



# **ATTACHMENTS**

**Ordinary Council Meeting  
Under Separate Cover  
Tuesday, 7 October 2025**



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9.4 Timaru District Council Draft Annual Report 2024/25 Update

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## From the Mayor and Chief Executive

**Nau mai ki tā mātou tirohanga rāpototo o te tau 2024/25.**

### From the Mayor

This year, our district has continued to navigate a rapidly changing landscape. National reforms in water, resource management, and local government have presented both challenges and opportunities and presented this council with some significant decisions with major long-term effects.

Through it all, our focus has remained constant, to serve our people, protect our environment, and invest in a future where Timaru District continues to thrive.

Despite economic headwinds such as the unfortunate closure of Smithfield, Timaru District has shown remarkable resilience.

In a year that's been tough for all of New Zealand, our economy, strongly underpinned by agriculture and food processing, continues to provide opportunities and maintain one of the lowest unemployment rates in the country.

This year saw us break ground on two major cultural projects of the Aorangi Stadium Upgrade and our new approach to the Theatre Royal Upgrade and Museum replacement projects.

An achievement that flew under the radar, but is worth celebrating, is that we have for the first time maintained 100% occupancy and compliance in our social housing portfolio, ensuring our most vulnerable residents have safe, healthy homes.

The implementation of a new building consent system will streamline processes for residents and businesses alike. Environmental stewardship has been front and centre, with significant progress in the Peel Forest Landfill Remediation and stormwater management.

Our commitment to community wellbeing is evident in the success of the inaugural Whakanuia Awards, celebrating the achievements of young people with disabilities, neurodivergence and health impairments.

We have also faced challenges, such as ensuring the cost of our major capital projects remain controlled in an inflationary environment, ongoing climate change adaptation, and the need to balance affordability with the delivery of essential services.

Yet, through robust planning, prudent financial management, and open engagement with our community, we have continued to deliver on our promises.

Looking ahead, we remain focused on building resilient infrastructure, fostering a diverse and sustainable economy, and enhancing the lifestyle for all our community.

Our success depends on strong partnerships with the community and the businesses that call Timaru District home, and we'll continue to advocate for our district and work towards its increased prosperity.

**Nigel Bowen.**

Mayor of Timaru District.



### From the Chief Executive

The 2024/25 year has been one of taking stock and re-focusing for Timaru District Council. We have operated in an environment of rising costs, economic uncertainty, and significant national reforms, all while maintaining our commitment to delivering essential services and value for money for our community.

As part of this we undertook a comprehensive organisational restructure to ensure our organisation is more efficient and aligned with the strategic priorities of the district. This has reduced duplication, clarified accountabilities, and positioned us to deliver services more effectively in a challenging financial climate.

Cost discipline has been at the heart of our approach. Like many councils, we are facing increasing pressure from inflation, supply chain constraints, and regulatory change.

We have responded by tightening our financial management, prioritising essential work, and seeking efficiencies across all areas of our operations. Every dollar we spend must deliver tangible value to our community, and that principle has guided our decisions throughout the year.

Looking ahead, our focus is on building an organisation that is not only financially sustainable but also agile and future ready. We will continue to explore opportunities for innovation, digital transformation, and smarter ways of working.

Our goal is to deliver services that meet the needs of today while preparing for the challenges of tomorrow—whether that's adapting to climate change, responding to demographic shifts, or navigating the impacts of ongoing government reforms.

I want to acknowledge the professionalism and resilience of our staff during this period of change, and the support of our elected members as we work together to deliver for our community.

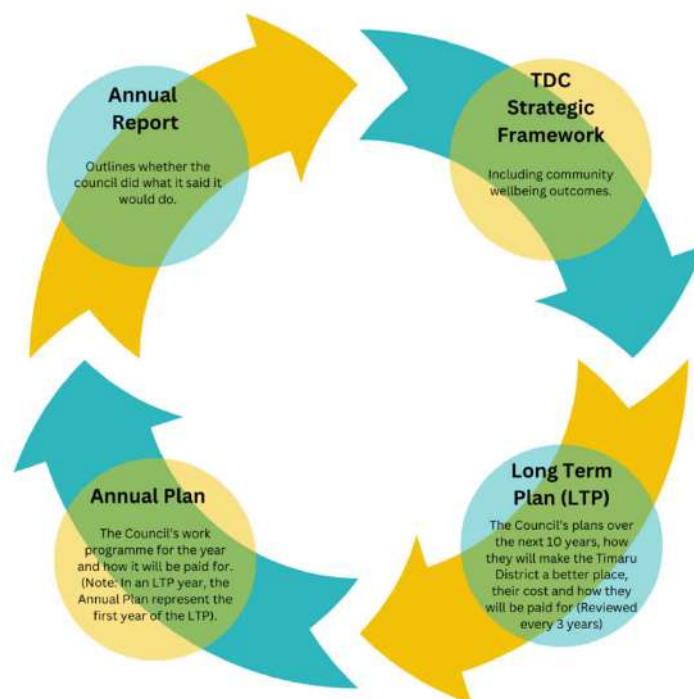
The year ahead will require continued discipline, adaptability, and collaboration, but I am confident that we are well positioned to meet these challenges and seize the opportunities that lie ahead.

**Nigel Trainor,**  
Chief Executive, Timaru District Council.

## About the Annual Report

The purpose of the Annual Report is to explain how we delivered on the 2024/25 Annual Plan (Year One of the 2024-34 Long Term Plan).

The diagram below shows our planning and reporting cycle.



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

### DEMOCRACY

#### COMMUNITY SERVICES

- Airport
- Climate Change and Sustainability
- Community Development
- Community Facilities (includes public toilets, cemeteries)
- Economic Development
- Emergency Management
- Social Housing

#### CORPORATE SERVICES

#### DISTRICT PLANNING & 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 Trust Aoraki Centre, swimming pools, Southern Trust Events Centre)

### ROADING AND FOOTPATHS

### STORMWATER

### WASTEWATER

### WATER SUPPLY

### WASTE MANAGEMENT

## Our Strategic Direction

### Vision

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

### Our Values and Role

#### Inclusive Leadership

Through inclusive leadership, citizens play an active role in the District, creating shared responsibility and a connected vision for the future.

#### Cultural Caretakers

Protecting and regenerating our unique cultural and environmental heritage so that we can retain a strong sense of identity for current and future generations.

#### Transition Navigators

Being adaptable to change by embedding the principles of agility and resilience into our approach towards enhancing our community wellbeing outcomes.

### Connected citizens

#### GOALS:

Connected Citizens embrace social connection and learning through sharing stories and ideas, and civic engagement. This Community Wellbeing Outcome seeks to actively support the contribution of citizens in activities that foster inclusion, agency and democracy.

#### FOCUS AREAS:

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

### Enhanced Lifestyle

#### GOALS:

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

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

#### FOCUS AREAS:

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

## **Sustainable Environment**

### **GOALS:**

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

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

### **FOCUS AREAS:**

1. Clean Environment: We will prioritise sustainable land and water use to help regenerate our environment.
2. Kaitiakitanga: We will foster a strong connection between our people and the environment.
3. Low Carbon and Energy: We will promote and support low-carbon, low- energy practices.
4. Minimise Waste: We will lead and promote waste minimisation.
5. Encourage Biodiversity: We will support practices, partnerships and policies to protect and regenerate our native flora and fauna.

## **Diverse Economy**

### **GOALS:**

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

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

### **FOCUS AREAS:**

1. Leverage Local Strength: We will leverage local strengths to retain and grow local talent.
2. Sustainable growth: We will support sustainable growth in the right place.
3. New and Niche: We will encourage innovation and new opportunities to further diversify our economy.
4. Thriving Business: We will create opportunities for local businesses to thrive through networks & support.

## **Resilient Infrastructure**

### **GOALS:**

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

This Community Wellbeing Outcome considers the critical transitions we are facing creating a sustainable platform for future generations.

### **FOCUS AREAS:**

1. Invest for Future: We will invest in high quality infrastructure to meet the needs of our community.
2. Apply Good Practice: We will use quality data and good practice to enable high quality infrastructure decision-making.
3. Responsive Planning: We will prioritise resilience in our planning for future infrastructure.
4. Engage with People: Council will engage with our community to develop solutions to future infrastructure challenges.

## Working with manawhenua

The Council recognises Kati Huirapa o Arowhenua holds manawhenua status from the Rakaia in the north to Waitaki in the south including the Timaru District Council.

In recognising its relationship with manawhenua Council is required to take appropriate account of the principles of the Treaty of Waitangi when carrying out its duties under the Local Government Act (LGA) 2002 and the Resource Management Act 1991. The relationship between manawhenua and the Timaru District Council reflecting, at a local level, the partnership relationship between the Crown and its Treaty Partners.

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

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

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

Council will ensure all its key policy and decision-making processes include opportunities for discussion with manawhenua, 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 manawhenua to engage in the development of key policy and plans, including 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.

## Your Councillors and Community Boards

### MAYOR



**Nigel Bowen**  
027 622 1111  
[nigel.bowen@timdc.govt.nz](mailto:nigel.bowen@timdc.govt.nz)

### COUNCILLORS



**Scott Shannon (Deputy Mayor)**  
Pleasant Point-Temuka Ward  
027 672 6889  
[scott.shannon@timdc.govt.nz](mailto:scott.shannon@timdc.govt.nz)



**Sally Parker**  
Timaru Ward  
027 455 5237  
[sally.parker@timdc.govt.nz](mailto:sally.parker@timdc.govt.nz)



**Allan Booth**  
Timaru Ward  
029 239 3487  
[allan.booth@timdc.govt.nz](mailto:allan.booth@timdc.govt.nz)



**Stu Piddington**  
Timaru Ward  
027 437 8896  
[stu.piddington@timdc.govt.nz](mailto:stu.piddington@timdc.govt.nz)



**Peter Burt**  
Timaru Ward  
027 688 2013  
[peter.burt@timdc.govt.nz](mailto:peter.burt@timdc.govt.nz)



**Michelle Pye**  
Pleasant Point-Temuka Ward  
021 360 515  
[michelle.pye@timdc.govt.nz](mailto:michelle.pye@timdc.govt.nz)



**Gavin Oliver**  
Geraldine Ward  
022 371 0679  
[gavin.oliver@timdc.govt.nz](mailto:gavin.oliver@timdc.govt.nz)



**Stacey Scott**  
Timaru Ward  
021 688 588  
[stacey.scott@timdc.govt.nz](mailto:stacey.scott@timdc.govt.nz)



**Owen Jackson**  
Timaru Ward  
021 049 9717  
[owen.jackson@timdc.govt.nz](mailto:owen.jackson@timdc.govt.nz)

**Geraldine Community Board**

	Phone	Email
Jan Finlayson (Chairperson)	021 502 297	jan.finlayson@timdc.govt.nz
Janene Adams (Deputy Chair)	022 614 1590	janene.adams@timdc.govt.nz
Shane Minnear	029 646 6327	shane.minnear@timdc.govt.nz
Wayne O'Donnell	027 221 1467	wayne.O'Donnell@timdc.govt.nz
Rosie Woods	027 222 7663	rosie.woods@timdc.govt.nz
Andy McKay	021 285 7404	andy.mckay@timdc.govt.nz
Plus Geraldine Ward Councillor Gavin Oliver		

**Pleasant Point Community Board**

	Phone	Email
Raewyn Hessel (Chairperson)	027 385 5857	raewyn.hessel@timdc.govt.nz
Ross Munro (Deputy Chair)	021 433 940	ross.munro@timdc.govt.nz
Michael Thomas	021 718 311	michael.thomas@timdc.govt.nz
Kathy Wilkins	021 260 3933	kathy.wilkins@timdc.govt.nz
Anna Lyon	027 560 6883	anna.lyon@timdc.govt.nz
Plus Pleasant Point- Temuka Ward Councillors Michelle Pye and Scott Shannon		

**Temuka Community Board**

	Phone	Email
Charles Scarsbrook (Chairperson)	027 615 5500	charles.scarsbrook@timdc.govt.nz
Ali Talbot (Deputy Chair)	027 205 7604	ali.talbot@timdc.govt.nz
Aimee Baird	027 360 3054	aimee.baird@timdc.govt.nz
Gaye Broker	027 244 7157	gaye.broker@timdc.govt.nz
Nicola Nimo	021 662 942	nicola.nimo@timdc.govt.nz
Plus Pleasant Point- Temuka Ward Councillors Michelle Pye and Scott Shannon		

## Timaru District Profile

### Arowhenua as Manawhenua of Timaru District

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

### Geography and climate

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

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

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

### Demographics

As at 30 June 2024 Timaru District's population was 49,500, with an average growth rate over the last 5 years of 0.5%. Population projections, based on a medium growth scenario, project the district's population to increase to 49,700 by 2033, reaching 51,600 in 2053 (+0.2% average annual increase). In recent years the 'natural' population increase has been negative, with the number of deaths exceeding births. This reflects the age makeup of the district's population.

The population is expected to age in the future, with Timaru District currently having a higher-than-average aging population compared to all of New Zealand. Virtually all growth in future years is projected to be in age groups 65+, with the proportion of 65+ projected to increase by close to 30% in the 2023-53 period.

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

### Our Communities

Timaru is the largest community, housing nearly two thirds (31,845 estimated population as of June 2024) of the total population of the district. The next largest community is Temuka (4,840), followed by Geraldine (3,120) and Pleasant Point (1,520).

Our communities are well serviced with education, health and recreational services along with a vast range of clubs and organisations. Health New Zealand – Te Whatu Ora South Canterbury is the major health provider, with Ara Institute of Canterbury providing tertiary education services.

### Our Economy

GDP in the Timaru District was provisionally -0.6% for the year to June 2025. The decline is lower than the NZ national figure of -0.8%. These figures highlight that the economy in our district is weaker, along with the rest of the nation, and a direct consequence of households tightening their belts with retail trade activity, construction, manufacturing and the primary sector all facing with challenging environments.

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

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

This provides an array of employment opportunities across all sectors from trades and manufacturing to the professional, service and primary sectors. The Timaru District prides itself on having one of the lowest unemployment rates in New Zealand, and in 2024/25 the District had unemployment rate of 4.3%, lower than the national rate of 5.0%.

The wider South Canterbury region enjoys reliable and accessible water for irrigation and industry – indeed some of the most affordable resource in the country. This continues to provide the impetus for the development and growth of successful food processing and exporting operations.

### Our Environment

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

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

Limestone outcrops and volcanic sediment add to the diversity of the landforms.

## Statement of Compliance

### Compliance

The Council of Timaru District Council hereby confirms that all statutory requirements in relation to the annual report, as outlined in the Local Government Act 2002, have been complied with.

### Responsibility

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

In the opinion of the Council and management of the Timaru District Council. The annual Financial Statements and the Statement of Council Activities for the year ended 30 June 2024 fairly reflect the financial position and operations of the Timaru District Council and the group.

Nigel Bowen

Mayor

31 October 2025

Nigel Trainor

Chief Executive

31 October 2025

## Independent Auditors Report

Placeholder - Approximately 6 pages.





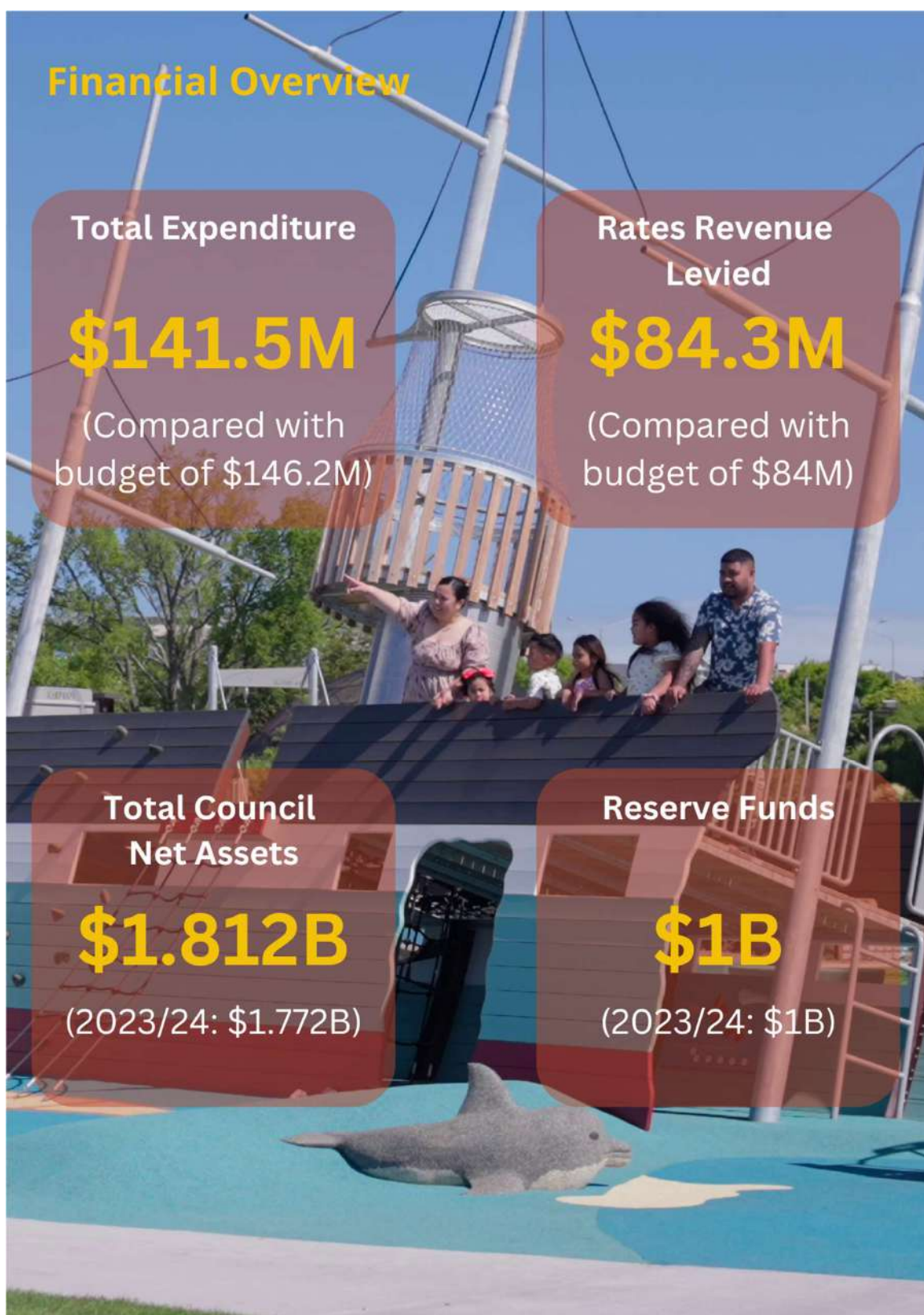






# **The year in review**

2024  
2025



## Expenditure and Revenue

**Overall operating expenditure was \$4.65M lower than budget. The major items in this favourable variance were:**

- Personnel costs under budget \$870k as a result on limitations on staff hiring after the 2025 restructure announcements
- Finance costs decreased by \$4.2m as a result in a decrease in interest rates
- Depreciation \$590k under budget as a result of timing of additions, and lower additions than budgeted
- Other expenditure \$3.1m under budget due to the following:
  - Contractor services relating to parks under budget by \$1.5m due to parks services being brought in-house during this financial year
  - Subsidised roading \$1.3m under budget due to changes in government priorities and implementing cost saving initiatives without reducing key levels of service
  - Solicitor and consultant expenditure under budget by 500k, as a result of cost saving initiatives during the year
  - District plan review document expenditure under budget by \$1.0m not yet completed during the year
  - Carbon credits, under budget by \$1.1m as a result of waste management services installing a blue flare system, resulting in decreased rates of carbon credits
  - Decrease in donations paid of \$500k due to budget priorities in 2024/25
  - Decrease in course seminar and conference registrations of \$411k for budget priorities in the 2024/25 financial year:
  - Offset by:
    - Water services, increased over budget of \$1.7m as a result of an increase in reactive renewals, demand driven and contingent on weather
    - Budget error in Land transport of \$900k resulting in overbudget
    - Software increased over budget by \$470k as a result of increased software prices
    - Increase in insurance costs for the year over budget by \$205k
- Other losses over budget by \$4.6m resulting from a loss on disposal of property, plant and equipment of \$2.3m and a decrease in the fair value of derivatives of \$2.3m

**Overall actual revenue was \$11.33M below budget. The major items in this unfavourable variance are:**

- Rates revenue is above budget by \$260k primarily as a result of rates penalties above budget by \$200k
- Fees and charges revenue is above budget by \$930k consisting primarily of:
  - Increase in refuse fees of \$705k
  - Increase in trade waste wastewater charges of \$200k
  - Increase in community housing fees of \$130k due to a price increase and 100% occupancy
  - Increase in fines and infringements of \$290k
  - Offset by a decrease in building consents, demand driven, by \$470k
- Subsidies and grants is under budget by \$12.8m as a result of the following:
  - Parks tracks and trails funding budgeted but not received of \$2m due to delayed projects
  - Aorangi stadium, delayed project \$2m
  - Museum project delayed \$3m
  - Theatre royal project delayed \$6m
- Development contributions revenue over budget by \$543k. Relates to development contributions received transition support package for three waters
- Finance revenue under budget by \$365k as a result of decrease interest rates
- Other revenue \$815k under budget as a result of the following:
  - Vested assets under budget by \$990k as developments under expectations for the year
  - Drainage and water under budget by \$900k as a result of a budget error
  - Offset by Donations received by the Aigantighe Art Gallery not budgeted of \$565k
  - Increase in Cbay user fees of \$290k, demand driven
  - An increase in dividends from subsidiaries over budget by \$128k
- Other gains \$932k over budget relates to a gain on fair value of carbon credits of \$500k and fair value adjustment to investments of \$290k

### Capital expenditure

During 2024/25 capital expenditure on Council's infrastructure, facilities and services totalled \$45.7m.

Most of the expenditure was spent on our roading network and footpaths (36.3%); water supply (18.5%), wastewater (11.9%) and stormwater infrastructure (7.2%); with the balance across our community support (3.4%); recreation & leisure (13.9%); waste management (1.6%); and corporate support (7.1%).

### Capital achievements

2024/25 was another challenging year, however the council saw some progression of the three largest capital projects (Claremont, Theatre Royal and Museum, and Aorangi Stadium). Infrastructure projects in roading, waste and water progressed well reaching 77%, 95%, and 73% of their planned programme respectively.

#### Major projects in the infrastructure services include:

TBC

#### Major community projects update:

##### Aorangi Stadium renewal/ refurbishment

This \$24.2 million project will deliver a strengthened existing stadium, a brand-new eight-court stadium, and a modern link building that includes a gym, function room, and upgraded changing facilities. These improvements are designed to meet the needs of today's sports users while creating a venue that can host major events for years to come. The upgrade to the existing stadium should be fully underway in October 2025, with the build of the new eight-court stadium beginning in coming January 2026. The project is on track to be delivered within the budget and completed in 2027.

##### Theatre Royal and museum

Detailed design work for the refurbishment and upgrade of the Theatre Royal and the building of a new museum on adjacent land got underway in 2024/25, with civil engineering works starting at the end of the year. These are expected to continue until the end of the year, with on-site construction works to start in early 2026 for a 2027 completion date.

##### Aigantighe Art Gallery:

The House Gallery reopened in December 2024 after 7 years and extensive renovations including seismic strengthening and preservation and restoration of the unique heritage features. Photos of the House Gallery reopening are below.

**Capital spend by activity**

Will be published as pie graph

Group	% of total
Roading and Footpaths	36.3
Water	18.5
Wastewater	11.9
Stormwater	7.2
Recreation & Leisure	13.9
Community Support	3.4
Waste Management	1.6
Corporate Activities	7.1
District Planning & Environmental Services	0
Democracy	0

### Operational achievements

2024/25 also posed some challenges to our operational work, however, despite this we achieved some positive outcomes for our community across a number of Council activities.

**Major operational achievements include:**

- Occupancy of our Social Housing properties across the district is at 100% and all 236 units are now compliant with Healthy Homes Standards.
- Planning for the implementation of new building consent system in mid-July 2025 was progressed. The system, Objective Build, will improve user experience and efficiency of consent processing for officers and also offers opportunities for cross Council collaboration and remote inspections.
- The removal of material from the Peel Forest closed landfill has commenced with over 6,321 tonnes removed from site at 30<sup>th</sup> June 2025.
- Upgrades to West End Hall are complete which will enable it to operate as an Emergency Operations Centre in a Civil Defence Emergency. In addition to this, a Memorandum of Understanding has been signed with Fraser Park as an alternate or subsequent site if needed.
- The Whakanuia Awards were held for the first time this year, which celebrated the achievements and raised awareness of the capabilities and contributions of young people in South Canterbury with disabilities, neurodivergence, and health impairments. The event marked a significant step towards fostering a culture of inclusivity and understanding in our district.

Photo(s) from Whakanuia Awards to be inserted in here

## Challenges

### Government Reforms

Council is moving through a period of significant change with current and signalled Central Government reforms including water, resource management, building consents, and local government. These reforms will change the landscape of what services Councils deliver and how they deliver them.

In-progress and signalled reforms will continue to present Council with various challenges including financial sustainability, asset ownership, retention of services and potential amalgamation, however reform also provides opportunities to assess effectiveness of service delivery and explore initiatives to improve outcomes for our District.

The Water Services Act has come into effect requiring councils to have submitted a water services delivery plan (WSDP) by 3 September 2025.

Council resolved, on 22 July 2025, to progress work towards a standalone WSCCO to ensure that water services delivery in Timaru would not only meet all regulatory requirements (including financial sustainability) but would also be positioned for partnership in the near future should other councils decide to join with Timaru, and subject to agreed terms and conditions at such time.

Timaru District Council intends to complete transitional arrangements by way of establishing WSCCO governance, service level agreements with Council and the introduction of the new planning and accountability framework for water services within a phased transition from 1 July 2026 through to 1 July 2027.

### Economic uncertainty

While consumer inflation is beginning to subside, continuing high input costs and the effect of the wider geopolitical situation contributes to a continued level of uncertainty for Council's programmes, projects and service delivery.

### Ageing Infrastructure and Community Assets

As with prior years, a large percentage of our infrastructure assets and a number of our key community assets are reaching, or have exceeded, their useful life and need refurbishment or whole replacement. This presents financial and resourcing challenges but also creates opportunities to consider if the assets we are utilising to deliver services are still fit for purpose.

### Levels of Service

Closely linked to the challenges around our asset portfolio is the Levels of Service conversation, as the assets often enable services to be delivered to the community.

The reduced funding received from NZTA (Waka Kotahi) in October 2024, and the funding for specific activities within the overall roading programme, was a clear message to Councils that the 'core' services central government expects Local Authorities to deliver in the Roding and Footpath activities is what was included in their Government Policy Statement.

This has forced discussions about expected, acceptable and affordable levels of service with the community, and whether the services the Council is providing are what align with our communities needs and wants.

## Climate Change

### Oversight – how our climate change response is governed

A Climate Change Response Policy was developed in 2023 and formally adopted by Council in February 2024 and is available on the Council website.

The Policy was set by the Environmental Services Committee, and management priorities by the Group Manager Environmental Services.

Measures of Council impacts include an annual greenhouse gas emissions inventory, that consideration of climate change impacts will be included in procurement policy, annual and long-term plans, Proposed District Plan, and specific local 'dynamic adaptation to hazard' projects involving community engagement.

A draft Adaptation & Mitigation Response Plan published in October 2024 sets out targeted reductions aligned with published national policy goals, and introduces key actions such as electrification and solar generation feasibility studies, and work toward sustainable procurement. The Climate Change Adaptation Lead provides bi-annual updates to Council on progress toward our climate response.

As part of the Long-Term Plan 2024-2034 process, climate action remains a priority for the Council, which has resulted in budget commitment to enlarging the advisory staff team from one to two full-time positions.

### Strategy – where action should be focused

During 2024/2025, Timaru District Council focused on consolidating its climate strategy foundations through:

- Refining climate hazard scenarios with the Civil Defence and Emergency Management team, drawing on NIWA projections and Environment Canterbury's regional risk assessment work; more recently updated for the District Plan Hearings 2025.
- Strengthening governance oversight, with the Environmental Services Committee receiving biannual progress reports.
- Advancing the draft Climate Change Response Action Plan to scope emissions reduction priorities for the next three years within the LTP.

### *Greenhouse Gas Impacts of Council Operations*

Council's first verified greenhouse gas inventory (2022–23) was verified by Toitū Envirocare. The 2023-24 inventory has for the first time, as a trial run, included emissions from Venture Timaru (VT) and Timaru District Holdings Limited (TDHL). It is limited only to TDHL's direct operational emissions and excludes its investments in Alpine Energy Ltd and PrimePort Timaru Ltd.

With the addition of staff to the Climate Change Unit in 2025, more detailed supplier and operational data could be analysed, producing a clearer and more accurate emissions profile. The highest greenhouse gas emission sources from Timaru District Council have been identified below. The total tCO<sub>2</sub>e (carbon emissions expressed as tonnes of CO<sub>2</sub> equivalent) includes all other emissions, including the highest sources of emissions listed.

Venture Timaru's total emissions equated to 11.75 tCO<sub>2</sub>e, and TDHL's total emissions equated to 8.37 tCO<sub>2</sub>e. These emissions are depicted in the Group table.

Highest Source of Timaru District Council Emissions	Council		Group	
	Actual 2023-2024	Actual 2022-2023	CCO	*Actual 2023-2024
Methane gas from landfill at Redruth, based on tonnes landfilled in year.	7,867	9,307	Venture Timaru	11.75
Methane and Nitrous Oxide from District-wide wastewater treatment, based on water volume processed	4,167	3,199	*TDHL	8.37
CO <sub>2</sub> e attributed to contracts, mostly infrastructure-related, for build and maintenance, plus purchases (from spend as a proxy, so has limited accuracy)	14,721	14,126	Total tCO <sub>2</sub> e	20.12 tCO <sub>2</sub> e
CO <sub>2</sub> Emissions from composting green waste (this composting avoids methane production in landfill)	3,127	2,741		
CO <sub>2</sub> and N <sub>2</sub> O from fuel in vehicle fleet and staff commuting (excluding flights & car hire)	2,060	1,331		
Generation & transmission of electricity, for use in all TDC facilities incl. street lighting, office activity, water pumping, etc	1,082	751		
<b>Total tCO<sub>2</sub>e (including all other emissions not listed)</b>	<b>33,234 tCO<sub>2</sub>e</b>	<b>31,527 tCO<sub>2</sub>e</b>		

\*2024/2025 carbon inventory data is not included as it is still being collated at time of Draft publication.

\*TDHL emissions does not include associated tCO<sub>2</sub>e from investments in Alpine Energy Ltd and PrimePort Timaru Limited.

\*No measurement was made for CCO/CCTO in 2022-2023 carbon inventory year.

### Risk management - Adaptation and mitigation actions undertaken

As part of the response to increasing challenges, Council is actively involved in the following areas:

#### Waste

The data that is currently being recorded as a result of the 2023/2024 installation of the gas flare Redruth Landfill to convert methane into significantly less climate potent carbon dioxide will be included in the 2024/2025 carbon inventory. The economic benefits of this for Council is reducing the annual liability for carbon credits needing purchase.

#### Community Engagement

In June 2024, Timaru District Council published a public resource titled: "A Personal Response to a Warming Planet". This illustrated guide, created in collaboration with Waimate District Council, offers practical, household-level actions for adaptation and emissions reduction. It has been made available in print (via libraries and service centres), as a downloadable PDF, and in accessible web format.

#### Regional Partnerships

Ongoing collaboration with It's Time Canterbury, alongside participation in the Canterbury Climate Partnership Plan (2024–27) through the Mayoral Forum, has strengthened regional alignment on mitigation, adaptation strategies, and capacity building. This engagement also informs Timaru District Council's adaptation planning and supports the identification of shared investment priorities across councils.

### Contributing to the wellbeing of our community

Council's role in the community is much broader than simply providing services. Our role also encompasses promoting the wellbeing of residents through shaping places and services to meet the needs of our community.

We are able to do this more effectively when we work in partnership with the community and draw on the wealth of talent, understanding and enthusiasm we have in the Timaru District.

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

Some examples of how Council services and work contribute to community wellbeing include:

#### Social Wellbeing

- Council funded grants of over \$132,000 were allocated to various people and groups in the community for local events, youth initiatives and NZ representation.
- 100% of Council Housing properties are now occupied and all meet the Healthy Homes Standards.
- 27 Dog Control Education sessions which cover safe handling and care were delivered.
- Implementation of the 2022-2025 Age Friendly Strategy is advancing and being further supported by a new multi-agency working group.

#### Cultural wellbeing

- The 2024 Welcoming Week celebrations, themed "Glad You're Here – Nau Mai Rā," brought together diverse groups through events showcasing many cultures within our community.
- Aigantighe Art Gallery hosted 19 exhibitions throughout the year including touring, regional and community works, with a highlight being local artist Maania Tealei's exhibition 'Whakahōnore i tō tātou taonga tuku iho (Honouring Our Legacy)' which had over 220 people attending the opening.
- South Canterbury Museum also hosted 19 exhibitions/ events in 2024/25 engaging a range of age groups in our community.

#### Economic Wellbeing

- The building consent processing time for 2024/25 was on average 12.1 working days.
- External funding was successfully secured, and planning has begun for the west alternate State Highway 1 route (Cartwrights Road/ Kellands Hill) which will improve transport resilience should the existing main route be inaccessible.
- Mayors Taskforce for Jobs (MTFJ) Programme placed 23 individuals into roles across a diverse range of industries including transport and logistics, agriculture, hospitality, trades, education and administration.
- Planning for a new navigation system at Timaru Airport is underway along with a new GPS base station.

#### Environmental Wellbeing

- Removal of material from Peel Forest closed landfill has commenced.
- Compliance with Resource Consent conditions was achieved throughout 2024/25 for the Waste, Wastewater, Stormwater and Water Supply activities.
- The new Organics Facility at Redruth was officially opened in November 2024,

## Statement of Council Activities

This and the following pages of the Annual Report constitute part of the Activities and Service Performance Information.

Democracy Group – Pages 36 - 40

Community Support Group – Pages 41 - 48

Corporate Activities Group – Pages 49 - 51

District Planning & Environmental Services Group – Pages 52 - 58

Recreation and Leisure Group – Pages 59 - 66

Roading and Footpaths Group – Pages 67 - 72

Stormwater Group – Pages 73 - 76

Wastewater Group – Pages 77 - 80

Water Supply Group – Pages 81 - 87

Waste Management Group – Pages 88 - 92

“The Activities and service performance information comply with New Zealand generally accepted accounting practice (NZGAAP)”.

## Statement of Council Activities

This section describes the work and performance of the Council's Groups of Activities for the 2024/25 year.

- What we do – Activities included within each group and their key functions.
- Contributions to Community Wellbeing Outcomes – Which community wellbeing outcomes these activities contribute to.
- Highlights and Challenges – Some of the highlights and challenges for each activity.
- Service Performance – Summary of how Council performed against performance measures for each activity.
- Financial Information – Funding impact statement that shows how each group of activities has been paid for.

Council has 10 groups of activities as outlined below including the Corporate Activities group that provides support across the organisation.

- **Democracy**
  - Democracy services
  - Engagement and consultation
  - Corporate planning and performance monitoring
- **Community Support**
  - Airport
  - Climate Change and Sustainability
  - Community Development
  - Community Facilities (includes public toilets, cemeteries)
  - Economic Development
  - Emergency Management
  - Social Housing
- **Corporate Activities**
  - Chief Executive
  - People and Capability
  - Information Technology
  - Financial services
  - Risk and Legal Services
  - Communications and Engagement
  - Customer Services
  - Management
    - Infrastructure
    - Planning and Regulatory
    - Land Transport Unit
    - Drainage and Water
    - Parks and Recreation
- **District Planning & Environmental Services**
  - Building Control
  - District Planning
  - Environmental Compliance (includes environmental health, animal control, parking enforcement)
- **Recreation & Leisure**
  - Cultural and Learning Facilities (includes art gallery, halls, Theatre Royal, libraries, museum)
  - Parks (includes parks, fishing huts, motor camps, forestry)
  - Recreational Facilities (includes Caroline Bay Trust Aoraki Centre, swimming pools, Aorangi Stadium)
- **Roading and Footpaths**
  - Roothing and footpaths includes street lighting.
  - Parking
  - Cycleways and walkways
- **Stormwater**
  - Stormwater treatment and management
- **Wastewater**
  - Domestic and commercial wastewater collection and treatment
  - Trade waste collection and treatment
- **Water Supply**
  - Urban water treatment, supply and maintenance
  - Rural water treatment, supply and maintenance
- **Waste Management**
  - Landfill and Recycling
  - Kerbside collection

## How we measure our service performance

### Key Performance Indicators (KPIs) for the year 1 July 2024 – 30 June 2025 were set in the Long Term Plan 2024-34.

They provide an overview of Council's performance on key projects and initiatives, and progress towards our outcomes.

We have 100 performance measures with targets that we report on across 9 groups of activities, as although we have 10 groups of activities, we do not have any performance targets for Corporate Activities set out in LTP 2024-34. Overall Council achieved 62 measures, nearly achieved 6 measures, did not achieve 17 measures, and did not measure 15. The 15 measures that are not reported this financial year relate mainly to the resident satisfaction survey which is done biennially.

Under the Local Government Act 2002 for the 2024/25 financial year we are required to provide standard performance measures so that the community may compare the level of service provided in relation to the following groups of activities:

- Water Supply
- Sewer
- Stormwater
- Roothing and Footpaths

Department of Internal Affairs Te Tari Taiwhenua guidance has been followed in measuring performance against all mandatory measures.

### Material judgements of service performance have been applied using resident surveys.

To measure the quality of our outputs we use a number of residents surveys to gain insight on community perceptions of our services. For activities other than Roothing and Footpaths, results are based on survey data undertaken on a biennial basis by Key Research Limited. FY 2023/24 is a non-survey year. The next survey will be done in FY2025/26.

The statistical validity of the survey is determined by using the following methodology:

- A robust survey conducted online using a combination of email (by way of the ratepayers database held at TDC) invitations and a publicly accessible link (93% email invites and 7% public link). Data collection managed to quota targets by age, ward and ethnicity, and post data collection, the sample has been weighted so it is aligned with known population distributions as contained in the Census 2018.
- At an aggregate level the sample has an expected 95% confidence interval (margin of error) of +/- 4.47%. All statistical significance testing has used a 95% confidence interval unless otherwise stated.
- Results exclude 'don't know' responses unless otherwise specified.
- All results are reported in whole numbers, and this may result in a rounding difference of one percentage point in some instances.

Land Transport results are based on a Key Research survey of with the target response rate of 400 residents over 2024/2025. The survey is undertaken every quarter via a postal invitation to an online survey, with a hard copy survey or phone interview as a back- up option. Invitation letters, containing an embedded link to an online survey, were sent to a random selection of residents from the Electoral Roll.

- A total of 417 survey responses were received throughout the year from residents of Timaru District (approximately 100 survey responses received per quarter)
- Data collection is managed to quota targets by age, location and gender, and post data collection, the sample is weighted so it is aligned with population distributions.
- When satisfaction is mentioned, it refers to the percentage of residents who provided a rating of 6 to 10 out of 10 on the satisfaction rating scale.
- Due to rounding, percentages may add to plus or minus 1% over or under totals.
- Significant differences across sub-groups were tested by comparing the percentage 'satisfied' (i.e., provided a rating of 6 to 10; excluding 'don't know' responses) across the groups.
- Significant differences were tested across the following groups: age, ward, gender and rural/urban

*\*This year should be seen as a reset year due to the change in methodology. The 2024/25 survey was conducted via mailout to randomly selected residents from the Electoral Roll. Surveys in 2023/24 and earlier were conducted via telephone interviews. Caution is advised when comparing results year-on-year due to this change in methodology, which may have contributed to a more pessimistic sentiment.*

**External implications for statements about performance**

There are conditions that affect the service performance results and may result in a variation from the anticipated or forecasted results. These are ones which are outside our control. Examples of this are, but are not limited to, changes in government policy in New Zealand, global and domestic economic conditions and international policy that may impact areas such as recruitment, availability of materials and supplies (for example materials required for critical infrastructure), volatility in international financial markets and other unforeseen circumstances.

**Service performance reporting (PBE FRS 48)**

The statement of service performance is formally classified from pages 30 to 95.

The relevant legislation governing the requirement of reporting of the Council's service performance is Part 3 of Schedule 10 of the Local Government Act 2002.

The statement of service performance of the Council has been prepared in accordance with PBE standards and is for the year ended 30 June 2025. The statement was authorised for issue by the Council on 31 October 2025.

In preparing the statement of service performance, the Council has made judgements on the application of reporting standards and has made estimates and assumptions concerning the measurement of certain service performance targets. The main judgements are discussed below.

The service performance measures in this annual report are intended to compare the actual results of activities delivered by Timaru District Council against the forecast levels of service. The service performance measures were originally adopted in the 2024-2034 Long-Term Plan and continued in the 2024/2025 Annual Plan.

The service performance measures are reported on to Council each quarter during the relevant annual period. The annual results are then reported in the relevant Annual Report for the year to 30 June.

The performance measures were selected to cover quantitative measurement of progress towards the Council's Long-Term Plan and Annual Plan. The final measures included in this Annual Report are broken down into the 9 groups of activities, providing a holistic set that give a rounded picture of the non-financial performance of the Council. Each group has a set of metrics that were identified through the 2024-2034 Long-Term Plan involving Council and management. This process ensured the selected measures best reflect the Council's performance and are available in a timely and accurate manner.

There are a number of performance measures identified in the Service Performance tables that are mandatory performance measures set under section 261 B of the Local Government Act 2002. The Secretary for Local Government promulgated the Non-Financial Performance Measures Rules 2013 to enable a reasonable comparison across all councils.

Council is legally required to meet specific timeframes under certain legislation. These timeframes are reported on to provide transparency to the public. For activities where there are legislative requirements through various Acts or through the mandatory performance measures, there are few significant judgements to make. Council is required to report on these measures and to meet specific standards. The measures are integral to the function of the activity.

