

A graphic illustrating financial information. It features a white calculator with a black pen resting on a document containing a bar chart and a pie chart. A teal banner with the text "Financial Information" is overlaid on the image. The background document shows a bar chart with blue bars of varying heights and a pie chart with three segments. A table with numerical data is also visible, including a row labeled "RES" with values 11090 and 29277.

## Financial Information

Financial Information

# Financial Strategy

## Summary

This Financial Strategy brings together important information set out in the Ten Year Plan, integrating it with financial forecasts, strategies and policies to arrive at a sustainable and prudent budget.

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

## Introduction/Purpose

The financial strategy guides the way the Council makes decisions. The Council must, under the Local Government Act 2002, manage its revenue, expenses, assets, liabilities, investments and general financial dealings prudently, and in a manner that sustainably promotes the current and future interests of the community. The aim of the Financial Strategy is to define a financial direction for the next 10 years that is agreed with the community. It aims to provide direction, drawn from a balancing of ratepayer affordability against community needs and aspirations.

This balancing process will consider the impact on affordability of its expenditure proposals on:

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

The Council will strive where possible to either hold steady or reduce Council's operating expenditure over forthcoming years while

maintaining an acceptable level of service. The Council is also committed to shared services with other local authorities to minimise costs.

## Key Financial issues

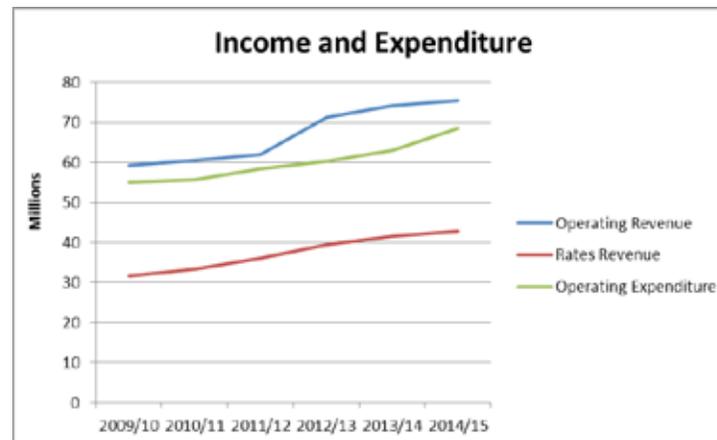
### Current financial situation

#### Net assets

The Council had net assets of \$731 million as at 30 June 2014. The majority of the Council's assets are the roads, water and sewer networks that provide the district's essential infrastructure.

#### Income and operating expenditure

The operating costs for council are approximately \$63 million per annum (2013/14 actual). A summary of the Council's income and operating expenditure over the past five years plus the budget for 2014/15 is set out in the chart below:



## Capital expenditure and borrowing

The council has invested significantly on capital items in recent years, including:

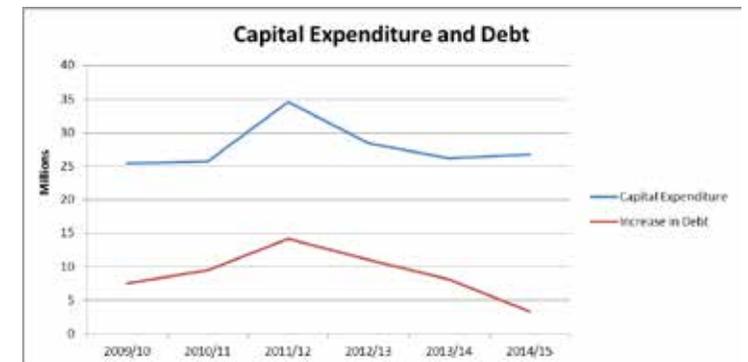
- Caroline Bay Aquatic Centre
- Caroline Bay upgrade
- Multi storey carpark in Timaru
- Wastewater scheme upgrades
- Roading network enhancements
- Solid Waste and waste minimisation initiatives
- Significant asset renewals in roading, wastewater, water and stormwater networks

To fund these projects, the Council has taken on borrowing, which is forecast to be \$98.5 million by June 2015, as well as utilising reserve funds. The current Liability Management Policy does not have a limit on the Council's borrowing but there are covenants on interest expense, including that interest expense is not to exceed 15% of total

revenue, cashflow from operating activities must exceed interest expense by two times and net debt shall not exceed 150% of total revenue. The Council is a member of the Local Government Funding Agency (LGFA) which necessitates undertaking certain guarantees related to local government debt and borrowings.

