

TIMARU



DISTRICT COUNCIL

Te Kaunihera ā-Rohe
o Te Tihi o Maru

Annual Report 2017/18

Summary

Council Assets and Services

1 landfill
1 airport
3 libraries
1 museum
1 art gallery
1 dog pound
1 eco-centre
7 cemeteries
2,324 carparks
236 housing units
4,000+ streetlights
Safer Communities
309km of footpaths
20 halls and theatres
346km of sewer pipes
Planning for the future
3 rural oxidation ponds
Numerous public toilets
238 hectares of forestry
4 public swimming pools
289 bridges and culverts
4 refuse transfer stations
1 sewage treatment plant
Three bin kerbside recycling
Leadership for the community
11 piped water supply systems
Community grants and funding
144km of piped stormwater drain
Bus shelters, cycleways, traffic lights
The Crows Nest' - recycled goods shop
1,700km+ of sealed and unsealed roads
Over 1,800km of water supply reticulation
56km of off-road walking and cycling tracks
Nearly 600 hectares of parks, reserves,
walkways and playgrounds
Manages and enforces requirements of several
pieces of legislation, including Local Government
Act, Resource Management Act, Building Act, Civil
Defence and Emergency Management Act.....

From the Mayor and Chief Executive

E aku nui, e aku rahi, tēnā koutou

Nau mai, pānui mai i tēnei pūrongo

The 2017/18 financial year is Year Three of the 2015-25 Long Term Plan. This Annual Report is an opportunity to reflect on the year and report to you, our community, on the progress Council has made towards achieving the plans we agreed in the Long Term Plan.

Achievements and Challenges

A lot of the work Council does relates to making sure we have the infrastructure our district needs. Much of this work is not visible to residents but it is essential for us to continue to thrive as a district. Some of the main infrastructure projects progressed this year include:

- Resurfacing of 58km of sealed roads and reconstruction of 7km of roads throughout the district
- Ongoing upgrading and renewal of sewer mains
- Progress on the Downlands Trunk main and Water Treatment Plant upgrade.

Our recreational and cultural facilities continue to provide quality services for both residents and visitors:

- The district swimming pools attracted record attendances across all age groups, with many residents taking advantage of the increasing range of classes and activities on offer.
- The school holiday programmes offered at the Art Gallery, Museum and Libraries are now so successful that a booking system is often needed. These creative sessions are popular with parents and caregivers as well as children, and help to raise community awareness of what these facilities offer.
- Our libraries/service centres are real community hubs, with an ever increasing range of activities and services offered in response to community requests.

We were also faced with some challenging issues, not the least being the urgent upgrading that was undertaken on part of the Temuka trunkmain due to delaminating asbestos in the existing trunkmain. This work was prioritised so that it could be completed with the least possible disruption to residents. We worked hard to communicate with Temuka residents, and appreciated their tolerance as the necessary repairs were carried out.

The change of government in September 2017 resulted in some significant legislative and policy changes for the local government sector, particularly in the areas of transport, water services and the role of local government itself. Adapting to these changes will continue to be a major focus over the next few years.

You can read more about our year, our performance and achievements in Sections 1 and 2 of this report.

Financial Performance

We are pleased to deliver an Annual Report that shows the Council's finances are in a significantly better position than forecast in the Annual Plan 2017/2018. This strong financial position was the result of a number of factors including:

- Vested assets from subdivisions within the district, valued at \$1,573,000, being received during the year.
- Ongoing low interest rates, combined with deferred capital expenditure and strong cashflow, resulting in lower interest costs.
- Other increases in revenue, such as from fees
- Depreciation expense is below budget due to deferred capital expenditure
- Waste tonnages to the landfill have increased during the year due to the level of commercial activity.

Many of these financial items are not cash transactions and therefore do not affect the amount of rates required to provide the Council's services. It is not expected that there will be a significant reduction in the amount of rates required in future years as a result of the reported surplus in the current year.

Community Views

During the year we again asked residents to tell us what they think about Council services, in the biennial community survey. We took heart from results like 80% satisfaction with the overall work of the council and 95% of residents considering the district to be at least as good a place to live as it was three years ago. The survey also showed areas we can work to improve, and this helps us focus our efforts going forward.

Planning for the long term

In June this year we adopted our Long Term Plan 2018-28. This multi-year project also relied on input from the community. The three fold increase in submissions was a fantastic response, and the views expressed helped shape Council decisions on how to plan for the best possible future for our district.

Health and Wellbeing

Council continues to focus on the health and safety of its staff and the facilities it provides to our community. We have revitalised our engagement models with both contractors and staff to improve the way we work which reduces risk and includes well-being as well as safety. Council has seen a reduction in serious injuries and an improvement in the amount of incidents being reported, indicating a growing safety culture across Council.

Finally

Our district continues to thrive due to the cooperative efforts of our communities, volunteers, Council staff and contractors, Councillors, Community Board members, and most importantly the residents who choose to call Timaru District home.

Nō reira e ngā iwi o tēnei rohe

Tēnā koutou, tēnā koutou, tēnā tātou katoa



Damon Odey

Mayor
Koromatua



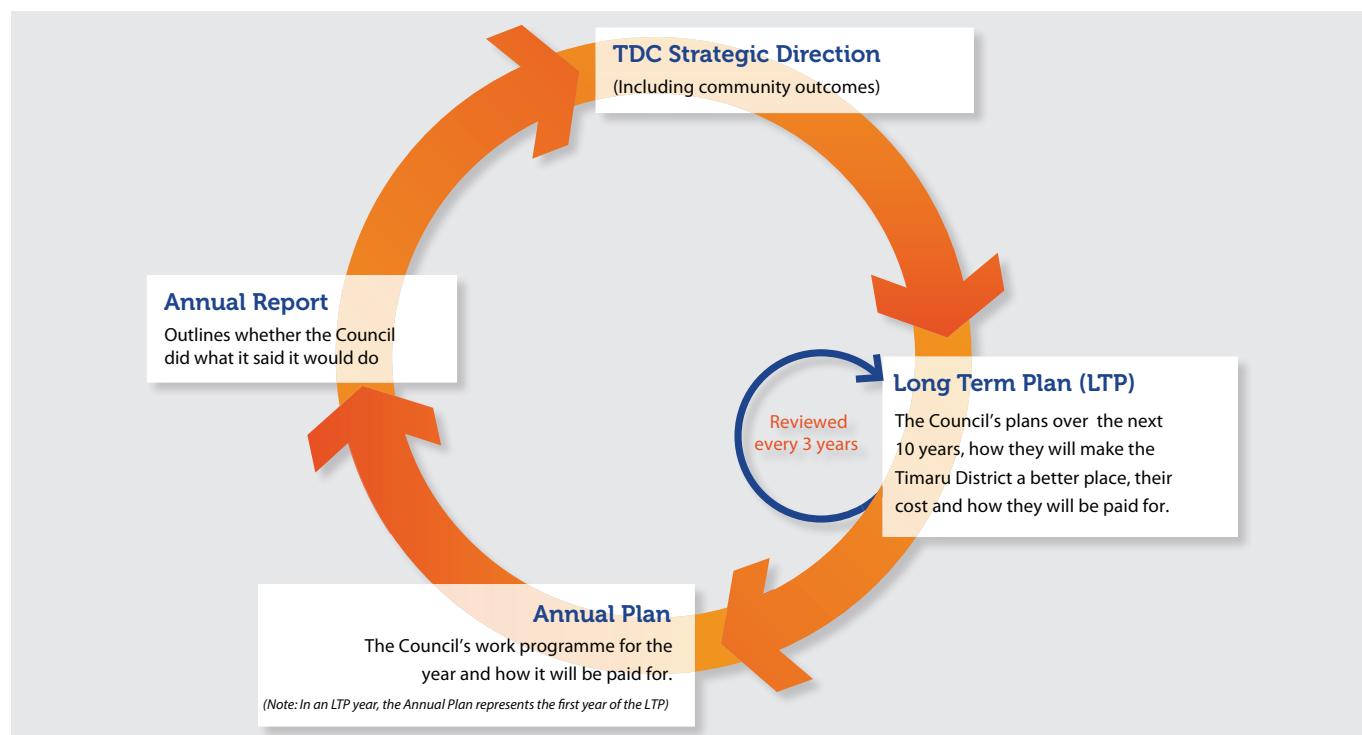
Bede Carran

Chief Executive
Kaiwhakahaere

About the Annual Report

The purpose of the Annual Report is to explain how we delivered on the 2017/18 Annual Plan (or Year Three of the 2015-25 Long Term Plan) as required by Section 98 of the Local Government Act 2002.

