Councils or how things were built 40+ years ago). Others are simply the demands of a progressive society that is constantly seeking to improve.

The Council's priorities are:

- Timely and cost effective maintenance of infrastructure to optimise its life
- Replacing ageing infrastructure in a timely manner
- At a minimum, maintaining existing levels of service
- Managing the impacts of growth and land use change on infrastructure
- Compliance with legislative requirements
- Providing long term affordable services
- Managing the impact of technology changes

While rates will need to increase above the rate of inflation, the level of increase will be tightly managed and rates will remain reasonable. The level of borrowing will also be controlled so that it will not leave an unreasonable burden for current and future ratepayers.

The Council is forecasting average rate rises of less than 3.5% per year over the next 10 years (excluding inflation). This compares favourably against the limit set by the Council of not exceeding

6% plus inflation based on the Local Government Cost Index, per annum.

The Council forecasts that net borrowing (loans less investments) will rise to \$158 million over the period of the LTP. This additional borrowing will be used to help fund the Councils' major capital projects that will benefit the community for years to come. The forecast debt is well within the debt limits included in this financial strategy. The Council is satisfied that the forecast level of borrowing is affordable and will not overburden future ratepayers.

Introduction/Purpose

The financial strategy guides the way the Council makes decisions. The Council must, under the Local Government Act 2002, manage its revenue, expenses, assets, liabilities, investments and general financial dealings prudently, and in a manner that sustainably promotes the current and future interests of the community. The aim of the Financial Strategy is to define a financial direction for the next 10 years that is agreed with the community. It aims to provide direction, drawn from a balancing of ratepayer affordability against community needs and aspirations.

This balancing process will consider the impact on affordability of its expenditure proposals on:

- the need to maintain, replace and renew core infrastructure,
- the obligation under law to build new infrastructure of a higher standard; and
- a desire to respond to the aspirations of the community for new and improved community infrastructure.

The Council will strive where possible to either hold steady or reduce Council's operating expenditure over forthcoming years while maintaining an acceptable level of service. The Council is also committed to shared services where feasible with other local authorities to minimise costs or provide an enhanced level of service.

Financial Strategy

Key Financial issues

Who pays?

The Council aims to be prudent in the management of its finances and fair in determining how much ratepayers and customers should pay for the services they receive. This also means being fair to future ratepayers who will inherit the impact of decisions made today. Expenditure levels reflect the decisions made about the level and mix of services we need and want to provide. Full details of the Council's approach to funding are set out in the Revenue and Financing Policy and Funding Impact Statement.

Current financial situation

Net assets

The Council had net assets of \$765 million as at 30 June 2017. The majority of the Council's assets are the roads, water and sewer networks that provide the district's essential infrastructure.

Income and operating expenditure

The operating costs for council are approximately \$67 million per annum. This includes over \$15 million associated with the depreciation of assets.

Capital expenditure and borrowing

The council has invested significantly on capital items in the last ten years, including:

- Caroline Bay Trust Aoraki Centre
- Caroline Bay upgrade
- Multi-storey carpark in Timaru
- Wastewater scheme upgrades
- Roding network enhancements
- Solid Waste and waste minimisation initiatives
- Significant asset renewals in roading, wastewater, water and stormwater networks

To fund these projects, the Council has taken on borrowing, which was \$92 million as at 30 June 2017, as well as utilising reserve funds. The current Liability Management Policy does not have a

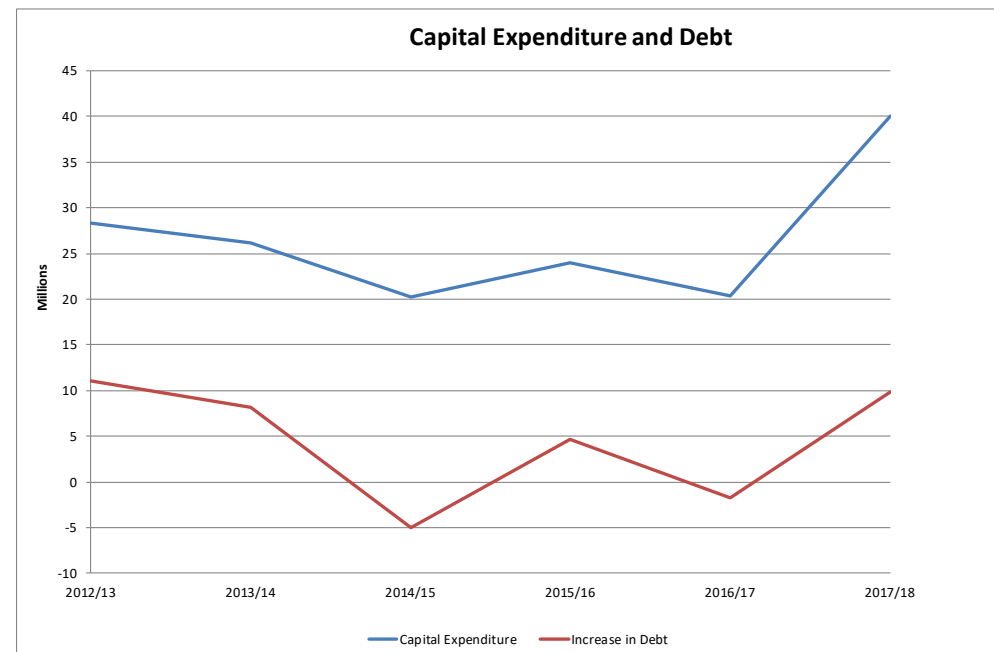
limit on the Councils borrowing but there are covenants on interest expense, including that interest expense is not to exceed 15% of total revenue, cashflow from operating activities must exceed interest expense by two times and net debt shall not exceed 150% of total revenue. The Council is a member of the Local Government Funding Agency (LGFA) which necessitates undertaking certain guarantees related to local government debt and borrowings. Internal loans are utilised in some activities to minimise the level of external borrowings.

A summary of the Council's capital expenditure and borrowing over the past five years plus the budget for 2017/18 is set out in the chart below:

Key factors in the operating environment and their implications

The financial strategy has been prepared taking into account the Council's starting financial position as summarised above plus the factors that we expect to influence its financial position over the next 10 years. These include:

- Population and household change
- Changing land use
- District economic development
- Inflation and known cost increases
- Asset development and renewal expenditure
- Enhancing resilience for coping with unexpected events
- NZTA financial assistance
- Major Council projects (e.g. drinking water standards upgrades, enhancement of community facilities and remediation of



Financial Strategy

earthquake prone buildings.)
These are discussed further below.

Population and Household change

Population and household growth figures are the latest information available from Statistics NZ. Council has adopted the medium scenario as the baseline for the LTP and Activity Management Plans.

a) Population Change

The medium growth scenario projects the District's Population to increase to 49,400 (+8.8%) by 2028, peaking in 2038 at 50,200,

and levelling out at this level based on current information.. Population increase is expected to occur mainly in age groups above 65. Demographically, the district's population is expected to significantly age, with an anticipated 28.2% above the age of 65 by 2028. The median age in 2028 is projected to be 47.4 years. The population is also expected to become more ethnically diverse, with a slowly increasing Maori, Asian and Pacific Islands population.

b) Household Change

The medium scenario for district's household growth projects an increase to 21,500 households in 2028 (+11.4%), rising to 22,300 households in 2038. Household size is declining as the population

ages (i.e. less people live in each household).

Generally, small increases in population can be managed within the existing level of service. Declines in population would not necessarily reflect in lower numbers of ratepayers as the number of people per household is declining. Household increases are expected to occur largely in the urban areas of the district as a result of the population ageing. It is therefore expected that these changes will only have a minor effect on rates for individual property owners.

Where growth requires additional infrastructure (e.g. subdivisions), the Council can require financial contributions for the work. Costs

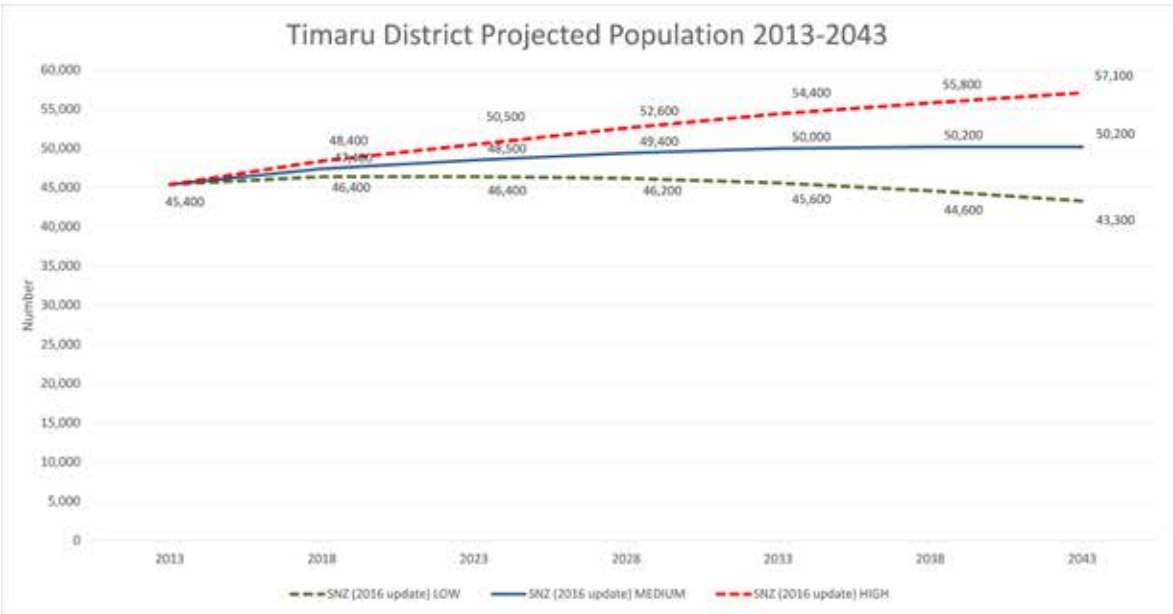


Figure: Timaru District Projected Population 2013-2043 by Projection Variant

(Source: Statistics NZ Population Projections Update December 2016)

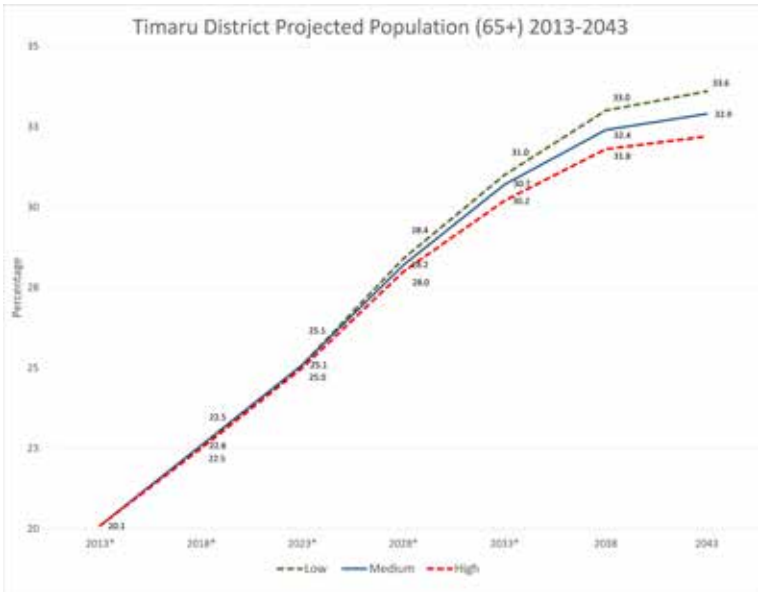


Figure: Timaru District - Projected Population (65+) 2013-43 by Projection variant

(Source: Statistics NZ Population Projections Update December 2016)

Financial Strategy

over this amount may result in additional Council expenditure which is likely to be funded from debt. The Council does not currently have a Development Contributions Policy, but is looking to develop a new policy during the next LTP period.

The forecast capital costs of providing for the growing population and land use change over the next 10 years is included in the table of all capital expenditure in the section of this strategy titled Asset Development and Renewal Expenditure. The forecast operating costs associated with growth are minimal.

Changing Land use

Changing rural land use has significant impact on rural roads. The number of heavy vehicles using these roads has increased significantly in recent years and it is expected to continue to increase. The weights of these heavy vehicles are also increasing. Heavy vehicles are increasing the wear and tear on our rural road

network. These changing demands will also need to be factored into our bridge renewal programme which is significant over the next 30 years.

District Economic Development

Gross Domestic Product in Timaru District was up 2% for the year to September 2017 compared to a year ago (*Timaru District Quarterly Economic Monitor - September 2017, Infometrics*). This is ahead of the Canterbury region overall (1.3%), and compares favourably with NZ overall (2.5%). Potentially more rapid growth is anticipated going forward due to a stronger primary export sector and increasingly stimulatory fiscal policy.

Factors influencing the economy include the policy programme of the new government, growth in trading partners, the future path of commodity prices, the impact of weather events and cycles (e.g. La Nina), the extent and duration of the current migration cycle

and global influences such as a global economic shock, Brexit, and disruption in key trading partners like China.

Inflation and known cost increases

Inflation is faced by the Council and inevitably means the cost of providing services will increase over the next 10 years and these increases will affect the level of rates.

Expected impacts of inflation are included in the LTP. A supplementary schedule is also included in the LTP showing the financial statements based on 2018/19 costs to show more clearly the impact of changes in services.

The price level adjusters (inflation) have been derived from those recommended to local government from Business and Economic Research Limited (BERL). Council's costs reflect the type of work it undertakes for the community and are significantly affected by items such as energy, bitumen and civil contracting prices. This is quite different from the average household, so using the Consumer Price Index (CPI) to forecast increased costs for the Council is not appropriate.

Overall, we estimate that inflation will increase costs by almost a quarter over the next 10 years.

Asset development and renewal expenditure

Asset Management Plans and the 50 year Infrastructure Strategy underpin this Financial Strategy. These form the basis of asset development based on agreed levels of service and renewal of assets that are integral to the delivery of these services.

The council currently has property, plant and equipment (commonly referred to as "fixed assets") worth approximately \$780 million and during the next 10 years the council is planning to undertake additional capital works of \$407 million (including inflation). Asset development expenditure is for purchasing, building, replacing or developing the district's assets (e.g. roads, pipes, libraries). For each asset category, asset management plans are in place, which are the key planning tool for the maintenance, future renewal and additional assets required to meet increased levels of services or growth in the district.

The Council has prepared an Infrastructure Strategy which includes details of asset issues for the next 50 years for roading, water,

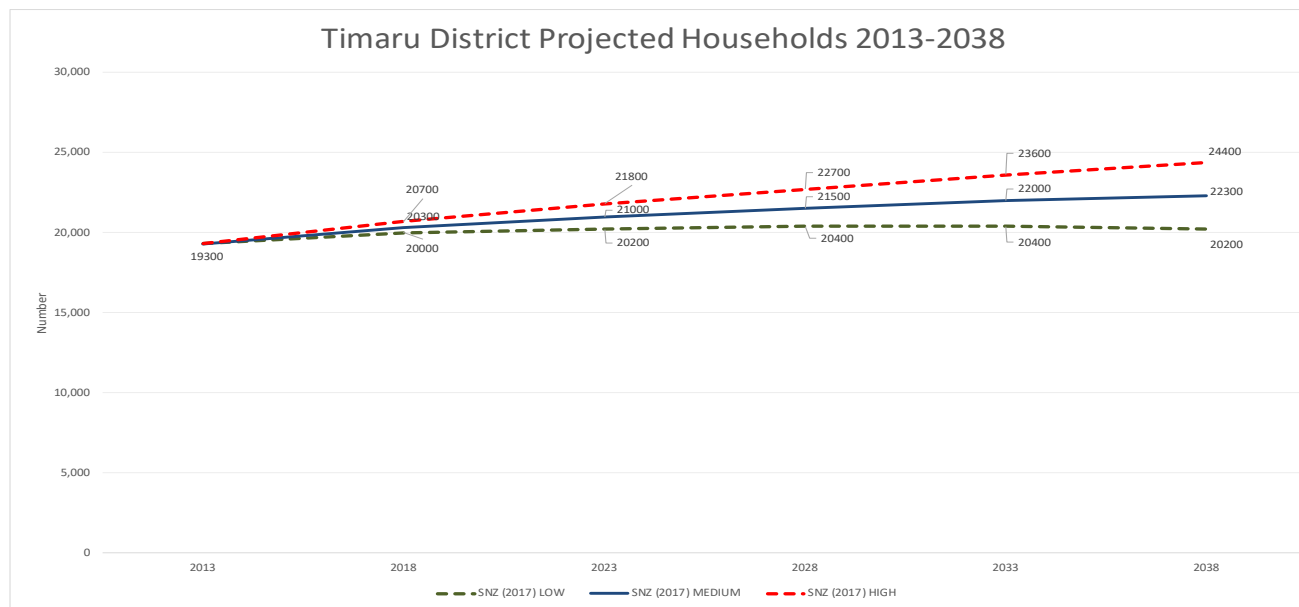


Figure: Timaru District - Projected Number of Households by Projection variant 2013-38

(Source: Statistics NZ Household Projections Update December 2017)

Financial Strategy

wastewater, stormwater and waste management assets. Total capital expenditure is forecast at \$1.8 billion for these assets over the 50 year timeframe (including inflation).

The council has developed the asset development programme assuming that all projects will be completed in the year identified in the plan. However, past experience shows that due to external factors there can be delays in the completion of the project. Therefore projects that have similar amounts and funding may be substituted from the later years of the plan for other projects which have experienced delays. Conversely projects that are delayed in one year of the plan will be completed in the following years.

Renewals are the replacement programme for existing assets. Levels of service improvements relate to where the council increases or enhances assets to increase the level of service provided to the community. Growth assets are constructed to support the growth in the district and provide the infrastructure that is required by the future demand.

During the next 10 years, it is planned that significant expenditure will occur on renewing and enhancing community facilities. Included in this are enhancements to buildings due to them being considered “earthquake prone”.

Renewals of assets are generally funded from reserves which have previously been funded from rates. If there are insufficient funds in the appropriate reserve for the renewal expenditure, council has elected to borrow to pay for some of the renewals. The Council reviewed the funding for infrastructure renewals in 2015 and as a result increased the amount set aside from revenue each year to fund the replacement of these assets based on the 30 year renewals profile. This increase is being phased in over several years and is reviewed every 3 years.

Level of service improvements and growth assets are generally funded from debt, capital subsidy or from capital contributions in the form of contributions (financial contributions and cash in lieu of reserves). This is to ensure that the costs are spread across the generations that utilise the assets, maintenance and renewals.

The new draft Government Policy Statement on Land Transport released in March 2018, has signalled a change in priorities.

Key strategic priorities are safety and access, with supporting strategic priorities of value for money and environment. These may

necessitate changes in asset development and renewal expenditure plans.

Enhancing resilience for coping with unexpected events

The Canterbury earthquakes over the last 8 years have raised public awareness of the potential for sudden destruction of infrastructure, for example water, stormwater and wastewater networks, roading and buildings that are the foundations of economies and the community.

As part of this financial strategy we have considered how we would respond if there were a failure in major infrastructure that demanded significant unplanned expenditure.

Currently the Government’s Civil Defence Emergency Plan covers 60 per cent of the costs in an emergency, provided the Council can meet the first 40 per cent. The Council participates in the Local Authority Protection Programme which provides a cooperative insurance type facility for reticulation networks. Other funding options available to the Council include using reserves held, which

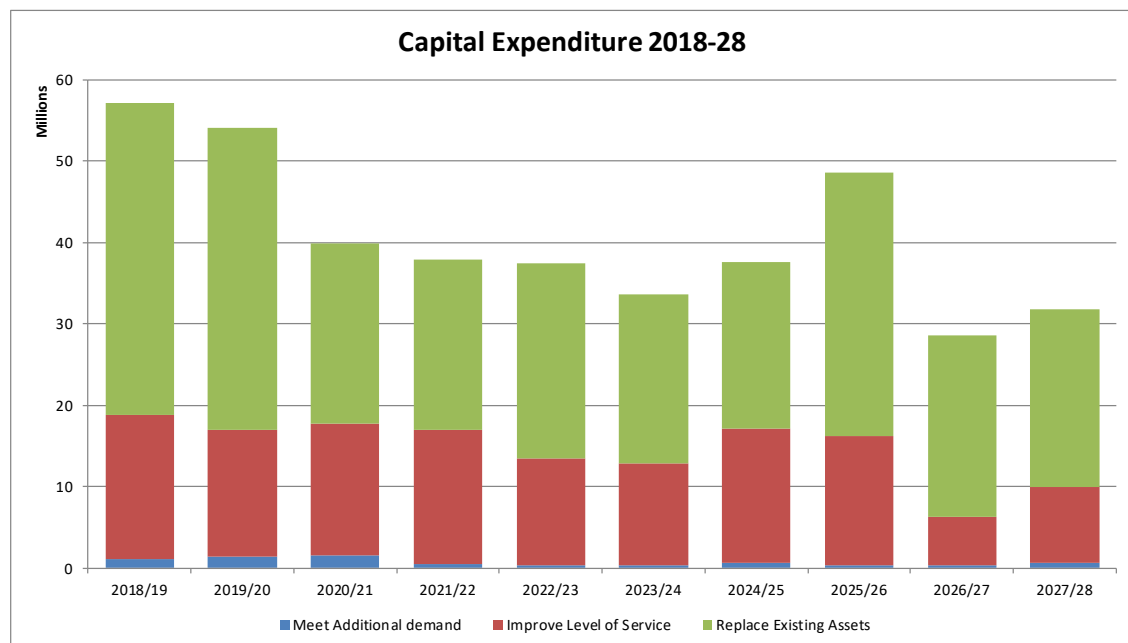
includes a specific \$3 million Disaster Recovery Fund, or to utilise debt.

Enhancing Council’s assets and services to be able to withstand unexpected events is also a priority.

Major Council Projects

A number of significant projects are planned for the 2018-2028 period. These include:

- Major upgrade of the Theatre Royal to include replacing the fly tower, new back of house facilities and extension of the foyer to improve toilet and bar facilities and addition of meeting rooms.
- Creation of a multi purpose heritage exhibition facility connected to the Theatre Royal
- Installation of water meters in urban areas as a replacement charging mechanism as a means of increasing the efficiency of use of the existing water supply
- Enhanced stormwater networks to reduce the contaminants entering waterways



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- Creation of a new Timaru cemetery
- Replacement of the Caroline Bay Soundshell seating
- Developing further off road biking and walking tracks
- Replacement of the Pareora water pipeline that provides water to the Timaru urban area
- New water reservoir for Temuka
- Water network enhancements to improve resilience in the Washdyke area
- Water treatment upgrades to the Te Moana and Downlands water schemes

Key Levels of Service Issues and their implications

The key levels of service issues over the next 10 years include:

- Regulatory framework for stormwater
- Drinking Water Standards/Drinking Water Safety Plans
- Meeting competing demands for water resources
- Change in demands on road network
- Sustainable Transport/Active Transport
- Enhanced community facilities including significant projects associated with the Theatre Royal and the development of a heritage facility.
- Remediation work on Earthquake Prone Buildings owned by the Council
- Legislative change
- Community expectations and changes in demand
- Enabling participation and communication
- Ageing infrastructure
- Climate change

Details on these are included in Section 2 of the Long Term Plan.

Financial Implications and Trends

In setting rates at an appropriate level, the council must balance what is affordable for both the Council and the community. This is a delicate balancing act which needs to take account of the services that the Council delivers and whether current or future ratepayers should pay for them or intergenerational equity. This is particularly important for the Council given that many of its assets have long service lives and the benefits that these assets provide are over a long period of time. The main tool used is debt and then to rate future ratepayers to service the debt.

There are no proposals to significantly increase any group of user charges or make major changes in the rates/user charge ratio. An exception to this is the increased costs associated with enhancements at the Theatre Royal and development of a cultural facility. The operational costs for these will primarily be funded from rates given their broad community benefit.

Water metering

Council is considering the options for improving the resilience of Timaru's water supply. Prior to future investment in any additional water sources, an option favoured by Council and set out in this plan, is water metering. It is proposed that water metering for all urban schemes be investigated with implementation now planned from 2023/24. Water metering would result in a change in the charging mechanism for urban water supplies, with a charge to consumers based on consumption.

Rates

General Rates and Uniform Annual General Charge (UAGC)

The General Rate and UAGC currently account for approximately 52% of the total rates for the district. The activities funded from these rates include roading, cultural and learning facilities, economic development and promotion, governance, district planning and regulatory services, streetlighting, civil defence and the airport.

The amount individual ratepayers pays for general rates is based on the land value of their property. The Council considers that using land values, differentiated by sector, provides the best balance between equity, simplicity and fairness. The values of all properties within the district are reviewed every 3 years. They were last revalued as at September 2017 and those values will come into effect for rating purposes from 1 July 2018.

The UAGC is a flat rate that is levied on each property, regardless of the value of the property.

Targeted rates

Targeted rates account for approximately 48% of total rates revenue and are in place to fund specific activities including water, wastewater, stormwater, waste management, footpaths, community boards and community centres.

A separate account is maintained for each targeted rate to ensure any surplus or deficit is funded by the relevant ratepayers. In any one year, the account may be in surplus or deficit, but the level of rate is set to achieve a nil balance over the medium term (two to five years).

The rate for local targeted rates such as community centres, water, stormwater, footpaths and community boards is set in consultation with the local community, taking into account the Activity Management Plan for each activity.

Financial Strategy

The 10 year forecast for rates income (including inflation) is shown below.

The average annual increase in rates over the 10 years is forecast to be 5.05%, including inflation.

The Council will endeavour to limit the level of rate rises (both general and targeted rates) over the 10 year period and has set the following limits:

- Total rates revenue will not exceed \$70 million in any given year, excluding inflation and \$85 million including inflation.
- The percentage increase in total rates revenue in any year will not exceed 6% plus inflation based on the Local Government Cost Index.

These limits will allow the Council to maintain the existing levels of service and provides enhancement to the community facilities within the district. It does assume the current level of financial assistance from NZTA for the roading network. Any significant

additional demands for services from the community, or reduction in financial assistance could result in these limits needing to be increased.

Non-rates income

User fees and charges

User fees and charges will increase over the 10 years due to recovery of increased costs.

Subsidies and grants (Including Financial Assistance)

Subsidies include Financial Assistance from the New Zealand Transport Authority (NZTA) for funding the cost of maintaining, renewing and improving the Council's roading network. The level of subsidy is currently 53% but will reduce by 1% each year to 51% in 2019/20. It is also expected that this will not be inflation adjusted, or if inflation is added, it will mean a reduced cap on expenditure.

Investment Revenue

Investment income is dividends received from Timaru District Holdings Limited (TDHL) and interest income.

The targets set by Council for returns on investments are:

- TDHL \$2.60 per share per annum
- Interest on TDHL Advance 4%
- Bonds 4%

Investments

The Council holds treasury, equity, property and forestry investments on behalf of the community for strategic reasons. The Council intends to maintain the value of these investments in the long term.

Equity Investments

The council's investments in such assets fulfil various strategic, economic development and financial objectives.

The largest equity investment held by Council is its investment in TDHL which in turn holds the Council's interests in Alpine Energy Limited, PrimePort Timaru Limited and Hunter Downs Irrigation Limited.

Investments are also held in Civic Financial Services Limited and Levels Plains Irrigation Company. These are held for strategic objectives for insurance and water sources for land owned by Council.

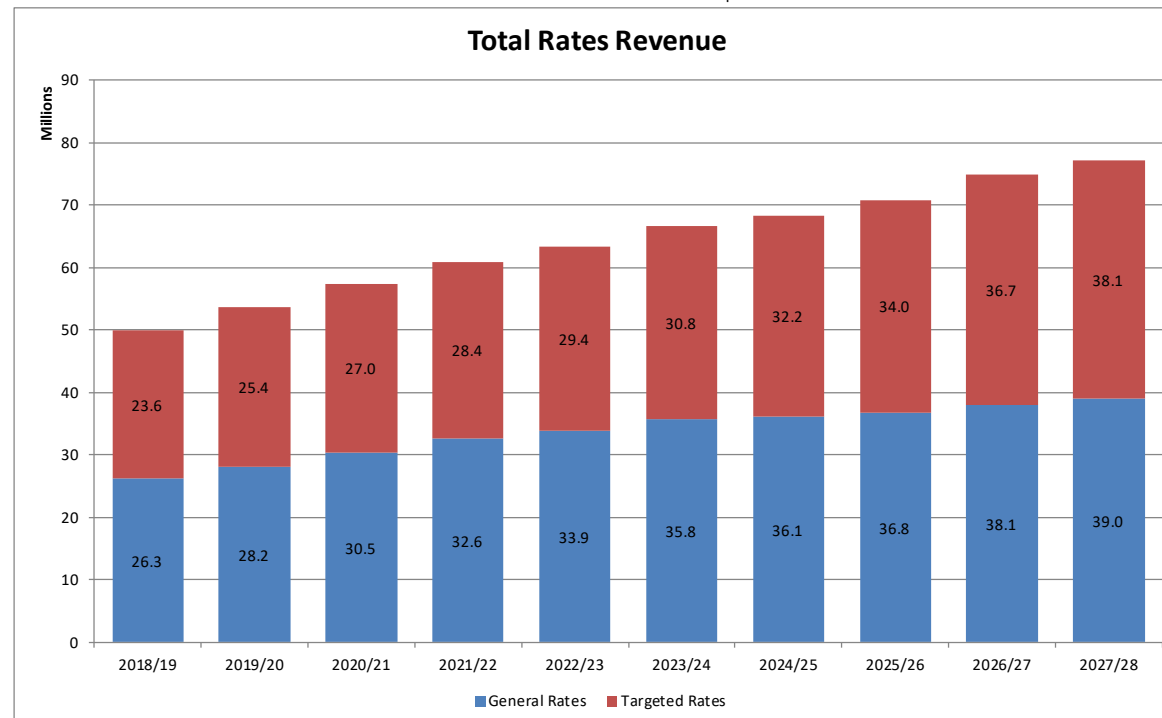
Property Investments

As a general rule, Council does not maintain a property investment where it is not essential to the delivery of relevant services, now or in the future, and property is only retained where it relates to a primary output of Council. The Council currently owns a number of properties, which are surplus to its operational needs. The Council's overall objective is to only own property that is necessary to achieve its strategic objectives.

Forestry Investments

Forestry is planted primarily on over 235 hectares of reserve land unsuitable for other uses, with over 50 separate sites.

Forestry assets are held as long-term investments on the basis



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of their net positive discounted cashflows, factoring in projected market prices and annual maintenance and cutting costs and to maintain the land upon which the Council’s forestry investment is held.

Treasury Investments

Investments of cash held for specific purposes (special funds) usually held as short-term deposits or in bonds.

The Council maintains treasury investments for the following primary reasons:

- Provide ready cash in the event of a natural disaster. This cash is intended to bridge the gap between the disaster and the reinstatement of normal income streams.
- Invest amounts allocated to special funds, bequests, and reserves.
- Invest funds allocated for approved future expenditure, to implement strategic initiatives or to support intergenerational allocations.
- Invest proceeds from the sale of assets.
- Invest surplus cash, and working capital funds.

Debt

The Council is very conscious of its level of debt and its effect on ratepayers in the future.

Where projects require a significant up front capital cost but the project provides long-term benefits, the council funds the initial capital cost via debt as a method for spreading this cost over time. Debt spreads the responsibility for funding a project across the current and future ratepayers, ensuring that all of those that benefit make a contribution to the funding of the project.