Where actions within an activity do not fall within the three areas previously described, but can be qualitatively measured, Council has chosen to include these within the performance measures. These measures directly relate to the levels of service for the activity, such as measurements relating to the diversion of waste from landfill in the Waste Minimisation activity. These measures describe the fundamentals required to undertake these activities. The measure is reported as achieved or not achieved, with little judgement to be made.

### Standard Measures of Achievement



Overall performance will be published as a graph when results are audited.

Activity	Achieved	Nearly Achieved	Not Achieved	Not Measured	Total
Democracy	2	1	0	1	4
Community Support	4	0	1	1	6
District Planning & Environmental Services	6	2	5	3	16
Recreation & Leisure	24	1	1	6	32
Roading & Footpaths	6	1	6	0	13
Stormwater	4	0	1	1	6
Wastewater	5	0	0	1	6
Water Supply	10	0	1	1	12
Waste Management	1	1	2	1	5
<b>Total</b>	<b>62</b>	<b>6</b>	<b>17</b>	<b>15</b>	<b>100</b>

### Performance Summary by Group of Activities

As per previous page, performance will be published as graphs when results are audited.

Activity	Achieved	Nearly Achieved	Not Achieved	Not Measured	Total
Democracy	2	1	0	1	4
Community Support	4	0	1	1	6
District Planning & Environmental Services	6	2	5	3	16
Recreation & Leisure	24	1	1	6	32
Roading & Footpaths	6	1	6	0	13
Stormwater	4	0	1	1	6
Wastewater	5	0	0	1	6
Water Supply	10	0	1	1	12
Waste Management	1	1	2	1	5
<b>Total</b>	<b>62</b>	<b>6</b>	<b>17</b>	<b>15</b>	<b>100</b>



## Democracy

### What we do

Our Democracy services support and guide 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 based on Council's Strategic Direction, and with the overall goal of improving community wellbeing.

This 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.

Council elections were held in October 2022.

#### The key functions include:

- Engagement with the community
- Advocacy on issues that affect the district
- Civic functions, such as citizenship ceremonies, award ceremonies and parades
- Elections and representation reviews
- Administering statutory governance functions such as Standing Orders and Delegations Registers
- Maintaining Sister City relationships with Eniwa (Japan), Weihai (China), Orange (Australia) and Orange (United States)
- Developing and implementing Council wide strategies and policies
- Partnering with external agencies
- Performance, planning and accountability, including the development and adoption of key Council planning and accountability documents such as the Long Term Plan, Annual Plan and the Annual Report
- Overall monitoring of Council operations.

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

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

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

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

#### Contributions to Community Wellbeing Outcomes

- Connected Citizens
- Enhanced Lifestyle
- Sustainable Environment
- Diverse Economy
- Resilient Infrastructure

## Democracy Highlights

We continued to strongly advocate on behalf of the community to ensure that the District's views are heard on a number of legislative reforms.

The Mayor and Councillors continued to advocate strongly on a national and regional basis for the promotion of local voice and control over key infrastructure such as water and roads, as well as advocating for new financial models to support local government.

## Engagement and advocacy

Numerous submissions were lodged on proposed legislative changes, policy proposals and representation reviews including:

- Ministry of Transport: Draft Land Transport Rule – Setting of Speed Limits Rule 2024
- Ministry of Business, Innovation and Employment: Making it easier to build granny flats consultation
- Environment Canterbury: Representation Review consultation
- Environment Canterbury: Regional Public Transport Plan 2025-35 consultation
- Department of Internal Affairs: Proposed LIM changes consultation
- Ministry of Business, Innovation and Employment: Improving the efficiency in the inspection process consultation
- Ministry of Business, Innovation and Employment: Proposed Commerce Commission levy for the economic regulation of water services
- The Water Services Authority – Taumata Arowai: Proposed Water Services Authority – Taumata Arowai levy
- Ministry of Transport: Proposed improvements to the Graduated Driver Licensing System

## Canterbury Mayoral Forum

Mayor Nigel Bowen remained the Chair of the Canterbury Mayoral Forum during the 2024/25 financial year. The forum plays a critical role in promoting communication, coordination and collaboration among all Canterbury Councils, while strongly advocating for the region on the national stage.

The forum includes the Mayors of all 10 Canterbury territorial authorities, and the Chair of Environment Canterbury.

Significant tasks the group has undertaken in this financial year include:

- Canterbury Energy Inventory
- Canterbury Water Management Strategy
- Implementation of Canterbury Climate Partnership Plan
- Ongoing advocacy on behalf of Local Government including submissions to Government on Climate Adaptation Inquiry, Emissions Reduction Plan, Local Government (Natural Hazard Information in Land Information Memoranda) Regulations (2025), Aotearoa NZ's 2035 international climate change target, and a joint submission with Civil Defence Emergency Management on strengthening NZ's emergency management legislation.

## Community Boards

Implementation of the Geraldine, Pleasant Point and Temuka Community Boards strategic plans has progressed well.

The projects identified and refined by the boards themselves, are all designed to increase amenity for residents and visitors to the Geraldine and the Temuka-Pleasant Point wards and are consistent with the strategic plans adopted by each board.

In Geraldine upgrades to the Cox Street Reserve and Totara Square were completed alongside additional bench seats and a picnic table throughout the ward.

Christmas came early for Pleasant Point with the addition of a Christmas Tree for their town centre, and a dump station was installed in the George Street yard.

In Temuka various projects were completed including Legends Lane connection, replanting of Vine Street, trail signage and upgrades around the Temuka Domain, and the creation of a new place brand for the town.

### Service Performance

Level of Service	Performance Measure	Target	Result/ Achievement
Decisions are made in an open and transparent manner	Agenda items are held in public meetings*	2024/25: N/A 2023/24: 85%	<b>Performance Measure Removed</b> (2023/24: Achieved 90%)
	Resident satisfaction with influence on and involvement in Council decision making (biennial resident survey)	2024/25: N/A 2023/24: 50%	<b>Performance Measure Removed</b> (2023/24: Not achieved 30% - A change in sampling methodology detailed earlier, but generally negative community sentiment may have also driven this decline.)
Effective community engagement	Resident satisfaction with information provided by Council (biennial resident survey)	60%	<b>Not measured</b> – Biennial survey. 2023/24: Not achieved 56% - A change in sampling methodology detailed earlier and a number of unpopular changes such as recycling made this a challenging environment)
Monitoring the Council organisation's performance	Annual Reports and Long Term Plans receive 'unmodified' (clear) audit opinions	2024/25: N/A 2023/24: Unmodified audit opinion received	<b>Performance Measure Removed</b> (2023/24: achieved)
Council processes comply with statutory requirement	Annual Plans, Reports and Long Term Plans adopted within statutory timeframes	Statutory timeframes achieved	<b>Achieved</b> – The Annual Report 2023/24 and the Annual Plan 2025/26 were adopted within statutory timeframes. (2023/24: Not achieved. The Annual Plan and Long Term Plan were adopted prior to the statutory deadline. However, adoption of the Annual Report 2023/24 did not meet the statutory deadline due to a delayed start.)
	Council and committee meeting agendas made available to the public within statutory timeframes	Statutory timeframes achieved	<b>Achieved</b> – All Council and Committee meeting agendas available within statutory timeframes. (2023/24: achieved)
	Responses to LGOIMA requests are provided according to statutory timeframes	100%	<b>Nearly achieved</b> – 98.8%. 173/ 175 LGOIMA requests were responded to within statutory timeframes. (2023/24: n/a new performance measure)

\*Agenda items on the full Council and four Standing Committee agendas

## Democracy Funding Impact Statement

### Democracy Funding Impact Statement For the year ended 30 June 2025

	Long Term Plan 21.31 2023-24 \$000	Long Term Plan 24.34 2024-25 \$000	Actual 2024-25 \$000
<b>Sources of operating funding</b>			
General Rates, Uniform annual general charges, rates penalties	4,168	3,634	3,634
Targeted rates	27	-	-
Subsidies and grants for operating purposes	-	-	-
Fees and charges	-	-	-
Internal charges and overheads recovered	-	-	-
Local authorities fuel tax, fines, infringement fees and other receipts	-	-	18
<b>Total Operating Funding</b>	<b>4,195</b>	<b>3,634</b>	<b>3,653</b>
<b>Applications of operating funding</b>			
Payments to staff and suppliers	1,361	1,072	1,274
Finance costs	-	59	37
Internal charges and overheads	2,833	2,503	3,164
Other operating funding applications	-	-	-
<b>Total applications of operating funding</b>	<b>4,194</b>	<b>3,634</b>	<b>4,475</b>
<b>SURPLUS / (DEFICIT) OF OPERATING FUNDING</b>	<b>1</b>	<b>-</b>	<b>(822)</b>
<b>Sources of capital funding</b>			
Subsidies and grants for capital expenditure	-	-	-
Development and financial contributions	-	-	-
Increase/(decrease) in debt	64	-	-
Gross proceeds from the sale of assets	-	-	-
Lump sum contributions	-	-	-
Other dedicated capital funding	-	-	-
<b>Total sources of capital funding</b>	<b>64</b>	<b>-</b>	<b>-</b>
<b>Applications of capital funding</b>			
Capital expenditure			-
- to meet additional demand	-	-	-
- to improve the level of service	-	-	-
- to replace existing assets	-	-	-
Increase/(decrease) in reserves	65	-	(822)
Increase/(decrease) of investments	-	-	-
<b>Total applications of capital funding</b>	<b>65</b>	<b>-</b>	<b>(822)</b>
<b>SURPLUS / (DEFICIT) OF CAPITAL FUNDING</b>	<b>(1)</b>	<b>-</b>	<b>(822)</b>
<b>FUNDING BALANCE</b>	<b>-</b>	<b>-</b>	<b>-</b>

**Internal Loans**

	<b>Actual 2024-25</b>	<b>Actual 2023-24</b>
	<b>\$000</b>	<b>\$000</b>
Raised during year	0	0
Repaid during year	0	236
Balance	541	541
Finance Costs for year	37	30

**Significant Financial Variances between Actual and the Long Term Plan**

<b>Variance</b>	<b>Explanation</b>
Payments to staff & suppliers - \$192,000 above LTP	The above LTP spend is largely related to LTP budgets not including the community board salary.
Overheads allocated - \$672,000 above LTP	Overhead adjusted to appropriately align with activity overhead model.
Decrease in reserves - \$822,000 above LTP	Reserves have reduced due to a surplus of operating funding.

## Community Support

### What we do

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

#### The key focus of these activities is to help:

- Build strong, connected, welcoming and supportive communities.
- Provide high quality community facilities (cemeteries and public toilets).
- Support people, organisations and the business community.
- Assist vulnerable people in our communities.
- Assist individuals and communities to be prepared and resilient in times of adversity

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

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

This includes a particular focus on economic wellbeing through the Economic Development and District Promotions function, and social and environmental wellbeing through the Emergency Management activity.

Social and cultural wellbeing are a particular focus for our Safer Communities, Welcoming Communities and Community Funding activities. Timaru Airport provides significant links with other centres and plays a substantial role in enhancing economic and community wellbeing.

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

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

#### Contributions to Community Wellbeing Outcomes

- Connected Citizens
- Enhanced Lifestyle
- Sustainable Environment
- Diverse Economy

## Community Support Highlights

### Welcoming communities

The Welcoming Communities programme has seen a year of meaningful progress and community connection across the Timaru District. A major highlight was the success of the Refugee Youth Leadership Programme in collaboration with the New Zealand National Refugee Youth Council, which empowered young former refugees to take active roles in shaping their communities. The programme was funded through the Meaningful Refugee Participation Fund, received from MBIE. Ceremonies hosted by the Mayor in the Council Chambers celebrated families who have lived in Timaru for 12 months, reinforcing a sense of belonging and recognition.

The 2024 Welcoming Week celebrations, themed “Glad You’re Here – Nau Mai Rā,” brought together diverse groups through events showcasing cultures, with strong attendance and engagement. The programme also promoted the Welcoming Communities Newcomers Survey, gathering valuable insights to inform the development of the Welcoming Plan.

### Community Funding

Planning, configuration, testing and implementation of the new grants administration system “SmartyGrants” was tracking well for go-live on 1 July 2025. This system will assist applicants to access relevant information, apply for funding, and submit accountability documentation in the same place, improving user experience and reducing administrative load for Council officers.

Various funding grants were allocated across the funding portfolio including NZ Representatives, Quick response, Community Funding/ Local Events, Youth Initiatives and Creative Communities.

### Mayor’s Taskforce for Jobs (MTFJ)

In its inaugural year, the MTFJ programme in Timaru has made a powerful impact, supporting 53 individuals into the employment journey, with 23 successfully placed into roles across a diverse range of industries including transport and logistics, agriculture, hospitality, trades, education, and administration. The programme’s strength lies in its adaptability—offering tailored support such as CV writing, driving lessons, and access to mental health services, ensuring that barriers to employment are addressed holistically. The programme’s success is reflected in its growing reputation, positive feedback from stakeholders, and its ability to respond quickly to community needs.

### Safer Communities

Over the past financial year, Safer Communities has made significant steps in fostering inclusion, resilience, and collaboration across the district.

The newly established Disability Network Group has begun connecting agencies and individuals working in the disability space, advocating for accessibility improvements and shared initiatives.

Age-friendly efforts have gained momentum through the forming of a dedicated working group focused on implementing the Age-Friendly Strategy and preparing for an aging population. The subcommittee itself continues to grow, with each meeting welcoming new members who bring valuable insights from their corners of the community.

Events and programmes such as Let’s Connect Geraldine, Youth Week’s Showcase on Sophia, and the Family Harm Conference have been supported through collaborative efforts with local agencies.

### Timaru Airport

Planning is underway for a new navigation system to be implemented in 2025/26 as well as a new GPS base station.

**Community Facilities (public toilets and cemeteries)****Cemeteries**

Planning for the new Claremont Cemetery is underway with the land having been purchased and the Draft Master Plan going through its first revision and consultation with key stakeholders.

**Public Toilets**

The Station Street toilets in Timaru were renovated including tiling and painting.

Development at Strathallan corner in the Timaru CBD begun which includes a new toilet block and is expected to be completed late 2025.

**Emergency Management**

The Emergency Management Unit delivered staff and volunteer training, including function-specific courses and regional scenario-based exercises to improve disaster response and identify growth areas.

Community engagement was strengthened through work in Woodbury, resulting in a new Community Response Plan that was tested during a weather event, and over twenty public events were held to promote preparedness.

Facility upgrades at West End Hall in Timaru are complete which will enable the site to operate as an alternate Emergency Operations Centre in addition to Fraser Park should they be required.

**Social Housing**

Our Social Housing properties throughout the district are 100% occupied and all meet Healthy Homes Standards.

### Service Performance

Level of Service	Performance Measure	Target	Result/ Achievement
Community Facilities (Cemeteries and Public Toilets), the Airport and Council Housing Units are well maintained, clean and safe	User satisfaction with: - Public Toilets	2024/25: N/A  2023/24: 65%	<b>Performance Measure Removed</b> (2023/24: Not achieved 59% - User satisfaction dropped in many measures due to change of sample method.)
	- District Cemeteries (biennial resident survey)	2024/25: N/A  2023/24: 85%	<b>Performance Measure Removed</b> (2023/24: Achieved 87%)
	Social Housing - occupancy rate	90% + of units available for tenancy	<b>Performance Measure Removed</b> (2023/24: Achieved – 95.3%)
	Airport - Number of flights in and out of Timaru Airport	2024/25: N/A  2023/24: 5% increase per year	<b>Performance Measure Removed</b> (2023/24: Not achieved 4.4% increase - increased input costs of flying would have had an effect on leisure flights that make up the bulk of activity.)
	- Number of passengers using Timaru Airport	2024/25: N/A  2023/24: 5% increase per year	<b>Performance Measure Removed</b> (2023/24: Not achieved – 7.8% decrease - likely a macroeconomic issue of fewer people travelling for business)
	- Civil Aviation Authority (CAA) accreditation	CAA airport certification is maintained at all times	<b>Achieved</b> – Certification confirmation was achieved in March 2021 for a further 5 years. (2023/24: Achieved)
	Occupied Council Housing complies with building regulations and Healthy Homes Standards in accordance with the Residential Tenancies Act	100%	<b>Achieved</b> – All occupied Council Housing is compliant (2023/24: N/A – New Performance Measure)
	Community Facilities (Cemeteries and Public Toilets) meet legislative safety and environmental requirements	100%	<b>Achieved</b> – Cemeteries and Public Toilets meet legislative safety and environmental requirements. (2023/24: N/A – New Performance Measure)

## Service Performance (Continued)

Level of Service	Performance Measure	Target	Result/ Achievement
Improve individual and community awareness of the risks from hazards and assist them to build resilience to emergency events	How well prepared for a disaster residents feel	50% or more feel prepared	<b>Not measured</b> – Biennial survey. (2023/24: N/A – New Performance Measure)
	Presentations on CDEM to groups within the district	2024/25: N/A  2023/24: 20	<b>Performance Measure Removed</b>  (2023/24: Achieved 44 - public demand for presentations was higher than expected.)
Improve Council and partner agencies capability to respond to and recover from emergencies	Recruit and train EOC staff to maintain 24/7 capability	2024/25: N/A  2023/24: 60	<b>Performance Measure Removed</b> (2023/24: Achieved - 78)
	Recruit and train volunteers to maintain team capacity and capability	2024/25: N/A  2023/24: 80	<b>Performance Measure Removed</b> (2023/24: Nearly achieved - 78)
Effectively managed and allocated community funding	Funding rounds held	- General donations, Grants and Loans: 2024/25: N/A  2023/24: 2	<b>Performance Measure Removed</b> (2023/24: Achieved - 2)
		- TDC Youth Initiatives: 2024/25: N/A  2023/24: 2	<b>Performance Measure Removed</b> (2023/24: Achieved - 2)
		- Creative Communities Fund: 2024/25: N/A  2023/24: 4	<b>Performance Measure Removed</b> (2023/24: Achieved - 4)
		- Trust Fund distributions: - Thomas Hobson Trust: 2024/25: N/A  2023/24: 1	<b>Performance Measure Removed</b> (2023/24: Achieved - 1)
		- AD Hally Trust: 2024/25: N/A  2023/24: 2*	<b>Performance Measure Removed</b> (2023/24: Achieved - 2)

\*2021-31 LTP figure incorrect- target was 2, not 4

Level of Service	Performance Measure	Target	Result/ Achievement
Contribute to Council's role in economic development and tourism	Performance targets in the Venture Timaru Statement of Intent (SOI) are met	Quarterly performance reporting to Council	<b>Achieved</b> – quarterly reports presented. (2023/24: Achieved)
		100% performance targets in SOI met	<b>Not achieved</b> – 4 out of 5 performance targets met. (2023/24: Not achieved - 3 out of 4 performance targets met. – GDP annualised growth -1.3% v NZ -0.2%. Cumulatively out-performed NZ between 2020-2023 but was much weaker through 2024.)

## Community Support Funding Impact Statement

Community Support Funding Impact Statement  
For the year ended 30 June 2025

	Long Term Plan 21.31 2023-24 \$000	Long Term Plan 24.34 2024-25 \$000	Actual 2024-25 \$000
<b>Sources of operating funding</b>			
General Rates, Uniform annual general charges, rates penalties	3,933	3,760	3,964
Targeted rates	-	-	-
Subsidies and grants for operating purposes	6	56	165
Fees and charges	2,282	2,466	2,493
Internal charges and overheads recovered	112	485	-
Local authorities fuel tax, fines, infringement fees and other receipts	47	132	263
<b>Total Operating Funding</b>	<b>6,380</b>	<b>6,899</b>	<b>6,885</b>
<b>Applications of operating funding</b>			
Payments to staff and suppliers	5,163	5,444	5,276
Finance costs	310	577	358
Internal charges and overheads	-	-	591
Other operating funding applications	-	-	-
<b>Total applications of operating funding</b>	<b>5,473</b>	<b>6,021</b>	<b>6,225</b>
<b>SURPLUS / (DEFICIT) OF OPERATING FUNDING</b>	<b>907</b>	<b>878</b>	<b>660</b>
<b>Sources of capital funding</b>			
Subsidies and grants for capital expenditure	-	-	-
Development and financial contributions	-	-	-
Increase/(decrease) in debt	975	(243)	1,126
Gross proceeds from the sale of assets	-	-	-
Lump sum contributions	-	-	-
Other dedicated capital funding	-	-	-
<b>Total sources of capital funding</b>	<b>975</b>	<b>(243)</b>	<b>1,126</b>
<b>Applications of capital funding</b>			
Capital expenditure			
- to meet additional demand	-	-	-
- to improve the level of service	445	220	85
- to replace existing assets	1,172	415	1,467
Increase/(decrease) in reserves	265	-	234
Increase/(decrease) of investments	-	-	-
<b>Total applications of capital funding</b>	<b>1,882</b>	<b>635</b>	<b>1,786</b>
<b>SURPLUS / (DEFICIT) OF CAPITAL FUNDING</b>	<b>(907)</b>	<b>(878)</b>	<b>(660)</b>
<b>FUNDING BALANCE</b>	<b>-</b>	<b>-</b>	<b>-</b>

Internal Loans	Actual 2024-25	Actual 2023-24
	\$000	\$000
Raised during year	1,126	0
Repaid during year	0	370
Balance	9,846	8,720
Finance Costs for year	358	454

#### Significant Financial Variances between Actual and the Long Term Plan

Variance	Explanation
General rates, uniform annual general charge, rates penalties - \$204,000 above LTP	Whole council rates revenue has increased above the increases set in the LTP. Additional rates were required to cover an increase in applications of operating funding from the LTP for this activity.
Subsidies & Grants - \$109,000 above LTP	Unbudgeted Grants received for Safer Community funding.
Internal Charges & overheads recovered - \$485,000 below LTP	Services not provided to other activities as budgeted in the LTP.
Local authorities fuel tax, fines, infringement fees and other receipts - \$131,000 above LTP	The above LTP revenue is largely attributed to cemetery user fees and charges.
Payments to staff & suppliers - \$160,000 below LTP	Limitations to staff hiring prior to 2025 announced restructure.
Finance Costs - \$219,000 below LTP	Decrease in interest rates from LTP budgets.
Internal Charges & overheads - \$591,000 above LTP	Overheads assigned to each activity, budget not included in the LTP in error.
Increase/ Decrease in debt - \$1,369,000 above LTP	Increase due to capex spend overbudget.
Capital expenditure - \$917,000 above LTP	Timing of project spend has changed since the LTP was set. This includes the Timaru Airport Terminal, Housing EQP and purchasing new cemetery land.
Increase/ Decrease in reserve - \$234,000 above LTP	Transfer to reserves increased above LTP due to operating funding surplus.

## Corporate Activities

### What we do

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

#### The key functions include:

- Financial Services: Financial planning, monitoring, and reporting; administering the rating, accounts receivable and payable functions, providing financial advice and assistance across all Council activities.
- Information Technology: Providing high quality, secure and cost-effective technology-based services and strategies across all Council activities.
- Customer Services: Council's interface with the community, managing all customer interactions through various channels. They liaise with families and funeral directors for cemeteries, coordinate Land Information Memorandums, process dog registrations and infringement payments, facilitate bookings for venue hire, manage customer requests, provide rates information, receipt payments, and serve as the first point of resolution for customer enquiries. They also administer the government's Rates Rebate Scheme.
- Communications and Engagement: Managing sharing of Council Information with the community through a range of media. Leading and advising on public engagement and participation in decision making.
- Engagement and Culture: Supporting all aspects of the employee lifecycle including recruitment, retention, learning and development, and career pathways. A key component of the Engagement and Culture workstream is ensuring employee health, safety and wellbeing in their role.
- Contributions to Community Wellbeing Outcomes
  - Connected Citizens
  - Enhanced Lifestyle
  - Sustainable Environment
  - Diverse Economy
  - Resilient Infrastructure

## Corporate Activities Funding Impact Statement

Corporate Activities Funding Impact Statement  
For the year ended 30 June 2025

	Long Term Plan 21.31	Long Term Plan 24.34	Actual
	2023-24	2024-25	2024-25
	\$000	\$000	\$000
<b>Sources of operating funding</b>			
General Rates, Uniform annual general charges, rates penalties	1,424	-	595
Targeted rates	-	-	-
Subsidies and grants for operating purposes	364	-	1,097
Fees and charges	708	1,068	831
Internal charges and overheads recovered	-	30,342	27,446
Local authorities fuel tax, fines, infringement fees and other receipts	3,213	7,398	6,761
<b>Total Operating Funding</b>	<b>5,709</b>	<b>38,808</b>	<b>36,730</b>
<b>Applications of operating funding</b>			
Payments to staff and suppliers	1,471	26,021	1,705
Finance costs	537	148	991
Internal charges and overheads	7,445	19,329	5,860
Other operating funding applications	-	-	-
<b>Total applications of operating funding</b>	<b>9,453</b>	<b>45,498</b>	<b>8,556</b>
<b>SURPLUS / (DEFICIT) OF OPERATING FUNDING</b>	<b>(3,744)</b>	<b>(6,690)</b>	<b>28,174</b>
<b>Sources of capital funding</b>			
Subsidies and grants for capital expenditure	-	-	-
Development and financial contributions	-	-	-
Increase/(decrease) in debt	8,501	9,669	16,220
Gross proceeds from the sale of assets	-	-	113
Lump sum contributions	-	-	-
Other dedicated capital funding	-	-	-
<b>Total sources of capital funding</b>	<b>8,501</b>	<b>9,669</b>	<b>16,333</b>
<b>Applications of capital funding</b>			
Capital expenditure			
- to meet additional demand	-	-	-
- to improve the level of service	1,413	1,300	8
- to replace existing assets	1,578	1,678	3,223
Increase/(decrease) in reserves	1,766	-	18,377
Increase/(decrease) of investments	-	-	22,899
<b>Total applications of capital funding</b>	<b>4,757</b>	<b>2,979</b>	<b>44,507</b>
<b>SURPLUS / (DEFICIT) OF CAPITAL FUNDING</b>	<b>3,744</b>	<b>6,690</b>	<b>(28,174)</b>
<b>FUNDING BALANCE</b>	<b>-</b>	<b>-</b>	<b>-</b>

Internal Loans	Actual 2024-25	Actual 2023-24
	\$000	\$000
Raised during year	16,220	0
Repaid during year	0	20,409
Balance	16,220	(15,406)
Finance Costs for year	991	353

#### Significant Financial Variances between Actual and the Long Term Plan

Variance	Explanation
General rates, uniform annual general charge, rates penalties - \$595,000 above LTP	Relates to unbudgeted rates penalties.
Subsidies & Grants for operating purposes - \$1,097,000 above LTP	Waka Kotahi operating subsidies for the operation of the Land Transport Business unit.
Fees & Charges - \$237,000 below LTP	Decrease due to decrease in service consent application and LIM reviews., demand driven.
Internal Charges and Overheads recovered - \$2,896,000 below LTP	Relates to recoding of personnel directly to activities, Water, Wastewater and Waste Management 1.8m. Remaining due to reduced spending budget initiatives.
Local authorities fuel tax, fines, infringement fees and other receipts - \$637,000 below LTP	Decrease in finance revenue received due to decrease in interest rates from the LTP.
Payments to staff & suppliers - \$1,418,000 below LTP.	Limitations to staff hiring prior to 2025 announced restructure.
Finance Costs - \$843,000 above LTP	Corporate share of borrowings increased due to change in working capital, not assigned out to other activities.
Internal Charges and Overheads - \$13,469,000 below LTP	Overhead adjusted to appropriately align with activity overhead model.
Increase/ Decrease in debt - \$6,551,000 above LTP.	Increase in the debt was the result of increased working capital than budgeted in the LTP.
Gross proceeds from the sale of assets - \$113,000 above LTP	Sale of assets not budgeted in LTP.
Capital Expenditure - \$252,000 above LTP	Timing of project spend has changed since the LTP was set.
Increase/ Decrease in reserves - \$18,377,000 above LTP	The result of operating surplus increase in debt and capital spend.

## District Planning & Environmental Services

### What we do

#### Building Control

Council 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.

#### District Planning

Council is responsible for promoting the sustainable management of the natural and physical resources within the district. This includes developing and administering the District Plan and related policies, such as the Biodiversity policy, and processing applications for resource consents under the District Plan and administering the Built Heritage Protection Fund.

#### Environmental Compliance

Council has monitoring and enforcement responsibilities under a range of legislation relating to food safety, noise control, hazardous substances, liquor licensing, environmental nuisance, parking control and animal control. The Timaru District Consolidated Bylaw 2018 outlines rules and processes to protect the public from nuisance, to protect, promote and maintain public health and safety, and to minimise the potential for offensive behaviour in public places.

#### These activities help ensure:

- The district's built and natural environment is safe to live, work and play in
- Enable growth and progress whilst balancing the protection of other values.
- Building and 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.

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

How we use land has a major effect on the look and feel of our district, and how resilient our communities are. Through our District Planning function, Council supports the growth of the district while ensuring our environment is protected.

Regulating building activities in the district supports safe and sustainable housing and commercial development. Our environmental compliance services administer legislation and regulation designed to protect public health and safety.

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

#### Contributions to Community Wellbeing Outcomes

- Connected Citizens
- Enhanced Lifestyle
- Sustainable Environment
- Diverse Economy

## **District Planning & Environmental Services Highlights**

### **Building Control**

The building team, alongside other Council functions, have developed a Consents Liaison group. This collaborative group are working together to improve service delivery of consents to applicants.

Objective Build, which is a building consent system, is at the final stage of testing and implementation in preparation for go-live in July 2025. The system will improve user experience and efficiency of consent processing for officers and also offers opportunities for cross Council collaboration and remote inspections.

### **Environmental Compliance**

Dog Control education sessions continue to be in high demand with 27 sessions delivered in 2024/25.

### **District Plan Review**

The District Plan Review made significant progress in the hearings stage, with all scheduled hearing occurring within anticipated timeframes. The project is on schedule to be completed on time and within budgets in March 2026.

## Service Performance

Level of Service	Performance Measure	Target	Result/ Achievement
Deliver timely, efficient processing of consents and related requirements in line with statutory requirements	Building Consent Authority accreditation	Building Consent Authority accreditation retained	<b>Achieved</b> – Accreditation retained. (2023/24: Achieved)
	Building Control consent average processing time	<12 working days	<b>Nearly achieved</b> – 12.1 working days average. (2023/24: Achieved 10.86 working days – Improved delivery of service.)
	% of building consent applications processed within statutory timeframes	100%	<b>Nearly achieved</b> – 98.31% of building consents were processed within the statutory timeframe of 20 working days. (2023/24: Achieved - 100%)
	Resource Consent processing within statutory timeframes	100%	<b>Not achieved</b> – 91.36% of resource consents were processed within statutory timeframes. (2023/24: Not achieved 85.5% - due to resource availability and complexity of applications.)
	Land Use consents monitoring	2024/25: N/A 2023/24: 150 per annum	<b>Performance Measure Removed</b> (2023/24: Not achieved 22 - due to resource availability to undertake visits.)
Provide useful, timely and consistent information and education on building, planning and regulatory services	Building and planning services. Provide the local community and/ or local industry with regular updates and information at least four times per year	100%	<b>Not achieved</b> – The building services team achieved this measure, however planning services updated the community/ industry only once. (2023/24: N/A – New Performance Measure)
	Building consent applicants satisfaction with consent process <sup>1</sup>	2024/25: N/A 2023/24: 80%	<b>Performance Measure Removed</b> (2023/24: Achieved -81.8%)
	Customer satisfaction with information and education from district planning services	2024/25: N/A 2023/24: 90%	<b>Performance Measure Removed</b> (2023/24: no survey undertaken)
	Customer satisfaction with information and education from environmental health services <sup>1</sup>	2024/25: N/A 2023/24: 80%	<b>Performance Measure Removed</b> (2023/24: Achieved – 95.5%)

**Service Performance (Continued)**

Level of Service	Performance Measure	Target	Result/ Achievement
Provide useful, timely and consistent information and education on building, planning and regulatory services	Provide Dog Control education to one school/ pre-school/ organisation per term	5	<b>Achieved</b> – 27. Demand continues to be higher than expected for this service. (2023/24: Achieved 13 - Demand has been higher than expected when target was set)
	Information on the website is reviewed and updated quarterly for all regulatory activities	100%	<b>Achieved</b> – Information on the website was updated quarterly and as required. (2023/24: N/A – New Performance Measure)
	Resident/ customer satisfaction with building consent process*	≥80%	<b>Achieved</b> – 90%. (2023/24: N/A – New Performance Measure)
	Resident/ customer satisfaction with resource consent process*	≥80%	<b>Not measured</b> (2023/24: N/A – New Performance Measure)
Support responsible dog ownership	Percentage of known dogs in District registered	95%	<b>Achieved</b> – 98.09%. (2023/24: Achieved – 98.2%)
Ensure buildings with a Building Warrant of Fitness (BWOFF), swimming pools, food and liquor premises are certified safe and comply with legislation	BWOFF audits completed	20% per annum	<b>Not achieved</b> – 3.3% (2023/24: N/A – New Performance Measure)
	% of non-compliant BWOFF audits achieved compliance within two months	2024/25: N/A 2023/24: 100%	<b>Performance Measure Removed</b> (2023/24: Achieved -100%)
	% of residential swimming pools' fencing in the District audited at least once every 3 years	Year 3 (2026/27) – 100%	<b>Not measured</b> – progress reporting to end of FY25 66% complete. (2023/24: N/A – New Performance Measure)
	% of non-compliant swimming pool audits that achieve compliance or enforcement action taken within two months of audit	2024/25: N/A 2023/24: 100%	<b>Performance Measure Removed</b> (2023/24: Achieved -100%)
	% of scheduled audits of registered food premises completed	2024/25: 100% 2023/24: 90%	<b>Not achieved</b> – 82.98% (2023/24: Achieved - 100%)
	% of Alcohol regulated premises that have been inspected each year	2024/25: 70% 2023/24: 80%	<b>Not achieved</b> – 53.91% (2023/24: Not Achieved 44.4% - Due to resource availability, but number is trending upwards)

\*This measure is based on customer feedback surveys undertaken by the business unit following interactions.

**Service Performance (Continued)**

Level of Service	Performance Measure	Target	Result/ Achievement
	Number of Food Businesses requiring escalation to the Registration Authority and/ or Food Safety Officer for follow up	2024/25: N/A 2023/24: number to be reported	<b>Performance Measure Removed</b> (2023/24: Achieved - 5)
	% of food businesses requiring escalation to the Registration Authority and/or Food Safety Officer, for follow up due to non-compliance with correct processes or statutory requirements.	100%	<b>Achieved – 100%</b> - All businesses requiring escalation to Registration Authority or Food Safety Officer for follow up were actioned. (2023/24: N/A – New Performance Measure)
Council's responsibilities for regulating the management of earthquake-prone buildings are met	% of potential non-priority earthquake prone buildings identified by July 2027	Year 3 (2026/27) – 100%	<b>Not Measured –</b> this project will occur in Year 3 and will not be measured in any other years. (2023/24: N/A – New Performance Measure))

**District Planning & Environmental Services Funding Impact Statement****District Planning & Environmental Services Funding Impact Statement  
For the year ended 30 June 2025**

	Long Term Plan 21.31	Long Term Plan 24.34	Actual
	2023-24	2024-25	2024-25
	\$000	\$000	\$000
<b>Sources of operating funding</b>			
General Rates, Uniform annual general charges, rates penalties	2,565	4,916	4,916
Targeted rates	-	-	-
Subsidies and grants for operating purposes	-	-	-
Fees and charges	3,651	4,557	4,394
Internal charges and overheads recovered	146	-	-
Local authorities fuel tax, fines, infringement fees and other receipts	104	250	87
<b>Total Operating Funding</b>	<b>6,466</b>	<b>9,723</b>	<b>9,396</b>
<b>Applications of operating funding</b>			
Payments to staff and suppliers	6,225	10,346	8,795
Finance costs	146	320	198
Internal charges and overheads	1,239	893	2,076
Other operating funding applications	-	-	-
<b>Total applications of operating funding</b>	<b>7,610</b>	<b>11,559</b>	<b>11,069</b>
<b>SURPLUS / (DEFICIT) OF OPERATING FUNDING</b>	<b>(1,144)</b>	<b>(1,836)</b>	<b>(1,672)</b>
<b>Sources of capital funding</b>			
Subsidies and grants for capital expenditure	-	-	-
Development and financial contributions	-	-	-
Increase/(decrease) in debt	1,213	1,652	2,275
Gross proceeds from the sale of assets	-	-	-
Lump sum contributions	-	-	-
Other dedicated capital funding	-	-	-
<b>Total sources of capital funding</b>	<b>1,213</b>	<b>1,652</b>	<b>2,275</b>
<b>Applications of capital funding</b>			
Capital expenditure			
- to meet additional demand	-	-	-
- to improve the level of service	-	-	-
- to replace existing assets	-	-	-
Increase/(decrease) in reserves	69	(184)	603
Increase/(decrease) of investments	-	-	-
<b>Total applications of capital funding</b>	<b>69</b>	<b>(184)</b>	<b>603</b>
<b>SURPLUS / (DEFICIT) OF CAPITAL FUNDING</b>	<b>1,144</b>	<b>1,836</b>	<b>1,672</b>
<b>FUNDING BALANCE</b>	<b>-</b>	<b>-</b>	<b>-</b>

**Internal Loans**

	<b>Actual 2024-25</b>	<b>Actual 2023-24</b>
	<b>\$000</b>	<b>\$000</b>
Raised during year	2,275	2889
Repaid during year	0	0
Balance	8,424	6,149
Finance Costs for year	198	163

**Significant Financial Variances between Actual and the Long Term Plan**

<b>Variance</b>	<b>Explanation</b>
Fees & Charges - \$163,000 below LTP	Decrease in Building consents issued based on demand.
Local authorities fuel tax, fines, infringement fees and other receipts - \$163,000 below LTP	Environmental services reimbursements for Planning consultants not utilised during the year
Payments to staff & suppliers - \$1,638,000 below LTP.	The LTP planned increase for further development did not eventuate due to prior 2025 announced restructure
Finance costs \$122,000 below LTP	Decrease in interest rates from LTP budgets
Internal charges and overheads \$1,269,000 above LTP	Overhead adjusted to appropriately align with activity overhead model
Increase/ Decrease in debt - \$623,000 above LTP	This relates to the District Plan document spend over budget.
Increase / Decrease in Reserves - \$787,000 above budget	Increase in debt over operational spend

## Recreation and Leisure

### What we do

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

#### Cultural and Learning Facilities

- **Aigantighe Art Gallery**
- **South Canterbury Museum**
- **Timaru District Libraries** including facilities in Timaru, Geraldine, Temuka and online, with the Geraldine and Temuka Libraries doubling as Council Service Centres
- **Theatre Royal**
- **Community Halls** including seven facilities owned and managed by Council, 11 community halls owned by Council and managed by community committees, and three halls owned by community organisations and funded by targeted rates, which Council collects on behalf of the hall owners.

#### Parks

- **Premier parks of particular significance to the district** including Timaru Botanic Gardens, Caroline Bay, and the Temuka and Geraldine Domains.
- **Sports and recreation parks**
- **Neighbourhood parks**  
In urban areas and often incorporating playgrounds
- **Amenity parks**  
Designed to provide open spaces and plantings
- **Natural parks**  
Located predominantly in rural areas, often including walking and cycling tracks
- **Special purpose parks and civic spaces**
- **Fishing huts and motor camps**

#### Recreational Facilities

- **Caroline Bay Trust Aoraki Centre (CBay)**
- **Swimming pools**  
Geraldine, Pleasant Point and Temuka
- **Aorangi Stadium**

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

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

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

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

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

#### Contributions to Community Wellbeing Outcomes

- Connected Citizens
- Enhanced Lifestyle
- Sustainable Environment

## Recreation and Leisure Highlights

### Aigantighe Art Gallery

The reopening of the House Gallery following extensive renovations has been well received by the community with over 600 visitors attending the opening event.

### Swimming Pools

Pleasant Point and Geraldine district pools both exceeded their usership targets despite less than favourable weather over the opening season.

CBay Fitness membership remains steady with an average of over 1,500 members throughout the year.

### Libraries

School holiday programmes at the libraries had over 3000 participants, with the clear favourite being 'Stomp and Roar' – a dinosaur themed programme in the April 2025 holidays.

The Timaru Library have acquired and are planning for the arrival of a 'first of it's kind in NZ' self-checkout machine with enhanced accessibility features for people with disabilities.

### Museum

A touring interactive exhibition from Te Papa 'Clever Crustaceans' and the associated activities were a crowd favourite this year.

The team launched a new Social Media series called 'Top Tier History' which has increased their social media following and engagement. The average views on each of these educational posts was 30k.