The diagram below shows our planning and reporting cycle:



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

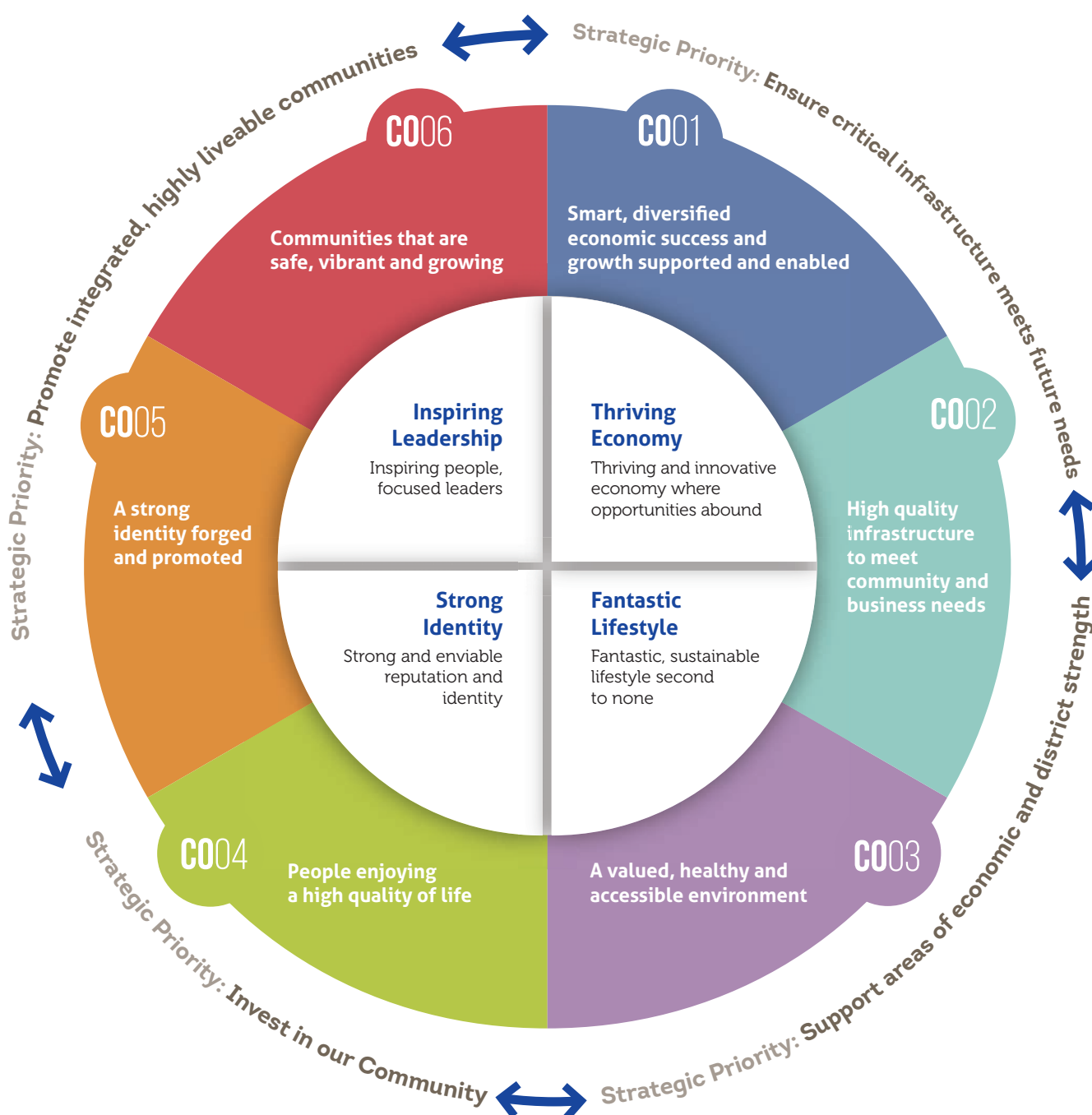
GROUP OF ACTIVITIES	ACTIVITIES	
Democracy	Governance and Leadership	
Community Support	Airport Community facilities (includes public toilets, cemeteries) Community Funding (includes community funding, subsidised labour)	Economic Development and District Promotions Emergency Management Safer Communities Social Housing
District Planning and Regulatory Services	Building Control District Planning	Environmental Health (includes environmental health, animal control, parking enforcement)
Recreation and Leisure	Cultural and Learning Facilities (Includes Art Gallery, Halls, Theatre Royal, Libraries, Museum)	Parks, Recreation and Swimming Pools (Includes Caroline Bay Trust Aoraki Centre, Fishing Huts, Motor Camps and Forestry)
Roading and Footpaths	Roading and Footpaths (Includes parking facilities)	Cycleways and walkways
Waste Minimisation	Compost, Recycling and Refuse	
Sewer	Sewer	
Stormwater	Stormwater	
Water Supply	Water Supply	

OUR STRATEGIC DIRECTION

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

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

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



The Year in Review 2017/18: Highlights

VISION

Inspiring Leadership

Inspiring, people-focused leadership

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

This means:

- We lead to inspire and enable our people and our future leaders
- We proactively reduce barriers. Our leaders help create the environment for the future to happen
- We plan for the future to take advantage of its opportunities and recognise and address its challenges
- Our leaders make decisions that enable our community and economy to prosper
- We serve our customers and community well

Strong Identity

Strong and enviable reputation and identity

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

This means:

- We are proud of our district - our environment, our lifestyle, our communities, our people, our success
- We build and own our identity
- Our residents are our strongest advocates – locally, nationally, internationally
- We respect and honour our heritage and individuality
- We value, encourage and celebrate ethnic diversity
- We celebrate and sell our story
- New residents are welcomed, and feel welcome
- Our creative and energetic arts and culture scene enhances and reflects our identity
- Our communities preserve and grow their own individual identities
- We celebrate our success

Thriving Economy

Thriving and innovative economy where opportunities abound

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

This means:

- We build on our economy's agricultural roots and support innovative, future-focused industries
- Our industries and businesses produce high quality goods and services while valuing the environment from which their raw materials are sourced
- Our businesses are well supported and enabled to grow
- Our district has a variety of training and employment opportunities available
- Our standard of living grows continuously
- We have planned balanced growth that keeps our businesses, population and youth local
- We maintain and build on our district's strong economic diversification
- New businesses choose Timaru District
- Our businesses and other agencies work together for maximum district benefit
- High quality infrastructure underpins the delivery of economic opportunity and prosperity
- We put out the red carpet, not the red tape

Fantastic Lifestyle

Fantastic, sustainable lifestyle second to none

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

This means:

- Our communities are well serviced with essential services
- We have a humming, vibrant mix of places to go to and things to do
- We feel safe walking the streets and crime rates remain low
- Our families are strong and our children and youth are provided with great opportunities to learn and grow
- We care for and respect our elderly
- We have abundant leisure, cultural, and sporting opportunities
- We care for, enhance and respect the natural environment
- Our district's opportunities attract people, skilled workers and families here to live, work and play

The Year in Review 2017/18: Highlights

Council has identified the following community outcomes



Smart, diversified economic success and growth supported and enabled

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



High quality infrastructure to meet community and business needs

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



A valued, healthy and accessible environment

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



People enjoying a high quality of life

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



A strong identity forged and promoted

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



Communities that are safe, vibrant and growing

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

Read more about our strategic direction in the Long Term Plan 2018-28, available from:
www.timaru.govt.nz