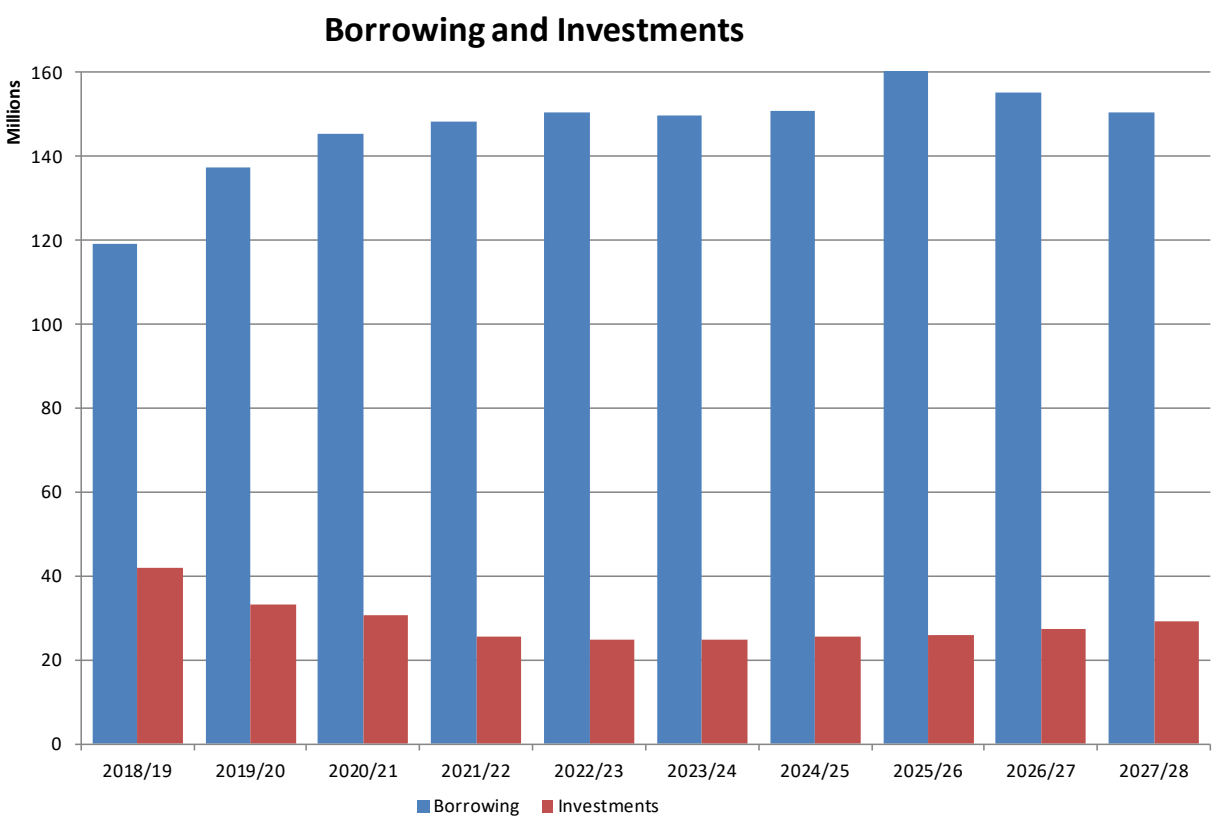
The Council’s forecast level of borrowings and investments for the 10 years of the LTP is shown below:

The main reason for increased debt levels is to fund the asset development expenditure proposed within this plan. The Council has considered the timing of the programme and the associated borrowing required to ensure that this best meets the needs of current and future generations. The value of investments increases during this period mainly because depreciation funds increase to replace assets after the 10 years shown in this plan.

The Council has set the following limits on its total borrowing:

- Borrowing as a percentage of total assets 20%
- Interest expense as a percentage of total revenue 15%
- Net debt to total revenue 150%

The financial ratios are measured on Council only, not the



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consolidated group. The limit associated with borrowing as a percentage of total assets has been increased to reflect the low asset values recorded given that the current accounting policy for the Council is not to revalue assets and to utilise the Deemed Cost as the method of valuing assets.

Based on the forecast financial position within the LTP, the limit on borrowings would be \$209 million including inflation.

These limits will allow the Council to maintain the existing levels of service. Any significant additional demands for services from the community could result in these limits needing to be increased.

The Council provides security on its borrowing through a Debenture Trust Deed. This provides the lender with a charge over the Council's rates income and means that, if the Council defaulted on a loan, the lender would have the ability to set a rate and recover the sums owed. In practice, it is the ability of local authorities to set rates that makes it very unlikely that a local authority would default on its obligations. The Council policy is to only allow security through the Debenture Trust Deed.

The Council has obtained a credit rating from Fitch Ratings. This is currently AA- with a stable outlook. It is expected that this will be maintained as a minimum during the 10 year period.

Internal Borrowing

As well as external borrowing, the Council has used realised investment funds to internally fund capital expenditure. Council believes it is prudent to fund debt internally, when cash reserves enable this to occur. This is done because the cost of borrowing in this way is less than borrowing via an external party.

Generally the Council funds from its own reserves before borrowing internally or externally. Reserves are held for a variety of purposes, including depreciation funds for future asset replacement and for contingency/disaster recovery purposes. Use of internal borrowings means that both cash investments and external debt are reduced.

The areas where funds have been used are required to pay interest on these internal borrowings and make repayments over the life of the internal loans to replace the lost investment opportunity.

The use of internal borrowings will be increased over the term of the LTP, but a minimum of \$10 million cash reserves will always be maintained.

Overall Implications of Financial Strategy

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

The implications of this strategy, combined with the requirement for prudent financial management, the necessity to manage a complex array of operations and assets with long lives, and continuing improvements in required levels of service stemming from either legislative change or community demand, means that there is little room for further significant projects within the next 10 years.

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

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

Statement concerning Balancing of Budget

In accordance with Section 100 of the Local Government Act 2002 (the Act), Council resolves to permit an unbalanced budget in that the Forecast Statement of Comprehensive Revenue and Expense Council is forecasting an operating surplus for the year commencing 1 July 2018.

In its forecast Statement of Comprehensive Revenue and Expense, Council is reporting a surplus due to forecast revenue including grants and subsidies specifically provided by external parties to fund capital expenditure projects. These grants and subsidies are not available to meet day to day forecast operating expenses. Expenditure associated with these grants and subsidies is recorded in the Forecast Statement of Financial Position, not the Forecast Statement of Comprehensive Revenue and Expense. Forecast interest income on Special Funds invested is allocated to and reinvested with those special funds and is therefore also not available to meet forecast day to day operating costs.

Council fully funds depreciation on assets and maintains investments to match depreciation special fund balances. Timaru District Council is of the opinion that it is financially prudent not to have a balanced budget in the Forecast Statement of Comprehensive Revenue and Expense and, due to the matters noted above, it is necessary for forecast revenue to exceed forecast expense in the Forecast Statement of Comprehensive Revenue and Expense.

Forecast Financial Information

These prospective financial statements were authorised for issue by Timaru District Council on 26 June 2018. Timaru District Council is responsible for the prospective financial statements presented, including the appropriateness of the assumptions underlying the prospective financial statements and all other required disclosures.

Timaru District Council's planning processes are governed by the Local Government Act 2002. The Act requires Council to prepare a ten year Long-Term Plan (LTP) every three years and an Annual Plan, which updates the LTP by exception, in the intervening years. This is Timaru District Council's LTP for the period 2018 to 2028 and is prepared in accordance with the Act. The Council and management are responsible for the preparation of the prospective financial statements and the appropriateness of the underlying assumptions.

The information contained within this document is prospective financial information in terms of PBE FRS 42. The forecast financial statements have been prepared on the basis of assumptions as to future events the Council reasonably expects to occur associated with actions the Council expects to take. They have been prepared in accordance with current accounting policies in this plan. Actual results up until January 2018 have been taken into account in preparation of these prospective financial statements. Prospective Group financial statements have not been prepared as information for all entities in the group is not available.

The purpose for which this plan has been prepared is to enable the public to participate in the decision making processes as to the services to be provided by the Timaru District Council to its community for the year, and to provide a broad accountability mechanism of Council to the community. This information has been prepared for the Council's budgeting and financial planning purposes. It may therefore not be appropriate to be used for any other purpose. Actual results are likely to vary from the information presented and the variations may be material.

These prospective financial statements will not be updated.

Forecast Statement of Comprehensive Revenue and Expense

	Budget 2017/18 \$000	Budget 2018/19 \$000	Budget 2019/20 \$000	Budget 2020/21 \$000	Budget 2021/22 \$000	Budget 2022/23 \$000	Budget 2023/24 \$000	Budget 2024/25 \$000	Budget 2025/26 \$000	Budget 2026/27 \$000	Budget 2027/28 \$000
Revenue											
Rates, excluding targeted water supply rates	47,496	50,334	54,025	57,804	61,342	63,701	66,982	68,746	71,179	75,211	77,417
Fees, charges and targeted rates for water supply	17,395	17,974	18,536	19,074	19,239	19,884	20,585	20,782	21,334	21,900	22,569
Development and financial contributions	20	20	20	20	20	20	20	20	20	20	20
Subsidies and grants	8,337	8,992	8,565	9,526	8,962	9,592	9,739	12,111	10,932	9,643	10,429
Finance Revenue	2,035	2,099	1,782	1,591	1,479	1,390	1,379	1,390	1,400	1,426	1,479
Other Revenue	3,748	3,821	5,138	4,166	4,801	6,588	4,181	4,398	4,432	4,348	4,384
Other gains/(losses)	15	0	0	0	0	0	0	0	0	0	0
Total Revenue	79,046	83,240	88,066	92,181	95,843	101,175	102,886	107,447	109,297	112,548	116,298
Expenditure											
Personnel costs	16,537	17,630	18,027	18,321	18,724	19,194	19,675	20,148	20,653	21,268	21,842
Operating costs	35,214	39,487	39,446	39,101	40,223	40,487	41,178	41,916	42,850	43,999	45,411
Finance costs	5,838	5,372	6,329	6,984	7,253	7,378	8,161	8,918	9,299	10,214	10,574
Depreciation	16,475	16,518	17,550	18,247	18,971	19,674	20,631	21,372	22,352	23,692	24,124
Total Operating Expenditure	74,064	79,007	81,352	82,653	85,171	86,733	89,645	92,354	95,154	99,173	101,951
Total Comprehensive Revenue and Expense	4,982	4,233	6,714	9,528	10,672	14,442	13,241	15,093	14,143	13,375	14,347

Forecast Statement of Movements in Equity

	Budget 2017/18 \$000	Budget 2018/19 \$000	Budget 2019/20 \$000	Budget 2020/21 \$000	Budget 2021/22 \$000	Budget 2022/23 \$000	Budget 2023/24 \$000	Budget 2024/25 \$000	Budget 2025/26 \$000	Budget 2026/27 \$000	Budget 2027/28 \$000
Equity at beginning of the year	751,470	759,450	763,683	770,397	779,925	790,597	805,039	818,280	833,373	847,516	860,891
Net surplus for the year	4,982	4,233	6,714	9,528	10,672	14,442	13,241	15,093	14,143	13,375	14,347
Revaluation of fixed assets											
Total recognised revenues and expenses	4,982	4,233	6,714	9,528	10,672	14,442	13,241	15,093	14,143	13,375	14,347
Equity at end of the year	756,452	763,683	770,397	779,925	790,597	805,039	818,280	833,373	847,516	860,891	875,238

Forecast Statement of Movements in Retained Earnings

	Budget 2017/18 \$000	Budget 2018/19 \$000	Budget 2019/20 \$000	Budget 2020/21 \$000	Budget 2021/22 \$000	Budget 2022/23 \$000	Budget 2023/24 \$000	Budget 2024/25 \$000	Budget 2025/26 \$000	Budget 2026/27 \$000	Budget 2027/28 \$000
Retained Earnings at 1 July	715,181	726,999	742,766	757,963	770,093	785,802	801,249	814,279	828,668	842,524	854,440
Net surplus for the year	4,982	4,233	6,714	9,528	10,672	14,442	13,241	15,093	14,143	13,375	14,347
Transfers to Reserves	(18,334)	(19,313)	(20,214)	(22,061)	(23,142)	(25,414)	(26,439)	(27,309)	(28,453)	(29,795)	(30,132)
Transfers from Reserves	31,063	30,847	28,697	24,663	28,179	26,419	26,228	26,605	28,166	28,336	28,232
Retained Earnings at 30 June	732,892	742,766	757,963	770,093	785,802	801,249	814,279	828,668	842,524	854,440	866,887

Forecast Statement of Financial Position

	Budget 2017/18 \$000	Budget 2018/19 \$000	Budget 2019/20 \$000	Budget 2020/21 \$000	Budget 2021/22 \$000	Budget 2022/23 \$000	Budget 2023/24 \$000	Budget 2024/25 \$000	Budget 2025/26 \$000	Budget 2026/27 \$000	Budget 2027/28 \$000
Equity											
Retained Earnings	732,892	742,766	757,963	770,093	785,802	801,249	814,279	828,668	842,524	854,440	866,887
Revaluation Reserve	0	0	0	0	0	0	0	0	0	0	0
Special Fund Reserves	23,560	20,917	12,434	9,832	4,795	3,790	4,001	4,705	4,992	6,451	8,351
Total Equity	756,452	763,683	770,397	779,925	790,597	805,039	818,280	833,373	847,516	860,891	875,238
Current Assets											
Cash & Bank Balances	17,237	15,801	12,850	11,304	10,982	10,824	10,510	9,634	9,129	8,844	8,873
Short Term Deposits	28,517	17,417	9,417	7,417	1,417	1,417	1,417	1,417	1,417	1,417	1,417
Receivable & Prepayments	6,218	6,218	6,218	6,218	6,218	6,218	6,218	6,218	6,218	6,218	6,218
Inventories	72	72	72	72	72	72	72	72	72	72	72
Total Current Assets	52,044	39,508	28,557	25,011	18,689	18,531	18,217	17,341	16,836	16,551	16,580
Non-Current Assets											
Investments	16,702	24,439	23,957	23,354	24,317	23,312	23,522	24,227	24,514	25,973	27,873
Fixed Assets	811,447	839,891	876,433	898,025	917,016	934,796	947,760	964,014	990,195	995,039	1,002,777
Total Non-Current Assets	828,150	864,330	900,389	921,379	941,333	958,108	971,283	988,241	1,014,709	1,021,012	1,030,650
Total Assets	880,194	903,838	928,946	946,390	960,022	976,639	989,500	1,005,582	1,031,545	1,037,563	1,047,230
Current Liabilities											
Payables & Accruals	10,548	10,542	10,576	10,576	10,576	10,576	10,576	10,576	10,576	10,576	10,576
Current Portion of Term Debt	4,979	5,659	6,232	6,752	7,064	7,367	7,573	7,842	8,473	8,414	8,616
Total Current Liabilities	15,527	16,201	16,808	17,328	17,640	17,943	18,149	18,418	19,049	18,990	19,192
Non-Current Liabilities											
Term Debt	97,821	113,490	131,248	138,580	141,165	142,973	142,324	142,980	154,105	146,744	141,799
Other Term Liabilities	10,394	10,464	10,493	10,557	10,620	10,684	10,747	10,811	10,875	10,938	11,001
Total Non-Current Liabilities	108,215	123,954	141,741	149,137	151,785	153,657	153,071	153,791	164,980	157,682	152,800
Total Liabilities	123,742	140,155	158,549	166,465	169,425	171,600	171,220	172,209	184,029	176,672	171,992
Net Assets	756,452	763,683	770,397	779,925	790,597	805,039	818,280	833,373	847,516	860,891	875,238

Forecast Statement of Cashflows

	Budget 2017/18 \$000	Budget 2018/19 \$000	Budget 2019/20 \$000	Budget 2020/21 \$000	Budget 2021/22 \$000	Budget 2022/23 \$000	Budget 2023/24 \$000	Budget 2024/25 \$000	Budget 2025/26 \$000	Budget 2026/27 \$000	Budget 2027/28 \$000
Cashflows from operating activities											
Cash was provided from:											
Receipts from customers	18,428	18,985	20,764	20,330	21,129	23,560	21,855	22,269	22,854	23,336	24,041
Rates	47,496	50,334	54,025	57,804	61,341	63,701	66,982	68,746	71,179	75,211	77,417
Subsidies	8,337	8,992	8,565	9,526	8,962	9,592	9,740	12,111	10,933	9,643	10,429
Interest	2,035	2,099	1,782	1,591	1,479	1,390	1,379	1,390	1,400	1,426	1,479
Dividends	2,695	2,790	2,890	2,890	2,890	2,890	2,890	2,890	2,890	2,890	2,890
	78,991	83,200	88,026	92,140	95,802	101,134	102,845	107,406	109,255	112,506	116,256
Cash was applied to:											
Payments to employees	(16,536)	(17,630)	(18,027)	(18,321)	(18,724)	(19,194)	(19,675)	(20,148)	(20,653)	(21,268)	(21,842)
Payments to suppliers	(35,136)	(39,424)	(39,383)	(39,038)	(40,160)	(40,423)	(41,115)	(41,853)	(42,786)	(43,935)	(45,348)
Interest paid	(5,838)	(5,371)	(6,329)	(6,984)	(7,253)	(7,378)	(8,161)	(8,918)	(9,299)	(10,215)	(10,574)
	(57,510)	(62,425)	(63,739)	(64,343)	(66,137)	(66,995)	(68,951)	(70,919)	(72,738)	(75,418)	(77,764)
Net cashflows from operating activities	21,481	20,775	24,287	27,797	29,665	34,139	33,894	36,487	36,517	37,088	38,492
Cashflows from investing activities											
Cash was provided from:											
Sale of fixed assets	45	45	45	45	45	45	45	45	45	45	45
Sale of investments (special funds)	31,063	30,847	28,697	24,663	28,179	26,419	26,228	26,604	28,166	28,336	28,232
Mortgages/advances made	220	220	220	220	220	220	220	220	220	220	220
	31,328	31,112	28,962	24,928	28,444	26,684	26,493	26,869	28,431	28,601	28,497
Cash was applied to:											
Purchases of fixed assets	(46,987)	(57,166)	(54,097)	(39,843)	(37,966)	(37,458)	(33,599)	(37,628)	(48,536)	(28,539)	(31,864)
Purchase of investments	(18,335)	(29,313)	(28,214)	(24,061)	(29,142)	(25,414)	(26,438)	(27,309)	(28,453)	(29,795)	(30,133)
Mortgages/advances made	(220)	(220)	(220)	(220)	(220)	(220)	(220)	(220)	(220)	(220)	(220)
	(65,542)	(86,699)	(82,531)	(64,124)	(67,328)	(63,092)	(60,257)	(65,157)	(77,209)	(58,554)	(62,217)
Net cashflows from investing activities	(34,214)	(55,587)	(53,569)	(39,196)	(38,884)	(36,408)	(33,764)	(38,288)	(48,778)	(29,953)	(33,720)

Forecast Statement of Cashflows

	Budget 2017/18 \$000	Budget 2018/19 \$000	Budget 2019/20 \$000	Budget 2020/21 \$000	Budget 2021/22 \$000	Budget 2022/23 \$000	Budget 2023/24 \$000	Budget 2024/25 \$000	Budget 2025/26 \$000	Budget 2026/27 \$000	Budget 2027/28 \$000
Cashflows from Financing Activities											
Cash was provided from:											
Loans raised	27,636	24,974	23,990	14,085	9,649	9,176	6,924	8,498	19,598	1,053	3,671
	27,636	24,974	23,990	14,085	9,649	9,176	6,924	8,498	19,598	1,053	3,671
Cash was applied to:											
Settlement of loans	(18,565)	(4,979)	(5,659)	(6,232)	(6,752)	(7,065)	(7,368)	(7,573)	(7,842)	(8,473)	(8,414)
	(18,565)	(4,979)	(5,659)	(6,232)	(6,752)	(7,065)	(7,368)	(7,573)	(7,842)	(8,473)	(8,414)
Net cashflows from Financing Activities	9,071	19,995	18,331	7,853	2,897	2,111	(444)	925	11,756	(7,420)	(4,743)
Net Increase (Decrease) in Cash Held	(3,662)	(14,817)	(10,951)	(3,546)	(6,322)	(158)	(314)	(876)	(505)	(285)	29
Cash at beginning of the year	49,416	48,035	33,218	22,267	18,721	12,399	12,241	11,927	11,051	10,546	10,261
Cash at the end of the year	45,754	33,218	22,267	18,721	12,399	12,241	11,927	11,051	10,546	10,261	10,290
Represented by:											
Cash & Bank Balances	17,237	15,801	12,850	11,304	10,982	10,824	10,510	9,634	9,129	8,844	8,873
Short Term Deposits	28,517	17,417	9,417	7,417	1,417	1,417	1,417	1,417	1,417	1,417	1,417
	45,754	33,218	22,267	18,721	12,399	12,241	11,927	11,051	10,546	10,261	10,290

Funding Impact Statement 2018-28

This Funding Impact Statement has been prepared in compliance with Part 1: Clause 20 of Schedule 10 of the Local Government Act 2002.

In general terms, the Council will use a mix of revenue sources to meet operating expenses, with major sources being general rates, dividends and fees and charges. Revenue from targeted rates is applied to specific activities. The following table outlines Council expenditure and sources of funds.

Rates are assessed on properties in accordance with the statutory provisions of the Local Government (Rating) Act 2002.

Funding Impact Statement 2018-28

	Budget 2017/18 \$000	Budget 2018/19 \$000	Budget 2019/20 \$000	Budget 2020/21 \$000	Budget 2021/22 \$000	Budget 2022/23 \$000	Budget 2023/24 \$000	Budget 2024/25 \$000	Budget 2025/26 \$000	Budget 2026/27 \$000	Budget 2027/28 \$000
Sources of Operating Funding											
General Rates, Uniform annual general charges, rates penalties	26,103	28,682	28,883	30,404	32,375	33,624	35,508	35,848	36,505	37,751	38,584
Targeted Rates	24,318	24,980	26,738	28,174	29,226	30,007	31,584	32,858	34,763	37,350	38,733
Subsidies and grants for operating purposes	3,638	3,400	3,464	3,456	3,416	3,478	3,374	3,427	3,461	3,450	3,439
Fees and charges	17,384	18,028	18,595	19,150	19,323	19,996	20,695	20,933	21,506	22,074	22,764
Interest and dividends from investments	4,730	4,889	4,672	4,481	4,369	4,280	4,269	4,280	4,290	4,316	4,370
Internal charges and overheads recovered											
Local authorities fuel tax, fines, infringement fees and other receipts	861	832	1,856	877	877	877	877	877	877	777	777
Total Operating Funding	77,034	80,811	84,208	86,542	89,586	92,262	96,307	98,223	101,402	105,718	108,667
Applications of Operating Funding											
Payments to staff and suppliers	51,796	57,171	57,520	57,470	58,996	59,729	60,902	62,114	63,551	65,317	67,304
Finance costs	5,838	5,371	6,329	6,984	7,253	7,378	8,161	8,918	9,299	10,214	10,574
Internal charges and overheads applied											
Other operating funding applications											
Total Applications of Operating Funding	57,634	62,542	63,849	64,454	66,249	67,107	69,063	71,032	72,850	75,531	77,878
Surplus (Deficit) of Operating Funding	19,400	18,269	20,359	22,088	23,337	25,155	27,244	27,191	28,552	30,187	30,789
Sources of Capital Funding											
Subsidies and grants for capital expenditure	4,699	5,592	5,104	6,075	5,984	8,126	6,381	8,704	7,495	6,220	7,021
Development and financial contributions	20	45	49	79	112	131	133	141	150	160	171
Increase/(decrease) in debt	9,071	19,995	18,331	7,853	2,897	2,112	(444)	925	11,756	(7,420)	(4,743)
Gross proceeds from the sale of assets	60	45	45	45	45	45	45	45	45	45	45
Lump sum contributions											
Other dedicated capital funding	272	197	371	329	492	657	246	411	411	411	411
Total Sources of Capital Funding	14,122	25,874	23,900	14,381	9,530	11,071	6,361	10,226	19,857	(584)	2,905

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	Budget 2017/18 \$000	Budget 2018/19 \$000	Budget 2019/20 \$000	Budget 2020/21 \$000	Budget 2021/22 \$000	Budget 2022/23 \$000	Budget 2023/24 \$000	Budget 2024/25 \$000	Budget 2025/26 \$000	Budget 2026/27 \$000	Budget 2027/28 \$000
Applications of Capital Funding											
Capital expenditure											
- to meet additional demand	2,053	1,181	1,428	1,564	561	417	444	754	384	393	633
- to improve the level of service	10,312	17,631	15,514	16,205	16,511	13,041	12,457	16,391	15,887	5,869	9,396
- to replace existing assets	34,622	38,355	37,155	22,075	20,894	24,000	20,699	20,483	32,266	22,276	21,836
Increase/(decrease) in reserves	(13,465)	(13,024)	(9,838)	(3,375)	(5,099)	(1,232)	5	(211)	(128)	1,065	1,829
Increase/(decrease) of investments	0	0	0	0	0	0	0	0	0	0	0
Total Applications of Capital Funding	33,522	44,143	44,259	36,469	32,867	36,226	33,605	37,417	48,409	29,603	33,694
Surplus (Deficit) of Capital Funding	(19,400)	(18,269)	(20,359)	(22,088)	(23,337)	(25,155)	(27,244)	(27,191)	(28,552)	(30,187)	(30,789)
Funding Balance	0	0	0	0	0	0	0	0	0	0	0

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Reconciliation to Statement of Comprehensive Revenue and Expense

	Budget 2017/18 \$000	Budget 2018/19 \$000	Budget 2019/20 \$000	Budget 2020/21 \$000	Budget 2021/22 \$000	Budget 2022/23 \$000	Budget 2023/24 \$000	Budget 2024/25 \$000	Budget 2025/26 \$000	Budget 2026/27 \$000	Budget 2027/28 \$000
Surplus/(deficit) of operating funding per FIS	19,400	18,269	20,359	22,088	23,337	25,155	27,244	27,191	28,552	30,187	30,789
Subsidies & Grants for capital expenditure	4,971	5,789	5,475	6,404	6,476	8,783	6,627	9,114	7,905	6,631	7,432
Development and financial contributions	20	45	49	79	112	131	133	141	150	160	171
Vested Assets	40	40	40	40	41	41	41	41	42	42	42
Depreciation	-16,475	-16,518	-17,550	-18,247	-18,971	-19,674	-20,631	-21,372	-22,352	-23,691	-24,124
Landfill Post Closure	-64	-64	-64	-64	-64	-64	-64	-64	-64	-64	-64
Movement in Rates Balances	-2,910	-3,328	-1,597	-774	-260	70	-109	40	-90	110	100
Surplus per Statement of Comprehensive Revenue and Expenditure	4,982	4,233	6,714	9,528	10,672	14,442	13,241	15,093	14,143	13,375	14,347

Rating Base

	Budget 2017/18 \$000	Budget 2018/19 \$000	Budget 2019/20 \$000	Budget 2020/21 \$000	Budget 2021/22 \$000	Budget 2022/23 \$000	Budget 2023/24 \$000	Budget 2024/25 \$000	Budget 2025/26 \$000	Budget 2026/27 \$000	Budget 2027/28 \$000
Number of rating units at end of preceding year	22,722	22,659	22,659	22,659	22,659	22,659	22,659	22,659	22,659	22,659	22,659
Total capital value of rating units at end of preceding year	12,099,011	12,245,535	12,245,535	12,245,535	12,245,535	12,245,535	12,245,535	12,245,535	12,245,535	12,245,535	12,245,535
Total land value of rating units at end of preceding year	6,085,501	6,092,385	6,092,385	6,092,385	6,092,385	6,092,385	6,092,385	6,092,385	6,092,385	6,092,385	6,092,385

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Rating Types *(all amounts are shown inclusive of 15.0% GST)*

These figures give ratepayers an estimate of what their level of rates is likely to be in the coming year.

For the purposes of setting and assessing rates, the following definition of 'a separately used or inhabited part of a rating unit' is used:

'Any part of a rating unit that is, or is able to be, separately used or inhabited by the ratepayer, or by any other person or body, having a right to use or inhabit that part by virtue of a tenancy, lease, licence or other agreement.'

Examples include:

- Each separately used or inhabited part of a residential unit will count as a separate part. This includes minor household units with kitchen facilities often referred to as "granny flats".
- Where residential properties are partially used for business, the number of parts will equal the number of separately used or inhabited residential units plus one for each separate business use (e.g. a house with a doctor's surgery attached contains two parts).
- In the case of retirement villages and similar types of properties, each separately used or inhabited residential unit and each other major use (such as halls, libraries etc.....) are separate parts.

Uniform Annual General Charge (UAGC)

The cost of providing community amenities, such as libraries, swimming pools, parks and the cost of governance and leadership, civil defence, environmental health, road/streets landscapes, economic development and promotion, and the airport, is recovered from all ratepayers in the form of a uniform annual general charge assessed as a fixed amount per rating unit.

	Actual Rate 2017/18	Rate 2018/19	Estimated revenue 2018/19 (\$000)
Uniform Annual General Charge	\$535.00	\$677.00	14,008

General Rates

The general rate includes that portion of the above activities not recovered by the uniform annual general charge, plus costs associated with the roading network, street lighting, refuse disposal services, dog control, building control, district planning and property costs (non-commercial). It is assessed on all rateable land within the District in the form of a differential general rate assessed on the Land Value of the rating unit. Information about the categories of rateable land and the differentials can be found under the heading Differential Rating.

	Differential Factor	Actual Rate 2017/18	Rate 2018/19	Estimated revenue 2018/19 (\$000)
Commercial/Industrial/Accommodation	4.00	\$0.01164	\$0.00959	4,780
Primary	0.50	\$0.00116	\$0.00120	4,328
Residential - General/Recreational/ Community Services	1.00	\$0.00291	\$0.00240	6,863
Residential - Multi-Unit	2.00	\$0.00582	\$0.00480	230

Community Works and Services Rates

The cost of activities, such as non-subsidised roading (footpaths), community lighting, and stormwater drainage, is recovered from each community in which the service is provided in the form of a targeted community works and services rate assessed on the Land Value of the rating unit. The communities in which these rates are assessed are:

	Actual Rate 2017/18	Rate 2018/19	Estimated revenue 2018/19 (\$000)
Geraldine	\$0.00170	\$0.00150	318
Rural	\$0.00005	\$0.00005	214
Temuka	\$0.00268	\$0.00250	541
Timaru	\$0.00145	\$0.00135	3,068

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Aquatic Centre Rate

The cost of Caroline Bay Aquatic centre was previously recovered from all ratepayers in the form of a targeted aquatic centre rate assessed as a fixed amount per separately used or inhabited part of a rating unit for residential (general or multi-unit) rating units, per rating unit for other rating units (being the same amount as the amount assessed per separately used or inhabited part of a residential (general or multi-unit) rating unit). Information about the differential categories can be found under the heading Differential Rating. This rate is discontinued from 1 July 2018 and included in the UAGC as above.

	Actual Rate 2017/18	Rate 2018/19	Estimated revenue 2018/19 (\$000)
Residential	\$109.00	\$nil	nil
Other	\$109.00	\$nil	nil

Uniform Community Board Charges

The cost of providing specific Council services as determined by the Temuka, Geraldine and Pleasant Point Community Boards, is recovered from those ratepayers in the form of a targeted fixed amount per rating unit in each of the Temuka, Pleasant Point and Geraldine communities (see description of these areas below).

	Actual Rate 2017/18	Rate 2018/19	Estimated revenue 2018/19 (\$000)
Geraldine	\$2.00	\$3.00	8
Pleasant Point	\$5.00	\$5.00	6
Temuka	\$3.50	\$3.50	10

Uniform Annual Sewer Charge

The cost of providing sewage disposal is recovered from those ratepayers who receive the service, and are not subject to tradewaste charges, in the form of a targeted uniform annual sewer charge. This is a fixed amount on each water closet or urinal connected either directly or through a private drain to a public sewage drain subject to the proviso that every rating unit used exclusively or principally as a residence of not more than one household shall be deemed to have not more than one water closet or urinal.

	Actual Rate 2017/18	Rate 2018/19	Estimated revenue 2018/19 (\$000)
Sewer Charge	\$369.00	\$369.00	8,200

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Differentiated Annual Waste Management Charge

The cost of providing waste collection is recovered from rating units which receive the service in the form of a targeted differential annual waste management charge of a fixed amount per set of 3 bins for all rateable and non-rateable land (see description of waste categories below).

	Actual Rate 2017/18	Rate 2018/19	Estimated revenue 2018/19 (\$000)
Standard	\$279.00	\$285.00	5,262
Large	\$379.00	\$385.00	684

Additional bins are charged for as a targeted differential annual waste management bin charge of a fixed amount per additional bin:

	Actual Rate 2017/18	Rate 2018/19	Estimated revenue 2018/19 (\$000)
Small Recycling (140 litres)	\$72.00	\$74.00	2
Large Recycling (240 litres)	\$82.00	\$84.00	41
Small Compost (140 litres)	\$112.00	\$114.00	5
Large Compost (240 litres)	\$133.00	\$135.00	32
Small Rubbish (140 Litres)	\$138.00	\$141.00	22
Large Rubbish (240 litres)	\$199.00	\$202.00	114

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Annual Water Charges

The cost of providing a water supply is recovered from those ratepayers who receive or could receive the service in the form of a targeted annual water charge.

- **"Connected"** means those rating units which receive an ordinary water supply.
- **"Serviceable"** means those rating units which are situated within 100 metres from any part to the water works to which water can be but is not supplied.
- **"Residential"** means all properties used primarily for residential accommodation of a single household or used for residential purposes and not otherwise classified or which are vacant or of not determined use of those differential categories and situated in an area which residential dwellings are permitted.
- **"Other"** means all rating units used primarily for purposes other than residential purposes.