Photo(s) from Top Tier History or Romp and Stomp to be inserted in here

### Service Performance

Level of Service	Performance Measure	Target	Result/ Achievement
Recreation and leisure facilities, programmes and materials are accessible to residents and visitors	<b>Museum</b>		
	Number of museum service users (includes museum visitors, attendees at on-site and off-site programmes, information or collection requests)	25,000	<b>Achieved</b> – 27,628. (2023/24: Achieved – 28,231)
	Number of exhibitions and events	2024/25: 14 2023/24: 12	<b>Achieved</b> - 19 (2023/24: Achieved - 12)
	Touring and regional exhibitions	2024/25: N/A  2023/24: 3	<b>Performance Measure Removed</b> (2023/24: Achieved 5 - Timing allowed for extra exhibitions this FY)
	<b>Libraries</b>		
	Visitors to Libraries	200,000	<b>Achieved</b> – 270,729 (2023/24: Achieved – 312,716)
	Online website and catalogue searches	400,000	<b>Achieved</b> – 1,648,351 (2023/24: Achieved – 1,034,577)
	Library issues (physical & digital) of materials	2024/25: 500,000 2023/24: 550,000	<b>Achieved</b> – 550,855 (2023/24: Nealy achieved - 548,657)
	Community Programmes – held on site and in the community†	1,500	<b>Achieved</b> – 2,867 (2023/24: Achieved - 2,856)
	<b>Art Gallery</b>		
	Visitors to Art Gallery	2024/25: 15,000 2023/24: 19,000	<b>Not achieved</b> – 14,038. (2023/24: Not achieved 15,686)
	Online website searches and social media interactions	2024/25: 2,000 2023/24: 800	<b>Achieved</b> – 5,553. (2023/24: Achieved – 2,629)
	Community Programmes – held on site and in the community	2024/25: 24 2023/24: 12	<b>Achieved</b> – 100. (2023/24: Achieved 75)

†a non-traditional library service

Service Performance (Continued)

Level of Service	Performance Measure	Target	Result/ Achievement
Recreation and leisure facilities, programmes and materials are accessible to residents and visitors	<b>CBay Complex and Community Pools</b>		
	Visitors to CBay	2024/25: 300,000 2023/24: 325,000	<b>Achieved</b> – 342,435 (2023/24: Nearly achieved 323,616)
	Visitors to Pleasant Point Community Pool*	4,500 per season	<b>Achieved</b> – 8,146 (2023/24: N/A – New Performance Measure)
	Visitors to Geraldine Community Pool*	11,500 per season	<b>Achieved</b> – 12,842 (2023/24: N/A – New Performance Measure)
	Visitors to Temuka Community Pool*	7,500 per season	<b>Nearly achieved</b> – 7,474 (2023/24: N/A – New Performance Measure)
	Aqua Fitness classes participant numbers	10,000	<b>Achieved</b> – 12,322 (2023/24: N/A – New Performance Measure)
	Aqua Fitness classes participant numbers	400	<b>Performance Measure Removed</b> (2023/24: Not achieved - 376)
	Aquatic water skills for life participant numbers (formerly swim for life)	2,000	<b>Achieved</b> – 3,113 (2023/24: Achieved – 3,585)
	Aquatic learn to swim enrolments participant numbers	2024/25: 2,800 2023/24: 3,000	<b>Achieved</b> – 2,812 (2023/24: Not achieved - 2,812)
	CBay Fitness Memberships	1,200 per annum	<b>Achieved</b> – 1,478. (2023/24: N/A – New Performance Measure)
	CBay Group Fitness class participants	57,600 per annum	<b>Achieved</b> – 57,722 (2023/24: N/A – New Performance Measure)
	<b>Southern Trust Events Centre (STEC)</b>		
	Bookings for special events	15 days per annum	<b>Achieved</b> – 39. (2023/24: N/A – New Performance Measure)
	Bookings by sports clubs and groups	120 days per annum	<b>Achieved</b> - 159 (2023/24: N/A – New Performance Measure)

\* This is general admission and does not include school bookings, swim clubs or private bookings.

Level of Service	Performance Measure	Target	Result/ Achievement
Provide a high quality and safe experience at district and recreation leisure facilities	Facilities meet legislative safety requirements	Legislative requirements are met	<b>Achieved</b> – All legislative requirements are met. (2023/24: Achieved)
	<b>User satisfaction:</b>		
	Art Gallery (biennial resident survey)	2024/25: ≥90% 2023/24: 80%	<b>Not measured</b> – biennial survey (2023/24: Achieved 87%)
	Libraries (biennial resident survey)	2024/25: ≥90% 2023/24: 95%	<b>Not measured</b> – biennial survey (2023/24: Not achieved 87%)
	Museum (biennial resident survey)	2024/25: ≥90% 2023/24: 90%	<b>Not measured</b> – biennial survey (2023/24: Nearly achieved 88%)
	Parks (biennial resident survey)	2024/25: ≥90% 2023/24: 92%	<b>Not measured</b> – biennial survey (2023/24: Not achieved 86%)
	Swimming Pools (biennial resident survey)	2024/25: ≥90% 2023/24: 75%	<b>Not measured</b> – biennial survey (2023/24: Achieved 82.4%)
	Aorangi Stadium (biennial resident survey)	2024/25: ≥90% 2023/24: N/A	<b>Not measured</b> – biennial survey (2023/24: N/A new performance measure)

**Service Performance (Continued)**

Level of Service	Performance Measure	Target	Result/ Achievement
<b>Collections of local and heritage art objects, records and information preserved for and available to the community and visitors</b>	<b>Art Gallery</b>		
	Number of Art Gallery exhibitions (including touring, regional and permanent art works)	2024/25: 15 2023/24: 10	<b>Achieved – 19.</b> (2023/24: Achieved - 17)
	Art works conserved	5	<b>Achieved – 5.</b> (2023/24: Achieved - 8)
	Collection item records recorded and updated	2024/25: N/A 2023/24: 50%	<b>Performance Measure Removed</b> (2023/24: Achieved - 100%)
	<b>Museum</b>		
	Collection items available online	18,500	<b>Achieved – 23,408</b> (2023/24: Achieved – 22,732)
	Acquisitions recatalogued within 6 months of acquisition	2024/25: N/A 2023/24:150	<b>Performance Measure Removed</b> (2023/24: Not achieved - 88)
<b>Parks are maintained and developed to meet current and future community needs</b>	Parks and recreational open space hectares per 1,000 residents	2024/25: 13ha 2023/24: 14.4ha	<b>Achieved – 13.01ha</b> (2023/24: Achieved - 14.45)
	Kilometres of off-road walking and biking tracks	2024/25: 90 2023/24: 62	<b>Achieved – 93km</b> (2023/24: Achieved 76.25)
	Number of playgrounds per 1,000 residents under 15 years of age	2024/25: N/A 2023/24:5.3	<b>Performance Measure Removed</b> (2023/24: Achieved - 5.38)
	Trevor Griffiths Rose Garden and Timaru Botanic Gardens retained as Gardens of National Significance	2024/25: N/A 2 gardens of national significance	<b>Performance Measure Removed</b> (2023/24: Achieved)

## Recreation and Leisure Funding Impact Statement

### Recreation and Leisure Funding Impact Statement For the year ended 30 June 2025

	Long Term Plan 21.31	Long Term Plan 24.34	Actual
	2023-24	2024-25	2024-25
	\$000	\$000	\$000
<b>Sources of operating funding</b>			
General Rates, Uniform annual general charges, rates penalties	15,799	18,135	17,965
Targeted rates	20	-	-
Subsidies and grants for operating purposes	44	3,096	773
Fees and charges	1,567	1,678	1,875
Internal charges and overheads recovered	-	-	-
Local authorities fuel tax, fines, infringement fees and other receipts	2,280	2,627	3,618
<b>Total Operating Funding</b>	<b>19,710</b>	<b>25,536</b>	<b>24,232</b>
<b>Applications of operating funding</b>			
Payments to staff and suppliers	15,042	18,963	15,947
Finance costs	921	2,485	1,542
Internal charges and overheads	1,417	1,787	6,405
Other operating funding applications	-	-	-
<b>Total applications of operating funding</b>	<b>17,380</b>	<b>23,235</b>	<b>23,894</b>
<b>SURPLUS / (DEFICIT) OF OPERATING FUNDING</b>	<b>2,330</b>	<b>2,301</b>	<b>338</b>
<b>Sources of capital funding</b>			
Subsidies and grants for capital expenditure	-	10,400	-
Development and financial contributions	-	-	-
Increase/(decrease) in debt	8,564	31,009	4,517
Gross proceeds from the sale of assets	-	-	-
Lump sum contributions	-	-	-
Other dedicated capital funding	-	-	-
<b>Total sources of capital funding</b>	<b>8,564</b>	<b>41,409</b>	<b>4,517</b>
<b>Applications of capital funding</b>			
Capital expenditure			
- to meet additional demand	-	-	-
- to improve the level of service	7,893	41,829	3,820
- to replace existing assets	3,715	1,783	2,548
Increase/(decrease) in reserves	(714)	98	(1,513)
Increase/(decrease) of investments	-	-	-
<b>Total applications of capital funding</b>	<b>10,894</b>	<b>43,710</b>	<b>4,855</b>
<b>SURPLUS / (DEFICIT) OF CAPITAL FUNDING</b>	<b>(2,330)</b>	<b>(2,301)</b>	<b>(338)</b>
<b>FUNDING BALANCE</b>	<b>-</b>	<b>-</b>	<b>-</b>

Internal Loans	Actual 2024-25	Actual 2023-24
	\$000	\$000
Raised during year	4,517	13,175
Repaid during year	0	0
Balance	48,780	44,263
Finance Costs for year	1,542	1,467

#### Significant Financial Variances between Actual and the Long Term Plan

Variance	Explanation
General rates, uniform annual general charge, rates penalties - \$170,000 below LTP.	General rates, and uniform general charges have increased by a lower percentage within Recreation & Leisure Activity than in the LTP to keep overall rate increases affordable for the community. Whole of Council rates revenue has increased
Subsidies and grants for operating \$2,323,000 below LTP	Better off funding not received due to Tracts and Trails project delays in Parks. Funding to be received after expenditure incurred.
Fees & Charges - \$197,000 above LTP.	The variance between actuals and the LTP largely relates to CBay Swim Aquatics revenue, demand driven.
Local authorities fuel tax, fines, infringement fees and other receipts - \$991,000 above LTP.	\$565,000 donations were received by the Aigantighe Art Gallery unbudgeted and \$281,000 insurance reimbursements for Theatre Royal unbudgeted.
Payments to staff & suppliers - \$2,997,000 below LTP.	Limitations to staff hiring prior to 2025 announced restructure
Finance costs - \$943,000 below LTP	Decrease in interest rates from LTP budgets
Internal Charges & overheads - \$4,579,000 above LTP	Increase due to staff hired under corporate activities relating to Park activities being brought in house, opposed to contracted out.
Subsidies and grants capital \$10,400,000	Funding for Theatre Royal and Museum projects expected delayed in the 25/26 financial year
Increase/ Decrease in debt - \$26,492,000 below LTP.	Borrowings expected for delayed projects. Theatre Royal and Museum.
Capital expenditure \$37,244,000 below LTP	Delayed projects Theatre Royal and Museum.
Increase/ Decrease in reserve - \$1,611,000 below LTP	Variance between increase in debt and capital funding.

## Roading and Footpaths

### What we do

We provide transport network and associated assets and services throughout the district. This includes both infrastructure, such as roads, footpaths and signage, and non-asset functions, such as street cleaning, roadside garden maintenance, temporary traffic management and road safety initiatives.

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

### Our network includes:

- Over 1,700km of sealed and unsealed roads
- Approximately 300km of footpaths, on road cycleways and walkways
- More than 10,000 drainage facilities including catchpits or culverts
- More than 280 bridges including single lane bridges, weight restricted bridges, large culverts and footbridges
- At least 7,000 road signs and more than 4,400 streetlights
- Traffic signals, street furniture, bus stops, car parks, parking meters

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

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

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

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

### Contributions to Community Wellbeing Outcomes

- Connected Citizens
- Enhanced Lifestyle
- Sustainable Environment
- Diverse Economy
- Resilient Infrastructure

## Roading and Footpaths Highlights

### Earl Road Widening Completed

The Earl Road widening project has been a decade in the making and is now complete. Staged over multiple years to allow construction without diverting all funding from other roads, this upgrade delivers a safer, more efficient key alternative route between Temuka and Geraldine.

With additional width and new signage to alert drivers to bends, the improvements are designed to enhance safety, reduce crash risk, and ensure this important route continues to serve both the community and freight operators effectively.

### Onwards: Timaru District's Active Transport Strategy

Following the adoption of Timaru District's *Active Transport Strategy*, which sets the direction for improving walking and cycling options across our district, work is now underway to deliver projects as external funding becomes available, with a focus on physical improvements that make it safer and easier to get around without a car.

As part of the strategy's launch, we produced a flier showcasing the existing network of tracks for both recreation and commuting across the District. The guide has been well-received by the community and has proven popular with visitors keen to explore the district on foot or by bike.

[https://www.timaru.govt.nz/\\_data/assets/pdf\\_file/0018/1018008/Timaru-District-Council-Walk-and-Biking-Trail-Guide-What-Why-Where-Who-When.pdf](https://www.timaru.govt.nz/_data/assets/pdf_file/0018/1018008/Timaru-District-Council-Walk-and-Biking-Trail-Guide-What-Why-Where-Who-When.pdf)

### Major Upgrade Projects

#### Port Loop Road Upgrade and Port Shared Path Installation

Port Loop Road has received a much-needed upgrade, delivering safer and more accessible connections between Caroline Bay, the CBD, Hectors Track, and the south side of Timaru.

Through the *Streets for People* project, officers worked closely with port users and the wider community to trial changes to the road layout. The trial, 90% funded by NZTA in the previous Long Term Plan period, created more space for walking and cycling while balancing the needs of multiple stakeholders in this busy port environment.

By testing the design first, we were able to refine the final layout, avoid costly rework, and achieve a permanent solution that works for everyone. The result is a smooth, durable surface for the many trucks transporting goods for export and import, alongside a safe shared walkway from Caroline Bay through the busy port area to the scenic Hectors Coastal Walkway and the heart of our town.

Photo(s) from projects to be inserted in here

### MyWorksites Now Live

The MyWorksites platform is now live, providing a valuable tool for future planning and better coordination between Council and utility providers. By mapping all approved works in one place, the system helps us align projects, reduce duplication, and improve efficiency.

For the public, MyWorksites offers greater transparency. It shows who is responsible for each project, highlighting potential delays, and advising when an alternative route may be needed. This means fewer surprises on the road and a clearer picture of what's happening across the district.

### Service Performance

Level of Service	Performance Measure	Target	Result/ Achievement
Rural and urban transport networks are designed to road user need and maintained to nationally acceptable standards	Response to customer service requests (Mandatory)	70% of customer service requests are responded to within 10 working days	<b>Achieved</b> – 93.91% (2023/24: Not achieved – 62.6%)
	Road condition – Average quality of ride on sealed local road network % smooth travel exposure index (Mandatory)	Average Smooth Travel Exposure Index on all sealed district roads - 92%	<b>Achieved</b> – 96.4% (2023/24: Achieved - 97%+)
	Resurfacing of road network (Mandatory)	6% of the sealed road network is resurfaced annually	<b>Not achieved</b> – 4.85% (2023/24: Not achieved – 4.44%)
	Number of bridges that allow Class 1 loading	Maintain the current level of bridges that can carry Class 1 traffic loadings	<b>Achieved</b> – Current level has been maintained for the 24/25 year. (2023/24: N/A – New Performance Measure)
	Rehabilitation of sealed road network	1% of the sealed pavement network is rehabilitated annually	<b>Nearly achieved</b> – 0.96% of rehabilitations were complete which equates to 9.45km. (2023/24: N/A – New Performance Measure)
	Resident satisfaction with levels of service for maintenance and condition of sealed roads	2024/25: ≥50% 2023/24: 60%	<b>Not achieved</b> – 42.25%. (2023/24: Not achieved - 48%)
	Resident satisfaction with levels of service for maintenance and condition of unsealed roads	2024/25: ≥40% 2023/24: 50%	<b>Not achieved</b> – 34.75%. (2023/24: Not achieved - 37%)

†The Road roughness is measured by an external consultant every 2 years. The last measurement for all sealed roads took place November 2023 (by WSP – Opus). The smooth travel exposure (STE) index is calculated from our road asset management system (RAMM).

This is based on the roughness of the sealed local roads network and the vehicle kilometres travelled that is based on road traffic counts.

Service Performance (Continued)

Level of Service	Performance Measure	Target	Result/ Achievement
Road safety initiatives (engineering and education) build community awareness of road safety and assist in the reduction of harm on our roads.	Road fatalities and serious injury crashes (Mandatory)	Number of fatalities and serious injury crashes on the local road is less than the previous financial year on an annual basis	<b>Not achieved</b> – 3 fatal and 14 serious injury crashes. (2023/24: Not achieved - 3 fatal and 10 serious injury crashes)
	Road safety awareness	2024/25: 60% of residents aware of road safety programmes or advertisements 2023/24: 40% of residents aware of road safety programmes or advertisements	<b>Achieved</b> – 77%  (2023/24: Achieved - 73%)
	Resident satisfaction with safety of road network	2024/25: ≥80% believe the road network is safe 2023/24: 85% believe the road network is safe	<b>Not achieved</b> – 58% (2023/24: Nearly achieved - 81%)
Infrastructure to support active and public transport is provided and maintained to nationally acceptable standards	Resident satisfaction with footpaths (annual resident survey)	2024/25: N/A  2023/24: 60% of residents are satisfied with smoothness, safety and maintenance of footpaths	<b>Performance Measure Removed</b> (2023/24: Achieved - 72%)
	Footpath condition (Mandatory)	75% of footpaths to be average or better condition	<b>Achieved</b> – 93.47% which equates to 358km over the total network of 383km. (2023/24: Achieved – 92.7%)
	Footpath network resurfaced	4% of the footpath network is resurfaced annually	<b>Achieved</b> – 18.44%. (2023/24: Not achieved - 3%)
	Resident satisfaction that the provision of carparking meets their needs	2024/25: ≥70% 2023/24: 75%	<b>Not achieved</b> – 66.25% (2023/24: Not achieved - 71%)
	Percentage of residents using sustainable transport	2024/25: N/A  2023/24: 50% of residents regularly walk	<b>Performance Measure Removed</b> (2023/24: Achieved - 75%)
		2024/25: N/A  2023/24: 30% of residents regularly cycle	<b>Performance Measure Removed</b> (2023/24: Achieved 39%)
		2024/25: N/A  2023/24: 5% of residents use public transport	<b>Performance Measure Removed</b> (2023/24: Not achieved 3.5%)
	School travel plans completed or reviewed annually	2024/25: N/A  2023/24: 1 school travel plan completed or reviewed annually	<b>Performance Measure Removed</b> (2023/24: 2)

## Roading and Footpaths Funding Impact Statement

### Roading and Footpaths Funding Impact Statement For the year ended 30 June 2025

	Long Term Plan 21.31 2023-24 \$000	Long Term Plan 24.34 2024-25 \$000	Actual 2024-25 \$000
<b>Sources of operating funding</b>			
General Rates, Uniform annual general charges, rates penalties	13,892	15,738	15,738
Targeted rates	-	-	-
Subsidies and grants for operating purposes	3,115	5,126	2,881
Fees and charges	986	1,245	1,132
Internal charges and overheads recovered	-	-	-
Local authorities fuel tax, fines, infringement fees and other receipts	86	152	411
<b>Total Operating Funding</b>	<b>18,079</b>	<b>22,261</b>	<b>20,162</b>
<b>Applications of operating funding</b>			
Payments to staff and suppliers	9,964	11,263	10,599
Finance costs	737	2,496	1,548
Internal charges and overheads	1,363	41	4,157
Other operating funding applications	-	-	-
<b>Total applications of operating funding</b>	<b>12,064</b>	<b>13,800</b>	<b>16,304</b>
<b>SURPLUS / (DEFICIT) OF OPERATING FUNDING</b>	<b>6,015</b>	<b>8,461</b>	<b>3,858</b>
<b>Sources of capital funding</b>			
Subsidies and grants for capital expenditure	7,158	6,228	7,254
Development and financial contributions	-	-	-
Increase/(decrease) in debt	4,803	7,690	5,577
Gross proceeds from the sale of assets	-	-	-
Lump sum contributions	-	-	-
Other dedicated capital funding	-	-	-
<b>Total sources of capital funding</b>	<b>11,961</b>	<b>13,919</b>	<b>12,831</b>
<b>Applications of capital funding</b>			
Capital expenditure			
- to meet additional demand	-	-	463
- to improve the level of service	9,777	3,310	1,452
- to replace existing assets	8,576	19,070	14,702
Increase/(decrease) in reserves	(377)	-	72
Increase/(decrease) of investments	-	-	-
<b>Total applications of capital funding</b>	<b>17,976</b>	<b>22,380</b>	<b>16,689</b>
<b>SURPLUS / (DEFICIT) OF CAPITAL FUNDING</b>	<b>(6,015)</b>	<b>(8,461)</b>	<b>(3,858)</b>
<b>FUNDING BALANCE</b>	<b>-</b>	<b>-</b>	<b>-</b>

Internal Loans	Actual 2024-25	Actual 2023-24
	\$000	\$000
Raised during year	5,577	6,378
Repaid during year	0	0
Balance	44,155	38,578
Finance Costs for year	1,548	1,610

#### Significant Financial Variances between Actual and the Long Term Plan

Variance	Explanation
Subsidies & Grants for operating purposes - \$2,245,000 below LTP	Waka Kotahi operating subsidies were below budget due to delay in funded projects being completed.
Fees & Charges - \$113,000 below LTP	Parking enforcement charges were below LTP
Local authorities fuel tax, fines, infringement fees and other receipts - \$259,000 above LTP	Increase in court fines and costs recovered.
Payments to staff & suppliers - \$664,000 below LTP.	Limitations to staff hiring prior to 2025 announced restructure.
Finance Costs - \$948,000 below LTP	Decrease in interest rates from LTP budgets
Internal Charges and Overheads - \$4,115,000 above LTP	Overheads assigned to each activity, budget incorrect in the LTP.
Subsidies & Grants for capital expenditure - \$1,026,000 above LTP.	Required capital works completed for capital funding to be received.
Increase/ Decrease in debt - \$2,113,000 below LTP	Capital expenditure less than LTP budget.
Capital Expenditure - \$5,762,000 below LTP	Timing of project spend has changed since the LTP was set.

## Stormwater

### What we do

Council manages and maintains a network of pipes, pumping stations and other infrastructure to safely dispose of stormwater run-off. (Stormwater is rainwater that flows from surfaces like roofs, gardens, footpaths and roads).

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.

Our network includes:

- Approximately 146km of pipeline and 33km of open channel
- Six detention dams and 1 retention and filtration basin to treat stormwater run-off and help prevent flooding
- Several pump stations
- Over 2,344 manholes, 216 soak pits, over 3,000 sumps
- Secondary overland flow paths

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

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

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

### Contributions to Community Wellbeing Outcomes

- Sustainable Environment
- Resilient Infrastructure

## Stormwater Highlights

This year we had the resource consent granted for the Geraldine Stormwater Management Area, six years after the initial application. The stormwater team have been busy establishing monitoring for the area including commissioning sampling bores. With that established, attention has also turned to getting Temuka ready for monitoring in anticipation of the consent being granted shortly.

Work has continued constructing bunds around the Gleniti area. This is a long term project that enables residential development to the west of Timaru while mitigating impacts of stormwater flows from those developments through existing Timaru towards the coast. Bunds B3 and B8 were completed.

We have also completed a re-alignment of the stormwater main through Highfield Golf Course. This will address capacity issues upstream with the realignment also making future maintenance simpler.

We have completed work on renewing and improving the swale on Waitohi – Temuka Road by the Temuka Saleyards. This will lead to far less flooding in the area around the saleyards and around the intersection with State Highway 1

## Service Performance

Level of Service	Performance Measure	Target	Result/ Achievement
<b>Maintain excellent stormwater network services</b>	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	<b>Not achieved</b> – 6. (2023/24: Achieved - 0)
	Number of habitable floors** affected by flooding events in the Timaru district (Mandatory)	Zero habitable floors affected by a flooding event	<b>Achieved</b> - 0 (2023/24: Achieved - 0)
<b>Deliver stormwater services according to environmental standards</b>	Compliance with Resource Consent conditions (Mandatory)	No abatement notices, infringement notices, enforcement orders and convictions	<b>Achieved</b> - 0 (2023/24: Achieved - 0)
<b>Maintain excellent customer service</b>	Satisfaction with stormwater services (biennial resident survey)	2024/25: ≥60% user satisfaction 2023/24: 65% resident satisfaction	<b>Not measured</b> (2023/24: Achieved 65%)
	Median response times to attending a flooding event*** (Mandatory)	Median time to attend a flooding event will be less than one hour	<b>Achieved</b> – 0.68 hours (2023/24: Achieved 0.25 hours)
	Total complaints received about performance of stormwater system (Mandatory)	10 or fewer per 1,000 connected properties	<b>Achieved</b> – 1.8‰ (2023/24: Achieved - 0)

\*flooding event means an event where stormwater enters a habitable floor

\*\*number of habitable floors affected per 1,000 properties connected to the stormwater system

\*\*\*time applies from the time the local authority receives notification to the time service personnel reach the site

**Stormwater Funding Impact Statement****Stormwater Funding Impact Statement  
For the year ended 30 June 2025**

	Long Term Plan 21.31 2023-24 \$000	Long Term Plan 24.34 2024-25 \$000	Actual 2024-25 \$000
<b>Sources of operating funding</b>			
General Rates, Uniform annual general charges, rates penalties	-	-	-
Targeted rates	2,974	5,161	5,161
Subsidies and grants for operating purposes	-	-	-
Fees and charges	-	-	11
Internal charges and overheads recovered	-	-	-
Local authorities fuel tax, fines, infringement fees and other receipts	-	-	-
<b>Total Operating Funding</b>	<b>2,974</b>	<b>5,161</b>	<b>5,172</b>
<b>Applications of operating funding</b>			
Payments to staff and suppliers	685	1,666	1,210
Finance costs	59	228	142
Internal charges and overheads	221	263	240
Other operating funding applications	-	-	-
<b>Total applications of operating funding</b>	<b>965</b>	<b>2,157</b>	<b>1,591</b>
<b>SURPLUS / (DEFICIT) OF OPERATING FUNDING</b>	<b>2,009</b>	<b>3,004</b>	<b>3,581</b>
<b>Sources of capital funding</b>			
Subsidies and grants for capital expenditure	-	-	-
Development and financial contributions	-	-	-
Increase/(decrease) in debt	117	1,414	-
Gross proceeds from the sale of assets	-	-	-
Lump sum contributions	-	-	-
Other dedicated capital funding	-	-	-
<b>Total sources of capital funding</b>	<b>117</b>	<b>1,414</b>	<b>-</b>
<b>Applications of capital funding</b>			
Capital expenditure			
- to meet additional demand	-	-	-
- to improve the level of service	-	-	-
- to replace existing assets	2,938	4,750	3,302
Increase/(decrease) in reserves	(812)	(333)	279-
Increase/(decrease) of investments	-	-	--
<b>Total applications of capital funding</b>	<b>2,126</b>	<b>4,417</b>	<b>3,581</b>
<b>SURPLUS / (DEFICIT) OF CAPITAL FUNDING</b>	<b>(2,009)</b>	<b>(3,004)</b>	<b>(3,581)</b>
<b>FUNDING BALANCE</b>	<b>-</b>	<b>-</b>	<b>-</b>

**Internal Loans**

	<b>Actual 2024-25</b>	<b>Actual 2023-24</b>
	<b>\$000</b>	<b>\$000</b>
Raised during year	0	845
Repaid during year	0	0
Balance	845	845
Finance Costs for year	142	0

**Significant Financial Variances between Actual and the Long Term Plan**

<b>Variance</b>	<b>Explanation</b>
Payments to staff & suppliers - \$458,000 below LTP.	Limitations to staff hiring prior to 2025 announced restructure.
Increase/ Decrease in debt - \$1,414,000 below LTP.	Increase in debt not required due to operating surplus.
Capital expenditure - \$1,449,000 below LTP	Costs were below LTP due to construction delays to Timaru, Temuka and Rural Stormwater projects.
Increase / Decrease in reserves - \$612,000 above LTP	Variance between operating surplus and capital expenditure spend.

## Wastewater

### What we do

Council collects and treats domestic and industrial wastewater and returns clean water to the environment.

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 on the outskirts of Timaru. A small collection scheme also serves the Arowhenua community which feeds into the Temuka pond for treatment. Approximately 80% of the total District residential population have a connection to the sewer system, with over 16,000 residential and non-residential property connections.

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

### As part of providing this service we operate:

- Three oxidation ponds at the inland towns of Geraldine, Pleasant Point and Temuka
- One treatment plant at Aorangi Road
- 23 sewer pump stations
- Approximately 469 km of pipeline
- Approximately 4,000 manholes

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

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

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

### Contributions to Community Wellbeing Outcomes

- Sustainable Environment
- Resilient Infrastructure

## Wastewater Highlights

### Wastewater Treatment Plan Upgrades

Upgrades at the Wastewater Treatment Plant on Aorangi Rd are ongoing and will continue next year. This year, we renewed much of the electrical and monitoring equipment and replaced the odour bed. The odour bed is important for keeping smells from our district's wastewater to a minimum. It uses bark as a filter, where helpful microorganisms break down odorous compounds from the air.

### Sewermain Renewals

A targeted sewermain renewal was completed on Douglas Street, which will assist in enabling future development upstream in Timaru through the asset's contribution to increased capacity in the network.

### Service Performance

Level of Service	Performance Measure	Target	Result/ Achievement
Maintain excellent sewer network services	Number of dry weather overflows from the sewer system (Mandatory)	2.5 or fewer recorded dry weather overflows per 1,000 connections	<b>Achieved</b> – 0.3% (2023/24: 2.19)
Deliver sewer services according to required environmental standards	Compliance with Resource Consent conditions (Mandatory)	No abatement notices, infringement notices, enforcement orders and convictions	<b>Achieved</b> – No notices, orders or convictions. (2023/24: Achieved – No notices orders or convictions)
Maintain excellent customer service	Satisfaction with sewer services (biennial resident survey)	2024/25: ≥80% 85% user satisfaction	<b>Not measured</b> (2023/24: Achieved 88%)
*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	Median attendance and resolution times to sewage overflow faults in the network* (Mandatory)	Median attendance time will be less than 1 hour	<b>Achieved</b> – 0.11 hours. (2023/24: Achieved - 0.87)
		Median resolution time will be less than 8 hours	<b>Achieved</b> – 1 hour (2023/24: Achieved – 4.14)
	Total complaints received about: 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	<b>Achieved</b> – 6.93 Odour: 0.61 System faults: 1.16 System blockages: 4.81 TDC response: 0.36 (2023/24: Achieved – 4.57. 1. Odour 0.49, 2. System faults 1.16, 3. Blockages 2.86, 4. TDC response 0.06)

**Wastewater Funding Impact Statement****Wastewater Funding Impact Statement  
For the year ended 30 June 2025**

	Long Term Plan 21.31 2023-24 \$000	Long Term Plan 24.34 2024-25 \$000	Actual 2024-25 \$000
<b>Sources of operating funding</b>			
General Rates, Uniform annual general charges, rates penalties	-	-	-
Targeted rates	6,085	7,027	7,027
Subsidies and grants for operating purposes	-	-	-
Fees and charges	2,770	3,885	4,083
Internal charges and overheads recovered	-	-	-
Local authorities fuel tax, fines, infringement fees and other receipts	92	92	75
<b>Total Operating Funding</b>	<b>8,947</b>	<b>11,004</b>	<b>11,186</b>
<b>Applications of operating funding</b>			
Payments to staff and suppliers	2,502	2,444	3,292
Finance costs	1,169	2,697	1,673
Internal charges and overheads	1,249	1,590	1,650
Other operating funding applications	-	-	-
<b>Total applications of operating funding</b>	<b>4,920</b>	<b>6,731</b>	<b>6,616</b>
<b>SURPLUS / (DEFICIT) OF OPERATING FUNDING</b>	<b>4,027</b>	<b>4,273</b>	<b>4,570</b>
<b>Sources of capital funding</b>			
Subsidies and grants for capital expenditure	-	-	-
Development and financial contributions	-	-	162
Increase/(decrease) in debt	(1,641)	524	500
Gross proceeds from the sale of assets	-	-	-
Lump sum contributions	-	-	-
Other dedicated capital funding	-	-	-
<b>Total sources of capital funding</b>	<b>(1,641)</b>	<b>524</b>	<b>662</b>
<b>Applications of capital funding</b>			
Capital expenditure			
- to meet additional demand	-	-	-
- to improve the level of service	-	-	-
- to replace existing assets	2,843	7,372	5,447
Increase/(decrease) in reserves	(457)	(2,574)	(215)
Increase/(decrease) of investments	-	-	-
<b>Total applications of capital funding</b>	<b>2,386</b>	<b>4,798</b>	<b>5,232</b>
<b>SURPLUS / (DEFICIT) OF CAPITAL FUNDING</b>	<b>(4,027)</b>	<b>(4,273)</b>	<b>(4,570)</b>
<b>FUNDING BALANCE</b>	<b>-</b>	<b>-</b>	<b>-</b>

**Internal Loans**

	<b>Actual 2024-25</b>	<b>Actual 2023-24</b>
	<b>\$000</b>	<b>\$000</b>
Raised during year	500	2,092
Repaid during year	0	0
Balance	46,762	46,262
Finance Costs for year	1,673	2,209

**Significant Financial Variances between Actual and the Long Term Plan**

<b>Variance</b>	<b>Explanation</b>
Fee & Charges - \$198,000 above LTP.	Trade waste and other user charges are above budget.
Payments to staff & suppliers - \$1,071,000 above LTP	Relates to recoding of personnel directly to activities from corporate \$650k. Remaining due to increased works at wastewater treatment plant.
Finance Costs - \$1,024,000 below LTP.	Decrease in interest rates from LTP budgets.
Internal Charges & overheads - \$163,000 below LTP	The decrease in internal charges (costs charged between different parts of the Council) and overhead costs largely relates to a decrease in costs on-charged from corporate activities to other Council activities.
Development & Financial contributions - \$162,000 above LTP	Unbudgeted local capital contributions were received towards three water assets for property development.
Capital expenditure - \$1,925,000 below LTP	Changes in timing for projects compare to those planned in the LTP.
Increase/ Decrease in reserve - \$2,359,000 below LTP.	Variance between operating funding and capital expenditure.

## Water Supply

### What we do

The Council's water supply service treats and distributes water that we source from groundwater bores and rivers in the district for residential, commercial, industrial and stock water purposes. Our water supplies were required to comply with the New Zealand Drinking Water Standards until 14 November 2022, when they were replaced by the Drinking Water Quality Assurance Rules 2022.

Over 21,000 residential and non-residential properties are served through the following individual water supplies:

- Urban Water Supply Schemes: Geraldine, Peel Forest, Pleasant Point, Temuka (including Winchester and Orari), Timaru
- Drinking Water and Stockwater Supply Schemes: Downlands, Seadown, Te Moana
- Stockwater only Schemes: Beautiful Valley, Rangitata – Orari Water Race

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.

### Our water supply network includes:

- 19 water intakes
- 12 treatment plants
- 19 reservoirs
- 12 pump stations
- Approximately 2,035 kilometres of water supply pipelines

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

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

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

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

### Contributions to Community Wellbeing Outcomes

- Sustainable Environment
- Resilient Infrastructure

## Water Supply Highlights

### New Zealand's Best Tasting Water

Timaru District Council won the NZ Best Tasting Water competition run by WIOG and sponsored by Ixom. This year we submitted water from the Seadown Rural Supply Scheme. Previously we have won using Pleasant Point water in 2019 and 2021 and came second with Geraldine water in 2023. We were unfortunately second in the Trans-Tasman competition, losing to the Australian 2024 champion Glenden Scheme from Isaac Regional Council in Queensland 31 votes to 19. The wins are a testament to the hard work and experience of the team across all of the district schemes and show that both urban and rural schemes are managed well.

### Watermain Renewals

Significant watermain renewals have continued this year including a section of trunk Watermain for the Downlands Rural Water Supply Scheme along State Highway 8 between Davison and Clellands Roads. This has included capacity upgrade and realignment.

### Planning for the future

Land has been acquired for water supply at Orari to enhance our ability to extract our consented water take for the Temuka Water Supply. This supply services Temuka, Orari and Winchester, and in dry years it can be a struggle to access enough water. This additional land to extend our borefield will ensure that we are better able to manage how we extract water in dry years and should help to decrease how long Temuka needs to be on water restrictions.

Photo(s) from the NZ Best Tasting Water competition to be inserted in here.

## Service Performance

Level of Service	Performance Measure	Target	Result/ Achievement
<b>Provide safe drinking water</b>	<p>Compliance with Drinking Water Standards (Drinking Water Quality Assurance Rules 2022) T3 Treatment Rules 4.10.1 T3 Bacterial Rules**</p> <p>(Mandatory) (New measure)</p> <p>**Results reported for the period from 14 November 2022 – 30 June 2023 in accordance with the Drinking Water Quality Assurance Rules 2022</p>	Bacterial Compliance – All drinking water supply schemes (8 schemes)	<p><b>Achieved but TBC pending Audit review</b></p> <p>8 of the 8 water supply schemes achieved full compliance for the period from 1 July 2024 – 30 June 2025.</p> <p><b>Downlands: Achieved for Te Ana Wai, Pareora and Springbrook (St Andrews)</b></p> <p><b>Geraldine: Achieved</b></p> <p><b>Temuka: Achieved</b></p> <p><b>Peel Forest: Achieved</b></p> <p><b>Pleasant Point: Achieved</b></p> <p><b>Seadown: Achieved</b></p> <p><b>Timaru: Achieved</b></p> <p><b>Te Moana: Achieved</b></p> <p>Full compliance for E. Coli and coliforms achieved for the year.</p> <p><b>At the daily level there are some technical non-compliances for each scheme.</b></p> <p>(2023/24: Not achieved – 0 of the 8 water supply schemes were compliant for the period 1 July 2023 – 30 June 2024.</p> <p>Downlands, Geraldine, Temuka, Peel Forest: Technical non-compliances with recording of Chlorine dosage and contact time, turbidity and UV dose.</p> <p>Pleasant Point: Technical non-compliances with Chlorine dosage and contact time, turbidity and UV dose. There were also 6 exceedances in maximum sample interval due to upgrades.</p> <p>Seadown: Technical non-compliances with recording of Chlorine dosage and contact time, turbidity and UV dose. There was also 1 exceedance in maximum sample time due to Christmas holidays.</p> <p>Timaru: Technical non-compliances with recording of Ozone dosage and contact time, turbidity and UV dose. There was also 1 exceedance in maximum sample interval due to Christmas holidays.</p> <p>Te Moana: Technical non-compliances with recording of Chlorine dosage and contact time, turbidity and UV dose. There was also 1 exceedance in maximum sample interval due to Christmas holidays)</p>

Level of Service	Performance Measure	Target	Result/ Achievement
<b>Provide safe drinking water</b>	<p>Compliance with Drinking Water Standards (Drinking Water Quality Assurance Rules 2022) T3 Treatment Rules 4.10.2 T3 Protozoal Rules**</p> <p>(Mandatory) (New measure)</p> <p>**Results reported for the period from 14 November 2022 – 30 June 2023 in accordance with the Drinking Water Quality Assurance Rules 2022.</p>	<p>Protozoal Compliance – All drinking water supply schemes (8 schemes)</p>	<p><b>Achieved but TBC pending Audit review</b></p> <p>8 of the 8 water supply schemes achieved full compliance for the period from 1 July 2024 – 30 June 2025.</p> <p><b>Downlands: Achieved for Te Ana Wai, Pareora and Springbrook (St Andrews)</b></p> <p><b>Geraldine: Achieved</b></p> <p><b>Temuka: Achieved</b></p> <p><b>Peel Forest: Achieved</b></p> <p><b>Pleasant Point: Achieved</b></p> <p><b>Seadown: Achieved</b></p> <p><b>Timaru: Achieved</b></p> <p><b>Te Moana: Achieved</b></p> <p>Full compliance achieved across all schemes.</p> <p><b>At the daily level there are some technical non-compliances for each scheme.</b></p> <p>(2023/24: Not achieved - 0 of the 8 water supply schemes achieved full compliance for the period from 1 July 2023 – 30 June 2024. The majority of these are minor and technical non-compliances regarding monitoring and reporting. All schemes had effective protozoal barriers in place and operating.</p> <p>Downlands: Pareora and St Andrews not compliant due to not monitoring of all inputs, however protozoal barrier was in place. 1 day of technical non-compliances due to recording of turbidity and UV Dose and 7 days due to UV Transmittance.</p> <p>Pleasant Point, Seadown, Temuka, Geraldine: Between 1 and 4 days of technical non-compliance due to recording of UV Dose and transmittance.</p> <p>Timaru: 3 days of non-compliance due to recording of ozone contact time and temperature and 2 due to turbidity.</p> <p>Peel Forest: 4 days of non-compliance due to recording of turbidity.</p> <p>Te Moana: 1 day of technical non-compliances due to recording of turbidity and UV Dose and 7 days due to recording of UV Transmittance.)</p>
<b>Maintain excellent customer service</b>	<p>Percentage of real water loss from TDC's networked reticulation systems (Mandatory)</p>	<p>% real water loss from network system reduces</p>	<p><b>Not achieved – 28%</b> - This includes a loss on urban schemes of 24% and a loss on rural schemes of 29%.</p> <p>(2023/24: Not achieved – 26.95%)</p>

Level of Service	Performance Measure	Target	Result/ Achievement
<b>Maintain excellent customer service</b>	Median attendance and resolution times for urgent and nonurgent callouts for water supply faults or unplanned interruptions in the network (Mandatory)	The median time to attend urgent:	<b>Achieved</b> – 0.56 hours (2023/24: Achieved - 0.6 hours)
		– urban callouts: less than 1 hour	
		- rural callouts: less than 4 hours	<b>Achieved</b> – 1.23 hours – Good processes in place to ensure urgent calls are handled quickly. (2023/24: Achieved – 1.19 hours)
	The median time to resolve urgent	– urban callouts – less than 4 hours	<b>Achieved</b> – 2.20 hours (2023/24: Achieved - 2.36 hours)
		– rural callouts – less than 8 hours	<b>Achieved</b> – 3.85 hours (2023/24: Not achieved – 4.1 hours)
		The median time to attend and resolve all non-urgent callouts will be reported	<b>Achieved</b> Attendance time – 11.6 hours Resolution time – 14.8 hours (2023/24: Achieved - attendance time 7.6 hours, resolution time 9 hours)
	Total complaints received about drinking water (Mandatory)	26 or fewer complaints received per 1,000 connections	<b>Achieved</b> – 13.77 complaints per 1,000 connections. Odour 1.07 Clarity 1.49 Taste 1.54 Water pressure/ flow 4.81 Continuity of supply 4.57 TDC response to complaints 0.28 (2023/24: Achieved – 9.19)
	Satisfaction with water supply services	85% user satisfaction	<b>Not measured</b> – Biennial resident survey. (2023/24: Achieved – 85%)
<b>Provide demand management of water supply services</b>	Average consumption of drinking water per day per resident within the Timaru District (Mandatory)	300 litres per day per resident	<b>Achieved</b> – 299 – Restricted tank connections on Rural Schemes continue to inflate the result, with urban scheme consumption at 267 litres per person per day. (2023/24: Not achieved - 312)
<b>Deliver water services according to required environmental standards</b>	Compliance with Resource Consent conditions	No abatement notices, infringement notices, enforcement orders and convictions	<b>Achieved</b> – No notices, orders or convictions. (2023/24: Achieved – No notices, orders or convictions.)