The Year in Review 2017/18: Highlights

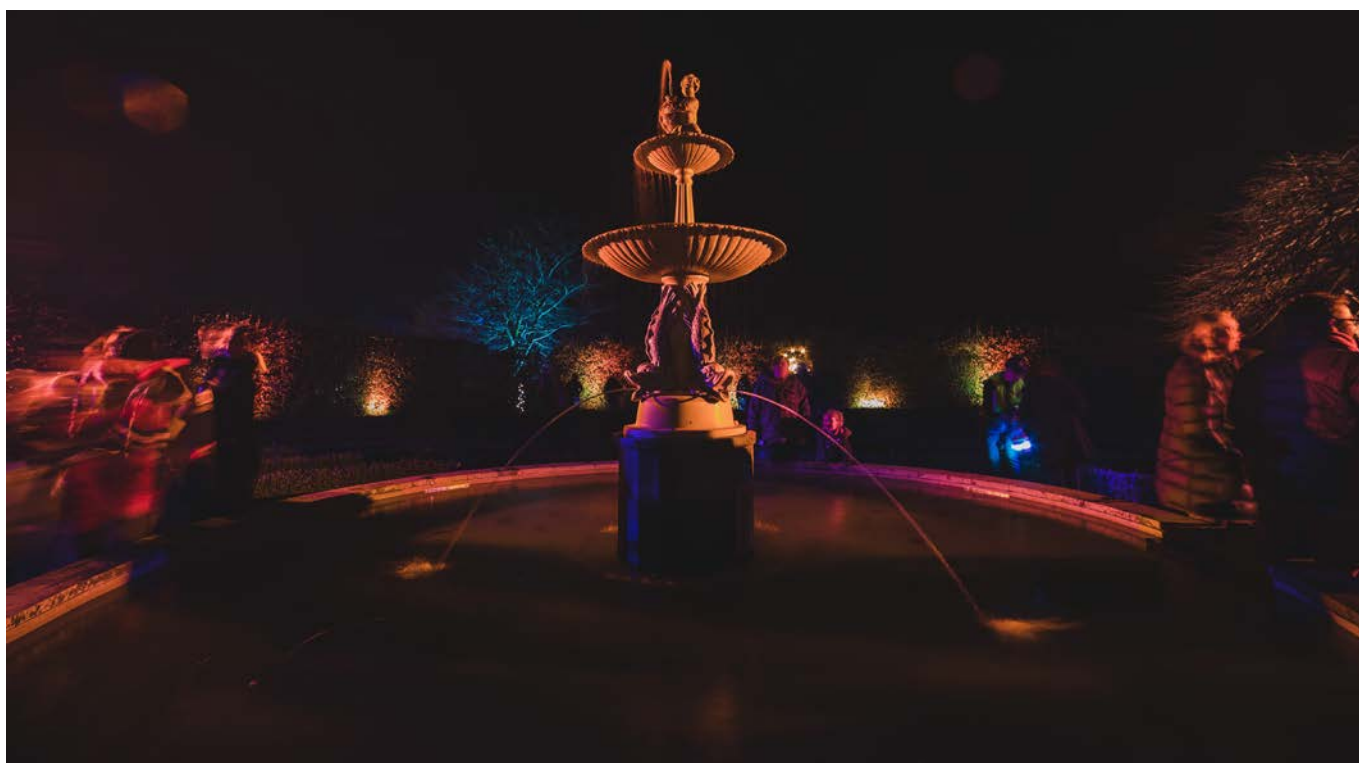
Our museum is a winner on the world stage!

South Canterbury museum staff put together a dance video with the aim of putting Timaru on the map. The video entry in the International Museum Dance Off which had a "vague and hallucinogenic" feel, was set to Ballroom Blitz by Sweet. It involved museum staff, volunteers, and young children from the Museum Explorers' Club. With huge community support the entry was judged the winner by popular vote.



Celebrating Winter at the Timaru Botanic Gardens

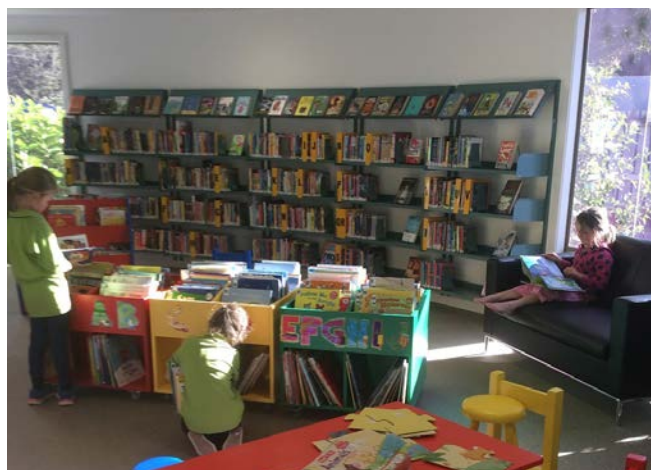
The Aigantighe Art Gallery, with the help of library and museum staff, organised a highly successful "Colour the Night" winter festival at the Timaru Botanic gardens. The event saw over 4,000 people enjoying the lights festival and a treasure hunt.



Our libraries - an integral part of the local community

Every year our libraries/service centres in Geraldine, Temuka and Timaru provide an increasing range of community focused activities. Some of the most popular this year included:

- a summer reading challenge - this extended beyond school age children to include readers of all ages.
- 'device advice' groups
- craft and puzzle groups
- a JP service, and support for those requiring assistance at NZ Census time
- space for community groups to promote their messages, including, Aoraki Embroiders' Guild, Heart Kids South Canterbury, South Canterbury Hearing Association, Timaru Community Patrol, South Canterbury Age Concern, to name a few.



The Year in Review 2017/18: Highlights

Million dollar upgrade complete at Timaru airport

The upgrade to the terminal building includes a larger baggage collection area, upgraded check in desks, new seating, lighting and heating, more sockets and charging stations and free wifi. The focus of the upgrade was to provide cleaner, more modern and comfortable surroundings.

The terminal upgrade follows the recently completed carpark extension, meaning the airport is now better equipped to cope with the move from a 19-seater plane to having to support up to 50 passengers in the larger aircraft now servicing the Timaru - Wellington route. A separate upgrade to the airport's toilets will also soon be completed.



Photo courtesy of Brian High



Photo courtesy of Brian High

Record community input into Long Term Plan

A major focus of preparing the 2018/28 Long Term Plan was inviting residents to share their vision and priorities for the district. Through the consultation document "Our Place, Our Future" Council asked for input on options around 4 key issues:

- Our Water - What Price - how to best achieve a resilient future water supply
- To Be Or Not To Be? - options for the redevelopment of the Theatre Royal in Timaru
- Moving Our Past To Our Future - options for developing a Heritage Facility
- Do We Really Want Better Waterways? - options for dealing with stormwater to improve our environment.

Particular efforts were made to engage with school students. Rather than the traditional approach of expecting students to come to Council, Cllr Sally Parker and Mayor Damon Odey went to the students. They spoke at assemblies at the 7 high schools in the district and then met with a small group of students at each school to hear their views.

Over 1,000 residents took the opportunity to make a submission on the Long Term Plan. In addition to the 4 big issues another 260 matters were raised for consideration.

These submissions formed part of the Council's deliberations and are reflected in the Long Term Plan 2018/18, adopted by Council to guide Council services for the next 10 years.



Gold medal status for CBay Learn2Swim

CBay Learn2Swim was endorsed as a Gold Quality Swim School by Swimming New Zealand.

The swim school is continuing to grow in popularity with over 43,000 swimming lessons completed this year.



The Year in Review 2017/18: Highlights

More progress on the District Plan review

This multi year project involves a comprehensive review of the District Plan - the blue print that guides the Council as it carries out its function of sustainable management under the Resource Management Act. Key progress included:

- Formal adoption of the Growth Management Strategy, following extensive consultation
- Drafting of the Ecosystems and Indigenous Biodiversity Chapter for the District Plan
- Heritage items and significant tree consultation commenced.



Timaru District 2045

Growth Management Strategy

New public toilet in Temuka

At the request of the Temuka Community Board a new toilet was provided at the Maude Street playground, Temuka, the for the convenience of the increasing number of walkers using the Taumatakahu stream walking track.



Building Control Unit retains accreditation

During the year the Building Control Unit successfully completed the biennial IANZ accreditation audit resulting in Building Consent Authority accreditation being retained for a further 2 years. This means Council's Building Control Unit is fully accredited to undertake the assessment of building proposals to ensure that they will comply with the relevant Building Code performance requirements.



What did our residents say about our services?

Council's biennial community survey shows 80% of residents surveyed are satisfied with the overall work of the council. Satisfaction is particularly high for infrastructure such as the sewerage and water supply systems (94% and 90% respectively) and services such as waste disposal and recycling 92%, and facilities including the art gallery, museum, libraries and swimming pools at 90%.