All references to a "Water Supply" are references to schemes defined by a Special Order. Water rates are assessed as follows:

a Urban

- A differential targeted rate of fixed amounts in accordance with the following differentials (excluding those rating units supplied through a meter):
 - per separately used or inhabited part of a Connected residential rating unit;
 - per rating unit for other Connected rating units (being the same amount assessed per separately used or inhabited part of a Connected residential rating unit)
 - per Serviceable rating units (being 50% of the above amount) assessed on rating units as:

Urban supplies	Actual Rate 2017/18		Rate 2018/19		Estimated revenue 2018/19 (\$000)
	Connected	Serviceable	Connected	Serviceable	
Urban supplies	\$297.00	\$148.50	\$315.00	\$157.50	5,578

b Rural

- A targeted rate of a fixed amount per hectare within the rating unit located in the Rangitata-Orari Water Supply District.
- A targeted rate in the Te Moana Downs Water Supply District of a fixed amount per unit of water supplied **and** a targeted rate of a fixed amount for each tank.
- A targeted rate of a fixed amount per unit of water supplied in the Orari Township Water Supply District
- A targeted rate in the Seadown Water Supply District of a fixed amount per hectare within the rating unit **and** a targeted rate of a fixed amount per separately used or inhabited part of a rating unit.

- A targeted rate per rating unit of a fixed amount per hectare in the Beautiful Valley Water Supply District.
- On so much of the rating units appearing on Valuation Rolls number 24640, 24660, 24670, 24680, 24690, 24700, 24710, 24820, 24840, 24850, 24860, and part 25033, as is situated within the Downlands Water Supply District the following targeted rates.
 - a fixed amount for each separately used or inhabited part of a rating unit within the Pareora Township and for rating units used as halls within the scheme.
 - a fixed amount per rating unit for rating units used as schools within the Pareora Township.
 - in addition a fixed amount for each separate connection (excluding Pareora Township) to the water supply except where there is more than one connection to any rating unit as a technical requirement of the scheme, in which case only one charge will apply.
 - in addition to the charge assessed in (c) above, a fixed amount per unit of water or where water supplied in one half units a fixed charge (being 50% of the amount per unit) per half unit.

Rural supplies	Actual Rate 2017/18	Rate 2018/19	Estimated revenue 2018/19 (\$000)
Rangitata-Orari (Area charge)	\$17.30	\$17.30	313
Te Moana (Unit charge)	\$275.00	\$290.00	356
Te Moana (Tank charge)	\$542.20	\$554.88	363
Orari (Service charge)	\$232.00	\$232.00	27
Seadown (Area charge)	\$16.40	\$18.70	97
Seadown (Domestic charge)	\$409.00	\$467.00	167
Beautiful Valley (Area charge)	\$3.69	\$3.69	7
Downlands (Domestic charge)	\$566.00	\$601.00	112
Downlands (School charge)	\$971.00	\$1,031.00	1
Downlands (Service charge)	\$404.00	\$429.00	814
Downlands (Unit charge)	\$162.00	\$172.00	770

c Water by Meter

Targeted rates for water supply per cubic meter of water consumed to any rating unit situated in the following areas which has been fitted with a water meter:

Water by Meter	Actual Rate 2017/18	Rate 2018/19	Estimated revenue 2018/19 (\$000)
Seadown	\$0.84	\$0.89	2
Urban	\$0.60	\$0.64	1,898

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Uniform Community Centre Charges

To provide funding for community centres uniform targeted rates of a fixed amount per separately used or inhabited part of a rating unit situated in the following Community Centre Areas:

	Actual Rate 2017/18	Rate 2018/19	Estimated revenue 2018/19 (\$000)
Claremont Community Centre	\$20.00	\$20.00	5
Fairview Community Centre	\$30.00	\$30.00	6
Kingsdown Community Centre	\$36.00	\$36.00	5
Otipua Community Centre	\$20.00	\$20.00	2
Seadown Community Centre	nil	\$25.00	0

Lump sum contributions

Lump sum contributions will not be invited in respect of any targeted rates.

Differential Rating

The Council proposes to differentiate the general rate based on land use (Schedule 2 Local Government (Rating) Act 2002).

For the general rate, the relationship between the rates set on rateable land in each different differential type is shown below. A rating unit can be partitioned into property parts that can be put into different differential categories.

The differential is applied under the following nine types:

Type	General Rate factor
1 Accommodation	4.00
2 Commercial - Central	4.00
3 Commercial - Other	4.00
4 Community Services	1.00
5 Industrial	4.00
6 Primary	0.50
7 Recreational	1.00
8 Residential – General	1.00
9 Residential – Multi Unit	2.00

Description of differential categories

Type 1- Accommodation

All properties used primarily for hotel, motel or similar short term or travellers' accommodation purposes.

Type 2 – Commercial Central

All properties situated within the Timaru Central Business District and used primarily for commercial purposes.

Type 3 – Commercial Other

All properties used primarily for commercial purposes other than those situated in the Timaru Central Business District.

Type 4 – Community Services

All properties used primarily for education, religious and/or community purposes.

Type 5 - Industrial

All properties used primarily for industrial purposes.

Type 6 - Primary

All properties used primarily for agricultural, horticultural or pastoral purposes, including the grazing of

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animals.

Type 7 - Recreational

Properties used primarily for active or passive indoor/outdoor recreational activities.

Type 8 – Residential – General (including baches)

All properties used primarily for residential accommodation of a single household or used for residential purposes and not otherwise classified or which are vacant or of not determined use of those differential categories and situated in an area in which residential dwellings are permitted.

Type 9 – Residential – Multi- Unit

All properties used primarily for multi unit residential accommodation, for example, purpose built rental flats.

Timaru means the area defined by so much of the rating units appearing on valuation rolls number 24930, 24941, 24942, 24950, 24960, 24971, 24972, 24981, 24991, 25000, 25011, 25021, 25022, 25023, 25032 and 25033.

Geraldine means the area defined by so much of the rating unit appearing on valuation rolls number 24751 and 24752.

Temuka means the area defined by so much of the rating unit appearing on valuation rolls number 24770 and 24780.

Pleasant Point means the area defined by so much of the rating unit appearing on valuation roll number 24821.

Rural means all that area excluding Geraldine, Pleasant Point, Temuka and Timaru.

Standard waste charge is for 3 bins: a 140 litre rubbish bin, a compost bin and a recycling bin, or a 3 bin stacker set.

Large waste charge is for a 240 litre rubbish bin, a compost bin and a recycling bin.

Rates payable by instalment

Rates and charges (except for metered water) are due and payable on the following dates:

Instalment	All Ratepayers
	Due Date
1	20 September 2018
2	20 December 2018
3	20 March 2019
4	20 June 2019

Ratepayers may elect to pay on a more regular basis if they choose. Rates may be paid using any one of a number of payment methods acceptable to the Council including direct debits, cheques by mail, cheques or cash or EFTPOS at Council offices, credit card via Council website, direct credits or other bank transfer methods.

The due dates for metered water targeted rates are as follows:

Month invoice raised	Due Date
July 2018	20 August 2018
August 2018	20 September 2018
September 2018	23 October 2018
October 2018	20 November 2018
November 2018	20 December 2018
December 2018	21 January 2019
January 2019	20 February 2019
February 2019	20 March 2019
March 2019	23 April 2019
April 2019	20 May 2019
May 2019	20 June 2019
June 2019	22 July 2019

Penalties

A penalty of 10% of the amount of the instalment remaining unpaid will be added if not paid on or before the instalment due date, on the following dates:

Instalment	Penalty Date
1	21 September 2018
2	21 December 2018
3	21 March 2019
4	21 June 2019

A further penalty under section 58(1)(b) and 58(1)(c) of 10% of the amount of any rates from previous financial years remaining unpaid on 3 July 2018 will be added on 21 September 2018. An additional penalty will be added to any unpaid rates from previous financial years that remain unpaid on 21 March 2019. This penalty will be added on 22 March 2019.

Penalties will not be applied to the metered water targeted rates.

Rate Discount Policy

That pursuant to Section 55 of the Local Government (Rating) Act 2002, the following discount will apply:-

A discount of 2.50% will be allowed on the total rates set, if the 2018/19 rates, including any current penalties, are paid in full on or before 20 September 2018.

Rating Contribution by Activity 2018/19

General Rate	%	Comm/Ind	Res/rec \$ rate per \$ land value	Primary	Multi-Unit
Democracy	12.37%	0.00119	0.00030	0.00015	0.00059
Civil Defence	0.94%	0.00009	0.00002	0.00001	0.00005
Environmental Health	1.18%	0.00011	0.00003	0.00001	0.00006
District Library	8.89%	0.00085	0.00021	0.00011	0.00043
Aigantighe Art Gallery	1.93%	0.00019	0.00005	0.00002	0.00009
Museum	2.23%	0.00021	0.00005	0.00003	0.00011
Theatre Royal	1.30%	0.00012	0.00003	0.00002	0.00006
Safer Communities	0.07%	0.00001	0.00000	0.00000	0.00000
Motor Camps	0.08%	0.00001	0.00000	0.00000	0.00000
Properties	1.02%	0.00010	0.00002	0.00001	0.00005
Infrastructure Management	0.02%	0.00000	0.00000	0.00000	0.00000
Drainage & Water Management	0.00%	0.00000	0.00000	0.00000	0.00000
Community Development	2.18%	0.00021	0.00005	0.00003	0.00010
Parks	15.23%	0.00146	0.00037	0.00018	0.00073
Aorangi Stadium	0.15%	0.00001	0.00000	0.00000	0.00001
Swimming Pools	8.45%	0.00081	0.00020	0.00010	0.00041
Cemeteries	0.39%	0.00004	0.00001	0.00000	0.00002
Halls & Community Centres	1.32%	0.00013	0.00003	0.00002	0.00006
Public Toilets	1.49%	0.00014	0.00004	0.00002	0.00007
Workforce Initiatives	0.23%	0.00002	0.00001	0.00000	0.00001
Economic Development & District Promotions	2.64%	0.00025	0.00006	0.00003	0.00013
Road/street Landscapes	2.39%	0.00023	0.00006	0.00003	0.00011
Airport	1.03%	0.00010	0.00002	0.00001	0.00005
Dog Control	0.06%	0.00001	0.00000	0.00000	0.00000
Building Control	1.03%	0.00010	0.00002	0.00001	0.00005
District Planning	7.43%	0.00071	0.00018	0.00009	0.00036
Forestry	-0.38%	-0.00004	-0.00001	0.00000	-0.00002
Subsidised Roothing	24.38%	0.00234	0.00059	0.00029	0.00117
Streetlighting - District	0.93%	0.00009	0.00002	0.00001	0.00004
Waste Minimisation operations	0.99%	0.00009	0.00002	0.00001	0.00005
	100.00%	0.00959	0.00240	0.00120	0.00480

Rating Contribution by Activity 2018/19

Uniform Annual General Charge & Aquatic Centre Rate	%	Comm/Ind	Res/rec \$ per rating unit	Primary	Multi-Unit
Democracy	12.37%	83.72	83.72	83.72	83.72
Civil Defence	0.94%	6.38	6.38	6.38	6.38
District Planning	7.43%	50.29	50.29	50.29	50.29
District Building Control	1.03%	6.99	6.99	6.99	6.99
Dog Control	0.06%	0.43	0.43	0.43	0.43
Environmental Health	1.18%	8.00	8.00	8.00	8.00
District Library	8.89%	60.20	60.20	60.20	60.20
Aigantighe Art Gallery	1.93%	13.09	13.09	13.09	13.09
Museum	2.23%	15.08	15.08	15.08	15.08
Theatre Royal	1.30%	8.79	8.79	8.79	8.79
Safer Communities	0.07%	0.48	0.48	0.48	0.48
Properties	1.02%	6.93	6.93	6.93	6.93
Infrastructure Management	0.02%	0.15	0.15	0.15	0.15
Drainage & Water Management	0.00%	0.00	0.00	0.00	0.00
Community Development	2.18%	14.75	14.75	14.75	14.75
Motor Camps	0.08%	0.54	0.54	0.54	0.54
Parks	15.23%	103.10	103.10	103.10	103.10
Aorangi Stadium	0.15%	1.04	1.04	1.04	1.04
Swimming Pools	8.45%	57.22	57.22	57.22	57.22
Cemeteries	0.39%	2.66	2.66	2.66	2.66
Halls & Community Centres	1.32%	8.96	8.96	8.96	8.96
Public Toilets	1.49%	10.08	10.08	10.08	10.08
Workforce Initiatives	0.23%	1.56	1.56	1.56	1.56
Economic Development & District Promotions	2.64%	17.84	17.84	17.84	17.84
Road/street Landscapes	2.39%	16.20	16.20	16.20	16.20
Airport	1.03%	6.99	6.99	6.99	6.99
Forestry	-0.38%	-2.55	-2.55	-2.55	-2.55
Subsidised Roading	24.38%	165.06	165.06	165.06	165.06
Streetlighting - District	0.93%	6.33	6.33	6.33	6.33
Waste Minimisation operations	0.99%	6.70	6.70	6.70	6.70
	100.00%	677.00	677.00	677.00	677.00

Rating Contribution by Activity 2018/19

Community Works & Services Rate	Geraldine	Rural \$ rate per \$ land value	Temuka	Timaru
Non-subsidised Roothing	0.00060	0.00002	0.00133	0.00059
Street Lighting	0.00011	0.00000	0.00007	0.00008
Stormwater	0.00078	0.00003	0.00110	0.00068
	0.00150	0.00005	0.00250	0.00135

Community Works & Services Rate	Geraldine	Rural \$ rate per \$ land value	Temuka	Timaru
Non-subsidised Roothing	40.23%	44.40%	53.15%	43.58%
Street Lighting	7.48%	2.36%	2.75%	6.28%
Stormwater	52.30%	53.24%	44.09%	50.14%
	100.00%	100.00%	100.00%	100.00%

Reserve Funds Summary

Special Funds

Separate Accounts are maintained for targeted rates charged for a specific purpose. A separate account is maintained for each targeted rate to ensure that the funds are held and used for the specific purpose intended.

Name of Fund	Activity	Purpose	Forecast Balance 1 July 2018 (\$000s)	Funds Deposited 2018-2028 (\$000s)	Funds Withdrawn 2018-2028 (\$000s)	Forecast Balance 30 June 2028 (\$000s)
Aquatic Centre contributions	Parks and Recreational Facilities	Funds donated towards to Aquatic centre facility to be used for its construction and funding of interest payments.	0	0	0	0
Cemetery Future (Tu) Fund	Community Facilities	Development of future cemetery for Timaru.	78	4	80	1
Collett Bequest (Museum)	Cultural and Learning Facilities	For museum items.	546	67	570	44
Community Development Interest Fund	Community Funding	To make major grants (over \$10,000) to non profit community based organisations and clubs for improving or developing new or existing facilities which reflect credit or provide benefit to the Timaru District residents.	228	366	300	294
Community Development Loan Fund	Community Funding	To make major loans to non profit community based organisations and clubs for improving or developing new or existing facilities which reflect credit or provide benefit to the Timaru District residents.	241	0	0	241
Contingency Fund	All of Council	For emergency purposes as determined by Council.	1,191	410	0	1,601
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.	4,833	112,547	117,378	2
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.	74	52	0	126
Depreciation Fund - Geraldine	Roading and Footpaths and Stormwater	For the renewal and/or replacement of Geraldine funded depreciable assets and for the repayment of loans associated with such assets, (excludes water related assets).	164	2,081	868	1,378
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.	58	35	0	93
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.	26	133	129	31
Depreciation Fund - Rural	Roading and Footpaths and Stormwater	For the renewal and/or replacement of Rural funded depreciable assets and for the repayment of loans associated with such assets, (excludes water related assets).	129	1,353	1,157	325

Reserve Funds Summary

Name of Fund	Activity	Purpose	Forecast Balance 1 July 2018 (\$000s)	Funds Deposited 2018-2028 (\$000s)	Funds Withdrawn 2018-2028 (\$000s)	Forecast Balance 30 June 2028 (\$000s)
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.	662	1,134	1,034	762
Depreciation Fund - Sewer	Sewer	For the renewal and/or replacement of Sewer depreciable assets and for the repayment of loans associated with such assets.	1,528	38,095	39,622	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.	743	3,815	4,051	508
Depreciation Fund - Temuka	Roading and Footpaths and Stormwater	For the renewal and/or replacement of Temuka funded depreciable assets and for the repayment of loans associated with such assets, (excludes water related assets).	176	3,266	1,819	1,623
Depreciation Fund - Timaru	Roading and Footpaths and Stormwater	For the renewal and/or replacement of Timaru funded depreciable assets and for the repayment of loans associated with such assets, (excludes water related assets).	2,465	19,965	13,885	8,545
Depreciation Fund – Urban Water	Water Supply	For the renewal and/or replacement of Water depreciable assets and for the repayment of loans associated with such assets.	5,255	38,328	41,485	2,098
Depreciation Fund (Housing)	Social Housing	For the renewal and/or replacement of Housing depreciable assets and for the repayment of loans associated with such assets.	408	2,761	2,627	543
Development (Tu) Fund	All of Council	Funding of major developments within Timaru. Interest on this fund to be credited to the Community Development Interest Fund.	265	0	0	265
Disaster Relief Fund	All of Council	For the replacement of infrastructural assets excluding roading in the event of a natural disaster.	3,220	3,435	0	6,655
District Recreation Facilities Fund	All of Council	To be used for the development of significant recreation facilities in the district.	677	76	740	13
Dowling Bequest	Cultural and Learning Facilities	For the purchase of Christian fiction literature for the library.	23	3	19	7
Downlands Asset Replacement Fund	Water Supply	Replacement of infrastructural assets relating to Downlands Water Supply Scheme.	6,249	9,069	15,168	150
Downlands Capital Contribution Reserve	Water Supply	For the provision of capital expenditure financed from capital contributions.	143	29	163	9

Reserve Funds Summary

Name of Fund	Activity	Purpose	Forecast Balance 1 July 2018 (\$000s)	Funds Deposited 2018-2028 (\$000s)	Funds Withdrawn 2018-2028 (\$000s)	Forecast Balance 30 June 2028 (\$000s)
Economic Development Fund	Economic Development and District Promotions, Community Funding and Democracy	For economic development support.	276	95	0	371
Election Expenses Fund	Democracy	To provide for meeting election expenses.	20	617	491	146
Endowment Land Geraldine Fund	All of Council	From the proceeds of Endowment Land. For the purchase of similar land.	476	236	35	678
Forestry Development Fund	Parks and Recreational Facilities	To provide funding for the development of forests within the District.	447	237	574	110
George Barclay Bequest	Cultural and Learning Facilities	Original bequest was \$600. Interest to be used for the purchase of reference books for the Timaru Children's Library.	2	1	0	3
Grants & Donations Fund	Community Funding	For the provision of grants & donations (created from the unspent grant allocation and carried forward balances)	266	1,228	1,136	358
Investment Fund	All of Council	1. For the repayment of district wide loans 2. For the funding district wide capital projects 3. For provision of internal loans.	1,262	10,938	31,848	-19,648
Joan & Percy Davis Library Trust (Ger)	Cultural and Learning Facilities	Interest to be used to purchase books for the Geraldine Library. (8/7/82)	1	0	0	2
Lattimore W A (Tu) Bequest	Cultural and Learning Facilities	Interest to be used for the purchasing of art works for the Aigantighe Art Gallery.	17	2	19	0
Mackay Bequest (Art Gallery)	Cultural and Learning Facilities	For the purchase of paintings.	200	57	78	179
Mackay Bequest (Library)	Cultural and Learning Facilities	For the purchase of books relating to art for the Timaru Library.	180	50	78	152
Main Creative Communities NZ Fund	Community Funding	Carried forward balance of Creative Communities NZ fund – main committee.	3	1	0	4
Main Drains Cost Sharing Fund	Sewer, Stormwater and Water Supply	Extension of main drains on a cost sharing basis.	1,186	757	0	1,944
Mayor's Welfare Fund	Democracy	Help out the needy as determined by the Mayor.	10	53	50	13
McCarthy Bequest (Library)	Cultural and Learning Facilities	For general library purposes	28	10	0	38
McCarthy Bequest (Parks)	Parks and Recreational Facilities	For Timaru Botanic Gardens general purposes	48	16	0	64
Museum Acquisition Fund/ Alan Ward Fund	Cultural and Learning Facilities	For the purchase of articles for the Museum.	10	3	0	13

Reserve Funds Summary

Name of Fund	Activity	Purpose	Forecast Balance 1 July 2018 (\$000s)	Funds Deposited 2018-2028 (\$000s)	Funds Withdrawn 2018-2028 (\$000s)	Forecast Balance 30 June 2028 (\$000s)
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.	546	188	0	733
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.	144	0	-2,923	-2,779
Property Development Fund	All of Council	For the purchase or development of land and improvement projects within the District.	879	287	71	1,096
R C Hervey Fund	Cultural and Learning Facilities	For providing improved services to the Timaru Library.	77	26	0	103
Reserves Development (Tu) Fund	Parks and Recreational Facilities	For the planting of trees and general development of reserves owned by the District Council within Timaru.	12	4	0	16
Reserves from Subdivisions/ Development Levy	Parks and Recreational Facilities	Development of reserves within the District as set out in the Local Government Act 1974 Section 288.	62	187	228	21
Safer Community Funds	Safer Communities	For Safer Communities projects.	423	133	53	504
Social Housing Fund (TDC)	Social Housing	Funding of new social housing units and major maintenance.	0	0	0	1
Sport and Recreation Loan Fund	Community Funding	Sport and Recreation loans for facilities and/or major plant items in excess of \$2,000 total value.	1,132	506	0	1,638
Te Moana Water Capital Contributions	Water Supply	For the provision of extensions to the Te Moana water network.	337	751	350	738
Timaru Ward Capital Asset and Loan Repayment Fund	All of Council	For the purpose of repayment of Timaru Ward separate rate loans and/or Timaru Ward Capital Projects.	20	7	0	27
Winchester Domain Fund	Parks and Recreational Facilities	For development of the Winchester Domain	82	11	92	1
			37,531	253,425	273,273	11,840

Reserve Funds Summary

Separate Funds

Separate Accounts are maintained for targeted rates charged for a specific purpose. A separate account is maintained for each targeted rate to ensure that the funds are held and used for the specific purpose intended.

Name of Fund	Forecast Balance 1 July 2018 (\$000s)	Funds Deposited 2018-2028 (\$000s)	Funds Withdrawn 2018-2028 (\$000s)	Forecast Balance 30 June 2028 (\$000s)
Fairview Hall	1	52	52	1
Claremont Hall	1	44	44	1
Otipua Hall	0	14	14	0
Kingsdown Hall	0	44	44	0
Seadown Hall	0	48	48	0
Geraldine Works and Services	78	4,723	4,852	-51
Rural Works and Services	58	2,962	2,988	32
Temuka Works and Services	79	6,472	6,499	52
Timaru Works and Services	-54	33,059	32,904	102
Solid Waste Collection	2,427	67,886	70,078	234
Sewer	3,829	73,380	77,112	97
Beautiful Valley Water	3	66	68	0
Downlands Water	0	20,254	20,254	0
Orari Township Water	11	236	244	3
Rangitata/Orari Water	342	2,720	2,610	452
Seadown Water	111	2,960	3,062	9
Te Moana Water	687	8,900	9,524	63
Urban Water	1,085	81,650	82,677	58
Geraldine Community Board	33	72	72	33
Pleasant Point Community Board	22	56	56	22
Temuka Community Board	45	87	87	45

Accounting Policies

Reporting Entity

The Timaru District Council was formed on 1 November 1989 and is a territorial local authority governed by the Local Government Act 2002.

The primary objective of Timaru District Council is to provide goods or services for the community or social benefit rather than making a financial return.

The prospective financial statements presented here are for the reporting entity, Timaru District Council (parent). They do not include the consolidated forecasts of any Council Controlled organisations.

Significant Accounting Policies

Basis Of Preparation

These prospective financial statements have been prepared under Public Benefit Entity Accounting Standards, which are based on International Public Sector Accounting Standards (IPSAS). Timaru District Council is a Public Benefit Entity (PBE) and is required to apply Tier 1 PBE Accounting Standards with effect from 1 July 2014.

Statement Of Compliance

The prospective financial statements of the Council have been prepared in accordance with the requirements of the Local Government Act 2002: sections 95, 100, 101, 111 and Part 2 of Schedule 10 which includes the requirement to comply with Generally Accepted Accounting Practice in New Zealand (NZ GAAP).

Prospective Financial Statements

The prospective financial statements comply with Tier 1 PBE Accounting Standards. The prospective financial statements have been prepared using the best information available at the time they were prepared.

This requires management to make judgements, estimates and assumptions that affect the application of policies and reported amounts of assets and liabilities, revenue and expenses. The estimates and associated assumptions are based on historical

experience and various other factors that are believed to be reasonable under the circumstances, the results of which form the basis of making the judgements about the carrying values of assets and liabilities that are not readily apparent from other sources. Actual results may differ from these estimates.

The accounting policies set out below have been applied consistently to all periods presented in these prospective financial statements.

The prospective financial statements have been prepared on an historical cost basis, except for the revaluation of investment properties, biological assets and financial instruments (including derivative instruments).

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

Basis Of Consolidation

Joint Ventures

A joint venture is a contractual arrangement whereby two or more parties undertake an economic activity that is subject to joint control. For jointly controlled assets, Council recognises in its financial forecasts its share of jointly controlled assets, the liabilities and expenses it incurs, its share of liabilities and expenses incurred jointly, and its share of income of the joint venture.

Equity & Reserves

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

- Retained Earnings
- Restricted reserves
 - Special funds

Restricted reserves are a component of equity generally representing a particular use to which various parts of equity have

been assigned. Reserves may be legally restricted or created by the Council.

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

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

Investments

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

Term Deposits

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

Investments in debt and quoted equity securities

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

Investment in Subsidiaries

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

Community loans

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

Other – Investments (Unquoted equity investments)

Other investments held by the Council are classified as being

Accounting Policies

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

Taxation

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

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

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

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

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

Intangible Assets

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

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

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

carbon emission obligations.

Property, Plant & Equipment- Valuation

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

- Operational assets –
 - Council related Land
 - Council Buildings and Building Improvements
 - Airport Improvements
 - Parks and Pools Plant and Equipment
 - Plant and Equipment, including Motor Vehicles
 - Furniture and Office Equipment
 - Library Books
 - Art Works
- Infrastructure assets -
 - Sewer, stormwater, water
 - Roads, bridges and lighting
 - Land under roads

Infrastructure assets are the fixed utility systems owned by the Council.

- Heritage assets
- Restricted assets - Restricted assets are parks and reserves owned by the Council, which provide a benefit or service to the community and cannot be disposed of because of legal or other restrictions.

Council Land

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

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

Acquisitions subsequent to 1 July 2005 are at cost.

Council Buildings and Building improvements

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

Acquisitions subsequent to 1 July 2005 are at cost.

Airport improvements

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

Acquisitions subsequent to 1 July 2005 are at cost.

Parks and Pools plant and equipment

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

Acquisitions subsequent to 1 July 2005 are at cost.

Plant and Equipment (including motor vehicles)

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

Furniture and Office Equipment

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

Acquisitions subsequent to 1 July 2005 are at cost.

Library books

The Timaru District Library, Temuka Library and Geraldine Library collections have been revalued as at 30 June 2017 at depreciated replacement cost calculated by the District Librarian in accordance with the library collection valuation guidelines prepared by the New Zealand Library Association in May 1992.

The Library collections are revalued on an annual basis.

Art Works

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

Acquisitions subsequent to 1 July 2005 are at cost.

Sewer, Stormwater, Water

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

Accounting Policies

Acquisitions subsequent to 1 July 2005 are at cost.

Roads, Bridges and Lighting

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

Acquisitions subsequent to 1 July 2005 are at cost.

Land under Roads

Land under roads has been stated at their deemed cost which is at an average of adjacent "undeveloped land value" valued as at 1 July 2005 by Maunsell Limited.

Acquisitions subsequent to 1 July 2005 are at cost.

Heritage Assets

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

Acquisitions subsequent to 1 July 2005 are at cost.

Capital Work In Progress

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

Forestry Assets

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

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

Landfill Assets

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

period of time to the expiring of the resource consent in 2030.

Impairment

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

Non Current Assets Held For Resale

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

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

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

Investment Property

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

Loans

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

Employee Entitlements

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

Provision For Landfill Post Closure Costs

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

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

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

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

Cash And Cash Equivalents

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

Accounting Policies

cash management.

Trade And Other Receivables

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

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

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

Inventories

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

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

Goods & Services Tax

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

The net amount of GST paid to, or received from the Inland

Revenue Department (IRD) is included as part of receivables or payables in the Statement of Financial Position.

Revenue Recognition

Sales by Trading Activities

Sales comprise amounts received and receivable for goods and services supplied to customers in the ordinary course of business.

Revenue from the sale of goods is recognised in the surplus or deficit when the significant risks and rewards of ownership have been transferred to the owner. Revenue from services rendered is recognised in the surplus or deficit in proportion to the stage of completion of the transaction at the balance sheet date.

Rates Revenue

Rates are set annually by a resolution from Council and relate to a financial year. All ratepayers are invoiced within the financial year to which the rates have been set. Rates revenue is recognised when payable.

Vested Assets

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

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

New Zealand Transport Agency contributions

New Zealand Transport Agency contributions are recognised as revenue upon entitlement, which is when conditions pertaining to eligible expenditure have been met.

Interest

Interest is recognised in the surplus or deficit as it accrues, using the effective interest method.

Dividends

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

Agency Revenue

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

Property, Plant & Equipment- Depreciation

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

Depreciation has been provided at the following rates.

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

Accounting Policies

Leases

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

Borrowing Costs

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

Derivative Financial Instruments

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

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

Foreign Currencies

Transactions in foreign currencies are converted at the New Zealand rate of exchange ruling at the date of the transaction.

Transactions covered by foreign currency forward exchange contracts are measured and reported at the forward rates specified in those contracts.

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

Statement Of Cashflows

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

Operating activities include cash received from all revenue sources of the Council, and expenditure payments made for the supply of goods and services. Agency transactions such as collection of regional council rates are not recognised as receipts and payments in the Statement of Cash Flows.

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

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

Cost Allocation

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

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

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

Critical Accounting Estimates And Assumptions

In preparing these prospective financial statements, Timaru District Council has made estimates and assumptions concerning

the future. These estimates and assumptions may differ from the subsequent actual results. Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations or future events that are believed to be reasonable under the circumstances.

Changes In Accounting Policy

All policies have been consistently applied to all the years presented

Long-Term Plan Disclosure Statement for period commencing 1 July 2018

What is the purpose of this statement?

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

The council is required to include this statement in its long-term plan in accordance with the Local Government (Financial Reporting and Prudence) Regulations 2014 (the regulations). Refer to the regulations for more information, including definitions of some of the terms used in this statement.

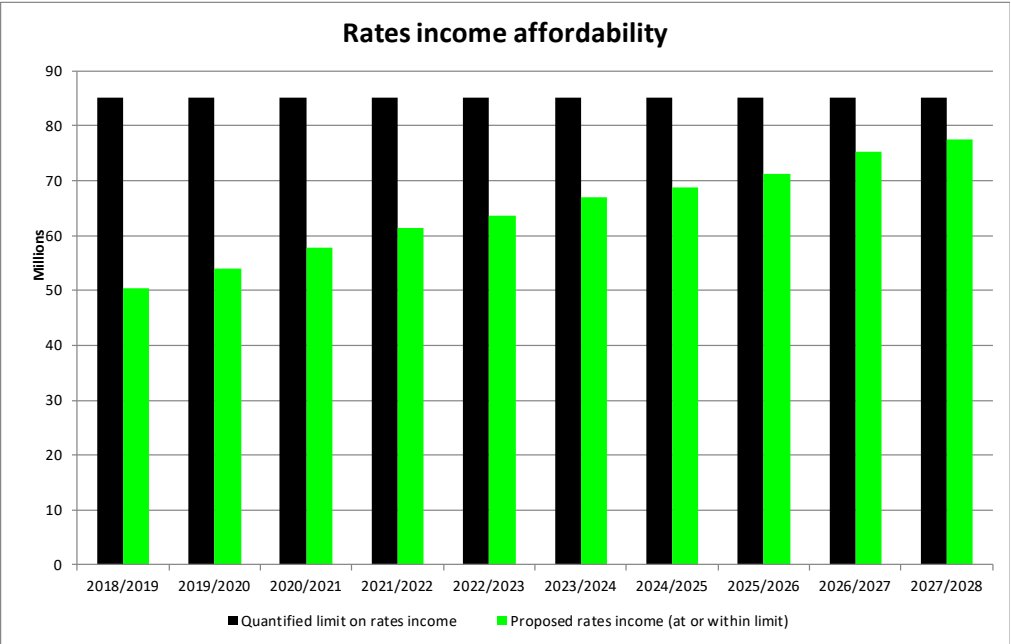
Long-Term Plan Disclosure Statement for period commencing 1 July 2018

Rates affordability benchmark

The council meets the rates affordability benchmark if — its planned rates income equals or is less than each quantified limit on rates; and its planned rates increases equal or are less than each quantified limit on rates increases.

Rates (income) affordability

The following graph compares the council’s planned rates with a quantified limit on rates contained in the financial strategy included in this long-term plan. The quantified limit is \$85m.