## Water Supply Funding Impact Statement

### Water Supply Funding Impact Statement For the year ended 30 June 2025

	Long Term Plan 21.31 2023-24 \$000	Long Term Plan 24.34 2024-25 \$000	Actual 2024-25 \$000
<b>Sources of operating funding</b>			
General Rates, Uniform annual general charges, rates penalties	-	-	-
Targeted rates	13,648	15,129	17,582
Subsidies and grants for operating purposes	-	-	-
Fees and charges	20	2,822	15
Internal charges and overheads recovered	-	-	-
Local authorities fuel tax, fines, infringement fees and other receipts	71	444	81
<b>Total Operating Funding</b>	<b>13,739</b>	<b>18,395</b>	<b>17,678</b>
<b>Applications of operating funding</b>			
Payments to staff and suppliers	4,782	5,519	6,907
Finance costs	1,417	3,536	2,491
Internal charges and overheads	2,400	3,008	2,771
Other operating funding applications	-	-	-
<b>Total applications of operating funding</b>	<b>8,599</b>	<b>12,063</b>	<b>12,169</b>
<b>SURPLUS / (DEFICIT) OF OPERATING FUNDING</b>	<b>5,140</b>	<b>6,332</b>	<b>5,509</b>
<b>Sources of capital funding</b>			
Subsidies and grants for capital expenditure	-	-	-
Development and financial contributions	-	-	381
Increase/(decrease) in debt	1,555	5,115	1,065
Gross proceeds from the sale of assets	-	-	-
- Lump sum contributions	-	-	-
Other dedicated capital funding	-	-	-
<b>Total sources of capital funding</b>	<b>1,555</b>	<b>5,115</b>	<b>1,446</b>
<b>Applications of capital funding</b>			
Capital expenditure			
- to meet additional demand	521	-	-
- to improve the level of service	3,069	1,239	-
- to replace existing assets	2,904	10,276	8,482
Increase/(decrease) in reserves	201	(68)	(1,527)
Increase/(decrease) of investments	-	-	-
<b>Total applications of capital funding</b>	<b>6,695</b>	<b>11,448</b>	<b>6,955</b>
<b>SURPLUS / (DEFICIT) OF CAPITAL FUNDING</b>	<b>(5,140)</b>	<b>(6,332)</b>	<b>(5,509)</b>
<b>FUNDING BALANCE</b>	<b>-</b>	<b>-</b>	<b>-</b>

**Internal Loans**

	Actual 2024-25	Actual 2023-24
	\$000	\$000
Raised during year	1,065	7,187
Repaid during year	0	0
Balance	64,162	63,097
Finance Costs for year	2,491	2,873

**Significant Financial Variances between Actual and the Long Term Plan**

Variance	Explanation
Targeted rates - \$2,453,000 above LTP	Targeted rates include metered water not split out. \$2.8m. Decrease in water charged by consumption \$372k due to Smithfield closure.
Fees and Charges \$2,807,000 below LTP	Metered water included in Targeted rates.
Local authorities fuel tax, fines, infringement fees and other receipts - \$363,000 below LTP	Largely attributed to Finance revenue from Downlands
Payments to staff & suppliers – \$1,388,000 above LTP.	Relates to recoding of personnel directly to activities from corporate \$750k. Remaining due to increased volume of reactive renewals. Dependent on weather and demand requirements.
Finance Costs - \$1,045,000 below LTP	Decrease in interest rates from LTP budgets.
Internal Charges & overheads - \$237,000 below LTP	The decrease in internal charges (costs charged between different parts of the Council) and overhead costs largely relates to a decrease in costs on-charged from corporate activities to other Council activities.
Development & Financial Contributions - \$381,000 above LTP.	Unbudgeted local contributions were received towards three water assets for property developments.
Increase / Decrease in debt – \$4,050,000 below LTP	Due to operating surplus and decrease in capital expenditure.
Capital expenditure - \$3,033,000 below LTP	Timing and costing of project spend has changed since LTP was set at June 2024.
Increase / Decrease in reserve - \$1,459,000 above LTP	Variance between operating surplus and capital expenditure.

## Waste Management

### What we do

Council provides a safe and effective waste collection, recycling, recovery and disposal service with a focus on minimising waste.

Approximately 85% of the district's households have organic waste, recycling and rubbish bins which are collected regularly. The materials are then sorted and managed at the Redruth Resource Recovery Park in Timaru.

Council manages the overall activity and owns waste minimisation sites and facilities where operational work is carried out by contractors. EnviroWaste Services Ltd is contracted to provide kerbside collection, transfer stations, landfill, composting and recycling operations and waste minimisation education.

### Services include:

- **4-bin kerbside collection** (Waste, Organics, Recycling, Glass)
- **Transfer stations** in Temuka, Geraldine and Pleasant Point
- **Resource Recovery Park** in Timaru (Redruth)
- **Reduction** – community education for schools and businesses, public place recycling, zero waste events
- **Recycling** – via Materials Recycling Facility and non-MRF recycling Recovery – composting, metal recovery and pyrolysis
- **Treatment** – hazardous waste drop-offs
- **Disposal** – Class A landfill (Redruth)
- **Reuse** – Crow's Nest shop

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

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

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

### Contributions to Community Wellbeing Outcomes

- Connected Citizens
- Enhanced Lifestyle
- Sustainable Environment
- Diverse Economy

## Waste Management Highlights

### **The new Organics Facility at Redruth was officially opened in November 2024.**

This is a joint venture between TDC and Enviro NZ. As per the Consent the Organics Facility is able to process 27000 tonnes of green waste per year and will produce 6,000 tonnes of compost.

### **New initiatives**

A new Product Stewardship Scheme was introduced in New Zealand in late 2024. The Tyrewise scheme collects end of life tyres throughout New Zealand with the intent of repurposing these. Up until 30 June over 3,000,000 tyres had been collected nationwide. Uses to date have included such areas as; playground bases, car parks, cycle tracks, building foundations and many other areas. TDC has collection points at all our Transfer Stations.

Entering into an agreement with Workwear Recycled. This involves delivering all TDC branded clothing and safety gear to Workwear Recycled who repurpose the materials. Previously this material would have been sent to landfill.

### **Peel Forest Closed Landfill**

The signing of the Peel Forest Closed Landfill Remediation Project contract and the commencement of excavation. The Peel Forest Closed Landfill has been under threat of erosion from the Rangitata River for many years. This project will mitigate the potential for an environmental disaster by removing all materials from the site and the land will be reinstated as close as possible to its original state.

Photo(s) to be inserted in here

### Service Performance

Level of Service	Performance Measure	Target	Result/ Achievement
<b>No adverse effects on the environment or human health from the operation of waste management services</b>	Compliance with Resource Consent conditions+	No abatement notices, infringement notices, enforcement orders and convictions	<b>Achieved - 0</b> (2023/24: Achieved – No notices, orders or convictions)
<b>Waste Management services meet customer expectations</b>	User satisfaction with waste minimisation services (biennial resident survey)	2024/25: ≥90% 2023/24: 95%	<b>Not measured</b> (2023/24: Not achieved – 80%)
<b>Waste reduction</b>	Kerbside refuse collection waste volumes (mandatory)	130kg per resident	<b>Not achieved – 135.41kg</b> per resident. (2023/24: N/A – New Performance Measure)
	Total waste received at Transfer stations and resource recovery parks (mandatory)	<9,050 tonnes	<b>Nearly achieved – 9,267.25</b> tonnes (2023/24: N/A – New Performance Measure)
	Level of contamination of recycling	Less than 10%	<b>Not achieved – 26.88%</b> (2023/24: Not achieved – 19.5%)
	Materials Recovery Facility (MRF) – recycling net tonnages diverted	2024/25: N/A 2023/24: 4,000 net tonnes	<b>Performance Measure Removed</b> (2023/24: Achieved - 7,670)
	Compost Facility – organic net tonnages diverted	2024/24: N/A 2023/24:15,000 net tonnes	<b>Performance Measure Removed</b> (2023/24: Achieved – 19,668)
	Recycling net tonnages diverted via recycling other than for MRF recyclables	2024/24: N/A 2023/24:300	<b>Performance Measure Removed</b> (2023/24: Achieved - 564)

+Excluding all minor non-compliances as reported by Environment Canterbury

**Waste Management Funding Impact Statement****Waste Management Funding Impact Statement  
For the year ended 30 June 2025**

	Long Term Plan 21.31 2023-24 \$000	Long Term Plan 24.34 2024-25 \$000	Actual 2024-25 \$000
<b>Sources of operating funding</b>			
General Rates, Uniform annual general charges, rates penalties	-	-	-
Targeted rates	3,641	7,677	7,677
Subsidies and grants for operating purposes	174	1,000	917
Fees and charges	6,564	5,595	6,284
Internal charges and overheads recovered	-	-	-
Local authorities fuel tax, fines, infringement fees and other receipts	55	131	61
<b>Total Operating Funding</b>	<b>10,434</b>	<b>14,403</b>	<b>14,941</b>
<b>Applications of operating funding</b>			
Payments to staff and suppliers	8,611	10,311	10,974
Finance costs	320	1,752	1,087
Internal charges and overheads	745	1,413	698
Other operating funding applications	-	-	-
<b>Total applications of operating funding</b>	<b>9,676</b>	<b>13,476</b>	<b>12,758</b>
<b>SURPLUS / (DEFICIT) OF OPERATING FUNDING</b>	<b>758</b>	<b>927</b>	<b>2,182</b>
<b>Sources of capital funding</b>			
Subsidies and grants for capital expenditure	-	-	-
Development and financial contributions	-	-	-
Increase/(decrease) in debt	1,012	(48)	(1,000)
Gross proceeds from the sale of assets	-	-	-
Lump sum contributions	-	-	-
Other dedicated capital funding	-	-	-
<b>Total sources of capital funding</b>	<b>1,012</b>	<b>(48)</b>	<b>(1,000)</b>
<b>Applications of capital funding</b>			
Capital expenditure			
- to meet additional demand	-	-	-
- to improve the level of service	1,458	612	119
- to replace existing assets	311	266	627
Increase/(decrease) in reserves	1	-	437
Increase/(decrease) of investments	-	-	(1)
<b>Total applications of capital funding</b>	<b>1,770</b>	<b>878</b>	<b>1,182</b>
<b>SURPLUS / (DEFICIT) OF CAPITAL FUNDING</b>	<b>(758)</b>	<b>(926)</b>	<b>(2,182)</b>
<b>FUNDING BALANCE</b>	<b>-</b>	<b>-</b>	<b>-</b>

Internal Loans	Actual 2024-25	Actual 2023-24
	\$000	\$000
Raised during year	0	3,449
Repaid during year	1,000	0
Balance	26,975	27,975
Finance Costs for year	1,087	1,226

#### Significant Financial Variances between Actual and the Long Term Plan

Variance	Explanation
Fees & Charges - \$689,000 above LTP	Increased due to increase materials into the Redruth facilities including new commercial contractor account.
Payments to staff & suppliers - \$663,000 above LTP	Attributed to Consultancy Fees & Landfill Remediation spend above budget.
Finance Costs - \$665,000 below LTP	Decrease in interest rates from LTP budgets.
Internal Charges & overheads - \$716,000 below LTP.	The decrease in internal charges (costs charged between different parts of the Council) and overhead costs largely relates to a decrease in costs on-charged from corporate activities to other Council activities.
Increase / Decrease in debt - \$952,000 above LTP.	As a result of operating surplus and capital spend.
Capital expenditure - \$133,000 below LTP.	Spend is below LTP due to differences in timing of landfill cell development from LTP.
Increase / Decrease in reserve - \$437,000 above LTP	Due to operating surplus.

## Financial Involvement in Council Controlled Organisations

The following are CCO's and CCTO's of Timaru District Council:

- Timaru District Holdings Limited
- Venture Timaru

The Timaru District Holdings Limited is controlled by Timaru District Council and is a Council Controlled Trading Organisation (CCTO).

Timaru District Holdings Limited has a significant interest in PrimePort Timaru Limited and Alpine Energy Limited. Advances to subsidiaries includes loans to Timaru District Holdings Limited of \$21.7M on normal commercial terms (2024: \$21.7M).

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

	Dividends 2024/25 \$000	Interest 2024/25 \$000	Total 2024/25 \$000
<b>Subsidiaries</b>			
Timaru District Holdings Limited	1,200	1,194	2,394

### Timaru District Holdings Limited (TDHL) and subsidiaries

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

#### Nature and Scope of Activities

TDHL's key purpose is to hold and manage the commercial assets and investments of Timaru District Council.

TDHL's mission is to be a successful and growing business increasing the value of the Company and its return to its shareholder, while taking into account the strategic priorities of the shareholder.

TDHL oversees the governance of the associate trading companies (Alpine Energy, Primeport Timaru) through monitoring the individual company's compliance with their Statement of Intent (SOI) regular monthly reporting against the company's budgets, regular reports on the property portfolio, and meetings between representative of the companies and TDHL, at both Board and officer level.

#### Policies and objectives relating to ownership and control

TDHL operates as a standalone company governed by an independent skills-based Board of five Directors, including a Chairperson, and employs its own General Manager. All TDHL operations and assets are managed by the TDHL General Manager who has overall responsibility for implementing the company's strategic direction and reports to the company's Board of Directors. TDHL reports to Council every quarter.

Results TBC –need guidance from Audit how to resolve SOI does not match LTP Year 1

Performance Measures	Target 2024/25 LTP 2024-34	Result	Achievement
EBITDA* (Excluding revaluations)	\$3,250,972		
Net Profit after tax to shareholders funds	7.2%		
Net tangible assets per share	\$6.64		
Earnings per fully paid share	\$0.48		
Dividends paid per fully paid share	\$0.04		
Shareholder funds to total assets	86%		

\*EBITDA Earnings before Interest, Taxes, Depreciation and Amortisation

## Financial Involvement in Council Controlled Organisations

### Venture Timaru

Venture Timaru Limited is a Council Controlled Organisation (CCO) focused on regional economic development and tourism promotion. It is 100% owned by Timaru District Council (2024: 100%).

#### Nature and Scope of Activities

Venture Timaru's vision is to attract, grow, and retain people and businesses that contribute to a thriving Timaru District economy.

#### Policies and objectives relating to ownership and control

The Council appoints the directors of Venture Timaru. This is to ensure the necessary independence, public credibility and specialised governance that it needs to be effective in delivering on economic development and tourism promotion outcomes programmes, while retaining accountability to the district's community.

Venture Timaru has an independent skills-based Board of with Directors, including a Chairperson, and employs its own Chief Executive and staff. All Venture Timaru operations and assets are managed by the Venture Timaru Chief Executive who has overall responsibility for implementing Venture Timaru's strategic direction and reports to the Board of Directors. Venture Timaru reports progress to Council every quarter.

#### Key Objectives

- Support existing business to innovate and grow
- Attract and assist new business to the district
- Assist business to attract, develop and maintain a skilled workforce
- Promote the district as a 'destination of choice'
- Facilitate enabling and new to district investment in Infrastructure and Community assets.

Monitoring Indicators (non-financial)	Target	Result	Achieved
Support existing business to innovate and grow	GDP Contribution: Timaru District v NZ	Timaru: 0.6% NZ: 0.8%	Yes
Attract and assist new business to the district	Unemployment Rate: Timaru District v NZ	Timaru: 4.3% NZ: 5.0%	Yes
Assist business to attract, develop & maintain a skilled workforce	Housing Affordability Timaru v like areas	Timaru: 4.7% NZ: 6.5%	Yes
Promote the district as a "destination of choice"	Consumer & Visitor Spend Trends v same period last year	<b>Consumer Spend</b> Timaru: 0.1% NZ: -1.7% <b>Visitor Spend</b> Timaru: NZ:	Yes
Facilitate enabling & new to district investment in infrastructure & community assets	# Jobs Year on year improvement	2025: 24,061 2024: 24,577	No

## Financial Involvement in Council Controlled Organisations

### Aorangi Stadium Trust

Aorangi Stadium Trust (AST) is a Council Controlled Organisation (CCO).

#### Nature and Scope of Activities

The purpose of the Trust is to continue development, maintenance and operation of the Aorangi Stadium and adjoining areas on Aorangi Park, Timaru for the use of the public.

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

#### Structure

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

The trustees resolved to relinquish the lease of the land on which the stadium sits on 26 March 2024 prior to the future disestablishment of the trust, this passed the ownership of the stadium to the landowner, Timaru District Council.

#### Policies and objectives relating to ownership and control

AST owns the Stadium and Events Centre located at Aorangi Park, Timaru. Known as the Southern Trust Events Centre, it is leased to the Timaru District Council who manage and operate the facility. The Trust is responsible for major maintenance and building renewals.

AST have five Trust Members, including a Chairperson. AST contracts its administration to Timaru District Council and reports progress to Council half yearly and annually.

#### Objectives

- 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, Timaru District Council.
- To support and promote facilities for indoor and outdoor sport or any other recreational pursuit.
- 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.
- To promote and encourage community activities and to assist sports bodies, community organisations and organisations devoted to the welfare of youth in the region of South Canterbury.

Performance Measures LTP 2021-31	Target	Actual 2025	Actual 2024
Significant maintenance projects are completed on time and on budget	Maintenance projects are delivered on time and on budget	N/A	Met
Regular liaison occurs with the tenant, Timaru District Council, on at least a bi-annual basis to ensure the facility and the associated arrangements are operating to the satisfaction of both parties	Bi-annual liaison with Timaru District Council	N/A	Met

# Financial reporting

2024  
2025

## Section Overview

This section outlines the financial results of Council activities for 2024/25. It includes:

### Statement of Comprehensive Revenue and Expense

It shows the financial results of all Timaru District Council and group activities at the end of each period as either a surplus or deficit. It does not include capital transactions.

### Statement of Changes in Equity

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

### Statement of Financial Position

This shows the financial state of affairs at a particular time.

### Statement of Cashflows

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

### Funding Impact Statement

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

### Council Controlled Organisations

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

### Notes to the Financial Statements

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

### Disclosure Statement

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

**Statement of Comprehensive Revenue and Expense**  
for the year ended 30 June 2025

	Notes	Council			Group	
		Actual	Budget	Actual	Actual	
		2025	2025	2024	2025	2024
		\$000	\$000	\$000	\$000	\$000
<b>REVENUE</b>						
Rates revenue	3	84,258	83,999	72,809	84,635	72,278
Fees and charges	3	21,423	20,492	18,561	21,423	18,561
Subsidies and Grants	3	13,087	25,907	16,454	13,626	16,629
Development and financial contributions	3	543	-	739	543	739
Finance Revenue	3	3,537	3,902	4,720	2,425	3,387
Other Revenue	3	12,053	12,833	23,248	14,459	25,685
Other gains	3	932	34	1,047	5,212	4,729
<b>TOTAL REVENUE</b>		<b>135,833</b>	<b>147,167</b>	<b>137,578</b>	<b>142,323</b>	<b>142,008</b>
<b>EXPENDITURE</b>						
Personnel costs	4	31,774	33,132	26,189	33,059	27,278
Other Expenses	6	56,790	59,917	59,864	58,649	60,202
Finance Costs	5	10,066	14,298	9,995	10,518	10,476
Depreciation and amortisation expense	20	38,229	38,821	38,473	38,266	38,522
Other losses	3	4,655	-	4,743	4,717	4,916
<b>TOTAL EXPENDITURE</b>		<b>141,514</b>	<b>146,168</b>	<b>139,264</b>	<b>145,209</b>	<b>141,394</b>
		(5,681)	999	(1,686)	(2,886)	614
Share of associate surplus/(deficit)	15	-	-	-	(1,576)	3,295
<b>SURPLUS / (DEFICIT) BEFORE TAX</b>		<b>(5,681)</b>	<b>999</b>	<b>(1,686)</b>	<b>(4,462)</b>	<b>3,909</b>
Income Tax credit/(expense)	7	-	-	2	(45)	553
<b>SURPLUS / (DEFICIT) AFTER TAX</b>		<b>(5,681)</b>	<b>999</b>	<b>(1,684)</b>	<b>(4,507)</b>	<b>4,462</b>
<b>OTHER COMPREHENSIVE REVENUE and EXPENSE</b>						
PPE Revaluation	17,28	45,428	81,303	-	45,428	-
<b>TOTAL OTHER COMPREHENSIVE REVENUE and EXPENSE</b>		<b>45,428</b>	<b>81,303</b>	<b>-</b>	<b>45,428</b>	<b>-</b>
<b>TOTAL COMPREHENSIVE REVENUE and EXPENSE</b>		<b>39,747</b>	<b>82,302</b>	<b>(1,684)</b>	<b>40,921</b>	<b>4,462</b>

Explanations of major variances against budget are provided in Note 30

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

**Statement of Changes in Equity**  
for the year ended 30 June 2025

	Council			Group	
	Actual	Budget	Actual	Actual	Actual
	2025	2025	2024	2025	2024
	\$000	\$000	\$000	\$000	\$000
<b>Balance at the beginning of year</b>	1,771,808	1,756,187	1,773,492	1,900,838	1,896,376
Total comprehensive revenue and expense for the year	39,747	82,302	(1,684)	40,921	4,462
<b>Balance at end of year</b>	<u>1,811,555</u>	<u>1,838,489</u>	<u>1,771,808</u>	<u>1,941,759</u>	<u>1,900,838</u>

Explanations of major variances against budget are provided in Note 30

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

**Statement of Financial Position**  
as at 30 June 2025

		Council			Group	
		Actual	Budget	Actual	Actual	
		2025	2025	2024	2025	2024
		\$000	\$000	\$000	\$000	\$000
<b>ASSETS</b>	Notes					
<b>Current assets</b>						
Cash and cash equivalents	8	43,123	14,628	22,159	43,492	23,542
Receivables	10	14,565	13,583	15,713	14,932	15,864
Inventories	11	24	-	30	24	30
Intangible assets	19	2,010	-	2,247	2,010	2,247
Assets held for Sale	12	-	-	-	1,202	1,202
Other financial assets	14	2,065	35,040	1,215	2,678	2,040
Derivative Financial Instruments	13	274	-	1,324	274	1,324
<b>Total current assets</b>		<b>62,061</b>	<b>63,251</b>	<b>42,688</b>	<b>64,612</b>	<b>46,249</b>
<b>Non-current assets</b>						
Property, plant and equipment	17	1,964,172	2,043,245	1,908,547	1,965,388	1,908,593
Cultural and heritage assets	18	6,553	-	6,708	6,553	6,708
Intangible assets	19	5,084	5,075	4,810	5,084	4,810
Investment forestry	21	1,086	1,401	1,150	1,086	1,150
Investment property	22	1,725	1,994	1,740	73,486	69,138
Investments in associates	15	-	-	-	117,130	119,382
Investment in CCOs and other similar entities	14	56,359	55,589	56,359	3,418	3,418
Other financial assets	14	6,977	-	6,279	7,777	6,279
Derivative Financial Instruments	13	574	-	1,843	574	1,843
Deferred tax asset	14	-	-	-	150	847
<b>Total non-current assets</b>		<b>2,042,531</b>	<b>2,107,304</b>	<b>1,987,436</b>	<b>2,180,646</b>	<b>2,122,168</b>
<b>Total assets</b>		<b>2,104,592</b>	<b>2,170,555</b>	<b>2,030,125</b>	<b>2,245,258</b>	<b>2,168,417</b>

Explanations of major variances against budget are provided in Note 30

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

## Statement of Financial Position (continued)

as at 30 June 2025

		Council			Group	
		Actual	Budget	Actual	Actual	
		2025	2025	2024	2025	2024
		\$000	\$000	\$000	\$000	\$000
<b>LIABILITIES</b>	Notes					
<b>Current liabilities</b>						
Payables and deferred revenue	23	25,750	18,586	21,562	26,462	24,159
Provisions	26	7,522	-	8,000	7,522	8,000
Employee entitlements	25	2,984	3,938	2,635	3,034	2,718
Borrowings and other financial liabilities	24	39,790	-	56,577	49,090	56,577
<b>Total current liabilities</b>		<b>76,046</b>	<b>22,524</b>	<b>88,773</b>	<b>86,108</b>	<b>91,453</b>
<b>Non-current liabilities</b>						
Provisions	26	5,106	2,292	5,183	5,106	5,183
Employee entitlements	25	886	496	409	886	409
Borrowings and other financial liabilities	24	211,000	306,754	163,955	211,000	171,155
Tax	7	-	-	-	337	(617)
Derivative Financial Instruments	13	-	-	-	65	-
<b>Total non-current liabilities</b>		<b>216,993</b>	<b>309,542</b>	<b>169,547</b>	<b>217,395</b>	<b>176,130</b>
<b>Total liabilities</b>		<b>293,038</b>	<b>332,066</b>	<b>258,321</b>	<b>303,502</b>	<b>267,584</b>
<b>Net assets</b>		<b>1,811,554</b>	<b>1,838,489</b>	<b>1,771,805</b>	<b>1,941,756</b>	<b>1,900,834</b>
<b>EQUITY</b>						
Retained earnings	28	765,606	767,904	771,466	889,975	897,446
Other reserves	28	52,116	40,879	51,937	55,165	54,986
Asset revaluation reserves	28	993,831	1,029,706	948,403	996,616	948,403
<b>Total equity</b>		<b>1,811,554</b>	<b>1,838,489</b>	<b>1,771,807</b>	<b>1,941,756</b>	<b>1,900,835</b>

Explanations of major variances against budget are provided in Note 30

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

**Statement of Cashflows**  
**for the year ended 30 June 2025**

	Council			Group	
	Actual	Budget	Actual	Actual	
	2025	2025	2024	2025	2024
	\$000	\$000	\$000	\$000	\$000
	Notes				
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>					
Receipts from rates revenue	82,890	80,807	71,897	82,431	71,897
Receipts from other revenue	41,972	55,431	36,515	46,481	42,297
Interest received	3,537	3,902	5,228	2,426	3,895
Dividends Received	1,204	1,115	1,004	754	1,704
Payment to suppliers and employees	(82,154)	(92,531)	(77,445)	(85,590)	(82,208)
Interest Paid	(10,066)	(14,298)	(10,503)	(10,369)	(10,904)
<b>NET CASH INFLOW/ (OUTFLOW) FROM OPERATING ACTIVITIES</b>	9				
	37,382	34,426	26,696	36,132	26,681
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>					
Receipts from sale of property, plant and equipment	113	-	96	918	97
Receipts from sale of investments	-	-	-	423	1,936
Purchase of property, plant and equipment	(45,525)	(94,121)	(53,703)	(47,604)	(53,712)
Acquisitions of investments	(1,961)-	-	(5,225)	(2,974)	(9,310)
<b>NET CASH INFLOW/(OUTFLOW) FROM INVESTING ACTIVITIES</b>					
	(43,373)	(94,121)	(58,832)	(49,237)	(60,989)
<b>CASHFLOWS FROM FINANCING ACTIVITIES</b>					
Cash was Provided from					
Proceeds from borrowings	30,955	59,843	15,000	33,055	15,800
Repayment of borrowings	-	-	-	-	-
<b>NET CASH INFLOW/(OUTFLOW) FROM FINANCING ACTIVITIES</b>	9				
	30,955	59,843	15,000	33,055	15,800
<b>NET INCREASE/(DECREASE) IN CASH</b>					
Opening Cash and Cash Equivalents Balance 1 July	22,159	14,480	39,296	23,541	42,050
Closing Cash and Cash Equivalents Balance 30 June					
	43,123	14,628	22,159	43,491	23,542
<b>REPRESENTED BY</b>					
Cash and cash equivalents	8				
	43,123	14,628	22,159	43,492	23,542

Explanations of major variances against budget are provided in Note 30

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

## Funding Impact Statement Whole Council

### for the year ended 30 June 2025

	Annual Plan*	Actual	Annual Plan	Actual
	2023-24	2023-24	2024-25	2024-25
	\$000	\$000	\$000	\$000
<b>Sources of operating funding</b>				
General Rates, Uniform annual general charges, rates penalties	41,602	41,676	46,183	46,836
Targeted Rates	30,740	31,132	37,817	37,422
Subsidies and grants for operating purposes	5,405	4,688	9,278	12,987
Fees and charges	20,560	18,561	20,492	20,834
Interest and dividends from investments	2,896	5,723	5,017	5,481
Local authorities fuel tax, fines, infringement fees and other receipts	4,409	5,588	6,210	6,919
<b>Total Operating Funding</b>	<b>105,612</b>	<b>107,368</b>	<b>124,997</b>	<b>130,479</b>
<b>Applications of operating funding</b>				
Payments to staff and suppliers	82,877	86,051	93,048	89,042
Finance costs	6,918	9,995	14,298	10,066
Other operating funding applications	-	-	-	-
<b>Total applications of operating funding</b>	<b>89,795</b>	<b>96,046</b>	<b>107,346</b>	<b>99,109</b>
<b>SURPLUS / (DEFICIT) OF OPERATING FUNDING</b>	<b>15,817</b>	<b>11,322</b>	<b>17,651</b>	<b>31,371</b>
<b>Sources of capital funding</b>				
Subsidies and grants for capital expenditure	22,377	11,766	16,628	7,254
Development and financial contributions	444	739	-	543
Increase/(decrease) in debt	43,064	15,000	56,782	30,280
Gross proceeds from the sale of assets	-	96	-	113
Lump sum contributions	-	-	-	-
Other dedicated capital funding	-	-	-	-
<b>Total sources of capital funding</b>	<b>65,885</b>	<b>27,601</b>	<b>73,410</b>	<b>38,190</b>
<b>Applications of capital funding</b>				
Capital expenditure				
- to meet additional demand	1,501	506	-	463
- to improve the level of service	40,710	11,627	48,511	5,484
- to replace existing assets	39,491	45,868	45,611	39,799
Increase/(decrease) in reserves	-	10,969	(3,061)	15,920
Increase/(decrease) of investments	-	(30,047)	-	7,895
<b>Total applications of capital funding</b>	<b>81,702</b>	<b>38,923</b>	<b>91,061</b>	<b>69,560</b>
<b>SURPLUS / (DEFICIT) OF CAPITAL FUNDING</b>	<b>(15,817)</b>	<b>(11,322)</b>	<b>(17,651)</b>	<b>(31,371)</b>
<b>FUNDING BALANCE</b>	<b>-</b>	<b>-</b>	<b>--</b>	<b>--</b>

	Actual 2023-24 \$000	Actual 2024-25 \$000
<b>Reconciliation of Funding Impact Statement to Financial Statements</b>		
Total application of operating funding per FIS	96,046	99,109
Expense items not included in application of operating funding	-	-
Depreciation and amortisation (note 20 of financial statements)	38,473	38,229
Other losses	4,743	4,655
Other items	2	-
<b>Total expenses in the statement of comprehensive revenue and expenses</b>	<b>139,264</b>	<b>141,993</b>

## 1. Statement of Accounting Policies

### REPORTING ENTITY

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

The financial statements of Timaru District Council include the Council's 82% share of Downlands Water Supply, which has been assessed as a joint arrangement.

The Group consists of the ultimate parent, Timaru District Council (including Downlands Water Supply), and its subsidiaries: Timaru District Holdings Limited (100% owned) and Venture Timaru Limited (100% owned) and 100% of the council-controlled organisation, the charitable trust, Aorangi Stadium Trust, which ceased operation in the year ended 30 June 2024.

Timaru District Holdings Limited's share of its associate companies PrimePort Timaru Limited (50% owned) and Alpine Energy Limited (47.5% owned) are equity accounted into the Group financial statements.

All of these entities are domiciled and operate in New Zealand.

The Council and Group provide infrastructure, local public services and regulatory functions to the community. The Council does not operate to make a financial return.

The reporting date of the Council, controlled entities and the joint arrangement is 30 June as is that of PrimePort Timaru Limited, however the reporting date for Alpine Energy Limited is 31 March.

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

The financial statements of the Council and Group are for the year ended 30 June 2025.

The financial statements were authorised for issue by the Council on **31 October 2025**.

### BASIS OF PREPARATION

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

### Statement of compliance

The financial statements and statements of Council activities, of the Council and Group have been prepared in accordance with the requirements of the LGA and the Local Government (Financial Reporting and Prudence) Regulations 2014 (LG(FRP)R), which include the requirement to comply with New Zealand Generally Accepted Accounting Principles (NZ GAAP), which are primarily based on reporting standards as promulgated by the External Reporting Board (XRB) and the NZ Accounting Standards Board (NZASB).

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

### Presentation currency and rounding

The financial statements are presented in New Zealand dollars, and all values are rounded to the nearest thousand dollars (\$000), other than the remuneration and severance details in Note 4, contingencies in Note 26, related party transactions in Note 28, which are rounded to the nearest dollar. Contingencies in Note 26 are as stated in the Note.

### Changes in accounting policies and disclosures

#### Changes in accounting policies

There have been no significant changes in accounting policies.

#### Changes in disclosures

##### *Omnibus amendments to PBE Standards*

An omnibus set of amendments to various standards was issued in October 2024 which has been adopted, including:

Amendments to PBE IPSAS 1: Presentation of Financial Reports relating primarily to the presentation of current and non-current assets and liabilities. No changes result from this amendment.

Amendments to PBE IAS 12: Income taxes relating to compliance with Pillar 2 income tax disclosures. No changes result from this amendment.

*Disclosures for fees for services from audit and review firms*

Amendments to PBE IPSAS 1: Presentation of Financial Reports requiring the disclosure of fees incurred for services received from each audit or review firm for, separately, the audit of the financial reports and each type of other service performed by an entity's audit firm for audit or review related services; other assurance services and other agreed-upon procedures engagements; taxation services; and other services. No changes are anticipated this financial year from this amendment.

**Standards issued and not yet effective and not adopted early**

There are no standards and amendments issued but not yet effective.

**SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

Significant accounting policies are included in the note to which they relate.

Significant accounting policies which do not relate to a specific note are outlined below.

**Basis of consolidation**

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

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

Control over an entity is determined when the Council or Group has exposure, or rights, to variable benefits from its involvement with the entity and has the ability to affect the nature or amount of those benefits through its power over the other entity. The Council considers all relevant facts and circumstances in assessing whether it has power over another entity, for example, the ability to appoint or remove a majority of the entity's governance and management, binding arrangements the Council enters into, Group voting rights, and pre-determination mechanisms. The Council reassesses whether or not it controls another entity if facts and circumstances change.

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

Where a member of the Group does not comply with Group accounting policies appropriate adjustments are made on consolidation.

**Foreign currency transactions**

Foreign currency transactions (including those subject to forward foreign exchange contracts) are translated into New Zealand Dollars (the functional currency) using the spot exchange rate at the dates of the transactions. Foreign exchange gains or losses arising from the settlement of such transactions and from the translation at year-end exchange rates or monetary assets and liabilities denominated in foreign currencies are recognised in surplus or deficit.

**Goods and Services Tax**

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

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

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

Commitments and contingencies are disclosed exclusive of GST.

#### **Budget figures**

The Budget figures presented in this report are those approved by the Council in its 2023/24 annual plan unless stated otherwise. The budget figures have been prepared in accordance with GAAP, using accounting policies that are consistent with those adopted by the Council in preparing these financial statements.

#### **Critical accounting estimates and assumptions**

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

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

Assumptions regarding investments in other financial assets, including subsidiaries and other entities (see Notes 14 and 15).

Estimating the fair value of property, plant and equipment (see Note 17).

Estimating the landfill aftercare provision (see Note 26).

Estimating the fair values of debt (see Note 24).

Estimating the fair values of financial instruments (see Notes 13 and 14).

Estimating the fair value of forestry assets (see Note 21)

Estimating the retirement and long service leave obligations (see Note 25)

#### **Critical judgments in applying accounting policies**

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

Classification of property (see Note 17)

Valuation methodology for property, plant and equipment, cultural and heritage assets and intangible assets (see Notes 17, 18 and 19)

Donated or vested land and buildings with use or return conditions (see Notes 3, 17 and 18)

#### **Service performance reporting (PBE FRS 48)**

The statement of service performance is formally classified from pages **30 to 95**.

The relevant legislation governing the requirement of reporting of the Council's service performance is Part 3 of Schedule 10 of the Local Government Act 2002.

The statement of service performance of the Council has been prepared in accordance with PBE standards and is for the year ended 30 June 2025. The statement was authorised for issue by the Council on **31 October 2025**.

In preparing the statement of service performance, the Council has made judgements on the application of reporting standards and has made estimates and assumptions concerning the measurement of certain service performance targets. The main judgements are discussed below.

The service performance measures in this annual report are intended to compare the actual results of activities delivered by Timaru District Council against the forecast levels of service. The service performance measures were originally adopted in the 2024-2034 Long-Term Plan and continued in the 2024/2025 Annual Plan.

The service performance measures are reported on to Council each quarter during the relevant annual period. The annual results are then reported in the relevant Annual Report for the year to 30 June.

The performance measures were selected to cover quantitative measurement of progress towards the Council's Long-Term Plan and Annual Plan. The final measures included in this Annual Report are broken down into the 9 groups of activities, providing a holistic set that give a rounded picture of the non-financial performance of the Council. Each group has a set of metrics that were identified through the 2024-2034 Long-Term Plan involving Council and management. This process ensured the selected measures best reflect the Council's performance and are available in a timely and accurate manner.

There are a number of performance measures identified in the Service Performance tables that are mandatory performance measures set under section 261 B of the Local Government Act 2002. The Secretary for Local Government promulgated the Non-Financial Performance Measures Rules 2013 to enable a reasonable comparison across all councils.

Council is legally required to meet specific timeframes under certain legislation. These timeframes are reported on to provide transparency to the public. For activities where there are legislative requirements through various Acts or through the mandatory performance measures, there are few significant judgements to make. Council is required to report on these measures and to meet specific standards. The measures are integral to the function of the activity.

Where actions within an activity do not fall within the three areas previously described, but can be qualitatively measured, Council has chosen to include these within the performance measures. These measures directly relate to the levels of service for the activity, such as measurements relating to the diversion of waste from landfill in the Waste Minimisation activity. These measures describe the fundamentals required to undertake these activities. The measure is reported as achieved or not achieved, with little judgement to be made.

## 2 Summary Revenue and Expenditure for Group of Activities

### Accounting policy

The cost of service for each significant activity of the Council has been derived using the following cost allocation principles:

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

Direct costs are charged directly to significant activities. Indirect costs are charged to significant activities using appropriate cost drivers such as actual usage, staff numbers, and floor area.

There have been no changes to the cost allocation methodology during the year.

	Council		
	Budget	Actual	Actual
	2025	2025	2024
	\$000	\$000	\$000
<b>Revenue</b>			
Corporate Support	(4,546)	11,978	17,007
Governance and Strategy	4,710	3,653	3,991
Community Support	7,527	6,979	6,797
Environmental Services	11,178	9,396	5,959
Recreation and Leisure	41,304	24,480	28,815
Roading and Footpaths	35,107	28,182	33,343
Waste Minimisation	13,777	15,012	11,131
Sewer	11,780	11,786	10,813
Stormwater	6,458	5,848	6,070
Water Supply	19,872	18,519	13,652
<b>Total Activity Revenue</b>	<b>147,167</b>	<b>135,833</b>	<b>137,578</b>
<b>Expenditure</b>			
Corporate Support	3,438	10,902	21,220
Governance and Strategy	4,710	4,475	3,743
Community Support	7,429	6,673	6,565
Environmental Services	13,024	11,077	8,725
Recreation and Leisure	30,758	26,487	18,077
Roading and Footpaths	32,667	31,624	30,122
Waste Minimisation	13,462	13,776	15,050
Sewer	13,404	11,704	11,648
Stormwater	6,551	5,029	4,426
Water Supply	20,725	19,767	19,688
<b>Total Expenditure</b>	<b>146,168</b>	<b>141,514</b>	<b>139,264</b>

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

### 3 Revenue

#### **Accounting policy**

Revenue is measured at fair value.

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

#### ***Rates revenue***

The following policies for rates have been applied:

- General rates, targeted rates (excluding water-by-meter), and uniform annual general charges are recognised at the start of the financial year to which the rates resolution relates. They are recognised at the amounts due. The Council considers that the effect of payment of rates by instalments is not sufficient to require discounting of rates receivable and subsequent recognition of interest revenue.
- Rates arising from late payment penalties are recognised as revenue when rates become overdue.
- Rates remissions are recognised as a reduction of rates revenue when the Council has received an application that satisfies its Rates Remission Policy.
- Rates collected on behalf of Environment Canterbury (Ecan) are not recognised in the financial statements, as the Council is acting as an agent for Ecan.

#### ***Development and financial contributions***

Development and financial contributions are recognised as revenue when the Council provides, or can provide, the service for which the contribution was charged. Otherwise, development and financial contributions are recognised as liabilities until such time as the Council provides, or can provide, the service.

#### ***NZ Transport Agency (Waka Kotahi) roading grants***

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

#### ***Other government grants***

The Council receives funding assistance from government agencies subsidising costs, including expense and capital costs, for various projects. Such grants or subsidies are recognised as revenue upon entitlement, as conditions pertaining to eligible expenditure have been fulfilled.

#### ***Other grants received***

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

#### ***Building and resource consent revenue***

Fees and charges for building and resource consent services are recognised on the issuance of the consent at the rate applicable at the time of application.

#### ***Entrance fees***

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

#### ***Landfill fees***

Fees for disposing of waste at the Council's landfill sites are recognised upon waste being disposed by users.

***Provision of commercially based services***

Revenue derived through the provision of services to third parties in a commercial manner is recognised in proportion to the stage of completion at balance date. Generally, this is determined by the proportion of costs incurred to date bearing to the estimated total costs of providing the service.

***Sales of goods***

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

***Infringement fees and fines***

Infringement fees and fines mostly relate to traffic and parking infringements and are recognised when the infringement notice is issued. The revenue recognised is determined based on the probability of collecting fines, which is estimated by considering the collection history of fines over the preceding 2-year period.