These regular surveys give Council important feedback on areas where we are doing well, and more importantly areas we can improve on.

While resident satisfaction with influence on council decision making has increased from 46% to 53%, this remains an area we are working hard to improve, along with improving our overall communication with the community.

Survey results are spread throughout the report and available on the Council's website.



Timaru District Council Annual Residents' Survey



Report | June 2018



The Year in Review 2017/18: Highlights

Focus on our roads

Every year Council spends a significant portion of its budget on improving the district's roads and footpaths. Some of the key projects this year included:

- Significant road renewals in Cartwrights Road Washdyke, Canal Road, Clandeboye and Te Moana Road, Geraldine.
- Upgrading of Doncaster and Martin Streets in Washdyke including new kerb and channel, footpaths and seal widening.
- Bridge constructions on Arundel Belfield Road, and Brookfield Road which was renewed and widened to two lanes.
- Resurfacing of 58km of sealed roads and reconstruction of 7km of roads
- Resurfacing of 6.98km of footpaths and installation of 1.18km of new footpaths



Canal Road Renewal

More new initiatives to stop waste going to landfill

A major focus for the Waste Minimisation team is to keep increasing the amount of waste we are able to divert away from the landfill. With the emphasis on reuse and recycling, some exciting new initiatives were launched during the year, including:

- An Escrap dismantling trial in partnership with Sustainable South Canterbury Trust and E-Cycle Ltd.
- A "Seat Smart" recycling programme where Council offers a discount off the charge to recycle old child restraint car seats. The programme is growing in popularity.
- A waste sort trial looking at new options for sorting the various types of waste received at the Redruth Landfill



The Year in Review 2017/18: Highlights

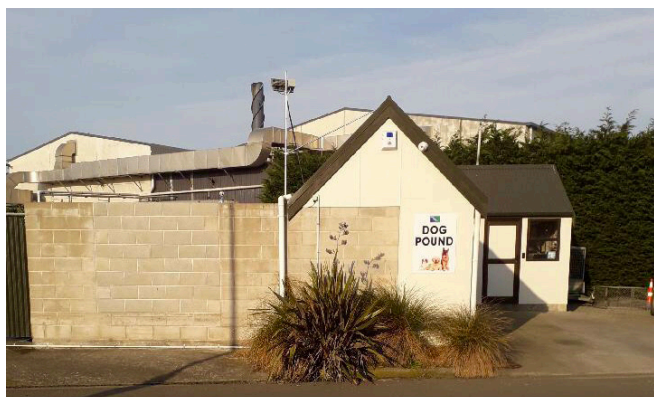
Residents report satisfaction with water supply services

The 2017/18 community survey results indicate residents are very satisfied with the district's water supply, and that perceptions of taste have improved since the 2015/16 survey. An overall satisfaction of 90% is a collation of views on the reliability of the water supply and the taste and clarity of the water.



Timaru Dog Pound upgrade

Council's Dog Pound on Aorangi Road has been given a \$50,000 upgrade. The facility is now more suitable to meet the health and safety requirements of staff, as well as providing impounded dogs with a safe, clean and warm environment.



Major Infrastructure upgrades

Much of the infrastructure that keeps the district ticking is underground. Whilst not the most glamorous services, well functioning infrastructure for stormwater, sewer and water supply are vital for residents and industry to prosper and continue enjoying the high quality of life the district prides itself on.

Key projects undertaken during the year included:

- Sewer main renewal work in Gibson Street, Clyde Street and Bouverie Street in Timaru and Strawberry Place in Geraldine.
- Installation of aerators at the Temuka oxidation ponds, reducing odour issues.
- Completion of stormwater diversion bunds in the Gleniti, Timaru (Residential 6) Stormwater System.
- Land for the Fraser Street, Temuka retention pond has been acquired and work will commence in August 2018.
- Urgent upgrading of part of the Temuka Trunkmain due to delaminating asbestos in the existing trunkmain. This work was prioritised and able to be completed with the least possible disruption to residents.
- Watermain upgrades in Gresham Road, Gualter Road and Wooding Road in the Te Moana water reticulation, McKeown Road in Woodbury, Hayes Street and Richie Street in Timaru, and Afghan Street in Pleasant Point.
- Watermain renewals in Kabul Street and Manse Street in Pleasant Point and Cornwall Street in Timaru.



The Year in Review 2017/18: Performance

Performance at a glance

93%

Tenant satisfaction
with social housing
units

43

thousand
swimming lessons at CBay



582,193

library items issued

22,032 visitors at the
Aigantighe Art Gallery

62.3km

of sealed roads resurfaced

**Airport
Accreditation
retained**

56

kilometres
of off road cycle and
walking tracks



83%

residents
satisfied with
overall services
and facilities



2,093

building consents
processed.

99.5%

of known dogs
registered

77%

of residents satisfied
with maintenance
of footpaths

72%

of residents think
Council provides
value for money

20,878 tonnes

of material diverted from landfill via recycling
composting and reuse

90%



user satisfaction with water supply services

100%

of Resource Consents processed with
statutory timeframes. Average processing
time of 12.3 days

Day-to-day we...

Maintain over 1,700km of sealed and unsealed roads, 289 bridges and 309 km of footpaths.

Run libraries at Timaru, Temuka and Geraldine, with an increasing focus on libraries as a community hub for a range of recreational, cultural and learning opportunities for all residents.

Provide and manage over 540 hectares of parks, reserves, sports grounds and gardens throughout the district.

Process and issue building and resource consents.

Operate 12 individual water supplies throughout the district that service 16,000 properties.

Manage 51km of off road walking and cycling tracks.

Promote dog registration and responsible dog ownership as part of enhancing the safety of residents.

Manage and maintain 40 public toilets in the CBD, local parks and in rural areas.

Operate 4 swimming complexes across the district.

Manage and maintain an art gallery, museum and libraries that are free to visit for all residents and visitors to the district.

Manage a sewer asset base of oxidation ponds and wastewater treatment plants, 24 sewer pump stations, 354km of pipelines and 4000 manholes.