Rates (increases) affordability

The following graph compares the council’s planned rates increases with a quantified limit on rates increases contained in the financial strategy. The quantified limit is 6%, plus inflation as per the Local Government Cost Index.

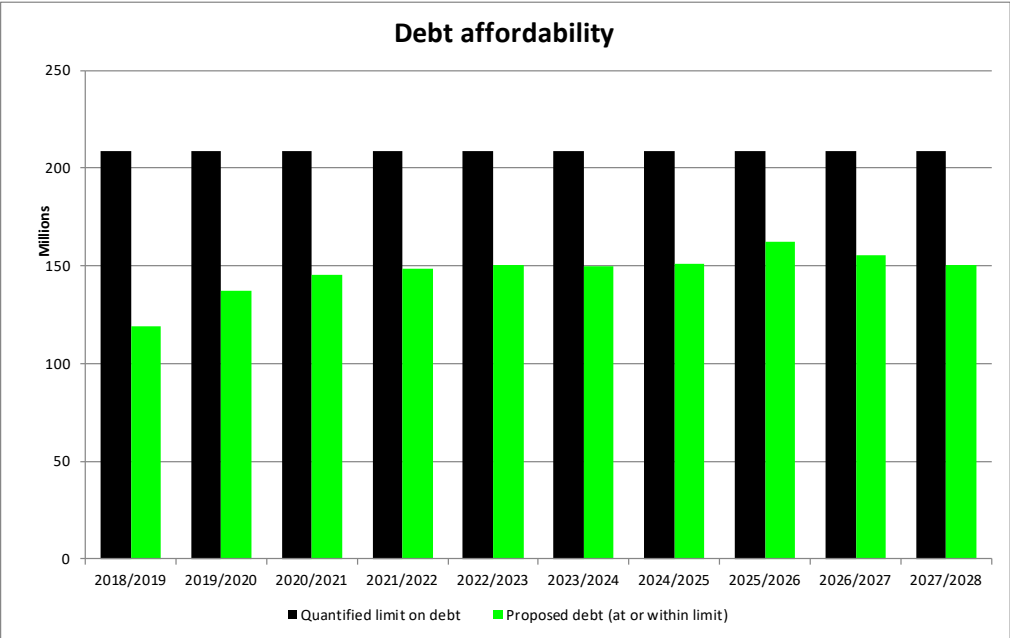


Long-Term Plan Disclosure Statement for period commencing 1 July 2018

Debt affordability benchmark

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

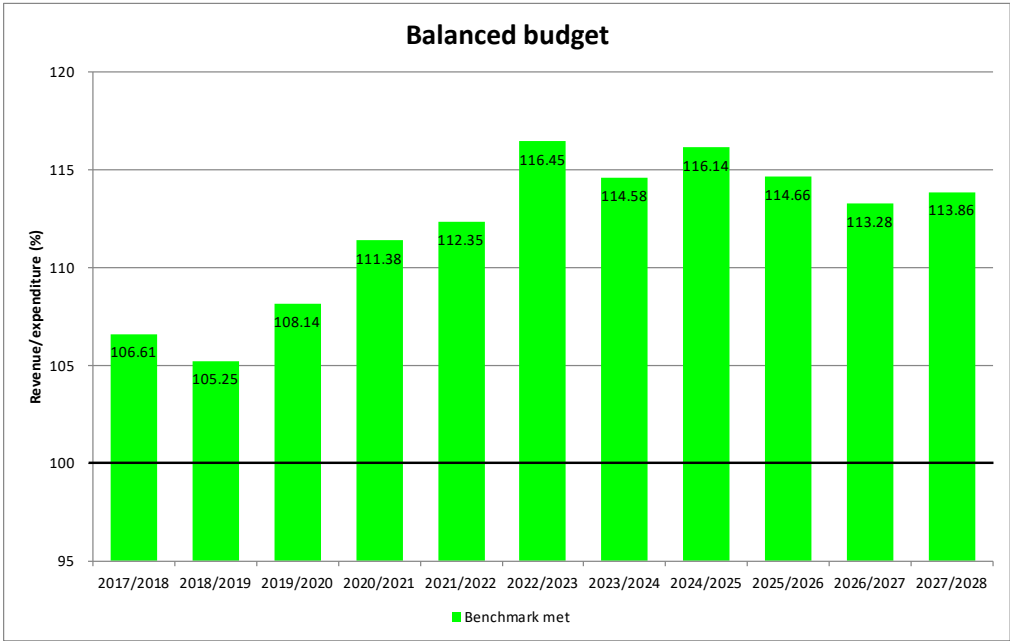
The following graph compares the council's planned debt with a quantified limit on borrowing contained in the financial strategy included in this long-term plan. The quantified limit is \$209 million.



Balanced budget benchmark

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

The council meets the balanced budget benchmark if its planned revenue equals or is greater than its planned operating expenses.

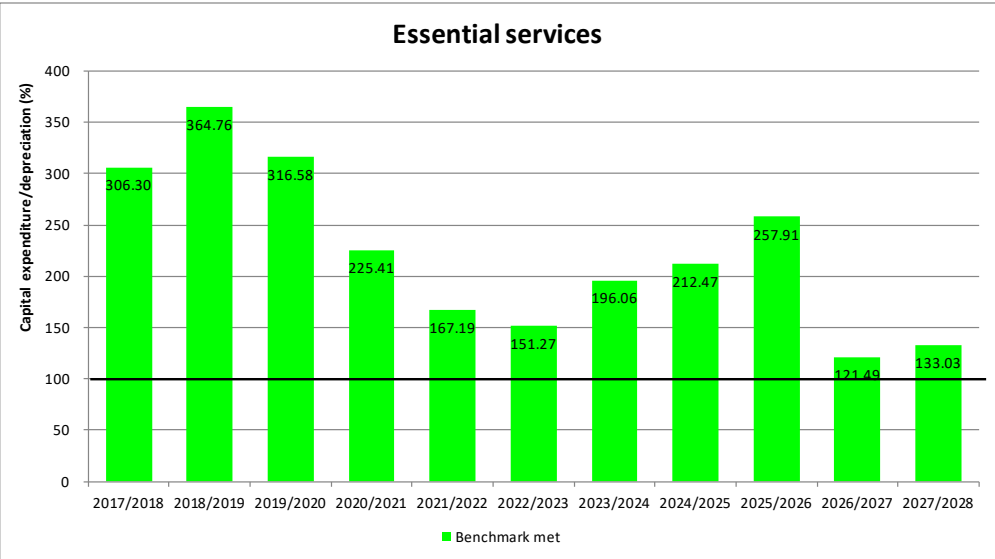


Long-Term Plan Disclosure Statement for period commencing 1 July 2018

Essential services benchmark

The following graph displays the council's planned capital expenditure on network services as a proportion of expected depreciation on network services.

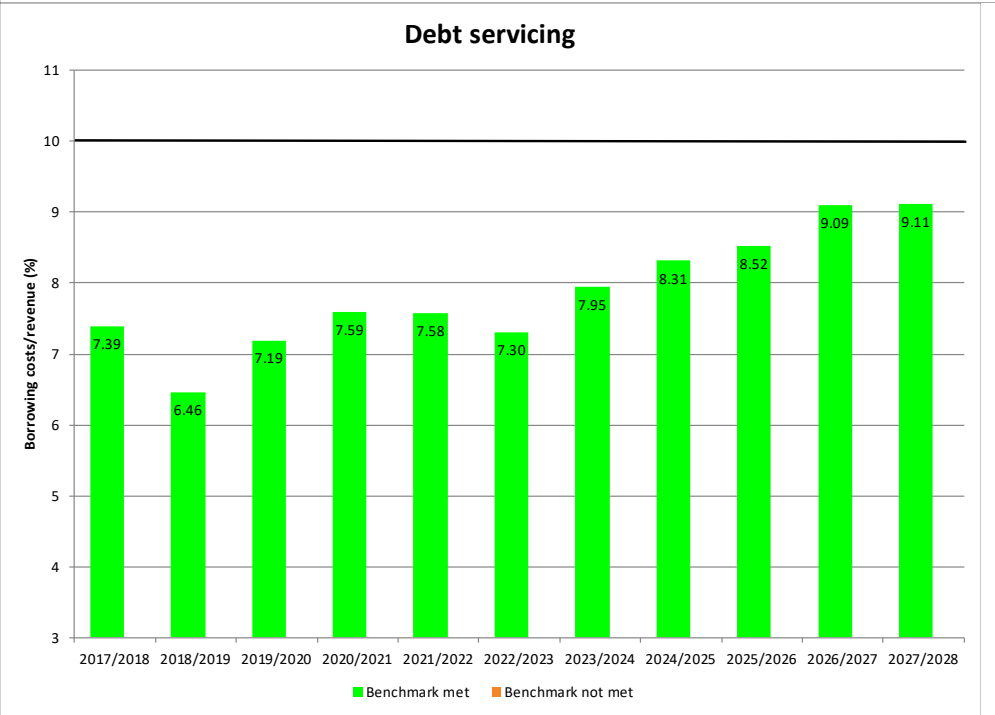
The council meets the essential services benchmark if its planned capital expenditure on network services equals or is greater than expected depreciation on network services.



Debt servicing benchmark

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

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



Fees 2018/19

Summary

Fees and charges are one of the ways the Council passes on some of the costs directly to those that benefit from Council services and facilities. This means those that benefit from these services pay for them. Council is increasing fees in some areas to meet the increased costs of some services and reflect required cost recovery. Most 2018/19 changes are minor. These include:

- Art Gallery
- Building Control
- Cemeteries
- Southern Trust Events Centre
- Westend Hall
- Land Information Memorandums
- Museum
- District Planning
- Sewer - Special Liquid
- Waste
- Social Housing rentals
- Waste Minimisation

Full details of all fees is available in a separate document available from the Council or from the Council website - www.timaru.govt.nz.

Resource Management Fees

(all charges GST inclusive)

Section 36 of the Resource Management Act 1991 enables Council to charge additional fees to recover actual and reasonable costs where the Lodgement Fee is inadequate.

When the total cost to process an application exceeds the Lodgement Fee in Table One, the additional fees are charged at the rates specified in Table Two of this fee schedule.

The Council will refund part of the fixed fee if the work required to process the application is less than usual.

The Lodgement Fee will be required to accompany the application. An invoice will be sent for any additional fees. The Lodgement Fee is a deposit only and may not be the complete charge. There may be additional fees or a part refund as explained above.

Discounts shall be paid on administrative charges for applications for resource consent and applications to change or cancel conditions that are not processed within the statutory timeframes. The discounts shall be in accordance with the Regulations to the Resource Management Act 1991.

Fees 2018/19

Table One - Lodgement Fees (Deposit)

2018/19

Notified Consent	\$4,000.00
Limited Notified (service only) Consent	\$3,000.00
Non-notified Subdivision Consent	\$700.00
Non-notified Land Use Consent which includes a monitoring fee for a single site inspection	\$900.00
Non-notified Subdivision Consent - Change to Flats Plan or Unit Title	\$700.00
Right of Way Approval (not included in Subdivision Consent)	\$650.00
Revocation of Easements and Consent Notices (not included in Subdivision Consent)	\$525.00
Existing Allotments Section 226 Certificate (new titles created)	\$525.00
Section 223 Certificate (subdivision sealing completion)	\$410.00
Section 224(c) Certificate	\$410.00
Section 224(c) Certificate including Section 223 Certificate	\$410.00
Removal of Building Line Restriction	\$640.00
Certificates of Compliance	\$640.00
Change or Cancellation of Conditions	\$525.00
Existing Use Rights and Existing Use Certificate	\$525.00
Extension of Time	\$480.00
Outline Plan	\$640.00
Waiver of Outline Plan	Actual cost
Alteration to a Designation	\$1,100.00
Extension of Time to a Designation	\$1,100.00
Plan Change	\$10,500.00
Notice of Requirements for Designations or Heritage Order	\$5,100.00
Certificates for LMVD	\$640.00
Certificates under the Sale and Supply of Alcohol Act 2012	\$155.00
Overseas Investment Office Certificate	Actual cost
Pre-Lodgement Work	Actual cost
Staff time conducting assessments, attending meeting(s) and writing correspondence prior to the lodgement of specific resource consent application(s) and private plan change(s).	after first half hour free

Table Two - Charge Rates

2018/19

Staff Time Rate

District Planning Manager	\$160.00 per hour
Senior Planner	\$130.00 per hour
Planner	\$110.00 per hour
Development Planning Advisor	\$110.00 per hour
Administration Staff	\$70.00 per hour
Public Notices	At Cost
Disbursements	At Cost
Consultants/Legal Advice	At Cost
Commissioning Special Reports	At Cost
Hearing Costs:	
Hearings Committee	\$100.00 per hour for the chairperson
	\$80.00 per hour per member who is not the chairperson
Commissioner	At Cost
If monitoring of resource consent is required (imposed as a condition of a resource consent):	
Single Site Inspection (to be paid with the lodgement fee for Non-notified Land Use Consent)	\$200.00
Additional monitoring of resource consents and monitoring of non-compliance with the Timaru District Plan or the Resource Management Act 1991	At Cost

Other Charges

2018/19

Timaru District Plan	\$200.00 + postage
Annual update service to the District Plan	\$150.00 per year
District RAPID Numbers (book)	\$75.00
Allocation of new Rapid Number (includes Plate)	\$50.00
Replacement Rapid Number Plate	\$25.00
Bond Application and Bond Refund	\$320.00

Financial Statements (non-inflated)

The financial information on the next few pages is included for information only. These statements are non-inflated.

Total Rate Requirement

	Budget 2017/18 \$000	Budget 2018/19 \$000	Budget 2019/20 \$000	Budget 2020/21 \$000	Budget 2021/22 \$000	Budget 2022/23 \$000	Budget 2023/24 \$000	Budget 2024/25 \$000	Budget 2025/26 \$000	Budget 2026/27 \$000	Budget 2027/28 \$000
Total District Wide Rates	24,887	26,269	27,596	29,385	30,779	31,441	32,592	32,294	32,197	32,650	32,704
Community Works & Services Rate	2,942	3,601	3,700	3,860	4,062	4,456	4,623	4,899	5,073	5,329	5,514
Community Board Charges	19	22	22	22	22	22	22	22	22	22	22
Community Centre Charge	15	20	20	20	20	20	20	20	20	20	20
Sewer Charges	7,070	7,130	7,130	7,130	7,130	7,130	7,130	7,130	7,130	7,130	7,130
Refuse Charges	5,167	5,359	5,509	5,770	6,104	6,239	6,456	6,489	6,503	6,505	6,499
Water Charges	6,995	7,482	8,885	9,756	10,276	10,568	11,052	11,716	13,148	14,248	14,480
Total Rates (GST Exclusive)	47,096	49,883	52,861	55,941	58,392	59,876	61,895	62,570	64,092	65,904	66,370

Financial Statements (non-inflated)

Forecast Statement of Comprehensive Revenue & Expense

	Budget 2017/18 \$000	Budget 2018/19 \$000	Budget 2019/20 \$000	Budget 2020/21 \$000	Budget 2021/22 \$000	Budget 2022/23 \$000	Budget 2023/24 \$000	Budget 2024/25 \$000	Budget 2025/26 \$000	Budget 2026/27 \$000	Budget 2027/28 \$000
Revenue											
Rates, excluding targeted water supply rates	47,496	50,333	53,261	56,316	58,767	60,251	62,270	62,945	64,467	66,279	66,745
Fees, charges and targeted rates for water supply	17,395	17,974	18,122	18,234	17,970	18,138	18,338	18,062	18,071	18,062	18,107
Development and financial contributions	20	20	20	20	20	20	20	20	20	20	20
Subsidies and grants	8,337	8,992	8,454	9,264	9,033	11,070	9,045	11,000	9,812	8,573	9,067
Finance Revenue	2,035	2,099	1,790	1,613	1,519	1,450	1,468	1,528	1,604	1,710	1,854
Other Revenue	3,748	3,821	5,114	4,118	4,286	4,456	4,060	4,225	4,225	4,125	4,125
Other gains/(losses)	15	0	0	0	0	0	0	0	0	0	0
Total Revenue	79,046	83,240	86,761	89,566	91,595	95,385	95,201	97,780	98,198	98,768	99,917
Expenditure											
Personnel costs	16,537	17,630	17,639	17,540	17,541	17,576	17,612	17,613	17,614	17,679	17,679
Operating costs	35,214	39,487	38,594	37,431	37,675	37,067	36,852	36,632	36,534	36,563	36,744
Finance costs	5,838	5,371	6,317	6,937	7,154	7,204	7,894	8,571	8,840	9,632	9,941
Depreciation	16,475	16,518	17,546	18,215	18,890	19,517	20,365	20,990	21,807	22,899	23,213
Total Operating Expenditure	74,064	79,007	80,095	80,123	81,259	81,365	82,723	83,806	84,795	86,772	87,577
Total Comprehensive Revenue And Expense	4,982	4,233	6,665	9,443	10,336	14,020	12,478	13,974	13,403	11,996	12,340

Financial Statements (non-inflated)

Forecast Statement of Movements in Equity

For The Year Ended 30 June	Budget 2017/18 \$000	Budget 2018/19 \$000	Budget 2019/20 \$000	Budget 2020/21 \$000	Budget 2021/22 \$000	Budget 2022/23 \$000	Budget 2023/24 \$000	Budget 2024/25 \$000	Budget 2025/26 \$000	Budget 2026/27 \$000	Budget 2027/28 \$000
Equity At Beginning Of The Year	751,470	759,450	763,683	770,349	779,791	790,127	804,147	816,625	830,599	844,003	855,998
Net surplus for the year	4,982	4,233	6,665	9,443	10,336	14,020	12,478	13,974	13,403	11,996	12,340
Revaluation of fixed assets	0	0	0	0	0	0	0	0	0	0	0
Total recognised revenues and expenses	4,982	4,233	6,665	9,443	10,336	14,020	12,478	13,974	13,403	11,996	12,340
Equity At The End Of The Year	756,452	763,683	770,349	779,791	790,127	804,147	816,625	830,599	844,003	855,998	868,338

Forecast Statement of Movements in Retained Earnings

For The Year Ended 30 June	Budget 2017/18 \$000	Budget 2018/19 \$000	Budget 2019/20 \$000	Budget 2020/21 \$000	Budget 2021/22 \$000	Budget 2022/23 \$000	Budget 2023/24 \$000	Budget 2024/25 \$000	Budget 2025/26 \$000	Budget 2026/27 \$000	Budget 2027/28 \$000
Retained Earnings At 1 July	715,181	726,999	742,766	757,372	768,983	783,652	798,039	808,995	820,354	830,943	838,612
Net surplus for the year	4,982	4,233	6,665	9,443	10,336	14,020	12,478	13,974	13,403	11,996	12,340
Transfers to Reserves	(18,334)	(19,313)	(20,233)	(22,003)	(23,049)	(25,315)	(26,189)	(26,982)	(27,974)	(29,115)	(29,538)
Transfers from Reserves	31,063	30,847	28,174	24,172	27,382	25,682	24,666	24,367	25,161	24,788	24,492
Retained Earnings At 30 June	732,892	742,766	757,372	768,983	783,652	798,039	808,995	820,354	830,943	838,612	845,905

Financial Statements (non-inflated)

Forecast Statement of Financial Position

As at 30 June	Budget 2017/18 \$000	Budget 2018/19 \$000	Budget 2019/20 \$000	Budget 2020/21 \$000	Budget 2021/22 \$000	Budget 2022/23 \$000	Budget 2023/24 \$000	Budget 2024/25 \$000	Budget 2025/26 \$000	Budget 2026/27 \$000	Budget 2027/28 \$000
Equity											
Retained Earnings	732,892	742,766	757,372	768,983	783,652	798,039	808,995	820,354	830,943	838,612	845,905
Revaluation Reserve	0	0	0	0	0	0	0	0	0	0	0
Special Fund Reserves	23,560	20,917	12,977	10,808	6,476	6,108	7,631	10,246	13,059	17,386	22,433
Total Equity	756,452	763,683	770,349	779,791	790,127	804,147	816,625	830,599	844,003	855,998	868,338
Current Assets											
Cash & Bank Balances	17,237	15,801	12,912	11,628	11,407	11,370	11,281	10,854	10,837	10,531	10,215
Short Term Deposits	28,517	17,417	9,417	7,417	1,417	1,417	1,417	1,417	1,417	1,417	1,417
Receivable & Prepayments	6,218	6,218	6,218	6,218	6,218	6,218	6,218	6,218	6,218	6,218	6,218
Inventories	72	72	72	72	72	72	72	72	72	72	72
Total Current Assets	52,044	39,508	28,619	25,335	19,114	19,077	18,988	18,561	18,544	18,238	17,922
Non-Current Assets											
Investments	16,702	24,439	24,499	24,330	25,998	25,630	27,153	29,768	32,581	36,908	41,955
Fixed Assets	811,447	839,891	875,272	895,204	911,877	926,657	936,362	948,261	967,843	968,663	971,234
Total Non-current assets	828,150	864,330	899,771	919,535	937,874	952,287	963,514	978,029	1,000,424	1,005,571	1,013,190
Total Assets	880,194	903,838	928,390	944,870	956,989	971,364	982,502	996,589	1,018,968	1,023,810	1,031,111
Current Liabilities											
Payables & Accruals	10,548	10,542	10,576	10,576	10,576	10,576	10,576	10,576	10,576	10,576	10,576
Current Portion of Term Debt	4,979	5,659	6,215	6,703	6,969	7,174	7,339	7,569	8,092	8,032	8,144
Total Current Liabilities	15,527	16,201	16,790	17,279	17,544	17,750	17,915	18,144	18,668	18,607	18,720
Non-Current Liabilities											
Term Debt	97,821	113,490	130,758	137,243	138,697	138,783	137,215	137,034	145,423	138,266	133,052
Other Term Liabilities	10,394	10,463	10,493	10,557	10,620	10,684	10,747	10,811	10,875	10,938	11,002
	108,215	123,954	141,251	147,800	149,317	149,467	147,962	147,845	156,297	149,204	144,054
Total Liabilities	123,742	140,155	158,041	165,078	166,862	167,217	165,877	165,990	174,965	167,812	162,774
Net Assets	756,452	763,683	770,349	779,791	790,127	804,147	816,625	830,599	844,003	855,998	868,338

Financial Statements (non-inflated)

Forecast Statement of Cashflows

For The Year Ended 30 June	Budget 2017/18 \$000	Budget 2018/19 \$000	Budget 2019/20 \$000	Budget 2020/21 \$000	Budget 2021/22 \$000	Budget 2022/23 \$000	Budget 2023/24 \$000	Budget 2024/25 \$000	Budget 2025/26 \$000	Budget 2026/27 \$000	Budget 2027/28 \$000
Cash Flows From Operating Activities											
Cash was provided from:											
Receipts from customers	18,428	18,985	20,326	19,442	19,346	19,683	19,487	19,376	19,385	19,276	19,321
Rates	47,496	50,333	53,261	56,316	58,767	60,251	62,270	62,945	64,467	66,279	66,745
Subsidies	8,337	8,992	8,454	9,264	9,033	11,070	9,045	11,000	9,812	8,573	9,067
Interest	2,035	2,099	1,790	1,613	1,519	1,450	1,468	1,528	1,604	1,710	1,854
Dividends	2,695	2,790	2,890	2,890	2,890	2,890	2,890	2,890	2,890	2,890	2,890
	78,991	83,200	86,721	89,526	91,555	95,345	95,161	97,740	98,158	98,728	99,877
Cash was applied to:											
Payments to employees	(16,537)	(17,630)	(17,639)	(17,540)	(17,541)	(17,576)	(17,612)	(17,613)	(17,614)	(17,679)	(17,679)
Payments to suppliers	(35,136)	(39,424)	(38,530)	(37,368)	(37,611)	(37,004)	(36,788)	(36,568)	(36,471)	(36,499)	(36,680)
Interest paid	(5,838)	(5,371)	(6,317)	(6,937)	(7,154)	(7,204)	(7,894)	(8,571)	(8,840)	(9,632)	(9,941)
	(57,510)	(62,425)	(62,486)	(61,844)	(62,306)	(61,785)	(62,294)	(62,752)	(62,925)	(63,810)	(64,300)
Net Cash Inflows From Operating Activities	21,481	20,775	24,235	27,682	29,249	33,561	32,867	34,988	35,234	34,918	35,577
Cash Flows From Investing Activities											
Cash was provided from:											
Sale of fixed assets	45	45	45	45	45	45	45	45	45	45	45
Sale of investments (special funds)	31,063	30,847	28,174	24,172	27,382	25,682	24,666	24,367	25,161	24,788	24,492
Mortgages/advances repaid	220	220	220	220	220	220	220	220	220	220	220
	31,328	31,112	28,439	24,437	27,647	25,947	24,931	24,632	25,426	25,053	24,757

Financial Statements (non-inflated)

For The Year Ended 30 June	Budget 2017/18 \$000	Budget 2018/19 \$000	Budget 2019/20 \$000	Budget 2020/21 \$000	Budget 2021/22 \$000	Budget 2022/23 \$000	Budget 2023/24 \$000	Budget 2024/25 \$000	Budget 2025/26 \$000	Budget 2026/27 \$000	Budget 2027/28 \$000
Cash was applied to:											
Purchases of fixed assets	(46,987)	(57,167)	(52,932)	(38,152)	(35,567)	(34,302)	(30,075)	(32,894)	(41,394)	(23,724)	(25,790)
Purchase of investments	(18,334)	(29,313)	(28,233)	(24,003)	(29,049)	(25,315)	(26,189)	(26,982)	(27,974)	(29,115)	(29,538)
Mortgages/advances made	(220)	(220)	(220)	(220)	(220)	(220)	(220)	(220)	(220)	(220)	(220)
	(65,542)	(86,700)	(81,386)	(62,376)	(64,836)	(59,837)	(56,484)	(60,096)	(69,588)	(53,059)	(55,548)
Net Cash Flows From Investing Activities	(34,214)	(55,587)	(52,947)	(37,939)	(37,189)	(33,889)	(31,553)	(35,464)	(44,162)	(28,007)	(30,792)
Cash Flows From Financing Activities											
Cash was provided from:											
Loans raised	27,636	24,974	23,482	13,188	8,423	7,260	5,771	7,388	16,480	875	2,930
	27,636	24,974	23,482	13,188	8,423	7,260	5,771	7,388	16,480	875	2,930
Cash was applied to:											
Settlement of loans	(18,565)	(4,979)	(5,659)	(6,215)	(6,703)	(6,969)	(7,174)	(7,339)	(7,569)	(8,092)	(8,032)
	(18,565)	(4,979)	(5,659)	(6,215)	(6,703)	(6,969)	(7,174)	(7,339)	(7,569)	(8,092)	(8,032)
Net Cash Flows From Financing Activities	9,071	19,995	17,823	6,974	1,720	291	(1,403)	49	8,912	(7,217)	(5,102)
Net Increase (Decrease) in Cash Held	(3,662)	(14,817)	(10,889)	(3,284)	(6,221)	(38)	(89)	(427)	(17)	(305)	(317)
Cash at beginning of the year	49,416	48,035	33,218	22,329	19,045	12,824	12,787	12,698	12,271	12,254	11,948
Cash At End of the Year	45,754	33,218	22,329	19,045	12,824	12,787	12,698	12,271	12,254	11,948	11,632
Represented by:											
Cash & Bank Balances	17,237	15,801	12,912	11,628	11,407	11,370	11,281	10,854	10,837	10,531	10,215
Short Term Deposits	28,517	17,417	9,417	7,417	1,417	1,417	1,417	1,417	1,417	1,417	1,417
	45,754	33,218	22,329	19,045	12,824	12,787	12,698	12,271	12,254	11,948	11,632



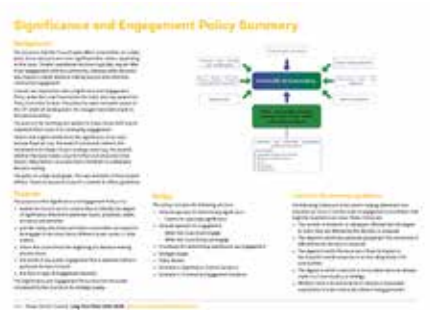


POLICIES and SUPPORTING INFORMATION

Section Roadmap

This section includes Council policies and supporting information that underpin the Long Term Plan. It includes:

Significance and Engagement Policy



The Significance and Engagement Policy (SEP) enables the Council and its communities to identify the degree of significance attached to particular issues, proposals, assets, decisions and activities. It also provides clarity about how and when communities can expect to be engaged in decisions about different issues, assets or other matters. This section includes a summary of the policy. The full policy can be found at www.timaru.govt.nz.

Revenue and Financing Policy



The Revenue and Financing Policy (RFP) outlines the Council's policies on funding sources to be used to fund the operational and capital expenditure of Council's activities and the rationale for their use.

Financial Contributions Policy



A summary of the existing Financial Contributions provisions under the Timaru District Plan.

Section Roadmap

Rating, Rates Remissions and Postponement Policy

Rates Remission and Postponement on Maori Freehold Land Policies	
1.0	Introduction
1.1	1.1.1 Purpose and Scope
1.2	1.1.2 Objectives
1.3	1.1.3 Policy Statement
1.4	1.1.4 Policy Rationale
1.5	1.1.5 Policy Objectives
1.6	1.1.6 Policy Outcomes
1.7	1.1.7 Policy Implementation
1.8	1.1.8 Policy Review
1.9	1.1.9 Policy Monitoring
1.10	1.1.10 Policy Evaluation
1.11	1.1.11 Policy Reporting
1.12	1.1.12 Policy Communication
1.13	1.1.13 Policy Consultation
1.14	1.1.14 Policy Approval
1.15	1.1.15 Policy Implementation
1.16	1.1.16 Policy Review
1.17	1.1.17 Policy Monitoring
1.18	1.1.18 Policy Evaluation
1.19	1.1.19 Policy Reporting
1.20	1.1.20 Policy Communication
1.21	1.1.21 Policy Consultation
1.22	1.1.22 Policy Approval
1.23	1.1.23 Policy Implementation
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1.25	1.1.25 Policy Monitoring
1.26	1.1.26 Policy Evaluation
1.27	1.1.27 Policy Reporting
1.28	1.1.28 Policy Communication
1.29	1.1.29 Policy Consultation
1.30	1.1.30 Policy Approval
1.31	1.1.31 Policy Implementation
1.32	1.1.32 Policy Review
1.33	1.1.33 Policy Monitoring
1.34	1.1.34 Policy Evaluation
1.35	1.1.35 Policy Reporting
1.36	1.1.36 Policy Communication
1.37	1.1.37 Policy Consultation
1.38	1.1.38 Policy Approval
1.39	1.1.39 Policy Implementation
1.40	1.1.40 Policy Review
1.41	1.1.41 Policy Monitoring
1.42	1.1.42 Policy Evaluation
1.43	1.1.43 Policy Reporting
1.44	1.1.44 Policy Communication
1.45	1.1.45 Policy Consultation
1.46	1.1.46 Policy Approval
1.47	1.1.47 Policy Implementation
1.48	1.1.48 Policy Review
1.49	1.1.49 Policy Monitoring
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1.51	1.1.51 Policy Reporting
1.52	1.1.52 Policy Communication
1.53	1.1.53 Policy Consultation
1.54	1.1.54 Policy Approval
1.55	1.1.55 Policy Implementation
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1.57	1.1.57 Policy Monitoring
1.58	1.1.58 Policy Evaluation
1.59	1.1.59 Policy Reporting
1.60	1.1.60 Policy Communication
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1.75	1.1.75 Policy Reporting
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1.79	1.1.79 Policy Implementation
1.80	1.1.80 Policy Review
1.81	1.1.81 Policy Monitoring
1.82	1.1.82 Policy Evaluation
1.83	1.1.83 Policy Reporting
1.84	1.1.84 Policy Communication
1.85	1.1.85 Policy Consultation
1.86	1.1.86 Policy Approval
1.87	1.1.87 Policy Implementation
1.88	1.1.88 Policy Review
1.89	1.1.89 Policy Monitoring
1.90	1.1.90 Policy Evaluation
1.91	1.1.91 Policy Reporting
1.92	1.1.92 Policy Communication
1.93	1.1.93 Policy Consultation
1.94	1.1.94 Policy Approval
1.95	1.1.95 Policy Implementation
1.96	1.1.96 Policy Review
1.97	1.1.97 Policy Monitoring
1.98	1.1.98 Policy Evaluation
1.99	1.1.99 Policy Reporting
2.00	1.1.100 Policy Communication

Rates Remission and Postponement Policies to allow for rate remissions and postponements, including on Maori Freehold Land in terms of sections 108 and 109 of the Local Government Act 2002.