Internal loans are utilised in some activities to minimise the level of external borrowings.

A summary of the Council's capital expenditure and borrowing over the past five years plus the budget for 2014/15 is set out in the chart below:



This shows that debt levels have moved in line with capital expenditure.

# Financial Strategy

## Key factors in the operating environment and their implications

The financial strategy has been prepared taking into account the Council's starting financial position as summarised above plus the factors that we expect to influence its financial position over the next 10 years. These include:

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

## Population Growth and changing land use

Population and household growth figures are based on a report commissioned by Council for new population and household projections based on the 2013 Census. The report was prepared by Natalie Jackson Demographics Ltd (August 2014). Council has adopted the report's medium-growth scenario in the District's LTP and AMPs for the next 10 years.

### 1. Population Change

The 2014 estimated population was 45,400. The medium growth scenario projects the District's Population to increase to 48,853 (+7.6%) by 2033, peaking in 2038 at 49,091,

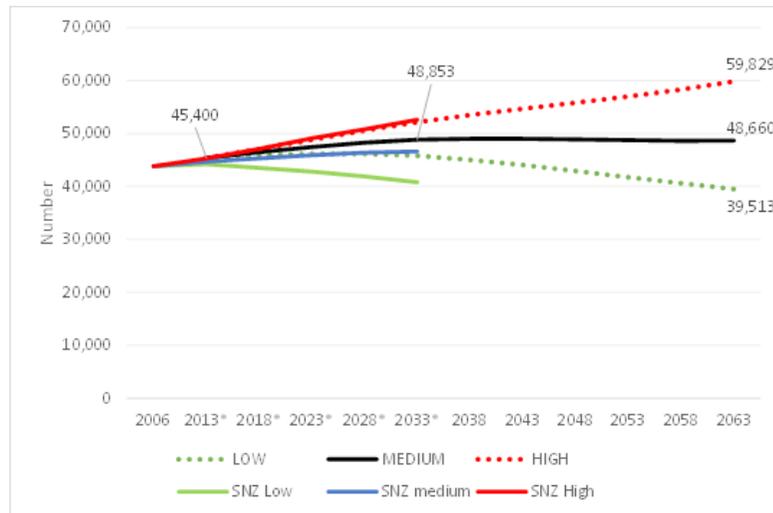


Figure: Projected Population of the Timaru District 2013-2063 and Comparison with Statistics New Zealand Projections (2006-2031), by Projection Variant<sup>[1]</sup>

<sup>[1]</sup> Jackson, N.O. (2014). Timaru District Council – Population and Household projections 2013-2063. Report Commissioned by Timaru District Council. August 2014. Natalie Jackson Demographics Ltd as a sub-contract to the National Institute of Demographic and Economic Analysis (NIDEA), University of Waikato.

and declining slightly over the remaining period to 48,660 in 2063. The population is expected to increase to 48,293 (+6.4%) by 2028 which includes the 2015 LTP period.