***Vested, found, abandoned or donated physical assets***

For assets received for no or nominal consideration, the asset is recognised at its fair value when the Council obtains control of the asset. The fair value of the asset is recognised as revenue, unless there is a use or return condition attached to the asset. A determination is made at recognition as to whether the revenue will be included in the calculation of the surplus or treated as comprehensive revenue.

The fair value of vested, found, abandoned or donated assets is usually determined by reference to an external market or the cost of constructing the asset. For assets received from property developments, the fair value is based on construction price information provided by the property developer, adjusted to current costs.

Following the assessment of initial fair value an additional consideration is made for potential impairment of the asset.

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

***Donated and bequeathed financial assets***

Donated and bequeathed financial assets are recognised as revenue unless provided for a specified purpose. A liability is recorded if provided for a specified purpose and the liability is released to revenue as the funds are spent for the nominated purpose.

***Crown suspensory loans***

The Council considers that suspensory loans from the Crown are, in substance, a grant with conditions, and so recognises funds received as a liability and releases the liability to revenue on a straight-line basis over the 20-year term of the agreement.

***Interest and dividends***

Interest revenue is recognised using the effective interest method.

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

***Agency revenue***

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

### 3.1 Rates revenue

The Council is required by the LGFA Guarantee and Indemnity Deed to disclose in its financial statements its annual rates revenue. That Deed defines annual rates revenue as an amount equal to the total revenue from any funding mechanism authorised by the Local Government (Rating Act) 2002 together with any revenue received by the Council from other local authorities for services provided by that Council for which those other Local Authorities rate. The annual rates revenue of the Council for the year ended 30 June 2024 for the purpose of the LGFA Guarantee and Indemnity Deed disclosure is shown below:

	Council		Group	
	Actual 2025 \$000	Actual 2024 \$000	Actual 2025 \$000	Actual 2024 \$000
General rates	46,108	41,241	46,567	40,710
Targeted rates:				
Water, excluding metered water supply rates	15,129	12,755	15,047	12,755
Metered water supply rates	2,453	2,462	2,453	2,462
Sewerage	7,027	6,805	7,027	6,805
Waste management	7,677	4,782	7,677	4,782
Community works and services	5,135	4,328	5,135	4,328
Rates penalties	729	436	729	436
Rates remissions TBC				
	84,258	72,809	84,635	72,278

#### Ratings base

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

	Council	
	Actual 2025	Actual 2024
Number of rating units at end of preceding year	22,771	23,390

	Council	
	Actual 2025 \$000	Actual 2024 \$000
Total capital value of rating units at end of preceding year	19,092,129	15,490,572
Total land value of rating units at end of preceding year	9,554,358	7,780,060

Total rates written off, including penalties, for the 2025 financial year are \$87,644 (2024: \$89,850).

### 3.2 Fees and charges

	Council		Group	
	Actual 2025 \$000	Actual 2024 \$000	Actual 2025 \$000	Actual 2024 \$000
Trade waste	4,083	3,324	4,083	3,324
Landfill use	6,284	5,508	6,284	5,508
Consent fees	2,920	2,521	2,920	2,521
Social housing rent	1,760	1,562	1,760	1,562
Parking fees	1,437	1,466	1,437	1,466
Swimming pool admission fees	1,396	1,059	1,396	1,059
Other fees and charges	3,543	3,121	3,543	3,121
<b>Total fees and charges</b>	<b>21,423</b>	<b>18,561</b>	<b>21,423</b>	<b>18,561</b>

### 3.3 Subsidies and Grants

	Council		Group	
	Actual	Actual	Actual	Actual
	2025	2024	2025	2024
	\$000	\$000	\$000	\$000
NZ Transport Agency (Waka Kotahi) roading subsidies	2,388	14,806	2,388	14,806
Other subsidies and grants	10,699	1,648	11,238	1,823
<b>Total Subsidies and Grants</b>	<b>13,087</b>	<b>16,454</b>	<b>13,626</b>	<b>16,629</b>

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

### 3.4 Finance Revenue

	Council		Group	
	Actual	Actual	Actual	Actual
	2025	2024	2025	2024
	\$000	\$000	\$000	\$000
<b>Finance revenue</b>				
Interest revenue:				
Term deposits	2,173	3,065	2,255	3,254
Related party loans	1,194	1,522	-	-
Community loans	37	21	37	21
Unsecured loans to other local authorities	133	112	133	112
<b>Total Finance Revenue</b>	<b>3,537</b>	<b>4,720</b>	<b>2,425</b>	<b>3,387</b>

Loans have been raised by the Council which are applied to Downlands Water Supply joint operation. Interest relating to those loans is charged through the joint operation to the participants in that operation.

Any gain/(loss) on changes in the fair value of interest rate swaps are shown in Note 3.7: Other gains/(losses)

### 3.5 Development and financial contributions

	Council		Group	
	Actual	Actual	Actual	Actual
	2025	2024	2025	2024
	\$000	\$000	\$000	\$000
Sewerage	162	373	162	373
Stormwater	-	35	-	35
Water Supply	381	331	381	331
<b>Total Development and financial contributions</b>	<b>543</b>	<b>739</b>	<b>543</b>	<b>739</b>

**3.6 Other Revenue**

	Council		Group	
	Actual	Actual	Actual	Actual
	2025	2024	2025	2024
	\$000	\$000	\$000	\$000
Vested assets	4,518	16,656	4,518	16,656
Infringements	908	915	908	915
Petrol tax	675	377	675	377
Rental revenue from investment properties	422	263	3,954	3,576
Dividends	1,204	1,004	4	4
Other	4,326	4,033	4,400	4,157
<b>Total Other Revenue</b>	<b>12,053</b>	<b>23,248</b>	<b>14,459</b>	<b>25,685</b>

**Operating leases as lessor**

Timaru District Council leases its investment property and some property under operating leases. These leases have a non-cancellable term of between 1 year and 26 years. The future aggregate minimum lease payments to be collected under non-cancellable operating leases are as follows:

	Council		Group	
	Actual	Actual	Actual	Actual
	2025	2024	2025	2024
	\$000	\$000	\$000	\$000
Not later than one year	838	795	3,109	2,677
Later than one year and not later than five years	1,324	844	6,680	6,509
Later than five years	537	199	14,126	13,118
<b>Total non-cancellable operating leases</b>	<b>2,698</b>	<b>1,838</b>	<b>23,914</b>	<b>22,304</b>

No contingent rents have been recognised in the statements of financial performance during the year.

**3.7 Other gains/(losses)**

	Council		Group	
	Actual	Actual	Actual	Actual
	2025	2024	2025	2024
	\$000	\$000	\$000	\$000
Gain/(loss) on changes in fair value of forestry assets	(64)	307	(64)	307
Gain/(loss) on disposal of property, plant and equipment	(2,272)	(3,324)	(2,272)	(3,497)
Gain/(loss) on changes in fair value of investment property	552	(25)	4,832	3,657
Gain/(loss) in disposal of investments classified as fair value through surplus/deficit	286	771	286	771
Gain/(loss) on changes in fair value of derivative financial instruments	(2,319)	(1,096)	(2,381)	(1,096)
Other gains/(losses)	94	(329)	94	(329)
<b>Total gains/(losses)</b>	<b>(3,723)</b>	<b>(3,696)</b>	<b>495</b>	<b>(187)</b>

#### 4 Personnel costs

##### Accounting policy

##### Salaries and wages

Salaries and wages are recognised as an expense as employees provide services.

##### Defined contribution superannuation schemes

Employer contributions to defined contribution superannuation schemes, including KiwiSaver and the Government Superannuation Fund, are expensed in the surplus or deficit as incurred.

	Council		Group	
	Actual 2025 \$000	Actual 2024 \$000	Actual 2025 \$000	Actual 2024 \$000
Salaries and wages	29,981	25,196	31,259	26,285
Defined contribution plan employer contributions	1,489	910	1,489	910
Increase/(decrease) in employee entitlements	304	83	311	83
<b>Total personnel costs</b>	<b>31,774</b>	<b>26,189</b>	<b>33,059</b>	<b>27,278</b>

##### Defined Benefit Scheme

The Council contributes to a multi-employer defined benefit superannuation scheme (the scheme), operated by the National Provident Fund. The funding level (solvency ratio) of the Scheme is the ratio of the net assets available to pay benefits to the value of the past service liabilities. The Actuary estimates the funding level triennially and this was last assessed as at 31 March 2024, at 104.9% (March 2021: 106.6%) based on the valuation results and membership data as at 31 March 2025. Employer contributions to defined contributions plans include contributions to Kiwisaver.

##### Remuneration

	Council		Group		
	Actual 2025 Remuneration	Actual 2024 Remuneration	Actual 2025 Remuneration	Actual 2025 Directors' Fees	Actual 2024 Remuneration
Chief Executive Trainor from December 2023	362,719	205,344	362,719	-	205,344
Chief Executive Carran to December 2023	-	296,205	-	-	296,205
	<b>362,719</b>	<b>501,549</b>	<b>362,719</b>	<b>-</b>	<b>501,549</b>

	Council				
	Actual 2025 Remuneration	Actual 2025 Directors' fee	Actual 2025 Mobile phone expense	Actual 2025 ict/Comms equipment expense	Actual 2025 Total
<b>Elected representatives (Council):</b>					
Mayor Bowen	137,600		800	250	138,650
Deputy Mayor Shannon	72,893		1,300	250	74,443
Councillor Booth	52,392	10,455	1,300	250	64,397
Councillor Burt	59,226	-	1,300	250	60,776
Councillor Jackson	52,392		1,300	250	53,942
Councillor Oliver	52,392		1,300	250	53,942
Councillor Parker	59,226	36,941	1,300	250	97,717
Councillor Piddington	52,392		1,300	250	53,942
Councillor Pye	59,226		1,300	250	60,776
Councillor Scott*+	59,226	10,454	1,300	250	71,230
	<b>656,965</b>	<b>57,850</b>	<b>12,500</b>	<b>2,500</b>	<b>729,815</b>

\* As at 30 June 2025 the overpayment to Councillor Scott for District Plan Review Hearings Panel fees as an Elected Member representative remains unresolved

#### 4 Personnel costs (continued)

##### Remuneration paid to elected members

This information is required under Schedule 10, Part 3, Clause 32 of the Local Government Act 2002. Differences in remuneration between elected members is the result of different responsibilities assigned to elected members. Elected member remuneration includes salary and the value of IT and communications equipment provided.

Directors' fees are for acting as directors for Group and CCO and CCTO organisations

	Council				
	Actual 2024 Remuneration	Actual 2024 Directors' fee	Actual 2024 Mobile phone expense	Actual 2024 ict/Comms equipment expense	Actual 2024 Total
<b>Elected representatives (Council):</b>					
Mayor Bowen	137,600	-	800	250	138,650
Deputy Mayor Shannon	72,892	-	1,300	250	74,442
Councillor Booth	52,392	10,000	1,300	250	63,942
Councillor Burt	59,225	16,558	1,300	250	77,333
Councillor Jackson	52,392	-	1,300	250	53,942
Councillor Oliver	52,392	-	1,300	250	53,942
Councillor Parker	59,225	35,000	1,300	250	95,775
Councillor Piddington	52,392	-	1,300	250	53,942
Councillor Pye	59,225	-	1,300	250	60,775
Councillor Scott*+	72,350	10,000	1,300	250	83,900
	670,085	71,558	12,500	2,500	756,643

\*An overpayment related to Councillor Scott's position as an elected member representative on the District Plan Review Hearings Panel. This payment was contrary to the Local Government Members (2023/24) Determination 2023 (SL 2023/142) and was identified as part of the annual report process.

+The overpayment of the District Plan review hearing fees - \$3,360.

##### Remuneration paid to elected members:

This information is required under Schedule 10, Part 3, Clause 32 of the Local Government Act 2002. Differences in remuneration between elected members is the result of different responsibilities assigned to elected members. Elected member remuneration includes salary, and the value of IT and communications equipment provided.

Directors' fees are for acting as directors for Group CCO and CCTO organisations.

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

	Council 2025		Council 2024
Less than \$60,000	51	Less than \$60,000	90
\$60,000 - \$79,999	142	\$60,000 - \$79,999	99
\$80,000 - \$99,999	73	\$80,000 - \$99,999	78
\$100,000 - \$119,999	49	\$100,000 - \$119,999	43
\$120,000 - \$139,999	20	\$120,000 - \$139,999	23
\$140,000 - \$159,999	16	\$140,000 - \$159,999	10
\$160,000 - \$219,999	12	\$160,000 - \$219,999	10
\$220,000 - \$379,999	3	\$220,000 - \$379,999	5
	<b>366</b>		<b>358</b>

Total remuneration includes non-financial benefits provided to employees.

At balance date, the Council employed 260 full-time employees (2024: 244), with the balance of staff representing 46 full-time equivalent employees including part-time and casual staff (2024: 48). A full-time employee is determined on the basis of working a 40-hour working week.

For the year ended 30 June 2025, the Council made one (2024: three) severance payment to employees totalling \$99,500 (2024: \$86,636, comprising the individual payments of \$52,662, \$15,449 and \$18,525).

**5 Finance Costs****Accounting policy**

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

	Council		Group	
	Actual	Actual	Actual	Actual
	2025	2024	2025	2024
	\$000	\$000	\$000	\$000
Interest expense on borrowings	10,066	9,995	10,518	10,476
<b>Total Finance Costs</b>	<b>10,066</b>	<b>9,995</b>	<b>10,518</b>	<b>10,476</b>

**6 Other Expenses****Accounting policy****Grant expenses**

The Council's grants awarded have no substantive conditions attached.

Non-discretionary grants are those grants that are awarded if the grant application meets the specified criteria and are recognised as an expense when an application that meets the specified criteria for the grant has been received.

Discretionary grants are those grants where the Council has no obligation to award on receipt of the grant application and are recognised as an expense when approved by the Council and the approval has been communicated to the applicant.

**Operating leases**

An operating lease is a lease that does not substantially transfer all the risks and rewards incidental to ownership of an asset. Lease payments under an operating lease are recognised as an expense on a straight-line basis over the lease term. Lease incentives received are recognised in the surplus or deficit as a reduction of rental expense over the lease term.

	Council		Group	
	Actual	Actual	Actual	Actual
	2025	2024	2025	2024
	\$000	\$000	\$000	\$000
Expenses include:				
Audit fees for current financial statement audit	199	239	301	274
Prior years recovery for audit fees	114	120	122	131
Audit fees for Long Term Plan audit 2024-2034	-	106	-	106
Recover for the Long Term Plan audit 2024-2034	55	55	55	55
Audit fees for Debenture Trust audit	11	21	11	21
Fees to other auditors	-	-	13	20
Impairment of receivables	-	(23)	-	(23)
Bad debts written off	12	25	12	26
Minimum lease payments under operating leases	339	363	339	363
Grants/donations paid	2,542	2,542	821	821
Consultants and legal	7,486	7,486	7,486	7,486
Contractors	30,244	30,244	30,244	30,244
Other operating expenses	15,788	18,687	19,245	20,679
<b>Total other expenses</b>	<b>56,790</b>	<b>59,864</b>	<b>58,649</b>	<b>60,202</b>

A provision for post-closure costs relating to the landfill is recognised as a liability and calculated annually.

**Operating leases as lessee**

Timaru District Council leases property, plant and equipment in the normal course of its business. The leases currently have a non-cancellable term of up to 5 years. The future aggregate minimum lease payments to be paid under non-cancellable operating leases are as follows:

	Council		Group	
	Actual 2025 \$000	Actual 2024 \$000	Actual 2025 \$000	Actual 2024 \$000
Not later than one year	48	48	115	120
Later than one year and not later than five years	84	129	273	166
Later than five years	-	-	-13	-
<b>Total non-cancellable operating leases</b>	<b>132</b>	<b>177</b>	<b>401</b>	<b>286</b>

The total minimum future sublease payments expected to be received under non-cancellable subleases at balance date is Nil (2024: Nil).

Leases can be renewed at the option of Timaru District Council and Group, with rents set by reference to current market rates for items of equivalent age and condition. Timaru District Council and Group does not have the option to purchase the asset at the end of the lease term. There are no restrictions placed on Timaru District Council by any of the leasing arrangements.

## 7 Tax

### Accounting policy

Income tax expense includes components relating to current tax and deferred tax.

Current tax 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.

Deferred tax is the amount of income tax payable or recoverable in future periods in respect of temporary differences and unused tax losses. Temporary differences are differences between the carrying amount of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable profit.

Deferred tax liabilities are generally recognised for all taxable 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 or tax losses can be utilised.

Deferred tax is not recognised if the temporary difference arises from the initial recognition of goodwill or from the initial recognition of an asset or liability in a transaction that affects neither accounting profit nor taxable profit.

Current tax and deferred tax are measured using tax rates and laws that are effective at balance date.

Current and deferred tax is recognised against the surplus or deficit for the period, except to the extent that it relates to items recognised in other comprehensive revenue and expense or directly in equity.

	Council		Group	
	Actual 2025 \$000	Actual 2024 \$000	Actual 2025 \$000	Actual 2024 \$000
Surplus/(deficit) before tax	(5,681)	(1,686)	(5,681)	3,909
Tax at 28% (2023: 28%)	(1,591)	(472)	(1,591)	1,095
Non-taxable income @ 28%	(38,033)	(38,522)	(38,033)	(39,836)
Non-deductible expenditure @ 28%	39,624	38,994	39,624	38,663
Impact of imputation credits	-	-	-	(476)
Adjustments to current tax	-	(2)	-	1
<b>Tax expense/(benefit)</b>	-	(2)	-	(553)
<b>Components of tax expenses</b>				
Current tax	-	(2)	-	30
Deferred tax	-	-	-	(583)
Adjustment to current tax	-	-	-	-
<b>Tax expense/(benefit)</b>	-	(2)	-	(553)
<b>Deferred tax asset/(liability)</b>				
Opening balance	-	-	-	131
Temporary differences				
Long Term assets	-	-	-	339
Employee entitlements	-	-	-	2
Others	-	-	-	375
<b>Closing balance</b>	-	-	-	847
<b>Deferred tax asset/(deferred tax liability)</b>				
Long term assets	-	-	-	463
Employee entitlements	-	-	-	8
Tax losses	-	-	-	376
Other	-	-	-	-
<b>Net deferred tax asset/(deferred tax liability)</b>	-	-	-	847

The Timaru District Council Group has total imputation credits available of **STBC\*** (2024: \$22,014,393).

**\*Awaiting PWC Tax review**

## 8 Cash and cash equivalents

### Accounting policy

Cash and cash equivalents include cash in hand, deposits held at call with banks, other short-term highly liquid investments with original maturities of three months or less, and bank overdrafts. Bank overdrafts are shown within borrowings in current liabilities in the Statement of Financial Position.

	Council		Group	
	Actual 2025 \$000	Actual 2024 \$000	Actual 2025 \$000	Actual 2024 \$000
Cash at bank and in hand	23,123	2,159	23,492	3,542
Term deposits with maturities of less than three months at acquisition	20,000	20,000	20,000	20,000
<b>Total cash and cash equivalents per Statement of Financial Position and the Statement of Cash Flows</b>	<b>43,123</b>	<b>22,159</b>	<b>43,492</b>	<b>23,542</b>

### Assets recognised in a non-exchange transaction that are subject to restrictions

The Council holds unspent funds, included in cash and investments, of \$1,480,323 (2024: \$993,253) that are subject to restrictions. These unspent funds relate to trusts and bequests and other funds received with restrictions where the spending of the funds is separately monitored.

The restrictions generally specify how the funds are required to be spent.

## 9 Note to statement of cashflows

### Accounting policy

#### Cashflow statement

Operating activities include cash received from all revenue sources of the Council and Group, and cash 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 securities not included in cash and cash equivalents 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.

### 9a Reconciliation of net surplus/(deficit) after tax to net cash flow from operating activities

	Council		Group	
	Actual 2025 \$000	Actual 2024 \$000	Actual 2025 \$000	Actual 2024 \$000
<b>Surplus/(deficit) after tax</b>	(5,681)	(1,684)	(4,507)	4,462
<b>Add/(less) non-cash items:</b>				
Share of associate surplus/(deficit)		-	1,576	(3,295)
Depreciation and amortisation	38,229	38,473	38,237	38,522
Impairment charges	-	87	-	998
Vested assets	(4,518)	(16,656)	(4,518)	(16,656)
(Gains)/losses in fair value of forestry assets	64	(307)	64	(307)
(Gains)/losses in fair value of investment property	(552)	25	(552)	(3,657)
Increase/(decrease) in deferred taxation	-	-	-	(340)
(Gains)/losses in fair value of derivative financial instruments	2,319	1,096	2,319	1,096
Other (gains)/losses	(94)	329	(94)	329
Movement in provision	(555)	2,991	(555)	1,604
Other movements	15	-	(251)	91
<b>Total</b>				
<b>Add/(less) items classified as investing or financing activities:</b>				
(Gains)/losses on disposal of property, plant and equipment	2,272	3,324	2,272	3,497
properties	-	-	-	-
(Gains)/losses on investments	(286)	(771)	(286)	729
<b>Total</b>				
<b>Add/(less) movements in working capital items:</b>				
Receivables	1,148	(2,993)	1,123	(2,363)
Inventories	6	4	6	4
Accounts payable	4,188	3,731	4,019	2,921
Employee entitlements	826	(950)	833	(951)
Income tax payable	-	-	16	-
<b>Net movement in working capital items</b>				
<b>Net cash inflow/(outflow) from operating activities</b>	<u>37,382</u>	<u>26,698</u>	<u>39,703</u>	<u>26,683</u>

**9b Changes in liabilities arising from financing activities**

	Council		Group	
	Actual 2025 \$000	Actual 2024 \$000	Actual 2025 \$000	Actual 2024 \$000
<b>Opening balance as at 1 July</b>				
Secured loans	-	-	800	1,500
LGFA debt	219,835	204,835	219,835	204,835
Total loans	219,835	204,835	220,635	206,335
Total derivatives: interest rate swaps (cash flow hedges)	(3,167)	(4,263)	(3,167)	(4,263)
Total opening balances	216,668	200,572	217,468	202,072
<b>Cash outflows</b>	-	-	-	-
Secured loans	-	-	(1,500)	(1,500)
LGFA debt	-	-	-	-
Total loans	-	-	(1,500)	(1,500)
<b>Cash inflows/new loans</b>	-	-	800	800
Secured loans	-	-	800	800
LGFA debt	30,955	15,000	30,955	15,000
Total loans	30,955	15,000	31,755	15,800
<b>Non-cash changes</b>				
Total derivatives: interest rate swaps (cash flow hedges)	2,319	1,096	2,319	1,096
<b>Closing balance as at 30 June</b>				
Secured loans	-	-	100	800
LGFA debt	250,790	219,835	250,790	219,835
Total loans	250,790	219,835	250,890	220,635
Total derivatives: interest rate swaps (cash flow hedges)	(848)	(3,167)	(848)	(3,167)
Total closing balances	249,942	216,668	250,042	217,468

## 10 Receivables

### Accounting policy

Short-term receivables are recorded at the amount due, less an allowance for expected credit losses (ECL).

The Council and Group apply the simplified model of recognising lifetime ECL for short-term receivables.

In measuring ECLs, receivables have been grouped into rates receivable and other receivables and assessed on a collective basis as they possess shared credit risk characteristics. They have then been grouped based on the days past due. A provision matrix is then established based on historical credit loss experience, adjusted for forward looking factors specific to the debtors and the economic environment.

### Rates receivable

The Council does not provide for ECLs on rates receivable. Council has various powers under the Local Government (Rating) Act 2002 (LG(R)A 2002) to recover any outstanding debts. These powers allow the Council to commence legal proceedings to recover any rates that remain unpaid four months after the due date for payment. If payment has not been made within three months of the Court's judgment, then the Council can apply to the Registrar of the High Court to have the judgment enforced by sale or lease of the rating unit. Ratepayers can apply for payment plan options in special circumstances.

Rates are "written-off":

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

### Other receivables

Other receivables are written off when there is no reasonable expectation of recovery. Indicators that there is no reasonable expectation of recovery include the debtor being in liquidation or the receivable being more than one year overdue.

	Council		Group	
	Actual 2025 \$000	Actual 2024 \$000	Actual 2025 \$000	Actual 2024 \$000
Rates receivables	5,040	3,672	5,040	3,672
Other receivables	8,817	11,389	9,154	11,728
Related party receivables	71	125	71	(63)
less allowance for credit losses for other receivables	(255)	(255)	(255)	(255)
	13,673	14,931	14,010	15,082
Prepayments	892	782	922	782
<b>Total receivables</b>	<b>14,565</b>	<b>15,713</b>	<b>14,932</b>	<b>15,864</b>
Total receivables comprise:				
Receivables from exchange transactions including outstanding amounts for rates, grants, infringements, and fees and charges that are partly subsidised by rates	6,479	6,199	6,506	6,846
Receivables from non-exchange transactions including outstanding amounts for commercial sales and fees and charges that have not been subsidised by rates	7,194	8,732	7,504	8,236
	13,673	14,931	14,010	15,082

**10 Receivables (continued)**

The Council does not provide for expected credit losses on rates receivable.

Council has various powers under the Local Government (Rating) Act 2002 (LG(R)A 2002) to recover any outstanding debt arising from rates. These powers allow the Council to commence legal proceedings to recover any rates which remain unpaid four months after the due date for payment. If payment has not been made within three months of the Court's judgment, then Council can apply to the Registrar of the High Court to have the judgment enforced by sale or lease of the rating unit.

Ratepayers can apply for payment plan options in special circumstances. Where such repayment plans are in place, debts are discounted to their present value of future payments if the impact of discounting is material.

The Chief Executive approved the write-off of rates receivable during the year under the LG(R)A 2002 as follows:

- Section 90A: \$1(2024: \$1).
- Section 90B: \$1(2024: \$1).

The carrying amount of receivables that would otherwise be past due or impaired, whose terms have been renegotiated, is \$35,309 (2024: \$3,989).

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

	2025			2024		
	Gross \$000	Impairment \$000	Net \$000	Gross \$000	Impairment \$000	Net \$000
<b>Council</b>						
Not past due	8,128	-	8,128	10,818	-	10,818
Past due 1 - 60 days	465	(49)	416	415	(57)	358
Past due 61 - 120 days	70	(21)	49	29	(5)	24
Past due > 120 days	129	(31)	98	252	(64)	187
Total	8,791	(100)	8,691	11,514	(127)	11,387
<b>Group</b>						
Not past due	8,465	-	8,465	10,970	-	10,970
Past due 1 - 60 days	465	(49)	416	415	(57)	358
Past due 61 - 120 days	70	(21)	49	29	(5)	24
Past due > 120 days	129	(31)	98	252	(64)	187
Total	9,128	(100)	9,028	11,666	(127)	11,539

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

	2025			2024		
	Gross \$000	Impairment \$000	Net \$000	Gross \$000	Impairment \$000	Net \$000
<b>Council</b>						
Not past due	4,646	-	4,646	3,295	-	3,295
Past due 1 year	66	-	66	74	-	74
Past due 2 years	74	-	74	73	-	73
Past due 3 years	73	(20)	53	59	(14)	45
Past due > 3 years	231	(131)	100	172	(115)	57
Total	5,089	(151)	4,938	3,672	(129)	3,543

Expected credit loss rates for other receivables are based on the payment profile of revenue on credit in previous periods and the corresponding historical credit losses experienced, including a review of specific debtors; and current and forward-looking macroeconomic factors that might affect the expected recoverability of receivables, however given the short period of credit risk exposure the effects of this is generally considered insignificant.

There have been no significant changes in the year in the estimation techniques or significant assumptions in measuring the loss allowance.

## 10 Receivables (continued)

Movements in the allowance for credit losses are as follows:

	Council		Group	
	Actual 2025 \$000	Actual 2024 \$000	Actual 2025 \$000	Actual 2024 \$000
As at 1 July	255-	283	255	283
Additional provisions made/(released) during the year	-	-	-	-
Receivables written off during year	-	(28)	-	(28)
At 30 June	255	255	255	255

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

It has been determined that there are no significant changes to ECLs due to the adoption of PBE IPSAS 41.

## 11 Inventories

### Accounting policy

Inventories are held for distribution or for use in the provision of goods and services. The measurement of inventories depends on whether the inventories are held for commercial or non-commercial (distribution at no charge or for a nominal charge) distribution or use. Inventories are measured as follows:

- Non-commercial: measured at cost, adjusted for any loss of service potential.
- Commercial: measured at the lower of cost and net realisable value.

Cost is allocated using the first-in-first-out (FIFO) method, which assumes the inventories that were purchased first are distributed or used first.

Inventories acquired through non-exchange transactions are measured at fair value at the date of acquisition.

Any write-down from cost to net realisable value or for the loss of service potential is recognised in surplus or deficit in the year of the write-down.

	Council		Group	
	Actual 2025 \$000	Actual 2024 \$000	Actual 2025 \$000	Actual 2024 \$000
Pool shop inventories	24	30	24	30
<b>Total Inventories</b>	24	30	24	30

The writedown of inventory during the year was nil (2024: Nil). There have been no reversals of previous writedowns.

The carrying amount of inventories pledged as security for liabilities is nil (2024: Nil).

**12 Assets for Sale****Accounting policy**

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

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

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

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

When land held for development and future resale is transferred from investment property or property, plant, and equipment, to assets held for sale, the fair value of the land at the date of the transfer is its deemed cost.

Costs directly attributable to the developed land are expensed.

	Council		Group	
	Actual 2025 \$000	Actual 2024 \$000	Actual 2025 \$000	Actual 2024 \$000
<b>Current</b>				
Land	-	-	1,202	1,202
Buildings	-	-	-	-
<b>Assets held for sale: current</b>	-	-	1,202	1,202

**Current assets held for sale:**

*Timaru District Council*

Timaru District Council had TBC properties/land for sale ....

**Current/Non-current assets held for sale:**

*Timaru District Holdings Limited*

Timaru District Holdings Limited has TBC properties/land for sale.....

TBC following discussions with audit on materiality – possibly remove

### 13 Derivative Financial Instruments

#### Accounting policy

Derivative financial instruments are used to manage exposure to foreign exchange risks arising from the Council and Group's operational activities and interest rate risks arising from the Council and Group's financing activities. The Council and Group do not hold or issue derivative financial instruments for trading purposes.

Derivatives are initially recognised at fair value on the date a derivative contract is entered into and are subsequently remeasured to their fair value at each balance date. The method of recognising the resulting gain or loss depends on whether the derivative is designated as a hedging instrument, and, if so, the nature of the item being hedged.

The associated gains or losses on derivatives that are not hedge accounted are recognised in surplus or deficit.

The full fair value of a hedge accounted derivative is classified as non-current if the remaining maturity of the hedged item is more than 12 months, and as current if the remaining maturity of the hedged item is less than 12 months.

The full fair value of a non-hedge accounted foreign exchange derivative is classified as current if the contract is due for settlement within 12 months of balance date, otherwise foreign exchange derivatives are classified as non-current. The portion of the fair value of a non-hedge accounted interest rate derivative that is expected to be realised within 12 months of balance date is classified as current, with the remaining portion of the derivative classified as non-current.

#### Hedge accounting

The Council and Group designates certain derivatives as either:

- hedges of the fair value of recognised assets or liabilities or a firm commitment (fair value hedge); or
- hedges of highly probable forecast transactions (cash flow hedge).

The Council and Group have elected to not adopt the hedge accounting requirements of PBE IPSAS 41 as permitted under the transitional provisions of PBE IPSAS 41, which was substantively adopted for the year ended 30 June 2022. This means the Council and Group continues to apply the hedge accounting requirements of PBE IPSAS 29 Financial Instruments: Recognition and Measurement.

The Council and Group documents at the inception of the transaction the relationship between hedging instruments and hedged items, as well as its risk management objective and strategy for undertaking various hedge transactions. The Council and Group also documents its assessment, both at hedge inception and on an ongoing basis, of whether the derivatives that are used in hedging transactions are highly effective in offsetting changes in fair values or cash flows of hedged items.

#### Fair value hedge

The gain or loss from remeasuring the hedging instrument at fair value, along with the changes in the fair value on the hedged item attributable to the hedged risk, is recognised in surplus or deficit. Fair value hedge accounting is applied only for hedging fixed interest risk on borrowings.

If the hedge relationship no longer meets the criteria for hedge accounting, the adjustment to the carrying amount of a hedged item for which the effective interest method is used is amortised to surplus or deficit over the period to maturity.

#### Cash flow hedge

The portion of the gain or loss on a hedging instrument that is determined to be an effective hedge is recognised in other comprehensive revenue and expense, and the ineffective portion of the gain or loss on the hedging instrument is recognised in surplus or deficit as part of "finance costs".

If a hedge of a forecast transaction subsequently results in the recognition of a financial asset or a financial liability, the associated gains or losses that were recognised in other comprehensive revenue and expense are reclassified into surplus or deficit in the same period or periods during which the asset acquired or liability assumed affects the surplus or deficit. If it is expected that all or a portion of a loss recognised in other comprehensive revenue and expense will not be recovered in one or more future periods, the amount that is not expected to be recovered is reclassified to surplus or deficit.

**13 Derivative Financial Instruments (continued)**

When a hedge of a forecast transaction subsequently results in the recognition of a non-financial asset or a non-financial liability, or a forecast transaction for a non-financial asset or non-financial liability becomes a firm commitment for which fair value hedge accounting is applied, the associated gains and losses that were recognised in other comprehensive revenue and expense will be included in the initial cost or carrying amount of the asset or liability.

If a hedging instrument expires or is sold, terminated, exercised, or revoked, or it no longer meets the criteria for hedge accounting, the cumulative gain or loss on the hedging instrument that has been recognised in other comprehensive revenue and expense from the period when the hedge was effective will remain separately recognised in equity until the forecast transaction occurs.

When a forecast transaction is no longer expected to occur, any related cumulative gain or loss on the hedging instrument that has been recognised in other comprehensive revenue and expense from the period when the hedge was effective is reclassified from equity to surplus or deficit.

***Hedge ineffectiveness***

Hedge ineffectiveness in a hedge relationship can arise from:

- differences in the timing of cash flows of the hedged items and hedging instruments.
- changes to the forecasted amount of cash flows of hedged items and hedging instruments.
- the counterparties' credit risk effecting fair value movements of hedging instruments and hedged items.

	Council		Group	
	Actual 2025 \$000	Actual 2024 \$000	Actual 2025 \$000	Actual 2024 \$000
Current liability portion				
Interest rate swaps: cash flow hedges	-	-	-	-
	-	-	-	-
Non-current liability portion				
Interest rate swaps: cash flow hedges	-	-	65	-
	-	-	65	-
Current asset portion				
Interest rate swaps: cash flow hedges	274	1,324	274	1,324
	274	1,324	274	1,324
Non-current asset portion				
Interest rate swaps: cash flow hedges	574	1,843	574	1,843
	574	1,843	574	1,843

The notional principal of the total amounts of the outstanding interest rate swap contracts at 30 June 2025 were \$35,000,000 (2024: \$57,000,000). Maturity dates range from April 2028 to December 2028.

At 30 June 2025, the interest rates for interest rate swaps vary from 1.98% to 2.67% (2024: 1.98% to 4.38%).

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

**13 Derivative Financial Instruments (continued)****Timing of nominal principal amounts and average fixed rates of interest rate swaps**

	<b>Less than 1 year</b>	<b>1-2 years</b>	<b>3-5 years</b>	<b>Greater than 5 years</b>	<b>Total</b>
<b>Council 2025</b>					
<b>Interest rate swaps</b>					
Nominal amount (\$000)	0	0	48,000	13,000	61,000
Average fixed rate	0.00%	0.00%	2.92%	4.15%	3.23%
<b>Group 2025</b>					
<b>Interest rate swaps</b>					
Nominal amount (\$000)	0	0	48,000	13,000	61,000
Average fixed rate	0.00%	0.00%	2.92%	4.15%	3.23%

**14 Other financial assets****Accounting policy**

Other financial assets (other than shares in subsidiaries) are initially recognised at fair value. They are then classified as, and subsequently measured under, the following categories:

- amortised cost;
- fair value through other comprehensive revenue and expense (FVTOCRE); and
- fair value through surplus and deficit (FVTSD).

Transaction costs are included in the value of the financial asset at initial recognition unless they have been designated at FVTSD, in which case they are recognised in surplus or deficit.

The classification of a financial asset depends on its cash flow characteristics and the Council and Group's management model for managing them.

A financial asset is classified and subsequently measured at amortised cost if it gives rise to cash flows that are "solely payments of principal and interest (SPPI)" on the principal outstanding and is held within a management model whose objective is to collect the contractual cash flows of the asset.

A financial asset is classified and subsequently measured at FVTOCRE if it gives rise to cash flows that are SPPI and held within a management model whose objective is achieved by both collecting contractual cash flows and selling financial assets.

Financial assets that do not meet the criteria to be measured at amortised cost or FVTOCRE are subsequently measured at FVTSD. The Council and Group may elect at initial recognition to designate an equity investment not held for trading as subsequently measured at FVTOCRE.

***Subsequent measurement of financial assets at amortised cost***

Financial assets classified at amortised cost are subsequently measured at amortised cost using the effective interest method, less any expected credit losses (ECL). Where applicable, interest accrued is added to the investment balance. Instruments in this category include term deposits, community loans, and loans to subsidiaries and associates.

**14 Other financial assets (continued)*****Subsequent measurement of financial assets at FVTOCRE***

Financial assets in this category that are debt instruments are subsequently measured at fair value with fair value gains and losses recognised in other comprehensive revenue and expense, except ECL and foreign exchange gains and losses are recognised in surplus or deficit. When sold, the cumulative gain or loss previously recognised in other comprehensive revenue and expense is reclassified to surplus and deficit.

Financial assets in this category that are equity instruments designated as FVTOCRE are subsequently measured at fair value with fair value gains and losses recognised in other comprehensive revenue and expense. There is no assessment for impairment when fair value falls below the cost of the investment. When sold, the cumulative gain or loss previously recognised in other comprehensive revenue and expense is transferred to accumulated funds within equity. The Council and Group designate into this category all equity investments that are not held for trading as they are strategic investments that are intended to be held for the medium to long-term.

***Subsequent measurement of financial assets at FVTSD.***

Financial assets in this category are subsequently measured at fair value with fair value gains and losses recognised in surplus or deficit.

Interest revenue and dividends recognised from these financial assets are separately presented within revenue.

***Expected credit loss allowance (ECL)***

The Council and Group recognise an allowance for ECLs for all debt instruments not classified as FVTSD. ECLs are the probability-weighted estimate of credit losses, measured at the present value of cash shortfalls, which is the difference between the cash flows due to the Council and Group in accordance with the contract and the cash flows it expects to receive. ECLs are discounted at the effective interest rate of the financial asset.

ECLs are recognised in two stages: ECLs are provided for credit losses that result from default events that are possible within the next 12 months (a 12-month ECL), however, if there has been a significant increase in credit risk since initial recognition, the loss allowance is based on losses possible for the remaining life of the financial asset (a Lifetime ECL).

When determining whether the credit risk of a financial asset has increased significantly since initial recognition, the Council and Group considers reasonable and supportable information that is relevant and available without undue cost or effort. This includes both quantitative and qualitative information and analysis based on the Council and Group's historical experience and informed credit assessment and including forward-looking information.

The Council and Group consider a financial asset to be in default when the financial asset is more than 90 days past due. The Council and Group may determine a default occurs prior to this if internal or external information indicates the entity is unlikely to pay its credit obligations in full.

Council measure ECLs on loan commitments at the date the commitment becomes irrevocable. If the ECL measured exceeds the gross carrying amount of the financial asset, the ECL is recognised as a provision.

***Investments in subsidiaries***

Investments in subsidiaries are included in the parent entity at cost.

***Other financial assets, including unquoted equity investments***

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

## 14 Other financial assets (continued)

### Impairment

Financial assets are potentially impaired if the obligation is unlikely to be fully met. An assessment is made regarding each asset based on the assessed credit risk of the investment and when there was objective evidence of impairment. For equity investments, a significant or prolonged decline in the fair value of the investment below its cost is considered objective evidence of impairment; and for debt investments, significant financial difficulties of the debtor, probability the debtor would enter into bankruptcy, receivership or liquidation, and default in payments were indicators the asset is impaired.

When determining whether the credit risk of a financial asset has increased significantly since initial recognition, the Council and Group considers reasonable and supportable information that is relevant and available without undue cost or effort. This includes both quantitative and qualitative information and analysis based on the Council and Group's historical experience and informed credit assessment and including forward-looking information.

The Council and Group consider a financial asset to be in default when the financial asset is more than 90 days past due. The Council and Group may determine a default occurs prior to this if internal or external information indicates the entity is unlikely to pay its credit obligations in full.

The main differences for the prior year policies was that impairment was recorded only when there was objective evidence of impairment, including, for debt investments, significant financial difficulties of the debtor, probability that the debtor would enter into bankruptcy, receivership or liquidation, and default in payments were indicators that the asset is impaired.

	Council		Group	
	Actual 2025 \$000	Actual 2024 \$000	Actual 2025 \$000	Actual 2024 \$000
<b>Current portion</b>				
Short term deposits	-	-	613	825
Community loans	83	90	83	90
Investments in debt securities	977	168	1,025	168
Investments in LGFA	1,005	957	957	957
<b>Total Current Portion</b>	<b>2,065</b>	<b>1,215</b>	<b>2,678</b>	<b>2,040</b>
<b>Non-current portion</b>				
<i>Investments in CCOs and similar entities</i>				
Unlisted shares in Civic Financial Services	218	218	218	218
Investment in Timaru District Holdings Limited	31,000	31,000	-	-
Investment in Venture Timaru Limited	260	260	-	-
Loans to other local authorities	3,200	3,200	3,200	3,200
Loans to subsidiaries and associates	21,681	21,681	-	-
<b>Total investments in CCOs and similar entities</b>	<b>56,359</b>	<b>56,359</b>	<b>3,418</b>	<b>3,418</b>
<i>Investments in other entities</i>				
Unlisted shares in Opuha Water Limited	50	50	50	50
Community loans	505	535	505	535
Unlisted shares in LGFA	6,422	4,762	6,422	4,762
Investments in debt securities	-	932	800	932
<b>Total investment in other entities</b>	<b>6,977</b>	<b>6,279</b>	<b>7,777</b>	<b>6,279</b>
Future tax benefits	-	-	150	847
<b>Total Non-Current Portion</b>	<b>63,336</b>	<b>62,639</b>	<b>11,345</b>	<b>10,545</b>

**14 Other financial assets (continued)****Fair Value***Short term deposits*

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

*Loans to subsidiaries and associates*

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

*Debt securities*

Fair value has been determined using quoted market bid prices from independently sourced market information for the listed bonds.