The Year in Review 2017/18: Performance

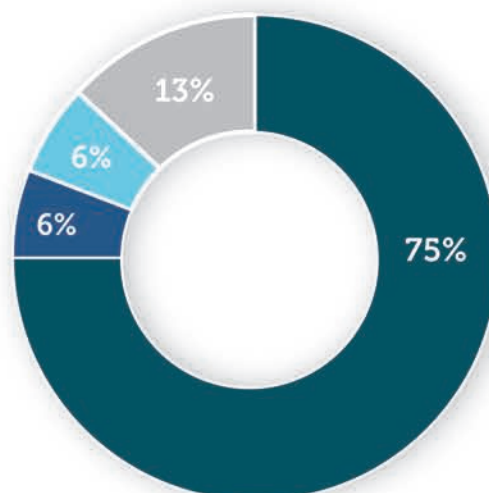
Measuring up

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

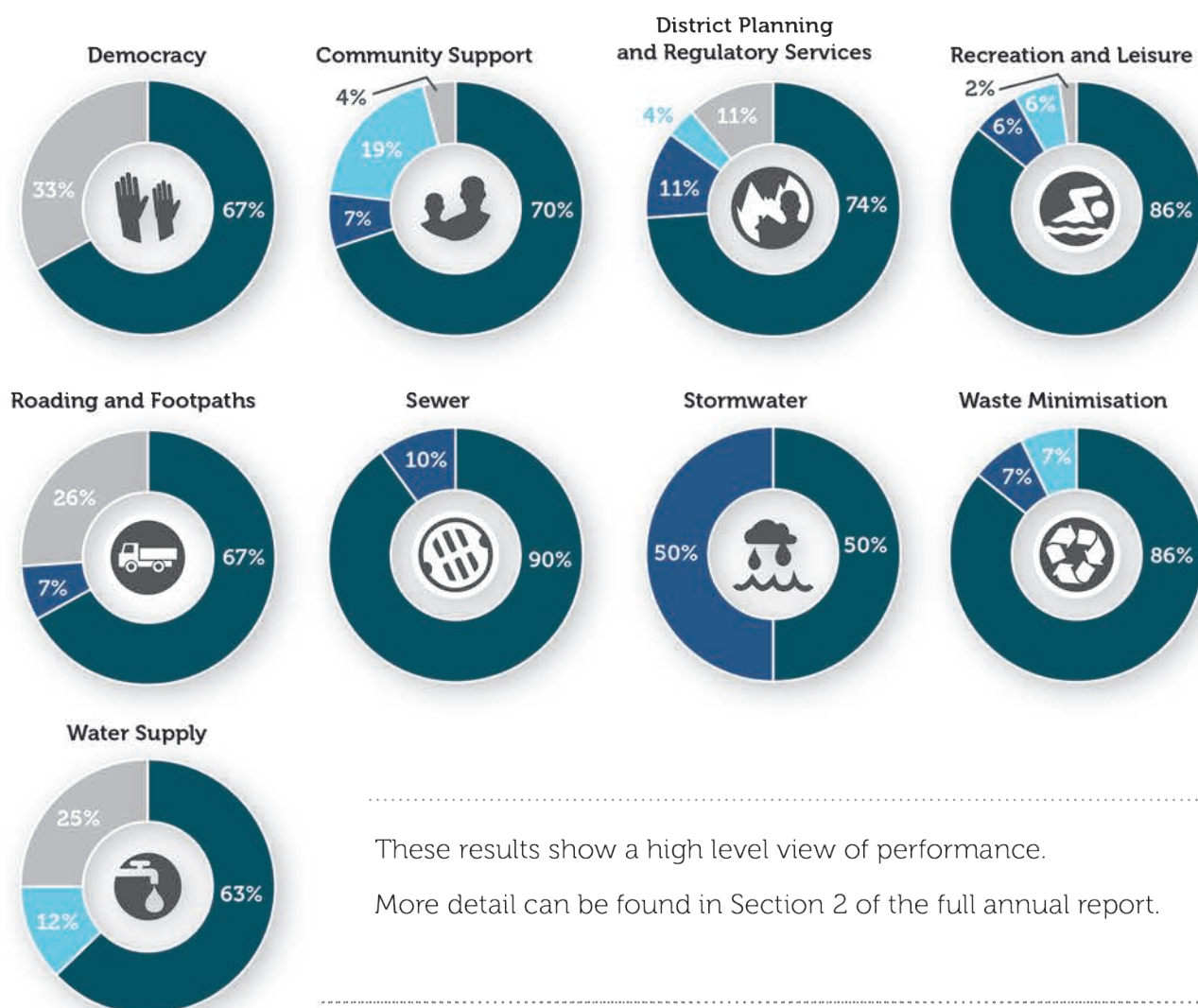
We have 182 performance measures that we report on across 9 groups of activities.

We achieved 136 of these, nearly achieved 11, and 23 were not achieved. 12 were not measured this year due to data collection issues.

Overall Performance Summary



Performance Summary by Group of Activities



These results show a high level view of performance.

More detail can be found in Section 2 of the full annual report.

Performance Measures by Activity – Summary

The following is a selection of some of our most significant performance measures

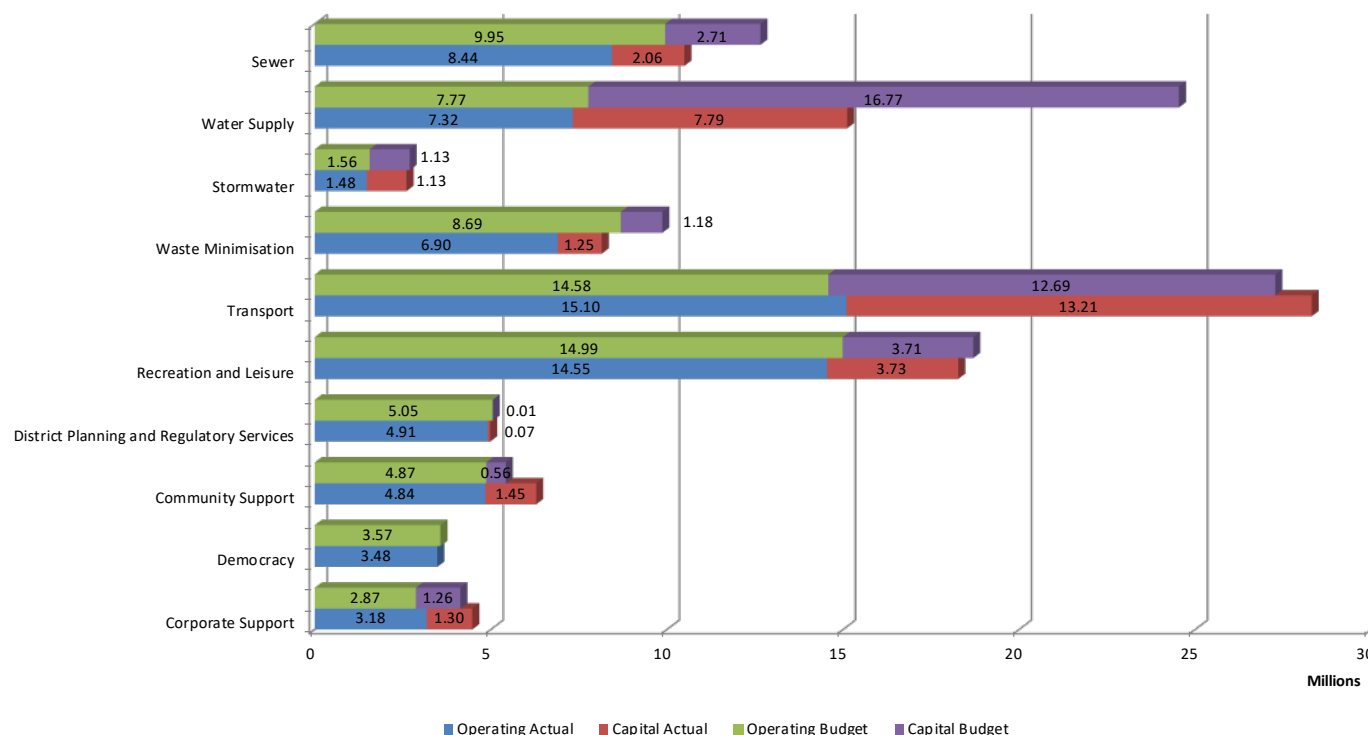
What we measure	How did we go	Target met
Democracy		
Council meetings items in open meeting	80%	X (target 90%)
Resident influence on Council decision making	53%	✓
Community Support		
Resident Satisfaction with facilities		
■ Public Toilets	72%	✓
■ Cemeteries	91%	✓
■ Airport	66%	X (target 82%)
Social Housing occupancy	96%	X (target 97%)
District Planning and Regulatory Services		
Resource Consents issued within statutory timeframes	100%	✓
Average processing time for building consents reduces	13 days	✓
Retain accreditation as Building Consent Authority	Achieved	✓
Food Premises – Food Control Plan audits	86%	✓
Recreation and Leisure		
Resident Satisfaction with facilities		
■ Art Gallery	91%	✓
■ Museum	95%	✓
■ Parks and Reserves	92%	✓
■ Libraries	94%	✓
■ Swimming Pools	89%	✓
Off Road walking and cycling tracks	56km	✓

The Year in Review 2017/18: Performance

What we measure	How did we go	Target met
Roading and Footpaths		
Footpaths resurfaced annually	6.98km + 1.18km of new footpaths	✓
Resurfacing of sealed roads annually	6.5% (62.3km)	✓
Resident satisfaction with:		
■ Maintenance of sealed roads	74.5%	X (target 75%)
■ Safety of road network	87.5%	✓
■ Parking facilities	89%	✓
Sewer		
Sewer overflow faults – median attendance and resolution time	attendance 0.62 hours	✓
	resolution 3.11 hours	✓
Complaints per 1,000 connections	6.87	✓
User satisfaction with service	96%	✓
Resident satisfaction with value for money	89%	✓
Stormwater		
Habitable floors affected in 50 year return flooding event	0.23 per 1000 connections	X (target 0)
Median time to attending flooding event	0.49 hour	✓
Complaints per 1,000 connections	6.46	✓
Waste Minimisation		
Resident satisfaction with Kerbside service		
■ Recycling	93%	✓
■ Managing Green waste	94%	✓
■ Managing General Waste	91%	✓
Waste diverted from landfill to:		
■ Composting Facility	16,591 tonnes	✓
■ Resource Recovery	435 tonnes	✓
Water Supply		
Compliance with Drinking Water Standards	3 treatment plants and 1 reticulation zone had periods of non compliance	X Target all treatment plants & reticulation zones comply
Urgent call outs - median attendance time	Urban 0.6 hours	✓
	Rural 1 hour	✓
Resident satisfaction with water services	90%	✓

The Year in Review 2017/18: Financial

Expenditure by Activity 2017/2018



Revenue and Expenditure 2017/2018

	Actual (\$M)	Budget (\$M)
Rates Revenue	47.5	47.5
Other Revenue	37.0	31.3
Operating Expenditure	70.3	73.9
Capital Expenditure	32.0	40.0
Investments	74.4	46.4
Borrowings	94.5	101.9
Reserve Funds	35.8	25.8

Timaru District Council - Financial Performance

Financial Performance

This financial overview is for the year 1 July 2017 to 30 June 2018. It covers the consolidated financial statements of the group comprising Timaru District Council and its subsidiaries.