### 2. Household Change

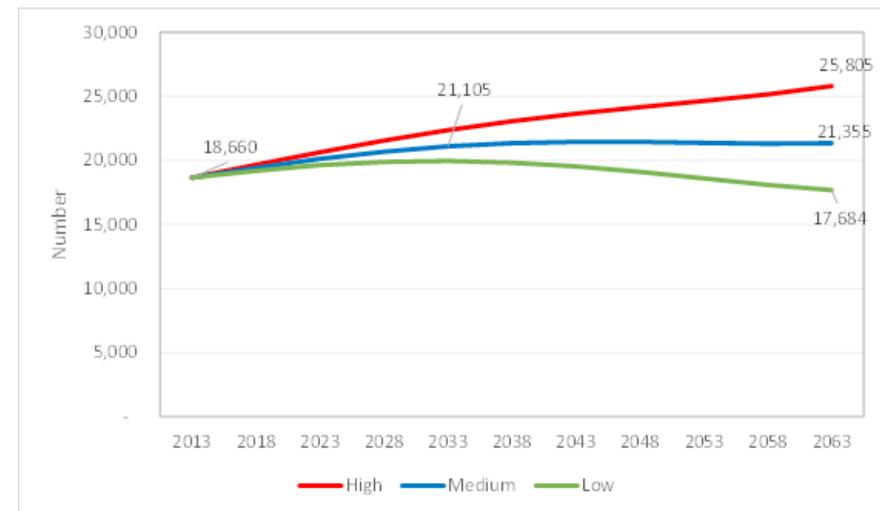
The medium scenario for the district's households projects growth to 21,105 households in 2033 (+13.1%), peaking in 2043 at 21,451 households, and declining slightly to 21,355 by 2063. Households are expected to increase to 20,680 (+10.8%) by 2028 which includes the 2015 LTP period.

Generally, small increases in population can be managed within the existing level of service. Declines in population would not necessarily reflect in lower numbers

of ratepayers as the number of people per household is declining. Household increases are expected to occur largely in the urban areas of the district as a result of the population ageing. It is therefore expected that these changes will only have a minor effect on rates for individual property owners. Where growth requires additional infrastructure (e.g. subdivisions), the Council can require financial contributions for the work. Costs over this amount may result in additional Council expenditure which is likely to be funded from debt. The Council does not currently have a Development Contributions Policy.

The forecast capital costs of providing for the growing population and land use change

Figure: Projected Number of Households by Projection Variant, 2013-2063, Timaru District<sup>[2]</sup>



<sup>[2]</sup> Jackson, N.O. (2014). Timaru District Council – Population and Household projections 2013-2063. Report Commissioned by Timaru District Council. August 2014. Natalie Jackson Demographics Ltd as a sub-contract to the National Institute of Demographic and Economic Analysis (NIDEA), University of Waikato.

# Financial Strategy

over the next 10 years is included in the table of all capital expenditure in the section of this strategy titled Asset Development and Renewal Expenditure. The forecast operating costs associated with growth are minimal.

## Inflation and known cost increases

Inflation is faced by the Council and inevitably means the cost of providing services will increase over the next 10 years and these increases will affect the level of rates.

Expected impacts of inflation are included in the LTP. A supplementary schedule is also included in the LTP showing the financial statements based on 2015/16 costs to show more clearly the impact of changes in services.

## Asset development and renewal expenditure

The council currently has property, plant and equipment (commonly referred to as "fixed assets") worth approximately \$760 million and during the next 10 years the council is planning to undertake additional capital works of \$316 million (including inflation). Asset development expenditure is for purchasing, building, replacing or developing the district's assets (e.g. roads, pipes, libraries). For each asset category, asset management plans are in place, which are the key planning tool for the maintenance, future renewal and additional assets required to meet increased levels of services or growth in the district.

The Council has prepared an Infrastructure Strategy which includes details of asset issues for the next 30 years for roading, water, sewer and stormwater assets. Total capital expenditure is forecast at \$622 million for these assets over the 30 year timeframe (excluding inflation).