*Unlisted shares*

Unlisted shares are held to support infrastructure and communities within the District and are valued at cost and are reviewed annually for impairment.

Civic Financial Services Ltd and Opuha Water Ltd assets are recorded at fair value. Where there is no active market, net asset backing has been used to approximate the fair value of these assets. LGFA investments are recognised through FVTSD.

*Community loans*

The Council's community loan scheme is designed to help not-for-profit organisations in the Timaru District communities to develop or improve new or existing facilities and other significant projects. Only organisations with the ability to repay are granted loans.

The fair value of community loans is \$557,118 (2024: \$593,959). Fair value has been determined using cash flows discounted at a rate based on the loan recipients risk factors of 10% (2024: 10.0%).

The face value of community loans is \$968,797 (2024: \$1,099,693).

Loans are for a maximum of 10 years and interest is 3.61% per annum.

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

	Council		Group	
	Actual 2025 \$000	Actual 2024 \$000	Actual 2025 \$000	Actual 2024 \$000
At 1 July	625	146	625	146
Amount of new loans granted during the year	-	1,075	-	1,075
Fair value adjustment on initial recognition	94	(492)	94	(492)
Loans repaid during the year (principal and interest)	(131)	(104)	(131)	(104)
<b>At 30 June</b>	<b>588</b>	<b>625</b>	<b>588</b>	<b>625</b>

**Credit risk, including expected credit losses***Term deposits*

The Council and Group consider there has not been a significant increase in credit risk for investments in term deposits because the banks continue to have low credit risk at balance date. Term deposits are held with banks that have a long-term AA- investment grade credit rating, which indicates the bank has a very strong capacity to meet its financial commitments. No impairment has been recognised for term deposits as the potential loss allowance is trivial.

*Community loans*

Council manages credit risk associated with community loans in accordance with its Treasury Management Policy.

To access community loans applicants must demonstrate a reasonable credit history and ability to make repayments. As part of the application process Council completes due diligence checks to confirm the credit risk associated with each applicant. Council does not enter into any loan agreements that result in credit-impaired loans on origination.

Council monitors increases in credit risk by performing regular credit checks, completing regular debtor payment performance analyses and review of macroeconomic changes in the Timaru District. Council considers a debtor's credit risk to have significantly increased if the information suggests they will be unable to make loan repayments.

*Other financial assets*

Expected credit losses measured for other financial assets are trivial. They are low-risk and the Council and Group has not identified any indications that credit risk associated with those instruments has significantly increased since initial recognition.

The Council does not hold any collateral for any of its loan assets.

There are no significant restrictions on the ability of the controlled entities to transfer funds to the Council in the form of cash distributions or to repay loans or advances.

**15 Investments in associates****Accounting policy**

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

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

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

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

The interest in the associate companies has been reflected in the financial statements on an equity accounting basis, which shows the share of surplus/deficits in the profit for the year and the share of post acquisition increases/decreases in net assets in the statement of financial position.

An impairment assessment has been completed for the Company's investment in associate entities (Alpine Energy Limited and PrimePort Timaru Limited) as at 30 June 2025. No impairment loss has been recognised.

**15 Investments in associates (continued)****PrimePort Timaru Ltd**

The Group has a 50% interest in PrimePort Timaru Limited through Timaru District Holdings Limited.

PrimePort Timaru Limited is a New Zealand based company and its principal activity is the efficient and cost-effective transfer of commodities between land and water transport systems.

The strategic investment is held due to the intergenerational nature of these assets, the value they add and their strategic importance to the Timaru District community. The investment is held to support and enable the growth of the local economy through its connection to world markets.

The investment in the associate company is included in the carrying value of Timaru District Holding Company in the Council's (parent entity) statement of financial position.

For the purpose of equity accounting, all property, plant and equipment is stated at cost less accumulated depreciation and accumulated impairment losses with the exception of port land and other land which is recognised at fair value. Port land is revalued every year, other land is revalued cyclically every 3 years. Other land was last revalued in 2023.

The following table summarises the financial information of PrimePort Timaru Limited in its own financial statements, adjusted for differences in accounting policies. The table also reconciles the summarised financial information to the carrying amount of the Group's interest in the company.

	<b>Actual 2025 \$000</b>	<b>Actual 2024 \$000</b>
<b>Summarised statement of the financial position of PrimePort Timaru Limited on a gross basis</b>		
Current assets	5,806	5,742
Non-current assets	116,320	113,161
Current liabilities	45,393	2,679
Non-current liabilities	18,334	60,089
Net assets	58,399	56,135
<b>Summarised statement of comprehensive revenue and expense of PrimePort Timaru Limited on a gross basis</b>		
Revenue	33,237	30,344
Expense	27,981	25,270
Tax expense	1,491	2,363
Total comprehensive revenue and expense	3,765	1,959
<b>Equity accounted share of the company's financial information</b>		
Net assets	58,399	56,135
Proportion of Group's Interest	50.00%	50.00%
Equity accounted carrying amount	29,200	28,068
Share of associate's contingent liabilities incurred jointly with other investors	-	-
Contingent liabilities that arise because of several liability	-	-

**15 Investments in associates (continued)****Alpine Energy Limited**

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

Alpine Energy Limited is a New Zealand based company and its principal activity is electricity distribution to households and businesses in the South Canterbury region via its electricity distribution system. The group, comprising Alpine Energy Limited and its subsidiary and associated entities, also undertakes asset management and contracting services.

The strategic investment is held due to the intergenerational nature of these assets, the value they add and their strategic importance to the Timaru District community. The investment is held to ensure the provision of a secure reliable electricity supply in South Canterbury.

The investment in the associate company is included in the carrying value of Timaru District Holding Company in the Council's (parent entity) statement of financial position.

For the purpose of equity accounting all property plant and equipment is stated at cost less accumulated depreciation and impairment losses with the exception of land which is recognised at fair value. Land is revalued every 3 years and was last revalued in 2023.

The following table summarises the financial information of Alpine Energy Limited in its own financial statements, adjusted for differences in accounting policies. The table also reconciles the summarised financial information to the carrying amount of the Group's interest in the company.

	Actual 2025 \$000	Actual 2024 \$000
<b>Summarised statement of the financial position of Alpine Energy Limited on a gross basis</b>		
Current assets	22,741	24,206
Non-current assets	349,513	333,443
Current liabilities	31,664	14,340
Non-current liabilities	161,233	152,052
Net assets	179,357	191,257
<b>Summarised statement of comprehensive revenue and expense of Alpine Energy Limited on a gross basis</b>		
	Actual 2025 \$000	Actual 2024 \$000
Revenue	63,869	86,316
Expense	81,742	76,564
Tax expense	(4,728)	4,498
Total comprehensive revenue and expense	(13,145)	4,873
<b>Equity accounted share of the company's financial information</b>		
Net assets	179,357	191,257
Proportion of Group's Interest	47.50%	47.50%
Historical difference	466	466
Equity accounted carrying amount	85,661	91,313

## 16 Investment in joint operations

### Accounting policy

A joint arrangement is a binding arrangement that confers enforceable rights and obligations on the parties to the arrangement that is subject to joint control. Joint control is the agreed sharing of control where decisions about the relevant activities require the unanimous consent of the parties sharing control.

A joint arrangement is classified either as a joint operation or a joint venture. The classification depends on the rights and obligations of each party under the joint arrangement. The legal form, terms of the binding agreement, and other facts and circumstances relevant to determining the classification of the joint arrangement are reviewed to determine the classification.

For joint operations, the Council and Group recognises a direct right to the assets, liabilities, revenues and expense of joint operations and the share of any jointly held or incurred assets, liabilities, revenue, and expenses. Assets, liabilities, revenues, and expenses relating to Council and Group's interest in a joint operation are accounted for in line with the Council and Group accounting policies and included in the relevant line items of the Council and Group financial statements.

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

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

	Group	
	Actual 2025 \$000	Actual 2024 \$000
Current assets	1,225	1,266
Non-current assets	63,173	63,394
Current liabilities	1,624	6,981
Non-current liabilities	14,580	8,610
Revenue	2,544	954
Expenses	3,376	3,139
Gain/(loss) on revaluation of non-current assets	-	-

The Council's investment in joint operations in Downlands Water Supply as stated in Note 16 is estimated as at 30 June with the final results being included in the subsequent financial year.

**17 Property, plant and equipment****Accounting policy**

Property, plant, and equipment consist of:

Operational assets, which include all assets not specifically included elsewhere utilised by the Council and Group to deliver services both directly and indirectly. Assets held for sale are not included with operational assets even if there is a continued use until sale.

Infrastructure assets, which are the fixed utility systems owned by the Council and Group and each asset class encompasses all items that are required for the network to function including: sewer, stormwater and water systems; roads, bridges, lighting, and land under roads; footpaths; and unoccupied land held specifically for infrastructure purposes.

Infrastructure assets composed of multiple components may be treated as being conglomerated individual assets where part of an interconnected network, where separate parts of the network or facility composed of multiple individuated assets for asset management purposes are jointly treated as single assets notwithstanding other practice and policy specifications.

Restricted assets which are mainly parks and reserves owned by the Council and Group that provide a benefit or service to the community and cannot be disposed of because of legal or other restrictions. Restricted assets may be operational or relating to infrastructure.

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

**Revaluations**

For asset classes where revaluations are performed regularly, assets are revalued with sufficient regularity to ensure that their carrying value does not differ materially from fair value which is defined as no greater than 10% cumulatively based on an annual assessment of fair value, however it may be determined that a revaluation is required despite not exceeding 10%; and at least every three years with revaluation movements accounted for on a class by class basis. Revaluations are conducted by an independent valuer at least triennially, by valuations derived directly from external markets or independently derived costs (including actual costs). Internal valuations are prepared utilising the best available cost or market information.

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

The net revaluation results for assets that are valued annually are included in the calculation of the surplus or deficit for the year.

**Land**

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

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

**Buildings and Building Improvements**

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

Buildings acquired and Building Improvements following that date are included at cost except where they are acquired for no or nominal consideration when they are valued at fair value less assessed impairment.

**17 Property, plant and equipment (continued)**  
**Accounting policy continued**

***Airport Improvements***

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

Improvements following that date are included at cost.

***Plant and Equipment***

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

Acquisitions following that date are included at cost except where they are acquired for no or nominal consideration when they are valued at fair value less assessed impairment.

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

***Furniture and Office Equipment***

Furniture and office equipment have been stated at cost less depreciation and impairment losses.

***Sewer, Stormwater, Water***

Sewer, Stormwater and Water assets are stated at their fair value using standard unit rates as per the depreciated replacement cost methodology, however acquisitions subsequent to 30 June 2022 are valued at cost, until future revaluations are performed.

The assets were revalued on 30 June 2022 by Timaru District Council officers and peer reviewed by B. Smith, CA, of Brian Smith Advisory Services Limited. Due to recent cost increases, revaluations based on price index movements have been completed in 2025 by Jennifer Fox of Waugh Infrastructure Management Limited.

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

- The replacement costs where appropriate reflect optimisation due to over-design or surplus capacity. No opportunities for optimisation were identified within the 2022 revaluation.
- Estimating the replacement cost of the asset: the replacement cost of an asset is based on recent construction contracts in the region for modern equivalent assets, from which unit rates are determined. Unit rates have been applied to components of the network based on size, material, depth, and location.

If recent contract cost information is considered out of date, it is indexed using Statistics New Zealand's Capital Goods Price Index for civil constructions to convert them to current dollar value at the valuation date.

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

If useful lives do not reflect the actual consumption of the benefits of the asset, then the Council and Group could be over- or under-estimating the annual depreciation charge recognised as an expense in the statement of comprehensive revenue and expense. To minimise this risk, infrastructural asset useful lives have been determined with reference to the New Zealand Infrastructure Asset Valuation and Depreciation

Guidelines published by the National Asset Management Steering Group and have been adjusted for local conditions based on past experience.

Acquisitions are measured at their fair value using standard unit rates.

**17 Property, plant and equipment (continued)****Accounting policy continued*****Roads, Bridges, Footpaths, Street Furniture and Lighting***

Roading assets were revalued as at 30 June 2025 by Mark Gordon MBA, BE (Hons), CPEng, CMEngNZ of IAM Consulting (M Gordon) Limited.

Acquisitions subsequent to a revaluation are valued at cost until a future valuation.

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

- The unit rates used in estimating the replacement cost value of the asset which reflect commercial costs for provision of modern equivalent assets by contract and assume realistic quantities of assets within contracts to ensure cost effective allowances and rates. Where appropriate, replacement value also reflects optimisation due to over-design or surplus capacity. No opportunities for optimisation were however identified in the 2022 revaluation.
- Unit rates have been applied to components of the road network based on the type of asset, its size, and material type. Rates are derived from TDC unit rate information for recent contract-based construction and maintenance work and recent valuation information from similar local authority infrastructure, indexed to the valuation date using Statistics New Zealand's Capital Goods Price Indices for Transport Ways. Where detailed asset component information is not available, estimations are made on an aggregate basis.
- Estimates of the remaining useful life over which the asset will be depreciated can be affected by local conditions, for example, traffic use or climatic conditions. If useful lives do not reflect the actual consumption of the benefits of the asset, then the Council could be over- or under-estimating the annual depreciation charge recognised as an expense in the statement of comprehensive revenue and expense. To minimise this risk, infrastructural asset useful lives have been determined with reference to the New Zealand Infrastructure Valuation and Depreciation Guidelines, issued by the National Asset Management Steering Group (NAMS) of IPWEA NZ, and have been adjusted for local conditions based on past experience.

***Land Under Roads***

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

Acquisitions following that date are included at cost except where they are acquired for no or nominal consideration when they are valued at fair value less assessed impairment.

***Additions***

The cost of an item of property, plant, and equipment is recognised as an asset only when it is probable that future economic benefits or service potential associated with the item will flow to the Council and Group and the cost of the item can be measured reliably and is greater than \$1,500, subject to individual asset assessment and with specified exceptions. Unless each individual asset exceeds the cost threshold, bulk purchases which exceed the specified cost threshold do not constitute an asset purchase and are either expensed immediately or treated as inventory, as appropriate.

Work in progress is recognised at cost less impairment and is not depreciated.

In most instances, an item of property, plant, and equipment is initially recognised at its cost. Where an asset is acquired through a non-exchange transaction, it is recognised at its fair value as at the date of acquisition.

Costs incurred subsequent to initial acquisition are capitalised only when it is probable that future economic benefits or service potential associated with the item will flow to the Council and Group and the cost of the item can be measured reliably.

The costs of day-to-day servicing of property, plant, and equipment are recognised in surplus or deficit as they are incurred.

**17 Property, plant and equipment (continued)****Accounting policy continued*****Disposals***

Gains and losses on disposals are determined by comparing the disposal proceeds with the carrying amount of the asset. Gains and losses on disposals are reported net in surplus or deficit. When revalued assets are sold, the amounts included in asset revaluation reserves in respect of those assets are transferred to retained earnings.

***Leased assets***

Leases in which substantially all of the risks and rewards of ownership are transferred 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 property and the present value of the minimum lease payments. 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 these assets are owned.

Where the value of an individual leased asset is assessed as being outside of the asset capitalisation parameters the lease is treated as an operating lease (see Note 6: Other Expenses) in accordance with the asset capitalisation materiality specifications.

***Depreciation***

Depreciation is provided on a straight-line basis on all property, plant, and equipment other than specified asset classes or types, including land, at rates that will write off the cost (or valuation) of the assets to their estimated residual values over their useful lives. Where the value and utilisation of an asset is contingent on another asset, its useful life will normally be set to not exceed the useful life of the asset upon which it is contingent. The useful lives of major classes of assets have been estimated as follows:

<b>Asset Class</b>	<b>Useful Life</b>
Airport runways (seal)	20 years
Airport runways (basecourse)	80 to 100 years
Bridges	25 to 100 years
Buildings, building improvements and land improvements	3 to 100 years
Capped landfill cells	100 years
Computers and electronic equipment	3 to 10 years
Footpaths	20 to 80 years
Furniture and office equipment	5 to 20 years
General plant and equipment	5 to 50 years
Land	Indefinite (No depreciation)
Land under roads	Indefinite (No depreciation)
Lighting	10 to 40 years
Pavement base	30 to 200 years
Pavement surface	5 to 80 years
Playground equipment and undersurfacing	10 to 30 years
Roading (other)	10 to 100 years

**17 Property, plant and equipment (continued)****Accounting policy continued**

<b>Asset Class</b>	<b>Useful Life</b>
Wastewater treatment and reticulation: plant and facilities	5 to 120 years
Stormwater treatment and reticulation: plant and facilities	15 to 120 years
Traffic services	3 to 30 years
Unsealed road base	Indefinite (no depreciation)
Water treatment and reticulation: plant and facilities	5 to 230 years

**Landfill assets**

Physical landfill assets include earthworks, buildings and plant and machinery which are stated at cost less any accumulated depreciation or impairment. Unless specifically included under another asset class, landfill assets are depreciated based on the utilised capacity of the landfill. The physical landfill assets have been reviewed for fair value on the same basis as equivalent asset types.

A provision is made over the life of the landfill for post-closure costs and consequently an asset is generated representing the future economic benefits of this provision. This asset is amortised based on the utilised capacity of the landfill following its reassessment biennially, contingent on the revised estimation of the concomitant provision (see Note 25 Provisions).

**Impairment of property, plant, and equipment**

Property, plant, and equipment and cultural and heritage assets are reviewed for impairment at each balance date and whenever events or changes in circumstances indicate that the carrying amount may not be recoverable.

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

If an asset's carrying amount exceeds its recoverable amount, the asset is regarded as impaired and the carrying amount is written down to the recoverable amount. For revalued assets included in comprehensive revenue and expense where a revaluation reserve has been generated, the impairment loss is recognised against the revaluation reserve for that class of asset. Where that results in a debit balance in the revaluation reserve, the balance is recognised in surplus or deficit.

For assets where there is no revaluation reserve, the total impairment loss is recognised in the surplus or deficit.

Where it is anticipated that an impairment will be rectified, the provision for that impairment is also recognised in the surplus or deficit and subsequently, when rectified, reversed through the surplus or deficit.

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

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

## 17 Property, plant and equipment (continued)

### Accounting policy continued

#### *Value in use for non-cash-generating assets*

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

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

#### *Value in use for cash-generating assets*

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

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

#### Core infrastructure asset disclosures

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

	Closing Book Value \$000	Additions: constructed by Council \$000	Additions: transferred to Council \$000	Most recent replacement cost estimate for revalued assets * \$000
<b>2025</b>				
Water:				
- treatment plants and facilities	236,270	8,716	-	159,383
- other assets (such as reticulation systems)	86,359	7,823	912	403,993
Sewerage:				
- treatment plants and facilities	217,820	3,435	-	111,530
- other assets (such as reticulation systems)	78,148	46	836	403,197
Stormwater	175,547	3,530	629	353,688
Flood Protection and controls works				
Roads and footpaths	772,402	10,442	765	772,403
<b>2024</b>				
Water:				
- treatment plants and facilities	253,193	3,609	-	159,383
- other assets (such as reticulation systems)	62,008	11,452	546	403,993
Sewerage:				
- treatment plants and facilities	217,720	653	-	111,530
- other assets (such as reticulation systems)	79,161	146	453	403,137
Stormwater	175,722	1,250	1,919	353,688
Flood Protection and controls works	-	-	-	-
Roads and footpaths	724,993	21,561	1,009	1,065,379

**17 Property, plant and equipment (continued)****Capital Commitments**

The amount of contractual commitments for the acquisition of property, plant and equipment is:

	Council		Group	
	Actual 2025 \$000	Actual 2024 \$000	Actual 2025 \$000	Actual 2024 \$000
Water system	839	2,333	839	2,333
Sewerage system	-	-	-	-
Stormwater network	-	-	-	-
Roading network	-	6,443	-	6,443
Waste Minimisation	-	591	-	591
Other assets	24,763	-	24,763	-
	25,602	9,367	25,602	9,367

**Insurance on Assets**

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

	Council	
	Actual 2025 \$000	Actual 2024 \$000
The maximum amount to which insured assets are insured	570,234	500,229
The total value of all Council assets covered by insurance contracts*	285,166	266,473
The total value of all Council assets covered by financial risk-sharing arrangements	1,325,211	1,198,986
Maximum amount available to the Council under financial risk-sharing arrangements	600,000	360,000
Total value of assets that are self-insured**	723,832	733,349
Value of funds maintained for self-insurance	637	637

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

\*\* Restricted land, roads and footpaths, land under roads and bridges are not insured. Council anticipates that most events would receive government support and the balance would be funded from debt.

The total value of assets covered by insurance contracts and available under risk-sharing arrangements are for a specified number of events occurring within one year.

The total value of all Council assets covered by insurance contracts was previously expressed at their net written down book value or at their revaluation where this had been performed, however from 2023 this is the indemnity value as included in the insurance contracts.

**Work in progress**

Property, plant, and equipment (including cultural and heritage assets and intangible assets) in the course of construction by class of asset is detailed below:

	Council		Group	
	Actual 2025 \$000	Actual 2024 \$000	Actual 2025 \$000	Actual 2024 \$000
Roading network	14,015	7,447	14,015	7,447
Water system	7,186	14,654	7,186	14,654
Drainage system	2,498	3,152	2,498	3,152
Sewerage system	6,677	4,449	6,677	4,449
Waste minimisation	3,238	2,391	3,238	2,391
Plant and equipment	17,630	14,874	17,630	14,874
	51,244	46,967	51,244	46,967

2025	Cost/ Revaln 1 July 2024	Accum depn and impairment charges 1 July 2024	Carrying amount 1 July 2024	Current year additions	Current year transfers	Reclass'n of Cost/ Reval	Reclass'n of accum depn and impairment charges	Current year disposals	Current year impairment charges	Current year depn	Revaln's	Cost/ Reval 30 June 2025	Accum depn and impairment charges 30 June 2025	Carrying amount 30 June 2025
<b>Council restricted assets</b>														
Land	23,940	-	23,940	-	-	(33)	-	-	-	-	-	23,907	-	23,907
Buildings and improvements	7,826	(4,830)	2,996	-	-	(31)	-	-	-	(87)	-	7,795	(4,917)	2,878
Total restricted assets	31,766	(4,830)	26,936	-	-	(64)	-	-	-	(87)	-	31,702	(4,917)	26,785
<b>Council operational assets</b>														
Land and Building	122,193	(25,609)	96,584	4,657	-	55	-	-	-	(2,565)	-	126,905	(28,175)	98,731
Furniture and equipment	9,303	(6,119)	3,184	350	-	(166)	551	(385)	-	(1,031)	-	9,103	(6,599)	2,504
Plant and equipment	26,081	(16,842)	9,240	3,232	-	727	344	(265)	-	(1,833)	-	29,775	(18,331)	11,445
Work in progress	14,874	-	14,874	11,152	(8,437)	-	-	-	-	-	-	17,589	-	17,589
Total operational assets	172,451	(48,570)	123,881	19,391	(8,437)	617	895	(650)	-	(5,429)	-	183,372	(53,105)	130,268
<b>Council infrastructural assets</b>														
Land and buildings	44,072	(8,371)	35,701	1,100	-	(8,589)	3,570	(1,967)	-	(480)	-	34,616	(5,281)	29,335
Sewerage system	301,965	(5,085)	296,880	4,316	249	-	-	(422)	34	(5,089)	-	306,108	(10,140)	295,968
Water system	322,774	(7,572)	315,202	17,752	(1,320)	-	-	(1,453)	355	(7,612)	-	337,753	(14,829)	322,924
Stormwater network	179,158	(3,436)	175,722	4,159	(407)	-	-	(506)	17	(3,438)	-	182,404	(6,857)	175,547
Roads and footpaths	664,360	(25,959)	638,401	11,118	-	(330)	10	-	-	(12,693)	48,929	685,457	(22)	685,435
Bridges	79,441	(3,488)	75,953	-	-	7,700	(1,556)	-	-	(1,846)	(4,589)	75,662	-	75,662
Land under roads	172,060	-	172,060	19	-	-	-	-	-	-	-	172,079	-	172,079
Lighting	12,072	(1,433)	10,639	-	-	324	(4)	-	-	(743)	1,089	11,306	(0)	11,305
Landfill - post closure costs	7,029	(1,951)	5,078	-	-	(1,828)	1,828	-	-	(179)	(248)	4,953	(302)	4,651
Work in progress	32,094	-	32,094	37,736	(36,217)	-	-	-	-	-	-	33,613	-	33,613
<b>Total infrastructural assets</b>	<b>1,815,025</b>	<b>(57,295)</b>	<b>1,757,730</b>	<b>76,200</b>	<b>(37,695)</b>	<b>(2,722)</b>	<b>3,848</b>	<b>(4,348)</b>	<b>406</b>	<b>(32,080)</b>	<b>45,180</b>	<b>1,843,950</b>	<b>(37,431)</b>	<b>1,806,519</b>
Total Timaru District Council property, plant and equipment	2,019,242	(110,695)	1,908,547	95,592	(46,132)	(2,170)	4,743	(4,998)	406	(37,596)	45,180	2,059,025	(95,453)	1,963,572

2025	Cost/ Revaln 1 July 2024	Accum depn and impairment charges 1 July 2024	Carrying amount 1 July 2024	Current year additions	Current year transfers	Reclass'n of Cost/ Reval	Reclass'n of accum depn and impairment charges	Current year disposals	Current year impairment charges	Current year depn	Revaln's	Cost/ Reval 30 June 2025	Accum depn and impairment charges 30 June 2025	Carrying amount 30 June 2025
<b>Subsidiaries property, plant and equipment</b>														
Buildings	-	-	-	702	-	464	-	-	-	(12)	-	1,166	(12)	1,154
Furniture and equipment	152	(106)	46	40	-	-	-	-	-	(7)	-	192	(113)	79
Work in progress	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Total subsidiaries	152	(106)	46	742	-	464	-	-	-	(19)	-	1,358	(125)	1,233
<b>TBC Total Group property, plant and equipment</b>	2,019,394	(110,801)	1,908,593	96,333	(46,132)	(1,707)	4,743	(4,998)	406	(37,615)	45,181	2,060,382	(95,577)	1,964,806

2024	Cost/Revaln 1 July 2023	Accum depn and impairment charges 1 July 2023	Carrying amount 1 July 2023	Current year additions	Current year transfers	Reclass'n of Cost/Reval	Reclass'n of accum depn and impairment charges	Current year disposals	Current year impairment charges	Current year depn	Revaln's	Cost/ Reval 30 June 2024	Accum depn and impairment charges 30 June 2024	Carrying amount 30 June 2024
<b>Council restricted assets</b>														
Land	23,940	-	23,940	-	-	-	-	-	-	-	-	23,940	-	23,940
Buildings and improvements	7,953	(4,762)	3,191	-	-	(127)	10	-	-	(78)	-	7,826	(4,830)	2,996
Total restricted assets	31,893	(4,762)	27,131	-	-	(127)	10	-	-	(78)	-	31,766	(4,830)	26,936
<b>Council operational assets</b>														
Land and Building	112,733	(24,154)	88,579	14,740	(4,008)	(1,268)	119	(4)	-	(1,574)	-	122,193	(25,609)	96,584
Furniture and equipment	9,234	(5,747)	3,487	694	-	(591)	589	(33)	-	(961)	-	9,303	(6,119)	3,184
Plant and equipment	26,072	(16,579)	9,493	863	-	(713)	870	(141)	-	(1,133)	-	26,082	(16,842)	9,240
Work in progress	3,953	-	3,953	27,476	(16,555)	-	-	-	-	-	-	14,874	-	14,874
Total operational assets	151,992	(46,481)	105,511	43,772	(20,563)	(2,572)	1,578	(178)	-	(3,668)	-	172,452	(48,570)	123,882
<b>Council infrastructural assets</b>														
Land and buildings	41,360	(7,367)	33,992	2,639	-	73	(28)	0	-	(976)	-	44,072	(8,371)	35,701
Sewerage system	300,872	-	300,872	1,252	-	-	-	(159)	-	(5,085)	-	301,965	(5,085)	296,880
Water system	309,654	-	309,654	15,607	-	-	-	(2,487)	-	(7,572)	-	322,774	(7,572)	315,202
Stormwater network	176,173	-	176,173	3,169	-	-	-	(184)	-	(3,436)	-	179,158	(3,436)	175,722
Roads and footpaths	641,796	(11,205)	630,591	20,933	-	1,632	(7)	-	-	(14,747)	-	664,360	(25,959)	638,401
Bridges	78,458	(1,710)	76,748	1,637	-	(654)	(42)	-	-	(1,736)	-	79,441	(3,488)	75,953
Land under roads	172,060	-	172,060	-	-	-	-	-	-	-	-	172,060	-	172,060
Lighting	12,072	(734)	11,338	-	-	-	-	-	-	(699)	-	12,072	(1,433)	10,639
Landfill - post closure costs	3,678	(1,887)	1,791	3,351	-	-	-	-	-	(64)	-	7,029	(1,951)	5,078
Work in progress	30,048	-	30,048	42,009	(39,963)	-	-	-	-	-	-	32,093	-	32,093
Total infrastructural assets	1,766,170	(22,903)	1,743,267	90,597	(39,963)	1,051	(77)	(2,830)	-	(34,315)	-	1,815,024	(57,295)	1,757,729
Total Timaru District Council property, plant and equipment	1,950,055	(74,145)	1,875,909	134,369	(60,526)	(1,648)	1,511	(3,008)	-	(38,061)	-	2,019,241	(110,695)	1,908,546

2024	Cost/Revaln 1 July 2023	Accum depn and impairment charges 1 July 2023	Carrying amount 1 July 2023	Current year additions	Current year transfers	Reclass'n of Cost/Reval	Reclass'n of accum depn and impairment charges	Current year disposals	Current year impairment charges	Current year depn	Revaln's	Cost/ Reval 30 June 2024	Accum depn and impairment charges 30 June 2024	Carrying amount 30 June 2024
<b>Subsidiaries property, plant and equipment</b>														
Buildings	4,158	(3,979)	179	26	-	-	-	(173)	-	(32)	-	-	-	-
Furniture and equipment	143	(88)	55	14	-	(5)	(10)	-	-	(8)	-	152	(106)	46
Work in progress	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Total subsidiaries	4,301	(4,067)	234	40	-	(5)	(10)	(173)	-	(40)	-	152	(106)	46
Total Group property, plant and equipment	1,954,356	(78,212)	1,876,143	134,409	(60,526)	(1,653)	1,501	(3,181)	-	(38,101)	3,351	2,019,393	(110,801)	1,908,592

**18 Cultural and heritage assets****Accounting policy**

Cultural and heritage assets have a unique nature or are specifically related to the retention of cultural knowledge; assets built or made as unique works of art; or intended primarily for educational purposes or combinations of these. They may include any of the traditional and cultural elements for the District.

Cultural and heritage assets are capitalised regardless of their acquisition value.

This asset type includes statues and monuments, artworks, museum collections and the library collections.

Changes in the valuation of cultural and heritage assets are included in the surplus/(deficit).

Heritage buildings which are in operational use are included in the buildings asset class.

The general principles applying to property, plant and equipment apply to cultural and heritage assets.

***Statues and Monuments***

Individually recognised statues and monuments are stated at deemed cost or acquisition cost less impairment losses. Valued at optimised depreciated replacement cost as at 1 July 2005 by Maunsell Limited (Valuers), subsequent acquisitions were previously stated at cost, less depreciation and impairment losses, however it has been determined that statues and monuments will not be subject to depreciation as they are individually unique pieces of art and architecture. Previously applied depreciation was reversed in 2024, except for the assumed depreciation included in the 2005 valuations, and the assets are stated at either their valuation as determined at 1 July 2005 or at cost subsequent to that date, subject to assessment for impairment.

***Library Collections***

Library collections, excluding permanent retentions, are valued annually at depreciated replacement cost calculated in accordance with guidelines outlined in “Valuation Guide for Cultural and Heritage Assets”, published by the Treasury Accounting Policy Team, November 2002 and the Library Collection Valuation Guidelines prepared by the New Zealand Library Association, May 1992.

Elements of the library collection which are retained for permanent retention are not included in the valuation as they are not readily measurable on a replacement cost basis and are not depreciated. Additions to the collection for permanent retention are valued at cost, or fair value if donated.

The costs relating to the use of electronic books (eBooks) are immediately expensed.

***Artworks***

Art works are stated at deemed cost being the assessed fair value at 1 July 2005 based on the 1 April 1992 insurance value by the Art Gallery Director, with acquisitions from 1 April 1992 at cost.

The art collection is valued annually at fair value based on the estimated current market value, by the Council’s Art Gallery Director, in accordance with guidelines outlined in “Valuation Guide for Cultural and Heritage Assets”, published by the Treasury Accounting Policy Team, November 2002. The collection is valued externally triennially.. The assessed value is included as a note but not used as a basis for the valuation of Artworks in the Statement of Financial Position.

18 Cultural and heritage assets (continued)

Accounting policy

Museum collections

Museum collections, primarily held by the South Canterbury Museum, have not been valued.

The useful lives of major classes of cultural and heritage assets are as follows:

Asset Class	Useful Life
Art works	Indefinite (No depreciation)
Library collection: permanent retention	Indefinite (No depreciation)
Library collection: current	8 years
Museum collection	Indefinite (No depreciation)
Statues and monuments	Indefinite (No depreciation)

Cultural and Heritage Assets were previously included in Property, Plant and Equipment but have been separated from Property, Plant and Equipment from 2024. These assets include those which have a unique cultural, historical, artistic or educational nature. Artworks, Statues and Monuments and the Library Permanent Retentions are not subject to depreciation, however the Library standard collection is subject to annual depreciation and revaluation.

Artworks

The artworks held at the Aigantighe Art Gallery owned by the Council were valued at \$16.094m as at 30 June 2025 (2024: \$15.384m) by the Gallery Director. The Artworks are included in the financial statement at cost or deemed cost.

Museum Collection

The South Canterbury Museum Collection is considered a cultural and heritage asset however the collection is not currently valued for inclusion in the financial statements.

**18 Cultural and heritage assets (continued)**

2025	Cost/Revaln 1 July 2024	Accum depn and impairment charges 1 July 2024	Carrying amount 1 July 2024	Current year additions	Current year transfers	Reclass'n of Cost/Reval	Reclass'n of accum depn and impairment charges	Current year disposals	Current year impairment charges	Current year depn	Revaln's	Cost/ Reval 30 June 2025	Accum depn and impairment charges 30 June 2025	Carrying amount 30 June 2025
Art Works	3,259	-	3,259	588	-	-	-	-	-	-	-	3,846	-	3,846
Statues & Monuments (previously called heritage assets)	1,541	-	1,541	2	-	-	-	-	-	-	-	1,543	-	1,543
Library collections	1,909	-	1,909	218	-	(214)	214	-	-	(213)	(185)	1,729	-	1,729
Work in progress	-	-	-	377	(336)	-	-	-	-	-	-	41	-	41
	<b>6,709</b>	<b>-</b>	<b>6,709</b>	<b>1,185</b>	<b>(336)</b>	<b>(214)</b>	<b>214</b>	<b>-</b>	<b>-</b>	<b>(213)</b>	<b>(185)</b>	<b>7,159</b>	<b>-</b>	<b>7,159</b>
2024	Cost/Revaln 1 July 2023	Accum depn and impairment charges 1 July 2023	Carrying amount 1 July 2023	Current year additions	Current year transfers	Reclass'n of Cost/Reval	Reclass'on of accum depn and impairment charges	Current year disposals	Current year impairment charges	Current year depn	Revaln's	Cost/ Reval 30 June 2024	Accum depn and impairment charges 30 June 2024	Carrying amount 30 June 2024
Art Works	3,187	-	3,187	72	-	-	-	-	-	-	-	3,259	-	3,259
Statues & Monuments (previously called heritage assets)	1,542	(434)	1,108	-	-	-	434	(1)	-	-	-	1,541	-	1,541
Library collections	2,666	-	2,666	285	-	(317)	309	-	-	(309)	(725)	1,909	-	1,909
	<b>7,395</b>	<b>(434)</b>	<b>6,961</b>	<b>357</b>	<b>-</b>	<b>(317)</b>	<b>743</b>	<b>(1)</b>	<b>-</b>	<b>(309)</b>	<b>(725)</b>	<b>6,709</b>	<b>-</b>	<b>6,709</b>

**19 Intangible assets****Accounting policy*****Software acquisition and development***

Computer software licenses are capitalised on the basis of the costs incurred to acquire and bring to use the specific software, except that annual licenses are recognised as an expense when they are incurred, as are Software as a Service (SaaS) costs.

Costs that are directly attributable to the development of software for internal use are recognised as an intangible asset. Direct costs include the software development employee costs and an appropriate portion of relevant overheads.

Staff training costs relating to the introduction and utilisation of software are recognised in the surplus or deficit when incurred.

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

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

***Other intangible assets***

Other intangible assets are amortised based on the particular characteristics of the asset.

***Carbon credits***

Carbon credits are not acquired or held for trading purposes and are expected to be utilised as part of the annual operational requirements of the Council, except that carbon credits which were received from the Crown were recognised as non-current intangible assets valued at fair value at acquisition. Carbon credits are treated as a current intangible asset and valued through surplus/deficit at cost or fair value. They are initially valued at cost and subsequently valued at fair value as at balance date based on the market value at balance date. Carbon credits have an indefinite life and therefore are not amortised.

***Amortisation***

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

Intangible assets are capitalised regardless of their initial acquisition value.

The useful lives of major classes of intangible assets are as follows:

Carbon credits	Indefinite (not amortised)
Computer software	3 to 10 years
Other intangible assets	3 to 50 years

***Impairment of intangible assets***

Intangible assets, including those which have an indefinite useful life, or are not yet available for use which are not subject to amortisation, are tested annually for impairment.

For further details, refer to the policy for impairment of property, plant, and equipment as the same approach applies to the impairment of intangible assets.

**19 Intangible assets (continued)**

	Council and Group		
	Computer Software \$000	Carbon Credits \$000	Total \$000
<b>Balance as at 1 July 2024</b>			
Cost	8,328	5,303	13,631
Accumulated amortisation and impairment	(6,574)	-	(6,574)
Opening carrying value	1,754	5,303	7,057
<b>Year ended 30 June 2025</b>			
Additions	197	968	1,165
Disposals	-	(1,275)	(1,275)
Amortisation charge and impairment	(420)	-	(420)
Other movements	-	-	-
Gain/(loss) on change in fair value	-	567	567
Movement for the year	(223)	260	37
<b>Balance as at 30 June 2025</b>			
Cost	8,525	5,563	14,088
Accumulated amortisation and impairment	(6,994)	-	(6,994)
Closing carrying value	1,531	5,563	7,094
<b>Balance as at 1 July 2023</b>			
Cost	7,032	4,095	11,127
Accumulated amortisation and impairment	(6,051)	-	(6,051)
Opening carrying value	981	4,095	5,076
<b>Year ended 30 June 2024</b>			
Additions	1,364	2,445	3,809
Disposals	(68)	(1,771)	(1,839)
Amortisation charge and impairment	(523)	-	(523)
Other movements	-	-	-
Gain/(loss) on change in fair value	-	534	534
Movement for the year	773	1,208	1,981
<b>Balance as at 30 June 2024</b>			
Cost	8,328	5,303	13,631
Accumulated amortisation and impairment	(6,574)	-	(6,574)
Closing carrying value	1,754	5,303	7,057
<b>Summary of current and non-current intangible assets:</b>			
	Council and Group		
	Actual 2025 \$000	Actual 2024 \$000	
Current intangible assets	2,010	2,247	
Non-current intangible assets	5,084	4,810	
Total intangible assets	7,094	7,057	

## 19 Intangible assets (continued)

As at 30 June 2025 carbon credits allocated by the government for forestry assets held prior to 1990, totalling 40,244 credits, are treated as non-current assets and retained to cover potential future deforestation liabilities. On receipt the carbon credits allocated for pre-1990 forest estates were valued at fair value at that time for \$0.968m or \$21.48 per credit.

Carbon credits do not expire and therefore have an indefinite life and are not subject to amortisation.

*Carbon credits utilised during the year, including those immediately expensed after purchase in 2021:*

Purpose of application	Council and Group 2025		Council and Group 2024	
	Volume credits utilised	Value \$000	Volume credits utilised	Value \$000
Landfill emissions	25,244	1,275	43,047	1,771

## 20 Depreciation and amortisation expense by group of activity

	Council	
	Actual 2025 \$000	Actual 2024 \$000
Corporate Activities	2,250	1,978
Governance and Strategy	-	-
Community Support	448	641
District Planning and Regulatory Services	10	5
Recreation and Leisure	3,059	1,652
Roading and Footpaths	15,319	17,298
Waste Minimisation	1,018	806
Sewer	5,089	5,085
Stormwater	3,438	3,436
Water Supply	7,598	7,572
	38,229	38,473

## 21 Investment forestry

### Accounting Policy

Standing forestry assets are independently revalued annually at fair value less estimated costs to sell for one growth cycle. Potential future carbon credit liabilities which may occur in the event of permanent deforestation are not included in the valuation.

Gains or losses arising on initial recognition of forestry assets at fair value less costs to sell and from a change in fair value less costs to sell are recognised in surplus or deficit.

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

Forests are not depreciated and any permanent diminution in value is included in the valuation.

The generation of carbon credits from the forestry holdings are separately identified and valued as current intangible assets as required however currently no carbon credits are being generated as the forests are all pre-1990.