Overall Result

The Timaru District Council (parent) made a surplus of \$14.278M compared to a budget surplus of \$4.957M. The Group surplus was \$25.699M (after tax). Expenditure was below budget mainly due to reduced depreciation and interest expense required. Revenue was above budget due to increased fees & charges from landfill and vested assets.

The Group result was similar to 2017.

Council's debt remains slightly below projected values, with \$94.5M of debt at the end of June 2018 (Forecast: \$101.9M). Council is looking after \$802M of assets located throughout the district (Forecast: \$815M). Ratepayer's equity in the district increased by 1.87% to \$779.8M for the Council and by 3.00% to \$880.6M for the Group.

Summary Financial Statements – Timaru District Council

Comprehensive Revenue and Expense for the year ended 30 June

	Group ¹		Parent		
	Actual 2018 \$000	Actual 2017 \$000	Actual 2018 \$000	Budget 2018 \$000	Actual 2017 \$000
Revenue	94,207	86,813	84,572	78,844	81,173
Operating Expenditure	(66,465)	(62,345)	(66,259)	(68,049)	(62,587)
Finance costs	(4,760)	(5,193)	(3,931)	(5,838)	(4,423)
Share of surplus of associates	2,945	4,307	0	0	0
Library Collection debit revaluation reserve balance (expensed)	(104)	(148)	(104)	0	(148)
Net surplus/(deficit) before taxation	25,823	23,434	14,278	4,957	14,015
Taxation	(124)	(81)	0	0	0
Net surplus/(deficit) after taxation	25,699	23,353	14,278	4,957	14,015
Attributable to:					
Timaru District Council	25,699	23,353	14,278	4,957	14,015
Non-controlling Interest	0	0	0	0	0
Operating land revaluations	0	0	0	0	0
Financial instrument hedging	0	0	0	0	0
Income tax relating to financial instrument hedging	0	0	0	0	0
Total Other Comprehensive Revenue	0	0	0	0	0
Total Comprehensive Revenue	25,699	23,353	14,278	4,957	14,015
Attributable to:					
Timaru District Council	25,699	23,353	14,278	4,957	14,015
Non-controlling Interest	0	0	0	0	0

Notes: ¹ Timaru District Council group consists of Timaru District Council and its subsidiaries, Timaru District Holdings Limited, Aoraki Development Business and Tourism Ltd and Aorangi Stadium Trust (all 100% owned) and Downlands Water Supply Joint Venture (82% owned).

Timaru District Council - Financial Performance

Changes in Equity for the year ended 30 June

	Group ¹		Parent		
	Actual 2018 \$000	Actual 2017 \$000	Actual 2018 \$000	Budget 2018 \$000	Actual 2017 \$000
Total Comprehensive Income	25,699	23,353	14,,278	4,957	14,015
Prior Year Adjustment	0	0	0	0	0
Dividends paid	0	0	0	0	0
Equity at beginning of year	854,930	831,577	765,485	757,205	751,470
Equity at end of year	880,629	854,930	779,763	762,162	765,485

Financial Position as at 30 June

	Group ¹		Parent		
	Actual 2018 \$000	Actual 2017 \$000	Actual 2018 \$000	Budget 2018 \$000	Actual 2017 \$000
Equity	880,629	854,930	779,763	762,161	765,485
Total Equity	880,629	854,930	779,763	762,161	765,485
Current assets	68,401	68,223	64,396	50,762	63,353
Non-current assets	942,340	914,351	830,213	834,260	813,574
Current liabilities	44,286	25,429	44,347	40,723	25,651
Non-current liabilities	85,827	102,215	70,498	82,138	85,791

Cash Movements for the year ended 30 June

	Group ¹		Parent		
	Actual 2018 \$000	Actual 2017 \$000	Actual 2018 \$000	Budget 2018 \$000	Actual 2017 \$000
Cash Balance - 1 July	23,459	19,002	22,034	19,825	18,599
Net cash from operating	32,856	29,636	29,795	21,454	27,240
Net cash from investing	(44,789)	(26,478)	(42,092)	(33,293)	(22,104)
Net cash from financing	1,500	1,299	2,500	9,069	1,701
Cash Balance - 30 June	13,026	23,459	12,237	17,056	22,034

Notes: ¹ Timaru District Council group consists of Timaru District Council and its subsidiaries, Timaru District Holdings Limited, Aoraki Development Business and Tourism Ltd and Aorangi Stadium Trust (all 100% owned) and Downlands Water Supply Joint Venture (82% owned).

Timaru District Council - Financial Performance

1. Accounting Policies Basis of Preparation

The financial statements of Timaru District Council have been prepared in accordance with the requirements of the Local Government Act 2002: Part 6, Section 98 and Schedule 10, which includes the requirement to comply with New Zealand generally accepted accounting practice (NZ GAAP). These summary financial statements have been extracted from the full financial statements, which were authorised for issue on 27 November 2018.

The full financial statements have been prepared in accordance with NZ GAAP. As disclosed in the full financial statements, they comply with Tier 1 Public Benefit Entity Accounting Standards. This Summary has been prepared in accordance with Public Benefit Entity (PBE) FRS43: Summary Financial Statements.

The financial statements have been prepared on an historical cost basis, except for the revaluation of investment properties, biological assets and financial instruments (including derivative instruments).

The financial statements are presented in New Zealand dollars and all rounded to the nearest thousand dollars (\$'000). The functional currency of Timaru District Council is New Zealand dollars.

The full financial report and this summary received an unqualified audit opinion. The full financial report was authorised by the Council on 27 November 2018. This summary was authorised by the Timaru District Council Chief Executive on 14 December 2018.

This summary report cannot be expected to provide a complete understanding as provided by the full financial report. The full financial report is available from Council's Service Centres and website - www.timaru.govt.nz.

Timaru District Holdings Limited (TDHL) has a loan outstanding from TDC of \$22.2M (2017: \$22.2M). There are no fixed repayment terms for this loan. Dividends of \$2.65M (2017: \$2.6M) were paid by TDHL to TDC during the year.

TDC has contingent liabilities, including:

- Housing NZ has provided \$1.1M as at 30 June 2018 (2017: \$1.1M) towards the construction of social housing units. This advance is repayable with interest, if the Council withdraws its investment in joint funded social housing.

Timaru District Council is a guarantor of the New Zealand Local Government Funding Agency Limited (LGFA). The LGFA was incorporated in December 2011 with the purpose of providing debt funding to local authorities in New Zealand and it has a current credit rating from Standard and Poor's of AA+.

Together with the shareholders of LGFA and other guarantors, Timaru District Council is a guarantor of all of LGFA's borrowings. At 30 June 2018, NZ LGFA had borrowings totalling \$8.3 billion (2017: \$7.8 billion).

Financial reporting standards require Timaru District Council to recognise the guarantee liability at fair value. However, Timaru District Council has been unable to determine a sufficiently reliable fair value for the guarantee, and therefore has not recognised a liability. Timaru District Council considers the risk of the LGFA defaulting on repayment of interest or capital to be very low on the basis that:

- it is not aware of any local authority debt default events in New Zealand; and
- local government legislation would enable local authorities to levy a rate to recover sufficient funds to meet any debt obligations if further funds were required.

2. Changes in Accounting Policy

There are no changes in accounting policies in the year.

3. Group Contingencies

PrimePort Timaru Limited has a contingent liability of \$1.85 million (2017: \$1.85 million) relating to the Seabourn Encore cruise liner, which broke its mooring and collided with the Milburn Carrier II at PrimePort on 12 February 2017. Any reimbursement is fully insured.