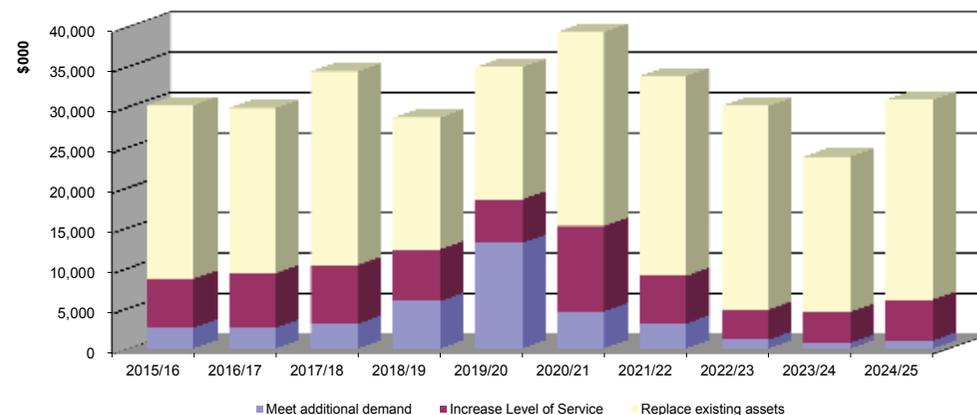
The council has developed the asset development programme assuming that all projects will be completed in the year identified in the plan. However, past experience shows that due to external factors there can be delays in the completion of the project. Therefore projects that have similar amounts and funding may be substituted from the later years of the plan for other projects which have experienced delays. Conversely projects that are delayed in one year of the plan will be completed in the following years.

Renewals are the replacement programme for the existing assets. Levels of service improvements relate to where the council increases assets to increase the level of service provided to the community. Growth assets are constructed to support the growth in the district and provide the infrastructure that is required by the future demand.

Renewals of assets are generally funded from reserves which have previously been funded from rates. If there are insufficient funds in the appropriate reserve for the renewal expenditure, council has elected to borrow to pay for some of the renewals. The Council has reviewed the funding for infrastructure renewals and is proposing to increase the amount set aside from revenue each year to fund the replacement of these assets based on the 30 year renewals profile. This increase will be phased in over 6 years.

Level of service improvements and growth assets are generally funded from debt, capital subsidy or from capital contributions in the form of contributions (financial contributions and cash in lieu of reserves). This is to ensure that the costs are spread across the generations that utilise the assets.

Capital Expenditure



## NZTA Financial Assistance

The Government Policy Statement on Land Transport funding has indicated less financial assistance for maintenance & renewals. Financial assistance rates (FARs) have recently been reviewed. The Council FAR has been confirmed at 55% for 2015/16 but reducing by 1% each year down to 51%. The cap of funds available for financial assistance is unknown and it is likely that some maintenance and renewal work will not be eligible for financial assistance.

The impact of the One Network Rooding Classification (ONRC) is also unknown at the current time.

## Key Levels of Service Issues and their implications

The key Levels of Service issues over the next 10 years include:

- Regulatory framework for stormwater
- Drinking Water Standards /Drinking Water Safety Plans

- Meeting competing demands for water resources
- Change in demands on road network
- Sustainable Transport/Active Transport
- Legislative change
- Community expectations and changes in demand
- Enabling participation and communication
- Aging infrastructure

Details on these are included in Section 2 of this Long Term Plan.

## Financial Implications and Trends

In setting rates at an appropriate level, the council must balance what is affordable for both the Council and the community. This is a delicate balancing act which needs to take account of the services that the Council delivers and whether current or future ratepayers should pay for them or intergenerational equity. This is particularly

# Financial Strategy

important for the Council given that many of its assets have long service lives and the benefits that these assets provide are over a long period of time. The main tool is to use debt and then rate future ratepayers to service the debt.

## Rates

### General Rates and Uniform Annual General Charge (UAGC)

The General Rate and UAGC currently account for approximately 52% of the total rates for the district. The activities funded from these rates include roading, cultural and learning facilities (excluding the Caroline Bay aquatic centre), economic development and promotion, governance, district planning and regulatory services, streetlighting, civil defence and the airport.

The amount individual ratepayers pay for general rates is based on the land value of their property. The Council considers that using land values, differentiated by sector, provides the best balance between equity, simplicity and fairness. The values of all properties within the district are reviewed every 3 years. They were last revalued as at September 2014 and those values will come into effect for rating purposes from 1 July 2015.