	Council		Group	
	Actual 2025 \$000	Actual 2024 \$000	Actual 2025 \$000	Actual 2024 \$000
Balance as at 1 July	1,150	1,373	1,150	1,373
Increases due to purchases	-	-	-	-
Gains/(losses) arising from changes in fair value due to growth	37	65	37	65
Gains/(losses) arising from changes in fair value due to log price changes	(77)	(115)	(77)	(115)
Gains/(losses) arising from changes in fair value due to harvest or sale	(54)	(62)	(54)	(62)
Gains/(losses) arising from changes in fair value due to discount rate changes and remodelling	25	(121)	25	(121)
Gains/(losses) arising from changes in fair value due to silvicultural cost changes	(6)	(42)	(6)	(42)
Gains/(losses) arising from changes in fair value due to remapping	11	52	11	52
<b>Balance as at 30 June</b>	<b>1,086</b>	<b>1,150</b>	<b>1,086</b>	<b>1,150</b>

Timaru District Council owns 191.4 (2024: 190.1) hectares of radiata pine, Douglas fir and macrocarpa forest, which is at varying stages of maturity ranging from 0 to 40 years.

Kirsten Stuart RMNZIF, registered forestry consultant, of Laurie Forestry Limited, has valued the forestry assets as at 30 June 2025 A pre-tax discount rate of 8% (2024: 8.0%) has been used in discounting the present value of expected cash flows.

No provision has been made in the valuation of the forests for potential liabilities if they were not to be replanted arising from the government grant of carbon credits relating to pre-1989 forests. It is anticipated that replanting will follow logging indefinitely.

#### *Financial risk management strategies*

Timaru District Council is exposed to financial risks arising from changes in timber prices. Timaru District Council is a long-term forestry investor and does not expect timber prices to decline significantly in the foreseeable future and therefore has not taken any measures to manage the risks of a decline in timber prices. Timaru District Council reviews its outlook for timber prices regularly in considering the need for active financial management. There are no restrictions over the title of forestry assets and no forestry assets are pledged as security.

**22 Investment property****Accounting policy**

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

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

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

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

	Council		Group	
	Actual 2025 \$000	Actual 2024 \$000	Actual 2025 \$000	Actual 2024 \$000
<b>Balance as at 1 July</b>	1,740	1,955	69,138	64,639
Additions from acquisitions	-	-	1,251	2,713
Reclassification to property, plant and equipment			(464)	
Disposals	-	(190)	(704)	(190)
Fair value gains/(losses) on valuation	(15)	(25)	4,265	3,657
Transfer to Properties held for sale	-	-	-	(1,681)
<b>Balance as at 30 June</b>	<b>1,725</b>	<b>1,740</b>	<b>73,486</b>	<b>69,138</b>

Timaru District Council's investment properties are valued annually at fair value effective 30 June 2025 and were valued for this financial year by Mark Foster BCom (VPM), ANZIV, SPINZ of CBRE. All investment properties are valued based on open market evidence.

Investment property held by Timaru District Holdings Limited was independently valued as at 30 June 2025 for the financial year by Hayden Doody (VPM), SPINZ, ANZIV a registered valuer at Telfer Young (Canterbury) Limited. The valuation is based on fair value.

The fair value of the Council properties have been assessed on the basis of market value where this is the consideration of market based evidence for the determination of the value with reference to the "highest and best use" being defined as the most probable use of an asset that is physically possible, appropriately justified, legally permissible, financially feasible and results in the highest value (after proper marketing).

The fair value of properties held by Timaru District Holdings Limited is determined using the rental capitalisation approach which uses unobservable inputs (level 3 as defined by NZ IFRS 13). This method is based upon assumptions including future rental income and appropriate discount rates. Where property is leased as land and buildings (generally on short-term lease terms), the property has been valued at freehold land value and where land is subject to a ground lease, the property has been valued at the lessor's interest in the land.

There are no contractual obligations in relation to investment properties at balance date but not recognised in the financial statements (2024: Nil).

## 23 Payables and deferred revenue

### Accounting policy

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

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

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

	Council		Group	
	Actual 2025 \$000	Actual 2024 \$000	Actual 2025 \$000	Actual 2024 \$000
<b>Current portion</b>				
Payables and deferred revenue under exchange transactions:				
Trade payables and accrued expenses	16,972	12,961	17,478	15,240
Amounts due to subsidiaries and associates and other related parties	465	262	465	74
Contract retentions	1,007	1,031	1,007	1,031
Revenue in Advance	1,695	1,536	1,901	2,042
Accrued interest expense	567	1,642	567	1,642
	<u>20,706</u>	<u>17,432</u>	<u>21,418</u>	<u>20,029</u>
Payables and deferred revenue under non-exchange transactions:				
Income tax payable	-	-	-	-
Deposits and bonds	80	60	80	60
Revenue in advance	4,964	4,070	4,964	4,070
	<u>5,044</u>	<u>4,130</u>	<u>5,044</u>	<u>4,130</u>
<b>Total current portion</b>	<b><u>25,750</u></b>	<b><u>21,562</u></b>	<b><u>26,462</u></b>	<b><u>24,159</u></b>

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

## 24 Borrowings and other financial liabilities

### Accounting policy

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

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

### Finance leases

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

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

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

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

	Council		Group	
	Actual 2025 \$000	Actual 2024 \$000	Actual 2025 \$000	Actual 2024 \$000
<b>Current</b>				
LGFA Debt	39,790	56,577	49,090	56,577
<b>Total current borrowings</b>	<u>39,790</u>	<u>56,577</u>	<u>49,090</u>	<u>56,577</u>
<b>Non-current</b>				
Secured loans	-	-	-	7,200
LGFA Debt	211,100	163,955	211,100	163,955
<b>Total non-current borrowings</b>	<u>211,100</u>	<u>163,955</u>	<u>211,100</u>	<u>171,155</u>

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

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

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

### Security

No overdraft facility has been arranged and therefore the maximum overdraft available for use is Nil (2024: Nil). No requests for an overdraft facility have been made or declined. There are undrawn bank facilities with BNZ and Westpac of \$10million and \$5 million respectively. Westpac holds a security stock certificate over this facility of \$8m.

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

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

### Internal borrowings

Information about internal borrowings is provided on pages 30 to 95 of the Council's annual report. Internal borrowings are eliminated on consolidation of activities in the Council's financial statements.

**24 Borrowings and other financial liabilities (continued)**

**Fair values of borrowings**

	<b>Council</b>		<b>Group</b>	
	<b>Actual 2025 \$000</b>	<b>Actual 2024 \$000</b>	<b>Actual 2025 \$000</b>	<b>Actual 2024 \$000</b>
<b>Carrying Amount</b>				
Secured loans		-		7,200
LGFA Debt	250,790	220,532	260,090	220,532
	<u>250,790</u>	<u>220,532</u>	<u>260,090</u>	<u>227,732</u>
<b>Fair Value</b>				
Secured loans	-	-	-	7,200
LGFA Debt	220,577	220,577	220,577	220,577
	<u>220,577</u>	<u>220,577</u>	<u>220,577</u>	<u>227,777</u>

The fair values are based on borrowing rates ranging from 1.63% to 5.32% (2024: 1.63% to 6.38%).

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

Most borrowings are at floating rates, therefore carrying amounts approximate their fair values.

## 25 Employee entitlements

### Accounting policy

#### *Short-term employee entitlements*

Employee benefits that are expected to be settled wholly within twelve months after the end of the year in which the employee provides the related service are measured based on accrued entitlements at current rates of pay. These include salaries and wages accrued up to balance date and annual leave earned to but not yet taken at balance date.

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

#### *Long-term employee entitlements*

Employee benefits that are not expected to be settled wholly before twelve months after the end of the reporting period in which the employee provides the related service, such as retirement and long service leave, have been calculated on an actuarial basis. The calculations are based on:

- likely future entitlements accruing to employees, based on years of service, years to entitlement, the likelihood that employees will reach the point of entitlement, and contractual entitlement information; and
- the present value of the estimated future cash flows.

#### *Unrecognised employee entitlements*

Outstanding sick leave entitlements are not recognised as a liability as there is no settlement obligation related to the entitlement.

#### *Presentation of employee entitlements*

Annual leave and vested long service leave are classified as a current liability. Non-vested retirement and long service leave expected to be settled within 12 months of balance date are also classified as a current liability. All other recognised employee entitlements are classified as a non-current liability.

	Council		Group	
	Actual 2025 \$000	Actual 2024 \$000	Actual 2025 \$000	Actual 2024 \$000
<b>Current portion</b>				
Accrued salaries and wages	1,125	795	1,151	849
Annual leave	1,729	1,647	1,753	1,676
Long service leave	92	74	92	74
Retiring gratuities	38	119	38	119
	<u>2,984</u>	<u>2,635</u>	<u>3,034</u>	<u>2,718</u>
<b>Non-current portion</b>				
Long service leave	485	38	485	38
Retiring gratuities	401	371	401	371
	<u>886</u>	<u>409</u>	<u>886</u>	<u>409</u>
<b>Total employee benefits</b>	<u>3,870</u>	<u>3,044</u>	<u>3,920</u>	<u>3,127</u>

## 26 Provisions

### Accounting policy

A provision is recognised for future expenditure of uncertain amount or timing when:

- there is a present obligation (either legal or constructive) as a result of a past event;
- it is probable that an outflow of future economic benefits will be required to settle the obligation; and
- a reliable estimate can be made of the amount of the obligation.

Provisions are measured at the present value of the expenditures expected to be required to settle the obligation and discounted using market yields on government bonds at balance date with terms to maturity that match, as closely as possible, the estimated future cash flows. The increase in the provision due to the passage of time is recognised as an interest expense and is included in "finance costs" (see Note 5).

### Provision for landfill post-closure costs

A provision for post-closure costs is recognised, at the inception of the landfill, for post-closure remediation and monitoring costs.

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

The value provided for landfill post-closure is capitalised as an asset as it relates to future economic benefits. This asset is amortised based on the expected utilisation of the capacity the landfill and is reviewed annually based on actual capacity usage and relevant movements in any revision of the post-closure costs.

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.

### Provisions for climate change related obligations and remediation

No provisions are currently made for potential events, obligations, compensation or remediation related to climate change or climate change induced or related events. While the effects of climate change are directly related to past events and that there will be financial consequences and implications relating to future events, no reliable estimate can currently be made for the amount of the potential or likely obligations.

#### a Landfill aftercare provision

	Council		Group	
	Actual 2025 \$000	Actual 2024 \$000	Actual 2025 \$000	Actual 2024 \$000
Opening balance	5,073	10,154	5,073	10,154
Additional provisions made during the year	-	-	-	-
Transfers to Closed Landfill provision	-	(7,340)	-	(7,340)
Amounts used during the year	(663)	(1,092)	(663)	(1,092)
Increase/(decrease) due to discount rate changes and assessment of liability	299	3,154	299	3,154
Discount unwinding	116	197	116	197
<b>Closing balance</b>	<b>4,825</b>	<b>5,073</b>	<b>4,825</b>	<b>5,073</b>

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

The remaining capacity of the site is estimated as 1,482,520 tonnes (refuse, clean fill and cover) (2024: 1,482,520).

The estimated remaining useful life is 27 years (2024: 27 years). Estimates of the life have been made by the Council's engineers based on historical volume information.

The cash outflows for the landfill and post-closure costs are expected to occur between 2025 and 2080. The long term nature of the liability means that there are inherent uncertainties in estimating costs that will be incurred. The provision has been estimated taking into account existing technology and is discounted using the risk-free discount rates as at 30 June 2025 published by the Treasury.

## 26 Provisions (continued)

Annual inflation factors forecast using the Discount Rates and CPI Assumptions for Accounting Valuation Purposes published by The Treasury have been applied in estimating the future cash flows and range from 1.98% to 2.10% (2024: 2.00% to 2.32%).

Discount rates ranging from 3.14% to 5.99% (2024: 4.25% to 5.36%) have been used to discount the estimated future cash outflows. These rates have been determined using the Discount Rates and CPI Assumptions for Accounting Valuation Purposes published by The Treasury.

The management of the landfill will influence the timing of recognition of some liabilities as they will only commence following the commissioning of a cell.

**b Closed Landfill provision**

	Council		Group	
	Actual 2025 \$000	Actual 2024 \$000	Actual 2025 \$000	Actual 2024 \$000
<b>Opening balance</b>	8,000		8,000	
Additional provisions made during the year	-	660	-	660
Transfer from Landfill Aftercare provision		7,340	-	7,340
Amounts used during the year	(478)	-	(478)	
<b>Closing balance</b>	<u>7,522</u>	<u>8,000</u>	<u>7,522</u>	<u>8,000</u>

The Peel Forest landfill operated adjacent to the Rangitata River from the mid-1960s until it was formally closed as a landfill in 2004. The landfill measured 0.4ha with a fill volume of approximately 20,000m<sup>3</sup> to a depth of 5m (ECan Listed Land Use Register). A significant flooding event occurred in 2019 which increased the risk that the contents of the landfill may be exposed. Remediation work is ongoing and a provision for the anticipated cost was made in 2024.

## 27 Contingencies

	Council		Group	
	Actual	Actual	Actual	Actual
	2025	2024	2025	2024
Contingent Liabilities	\$000	\$000	\$000	\$000
Housing NZ Social housing advance	1,100	1,100	1,100	1,100
	1,100	1,100	1,100	1,100

Housing New Zealand Corporation has provided \$1,100,000 as at 30 June 2025 (2024: \$1,100,000) towards the construction of social housing units. This advance is repayable, with interest, if the Council withdraws its investment in the joint funded social housing.

Following the significant flooding event in 2019 which endangered the integrity of the closed Peel Forest landfill, a risk assessment of the 40 identified closed landfills which are considered the responsibility of Timaru District Council has been completed evaluating the risk related to these and potential future remediation and work and cost associated with the management of identified risks. No immediate or urgent risk has been ascertained however some work is likely to be desirable within the next 10 years. The potential cost of this has not been assessed as at 30 June 2025. Additional closed landfills exist within the District which are not the responsibility of Council however the consideration of risks related to these will be in conjunction with the respective landowners and Environment Canterbury Regional Council (ECan). It is not anticipated that Council will have any financial obligations relating to these.

Timaru District Council has \$18,550,000 uncalled shares, (2024: 18,550,000) in Timaru District Holdings Limited. This uncalled capital is security for the Letter of Credit facility of \$19m (2024: \$19m) with the NZ Local Government Funding Agency (2024: ANZ Bank) for the credit facilities with Timaru District Holdings Limited.

Council is reviewing buildings owned or controlled by it to assess their seismic rating under the new building standards (NBS). Council's buildings are categorised as either 'priority' or 'non-priority' buildings under the NBS and Council has identified all priority and non-priority buildings as required. Seismic assessments on all priority buildings have been commenced although not completed in all cases and remediation work is being undertaken when appropriate. Council is also developing a strategy and prioritisation methodology to inform its future decisions on earthquake prone buildings.

Sophia Street car park building has been deemed earthquake prone. The engineer who assessed the car park also assessed the adjoining building as earthquake prone. The owners of the adjoining building obtained their own report which determined their building was 100% NBS. The owner is seeking costs for having to obtain their own report. There may be a potential dispute about the responsibility of each building owner to contribute to strengthening. Ongoing assessments of the risk are being undertaken.

### Mutual Liability Riskpool insurance scheme

"Timaru District Council was a member of the New Zealand Mutual Liability Riskpool insurance scheme ("Riskpool") until 30 June 2017. The Scheme is in "wind down", however the Council has an ongoing obligation to contribute to the Riskpool scheme should a call be made in respect of any historical claims (to the extent those claims are not covered by reinsurance or where reinsurance is delayed), and to fund the ongoing operation of the scheme. The likelihood of any call in respect of historical claims diminishes with each year as limitation periods expire. Following the Supreme Court decision on 1 August 2023 in *Napier City Council v Local Government Mutual Funds Trustee Limited*, which addressed the treatment of claims against Riskpool that involved a mixture of non-weather-tightness and weather-tightness defects (mixed claims), a number of proceedings against Riskpool, which were stayed pending the Supreme Court's decision in 2023, have since recommenced. Several former Scheme members have brought proceedings against Riskpool related to mixed claims. Two of these claims are currently listed for trial in September 2025. These cases are important in clarifying the scope of Riskpool's historical obligations and the interpretation of past Scheme terms. At this point the total potential liability of the outstanding claims against Riskpool is unable to be quantified."

### Local Government Funding Agency

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

Together with the shareholders of LGFA and other guarantors, Timaru District Council is a guarantor of all of LGFA's borrowings. At 30 June 2025, NZLGFA had borrowings totalling \$26.3 billion (2024: \$23.8 billion).

PBE accounting standards require TDC to initially recognise the guarantee liability by applying the 12 month expected credit loss model (as fair value could not be reliably measured) and subsequently at the higher of provision for impairment at balance date determined by the expected credit loss model and the amount initially recognised. The council have assessed the 12-month ECL of the guarantee liability, based on market information of the underlying assets held by the LGFA. The estimated 12-month credit losses are immaterial due to the very low probability of default by the LGFA in the next 12 months. Therefore, the council has not recognised a liability.

## 27 Contingencies (continued)

**Joint operation contingent liabilities**

There are no contingent liabilities associated with Downlands Water Supply joint operation (2024: Nil).

**Share of associates' contingent liabilities**

There are no contingent liabilities associated with Downlands Water Supply joint operation (2024: nil).

Alpine Energy Limited group has contingent liabilities as at 31 March 2025 of \$0.73m in the form of performance and import guarantees to cover ongoing project work (2024: \$0.73m).

**Contingent assets**

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

**28 Equity****Accounting policy**

Equity is the community's interest in the Council and is measured as the difference between total assets and total liabilities. Equity is disaggregated and classified into the following components:

- retained earnings;
- restricted reserves;
- designated reserves;
- asset revaluation reserves.

**Restricted reserves**

Restricted reserves are a component of equity representing a particular use to which equity has been assigned.

Restricted reserves are those 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 a third party, however these do not represent cash funds maintained for such purposes. Transfers from these reserves may be made only for certain specified purposes or when certain specified conditions are met. Donations or bequeathed financial assets treated as liabilities, which are for a specified purpose are not identified as restricted reserves but are also restricted in their use.

They also include reserves maintained for targeted rates charged for a specific purpose.

**Designated reserves**

Designated reserves are maintained for self-funded activities which Council determines require particular focus. A separate account is maintained for each reserve to identify that the funds are held and used for the specific purpose intended, however these do not represent cash funds maintained for such purposes. Transfers from these reserves may be made only for their specified purposes or when specified conditions are met however Council may change designated reserves without reference to the Courts or a third party.

**Asset revaluation reserves**

These reserves relate to the revaluation of particular property, plant, and equipment classes to fair value.

	Council		Group	
	Actual 2025 \$000	Actual 2024 \$000	Actual 2025 \$000	Actual 2024 \$000
<b>Retained earnings</b>				
As at 1 July	771,466	784,117	897,446	903,951
Prior year adjustment				
Surplus/(deficit) for the year	(5,681)	(1,684)	(4,507)	4,462
Reserve Transfers				
Restricted reserves	507	(7,153)	507	(7,153)
Designated reserves	(686)	(3,814)	(686)	(3,814)
As at 30 June	765,606	771,466	892,760	897,446
<b>Restricted reserves</b>				
As at 1 July	24,251	17,098	27,301	20,148
Transfers from Retained Earnings	-	19,193	-	19,193
Transfers to Retained Earnings	(507)	(12,040)	(507)	(12,040)
As at 30 June	23,744	24,251	26,794	27,301
<b>Designated reserves</b>				
As at 1 July	27,686	23,872	27,685	23,871
Transfers from Retained Earnings	732	21,450	-	19,193
Transfers to Retained Earnings	(46)	(17,636)	686	(17,636)
As at 30 June	28,372	27,686	28,371	25,428
<b>Total Other Reserves</b>	52,116	51,937	55,165	52,729

**28 Equity (continued)**

	Council		Group	
	Actual 2025 \$000	Actual 2024 \$000	Actual 2025 \$000	Actual 2024 \$000
<b>Asset revaluation reserves</b>				
As at 1 July	948,403	948,403	948,403	948,403
Revaluation gains/(losses)	45,428	-	45,428	-
As at 30 June	993,831	948,403	993,831	948,403
<b>Total Equity</b>	1,811,554	1,771,807	1,941,756	1,900,835

Information about reserve funds held for a specific purpose is provided in the following pages:

**Restricted Reserves**

Name of Fund	Activity	Purpose	2025				2024			
			Balance	Transfer	Transfers	Balance	Balance	Transfer	Transfers	Balance
			1 July	into	out of	30 June	1 July	into	out of	30 June
			\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000
<b>TBC- Mapping Issue</b>										
Aquatic Centre contributions	Recreation and Leisure	Funds donated towards to Aquatic centre facility to be used for its construction and funding of interest payments.					0	0	0	0
Collett Bequest (Museum)	Recreation and Leisure	For museum items.					602	15	0	616
Dowling Bequest	Recreation and Leisure	For the purchase of Christian fiction literature for the library.					20	0	0	21
Downlands Asset Replacement Fund	Water Supply	Replacement of infrastructural assets relating to Downlands Water Supply Scheme.					0	0	0	0
Downlands Capital Contribution Reserve	Water Supply	For the provision of capital expenditure financed from capital contributions.					0	1,496	1,496	0
Endowment Land Geraldine Fund	All of Council	From the proceeds of Endowment Land. For the purchase of similar land.					539	13	145	407
George Barclay Bequest	Recreation and Leisure	Original bequest was \$600. Interest to be used for the purchase of reference books for the Timaru Children's Library.					2	0	0	2
Joan & Percy Davis Library Trust (Geraldine)	Recreation and Leisure	Interest to be used to purchase books for the Geraldine Library. (8/7/82)					1	0	0	1
Jordan Bequest (Art Gallery)	Recreation and Leisure	For the purchasing of art works for the Aigantighe Art Gallery.					497	12	20	488
Jordan Bequest (Museum)	Recreation and Leisure	For the purchase of articles for the Museum.					245	6	0	251
Lattimore W A (Timaru) Bequest	Recreation and Leisure	Interest to be used for the purchasing of art works for the Aigantighe Art Gallery.					1	0	0	1
Mackay Bequest (Art Gallery)	Recreation and Leisure	For the purchase of paintings.					228	5	0	234
Mackay Bequest (Library)	Recreation and Leisure	For the purchase of books relating to art for the Timaru Library.					133	3	0	137
McCarthy Bequest - Library	Recreation and Leisure	For general purposes at the Timaru Public library					15	0	0	15
McCarthy Bequest - Parks	Recreation and Leisure	For general purposes at the Timaru gardens					53	1	0	54

Name of Fund	Activity	Purpose	2025					2024			
			Balance	Transfer	Transfers	Balance	Balance	Transfer	Transfers	Balance	
			1 July	into	out of	30 June	1 July	into	out of	30 June	
TBC- Mapping Issue			\$000	\$000	\$000	\$000		\$000	\$000	\$000	\$000
Museum Acquisition Fund/Alan Ward Fund	Recreation and Leisure	For the purchase of articles for the Museum.						11	0	0	11
Russell C Hervey Fund	Recreation and Leisure	For providing improved services to the Timaru Library.						85	2	0	87
Reserves from Subdivisions/ Development Levy	Recreation and Leisure	Development of reserves within the District as set out in the Local Government Act 1974 Section 288.						294	20	0	314
Sevicke-Jones Bequest	Recreation and Leisure	For the purchasing of art works for the Aigantighe Art Gallery						3	0	0	3
Timaru Maritime and Transportation	All of Council	For the purpose of Timaru Maritime and Transportation						5	0	0	5
Fishing Huts - Rangitata	Recreation and Leisure	Each fishing hut area retains it own annual surplus or deficit (including capital income and expenditure) which accumulates over its lifetime. Each individual reserve balance is only available for use by that fishing hut area.						0	5	0	5
Fishing Huts - Strathoena	Recreation and Leisure	Each fishing hut area retains it own annual surplus or deficit (including capital income and expenditure) which accumulates over its lifetime. Each individual reserve balance is only available for use by that fishing hut area.						75	8	0	82
Geraldine Community Board	Governance and Strategy	Each community board area (for which targeted rates are levied) retains it own annual surplus or deficit (including capital income and expenditure) which accumulates over the lifetime of each targeted rated board. Each individual reserve balance is only available for use by that board.						54	18	0	73
Pleasant Point Community Board	Governance and Strategy	Each community board area (for which targeted rates are levied) retains it own annual surplus or deficit (including capital income and expenditure) which accumulates over the lifetime of each targeted rated board. Each individual reserve balance is only available for use by that board.						30	9	5	33
Temuka Community Board	Governance and Strategy	Each community board area (for which targeted rates are levied) retains it own annual surplus or deficit (including capital income and expenditure) which accumulates over the lifetime of each targeted rated board. Each individual reserve balance is only available for use by that board.						62	13	25	51

Name of Fund	Activity	Purpose	2025				2024				
			Balance 1 July	Transfer into fund	Transfers out of fund	Balance 30 June	Balance 1 July	Transfer into fund	Transfers out of fund	Balance 30 June	
			\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000	
TBC- Mapping Issue											
Fairview Hall	Recreation and Leisure	Each community hall (for which targeted rates are levied) retains it own annual surplus or deficit (including capital income and expenditure) which accumulates over the lifetime of each targeted rated hall. Each individual reserve balance is only available for use by that community hall.						(10)	5	7	(12)
Claremont Hall	Recreation and Leisure	Each community hall (for which targeted rates are levied) retains it own annual surplus or deficit (including capital income and expenditure) which accumulates over the lifetime of each targeted rated hall. Each individual reserve balance is only available for use by that community hall.						1	5	6	0
Otipua Hall	Recreation and Leisure	Each community hall (for which targeted rates are levied) retains it own annual surplus or deficit (including capital income and expenditure) which accumulates over the lifetime of each targeted rated hall. Each individual reserve balance is only available for use by that community hall.						0	1	2	(1)
Kingsdown Hall	Recreation and Leisure	Each community hall (for which targeted rates are levied) retains it own annual surplus or deficit (including capital income and expenditure) which accumulates over the lifetime of each targeted rated hall. Each individual reserve balance is only available for use by that community hall.						0	5	6	(1)
Seadown Hall	Recreation and Leisure	Each community hall (for which targeted rates are levied) retains it own annual surplus or deficit (including capital income and expenditure) which accumulates over the lifetime of each targeted rated hall. Each individual reserve balance is only available for use by that community hall.						12	5	5	13
Waste Minimisation	Waste Minimisation	Each waste collection area (for which targeted rates are levied) retains its own surplus or deficit (including capital income and expenditure) which accumulates over the lifetime of each targeted rated area. Each individual reserve balance is only available for use by that waste collection area.						777	19	0	795
Geraldine Works and Services	Roading and Footpaths and Stormwater	Each works and services area (for which targeted rates are levied) retains its own surplus or deficit (including capital income and expenditure) which accumulates over the lifetime of each targeted rated area. Each individual reserve balance is only available for use by that works and services area.						0	379	313	66

Name of Fund	Activity	Purpose	2025					2024			
			Balance	Transfer	Transfers	Balance		Balance	Transfer	Transfers	Balance
			1 July	into	out of	30 June		1 July	into	out of	30 June
TBC- Mapping Issue			\$000	\$000	\$000	\$000		\$000	\$000	\$000	\$000
Rural Works and Services	Roading and Footpaths and Stormwater	Each works and services area (for which targeted rates are levied) retains its own surplus or deficit (including capital income and expenditure) which accumulates over the lifetime of each targeted rated area. Each individual reserve balance is only available for use by that works and services area.						400	188	0	589
Temuka Works and Services	Roading and Footpaths and Stormwater	Each works and services area (for which targeted rates are levied) retains its own surplus or deficit (including capital income and expenditure) which accumulates over the lifetime of each targeted rated area. Each individual reserve balance is only available for use by that works and services area.						769	622	440	952
Timaru Works and Services	Roading and Footpaths and Stormwater	Each works and services area (for which targeted rates are levied) retains its own surplus or deficit (including capital income and expenditure) which accumulates over the lifetime of each targeted rated area. Each individual reserve balance is only available for use by that works and services area.						2,199	4,794	975	6,017
District Sewer	Sewer	Each sewerage scheme (for which targeted rates are levied) retains its own surplus or deficit (including capital income and expenditure) which accumulates over the lifetime of each targeted rated area. Each individual reserve balance is only available for use by that scheme.						7,617	5,294	2,935	9,976
Beautiful Valley Water Supply	Water Supply	Each water supply scheme (for which targeted rates are levied) retains its own surplus or deficit (including capital income and expenditure) which accumulates over the lifetime of each targeted rated area. Each individual reserve balance is only available for use by that scheme.						108	17	0	125
Orari Water Supply	Water Supply	Each water supply scheme (for which targeted rates are levied) retains its own surplus or deficit (including capital income and expenditure) which accumulates over the lifetime of each targeted rated area. Each individual reserve balance is only available for use by that scheme.						303	14	0	317
Rangitata Water Supply	Water Supply	Each water supply scheme (for which targeted rates are levied) retains its own surplus or deficit (including capital income and expenditure) which accumulates over the lifetime of each targeted rated area. Each individual reserve balance is only available for use by that scheme.						5	23	28	0

Name of Fund	Activity	Purpose	2025					2024			
			Balance	Transfer	Transfers	Balance	Balance	Transfer	Transfers	Balance	
			1 July	into	out of	30 June	1 July	into	out of	30 June	
TBC- Mapping Issue											
			\$000	\$000	\$000	\$000		\$000	\$000	\$000	\$000
Seadown Water Supply	Water Supply	Each water supply scheme (for which targeted rates are levied) retains its own surplus or deficit (including capital income and expenditure) which accumulates over the lifetime of each targeted rated area. Each individual reserve balance is only available for use by that scheme.						1,328	241	16	1,553
Te Moana Water Supply	Water Supply	Each water supply scheme (for which targeted rates are levied) retains its own surplus or deficit (including capital income and expenditure) which accumulates over the lifetime of each targeted rated area. Each individual reserve balance is only available for use by that scheme.						0	416	204	211
Urban Water Supply	Water Supply	Each water supply scheme (for which targeted rates are levied) retains its own surplus or deficit (including capital income and expenditure) which accumulates over the lifetime of each targeted rated area. Each individual reserve balance is only available for use by that scheme.						0	5,412	5,412	0
Dog Control	Environmental Services	Council's dog control enforcement activity retains its own surplus or deficit (including capital income and expenditure) which accumulates over the lifetime of the activity. The balance is only available for use by that activity.						632	127	0	759
Total Restricted Reserves								17,098	19,193	12,041	24,251

**Designated Reserves**

Name of Fund	Activity	Purpose	2025				2024			
			Balance 1 July \$000	Transfer into fund \$000	Transfers out of fund \$000	Balance 30 June \$000	Balance 1 July \$000	Transfer into fund \$000	Transfers out of fund \$000	Balance 30 June \$000
TBC- Mapping Issue										
Cemetery Future (Timaru) Fund	Community Support	Development of future cemetery for Timaru.					96	2	0	98
Community Development Interest Fund	Community Support	To make major grants (over \$10,000) to non profit community based organisations and clubs for improving or developing new or existing facilities which reflect credit or provide benefit to the Timaru District residents.					105	49	30	124
Community Development Loan Fund	Community Support	To make major loans to non profit community based organisations and clubs for improving or developing new or existing facilities which reflect credit or provide benefit to the Timaru District residents.					353	0	0	353
Contingency Fund	All of Council	For emergency purposes as determined by Council.					1,325	32	0	1,357
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.					107	19,741	16,591	3,257
Depreciation Fund – Beautiful Valley Water	Water Supply	For the renewal and/or replacement of Water depreciable assets and for the repayment of loans associated with such assets.					0	0	0	0
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).					0	0	0	0
Depreciation Fund – Orari / Waihi Water	Water Supply	For the renewal and/or replacement of Water depreciable assets and for the repayment of loans associated with such assets.					1	0	0	2
Depreciation Fund – Orari Township Water	Water Supply	For the renewal and/or replacement of Water depreciable assets and for the repayment of loans associated with such assets.					0	0	0	0
Depreciation Fund – Rangitata / Orari Water	Water Supply	For the renewal and/or replacement of Water depreciable assets and for the repayment of loans associated with such assets.					0	0	0	0
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).					0	0	0	0

Name of Fund	Activity	Purpose	2025				2024			
			Balance 1 July \$000	Transfer into fund \$000	Transfers out of fund \$000	Balance 30 June \$000	Balance 1 July \$000	Transfer into fund \$000	Transfers out of fund \$000	Balance 30 June \$000
TBC- Mapping Issue										
Depreciation Fund – Seadown Water	Water Supply	For the renewal and/or replacement of Water depreciable assets and for the repayment of loans associated with such assets.					0	0	0	0
Depreciation Fund - Sewer	Sewer	For the renewal and/or replacement of Sewer depreciable assets and for the repayment of loans associated with such assets.					0	0	0	0
Depreciation Fund – Te Moana Downs Water	Water Supply	For the renewal and/or replacement of Water depreciable assets and for the repayment of loans associated with such assets.					0	0	0	0
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).					0	0	0	0
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).					0	0	0	0
Depreciation Fund – Urban Water	Water Supply	For the renewal and/or replacement of Water depreciable assets and for the repayment of loans associated with such assets.					0	0	0	0
Depreciation Fund (Housing)	Community Support	For the renewal and/or replacement of Housing depreciable assets and for the repayment of loans associated with such assets.					0	157	157	0
Development (Timaru) Fund	All of Council	Funding of major developments within Timaru. Interest on this fund to be credited to the Community Development Interest Fund.					240	0	0	240
Disaster Relief Fund	All of Council	For the replacement of infrastructural assets excluding subsidised roading in the event of a natural disaster.					408	229	0	637
District Recreation Facilities Fund	All of Council	To be used for the development of significant recreation facilities in the district.					793	19	0	812
Economic Development Fund	Community Support	For economic development support.					207	5	0	212
Election Expenses Fund	Governance and Strategy	To provide for meeting election expenses.					87	2	4	86
Forestry Development Fund	Recreation and Leisure	To provide funding for the development of forests within the District.					310	0	104	205
Grants & Donations Fund	Community Support	For the provision of grants & donations (created from the unspent grant allocation and carried forward balances)					526	142	131	537

Name of Fund	Activity	Purpose	2025				2024			
			Balance 1 July \$000	Transfer into fund \$000	Transfers out of fund \$000	Balance 30 June \$000	Balance 1 July \$000	Transfer into fund \$000	Transfers out of fund \$000	Balance 30 June \$000
TBC- Mapping Issue										
Investment Fund	All of Council	1. For the repayment of district wide loans. 2. For the funding of district wide capital projects. 3. For provision of internal loans.					13,917	335	0	14,253
Main Creative Communities NZ Fund	Community Support	Carried forward balance of Creative Communities NZ fund – main committee.					11	(0)	7	4
Main Drains Cost Sharing Fund	Sewer, Stormwater and Water Supply	Extension of main drains on a cost sharing basis.					1,500	36	0	1,536
Mayor's Welfare Fund	Governance and Strategy	Help out the needy as determined by the Mayor.					31	6	2	35
National Libraries Partnership	Recreation and Leisure	For the purpose of funding for the National Libraries Partnership					0	0	0	0
Officials' Indemnity, Safety and Health Fund	All of Council	For the purpose of officials' indemnity insurance excess, and for providing funds to comply with Occupational Health and Safety Regulations.					308	7	34	282
Parking Improvement (Timaru) 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.					319	97	415	0
Property Development Fund	All of Council	For the purchase or development of land and improvement projects within the District.					1,891	46	0	1,936
Reserves Development (Timaru) Fund	Recreation and Leisure	For the planting of trees and general development of reserves owned by the District Council within Timaru.					13	0	0	13
Safer Community Funds	Community Support	For Safer Communities projects.					361	431	71	721
Social Housing Fund (TDC)	Community Support	Funding of new social housing units and major maintenance.					0	90	90	0
Sport and Recreation Loan Fund	Community Support	Sport and Recreation loans for facilities and/or major plant items in excess of \$2,000 total value.					897	23	0	920
Te Moana Water Capital Contributions	Water Supply	For the provision of extensions to the Te Moana water network.					0	0	0	0
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.					22	1	0	23
Winchester Domain Fund	Recreation and Leisure	For maintenance and Development of the Winchester Domain area					43	1	0	44
<b>Total Designated Reserves</b>							23,872	21,450	17,635	27,687

**29 Related party transactions****Accounting policy*****Intra-Group and internal transactions***

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

During the year to 30 June 2025, the Council entered into various transactions with its associate companies (PrimePort Timaru Limited and Alpine Energy Limited) and subsidiaries (Timaru District Holdings Limited, Aorangi Stadium Trust and Venture Timaru Limited) , including transactions with the associates and subsidiaries of those companies.

Related party disclosures have not been made for transactions with related parties that are within normal supplier or client/recipient relationships and on terms and conditions no more or less favourable than those that it is reasonable to expect the Council and Group would have adopted in dealing with the party at arm's length in the same circumstances.

	Council	
	2025 \$000	2024 \$000
<b>Timaru District Holdings Limited</b>		
Interest paid to Timaru District Council	1,194	1,522
Loans payable to Timaru District Council	21,681	21,681
Dividends paid to Timaru District Council	1,200	1,000
Rates paid to Timaru District Council	459	531
<b>Timaru District Council</b>		
Rents paid to Timaru District Holdings	69	56
<b>Outstanding at 30 June 2025</b>		
Timaru District Holdings to Timaru District Council	71	125
Timaru District Council to Venture Timaru	3	63
Timaru District Council to Timaru District Holdings	8	-
Venture Timaru to Timaru District Council	2	-

The loan payable to Timaru District Council is secured by a debenture over the company's assets.

**Council Grants**

The Council has provided a number of grants to the group entities, and some of these are considered non-arm's length transactions. These grants are outlined in the table below:

	Council	
	2025 \$000	2024 \$000
<b>Venture Timaru</b>		
Economic Grant	745	720
Tourism Grant	408	395
Events Support	245	245
City Town	50	195
Cruise Ship	60	20
Active Transport	24	-
<b>Aorangi Stadium Trust</b>		
General funding	-	52
Insurance reimbursement	-	94
<b>Primeport Timaru Limited</b>		
Scott Base Development		500
General Funding		30

**29 Related party transactions (continued)****Key Management Personnel**

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

During the year Council contributed to YMCA South & Mid-Canterbury, an organisation in which Councillor Stacey Scott is the chairperson and Pleasant Point Community Board member, Kathleen Wilkins, is employed. The transactions amounted to \$31,884 (2024: \$27,115). The balance outstanding as at 30 June 2025 is nil (2024: nil). During the year Council contributed to the South Canterbury Highland Pipe Band in which Councillor Scott Shannon is a member. The transactions amounted to \$500 (2024: 6,575). The balance outstanding as at 30 June 2025 is nil. During the year Council purchased goods and services from M A & C V Thomas Limited TA Four Square Pleasant Point, an organisation in which Community Board Member Michael Thomas and his family have a significant interest. The transactions amounted to \$220.20 (2024: Nil). The balance outstanding as at 30 June 2025 is nil (2024: Nil).

Last year Council purchased goods and services from Temuka Transport (1967) Limited, an organisation for which the partner of Temuka Community Board member Nicola Nimo works. There were no transactions for this year (2024: \$3,628). The balance outstanding as at 30 June 2025 was nil (2024: Nil).

Last year Council provided funds to the Temuka and Districts Historical Society in which Gaye Broker, a member of the Temuka Community Board, is a member. There were no transactions for this year (2024: \$25,500). The balance outstanding as at 30 June 2025 is nil (2024: Nil). During the year, Council contributed to sewer remedial work at Temuka Golf Club Incorporated, an organisation of which Community Board Member Charles Scarsbrook is a member of the Clubs Finance Committee. The transactions amounted to \$319.75 (2024: nil). The balance outstanding as at 30 June 2025 is nil (2024: nil). During the year Council purchased goods and services from Association of Local Government Information Management Incorporated (ALGIM) an organisation in which Chief Information Office Justin Bagust is the Co-president. The transactions amounted to \$8,618.72 (2024: Nil). The balance outstanding as at 30 June 2025 is nil (2024: Nil). This was not reported on previously as Justin became a member of the Senior Leadership Team in 2024. During the year, Timaru District Council contributed to and purchased goods and services from Presbyterian Support Services (South Canterbury) Incorporated, an organisation of which Chief Executive Nigel Trainor was a member of the Board. The transactions amounted to \$8,186.93 (2024: nil). The balance outstanding as at 30 June 2025 is nil (2024: nil).

Close family members of key management personnel may be employed by Council. The terms and conditions of those arrangements are no more favourable than Council would have adopted if there were no relationship to key management personnel. No provision has been required, nor any expense recognised for impairment of receivables for any loans or other receivables to related parties (2024: nil).

**Key management personnel compensation**

	Council	
	Actual	Actual
	2025	2024
	\$000	\$000
Remuneration	2,852	2,662
Post employment benefits	-	-
Other long term benefits	-	-
Termination benefits	100	52
Total key management personnel compensation	2,952	2,714

Key management personnel include the Mayor and Councillors, (10 FTE), the Chief Executive and other senior management personnel, (10 FTE).