Significant Forecasting Assumptions

Significant Forecasting Assumptions	
1.0	Introduction
1.1	1.1.1 Purpose and Scope
1.2	1.1.2 Objectives
1.3	1.1.3 Policy Statement
1.4	1.1.4 Policy Rationale
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1.15	1.1.15 Policy Implementation
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1.19	1.1.19 Policy Reporting
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1.26	1.1.26 Policy Evaluation
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1.28	1.1.28 Policy Communication
1.29	1.1.29 Policy Consultation
1.30	1.1.30 Policy Approval
1.31	1.1.31 Policy Implementation
1.32	1.1.32 Policy Review
1.33	1.1.33 Policy Monitoring
1.34	1.1.34 Policy Evaluation
1.35	1.1.35 Policy Reporting
1.36	1.1.36 Policy Communication
1.37	1.1.37 Policy Consultation
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1.44	1.1.44 Policy Communication
1.45	1.1.45 Policy Consultation
1.46	1.1.46 Policy Approval
1.47	1.1.47 Policy Implementation
1.48	1.1.48 Policy Review
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1.50	1.1.50 Policy Evaluation
1.51	1.1.51 Policy Reporting
1.52	1.1.52 Policy Communication
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1.58	1.1.58 Policy Evaluation
1.59	1.1.59 Policy Reporting
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1.95	1.1.95 Policy Implementation
1.96	1.1.96 Policy Review
1.97	1.1.97 Policy Monitoring
1.98	1.1.98 Policy Evaluation
1.99	1.1.99 Policy Reporting
2.00	1.1.100 Policy Communication

Significant Forecasting Assumptions represent the key assumptions on which the LTP is prepared and cover aspects such as population, households, levels of service and financial assumptions.

Significance and Engagement Policy Summary

Background

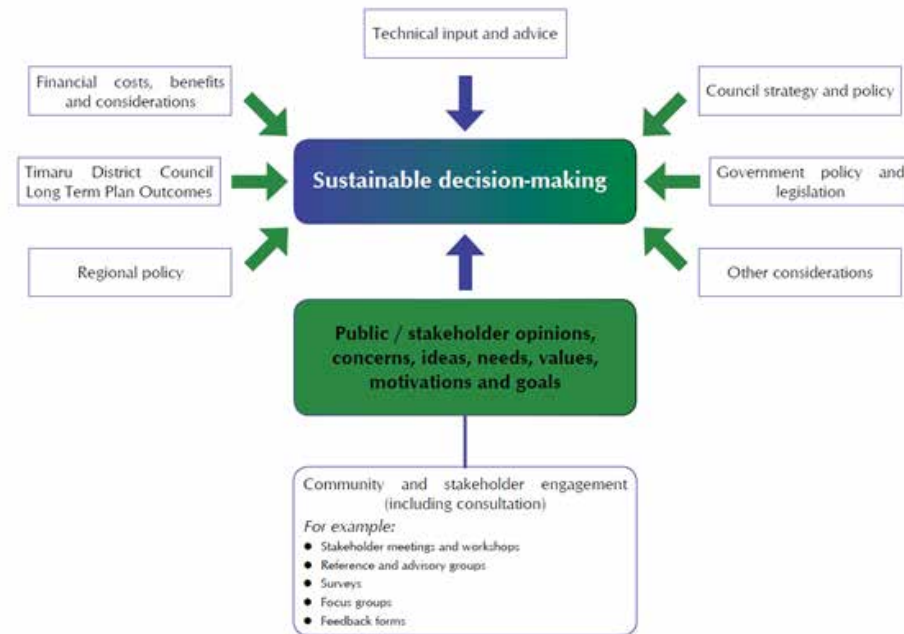
The decisions that the Council make affect communities on a daily basis. Some decisions are more significant than others, depending on the issue. Smaller operational decisions typically require little if any engagement with the community, whereas other decisions may require a robust decision-making process and extensive community engagement.

Councils are required to have a Significance and Engagement Policy under the Local Government Act 2002 and may amend the Policy from time to time. The policy has been reviewed as part of the LTP 2018-28 development. No changes have been made to the previous policy.

The policy is far-reaching and applies to many issues that require a decision from Council or community engagement.

Factors that might contribute to the significance of an issue include financial cost, the level of community interest, the involvement of a large Council strategic asset (e.g. the airport), whether the issue meets Long Term Plan outcomes and other factors. Many factors, as shown here contribute to sustainable decision making.

The policy is a high level guide. The nuts and bolts of how Council officers' report on issues to Council is covered in officer guidelines.



Purpose

The purpose of the Significance and Engagement Policy is to:

- enable the Council and its communities to identify the degree of significance attached to particular issues, proposals, assets, decisions and activities
- provide clarity about how and when communities can expect to be engaged in decisions about different issues, assets or other matters
- inform the Council from the beginning of a decision-making process about
- the extent of any public engagement that is expected before a particular decision is made
- the form or type of engagement required

The Significance and Engagement Policy must list the assets considered by the Council to be strategic assets.

Policy

The policy includes the following sections:

- General approach to determining significance
 - Criteria for assessing significance
- General approach to engagement
 - When the Council will engage
 - When the Council may not engage
- Procedures for determining significance and engagement
- Strategic Assets
- Policy Review
- Schedule 1: Significance Criteria Guidance
- Schedule 2: Community Engagement Guidance

Criteria for Determining Significance

The following criteria are to be used in helping determine how important an issue is and the level of engagement/consultation that might be required on an issue. These criteria are:

- The number of residents or ratepayers affected and the degree to which they are affected by the decision or proposal
- The degree to which any particular grouping in the community is affected by the decision or proposal
- The degree to which the issue has a financial impact on the Council's overall resources or on the rating levels of its communities
- The degree to which a decision is inconsistent with one already made in a Council policy or strategy
- Whether there is historical level of interest or reasonable expectation of wide community interest being generated

Significance and Engagement Policy Summary

- Whether there is a legal requirement to engage with the community
- Whether the asset involved is a strategic asset

In general, where a proposal or decision is affected by a number of the above considerations, it is more likely to have a higher degree of significance.

Determining the Level of Community Engagement

Once the level of significance has been determined, the right level of engagement with the community can be determined. The range of tools available is wide, from no engagement being necessary through to the full Special Consultative Procedure as used for the development of the Long Term Plan and other large projects.

The section 'General approach to engagement' outlines general principles, guidance and situations where Council may or may not engage. A Community Engagement Guide is provided to assist in determining what level of engagement may be needed and various methods of engagement that may be used. These might include:

- Surveys online or through the media
- Public meetings
- Council Noticeboard in the media
- Workshops
- Media release
- Council website
- By e-mail
- Social media
- Special Consultative Procedure

Summary

The purpose of the policy is to provide a framework to identify the level of significance of an issue, give some clarity to communities about expectations of engagement on issues, and to ensure a local authority has identified its strategic assets.

The full policy can be read on the TDC website – www.timaru.govt.nz.

Revenue and Financing Policy

Introduction

The Revenue and Financing Policy (RFP) outlines the Council's policies on funding sources to be used to fund the operational and capital expenditure of Council's activities and the rationale for their use.

The policy is required by Section 102 and 103 of the Local Government Act 2002 (the Act). The full policy must be included in the Long Term Plan (LTP). Where a change to the policy is made outside of the LTP process, only a significant amendment is required to be audited.

Section 103(2) of the Act allows the following mechanisms to be used for funding the operating or capital expenditure of Council's activities:

- a) general rates, including –
 - i) choice of valuation system; and
 - ii) differential rating; and
 - iii) uniform annual general charges
- b) targeted rates:
 - ba lump sum contributions
- c) fees and charges:
- d) interest and dividends from investments:
- e) borrowing:
- f) proceeds from asset sales:
- g) development contributions:
- h) financial contributions under the Resource Management Act 1991:
- i) grants and subsidies:
- j) any other source.

In addition to identifying the sources of funding, the policy must outline why the Council has determined they should be used. A two-step process is required under Section 101 (3) of the Act.

Firstly, for each activity, the Council must consider the following matters:

- The community outcomes to which the activity primarily contributes
- The distribution of benefits between the community as a whole, any identifiable part of the community, and individuals

- The period of time over which benefits occur (intergenerational equity). For example, the benefits of some activities will occur over the entire life of the asset. This will benefit not only existing generations but future generations who should also contribute towards paying for the cost.
- The extent to which actions or inactions of particular individuals or groups contribute to a need to undertake the activity. Also called the 'exacerbator pays' principle, this suggests that exacerbators should meet at least part of the cost of an activity.
- The costs and benefits from funding the activity distinctly from other activities. This particularly relates to transparency and accountability, but may also relate to factors like the financial scale of the activity (e.g. a small activity may not warrant separate funding due to the cost of establishing systems to support cost recovery).

Secondly, following consideration of these elements, the Council must consider the overall impact of this allocation of liability for revenue needs on the community. This may lead to some changes to the policy where there are particularly negative effects. These are noted under each individual activity.

Changes to 2015 Revenue and Financing Policy

The following changes have been made to the previous policy:

- The removal of the Aquatic Centre targeted rate, with funding to be taken from the differentiated General rate and Uniform Annual General Charge to make this consistent with other leisure and recreation facilities
- The removal of subsidised labour and rural fire activities due to these services no longer being provided by the Council
- The addition of borrowing as a funding source for operating expenditure if deemed appropriate, targeted towards large projects (e.g. District Plan review)
- Changes in private funding splits for some activities, the most significant being:
 - Airport (45-55% to 70-80%), due to additional private funding sourced from Airport parking
 - District Planning (20-30% to 10-20%), due to the level of general rate funding required for the district plan review

- Safer Communities (70-80% to 80-90%), due to the majority of funding received via contract funding for Project Turnaround
- Theatre Royal (10-20% to 0-10%), due to the anticipated impact on funding from closure of the Theatre for upgrading
- Rooding and Footpaths – splitting this into subsidised rooding and other rooding
- The addition of volumetric water charging as a funding source for urban supplies
- Minor editing and grammatical changes.

The Council reviews the RFP every three years, in line with its preparation of the Long Term Plan (LTP). Changes to the RFP can be made between reviews, but must go through the appropriate consultation processes. The Act requires the Council to produce a Funding Impact Statement (FIS) annually that illustrates how the RFP is being implemented, provides details on the funding mechanisms to be used and how these rates will be applied.

The policy covers all of the Council's activities, as outlined in the following diagram:

Revenue and Financing Policy

GROUP OF ACTIVITIES	ACTIVITIES
Democracy	Democracy
Community Support	Airport Community facilities (includes Public Toilets, Cemeteries) Community Funding Economic Development and District Promotions Emergency Management Safer Communities Social Housing
District Planning and Environmental Services	Building Control District Planning Environmental Compliance (includes 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 Aquatic Centre, Swimming Pools, Southern Trust Events Centre)
Roading and Footpaths	Roading and Footpaths (includes Parking Facilities, Cycleways, Walkways)
Waste Minimisation	Waste Minimisation
Sewer	Sewer
Stormwater	Stormwater
Water Supply	Water Supply

Funding of Operating Expenditure

Operating expenditure is expenditure on the day to day operations of the Council. The Council has determined that the following sources may be used to fund operating expenditure:

- General rates, including differential rating and a uniform annual general charge
- Targeted rates
- Fees and charges
- Interest and dividends from investments
- Proceeds from asset sales
- Financial contributions under the Resource Management Act 1991
- Grants and subsidies
- Borrowing
- Other sources

The proportion of operating expenditure to be funded by each mechanism is outlined in this policy.

Funding of Capital Expenditure

Capital expenditure is expenditure on new or existing assets that maintains or increases their value and the level of service to the community. The Council has determined that the following sources may be used to fund capital expenditure:

- General rates, including differential rating and a uniform annual general charge
- Targeted rates
- Lump sum contributions
- Interest and dividends from investments
- Borrowing
- Proceeds from asset sales
- Development contributions
- Financial contributions under the Resource Management Act 1991
- Grants and subsidies
- Reserve funds
- Other sources

The use of these sources will be considered for each capital expenditure project. It will frequently involve a mixture of funding sources that will vary over time.

Revenue and Financing Policy

Council's Funding Approach

The Council provides a wide range of activities to district residents, ratepayers and visitors. Council aims to provide a fair and equitable rating system for all ratepayers. A mixture of rating and other funding mechanisms are used to achieve this. Some constraints exist, such as the ability of Council to only receive 30% of Council revenue from rates set on a uniform basis. This requires Council to use other mechanisms, such as rates set on the land value of properties.

Rates provide the budgeted net funding requirements of the Council work programmes through the Long Term Plan. Other sources, such as those listed above can be used as funding sources. Rates are set on each rating unit under the provisions of the Local Government (Rating) Act 2002.

The following principles will help guide the assessment and design of the Council's funding approach:

- **Benefits** – those who benefit from a Council service or facility should pay for the service, where equitable and administratively efficient. This involves selecting funding sources that are appropriate to the distribution of benefits.
- **Exacerbators** – those who contribute to the need for a Council facility or service should contribute to the cost of that facility or service
- **Equity and fairness** – Council will seek to ensure the most equitable and fair funding approach
- **Affordability** – Council will consider the impact of funding mechanisms on people's ability to pay and seek to ensure that Council facilities, services and rates remain affordable
- **Intergenerational equity** - each generation of ratepayers should contribute towards the services they receive
- **Minimise effects of change** - where reviews result in significant funding changes, transitional approaches will be used where possible to ease the financial impact
- **Legal compliance** – the policy will comply with legal requirements under the Local Government Act 2002 and Local Government (Rating) Act 2002

The application of these principles requires Council to apply judgement and to balance often competing principles. The most

equitable solution will be sought for funding each activity using these and the Section 101 analysis required for each activity under the Local Government Act.

Three main types of rates are used:

- 1 General Rates, which are value based rates and can be adjusted through differentials. The Council is able to rate properties based on capital, land or annual value. Timaru District Council uses the land value system.
- 2 Uniform Annual General Charge (UAGC)
- 3 Targeted Rates

General rates

A general rate is set based on a rate per dollar of rateable land value, and differentiated on the use to which the land is put. This is set on all rateable land in the Timaru District. It is used to fund those services where there is a community benefit across the whole district and where a fixed charge per Rating Unit is not considered appropriate. The objective of differential rating is to ensure a fair and equitable proportion of rates are paid by the various differential categories.

In 2015, it was decided to adjust differentials to increase the proportion paid by the primary (rural) category to improve the

overall fairness of the system. Since that time, district properties have been revalued with shifts in the overall value of property categories. As a result, this will affect how much each property category will pay overall towards the general rate.

The Council believes that the existing proportions represent a fair split of the overall payment of the General Rate. As a result, it is adjusting the current differentials to ensure each property category continues to pay the same proportion overall.

The Council uses differentials to distribute the General Rate between particular categories of the community, as listed below. This does not change the total amount of General Rates funding required annually, but rather the proportion of overall funding of the General Rate from each category differs according to the differential factor applied.

The Council differentiates the General Rate based on land use (Schedule 2: Local Government (Rating) Act 2002) to the nine categories shown in the adjacent table.:

	Category	Definition
1	Accommodation	All properties used primarily for hotel, motel or similar short term or travellers' accommodation purposes.
2	Commercial - Central	All properties situated within the Timaru Central Business District and used primarily for commercial purposes.
3	Commercial - Other	All properties used primarily for commercial purposes other than those situated in the Timaru Central Business District.
4	Community Services	All properties used primarily for education, religious and/or community purposes.
5	Industrial	All properties used primarily for industrial purposes.
6	Primary	All properties used primarily for agricultural, horticultural or pastoral purposes, including the grazing of animals.
7	Recreational	Properties used primarily for active or passive indoor/outdoor recreational activities.
8	Residential – General	All properties used primarily for residential accommodation of a single household or used for residential purposes and not otherwise classified or which are vacant or of not determined use of those differential categories and situated in an area in which residential dwellings are permitted.
9	Residential – Multi Unit	All properties used primarily for multi-unit residential accommodation, for example, purpose built rental flats.

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Uniform Annual General Charge

A Uniform Annual General Charge (UAGC) is a fixed charge set per rating unit in the District. The charge enables all ratepayers to make a minimum contribution to the Council's costs, and ensures that higher value properties do not carry a disproportionate amount. This rate also applies to fund those services where community benefits apply across the district. The Council has decided that the level of annual increase in the UAGC will be the same overall percentage increase as the General Rate increase in any given year.

Targeted Rates

The Council applies Targeted Rates to a number of services where the benefits are clearly received by a particular community or group of ratepayers. These apply to properties who receive certain services or are located in specific areas. The following targeted rates are used:

Targeted rate	Activity
Community Board rate	Various
Community Centre Rate	Halls and Theatres
Community Works and Services rate	Various
Sewer rate	Sewer
Waste Management rate	Waste Minimisation
Water Supply rate	Water Supply

How these rates are set is further described under each activity.

Target recovery from funding sources

The following table shows the percentage target recovery for each activity from private funding sources organised by 10% bands:

% recovery from private funding sources in 10% bands	Activity
90-100%	Social Housing, Animal Control, Building Control, Fishing Huts, Motor Camps, Forestry, Parking Development, Parking Enforcement, Waste Minimisation, Sewer, Water Supply
80-90%	Safer Communities
70-80%	Airport
60-70%	Cemeteries
50-60%	Aquatic Centre, Environmental Health
40-50%	
30-40%	Subsidised Labour, Roding and Footpaths - Subsidised Roding, Swimming Pools
20-30%	Swimming Pools - Rural summer pools
10-20%	Community Funding (5-15%), District Planning, Halls and Community Centres, Aorangi Stadium
0-10%	Democracy, Public Toilets, Emergency Management, Economic Development and District Promotions, Art Gallery, Libraries, Museum, Parks, Roding and Footpaths - Other, Stormwater, Theatre Royal

Private funding sources (e.g. sewer targeted rate or fees and charges) are used mainly where benefits from services apply to a specific group of people or individuals are the primary beneficiaries or users of a service delivered by the Council. All sources of funding to be used by the Council are summarised in the table below for all Council activities.

Fees and Charges

The council will amend its fees and charges annually (or more frequently as appropriate) to reflect increases in costs as measured by the assumed rate of inflation and/or maintain the cost recovery levels underlying the basis for setting the fee levels.

Funding of Depreciation

The Council fully funds depreciation on assets with the exception of:

- Roding – Council does not fully fund depreciation on roding because it is continually maintained and renewed, and over 50% of this cost is received as a subsidy. The Council funds a portion of the depreciation based on average subsidy rates.

Conclusions (Section 101 (3b) consideration)

Timaru District communities are diverse. There are many different users of Council services.

Council's funding approach is a complex assessment of determining where the benefits of Council services apply, what the best methods for funding those services are and how this can be equitably applied across Timaru district communities. Council must also consider affordability both from a ratepayer perspective and for individuals and groups using Council provided services. This ensures that everyone has a reasonable opportunity to access these services.

Council has considered all of these elements and considers the overall funding approach to be fair and equitable.

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Council Activities

A summary of the rationale for operating expenditure funding sources for Council activities is included below. Each activity includes analysis of the five matters listed above and the funding sources and ratios the Council has identified to be used for each activity:

Activity Outcomes	Community Outcomes (primary contribution)	Who benefits	Period of benefits	Whose actions create a need for the activity	Costs and benefits of separate funding	Operating Expenditure Funding Sources
Democracy						
Democracy	This activity contributes primarily to all of the community outcomes.	Benefits from the activity are for the community generally. Council and community boards are the vehicles for making decisions affecting the whole district.	The activity provides ongoing benefits to the community.	Living in a democratic society contributes to the need for this activity.	Benefits from this activity occur district-wide and there is no benefit perceived from separate funding.	Public – 90-100%, funded via a Uniform Annual General Charge and a differentiated General Rate. Private – 0-10% funded via user fees for hearings etc...
Community Support						
Airport	High quality infrastructure to meet community and business needs Smart, diversified economic success and growth supported and enabled	Benefits from the airport accrue mainly to users and visitors who travel or who operate, store and maintain personal aircraft. Community benefits exist through the availability of a facility for air travel from and to South Canterbury. This facility helps enhance and facilitate economic development for the district.	Ongoing benefits to users, visitors and the wider community. Intergenerational benefits to the community through maintaining and developing a facility for air travel.	The community benefits widely from having airport services available.	Benefits from this activity occur district-wide and beyond. There is no benefit perceived from separate funding.	Public – 20-30%, funded via a Uniform Annual General Charge and a differentiated General Rate. Private – 70-80%, funded via Airport user fees and charges.
Cemeteries	High quality infrastructure to meet community and business needs Communities that are safe, vibrant and growing	Specific benefits to families and individuals from the provision of individual gravesites for remembrance and burial. Wider community benefits from the provision of an interment system that remembers and respects those who have passed away and maintains public health standards through safe disposal of human remains.	Benefits are ongoing to the community.	The community benefits widely from having cemeteries available. In some cases, vandalism and failure to maintain headstones may cause additional costs. Where possible, costs will be recovered if perpetrators are caught.	Benefits from this activity occur district-wide and there is no benefit perceived from separate funding.	Public – 30-40%, funded via a Uniform Annual General Charge and a differentiated General Rate. Private – 60-70%, funded via Cemetery user fees and charges. Exacerbator – Cost recovery will be achieved where possible.

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Activity Outcomes	Community Outcomes (primary contribution)	Who benefits	Period of benefits	Whose actions create a need for the activity	Costs and benefits of separate funding	Operating Expenditure Funding Sources
Community Funding	Communities that are safe, vibrant and growing A strong identity forged and promoted	Benefits can accrue to particular individuals, groups and organisations through receipt of funding to assist their various activities. The community benefits through the promotion of activities and events that meet its social, sporting and cultural needs.	Immediate and ongoing. Some benefits may be longer term.	The community benefits from having these funding opportunities available.	Benefits from this activity occur district-wide and there is no benefit perceived from separate funding.	Public – 85-95%, funded via a Uniform Annual General Charge and a differentiated General Rate. Private – 5-15%, funded via various funding agencies, such as Creative New Zealand and interest on loans provided to community organisations.
Emergency Management	Communities that are safe, vibrant and growing People enjoying a high quality of life.	Benefits from Emergency Management accrue across the wider community, as the users of Emergency Management services cannot be identified until after disaster strikes.	Ongoing. Benefits occur now via training and preparedness, during an event and following an event through response and recovery.	In some cases, emergencies could be as a result of human actions, such as sabotage or terrorism.	Benefits from this activity occur district-wide and there is no benefit perceived from separate funding.	Public – 100%, funded via a Uniform Annual General Charge and a differentiated General Rate.
Economic Development and District Promotions	Smart, diversified economic success and growth supported and enabled People enjoying a high quality of life A strong identity forged and promoted	Benefits from economic development and district promotions accrue largely to the community, due to the ongoing economic benefits created from business support, promotion, visitor spending, creation of employment and investment in the potential of the district. Some benefits may accrue to businesses or individuals using these services (e.g. tourism operators). Any cost recovery for these will be recovered by the organisation carrying out these functions.	Immediate and ongoing for users. Some benefits may be longer term to the community.	The community benefits from having this support available.	Benefits from this activity occur district-wide and there is no benefit perceived from separate funding.	Public – 90-100%, funded via a Uniform Annual General Charge and a differentiated General Rate. Private – 0-10%, funded via user fees by funding agencies involved in providing these services or government subsidies.
Public Toilets	High quality infrastructure to meet community and business needs Communities that are safe, vibrant and growing.	Specific benefits to those who use the facilities. Benefits to the wider community through having these essential facilities available for residents and visitors and maintaining standards of public hygiene.	Immediate and ongoing benefits to users. Intergenerational benefits to the community through maintaining and developing these facilities.	The community benefits widely from having public toilets available.	Benefits from this activity occur district-wide and there is no benefit perceived from separate funding.	Public – 90-100%, funded via a Uniform Annual General Charge and a differentiated General Rate. Private – 0-10%. Charging for use is difficult, but may be achievable at specific facilities, where financially viable.

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Activity Outcomes	Community Outcomes (primary contribution)	Who benefits	Period of benefits	Whose actions create a need for the activity	Costs and benefits of separate funding	Operating Expenditure Funding Sources
Safer Communities	Communities that are safe, vibrant and growing People enjoying a high quality of life.	There are some private benefits to individuals and groups from the programmes and support offered by Safer Communities and Project Turnaround. Community benefits accrue from contributions made to improving community safety and addressing social issues in the community.	Ongoing.	Offenders contribute to the need for this activity. However, the community generally benefits widely from having this support and opportunities available.	Benefits from aspects of this activity are district-wide and there is no benefit perceived from separate funding.	Public – 10-20%, funded via a Uniform Annual General Charge and a differentiated General Rate. Private – 80-90%, funded via contracts from Central Government departments.
Social Housing	High quality infrastructure to meet community and business needs.	Benefits from social housing are to tenants of the housing units through provision of affordable accommodation in convenient locations. There is community benefit through the availability of low cost housing to vulnerable groups in the community.	Immediate and ongoing for tenants.	The community benefits from having social housing available.	This activity is self-funding through tenants rentals.	Public – 0%. Private – 100%, funded via user rental income.
District Planning and Environmental Services						
Animal Control	Communities that are safe, vibrant and growing People enjoying a high quality of life.	Benefits from the animal control service accrue mainly to animal owners from the provision of a service that either confines or returns lost or stray animals. The community generally benefits through the enforcement of regulations against aggressive and straying animals.	Immediate and ongoing, but occur mainly in the short- term.	People who do not properly control their animals can be a significant contributor to this activity. In some cases, it can be difficult to identify who these people are.	Benefits from this activity occur district-wide and there is no benefit perceived from separate funding.	Public – 0-10%, funded via a Uniform Annual General Charge and differentiated General Rate. Private – 90-100%, funded via Dog Registration and Impounding fees, fines and other fees associated with the activity.
Building Control	Communities that are safe, vibrant and growing People enjoying a high quality of life.	Benefits from building control accrue mainly to users (i.e. people who build or alter buildings) through meeting legislative requirements and building and maintaining safe and sanitary buildings. The community benefits through the enforcement of regulations that ensure safe, sanitary and accessible buildings in which people live, play and work.	Immediate and ongoing to users of the service.	The community benefits widely through having consistent standards available. People who do not comply with legislative regulations may contribute to the need for this activity. In some cases (e.g. property purchase where consent standards are not met), it may be difficult to identify who should pay.	Benefits from this activity occur district-wide and there is no benefit perceived from separate funding.	Public - 0-10% funded from a differentiated General Rate. Private – 90-100%, funded via various forms of building user fees and charges.

Revenue and Financing Policy

Activity Outcomes	Community Outcomes (primary contribution)	Who benefits	Period of benefits	Whose actions create a need for the activity	Costs and benefits of separate funding	Operating Expenditure Funding Sources
District Planning	Communities that are safe, vibrant and growing People enjoying a high quality of life A valued, healthy and accessible environment.	Benefits from district planning services accrue to users of these services (i.e. people seeking permission to undertake a certain activity, Land Information Memorandums) through meeting legislative requirements. There is also often a direct economic benefit received by the applicant (e.g. developers). The community benefits through protection from adverse environmental, social and cultural impacts, control over the appropriate development of land and buildings, district-wide economic development opportunities, consistent standards for development, education and information and monitoring the impacts of development.	Immediate and ongoing benefits to users. Intergenerational benefits to the community through protection from adverse impacts.	The community benefits widely through having consistent standards available. People who do not comply with legislative requirements may contribute to the need for this activity. Generally, this is met through additional charges on those people.	Benefits from this activity are district wide and there is no benefit perceived from separate funding.	Public – 80-90%, funded via a differentiated General Rate or loan funding (Note: District Plan review only) Private/Exacerbators – 10-20%, funded via District Planning user fees and charges.
Environmental Health	Communities that are safe, vibrant and growing People enjoying a high quality of life.	Benefits from environmental health services accrue to individuals, businesses and organisations from the assurance that their premises are of an acceptable and healthy standard to the consumer and meet other legislative requirements (e.g. liquor licensing). The community benefits through the expectation that public health legislative standards of operation are being met and assurance of a safe and healthy environment for residents and visitors.	Immediate and ongoing to users of the services.	The community benefits widely through having consistent standards available. People who do not meet appropriate standards of operation can cause additional work for this activity. Generally, this is met through additional charges on those people.	Benefits from this activity occur district-wide and there is no benefit perceived from separate funding.	Public – 40-50%, funded via a Uniform Annual General Charge and a differentiated General Rate. Private/Exacerbators – 50-60%, funded via various user fees and charges associated with this activity. In some cases, these fees and charges are prescribed by government.

Revenue and Financing Policy

Activity Outcomes	Community Outcomes (primary contribution)	Who benefits	Period of benefits	Whose actions create a need for the activity	Costs and benefits of separate funding	Operating Expenditure Funding Sources
Parking Enforcement	Communities that are safe, vibrant and growing People enjoying a high quality of life.	Benefits from parking enforcement services accrue to users of these services from being able to use their own transport. District businesses located in township CBD's benefit from the existence of a service that ensures the turnover of parking spaces.	Ongoing and immediate to users and business owners.	People who do not observe parking restrictions (exacerbators) are significant contributors to the need for this activity. Costs are recovered via parking fees and fines for infringements.	This activity is largely funded by exacerbators.	Public – 0 -10%. Private/Exacerbators – 90-100%, funded via a range of parking fees and fines for infringements.
Leisure and Recreation						
Art Gallery	Communities that are safe, vibrant and growing People enjoying a high quality of life A strong identity forged and promoted.	Specific benefits to those who use the facility. Benefits accrue largely to the wider community, through access to the visual arts, appropriate storage and treatment of the art gallery collection, provision of an attraction for residents and visitors, educational opportunities, and through contributions to the cultural strength and diversity of the community. A high level of user recovery may restrict the ability of some people to continue to use these services.	Immediate and ongoing benefits to users. Intergenerational benefits to the community through maintaining and developing a facility for public consumption of art.	The need is created by the community choosing to have a facility for the public consumption of art.	Benefits from this activity occur district-wide and there is no benefit perceived from separate funding.	Public – 90-100%, funded via a Uniform Annual General Charge and a differentiated General Rate. Private – 0-10%, funded via some charges and donations.
Fishing Huts	A valued, healthy and accessible environment	Benefits from fishing huts are enjoyed wholly by those people who choose to lease this type of accommodation from the Council.	Immediate and ongoing to Fishing Hut lessees.	The need is created by people who choose to lease these facilities.	This activity is self-funding	Public – 0%. Private – 100%, funded via the sale of timber and lease revenue.
Forestry	Smart, diversified economic success and growth supported and enabled A valued, healthy and accessible environment.	Benefits from forestry accrue to the public through the generation of income to fund Council activities and storage of carbon to reduce the impact of climate change and meet obligations under climate change agreements.	Immediate and ongoing through generation of income for other Council activities.	There are no specific contributors to the need for this activity.	This activity is self-funding.	Public – 0%. Private – 100%, funded via the sale of timber and lease revenue.

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Activity Outcomes	Community Outcomes (primary contribution)	Who benefits	Period of benefits	Whose actions create a need for the activity	Costs and benefits of separate funding	Operating Expenditure Funding Sources
Halls and Community Centres (including Aorangi Stadium)	High quality infrastructure to meet community and business needs Communities that are safe, vibrant and growing.	Direct benefits for individuals and groups who choose to use the facilities for functions and events. Wider community benefits from use of the facilities for public events or gatherings and as a hub in the event of civil defence emergencies. Specific community benefits in some communities where funding is provided to maintain community-owned halls.	Immediate and ongoing benefits to users. Intergenerational benefits to the community through maintaining and developing these facilities.	The community benefits widely from having halls and community centres available.	Benefits from this activity occur district-wide and there is no benefit perceived from separate funding. Some halls/centres are funded by rates based on dwellings in the area of the community centres.	Public – 80-90%, funded via a Uniform Annual General Charge and a differentiated General Rate and Targeted Rates for some Halls/ Community Centres. Private – 10-20%, funded via Halls and Community Centres user fees and charges.
Libraries	High quality infrastructure to meet community and business needs Smart, diversified economic success and growth supported and enabled Communities that are safe, vibrant and growing People enjoying a high quality of life.	Direct benefit to individuals who use library services. Wider benefits accrue largely to the community, through contributing to a community that is literate and informed, providing access to information and a community resource. Some costs can be recovered, but a high level of recovery may restrict the ability of some people to continue to use these services.	Immediate and ongoing benefits to users. Intergenerational benefits to the community through maintaining and developing these facilities.	The community benefits widely from having library services available. It is appropriate to charge penalties (i.e. overdue fines) where people do not return items on time.	Benefits from this activity occur district-wide and there is no benefit perceived from separate funding.	Public – 90-100%, funded via a Uniform Annual General Charge and a differentiated General Rate. Private/Exacerbators – 0-10%, funded via Libraries user fees, fines and charges.
Motor Camps	Smart, diversified economic success and growth supported and enabled.	Benefits from motor camps are enjoyed by those who lease the facilities for use by groups and individuals. There is some wider economic benefit in having the facilities generally available to the district and for use by tourists and visitors.	Ongoing to those who run the facilities.	There are no specific contributors to the need for this activity.	Benefits from this activity occur district-wide and there is no benefit perceived from separate funding.	Public – 0-10%, funded via a Uniform Annual General Charge and a differentiated General Rate. Private – 90-100%, funded via Motor Camps leases.