The UAGC is a flat rate that is levied on each property, regardless of the value of the property.

### Targeted rates

Targeted rates account for approximately 48% of total rates revenue and are in place to fund specific activities including water, sewer, stormwater, waste management, footpaths, aquatic centre, rural fire, community boards and community centres.

A separate account is maintained for each targeted rate to ensure any surplus or deficit is funded by the relevant ratepayers. In any one year, the account may be in surplus or deficit, but the level of rate is set to achieve a nil balance over the medium term (two to five years).

The rate for local targeted rates such as community centres, water, storm water, footpaths and community boards is set in consultation with the local community, taking into account the Activity Management Plan for each activity.

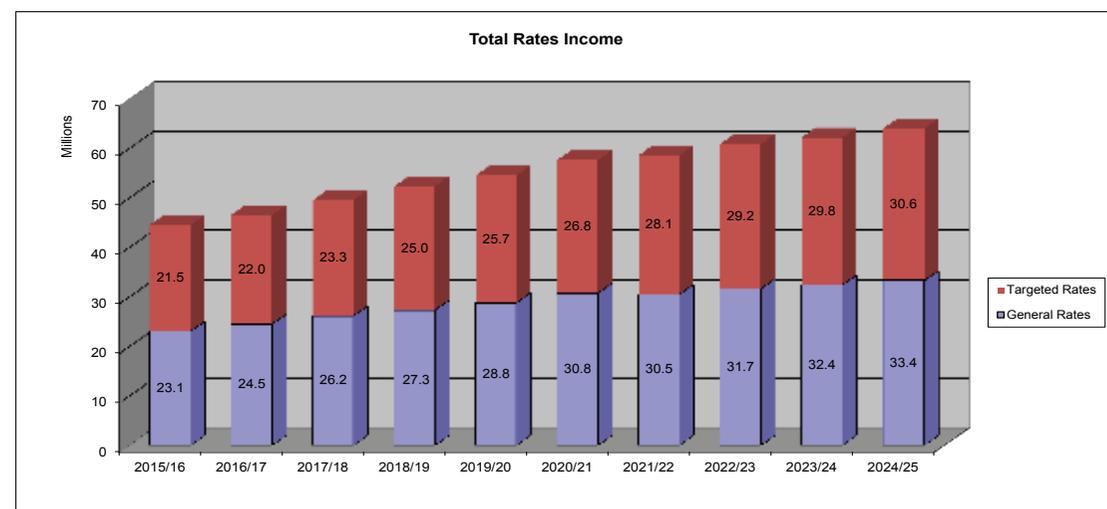
The 10 year forecast for rates income (including inflation) is shown below:

The average annual increase in rates over the 10 years is forecast to be 4.12%, including inflation.

The Council will endeavour to limit the level of rate rises (both general and targeted rates) over the 10 year period and has set the following limits:

- Total rates revenue will not exceed \$55 million in any given year, excluding inflation and \$75 million including inflation.
- The percentage increase in total rates revenue in any year will not exceed 6% plus inflation based on the Local Government Cost Index<sup>3</sup>.

These limits will allow the Council to maintain the existing levels of service, assuming the current level of financial assistance from NZTA for the roading network. Any significant additional demands for services from the community, or reduction in financial assistance could result in these limits needing to be increased.