Alpine Energy Limited group has contingent liabilities as at 31 March 2018 of \$9,106,474 in the form of performance and import guarantees to cover ongoing project work (2017: \$8,627,480).

4. Events after balance sheet date

In November 2018 Council commenced consultation with the community regarding a proposal from TDHL to sell its shareholding in Alpine Energy Ltd. If this proceeds this will be an amendment to the Long Term Plan 2018-28.

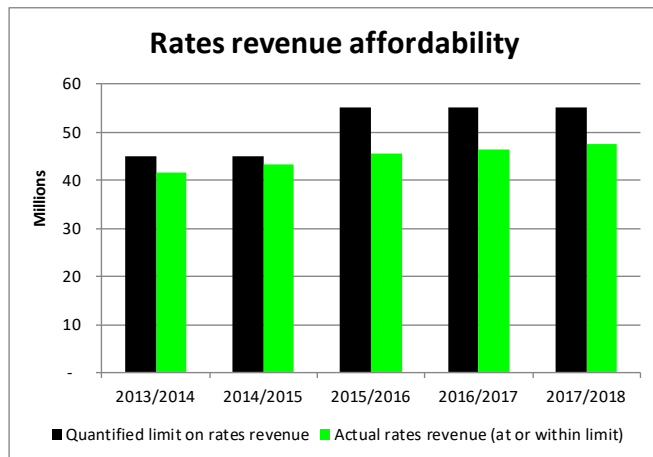
Disclosure Statement

Regulations were introduced in May 2014 requiring Council to disclose its performance in relation to specific benchmarks, as follows:

1. Rates (revenue) affordability benchmark

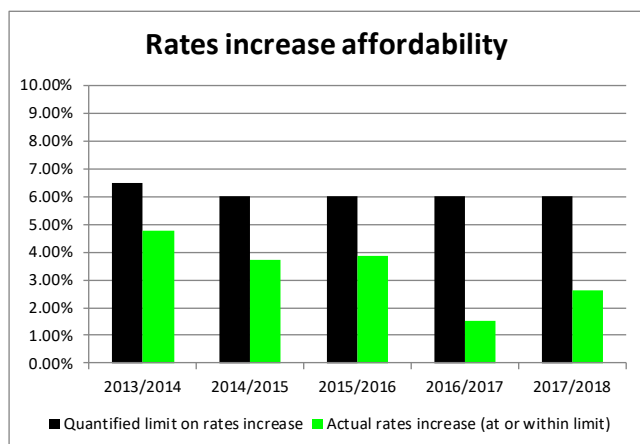
The following graph compares the Council's actual rates revenue with a quantified limit on rates contained in the financial strategy included in the Council's long-term plan.

The quantified limit is \$45m (from 2013/14 to 2014/15) and \$55m (from 2015/16).



2. Rates (increase) affordability benchmark

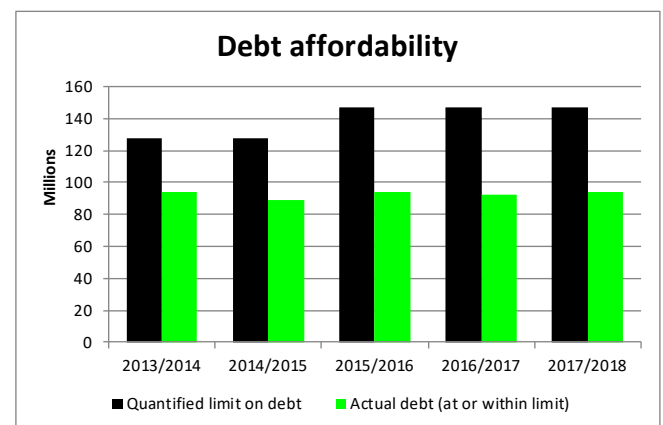
The following graph compares the Council's actual rates increases with a quantified limit on rates increases included in the financial strategy included in the Council's long-term plan. The quantified limit is 6% (from 2013/2014), except for the 2013/2014 year, where the limit is 6.50%.



3. Debt affordability benchmark

The following graph compares the Council's actual borrowing with a quantified limit on borrowing stated in the financial strategy included in the Council's long-term plan. The quantified limit is \$128 million (from 2013/2014 to 2014/15) and \$147m (from 2015/16).

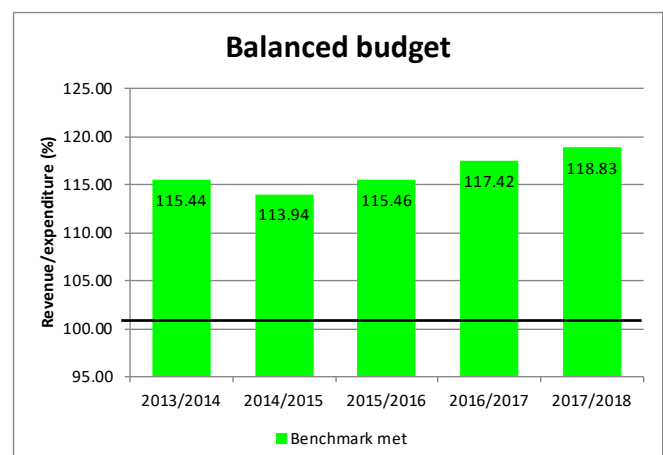
The Council meets the debt affordability benchmark if its actual borrowing is within each quantified limit on borrowing.



4. Balanced budget benchmark

The following graph displays the Council's revenue (excluding development contributions, financial contributions, vested assets, gains on derivative financial instruments, and revaluations of property, plant, or equipment) as a proportion of operating expenses (excluding losses on derivative financial instruments and revaluations of property, plant or equipment).

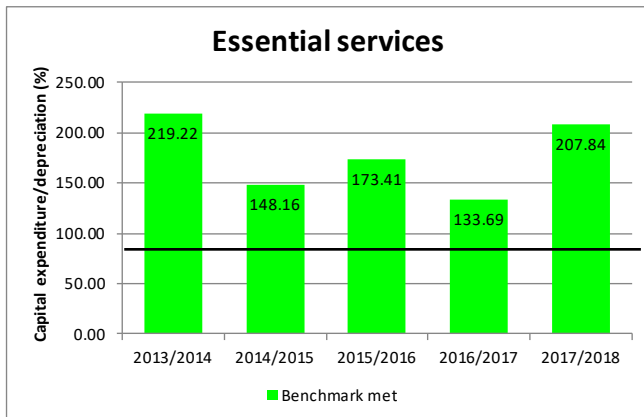
The Council meets this benchmark if its revenue equals or is greater than its operating expenses.



Disclosure Statement

5. Essential services benchmark

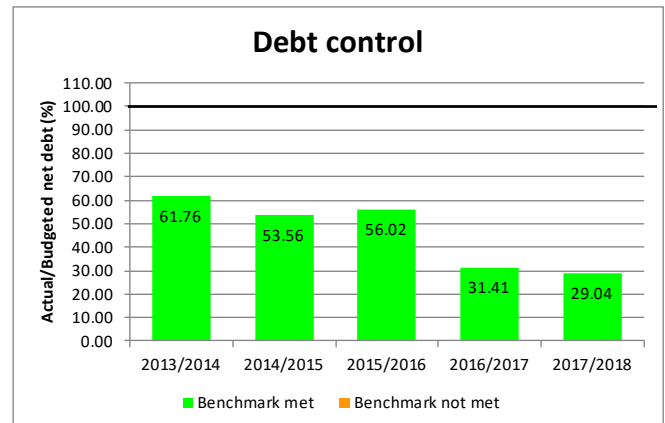
The following graph displays the Council's capital expenditure on network services as a proportion of depreciation on network services. The Council meets this benchmark if its capital expenditure on network services equals or is greater than depreciation on network services.



7. Debt control benchmark

The following graph displays the Council's actual net debt as a proportion of planned net debt as per Council's long-term plan. In this statement, net debt means financial liabilities less financial assets (excluding trade and other receivables).