Revenue and Financing Policy

Activity Outcomes	Community Outcomes (primary contribution)	Who benefits	Period of benefits	Whose actions create a need for the activity	Costs and benefits of separate funding	Operating Expenditure Funding Sources
Museum	<p>High quality infrastructure to meet community and business needs</p> <p>Communities that are safe, vibrant and growing</p> <p>People enjoying a high quality of life</p> <p>A strong identity forged and promoted.</p>	<p>Specific benefit to those who use the facility.</p> <p>Benefits accrue largely to the community, through cultural enrichment, information, preservation and presentation of district heritage and community identity. A high level of recovery may restrict the ability of some people to continue to use these services.</p>	<p>Immediate and ongoing benefits to users.</p> <p>Intergenerational benefits to the community through maintaining and developing these facilities.</p>	<p>The community benefits widely from having museum services available.</p>	<p>Benefits from this activity occur district-wide and there is no benefit perceived from separate funding.</p>	<p>Public – 90-100%, funded via a Uniform Annual General Charge and a differentiated General Rate. This applies where Learning Experiences Outside the Classroom (LEOTC) funding is excluded.</p> <p>Private – 0-10%, funded via Museum user fees and charges, donations and government subsidies (e.g. LEOTC programme).</p>
Parks	<p>High quality infrastructure to meet community and business needs</p> <p>Communities that are safe, vibrant and growing</p> <p>People enjoying a high quality of life</p> <p>A strong identity forged and promoted</p> <p>A valued, healthy and accessible environment</p>	<p>Individuals and groups receive private benefits through their use of parks and sportsfields for recreational pursuits, events, organised sport, health and wellbeing. However, parks are available to the wider community when not used exclusively for these purposes. Specific facilities located on district parks (e.g. skateparks) also provided direct benefits. A high level of cost recovery may restrict the ability of some to use these services.</p> <p>Benefits from parks accrue to the community generally through provision of facilities for individuals and groups to pursue active and passive leisure pursuits, education on the natural environment, adding to community pride and contributions to community health, wellbeing and perceptions of the district.</p>	<p>Immediate and ongoing benefits to users.</p> <p>Intergenerational benefits to the community through maintaining and developing these facilities.</p>	<p>The community benefits widely from having parks, gardens and sportsfields available.</p>	<p>Benefits from this activity occur district-wide and there is no benefit perceived from separate funding.</p>	<p>Public – 90-100%, funded via a Uniform Annual General Charge and a differentiated General Rate.</p> <p>Private – 0-10%, funded via parks user fees and charges.</p>

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Activity Outcomes	Community Outcomes (primary contribution)	Who benefits	Period of benefits	Whose actions create a need for the activity	Costs and benefits of separate funding	Operating Expenditure Funding Sources
Swimming Pools	<p>High quality infrastructure to meet community and business needs</p> <p>Communities that are safe, vibrant and growing</p> <p>People enjoying a high quality of life</p> <p>A strong identity forged and promoted.</p>	<p>Pool users derive a direct benefit through use of the pool for relaxation, health, sports and fitness, learning to swim and water safety education.</p> <p>Benefits accruing to the wider community include recreational opportunities, education about water safety and swimming and promotion of healthy lifestyles.</p>	<p>Immediate and ongoing benefits to users.</p> <p>Intergenerational benefits to the community through maintaining and developing these facilities.</p>	<p>The community benefits widely from having swimming pools available.</p>	<p>Benefits from this activity occur district-wide and there is no benefit perceived from separate funding.</p>	<p><i>Rural Summer Pools</i></p> <p>Public – 70-80%, funded via a Uniform Annual General Charge and a differentiated General Rate.</p> <p>Private – 20-30%, funded via Swimming Pool user fees and charges.</p> <p><i>Aquatic Centre</i></p> <p>Public – 40-50%, funded via a Uniform Annual General Charge and a differentiated General Rate.</p> <p>Private – 50-60%, funded via Aquatic Centre user fees and charges.</p>
Theatre Royal	<p>High quality infrastructure to meet community and business needs</p> <p>Communities that are safe, vibrant and growing</p> <p>A strong identity forged and promoted.</p>	<p>Theatre Royal users derive direct benefits from either use of the Theatre Royal for events and performances or attendance of performances.</p> <p>Benefits accrue to the community through economic benefits associated with performances and social and cultural benefits gained through the performing arts and entertainment.</p>	<p>Immediate and ongoing benefits to users.</p> <p>Intergenerational benefits to the community through maintaining and developing this facility.</p>	<p>The community benefits widely from having the Theatre Royal available.</p>	<p>Benefits from this activity occur district-wide and there is no benefit perceived from separate funding.</p>	<p>Public – 90-100%, funded via a Uniform Annual General Charge and a differentiated General Rate.</p> <p>Private – 0-10%, funded via Theatre Royal user fees and charges.</p>

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Activity Outcomes	Community Outcomes (primary contribution)	Who benefits	Period of benefits	Whose actions create a need for the activity	Costs and benefits of separate funding	Operating Expenditure Funding Sources
Roading and Footpaths						
Roading and Footpaths	<p>High quality infrastructure to meet community and business needs</p> <p>Smart, diversified economic success and growth supported and enabled.</p>	<p>Private benefits accrue to individuals, groups and businesses using the roading and footpaths network to carry out their day-to-day business and activities.</p> <p>Rural landowners, businesses and farms receive specific benefits from a roading network that connects them to the wider district and enables goods and services to be delivered to their properties and farm produce to be sold.</p> <p>Public benefits include equal access for district residents to transport people, goods and services throughout the district, connections to other transport networks, location and property identification, and maintaining an attractive urban environment and streetscape.</p>	<p>Immediate and ongoing benefits to users.</p> <p>Intergenerational benefits to the community through maintaining and developing roading and footpath infrastructure.</p>	<p>The community benefits widely from having roading and footpaths infrastructure available. In some cases, additional costs may be caused to Council through vandalism, accidents and activities beyond normal usage.</p>	<p>Benefits from this activity are to private users and district-wide. However, it is impractical to currently charge for private use. For some specific elements (e.g. footpaths), there are specific groups that can be identified for funding</p>	<p><i>Roading and Footpaths – other</i></p> <p>Public – 100%. Funding components of this activity differs and is outlined below:</p> <p>Road/street landscapes – uniform annual general charge and a differentiated general rate.</p> <p>Road carriageways and lighting – differentiated general rate, Uniform Annual General Charge and some NZTA funding assistance.</p> <p>Community footpaths and lighting – undifferentiated community based works and services rate (based on land value).</p> <p><i>Roading and Footpaths – Subsidised Roding:</i></p> <p>Public – 40-50% - Funding the Timaru District portion of Roding and Footpaths - subsidised roading is through a differentiated general rate.</p> <p>Private – 50-60% - Funded through New Zealand Transport Agency (NZTA) funding assistance.</p> <p>The NZTA is the main central government source for funding assistance. The Financial Assistance Rate for Timaru District Council is reducing to 51%. This will occur in 2019/20, and will apply for all roading works.</p>

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Activity Outcomes	Community Outcomes (primary contribution)	Who benefits	Period of benefits	Whose actions create a need for the activity	Costs and benefits of separate funding	Operating Expenditure Funding Sources
Cycleways and walkways	High quality infrastructure to meet community and business needs Communities that are safe, vibrant and growing People enjoying a high quality of life.	Private benefits accrue to individuals and specific groups who use these facilities for travel or recreation. Community benefits include equal access for district residents to these facilities, provision of alternative safer and efficient transport options and sustainability benefits in improving environmental outcomes and potentially removing vehicle traffic from the roading network.	Immediate and ongoing benefits to users. Intergenerational benefits to the community through maintaining and developing infrastructure and potential environmental benefits through riparian plantings etc...	The community benefits widely from having cycleways and walkway infrastructure available. In some cases, additional costs may be caused to Council through vandalism.	It is impractical to currently charge for private use. In some circumstances, it may be possible to get government funding to assist in provision of these facilities.	Public – 100%. Funded via a Uniform Annual General Charge and a differentiated general rate, NZTA financial assistance and potential grants or donations from other external sources.
Parking Development	High quality infrastructure to meet community and business needs Smart, diversified economic success and growth supported and enabled.	Private benefits of parking developments are to users of the service through being able to use their own transport and businesses located in township CBD's. Community benefits accrue through the existence of these facilities to maintain and promote economic growth.	Ongoing and immediate to users and business owners.	People using parking facilities are the main contributors to the need for this activity.	This activity is largely funded by users.	Public – 0-10%, funded via a Uniform Annual General Charge and a differentiated general rate. Private – 90-100%, funded via a range of parking fees and fines for infringements.
Sewer						
Sewer	High quality infrastructure to meet community and business needs Smart, diversified economic success and growth supported and enabled Communities that are safe, vibrant and growing People enjoying a high quality of life A valued, healthy and accessible environment.	All properties, both domestic and industrial connected to Council's wastewater system can be readily identified and receive a direct benefit from the service. Provision of a wastewater system is essential community infrastructure and provides numerous public benefits, including the maintenance of public health standards, prevention of disease, economic development opportunities and protection for the environment.	Immediate and ongoing benefits to users. Intergenerational benefits to the community through maintaining and developing sewer infrastructure.	The community benefits widely from having a wastewater system available. Additional costs may be caused through overloading of systems, disposal of hazardous material and illegal connections.	Because the benefits of this activity are predominantly private, it is considered appropriate to fund the activity through a targeted rate and fees and charges.	Public – 0%. Private – 100%, funded via a targeted rate for those connected to a sewer system and tradewaste charges. The targeted rate is set uniformly across connected communities to allow for an equitable charge. Council may also be able to fund some of the costs of establishing new or improved wastewater schemes in small communities from central government funding sources.

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Activity Outcomes	Community Outcomes (primary contribution)	Who benefits	Period of benefits	Whose actions create a need for the activity	Costs and benefits of separate funding	Operating Expenditure Funding Sources
Stormwater						
Stormwater	<p>High quality infrastructure to meet community and business needs</p> <p>Smart, diversified economic success and growth supported and enabled</p> <p>Communities that are safe, vibrant and growing</p> <p>People enjoying a high quality of life</p> <p>A valued, healthy and accessible environment.</p>	<p>Provision of a stormwater system provides public benefits including safe and efficient management of stormwater, decreased risk from flooding, protection of community infrastructure, treatment of stormwater to protect the environment, maintaining safe transport links during rainfall events and encouraging residential development.</p> <p>Private benefits accrue to property owners connected to a scheme via safe and efficient management of stormwater away from their properties.</p>	<p>Immediate and ongoing benefits to users.</p> <p>Intergenerational benefits to the community through maintaining and developing stormwater infrastructure.</p>	<p>The community benefits widely from having a stormwater treatment and management system available.</p>	<p>Because this activity provides predominantly community benefits to specific location, it is considered appropriate to fund the activity separately by community.</p>	<p>Public – 100%, funded via a Community Works and Services targeted rate.</p> <p>Private – 0%.</p>
Waste Minimisation						
Waste Minimisation	<p>High quality infrastructure to meet community and business needs</p> <p>People enjoying a high quality of life</p> <p>A valued, healthy and accessible environment.</p>	<p>Waste Minimisation is considered to have largely private benefits, because it provides a service which householders would otherwise have to arrange for themselves.</p> <p>There are community benefits through preventing illegal dumping and litter, health hazards and damage to the environment. It also helps provide for the safe and efficient disposal of waste and maintenance of public health and environmental standards. The existing system also ensures that goods can be recycled or reused to the benefit of the environment.</p>	<p>Immediate and ongoing benefits to users.</p> <p>Intergenerational benefits to the community through protection of the environment from adverse impacts.</p>	<p>In some cases, inappropriate disposal of hazardous waste and illegal dumping (fly-tipping) causes additional costs to the community. Costs will be recovered if it is possible and economically viable to do so.</p>	<p>It is appropriate to recover the private benefit via a separate funding mechanism.</p>	<p>Public – 0-10%, funded via a Uniform Annual General Charge and a differentiated general rate.</p> <p>Private – 90-100%, funded via a differentiated (by service type – i.e. standard/large) targeted rate and user fees and charges.</p>

Revenue and Financing Policy

Activity Outcomes	Community Outcomes (primary contribution)	Who benefits	Period of benefits	Whose actions create a need for the activity	Costs and benefits of separate funding	Operating Expenditure Funding Sources
Water Supply						
Water Supply	<p>High quality infrastructure to meet community and business needs</p> <p>Smart, diversified economic success and growth supported and enabled</p> <p>Communities that are safe, vibrant and growing</p> <p>People enjoying a high quality of life</p> <p>A valued, healthy and accessible environment.</p>	<p>There are significant direct benefits to consumers connected to a Council piped water scheme including access to potable drinking water for domestic, business, industrial and stockwater uses.</p> <p>Provision of water supplies provides public benefits including community access to potable water, maintenance of public health and availability of water for key public services and amenities (e.g. firefighting, swimming pools).</p>	<p>Immediate and ongoing benefits to users.</p> <p>Intergenerational benefits to the community through maintaining and developing water supply infrastructure.</p>	The community benefits widely from having a water supply system available.	Because the benefits of this activity are predominantly private, it is considered appropriate to fund the activity separately through targeted rates and water supply fees and charges.	<p>Public – 0%.</p> <p>Private – 100%, funded via targeted rates for those connected to a water supply system and water charges (urban, commercial/industrial users) and land and volume-based water fees and charges in rural areas. There is also a small rental contribution. The targeted rate is set uniformly across urban connected communities to allow for an equitable charge.</p> <p>Council may be able to fund some of the costs of establishing improved or new water supply schemes in small communities from central government funding sources.</p>

Financial Contributions Policy

Introduction

Council is required to adopt a Development or Financial Contributions Policy under section 102 of the Local Government Act 2002 (the Act).

Development Contributions provide Council with a method to obtain contributions to fund infrastructure required due to growth.

The Timaru District Council does not currently have a Development Contributions Policy as outlined in Section 106 of the Act. However the Resource Legislation Amendment Act 2017 removes Financial Contributions from section 108 of the Resource Management Act and from section 102 of the Local Government Act, with effect from April 2022. As a result Council is considering the implementation of a Development Contributions Policy.

Timaru District Council has an operative Financial Contributions Policy as set out in Part D, Section 6 of the Timaru District Plan. The existing Financial Contributions Policy allows the Council to apply a charge for water, sewer, stormwater and open space and recreation.

The financial contribution is a contribution from developers of cash or kind, or a mix of these. Financial contributions are provided for under the Resource Management Act 1991 and are used to offset or mitigate any adverse impacts on the natural and physical environment including utilities, services or a new development.

Minor amounts of the capital expenditure budget for parks and recreation have been identified as coming from financial contributions. Amounts to be funded from financial contributions for water supply, sewer and stormwater services will be determined from Council decisions at the time of development.

Financial Contributions Policy

A summary of the existing Financial Contributions provisions under the Timaru District Plan is included below. The full provisions can be found in the District Plan document under Section D: General Rules - 6.5: Water, Sewer, Stormwater and Open Space and Recreation Contributions.

6.5.1.2 WATER SUPPLIES: RULES FOR FINANCIAL CONTRIBUTIONS FOR WATER SCHEMES

1 Within the boundaries of an urban water scheme

Where proposed allotments, sites or buildings are intended for human habitation or occupation within the boundaries of an urban water scheme (Timaru, Temuka, Geraldine, Pleasant Point) the following contributions are payable:

- a) Where water from a water network utility service is able to be delivered to the subdivision or land concerned from an existing water network utility:
 - i) the full actual cost of all necessary reticulation within the subdivision or development for each allotment, site or building; plus
 - ii) the full actual cost of connections between the reticulation in the subdivision or development and the existing water network utility system; plus
 - iii) the full actual cost of any additions or modifications to the existing water network utility system that are required to provide for the expected effects of the subdivision, development or building on that utility system; plus
 - iv) an equitable share of the cost of the existing water network utility system where additional capacity has been created in anticipation of future development to a maximum value of \$3,000 for each allotment.
- b) When calculating (a)(iii) and (iv) above, the Council shall give consideration to whether any part of the cost of any additions or modifications to the existing network should be borne by Council or other subdividers or developers, and whether the subdivision or development benefits the present residents of the community or District to a degree that some or all of the cost of the existing network need not be charged.
- c) The contribution may be in cash or kind or a mix of these, but in all cases the amount to be paid shall be based on an analysis of actual costs and be able to be substantiated by Council.

2 Within the boundaries of a rural water scheme

- a) The Council shall not grant its consent to any subdivision application which identifies a Rural Water Supply Scheme as its source of water without evidence of approval by the water supply authority for that connection.
- b) Completion of the required connection works shall be

achieved prior to sealing the survey plan.

- c) Where a source of water supply other than a Rural Water Supply Scheme is identified a consent notice shall be placed on the title of each allotment stating that the provision of water to the site is the owners responsibility on a continuing basis.

[NOTE: Rural water supply schemes have capital contributions for new connections, additional water, the cost of connecting from the existing pipe work to the tank or property connection, and upgrading of mains upstream of the consumer to enable connection to be made. Connection to the rural water supply is not possible without approval from the water supply authority. The appropriate capital contribution will be advised when approval is given].

3 Controlled Activity

The following are controlled activities subject to complying with all the Performance Standards for the zone and the General Rules with the exercise of Council's discretion restricted to the matter(s) specified.

Development and activities within the Washdyke Industrial Expansion Outline Development Plan area (as set out in Appendix 2 of Part D4), where water from a water network utility service is able to be delivered to the development. All such development and activities are a controlled activity in respect to financial contributions.

A financial contribution in the form of cash, land or a combination of both shall be payable. The costs shall be calculated in accordance with Section 6.5.1.2 (1) of this plan. Council shall advise the amount of contribution at the time of development.

6.5.2 OPEN SPACE AND RECREATION: RULES FOR OPEN SPACE AND RECREATION

1 Subdivision for Residential Activities

For subdivisions resulting in additional allotments for residential purposes, a fee of \$500.00 shall be payable for each additional allotment, except where any additional allotment has an existing household unit.

2 Household Units

- a) At the time of uplifting a building consent for a household unit, a payment of \$500.00 shall be made, except where this is the first or will be the only household unit on

Financial Contributions Policy

the site. This fee may be reduced by up to 50% if the household unit is part of a complex or institution where specific community and recreational facilities are provided on the site.

- b) Where there are existing household units on a site to be replaced by new household units, the total fees for the new household units are to be reduced by \$500.00 for each existing household unit being replaced.
- c) A contribution of land or payment of cash shall be required for any development solely or principally for multi-unit residential purposes. This contribution shall be \$500.00 for each unit, except for the first unit.
- d) Allotments over two hectares in area, subdivided after 7 October 1995, shall be subject to a contribution of \$500.00 when a household unit is placed on the site.
- e) If the household unit is of a relocatable construction and caters for dependent relatives a refund will be available if the building is removed within 10 years. This refund will reduce by 10% of the original fee paid per annum up until year 10 when no refund will be given.

3 Discretionary Activity

Any application to have General Rule 6.5.2.2.1 or 6.5.2.2.2 varied or waived is a discretionary activity.

4 Residential 6 Zone - Proposed Neighbourhood Park

The new Proposed Neighbourhood Park and all stormwater swales identified on Appendix A - Gleniti Indicative Development Plan shall be vested in the Timaru District Council at the time of subdivision in lieu of open space and recreation contributions payable at the time of subdivision on the land described as Lot 1 DP 53112, Lot 19 DP 334402, Lots 6 and 8 DP 342480, Lots 6 and 7 DP 346964, and Lot 20 DP 334402 as at 1 December 2006.

6.5.3.2 STORMWATER SYSTEMS FOR URBAN AREAS: RULES ON FINANCIAL CONTRIBUTIONS

- 1 At the time of subdivision, consideration shall be given to taking a financial contribution in the form of cash, land, works or services (or a combination of these). Council shall advise the amount of the contribution at the time of the subdivision consent.
- 2 Where a financial contribution has not been taken at the time of subdivision Council may require a financial contribution to

be taken as a condition of land use.

- 3 Where a connection to an existing stormwater drainage network utility system is not available to serve the subdivision or development the maximum amount of the financial contribution should be the full and actual cost of providing:
 - a) A system for the disposal of stormwater; and
 - b) Connections between the reticulation in the subdivision or development and the existing stormwater drainage network utility system; and
 - c) All necessary reticulation and control structures within the subdivision or development; and
 - d) A stormwater connection for each allotment, site or building.
- 4 When calculating the financial contribution and to avoid disproportionate costs falling on developers at the lower end of catchments a cost sharing system shall apply as set out below:
 - a) Each area affected by the need for a cost sharing arrangement will be defined and treated separately to determine the share of costs to be borne by subdividers. The Council's proposals for the basis of cost sharing will be made available to the subdividers in broad terms, ie rate of levy on defined areas, basis of adjustment and details of services proposed.
 - b) The contribution is to be based on estimated costs of providing the services, the estimates to be prepared on the basis of present day costs and supported by detailed engineering plans and formal detailed costing procedures for each service in each catchment area; costs are to include design fees. The date of the estimates is to be stated.
 - c) The contribution shall be allocated by spreading the estimated cost of each service for the catchment on an area basis over the land in that catchment and the contribution charged as it is subdivided. The result to be a levy per hectare for stormwater and main drains.
 - d) Although the contribution is to be calculated on an area basis, it shall be adjusted to allow for the direct benefit to be obtained by any one land owner. For example: the reticulation necessary in a subdivision is reduced

considerably where a main drain goes right through that subdivision. In contrast the fringe areas do not receive such a benefit as the main drain comes only to the boundary. The method of adjustment is to be a deduction from the gross cost for the catchment of an estimate of the direct benefit pertaining throughout the catchment before determining the contribution per hectare.

- e) Where a subdivision is to receive a direct benefit the estimated amount is to be added back to the basic levy. The direct benefit received by any subdivision will reflect the projected load due to anticipated land use. This applies where a catchment has land which is zoned for different purposes. The direct benefit shall be calculated on the estimated cost of providing the necessary services for that subdivision (i.e. a certain size drain).
- f) The contribution is to be applied on the basis of the catchment envisaged in the defined area referred to under Rule 6.5.3.2(4)(a) above, even if the final link for that subdivision is to services in another catchment. This provision is to ensure equity between different parts of the catchment.
- g) The contribution rate per hectare will be updated according to the most recently published quarterly figure of the Works Construction Cost Index (WCCI) to cover the increase in costs which will have taken place between the time the estimate is prepared and the subdivision approval given.
- h) The levied amount shall be made a condition of subdivisional approval. Payment to be required or a suitable bond entered into before the plan is sealed with such levy not subject to escalation during the period of approval.
- i) Where agreements such as set out above exist they shall continue to be applied to further development within the specific catchment.
- 5 Where an existing stormwater drainage network utility system is available to serve the subdivision or development the maximum amount of the financial contribution shall be the full and actual cost of:
 - a) All necessary reticulation in the subdivision or development and a stormwater connection for each

Financial Contributions Policy

- allotment, site or building; and
 - b) Connections between the reticulation in the subdivision or development and the existing stormwater network utility system; and
 - c) Any upgrading of the existing network utility system that is required to provide for the expected effects of the subdivision, development or building on that utility system.
- 6 At Gleniti, where open drainage channels are to be established and managed as stormwater swales (with or without associated detention dams) as part of a comprehensive stormwater management system, financial contribution shall be calculated in accordance with all of the above provisions.

Washdyke Industrial Expansion Area

- 7 Controlled Activity
- The following are controlled activities subject to complying with all the Performance Standards for the zone and the General Rules with the exercise of Council's discretion restricted to the matter(s) specified.
- Development and activities within the Washdyke Industrial Expansion Outline Development Plan area (as set out in Appendix 2 of Part D4), where stormwater utility services are able to be delivered to the development. All such development and activities are a controlled activity in respect to financial contributions.
- A financial contribution in the form of cash, land or a combination of both shall be payable. The costs shall be calculated in accordance with Section 6.5.3.2 (4) of this plan. Council shall advise the amount of contribution at the time of development.
- 8 Rules no. (2) to (5) in this section shall apply to all land use development in the Washdyke Industrial Expansion Outline Development Plan area (as set out in Appendix 2 of Part D4).

6.5.4.2 SANITARY SEWER SYSTEMS: RULES ON FINANCIAL CONTRIBUTIONS

- 1 At the time of subdivision, consideration shall be given to taking a financial contribution in the form of cash, land, works or services (or a combination of these). Council shall advise the amount of the contribution at the time of the subdivision

- consent.
- 2 Where a financial contribution has not been taken at the time of subdivision, Council may require a financial contribution to be taken as a condition of land use.
- 3 Where a connection to an existing sewerage system is not able to be made to the subdivision or development the maximum amount of the financial contribution shall be the full and actual cost of:
- a) Providing a sanitary sewerage system for the subdivision, development or building; and
 - b) All necessary reticulation within the subdivision or development for each allotment, site or building.
- 4 Where a subdivision creates the need for a sanitary sewage system and adjoining land or buildings are discharging sanitary or trade wastes which are adversely affecting the environment then the sewage system constructed shall service both the land subject to the resource consent and the other lands.
- 5 The cost of the sewage system in Rule 6.5.4.2(4) shall be shared equitably between the lands served and calculated as follows:
- a) Treatment plant capital and operating:
 - i) In proportion to Biological Oxygen Demand (BOD) kg/day
 - ii) Suspended Solids (SS) kg/day
 - iii) Volume m³ day
 - iv) All equally weighted
 - b) Pumping installations capital and operating:
 - i) In proportion to Volume m³/day
 - ii) Peak flow rate/sec
 - iii) All equally weighted
 - c) Reticulation
 - i) See criteria in Rule 6.5.3.2(4).
- 6 Where a connection to an existing sanitary sewerage network utility is available to serve the subdivision or land use the maximum amount of the financial contribution shall be the full and actual cost of:
- a) All necessary reticulation within the subdivision or land use for each allotment, site or building.
 - b) Connections between the reticulation in the subdivision or development and the existing sanitary sewerage

network utility system.

- c) Any upgrading to the existing sanitary sewerage network utility system that is required to provide for the expected effects of the subdivision, development or building on that utility system.
- d) An equitable share of the cost of the new sanitary sewerage utility systems or upgraded (sewerage utility) systems, including design costs, where additional capacity will be required by the cumulative effects of the development of an area. The share will be calculated by dividing the cost of the work by the new or upgraded system.

Washdyke Industrial Expansion Area

- 7 Controlled Activity
- 8 The following are controlled activities subject to complying with all the Performance Standards for the zone and the General Rules with the exercise of Council's discretion restricted to the matter(s) specified.
- 9 Development and activities within the Washdyke Industrial Expansion Outline Development Plan area (as set out in Appendix 2 of Part D4), where sanitary sewer utility services are able to be delivered to the development. All such development and activities are a controlled activity in respect to financial contributions.
- 10 A financial contribution in the form of cash, land or a combination of both shall be payable. The costs shall be calculated in accordance with Section 6.5.4.2 (6) of this plan. Council shall advise the amount of contribution at the time of development.
- 11 Rules no. (2) to (6) in this section shall apply to all land use development in the Washdyke Industrial Expansion Outline Development Plan area (as set out in Appendix 2 of Part D4).

Rating Policy

Purpose

The policy is to outline operational aspects of rates setting and collection.

Statutory Requirements

Rates are levied in accordance with the statutory provisions of the Local Government (Rating) Act 2002.

Rating Policy

Introduction

The Rating System provides for the net funding requirement of the Council's Expenditure Programme as outlined in the Long Term Plan and Annual Plans.

Rating Types

The following rates are set:

- Uniform Annual General Charge
- General Rates
- Community Works and Services Rate
- Rural Fire Protection Rate
- Community Board Charge
- Annual Sewer Charge
- Annual Waste Management Charge
- Annual Water Charges
- Community Charges

Details of the rating types are to be provided annually in the Funding Impact Statement.

Possible New Rates

Targeted rates could be introduced during the term of the Long Term Plan for Clean Heat Initiatives and Energy Efficiency and Lump Sum Contributions. These would apply to properties that took part in these initiatives.

Differential Rating

The Council proposes to differentiate the General Rate based on land use (Schedule 2 Local Government (Rating) Act 2002).

The objective of differential rating is to ensure a fair proportion of rates are paid by the various differential types.

Description of Differential categories for General Rates:

Type 1 - Accommodation

All properties used primarily for hotel, motel or similar short term or travellers' accommodation purposes.

Type 2 – Commercial - Central

All properties situated within the Timaru Central Business District and used primarily for commercial purposes.

Type 3 – Commercial - Other

All properties used primarily for commercial purposes other than those situated in the Timaru Central Business District.

Type 4 – Community Services

All properties used primarily for education, religious and/or community purposes.

Type 5 - Industrial

All properties used primarily for industrial purposes.

Type 6 - Primary

All properties used primarily for agricultural, horticultural or pastoral purposes, including the grazing of animals.

Type 7 - Recreational

Properties used primarily for active or passive indoor/outdoor recreational activities.

Type 8 – Residential – General (including baches)

All properties used primarily for residential accommodation of a single household or used for residential purposes and not otherwise classified or which are vacant or of not determined use of those differential categories and situated in an area in which residential dwellings are permitted.

Type 9 – Residential – Multi Unit

All properties used primarily for multi unit residential accommodation, for example, purpose built rental flats.

Targeted rates are differentiated based on location and the service provided. Details are provided annually in the Funding Impact Statement.

Instalments

All ratepayers will be invoiced for 4 rate instalments each financial year. Regional Council rates will be invoiced concurrently with the

District Council rates. Instalment dates are to be set annually by the Group Manager Corporate Services.

Metered water targeted rates will be invoiced separately and will be due the 20th of the month following invoice date.

Penalties

A penalty of 10% is added to any portion of each instalment that remains unpaid at the close of the instalment due date.

Any rates outstanding from previous years (including penalties already incurred) which are still unpaid at the close of the first instalment due date will have a further 10% penalty added on that date and if any portion is still unpaid at the close of the third instalment date, a further 10% penalty will be added on that date.

Rates Remission Policy

Purpose

The Rates Remission and Postponement Policy is to allow for rate remissions and postponements, including on Maori Freehold Land in terms of sections 108 and 109 of the Local Government Act 2002.

Statutory Requirements

- Section 102(3)(a) of the Local Government Act 2002 states that Council may adopt a rates remission policy.
- Section 109 of the Local Government Act 2002 states what the policy must contain.
- Section 85 of the Local Government (Rating) Act 2002 allows Council to remit all or part of the rates on a rating unit if it has adopted a remission policy and is satisfied that the conditions and criteria in the policy are met.
- Section 109(2A) of the Local Government Act 2002 states that any rates remission policy must be reviewed at least once every 6 years using a consultation process that gives effect to the requirements of section 82 of the Local Government Act 2002.

Rates Remission Policy

The Timaru District Council has decided to remit all or part of the rates of rating units covered by the Rates Remission Policy provided that the conditions with this policy have been met. Rates remissions will be provided for the following categories of rating units or under the following circumstances:

- Remission of rates for community halls.
- Remission of rates for sporting, games, branches of the arts, community care and volunteer organisations.
- Remission of rates on land protected for natural, historical or cultural conservation purposes.
- Remission of penalties.
- Partial Remission of Rates on Dwellings that were subject to a special rateable value for the purpose of Timaru District Council Rating as at 30 June 2003.
- Remission of School Sewerage Charges.
- Remission of Excess Water Charges.
- Remission of UAGC's for low value properties.
- Remission of rates and charges on land affected by natural

calamity.

- Remission of rates and charges on separate self contained flats.
- Remission of rates and charges on urban residential development land.
- Remission of rates and charges on buildings undergoing Earthquake Strengthening.

The following percentages/procedures will apply:

- All rating units which fall within i-iii above receive: -
 - 100% remission of non services rates;
 - 50% remission on water charges, except water charged by the meter;
 - 0% remission on sewer charges;
 - 0% remission on refuse charges.
- That recreational organisations, except chartered clubs, receive:
 - 50% remission on sewer charges.
- Where an application for partial remission of Rates on Dwellings that was subject to special rateable value for the purpose of Timaru District Council Rating as at 30 June 2003 is approved, the Council will direct its valuation service provider to inspect the rating unit and prepare a valuation that will treat the rating unit as if it were a comparable unit elsewhere in the district.
- That educational institutions be levied for sewerage disposal and collection on the basis of:-
 - 1 charge per 20 pupils and staff or part thereof.
- That the ratepayer be charged the full amount for normal consumption of water, that the excess amount be remitted.
- The Council may partially remit the UAGC for ratepayers who own more than one property in the district. The remission will be based on:

Capital Value (\$)	UAGC
0-20,000	Minimum (\$30)
20,001 – 26,000	70% remission
26,001 – 30,000	50% remission
30,001 – 55,000	30% remission
Over 55,001	Full UAGC

Properties with a Capital Value of \$5,000 or less may receive a

100% remission on the UAGC.