**30 Explanation of major variances against budget**

Timaru District Council made a net deficit of **-\$5,681,000 (budgeted surplus of \$999,000)**

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

Rates revenue is above budget by \$260k primarily as a result of rates penalties above budget by \$200k

Fees and charges revenue is above budget by \$930k consisting primarily of:

Increase in refuse fees of \$705k

Increase in trade waste wastewater charges of \$200k

Increase in community housing fees of \$130k due to a price increase and 100% occupancy

Increase in fines and infringements of \$290k

Offset by a decrease in building consents, demand driven, by \$470k

Subsidies and grants is under budget by \$12.8m as a result of the following:

Parks tracks and trails funding budgeted but not received of \$2m due to delayed projects

Aorangi stadium, delayed project \$2m

Museum project delayed \$3m

Theatre royal project delayed \$6m

Development contributions revenue over budget by \$543k. Relates to development contributions received transition support package for three waters

Finance revenue under budget by \$365k as a result of decrease interest rates

Other revenue \$815k under budget as a result of the following:

Vested assets under budget by \$990k as developments under expectations for the year

Drainage and water under budget by \$900k as a result of a budget error

Offset by Donations received by the Aigantighe Art Gallery not budgeted of \$565k

Increase in Cbay user fees of \$290k, demand driven

An increase in dividends from subsidiaries over budget by \$128k

Other gains \$932k over budget relates to a gain on fair value of carbon credits of \$500k and fair value adjustment to investments of \$290k

Personnel costs under budget \$870k as a result on limitations on staff hiring after the 2025 restructure announcements

Finance costs decreased by \$4.2m as a result in a decrease in interest rates

Depreciation \$590k under budget as a result of timing of additions, and lower additions than budgeted

Other expenditure \$3.1m under budget due to the following:

Contractor services relating to parks under budget by \$1.5m due to parks services being brought in-house during this financial year

Subsidised roading \$1.3m under budget due to changes in government priorities cost saving initiatives without reducing key levels of service

Solicitor and consultant expenditure under budget by 500k, as a result of cost saving initiatives during the year

District plan review document expenditure under budget by \$1.0m not yet completed during the year

Carbon credits, under budget by \$1.1m as a result of waste management services installing a blue flare system, resulting in decreased rates of carbon credits

Decrease in donations paid of \$500k due to budget priorities in 2024/25

Decrease in course seminar and conference registrations of \$411k for budget priorities in the 2024/25 financial year:

Offset by:

Water services, increased over budget of \$1.7m as a result of an increase in reactive renewals, demand driven and contingent on weather

Budget error in Land transport of \$900k resulting in overbudget

Software increased over budget by \$470k as a result of increased software prices

Increase in insurance costs for the year over budget by \$205k

Other losses over budget by \$4.6m resulting from a loss on disposal of property, plant and equipment of \$2.3m and a decrease in the fair value of derivatives of \$2.3m

**Statement of financial position**

Cash and cash equivalents over budget due to an increase in borrowing not leant out to other council activities

Trade receivables and payables have variances to budget as result of regular trading and timing of income and expenditure.

Current intangible assets relate to carbon credits, budget was not split by current and non current

Other financial assets under budget due to short term deposits lower than budgeted

Property plant and equipment under budget due to additions and revaluation gain on roading lower than budgeted

Provisions over budget as a result of landfill aftercare, and the Peel forest remediation project

Total borrowing decreased from budget due to project delays in Aorangi stadium, Theatre Royal, and Museum

**30 Explanation of major variances against budget (continued)****Statement of changes in equity**

Variance to budget relates to total comprehensive revenue and expenditure for the year

This is a resultant figure, refer to revenue and expenditure variance explanations.

Other comprehensive revenue is under budget due to the roading revaluation gain being under budget

**Statement of cashflow**

Significant variances in the additions to property plant and equipment under budget, and the borrowings under budget. Both variances relate to delayed projects, Aorangi stadium, Theatre Royal, and the Museum

### 31 Financial instruments

Investments in LGFA have been reclassified through FVTSD, prior years classifications have been adjusted to reflect this.

#### Financial Instrument categories

	Council		Group	
	Actual 2025 \$000	Actual 2024 \$000	Actual 2025 \$000	Actual 2024 \$000
<b>FINANCIAL ASSETS</b>				
<b>Mandatorily measured at FVTSD</b>				
Derivative financial instrument assets	848	3,167	848	3,167
Other financial assets:				
- Investments in debt securities	977	1,100	1,825	1,100
- Investments in LGFA	7,427	5,719	7,379	5,719
Total	9,252	9,986	10,052	9,986
<b>Amortised Cost</b>				
Cash and cash equivalents	43,123	22,159	43,492	23,542
Trade and other receivables	13,673	14,931	14,010	15,082
Other financial assets:				
- Term deposits	-	-	613	825
- Community loans	588	625	588	625
- Loans to related parties	21,681	21,681	-	-
- Loans to other local authorities	3,200	3,200	3,200	3,200
Total	79,065	59,396	58,703	43,273
<b>Fair value through other comprehensive revenue</b>				
Other financial assets:				
- Listed bonds	-	-	-	-
- Listed and unlisted shares	31,528	268	268	268
<b>FINANCIAL LIABILITIES</b>				
<b>Amortised cost</b>				
Trade and other payables	19,091	15,956	19,597	18,047
Borrowings:				
- Secured loans	-	-	-	7,200
- Bonds	250,790	220,532	260,090	220,532
Total	269,881	236,488	279,687	245,779

#### Fair value

The Council carries certain financial assets and financial liabilities at fair value. In accordance with PBE IPSAS 30

- Fair Value Measurement, Council uses various methods in estimating the fair value of its financial instruments. The methods comprise:

Level 1: Quoted (unadjusted) market prices in active markets for identical assets or liabilities.

Level 2: Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable.

Level 3: Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable.

### 31 Financial instruments (continued)

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

	Total	Valuation technique		
		Quoted market price	Observable inputs	Significant non- observable inputs
	\$000	\$000	\$000	\$000
<b>30 Jun 2025 - Council</b>				
<b>Financial assets</b>				
Derivatives	848	-	848	-
Investments in debt securities	977	-	977	-
Investments in LGFA	7,427			7,427
Shares	31,528	-	-	31,528
<b>30 Jun 2025 - Group</b>				
<b>Financial assets</b>				
Derivatives	848	-	848	-
Investments in debt securities	1,825	-	1,825	-
Investments in LGFA	7,379	-	-	7,379
Shares	268	-	-	268
<b>30 Jun 2024 - Council</b>				
<b>Financial assets</b>				
Derivatives	3,167	-	3,167	-
Investments in debt securities	1,100	-	1,100	-
Investments in LGFA	5,719			5,719
Shares	268	-	-	268
<b>30 Jun 2024 - Group</b>				
<b>Financial assets</b>				
Derivatives	3,167	-	3,167	-
Investments in debt securities	1,100	-	1,100	-
Investments in LGFA	5,719			5,719
Shares	268	-	-	268

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

**31 Financial instruments (continued)**

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

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

	Council		Group	
	2025 \$000	2024 \$000	2025 \$000	2024 \$000
<b>Balance as at 1 July</b>	31,528	35,608	268	4,348
Purchases	-	(4,080)	-	(4,080)
<b>Balance as at 30 June</b>	31,528	31,528	268	268

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

**Financial Instruments risks**

Timaru District Council has a series of policies to manage the risks associated with financial instruments and is risk averse and seeks to minimise exposure from its treasury activities. The Council has a Treasury Management Policy which does not allow any transactions that are speculative in nature to be entered into.

**Market risk****Currency risk**

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

**Interest rate risk***Fair value interest rate risk*

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

*Cash flow interest rate risk*

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

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

**Credit risk**

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

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

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

**31 Financial instruments (continued)**

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

	Council		Group	
	Actual 2025 \$000	Actual 2024 \$000	Actual 2025 \$000	Actual 2024 \$000
Cash at bank and term deposits	43,123	22,159	44,105	24,367
Trade and other receivables	13,673	14,931	14,010	15,082
Community loans	588	625	588	625
Related party loans	21,681	21,681	-	-
Investments in debt securities	977	1,100	1,825	1,100
Derivative financial instrument assets	848	3,167	848	3,167
<b>Total credit risk</b>	<b>80,890</b>	<b>63,663</b>	<b>61,376</b>	<b>44,341</b>

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

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

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

**Liquidity risk**

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

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

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

Timaru District Council has a maximum amount that can be drawn down against its overdraft facility of \$nil (2024: \$nil). There are no restrictions on the use of this facility.

### 31 Financial instruments (continued)

*Contractual maturity analysis of financial liabilities, excluding derivatives*

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

	Carrying amount \$000	Contractual Cashflows \$000	Less than 1 year \$000	1-2 years \$000	2-5 years \$000	More than 5 years \$000
<b>Council 2025</b>						
Trade and other payables	19,091	18,931	18,931	-	-	-
Bonds	250,790	249,266	58,337	39,960	123,289	27,680
<b>Total</b>	<b>269,881</b>	<b>268,197</b>	<b>77,268</b>	<b>39,960</b>	<b>123,289</b>	<b>27,680</b>
<b>Group 2025</b>						
Trade and other payables	19,597	19,597	19,437	-	-	-
Secured loans	6,400	6,400	6,400	-	-	-
Bonds	260,090	249,266	58,337	39,960	123,289	27,680
<b>Total</b>	<b>286,087</b>	<b>275,263</b>	<b>84,174</b>	<b>39,960</b>	<b>123,289</b>	<b>27,680</b>
<b>Council 2024</b>						
Trade and other payables	15,956	14,328	14,328	-	-	-
Bonds	220,532	249,266	58,337	39,960	123,289	27,680
<b>Total</b>	<b>236,488</b>	<b>263,594</b>	<b>72,665</b>	<b>39,960</b>	<b>123,289</b>	<b>27,680</b>
<b>Group 2024</b>						
Trade and other payables	18,047	18,047	14,328	-	-	-
Secured loans	6,400	6,400	6,400	-	-	-
Bonds	220,532	249,266	58,337	39,960	123,289	27,680
<b>Total</b>	<b>244,979</b>	<b>273,713</b>	<b>79,065</b>	<b>39,960</b>	<b>123,289</b>	<b>27,680</b>

*Contractual maturity analysis of derivative financial instruments*

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

	Less than 1 year \$000	1-2 years \$000	2-5 years \$000	More than 5 years \$000
<b>Council 2025</b>	(274)	(526)	(48)	-
<b>Group 2025</b>	(274)	(526)	(48)	-
<b>Council 2024</b>	(1,324)	(1,237)	(606)	-
<b>Group 2024</b>	(1,324)	(1,237)	(606)	-

**31 Financial instruments (continued)***Contractual maturity analysis of financial assets*

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

	Carrying amount \$000	Contractual Cashflows \$000	Less than 1 year \$000	1-5 years \$000	More than 5 years \$000
<b>Council 2025</b>					
Cash and cash equivalents	43,123	43,123	43,123	-	-
Trade and other receivables	8,633	8,633	8,633	-	-
Loans to related parties	21,681	21,681	-	-	21,681
Unlisted shares	31,528	31,528	-	-	31,528
Other financial assets:					
- community loans	588	588	83	505	-
- investment in debt securities	977	977	977	-	-
- investment in LGFA	7,427	7,427	1,005	5,065	1,357
Total	113,957	113,957	53,821	5,570	54,566
<b>Group 2025</b>					
Cash and cash equivalents	43,492	43,492	43,123	-	-
Trade and other receivables	14,010	14,010	13,673	-	-
Unlisted shares	268	268	-	-	268
Other financial assets:					
- term deposits	613	613	613	-	-
- community loans	588	588	83	505	-
- investment in debt securities	977	977	977	-	-
- investment in LGFA	7,427	7,427	1,005	5,065	1,357
Total	67,375	67,375	60,180	5,570	1,625
<b>Council 2024</b>					
Cash and cash equivalents	22,159	22,159	22,159	-	-
Trade and other receivables	11,259	11,259	11,259	-	-
Loans to related parties	21,681	21,681	-	-	21,681
Unlisted shares	31,528	31,528	-	-	31,528
Other financial assets:					
- community loans	625	625	90	535	-
- investment in debt securities	1,100	1,100	1,100	-	-
- investment in LGFA	5,719	5,719	957	4,065	697
Total	94,071	94,071	35,565	4,600	53,906
<b>Group 2024</b>					
Cash and cash equivalents	23,542	23,542	23,542	-	-
Trade and other receivables	15,082	15,082	15,082	-	-
Unlisted shares	268	268	-	-	268
Other financial assets:					
- term deposits	825	825	825	-	-
- community loans	625	625	90	535	-
- investment in debt securities	1,100	1,100	1,100	-	-
- investment in LGFA	5,719	5,719	957	4,065	697
Total	47,161	47,161	41,596	4,600	965

### 32 Capital management

The Council's capital is its equity (or ratepayers' funds), which comprise retained earnings and reserves. Equity is represented by net assets.

The Local Government Act 2002 (the Act) requires Council to manage its revenue, expenses, assets, liabilities, investments and general financial dealings prudently and in a manner that promotes the current and future interests of the community. Ratepayer's funds are largely managed as a by-product of managing revenues, expenses, assets, liabilities, investments and general financial dealings.

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

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

Timaru District Council has the following Council created reserves:

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

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

Self-insurance reserves are built up annually from general rates for specific possible events.

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

### 33 Local Water Done Well

#### *Water Reform – Local Water Done Well*

The Water Services Act has come into effect requiring councils to have submitted a water services delivery plan (WSDP) by 3 September 2025.

Council resolved, on 22 July 2025, to progress work towards a standalone WSCCO to ensure that water services delivery in Timaru would not only meet all regulatory requirements (including financial sustainability) but would also be positioned for partnership in the near future should other councils decide to join with Timaru, and subject to agreed terms and conditions at such time.

Timaru District Council intends to complete transitional arrangements by way of establishing WSCCO governance, service level agreements with Council and the introduction of the new planning and accountability framework for water services within a phased transition from 1 July 2026 through to 1 July 2027.

TDC can confirm that the WSCCO will meet the financial sustainability requirements by FY 27/28, specifically:

- Projected Drinking Water and Wastewater revenue is sufficient to cover the costs of delivering the water services, including sufficient infrastructure investment and meeting increasing, known regulatory requirements.
- The proposed level of investment as outlined in the WSDP is sufficient to meet levels of services, regulatory requirements and provide for development as projected in the underlying LTP. In addition, the proposed level of investment can be fully funded by projected revenues.
- The projected WSCCO borrowings are within borrowing limits and will meet associated LGFA covenants within the initial five years. Initial cashflow to the WSCCO will be supported through a transitional period working capital arrangement from TDC to the WSCCO in FY25/26 and 26/27 ahead of revenue being received (collected on behalf of the WSCCO).

**33 Local Water Done Well (continued)**

Based on the assumptions in this WSDP, the average water charges per connection are expected to increase from \$1,599 in 2025/26 to approximately \$2,588 in 2033/34, representing an average annual increase of 7% from 2026/27. This is in nominal terms including inflation. Excluding inflation, this charge in 2034 is estimated as \$2,194 (including GST). Note that price increases are mostly incurred in the next 4 years.

The price increases from 2030 onwards are more modest and contribute to an increased operating surplus and some provision for phasing in increases to cover investment required from 2034 onwards (as per Timaru District Council's Infrastructure Strategy).

Timaru District Council's decision remains uncertain, as at the time of publication the council has not received notification of whether or not the WSDP has been accepted by the Minister for Local Government.

**34 Events after balance date****Accounting policy**

Events which are deemed to actually or potentially have a material impact on the Council or Group but which occur after balance date are disclosed including why they have been assessed as being of significant materiality.

On 24 March 2025 a proposal for change was outlined to the organisation which included details of proposed staffing changes. A consultation period commenced, which resulted in a revised proposal being presented on 19 May 2025. Final decisions were announced on 9 July 2025 and the revised structure was operational from 25 August 2025.

## Disclosure statements

Annual Report Disclosure Statement for the year ended 30 June 2025

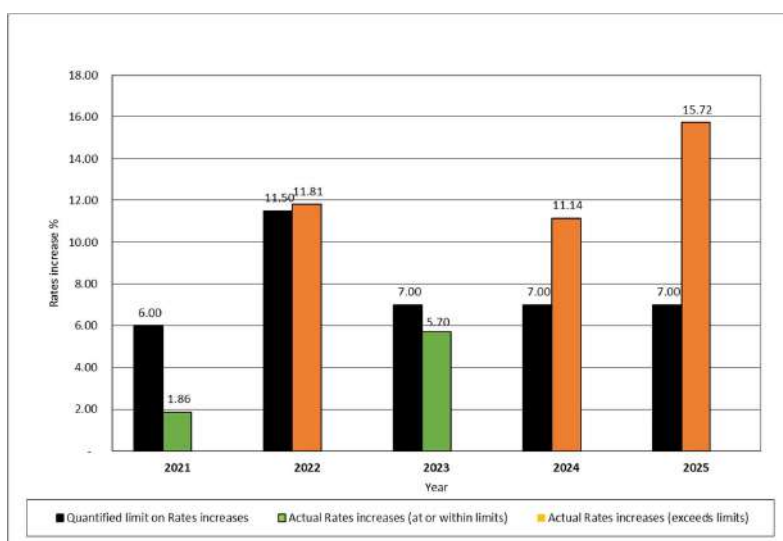
### What is the purpose of this statement?

The council is required to include this statement in its annual report in accordance with 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.

Council is required to disclose its performance in relation to specific benchmarks, as follows:

#### 1. Rates (increase) affordability benchmark

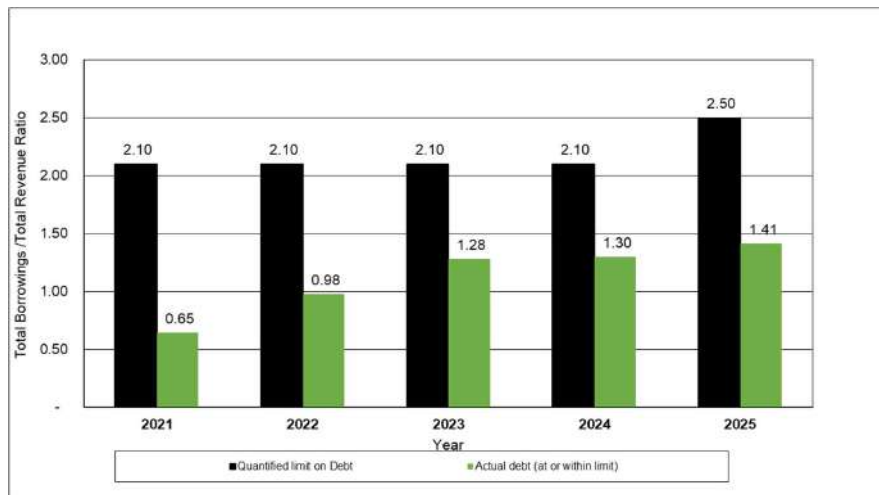
The Council meets the rates affordability benchmark if its actual rates increases equal or are less than each quantified limit rates increases. The following graph compares Council's actual rates increases with a quantified limit on rates increases included in the financial strategy in the Council's long term plan (LTP). The quantified limit is 7%.



## 2. Debt affordability benchmark

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

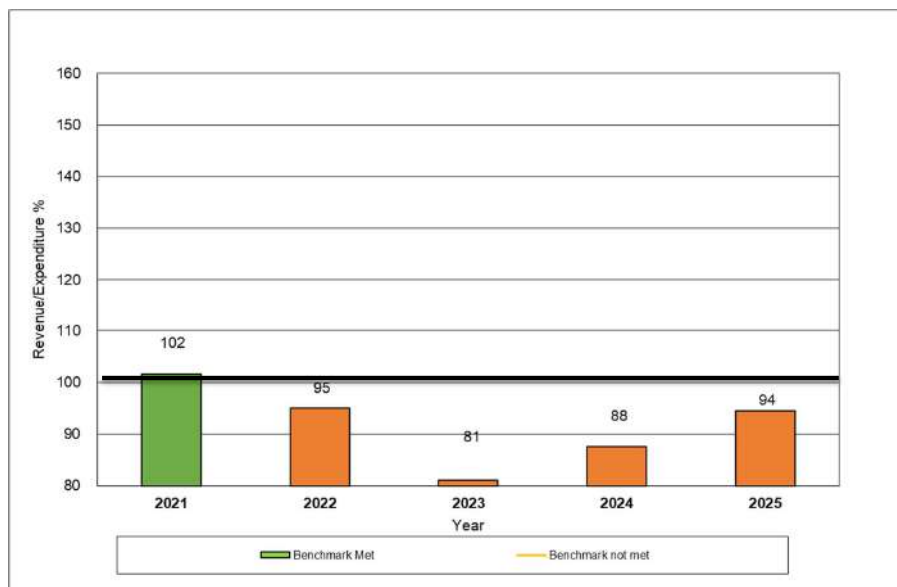
The following graph compares the Council's actual borrowing with a quantified limit on borrowing stated in the financial strategy included in the Council's long term plan. The quantified limit is a ratio of net debt to total income of 2.5.



## 3. Balanced budget benchmark

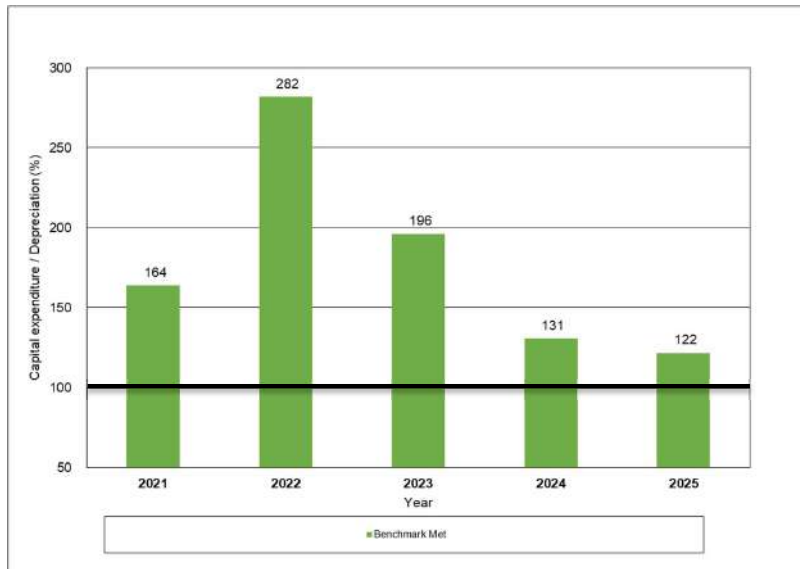
The following graph displays the Council's revenue (excluding development contributions, financial contributions, vested assets, gains on derivative financial instruments, and revaluations of property, plant or equipment) as a proportion of operating expenses (excluding losses on derivative financial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

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



#### 4. Essential services benchmark

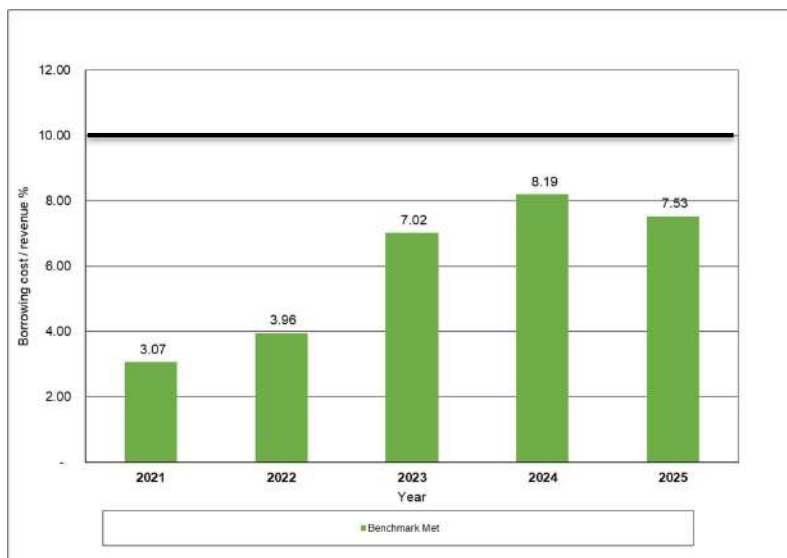
The following graph displays the Council's capital expenditure on network services as a proportion of depreciation on network services. The Council meets this benchmark if its capital expenditure on network services equals or is greater than depreciation on network services.



#### 5. Debt servicing benchmark

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

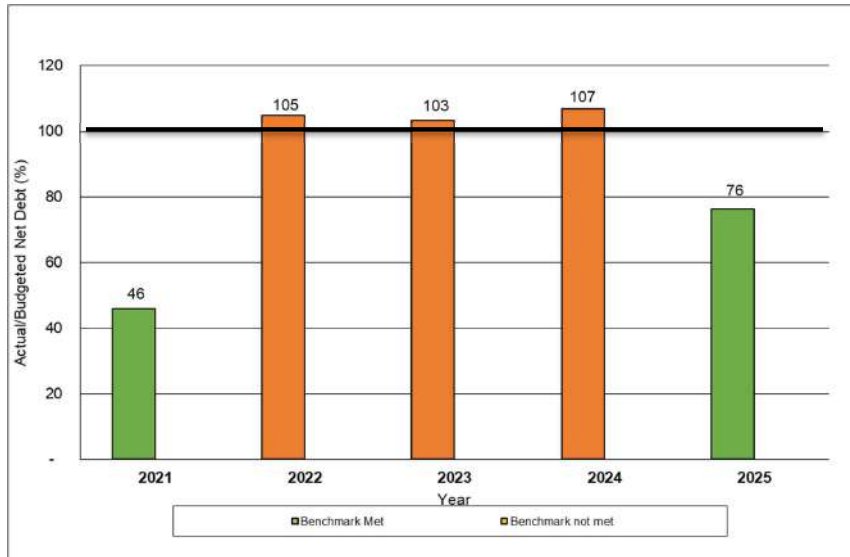
Because Statistic New Zealand projects the Council's population will grow more slowly than the national population growth rate, it meets the debt servicing benchmark if its borrowing costs are equal or less than 10% of its revenue.



## 6. Debt control benchmark

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

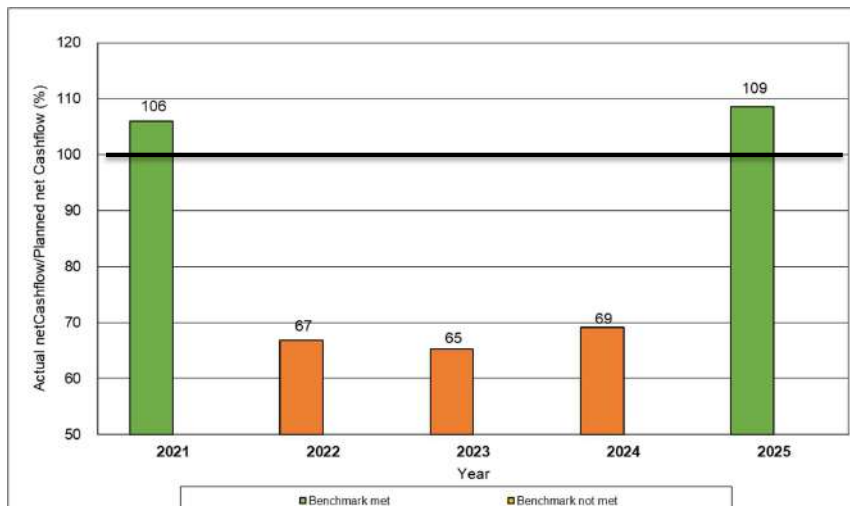
The Council meets the debt control benchmark if its actual net debt equals or is less than its planned net debt.



## 7. Operations control benchmark

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

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



**Other  
information**

**2024  
2025**

## Directory

### Timaru District Council

Timaru District Council  
PO Box 522  
Timaru 7940

### Timaru Main Office:

2 King George Place  
Timaru 7910  
Telephone: (03) 687 7200  
Email: [enquiry@timdc.govt.nz](mailto:enquiry@timdc.govt.nz)  
Website: [www.timaru.govt.nz](http://www.timaru.govt.nz)  
Hours (except statutory holidays)  
Monday – Friday 8:30am – 5pm

### Temuka Library, Service and Information Centre

72 – 74 King Street, Temuka 7920  
Telephone: (03) 687 7591  
Email: [temuka.library@timdc.govt.nz](mailto:temuka.library@timdc.govt.nz)  
Hours (except statutory holidays)  
Monday – Friday 8:30am – 5pm  
Saturday 10am – 1pm

### Geraldine Library and Service Centre

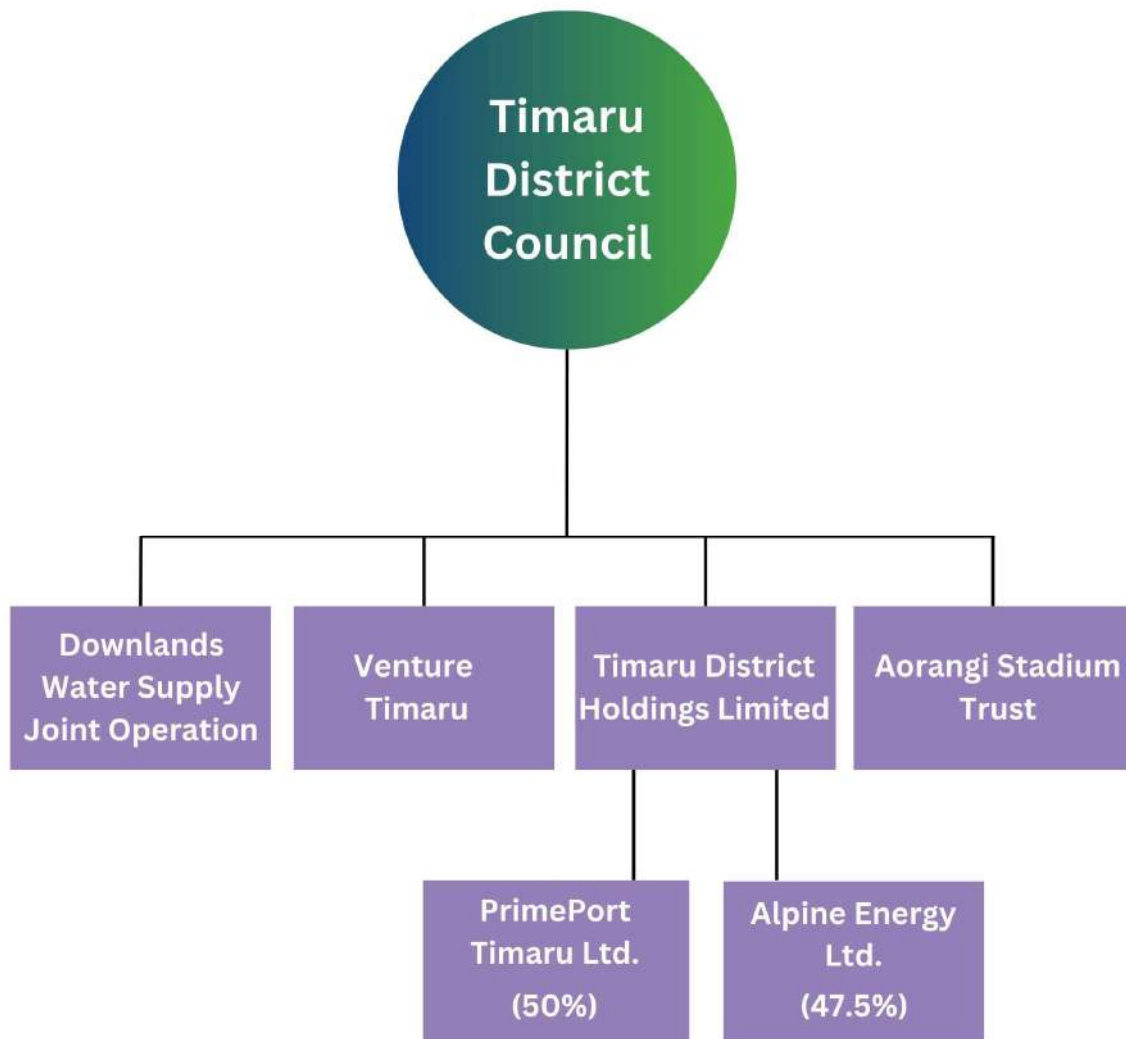
78 Talbot Street, Geraldine 7930  
Telephone: (03) 693 9336  
Email: [libger@timdc.govt.nz](mailto:libger@timdc.govt.nz)  
Hours (except statutory holidays)  
Monday – Friday 8:30am – 5pm  
Saturday 10am – 1pm

### Bankers

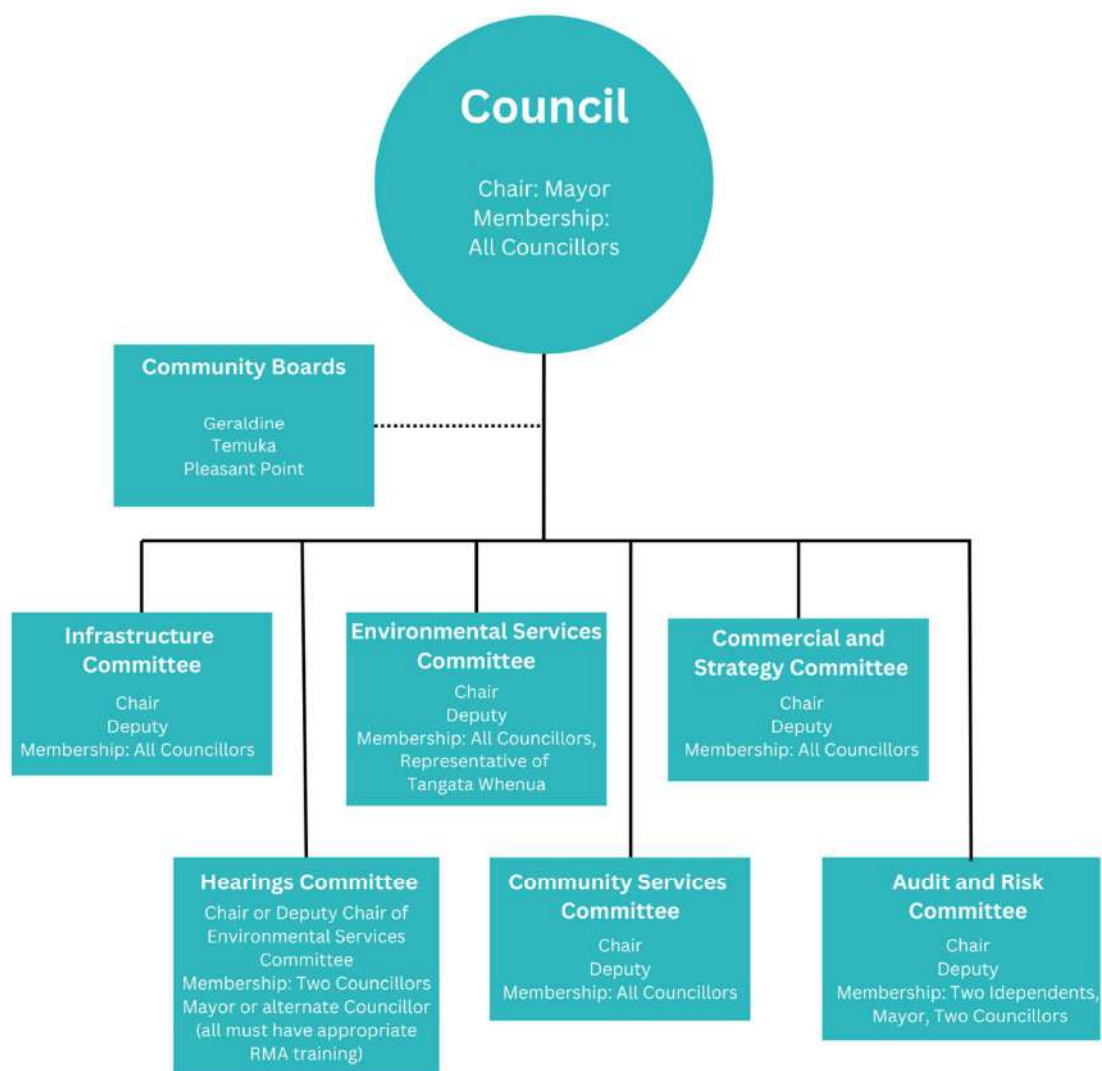
Bank of New Zealand  
247 Stafford Street  
Timaru 7910

### Auditors

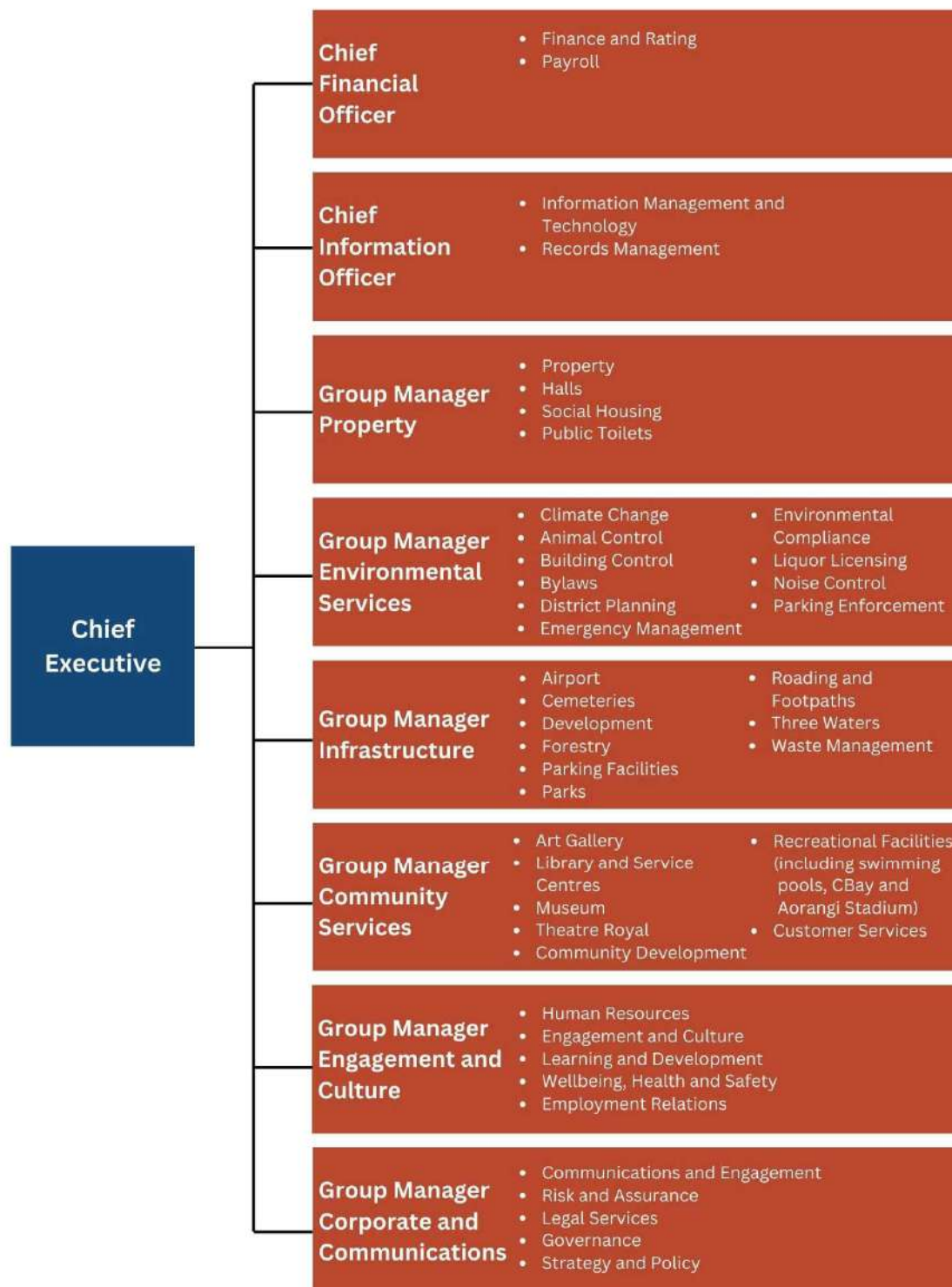
Audit New Zealand  
On behalf of the Controller and Auditor-General  
PO Box 99  
Wellington 6140

**Group Organisation Structure**

## Council Committees



**Council Management** (as at 30 June 2025)



## Our Workforce

Timaru District Council employs a total of 363 staff members.

There are 57 casual, short term and part time staff. Overall, there are 306 full-time equivalent employees. 260 of these staff are full-time, with the balance of staff representing 46 full-time equivalent employees including part-time and casual staff.

Council has a strong commitment to its staff, recognising that our people are one of our most important assets, and play a huge role in delivering results for our community.

Staff are supported through an inhouse group with a focus on promoting and instilling the positive corporate values of Customer Focus – One Team – Successful – Integrity (COSI) within the people of Timaru District Council.

### Our mission statement

The COSI Committee will seek to promote and instil the positive corporate values of Customer Focus – One Team – Successful – Integrity within the people of the Timaru District Council.

### Our staff – some quick facts

#### Age profile %

Under 20	4%
20-30	15%
31-40	18%
41-50	21%
51-55	12%
56-60	12%
61-65	12%
65+ and no DOB	6%

#### Length of Service

Less than one year	55
1-4 years	168
5-9 years	52
10-20 years	64
21-30 years	17
30+ years	11

## Glossary

### Activity

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

### Annual Plan

The Annual Plan is produced in the intervening years between Long Term Plans. It includes the work programme for the year and financial statements. The first year of a Long Term Plan cycle represents the Annual Plan for that year.

### Annual Report

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

### Asset

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

### Activity/Asset Management Plan

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

### Borrowing

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

### Capital Expenditure

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

### Capital Value

Value of land including any improvements.

### Community Boards

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

### Community Wellbeing Outcomes

Community Wellbeing Outcomes are the social, economic, environmental, and cultural outcomes Council is seeking to promote for the communities it represents.

### Council Controlled Organisations

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

### Financial Strategy

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

### Financial Year

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

**General Rate**

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

**Group of Activities**

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

**Infrastructure Strategy**

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

**Land Value**

Value of land, excluding any improvements.

**Local Government Act 2002**

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

**Long Term Plan (LTP)**

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

**Operating Expenditure**

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

**Operating Revenue**

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

**Operating Surplus/(Deficit)**

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

**Performance Measure**

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

**Rates**

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

**Revenue and Financing Policy**

This describes how the Council's work will be paid for and the mechanisms used for gathering funds (e.g. general rate, targeted rates, fees, user charges, grants).

**Significance**

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

**Significance and Engagement Policy**

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

**Statement of Cash Flows**

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

**Statement of Comprehensive Revenue and Expense**

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

**Statement of Financial Position**

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

**Subsidies**

Amounts received from other agencies for the provision of services.

**Targeted Rates**

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

**Transfer to/from Reserves**

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

**User Charges**

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

**Working Capital**

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