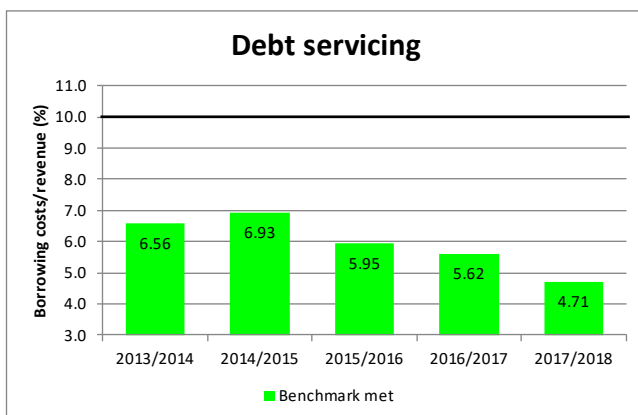
The Council meets the debt control benchmark if its actual net debt equals or is less than its planned net debt.



6. Debt servicing benchmark

The following graph displays the Council's borrowing costs as a proportion of revenue (excluding development contributions, financial contributions, vested assets, gains on derivative financial instruments, and revaluations of property, plant or equipment).

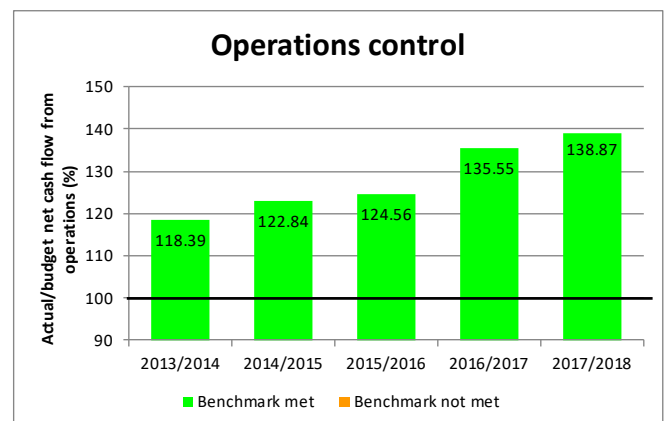
Because Statistics New Zealand projects the Council's population will grow more slowly than the national population growth rate, it meets the debt servicing benchmark if its borrowing costs equal or are less than 10% of its revenue.



8. Operations control benchmark

This graph displays the Council's actual net cash flow from operations as a proportion of its planned net cash flow from operations.

The Council meets the operations control benchmark if its actual net cash flow from operations equals or is greater than its planned net cash flow from operations.



Independent Auditor's Report

To the readers of Timaru District Council and Group's summary annual report for the year ended 30 June 2018

The summary of the annual report was derived from the annual report of the Timaru District Council and group (the District Council) for the year ended 30 June 2018.

The summary of the annual report comprises the following summary statements on pages 15 to 21:

- the summary statement of financial position as at 30 June 2018;
- the summaries of the statement of comprehensive revenue and expense, statement of changes in equity and cash flow statement for the year ended 30 June 2018;
- the notes to the summary financial statements that include accounting policies and other explanatory information; and
- the summary activity statements.

Opinion

In our opinion:

- the summary of the annual report represents, fairly and consistently, the information regarding the major matters dealt with in the annual report; and
- the summary statements comply with PBE FRS 43: Summary Financial Statements.

Summary of the annual report

The summary of the annual report does not contain all the disclosures required by generally accepted accounting practice in New Zealand. Reading the summary of the annual report and the auditor's report thereon, therefore, is not a substitute for reading the full annual report and the auditor's report thereon.

The full annual report and our audit report thereon

We expressed an unmodified audit opinion on the information we audited in the full annual report for the year ended 30 June 2018 in our auditor's report dated 27 November 2018.

Council's responsibility for the summary of the annual report

The Council is responsible for preparing the summary of the annual report which includes preparing summary statements, in accordance with PBE FRS 43: Summary Financial Statements.

Auditor's responsibility

Our responsibility is to express an opinion on whether the summary of the annual report represents, fairly and consistently, the information regarding the major matters dealt with in the full annual report and whether the summary statements comply with PBE FRS 43: Summary Financial Statements.

Our opinion on the summary of the annual report is based on our procedures, which were carried out in accordance with the Auditor General's Auditing Standards, which incorporate the Professional and Ethical Standards and the International Standards on Auditing (New Zealand) issued by the New Zealand Auditing and Assurance Standards Board.

In addition to reporting on the summary of the annual report, we have reported on the full annual report and have carried out a limited assurance report on the District Council's Debenture Trust Deed, which is compatible

with those independence requirements. Other than this engagement we have no relationship with, or interests in the District Council or its subsidiaries and controlled entities.

A handwritten signature in black ink, reading "Ian Lothian". The signature is fluid and cursive, with the first name "Ian" and last name "Lothian" clearly distinguishable.

Ian Lothian

Audit New Zealand

On behalf of the Auditor General

Christchurch, New Zealand

14 December 2018

Your Council, and Community Boards

(as at September 2018)



Damon Odey

Mayor

mayorspa@timdc.govt.nz
(03) 687 7200 (work)
(03) 684 9325 (home)
027 201 1920



Richard Lyon

Deputy Mayor

Pleasant Point-Temuka Ward Councillor

richard.lyon@timdc.govt.nz
(03) 614 7369 (home)
027 426 9735



Paddy O'Reilly

Pleasant Point-Temuka Ward Councillor

patrick.oreilly@timdc.govt.nz
(03) 615 7281 (home)
027 441 6725



Kerry Stevens

Geraldine Ward Councillor

kerry.stevens@timdc.govt.nz
(03) 693 7442 (home)
021 043 6651



Nigel Bowen

Timaru Ward Councillor

nigel.bowen@timdc.govt.nz
(03) 688 1053 (home)
027 622 1111



Peter Burt

Timaru Ward Councillor

peter.burt@timdc.govt.nz
(03) 688 4002 (home)
027 688 2013

Your Council, and Community Boards

(as at September 2017)



Dave Jack

Timaru Ward Councillor

dave.jack@timdc.govt.nz
(03) 686 9320 (home)
027 770 000



Andrea Leslie

Timaru Ward Councillor

andrea.leslie@timdc.govt.nz
(03) 614 7369 (home)
027 614 3768



Sally Parker

Timaru Ward Councillor

sally.parker@timdc.govt.nz
(03) 687 2280 ext 8647(work)
027 455 5237



Steve Wills

Timaru Ward Councillor

steve.wills@timdc.govt.nz
(03) 686 9072 (home)
027 621 8404

Geraldine Community Board

Wayne O'Donnell (Chairperson)	03 693 7066	w.d.odonnell@extra.co.nz
Jarrold Marsden (Deputy Chairperson)	03 693 7308	marsdeneng@gmail.com
Janene Adams	03 693 7693	janeneadams@gmail.com
Jan Finlayson	03 693 7297	janfinlayson@extra.co.nz
Jennine Maguire	03 693 9953	geraldineglass@clear.net.nz
Gavin Oliver	03 693 8842	gavinpeteroliver@gmail.com
Plus Geraldine Ward Councillor Kerry Stevens		

Pleasant Point Community Board

John McDonald (Deputy Chairperson)	03 614 7619	jdmcdonald1@hotmail.com
Neville Gould	03 614 7760	tengawai@slingshot.co.nz
Raewyn Hessel	03 614 7356	sturaehessel@extra.co.nz
Karalyn Reid	03 614 7858	karalynjoyce@extra.co.nz
Bernie Wilson	03 614 7097	goodstock@extra.co.nz
Plus Pleasant Point-Temuka Ward Councillors Richard Lyon (Chairperson) and Paddy O'Reilly		

Temuka Community Board

Alison Talbot (Deputy Chairperson)	03 615 9189	steveali@extra.co.nz
Noeline Clarke	03 615 8111	j.n.clarke@extra.co.nz
Stephanie McCullough	03 615 7097	mcculloughp@extra.co.nz
Lloyd McMillan	03 615 8231	mcmillan-clan@extra.co.nz
Charles Scarsbrook	03 615 9444	homemade@extra.co.nz
Plus Pleasant Point-Temuka Ward Councillors Paddy O'Reilly (Chairperson) and Richard Lyon		



Timaru District Council

2 King George Place
PO Box 522, Timaru 7940
T (03) 687 7200
E enquiry@timdc.govt.nz

Temuka Service Centre

72-74 King Street, Temuka
T (03) 687 7591

Geraldine Service Centre

73 Talbot Street, Geraldine
T (03) 693 9336

www.timaru.govt.nz