- The Council may remit wholly or in part any rates and charges on land affected by natural calamity.
- The Council may partially remit general rates, water, sewer and refuse charges where separate self contained flats are used for private purpose and not for profit.
- The Council may remit the UAGC rate for unsold development land which is in more than one parcel, but has separate valuation numbers. A minimum of 1 charge is required for the land.

Remissions for Community Halls, Community Care Organisations, Sporting, Branches of the Arts or Volunteer Organisations

Objective

The remission of rates for community, sporting and other organisations is to facilitate the ongoing provision of non-commercial community services and non-commercial recreational opportunities for the residents of Timaru District.

The purpose of granting rates remission to an organisation is to:

- Recognise the public good contribution made by such organisations.
- Assist the organisations survival.
- Make membership of the organisation more accessible to the general public, particularly disadvantaged groups. These include children, youth, young families, aged people, and economically disadvantaged people.

Conditions and Criteria

The remission of rates will apply to land which is used exclusively or principally for sporting, recreation, or community purposes. The policy does not apply to organisations operated for pecuniary profit.

The policy does not apply to groups or organisations whose primary purpose is to address the needs of adult members (over 18 years) for entertainment or social interaction, or who engage in recreational, sporting, or community services as a secondary purpose only.

Organisations making application should include the following documents in support of their application:

Rates Remission Policy

- i Statement of objectives.
- ii Financial assets.
- iii Information on activities and programmes.
- iv Details of membership or clients.

Delegations

The following delegations apply:

- Group Manager Corporate Services – to approve remissions which meet the requirements of this policy.
- Rates Remission Subcommittee – to hear and make a final decision on any appeal on an application for remission that has been declined.

Remission of Rates on Land Protected for Natural, Historical or Cultural Conservation Purposes

Objective

Rates remission is provided to preserve and promote natural resources and heritage by encouraging the protection of land for natural, historic or cultural purposes.

Conditions and Criteria

Ratepayers who own rating units which have some feature of cultural, natural or historic heritage which is voluntarily protected may qualify for remission of rates under this policy.

Land that is non-rateable under section 8 of the Local Government (Rating) Act 2002 and is liable only for rates for water supply, sewerage disposal and waste collection will not qualify for remission under this part of the policy.

Applications should be supported by documented evidence of the protected status of the rating unit, for example, a copy of the covenant or other legal mechanism.

In considering any application for remission of rates under this part of the policy, the Council will consider the following criteria:

- The extent to which the preservation of natural, cultural or historic heritage will be promoted by granting remission of rates on the rating unit.
- The degree to which feature of natural, cultural and historic heritage are present on the land.
- The degree to which features of natural, cultural and historic heritage inhibit the economic utilisation of the land.

- The extent to which the preservation of natural, cultural and historic heritage will be promoted by granting remission of rates on the rating unit.
- The degree to which features of natural, cultural and historic heritage will be promoted by granting remission of rates on the rating unit.
- The degree to which features of natural, cultural and historic heritage are present on the land.
- The degree to which features of natural, cultural and historic heritage inhibits the economic utilisation of the land.

Delegations

The following delegations apply:

- Group Manager Corporate Services – to approve remissions which meet the requirements of this policy.
- Rates Remission Subcommittee – to hear and make a final decision on any appeal on an application for remission that has been declined.

Remission of Penalties

The Timaru District Council will provide rate remissions of penalties to all ratepayers who meet the objectives, conditions and criteria of this policy.

Objective

The remission of penalties is to allow the Council to act fairly and reasonably in its consideration of rates which have not been received by the Council by the penalty date due to circumstances outside the ratepayers control.

Conditions and Criteria

Remission of the penalty will be granted if the ratepayer by written explanation satisfies the Council that the late payment was due to circumstances outside the ratepayer's control.

Each application will be considered on its merit and will be granted where it is considered fair and equitable to do so. This includes:

- Humanitarian grounds.
- Address problems which resulted in the rate account going to the wrong address.
- The ratepayer did not receive an account.

- Due to a procedure at the bank that delayed or prevented payment.
- The Council made a mistake.
- A property has changed ownership and the invoice has been issued in the name of the previous owner and/or timing issues associated with the change.
- Monies received on time but credited to a different rate account due to a ratepayer supplying an incorrect reference number.
- Where no penalty has been remitted in the last two years and that ratepayer provides a reasonable explanation for the delayed payment.

In cases where ratepayers are in arrears with their rates, but have made acceptable arrangements for the payment of the current year's rates together with reduction in the level of arrears, further penalties being incurred will be remitted under this policy.

Where the Council has accepted an application for payment by direct debit that will clear the rates by 30 June in the current rating year, the property will not be charged penalties. The Council accepts responsibility for the amount of the debit being set at the correct level to clear the rates and any arrears. It is the ratepayers' responsibility to ensure that there are sufficient funds available in the specified account to enable the debit to be processed. The Council may, at its discretion, cancel a direct debit arrangement, with advice to the ratepayer.

Delegations

The following delegations apply:

- Group Manager Corporate Services, Finance Manager, Senior Rates Officer, Rates Officer, Customer Services Manager, Customer Services Team Leader – to approve remissions which meet the requirements of this policy.
- Rates Remission Subcommittee – to hear and make a final decision on any appeal on an application for remission that has been declined.

Partial Remission On Dwellings that were Subject to a Special Rateable Value for the Purpose of Timaru District Council Rating as at 30 June 2003.

The Council will provide partial rates remissions to ratepayers who meet the objectives, conditions and criteria of this policy.

Rates Remission Policy

Objective

The remission of general rates is to provide relief for rating units in commercial, residential or industrial zones and must be used as the private residential dwelling of the ratepayer or the private dwelling of a tenant of the ratepayer and in the opinion of the Council's valuation service provider the rateable land value of the rating unit has been inflated due to the location of the property in relation to surrounding properties zoning and land uses.

Conditions and Criteria

Rating units must be situated in commercial, residential or industrial zones and must be used as the private residential dwelling of the ratepayer or the private dwelling of a tenant of the ratepayer and in the opinion of the Council's valuation service provider the rateable land value of the rating unit has been inflated due to the zoning of the property.

Applications for remission must be made to the Council prior to the commencement of a rating year. Applications received during a rating year will apply from the commencement of the following rating year.

Where an application is approved, the Council will direct its valuation service provider to inspect the rating unit and prepare a valuation that will treat the rating unit as if it were a comparable rating unit elsewhere in the district.

Values allocated under this policy are final and there is no right of objection or appeal against the level of valuation.

Remissions will be granted on all rates that are levied on the rateable land value of the rating unit, and the remission will be the difference between the rates that would have been struck on the rateable land value and the rates struck under the special land value allocated under this policy.

This policy will apply to all properties to which special rateable values applied at 30 June 2003 provided the use of the property has not changed.

Delegations

The following delegations apply:

- Group Manager Corporate Services – to approve remissions which meet the requirements of this policy.
- Rates Remission Subcommittee – to hear and make a final

decision on any appeal on an application for remission that has been declined.

Remission of School Sewerage Charges

The Council will provide rates remissions to ratepayers who meet the objectives, conditions and criteria of this policy.

Objective

To provide relief and assistance to education establishments as defined in the Rating Powers (Special Provision for Certain Rates for Educational Establishments) Amendments Act 2001 in paying Sewerage charges.

Conditions and Criteria

The remission will apply to the following educational establishments:

- Established as a special school under section 98(1) of the Education Act 1964; or defined as-
- A state school under section 2 (1) of the Education Act 1989; or
- An integrated school under section 2 (1) of the Private Schools Conditional Integrated Act 1975; or
- A special institution under section 92 (1) of the Education Act 1989; or
- An early childhood centre under section 308 (1) of the Education Act 1989, but excluding any early childhood centre operated for a profit.

The policy does not apply to school houses occupied by a caretaker, principal or staff.

The sewage disposal rate in any one year may not exceed the amount calculated in the clause immediately below.

The sewage disposal rate is the rate that will be levied using the same mechanism as is applied to other separately rateable rating units within the District, the number of toilets determined will be charged with the full charge.

For the purpose of the clause immediately above, the number of toilets for separately rateable units occupied for the purposes of an educational establishment is 1 toilet for every 20 students or staff or part thereof.

The number of students in an educational establishment is the number of students on its roll on 1 March immediately before the

year to which the charge relates.

The number of staff in an educational establishment is the number of administration and teaching staff employed by the educational establishment on 1 March immediately before the year to which the charge relates.

Delegations

The following delegations apply:

- Group Manager Corporate Services – to approve remissions which meet the requirements of this policy.
- Rates Remission Subcommittee – to hear and make a final decision on any appeal on an application for remission that has been declined.

Remission of Rates and Charges on Land and or Improvements Affected by Natural Calamity

Objective

The objective of this part of the policy is to assist ratepayers experiencing extreme financial circumstances which affect their ability to pay rates.

Conditions and Criteria

- Only rating units, where the use that may be made of the land or improvements has been detrimentally affected by erosion, subsidence, submersion or other natural calamity will be eligible for consideration for rates remission.
- Only the person entered as the ratepayer or their authorised agent may make an application for remission of rates and charges on land or improvements affected by natural calamity.
- The ratepayer must be the current owner of the rating unit which is subject to the application. The application should be supported by documented evidence that the rating unit has been detrimentally affected by natural calamity.
- The Council will consider, on a case by case basis, all applications received that meet the criteria described in the first two paragraphs under this section.
- When considering whether extreme financial circumstances exist, all of the ratepayer's personal and business circumstances will be relevant including the following factors: age, physical or mental disability, injury, illness and family circumstances.

Rates Remission Policy

- Before approving an application the Council must be satisfied that the ratepayer is unlikely to have sufficient funds left over, after the payment of rates, for normal health care, proper provision for maintenance of his/her home and chattels at an adequate standard as well as making provision for normal day to day living expenses.
- The Council's may, where it considers it to be fair and reasonable to do so, remit wholly or in part, any rate or charge or targeted rate made and set in respect of the land or improvements.

Delegations

The following delegations apply:

- Group Manager Corporate Services – to approve remissions which meet the requirements of this policy.
- Rates Remission Subcommittee – to hear and make a final decision on any appeal on an application for remission that has been declined.

Remission of Excess Water Charges

The Council will provide rates remissions to ratepayers who meet the objectives, conditions and criteria of this policy.

Objective

To standardise procedures to assist ratepayers who have excessive water rates due to a fault (leak) in the internal reticulation serving their rating unit, having acted promptly in remedying the fault.

Conditions and Criteria

The Council may remit all or part of the excess water rates where the application meets the following criteria:

- The policy will apply to applications from ratepayers who have excess water rates due to a fault(s) in the internal reticulation;
- That all applicants are requested to submit their application in writing;
- That proof of the repairs to the internal reticulation be submitted for verification (i.e. plumbers repair account);
- That proof be submitted for verification of the repairs being carried out promptly once the existence of a fault has been identified;
- That the ratepayer be charged the full amount for normal consumption;

- That part or all of the excess amount be remitted.

Delegations

The following delegations apply:

- Group Manager Corporate Services – to approve remissions which meet the requirements of this policy.
- Rates Remission Subcommittee – to hear and make a final decision on any appeal on an application for remission that has been declined or only partly remitted.

Remission of Rates on UAGC's for Low Value Properties

The Council will provide partial rates remissions of the UAGC to ratepayers who meet the objectives, conditions and criteria of this policy.

Objective

To assist ratepayers who own more than one property in the district or who have very low value properties.

Conditions and Criteria

The Council may partially remit the UAGC for ratepayers who own more than one property in the district.

The remission will be based on:

Capital Value (\$)	UAGC
0-20,000	Minimum (\$30)
20,001 – 26,000	70% remission
26,001 – 30,000	50% remission
30,001 – 55,000	30% remission
Over 55,001	Full UAGC

The Council may remit the UAGC to ratepayers where the Capital Value of a property is \$5,000 or less.

Delegations

The following delegations apply:

- Group Manager Corporate Services – to approve remissions which meet the requirements of this policy.

- Rates Remission Subcommittee – to hear and make a final decision on any appeal on an application for remission that has been declined.

Remission of Multiple Use differentials and service charges when separate self contained flat is used for private purpose and not for profit

The Council will provide partial rates remissions to ratepayers who meet the objectives, conditions and criteria of this policy.

Objective

To assist ratepayers who own properties with separate inhabitable unit/self contained flat used only for private, non-profit purposes.

To remit multiple use differential on value based rates and additional service charges for separately used or inhabitable part of rating unit.

Conditions and Criteria

The Council may remit the rates where the application meets the following criteria:

- The policy will apply to ratepayers who submit a statutory declaration stating that the separate inhabitable unit/self contained flat is used for extended family members or private use only and is not leased, or rented for any period of the previous year and not intended so for the next rating year.
- Applications for remissions must be made each year prior to the commencement of the rating year. Applications received during a rating year will apply from the commencement of the following rating year. An application needs to be submitted on or before 31 May of each year to apply for following rating year.
- Where an application is approved, the Council could direct its valuation service provider to inspect the rating unit to confirm the status of the property.
- Where an application is approved the property will be rated as a single residential unit.

Delegations

The following delegations apply:

- Group Manager Corporate Services – to approve remissions which meet the requirements of this policy.

Rates Remission Policy

- Rates Remission Subcommittee – to hear and make a final decision on any appeal on an application for remission that has been declined.

Remission of Rates for Development Land

The Council will provide partial rates remissions to ratepayers who meet the objectives, conditions and criteria of this policy.

Objective

To assist ratepayers who undertake significant development of land. The objective is to ensure that unsold development land which is in more than one parcel, but has separate valuation assessment numbers, does not pay more than one uniform annual general charge.

Conditions and Criteria

The Council may remit the rates where the application meets the following criteria:

- The policy will apply to ratepayers who apply in writing providing details of the multiple lot subdivision.
- Applications for remissions must be made each year prior to the commencement of the rating year. Applications received during a rating year will apply from the commencement of the following rating year. An application needs to be submitted on or before 31 May of each year to apply for following rating year.
- The remission will only apply to development (defined as one deposited plan) where there are more than 2 allotments.
- The ratepayer will receive a 100% remission on the Uniform Annual General Charge on the second and subsequent allotments.
- The remission will be for a maximum period of three rating years.
- The remission shall cease for any allotment if:
 - Any interest in the land is passed by the developer to another party, or
 - An application for a building consent is granted, or
 - The land is developed in some other way.

Delegations

The following delegations apply:

- Group Manager Corporate Services – to approve remissions which meet the requirements of this policy.

- Rates Remission Subcommittee – to hear and make a final decision on any appeal on an application for remission that has been declined.

Remission of Rates and Charges on Buildings undergoing Earthquake Strengthening

Objective

The objective of this part of the policy is to assist ratepayers who are unable to occupy their property while earthquake strengthening is being undertaken.

Conditions and Criteria

- Only the person entered as the ratepayer or their authorised agent may make an application for remission of rates and charges on Buildings undergoing Earthquake Strengthening.
- Only properties where buildings have been determined by Council to be an Earthquake Prone Building will be eligible for a remission.
- The property (rating unit) must not be used for any purpose, apart from the earthquake strengthening work and will not generate any revenue stream.
- The Council will consider, on a case by case basis, all applications received that meet the criteria above. A remission of up to 75% of the general rate will be granted.
- Applications for remissions must be made each year prior to the commencement of the rating year. Applications received during a rating year will apply from the commencement of the following rating year. An application needs to be submitted on or before 31 May of each year to apply for following rating year.
- The remission will only be available for a maximum of 2 rating years.

Delegations

The following delegations apply:

- Group Manager Corporate Services – to approve remissions which meet the requirements of this policy.
- Rates Remission Subcommittee – to hear and make a final decision on any appeal on an application for remission that has been declined. Rates Postponement Policy

Rates Postponement Policy

Purpose

The Rates Remission and Postponement Policy is to allow for rate remissions and postponements, including on Maori Freehold Land in terms of sections 108 and 109 of the Local Government Act 2002.

Statutory Requirements

- Section 102(3)(b) of the Local Government Act 2002 states that the Council may adopt a Rates Postponement Policy.
- Section 110 of the Local Government Act 2002 states what the policy must contain.
- Section 115 of the Local Government (Rating) Act 2002 allows the Council to postpone all or part of the rates on a rating unit if it has adopted a postponement policy, the ratepayer has applied in writing for a postponement and Council is satisfied that the conditions and criteria in the policy are met.
- Section 110(2A) of the Local Government Act 2002 states that any rates postponement policy must be reviewed at least once every 6 years using a consultation process that gives effect to the requirements of section 82 of the Local Government Act 2002.

Rates Postponement Policy

Extreme Financial Circumstances

Objective

The objective of this part of the policy is to assist ratepayers experiencing extreme financial circumstances which affect their ability to pay rates.

Conditions and Criteria

Only rating units used solely for residential purposes will be eligible for consideration for rates postponement for extreme financial circumstances.

Only the person entered as the ratepayer, or their authorised agent, may make an application for rates postponement for extreme financial circumstances. The ratepayer must be the current owner of, and have owned for not less than 5 years, the rating unit which is the subject of the application. The person entered on the Council's rating information database as the

"ratepayer" must not own any other rating units or investment properties (whether in the district or in another district).

The ratepayer (or authorised agent) must make an application to Council.

The Council will consider, on a case by case basis, all applications received that meet the criteria described in the first two paragraphs under this section. The Council will delegate authority to approve applications for rates postponement to Council officers.

When considering whether extreme financial circumstances exist, all of the ratepayer's personal circumstances will be relevant including the following factors: age, physical or mental disability, injury, illness and family circumstances.

Before approving an application the Council must be satisfied that the ratepayer is unlikely to have sufficient funds left over, after the payment of rates, for normal health care, proper provision for maintenance of his/her home and chattels at an adequate standard as well as making provision for normal day to day living expenses.

Where the Council decides to postpone rates the ratepayer must first make acceptable arrangements for payment of future rates, for example by setting up a system for regular payments.

Any postponed rates will be postponed until:

- The death of the ratepayer(s); or
- Until the ratepayer(s) ceases to be the owner or occupier of the rating unit; or
- Until the ratepayer ceases to use the property as his/her residence; or
- Until a date specified by the Council.

The Council will charge an annual fee on postponed rates for the period between the due date and the date they are paid. This fee is designed to cover the Council's administrative and financial costs and may vary from year to year. The fee that will be charged in the 2018/19 financial year is \$100.00.

Even if rates are postponed, as a general rule the ratepayer will be required to pay the first \$1,000.00 of the rate account.

The policy will apply from the beginning of the rating year in which the application is made although the Council may consider

backdating past the rating year in which the application is made depending on the circumstances.

The postponed rates or any part thereof may be paid at any time. The applicant may elect to postpone the payment of a lesser sum than that which they would be entitled to have postponed pursuant to this policy.

Postponed rates will be registered as a statutory land charge on the rating unit title. This means that the Council will have the first call on the proceeds of any revenue from the sale or lease of the rating unit.

Delegations

The following delegations apply:

- Group Manager Corporate Services Manager – to approve postponements which meet the requirements of this policy.

Rates Remission and Postponement on Maori Freehold Land Policies

Purpose

The Rates Remission and Postponement Policy is to allow for rate remissions and postponements, including on Maori Freehold Land in terms of sections 108 and 109 of the Local Government Act 2002.

Statutory Requirements

- Section 102(2)(e) of the Local Government Act 2002 states that Council must adopt a policy on the remission and postponement of rates on Maori freehold land.
- Section 108 and Schedule 11 of the Local Government Act 2002 states what the policy must contain.
- Section 114 of the Local Government (Rating) Act 2002 allows the Council to remit all or part of the rates on a rating unit if it has adopted a remission policy and is satisfied that the conditions and criteria in the policy are met.
- Section 115 of the Local Government (Rating) Act 2002 requires the Council to postpone all or part of the rates on a rating unit if it has adopted a postponement policy and is satisfied that the conditions and criteria in the policy are met.
- Section 108(4A) of the Local Government Act 2002 states that this policy must be reviewed at least once every 6 years using a consultation process that gives effect to the requirements of section 82 of the Local Government Act 2002.

Remission of Rates on Maori Freehold Land

This policy aims to ensure the fair and equitable collection of rates from all sectors of the community recognising that certain Maori owned lands have particular conditions, features, ownership structures or other circumstances which make it appropriate to provide relief from rates.

Objectives

The remission of rates on Maori freehold land is to:

- i Recognise situations where there is no occupier or person gaining an economic or financial benefit from the land.
- ii Set aside land that is better set aside for non-use because of its natural features (whenua rahui).
- iii Recognise matters related to the physical accessibility of the

land.

- iv Recognise and take account of the presence of wāhi tapu that may affect the use of the land for other purposes.
- v Grant remission for the portion of land not occupied where part only of a block is occupied.
- vi Facilitate the development or use of the land where the Council considers rates based on actual land value make the actual use of the land uneconomic.
- vii Recognise and take account of the importance of land in providing economic and infrastructure support for marae and associated papakainga housing.
- viii Recognise and take into account the importance of the land for community goals relating to:
 - The preservation of the natural character of the coastal environment.
 - The protection of outstanding natural features.
 - The protection of significant indigenous vegetation and significant habitat of indigenous fauna.

Principles

The principles used in establishing this policy on the remission of rates on Maori freehold land are that:

- i As defined in Section 91 of the Local Government (Rating) Act 2002, Maori freehold land is liable for rates in the same manner as if it were general land.
- ii The Council is required to consider whether it should have a policy on rates relief on Maori freehold land.
- iii The Council and the community benefit through the efficient collection of rates that are properly payable and the removal of rating debt that is considered non-collectable.
- iv Applications for relief meet the criteria set by the Council.
- v The policy does not provide for the permanent remission or postponement of rates on the property concerned.

Conditions and Criteria

Maori freehold land is defined in the Local Government (Rating) Act 2002 as land whose beneficial ownership has been determined by a freehold order issued by the Maori Land Court. Only land that is the subject of such an order may qualify for remission under this policy.

The Council will maintain a register titled the Maori Land Rates

Relief Register (the register) for the purpose of recording properties on which it has agreed to remit rates pursuant to this policy. The register will comprise two category lists, these being:

- i The Maori Land General Remissions List.
- ii The Maori Land Economic Adjustment Remissions List.

Owners or trustees making application should include the following information in their applications:

- i Details of the property.
- ii The objectives that will be achieved by providing a remission.
- iii Documentation that proves the land, which is the subject of the application, is Maori freehold land.

The Council may, at its own discretion, add properties to the lists.

Relief, and the extent thereof, is at the sole discretion of the Council and may be cancelled and reduced at any time.

The Council will review the register annually and may:

- i Add properties that comply.
- ii Remove properties where there the circumstances have changed and they no longer comply.

Maori Land General Remissions List

The Council will consider remission of rates on land that comes within the following criteria:

- i The land is unoccupied and no income is derived from the use or occupation of that land, or
- ii The land is better set aside for non-use (whenua rahui) because of its natural features, or is unoccupied, and no income is derived from the use or occupation of that land.
- iii The land is inaccessible and is unoccupied.
- iv Only a portion of the land is occupied.

Maori Economic Adjustment Remissions List

The Council will consider remission for land that carries a best potential use value that is significantly in excess of the economic value arising from its actual use.

The remission for land recorded in the Maori Land Economic Adjustment Remissions List will be the difference between the rates as assessed and the rates that would be assessed based on the actual use of the land.

Remissions

100% remission of any rates except targeted rates made for water

Rates Remission and Postponement on Maori Freehold Land Policies

supply, sewerage disposal or waste management.

Postponement of Rates on Maori Freehold Land

The Council will provide rates postponement on Maori freehold land to all ratepayers who meet the objectives, conditions and criteria of this policy.

Objective

The postponement on rates on Maori freehold land is to facilitate the development and use of the land for economic use where the Council considers utilisation would be uneconomic if full rates were required during the years of development and establishment.

Conditions and Criteria

Maori freehold land is defined in the Local Government (Rating) Act 2002 as land whose beneficial ownership has been determined by a freehold order issued by the Maori Land Court. Only land that is subject of such an order may qualify for postponement under this policy.

The Council will consider postponement of rates where previously unoccupied land is subject to clearing, development and commercial use where the Council considers utilisation would be uneconomic if full rates were required during the years of development and establishment.

Application should be made prior to commencement of the development. Applications made after the commencement of the development may be accepted at the discretion of the Council.

Owners or trustees making application should include the following information in their applications:

- i Details of the property.
- ii The objectives that will be achieved by providing postponement.
- iii Details of the proposed development.

The Council may also, at its discretion, partially remit rates that are otherwise subject to postponement.

Delegations

The following delegations apply:

- Group Manager Corporate Services – to approve remissions and postponements which meet the requirements of this policy.
- Rates Remission Subcommittee – to hear and make a final decision on any appeal on an application for remission and postponements that has been declined.

Rates Discount policy

Purpose

To specify the policy for early payment of rates in the current financial year in terms of section 55 of the Local Government (Rating) Act 2002.

Background

Rates are set on properties in accordance with the statutory provisions of the Local Government (Rating) Act 2002. A local authority may adopt a policy for the payment of some or all rates that are identified in the rates assessment before the due date or dates for those rates in the current financial year.

This policy has been in place since 2002, with similar policies operating under previous legislation prior to this date.

This policy must be adopted using the special consultative procedure and may be included in the long-term plan.

Key Definitions

Financial year – a period of 12 months beginning on 1 July.

Policy

A discount of 2.5% will be allowed on the total rates set for the financial year, if the rates for a financial year, including any current penalties, are paid in full on or before the due date of the first instalment for that financial year.

Significant Forecasting Assumptions

Summary of Assumptions

The following general and financial assumptions are assumed for the life of this Long Term Plan (2018-28).

Assumption	Confidence Level	Risk	Consequence
General Assumptions			
1 Population Change	Medium	Low	Minor
2 Household Change	Medium	Low	Minor
3 Useful Life of Significant Assets	Medium	Low	Medium
4 Demographic Changes	High	Low	Minor
5 Joint Venture or Shared Service Arrangements/Council Controlled Organisations (CCOs)	High	Low	Minor
6 Legislative Demands on Council	High	High	Medium
7 Climate Change	Medium	Medium	Minor
8 Resource Consents	High	Low	Medium
9 Service Levels	Medium	Medium	Minor
10 Demand	Medium	Low	Medium
11 Availability of Contractors and Materials	Medium	Medium	Medium
12 Natural Hazards/Local natural disaster	Medium	Medium	Major
13 Strategic Assets	High	Low	Medium
14 Council Political Structure	High	Low	Medium
Financial Assumptions			
1 Inflation	Low	Medium	Medium
2 Interest Rates on Borrowing	Medium	Medium	Medium
3 Return on Investments	High	Medium	Medium
4 Funding Sources	Medium	Medium	Minor
5 Credit Availability	High	Medium	Major
6 Costs	Low	Medium	Medium
7 Currency and Oil Price fluctuations	Medium	Low	Medium
8 NZ Transport Agency Funding Assistance	Medium	Medium	Medium
9 Emissions Trading Scheme	Medium	Low	Minor
10 Asset Depreciation Rates	High	Low	Minor
11 Revaluation of significant assets	High	Low	Minor
12 Rating Base	High	Low	Minor

Significant Forecasting Assumptions

Significant Long Term Plan 2018-28 General Assumptions

Assumption	Confidence Level (High, Medium, Low)			Risk	Risk Level (High, Medium, Low)			Consequence of variation to assumption	Approach to mitigation of risk
	H	M	L		H	M	L		
1. Population Change <i>Assumption:</i> The District's Population is projected to increase to 49,400 (+8.8%) by 2028, peaking in 2038 at 50,200. This represents the Statistics NZ medium ¹ projection scenario. <i>Comment:</i> Population projections do not represent forecasts, but indicate what the future size and structure will be if the underlying assumptions regarding births, deaths and migration prevail. Growth is projected to occur at around a rate of 0.6% annually until 2028. Based on the medium projection, the rate of natural increase will become negative from around 2028, meaning there are more deaths than births. This reflects the age makeup of the Timaru District population. Growth from 2028 will be reliant on net migration. Projections use the 2013 Census based Estimated Resident Population as a base and were prepared by Statistics NZ.		✓		Population change across the district occurs at a higher or lower rate than expected			✓	A significant and consistent decline in population may adversely affect the ability of the Council to set rates at a level that is affordable to the community. A significant and consistent rise in population may adversely affect the ability of Council to deliver some services to existing service levels.	Council will continue to monitor population change in the District. Generally, small increases in population can be managed within the existing level of service. Declines in population will not necessarily result in a lower number of ratepayers as the number of people per household is declining. Where growth requires additional infrastructure (e.g. subdivisions), Council can currently require financial contributions for this work. Costs over this amount may result in additional Council expenditure which is likely to be funded out of debt.
2. Household Change <i>Assumption:</i> The District's households are projected to grow to 21,500 in 2028 (+11.4%), rising to 22,300 households in 2038. This represents the Stats NZ medium ² projection scenario. <i>Comment:</i> Timaru District household change has historically been characterised by steady growth of households, with pockets of stronger growth in some locations and communities. Household size is declining over time as the population ages. Household projections do not represent forecasts, but indicate what future households will be if the underlying assumptions prevail. Projections use the 2013 Census based Estimated Resident Population as a base and were prepared by Statistics NZ.		✓		Household change across the district occurs at a higher or lower rate than expected			✓	A slower rate of household growth may mean some activities have overinvested in infrastructure (i.e. have too much capacity too soon).	Council will continue to monitor household change in the District. Existing infrastructure is being managed to address specific growth factors associated with an activity (e.g. traffic demand) which may be generated from an increase in households. Where growth requires additional infrastructure (e.g. subdivisions), Council can currently require financial contributions for this work.

¹ Based on Statistics NZ Population Projections Update (released December 2016)

² Based on Statistics NZ Family and Household Projections (released December 2017)

Significant Forecasting Assumptions

Assumption	Confidence Level (High, Medium, Low)			Risk	Risk Level (High, Medium, Low)			Consequence of variation to assumption	Approach to mitigation of risk
	H	M	L		H	M	L		
3. Useful Life of Significant Assets <i>Assumption:</i> It is assumed that asset information is reliable and reflects the condition and performance of the assets. It is assumed that no significant assets will fail before the end of their useful lives as determined by the depreciation rates included in the accounting policies. <i>Comment:</i> Useful lives are detailed for significant assets in Asset/Activity Management Plans. These provide information to support replacement and renewal plans. Useful lives used in the calculation of depreciation are stated in the Council's Accounting Policies under Depreciation.		✓		Significant assets fail sooner or later than estimated			✓	A significant change in the useful life of a major asset may have significant financial repercussions.	Asset life is based on the estimates of engineers and valuers. These are regularly reviewed through asset monitoring and testing. In the event of assets wearing out earlier than anticipated, capital projects could be brought forward. This may affect borrowing and depreciation expenses. Negative impacts are likely to be at least partially offset by some assets lasting longer than estimated. Mitigation may also involve reprioritisation of the capital expenditure programme.
4. Demographic Changes <i>Assumption:</i> The District's Population is expected to continue to age into the future. <i>Comment:</i> The most notable change is the projected ageing population with an anticipated 28.2% (or nearly 14,000 people) of the Timaru District population above the age of 65 by 2028 (2013 Census: 20.1% or 9,100 people). By 2028, the median age will be 47.4 years (2013: 44.3 years). Population increase is expected to occur mainly in age groups above 65. All other age groups are expected to slowly decline. Gender-wise, the population will see a levelling of the male to female ratio over time. Ethnically, the population is expected to remain largely NZ European/New Zealander with a slowly increasing Maori, Asian and Pacific Islands population. This represents the medium scenario. Projections do not represent forecasts, but indicate what the future population size and structure will be if the underlying assumptions regarding births, deaths and migration prevail. Projections use the 2013 Census based Estimated Resident Population as a base and were prepared by Statistics NZ. Other information is sourced from the 2013 Census.	✓			Demographic changes across the district occur at a higher or lower rate than expected			✓	Changes to projected demographics may place pressure on some Council services due to increased demand over time, leading to provision of a lower level of service.	Forecast demographic changes for a rapidly ageing population have been projected for western world economies for a number of years. Due to the current makeup of the Timaru District population, it will feel these potential effects more acutely. Council will continue to monitor demographic change in the District and adapt or redirect activity provision to meet needs where possible within reasonable costs.

Significant Forecasting Assumptions

Assumption	Confidence Level (High, Medium, Low)			Risk	Risk Level (High, Medium, Low)			Consequence of variation to assumption	Approach to mitigation of risk
	H	M	L		H	M	L		
5. Joint Venture or Shared Service Arrangements/ Council Controlled Organisations (CCOs) <i>Assumption:</i> Existing joint venture or shared service arrangements or Council Controlled Organisations (CCOs) are expected to remain over the life of this plan.	✓			New arrangements are proposed due to circumstances beyond the Council's control or existing arrangements being no longer tenable.			✓	Additional costs may be created as the result of the failure of an existing arrangement.	Joint venture or shared service arrangements or CCO creation are undertaken following analysis of the potential benefits and costs and any proposed changes are subject to robust analysis. Where government legislation is involved, this will be monitored for any impacts on joint venture or shared service arrangements. Under Section 17A of the Local Government Act 2002, Councils are required to review the cost-effectiveness of current arrangements including governance, funding and delivery of activities every six years. A programme is in place to manage this requirement for any joint venture or shared service arrangements.

Significant Forecasting Assumptions

Assumption	Confidence Level (High, Medium, Low)			Risk	Risk Level (High, Medium, Low)			Consequence of variation to assumption	Approach to mitigation of risk
	H	M	L		H	M	L		
6. Legislative demands on Council <i>Assumption:</i> Government legislation relating to some activities that Councils are involved in will change over the period of the Long Term Plan. <i>Comment:</i> With the change of Government in September 2017, a number of legislative changes have been signalled. However, details are yet to flow through the parliamentary cycle. In the next three years, the following legislative impacts on Council are potentially expected in the following areas of Council operations – Building, Resource Management, Dog Control, Local Government Service Delivery, Water Supply management, Managing for Climate Change, Employment conditions, Roadway and Transportation.	✓			The impact of government legislation is more or less than expected. New legislation is introduced that alters the nature and scope of one or more Council activities.	✓			Unrealised impacts of legislation may create greater than expected impacts on Council operations, including operating budgets, staff workloads, increased time and resource availability. Lesser impacts may mean some operational review is required. Either of these may lead to additional or less cost for the resident or ratepayer.	Council will regularly review existing and potential legislative change across its activities as it moves through the parliamentary cycle. The Council may submit on legislation where appropriate to encourage reduced or improved impacts on Council operations and better value for money for ratepayers. Where legislation requires review of Council processes or staffing, the Council will seek to achieve the most efficient and cost-effective way forward. Where legislation requires Councils to provide additional services or increased levels of service, this may require cost recovery through increases to rates or user fees.
7. Climate Change <i>Assumption:</i> Climate change will impact on the Council's operations and will require an appropriate response to adapt and prepare for potential impacts. <i>Comment:</i> Climate change effects on Timaru District may include an increase in temperature, stronger winds, sea level rise, longer dry periods and more intense rainfall events. These may impact directly on several Council services, such as stormwater, water supply and emergency management.		✓		The effects of climate changes are more or less severe than expected.		✓		Unrealised effects of climate change are likely to create additional costs to mitigate their impacts, such as improving protection of critical infrastructure. More severe weather events resulting from climate change may increase damage to infrastructure and place pressure on Council finances.	Council activities will build appropriate mitigation responses into infrastructure development. The Council will continue to monitor climate change science and the response of central government and adapt its response where required.

Significant Forecasting Assumptions

Assumption	Confidence Level (High, Medium, Low)			Risk	Risk Level (High, Medium, Low)			Consequence of variation to assumption	Approach to mitigation of risk
	H	M	L		H	M	L		
8. Resource Consents <i>Assumption:</i> Resource consents will be obtained with reasonable conditions and expiring resource consents will be renewed with similar conditions during the period of the Long Term Plan. <i>Comment:</i> Resource consents due for renewal can be found within the relevant Activity Management Plan for individual activities. There are two major water take resource consent renewals during the period of this Long Term Plan.	✓			A resource consent is not obtained or renewed or conditions imposed are unacceptable.			✓	The non-granting or non-renewal of a major resource consent for a Council activity would have significant impacts on costs and the ability to provide that activity. A major non-renewal may mean an entirely new approach to the activity would be required. Non-granting of resource consents may delay project benefits.	Appropriate planning for resource consent applications/renewals should ensure that they are obtained. Existing monitoring of compliance with existing resource consent conditions will provide a record of compliance for future processes and renewals. The renewal of consents is dependent upon the legislative and environmental standards and expectations that exist at that time.
9. Service Levels <i>Assumption:</i> Levels of service do not significantly change <i>Comment:</i> Service level changes may be initiated from increased community expectations or demand, a need to vary level of service across the district due to local expectations, or changes required as a result of government legislation or regional policy. These may also impose significant new service levels on the Council.		✓		Significantly enhanced or altered service levels are demanded by the community or imposed by the government on local authorities in one or more area of activity.		✓		Increased or improved service levels inevitably require additional cost and/or resources to provide them.	The Council regularly monitors existing service provision within its operations and reviews levels of service through activity management planning and corporate planning processes. Minor changes may be made to service levels where budget, contracts and resources allow. These will generally occur within existing budgets. Service levels may change due to technology enhancements. Major changes in service levels will be confirmed with the community via consultation. These will generally require increases to fees or rates, depending on how the service involved is funded.
10. Demand <i>Assumption:</i> Actual demand will remain within expected levels <i>Comment:</i> The impact of demand on Council activities will vary. Activities will be influenced by factors specific to them (e.g. a rise in building consents for building control). Activities may also be influenced by broader factors or trends (e.g. population change, demographic changes, household changes).		✓		Changes in demand are significantly higher or lower than expected.			✓	Significant and consistent variation from projected demand levels may adversely affect TDC's ability to meet levels of service at an affordable cost.	Council will continue to monitor demand factors, growth and development changes across its activities and adapt or redirect activity provision to meet needs within reasonable costs. Updated demand information where available will be incorporated into future planning work.

Significant Forecasting Assumptions

Assumption	Confidence Level (High, Medium, Low)			Risk	Risk Level (High, Medium, Low)			Consequence of variation to assumption	Approach to mitigation of risk
	H	M	L		H	M	L		
11. Availability of Contractors and Materials <i>Assumption:</i> Contractors and materials will be available to undertake the work required to agreed standards, deadlines and cost.		✓		Projects could be delayed if there is a shortage of contractors or materials or contractors cannot deliver to agreed standards, costs and timeframes		✓		Might increase cost and/or delay projects or mean something is delivered to a lesser level of service.	Spread capital projects as much as possible. Continue to engage with contractors. Ensure robust contracts are in place. Look at alternative resources.
12. Natural Hazards/Local natural disaster <i>Assumption:</i> There are no significant local disasters during the term of this Long Term Plan <i>Comment:</i> The district is at risk from natural hazards such as flooding, earthquakes, storms, tsunami and wildfire. These events can strike without warning.		✓		Natural disasters occur that have a significant impact on the district and Council services		✓		A disaster event can potentially cause significant unbudgeted costs, beyond the capacity of the Council to cope.	Council is a member of the Local Authority Protection Programme Disaster Fund Trust (LAPP) and has a variety of insurance cover which would cover some emergency works. Council also has a Disaster Relief Fund for the replacement of infrastructural assets excluding roading in the event of a natural disaster. Central government has a role in disaster recovery after a natural disaster.
13. Strategic Assets <i>Assumption:</i> Council will remain involved in all activities involving strategic assets and continue to own and control all strategic assets.	✓			Changes in control or ownership of strategic assets are required			✓	Changes in control or ownership of strategic assets will likely affect the level of service provided to the community.	Changes in control or ownership of strategic assets must occur as part of an LTP development or amendment, with a formal process required through the Local Government Act.
14. Council Political Structure <i>Assumption:</i> There will be no changes to the Council political structure	✓			Changes in the Council political structure are made			✓	Changes in the political structure could either be minor or major depending on the nature of the changes. For example, an amalgamation will have a significant impact on the delivery of Council services.	Any changes in political structure will occur through either representation review processes or formal processes driven either by the community, Council or central government.

Significant Forecasting Assumptions

Significant Long Term Plan 2018-28 Financial Assumptions

Assumption	Confidence Level (High, Medium, Low)			Risk	Risk Level (High, Medium, Low)			Consequence of variation to assumption	Mitigation Approach
	H	M	L		H	M	L		
1. Inflation <i>Assumption:</i> The LTP is prepared on the inflation rates assumed in the table below for periods beyond 2018/19 which is based on Local Government Cost Index (LGCI) prepared by BERL: 2018/19 2.0% 2019/20 2.2% 2020/21 2.2% 2021/22 2.2% 2022/23 2.3% 2023/24 2.3% 2024/25 2.4% 2025/26 2.5% 2026/27 2.6% 2027/28 2.7%			✓	The rate of inflation differs from that assumed		✓		A significant change in inflation will result in changed revenue and expenditure. This could be significant and may adversely affect the ability of the Council to set rates at a level that is affordable to the community.	The Council will review its budget annually through the LTP/Annual Plan process and may adjust work programmes/budgets where necessary.
2. Interest Rates on borrowing <i>Assumption:</i> Interest on borrowing is assumed to be between 5.0 – 7.5%		✓		Forecast interest rates on borrowing are higher or lower than forecast		✓		Council costs could increase or decrease as interest rates fluctuate up and down. Based on Council's projected debt levels, interest cost would increase/decrease by between \$1.2M to \$1.56M per year.	Council hedges interest rate exposures as per the Liability Management Policy.
3. Return on investments <i>Assumptions:</i> Bank deposits and bond portfolio assumed return is 3.0% to 5.0% Timaru District Holdings Limited assumed return is \$2.60 - \$2.90 dividend per share annually Forestry assumed return is \$0 over the 10 years	✓			Forecast returns are higher or lower than forecast		✓		Council income could increase or decrease as investment returns fluctuate up and down. A 1% decrease in dividend will reduce Council's income by up to \$26,000 per annum.	Council maintains a long term investment portfolio with fixed interest rates which minimises fluctuations. Investments are also managed using the Investment Policy to minimise risks. Changes in investment returns are generally partially offset by a change in borrowing costs.

Significant Forecasting Assumptions

Assumption	Confidence Level (High, Medium, Low)			Risk	Risk Level (High, Medium, Low)			Consequence of variation to assumption	Mitigation Approach
	H	M	L		H	M	L		
4. Funding Sources <i>Assumptions:</i> Funding sources (including external funding sources) do not change over the three year life of this plan <i>Comment:</i> Funding sources are specified in the Revenue and Financing Policy and Financial Strategy. This applies to user fees, charges and external funding towards projects and assets. It is assumed that the policy of not collecting Development Contributions will continue.		✓		Projected revenue from user charges or financial assistance is not achieved. Levels and sources of funding differ from those forecast		✓		Revenue could reduce without the ability to reduce expenditure proportionately. In this event, the account would run in deficit, with charges reviewed for the next financial year. Project and asset funding could result in projects being revised or alternative funding sources used.	Levels of revenue from user charges have been set at realistic levels in accordance with the ratios outlined in the Revenue and Financing Policy. There is a concentration of risk associated with a small number of industrial consumers for some revenue streams (e.g. extraordinary water charges and trade waste charges). Regular liaison is maintained with these consumers. Funding for projects and assets is considered before the commencement of each project or asset. A significant impact from changes in funding or funding sources may result in a revised capital work programmes, or changes in the level of user fees and charges, borrowing or rating requirements.
5. Credit availability <i>Assumption:</i> Credit can be obtained from financial markets on competitive terms and conditions.	✓			Required credit cannot be obtained from financial institutions		✓		Funding would need to be obtained from alternative sources or work programmes adjusted.	Prudent debt levels are maintained to mitigate risk for financial institutions. Relationships are maintained with various financial institutions and Council regularly monitors credit markets. A credit rating is maintained.
6. Costs <i>Assumption:</i> Costs will remain stable over the period of the Long Term Plan (refer also to inflation assumption). <i>Comment:</i> Maintenance expenditure has been based on historical trends.			✓	Costs are higher or lower than anticipated		✓		Variability of prices, such as for oil, could cause variability in costs.	The Council and management will review its budget annually through the LTP/Annual Planning process and may adjust work programmes/budgets where necessary.

Significant Forecasting Assumptions

Assumption	Confidence Level (High, Medium, Low)			Risk	Risk Level (High, Medium, Low)			Consequence of variation to assumption	Mitigation Approach
	H	M	L		H	M	L		
7. Currency and oil price fluctuations <i>Assumptions:</i> Currency fluctuations are not forecast to cause significant variability in Council costs. Exchange rates are forecast to remain unchanged from current rates. Oil prices will continue to fluctuate due to international influences and exchange rate movement.		✓		Exchange rates fluctuate more than expected. Oil prices fluctuations are greater than expected.			✓	Variability of prices from international suppliers could cause variability in Council costs. This may impact on the ability of Council to complete programmed work within budget.	Council purchases goods predominantly from New Zealand suppliers with contracts in New Zealand dollars. Currency exchange rates and oil prices will be continually monitored. Work programmes may need adjustment depending on the scale of any changes.
8. NZ Transport Agency Funding Assistance <i>Assumption:</i> There will be no further changes to the funding assistance approach for transport funding administered by the New Zealand Transport Agency (NZTA), including funding criteria and NZTA funding. <i>Comment:</i> The funding assistance rate is reducing to a flat rate of 51% from 2019/20, applicable to all work.		✓		Changes in NZTA Subsidy rates or to criteria for roading and footpath projects have a positive or negative effect on Council's transport budget		✓		Funding would need to be obtained from alternative sources or work programmes adjusted. Levels of service may need to be adjusted. If sufficient funding is not available, it may mean that projects are delayed or scrapped.	The Council and management will review the budget annually through the LTP/ Annual Plan process and may adjust work programmes/budgets where necessary. NZTA Financial Assistance Rates have been set to lower to a level of 51%. The rate will lower to 52% in 2018/19 and 51% from 2019/20. These rates apply to all work.
9. Emissions Trading Scheme <i>Assumptions:</i> Emissions Trading Scheme is retained in its present form <i>Comments:</i> Some NZU's will be surrendered over the term of the LTP for deforestation. It will cost \$23.80 per tonne of waste based on a price of \$20 per NZU and using the default emissions factor for landfill emissions. The new government have indicated potential changes to the scheme but timing or impact is not yet confirmed.		✓		Changes could be made to the scheme by the government that have an adverse impact on TDC or the carbon price could be higher or lower than expected.			✓	Council could hold more or less NZU's for forestry assets. Landfill costs could vary resulting in changing landfill user charges.	Forestry assets are maintained with a long term view but programmes are reviewed annually. Any sale of forestry land will compensate for the loss of NZUs and associated benefits. Landfill costs and waste volumes are monitored continuously. Carbon credits (NZU's) are held for a portion of future obligations to mitigate NZU price changes.
10. Asset depreciation rates <i>Assumption:</i> Asset depreciation rates will not change as shown in the Accounting Policies.	✓			Further work on planned capital works may alter the depreciation expense			✓	Increased depreciation costs would result from assets that have shorter useful lives.	Asset life is based on the estimates of engineers and valuers. These are regularly reviewed through asset monitoring and testing. Negative impacts are likely to be at least partially offset by some assets lasting longer than estimated.

Significant Forecasting Assumptions

Assumption	Confidence Level (High, Medium, Low)			Risk	Risk Level (High, Medium, Low)			Consequence of variation to assumption	Mitigation Approach
	H	M	L		H	M	L		
11. Revaluation of significant assets <i>Assumption:</i> The Council have adopted deemed cost as its approach to revaluation. <i>Comment:</i> This has been applied from 1 July 2005 for most assets. Investment properties and forest assets will be revalued annually in terms of their respective accounting policies.	✓			Minimal risks as asset revaluations will not occur in the future for property, plant and equipment			✓		Revaluation affects the carrying value of fixed and infrastructural assets and the depreciation charge in the years subsequent to the revaluation. Annual revaluations are undertaken for investment properties and forestry assets.
12. Rating Base <i>Assumption:</i> The number of rating units will not change significantly over the 10 years in the LTP.	✓			Rating units could grow at an increased rate or could contract.			✓	An increase in the overall rating base could result in a decrease in rates for rating units as the total rates are spread across a larger base. If the rating base was to reduce, there could be an increase in rates.	The rating base is reviewed annually when determining the rates for the year.





OTHER INFORMATION

Council Controlled Organisations

The Council has established three Council Controlled Organisations (CCO) to fulfil specific objectives. Each CCO must annually complete a Statement of Intent that sets out activities and objectives of the CCO, provides opportunity for shareholders to influence the CCO's direction and provides a basis for the accountability of the CCO.

The full Statement of Intent for each CCO is available for inspection from the Council.

Timaru District Holdings Limited (TDHL) and subsidiaries

Approved on 13.3.18

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

Nature and Scope of Activities

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

Performance Measures and Targets

TDHL oversees the governance of the subsidiary trading companies of Alpine Energy Limited and PrimePort Timaru Limited through monitoring the individual company's compliance with their Statement of Intent, regular monthly reporting against the company's budgets regular reports on the property portfolio; and meetings between representatives of the companies and TDHL, at both Board and officer level.

	2016/17 Actual	2017/18 Forecast	2018/19 Forecast	2019/20 Forecast	2020/21 Forecast
Net profit after tax to shareholders funds	10.41%	8.90%	9.20%	9.00%	8.80%
Net assets per fully paid share	\$54.45	\$59.30	\$62.29	\$65.35	\$68.50
Earnings per fully paid share	\$5.67	\$5.27	\$5.74	\$5.91	\$6.00
Dividend per fully paid share	\$2.60	\$2.65	\$2.75	\$2.85	\$2.85
Shareholders funds to total assets	57.74%	62.9%	65.1%	68.5%	71.5%

Aoraki Development and Promotions Ltd

(trading as Aoraki Development)

Approved on 27.3.18

Vision

Innovative, Thriving and Connected Heartland - Timaru District

Objectives and Performance Measures

- Objective 1: Assisting businesses to retain and attract a skilled workforce:
 - Retention of MSD contract for Canterbury Youth Transition Pilot Programme
 - Annual survey completed. Aoraki Development has effectively supported businesses to retain and attract skilled workforce – success measured as achieved through year on year improvement.
- Objective 2: Encouraging innovation and facilitating the growth of existing business:
 - Minimum of 20 new business connections facilitated for existing business per month.
 - Annual survey completed. AD has effectively supported businesses to retain and attract skilled workforce – success measured as achieved through year on year improvement.
- Objective 3: Creating an environment to attract and assist new business:
 - Minimum 10 new business opportunities identified and engaged per quarter.
 - Minimum 10% conversion rate of new businesses established.
 - Report on the total number of new businesses established in the Timaru District and their reasons for business establishment (sourced via Annual Survey).

Aorangi Stadium Trust

Approved on 27.3.18

Aorangi Stadium Trust contracts its administration from the Timaru District Council and as such does not have staff employed. The Stadium is leased to Timaru District Council, who operate the facility.

Objectives

- Objective 1: To promote the development and ongoing maintenance of the Aorangi Sports Stadium on the Morgans Road Recreation Reserve and for that purpose to enter into satisfactory arrangements with the owner of the land, the Timaru District Council.
- Objective 2: To support and promote facilities for indoor and outdoor sport or any other recreational pursuit.
- Objective 3: To acquire any real or personal property for the purpose of the Trust to extend the buildings and to develop land for the general purposes of the Trust.
- Objective 4: To promote and encourage community activities and to assist sports bodies, community organisations and organisations devoted to the welfare of youth in the district of South Canterbury.

Performance Measures

- Significant maintenance projects are completed on time and on budget.
- Regular liaison occurs with the tenant (Timaru District Council) on at least a six monthly basis to ensure the facility is operating to the satisfaction of both parties.

Water and Sanitary Services Assessments/ Waste Management Plans Variations

Water and Sanitary Services Assessments

In 2005, the Council prepared an assessment of the provision of water and sanitary services throughout the District. This document identified and assessed the services supplied to district communities.

The Activity Management Plans for Water Supply, Sewer and Stormwater have been reviewed and updated for the 2018-28 Long Term Plan.

The Council is required under the Local Government Act 2002 to identify any significant variations between the Water and Sanitary Assessments (WSSA) and the proposals of this Ten Year Plan.

There are no significant variations between the Long Term Plan and these assessments.

Waste Management Plans

Under the Waste Minimisation Act 2008, the Council is required to prepare and adopt a Waste Minimisation and Management Plan (WMMP) every six years.

The Plan adopted in 2012 has been reviewed and updated and community views were sought using the Special Consultative Procedure. The WMMP was then adopted on 26 June 2018 as required. The next review will occur alongside the preparation for the 2021-31 Long Term Plan.

The Activity Management Plan for Waste Minimisation has also been reviewed and updated for the 2018-28 Long Term Plan.

There are no significant variations between the Long Term Plan and the existing WMMP.

Directory

Postal Address:

Timaru District Council,
PO Box 522,
Timaru 7940

Location

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

Temuka Service Centre:

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Facsimile: (03) 615 9538
Hours (except statutory holidays):
Mon – Thu, 8.30am – 5pm,
Fri, 8.30am – 6pm
Sat, 10am – 1pm

Geraldine Service Centre:

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

Bankers:

Bank of New Zealand,
247 Stafford Street, Timaru 7910

Auditors:

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

Solicitors:

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

Logo



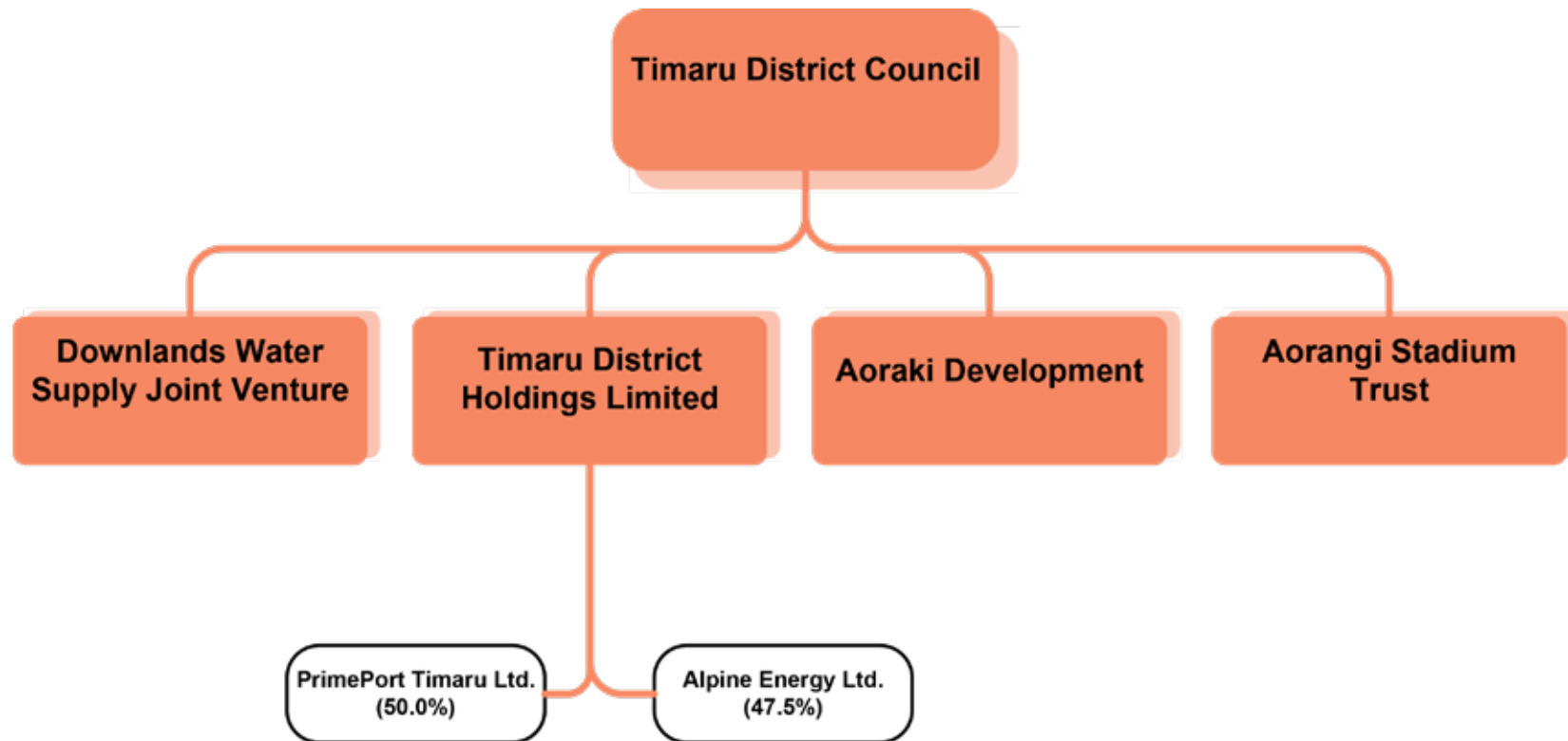
The Council Logo colours are blue and green - environmental colours depicting the sea meeting the land inside a unified format. The diagonal lines suggest upward movement, mountains, rivers, roads, energy, vitality, leadership - pointing to the TDC. The logo is used on all corporate documents, signs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

Coat of Arms

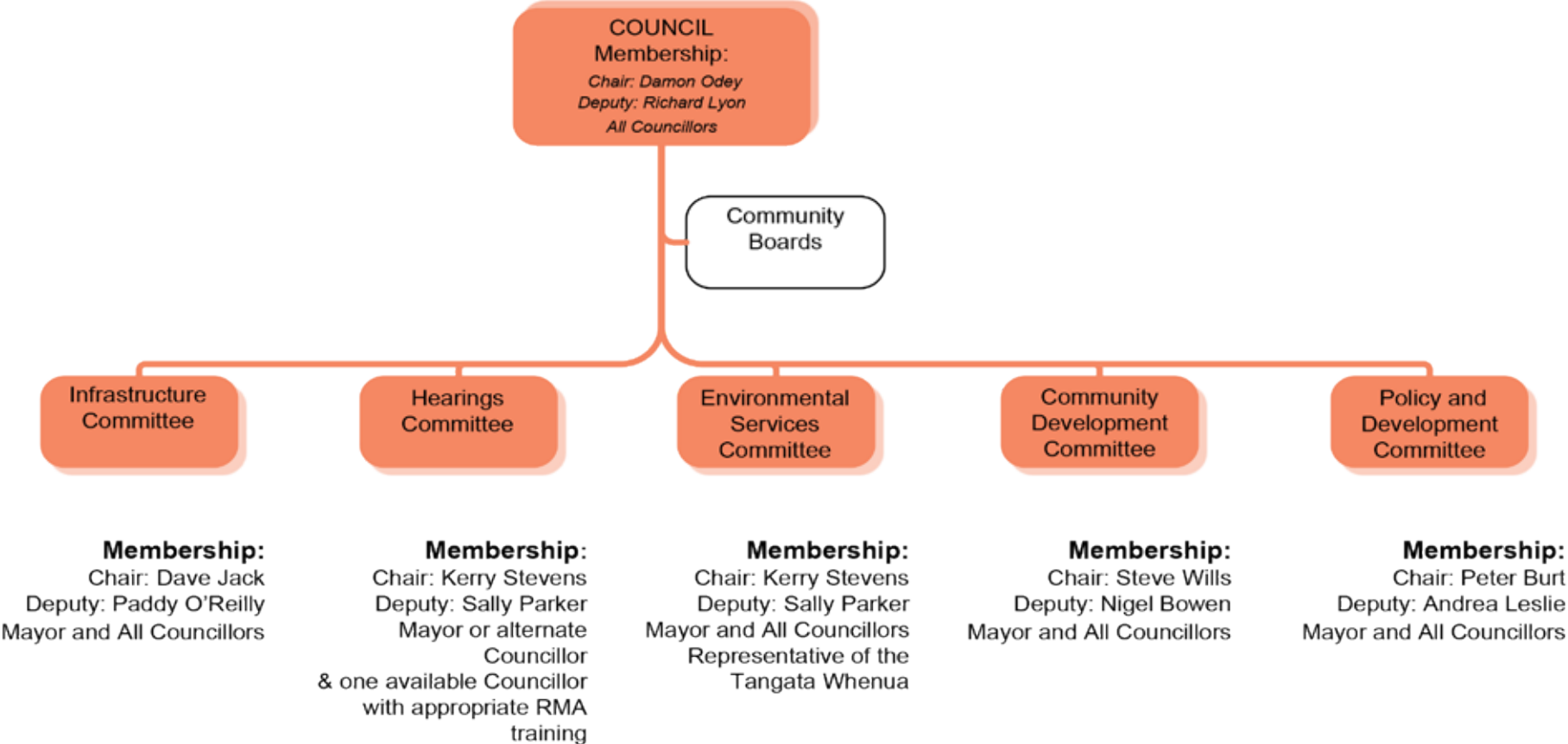


The grant of armorial bearings to the City of Timaru was made by the College of Heralds, London, by letters patent dated 18 October 1977. The original grants document with its impressive artwork and gold seals is displayed outside the Council Chambers in the upstairs foyer of the District Council Building,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

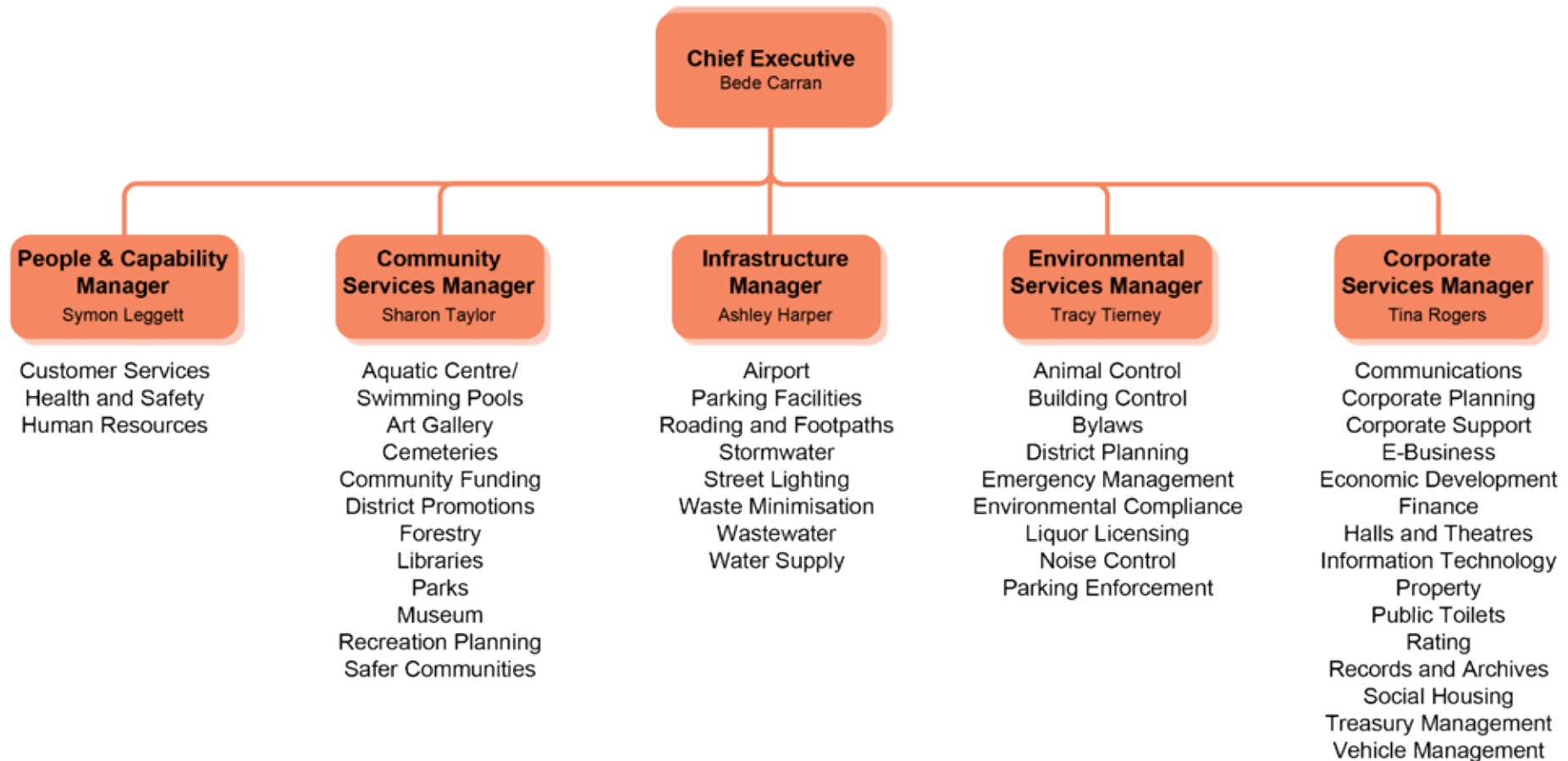
Group Organisational Structure



Council Committees



Council Management



Glossary

Activity

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

Annual Plan

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

Annual Report

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

Asset

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

Activity/Asset Management Plan

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

Borrowing

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

Capital Expenditure

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

Capital Value

Value of land including any improvements.

Community Boards

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

Community Outcomes

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

Consultation Document

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

Council Controlled Organisations

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

Financial Strategy

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

Financial Year

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

General Rate

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

Group of Activities

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

Infrastructure Strategy

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

Land Value

Value of land, excluding any improvements.

Local Government Act 2002

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

Long Term Plan (LTP)

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

Operating Expenditure

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

Operating Revenue

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

Operating Surplus/(Deficit)

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

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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