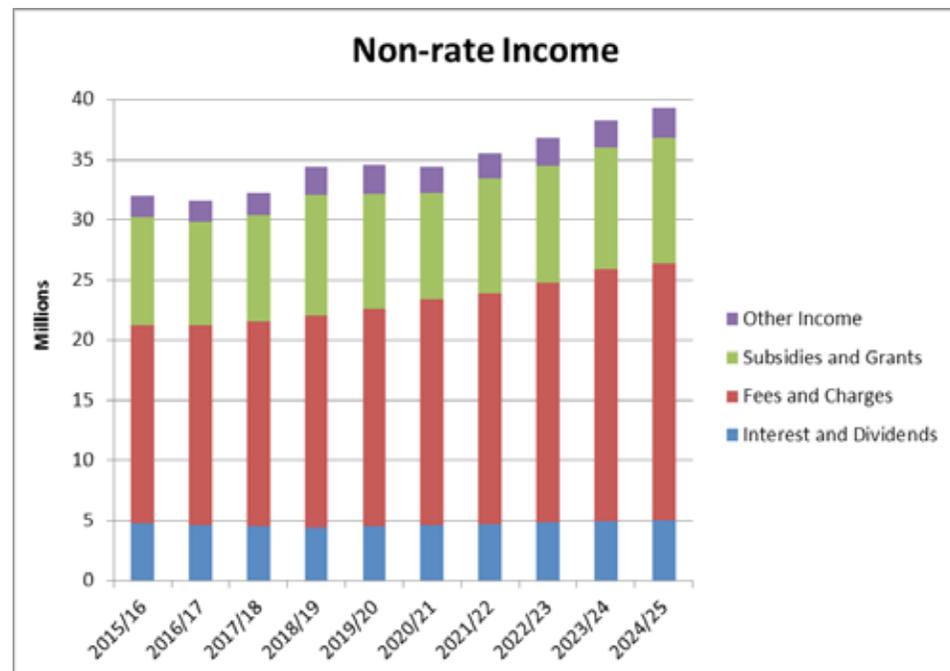


<sup>3</sup> The Local Government Cost Index is produced by Business and Economic Research Limited (BERL) annually for Society of Local Government Managers and Local Government New Zealand.

# Financial Strategy

## Non-rates income

Significant income is forecast from non-rates sources as shown below:



### User fees and charges

User fees and charges will increase over the 10 years due to recovery of increased costs.

### Subsidies and grants (Including Financial Assistance)

Subsidies include Financial Assistance from the New Zealand Transport Authority (NZTA) for funding the cost of maintaining, renewing and improving the Council's roading network. The level of subsidy is currently 55% but will reduce by 1% each year to 51%.

### Investment Revenue

Investment income is dividends received from TDHL and interest income.

The targets set by Council for returns on investments are:

TDHL	\$2.20 per share per annum
Interest on TDHL Advance	5%
Bonds	5%

## Investments

### Equity Investments

The council's investments in such assets fulfil various strategic, economic development and financial objectives.

The largest equity investment held by Council is its investment in Timaru District Holdings Limited which in turn holds the Council's interests in Alpine Energy Limited, PrimePort Timaru Limited and Te Ana Whakairo Limited.

Investments are also held in NZ Local Government Insurance Corporation Limited and Levels Plains Irrigation Company. These are held strategic objectives for insurance and water sources for land owned by Council.

### Property Investments

As a general rule, Council does not maintain a property investment where it is not essential to the delivery of relevant services, now or in the future, and property is only retained where it relates to a primary output of Council. The Council currently owns a number of properties, which are surplus to its operational needs. The Council's overall objective is to only own property that is necessary to achieve its strategic objectives.

### Forestry Investments

Forestry is planted primarily on over 240 hectares of reserve land unsuitable for other uses, with 60 separate sites.

Forestry assets are held as long term investments on the basis of their net positive discounted cashflows, factoring in projected market prices and annual maintenance and cutting costs and to maintain the land upon which the Council's forestry investment is held.

## Treasury Investments

Investments of cash held for specific purposes (special funds) are usually held as short-term deposits or in bonds.

The Council maintains treasury investments for the following primary reasons:

- Provide ready cash in the event of a natural disaster. This cash is intended to bridge the gap between the disaster and the reinstatement of normal income streams.
- Invest amounts allocated to special funds, bequests, and reserves.
- Invest funds allocated for approved future expenditure, to implement strategic initiatives or to support intergenerational allocations.
- Invest proceeds from the sale of assets.
- Invest surplus cash, and working capital funds.

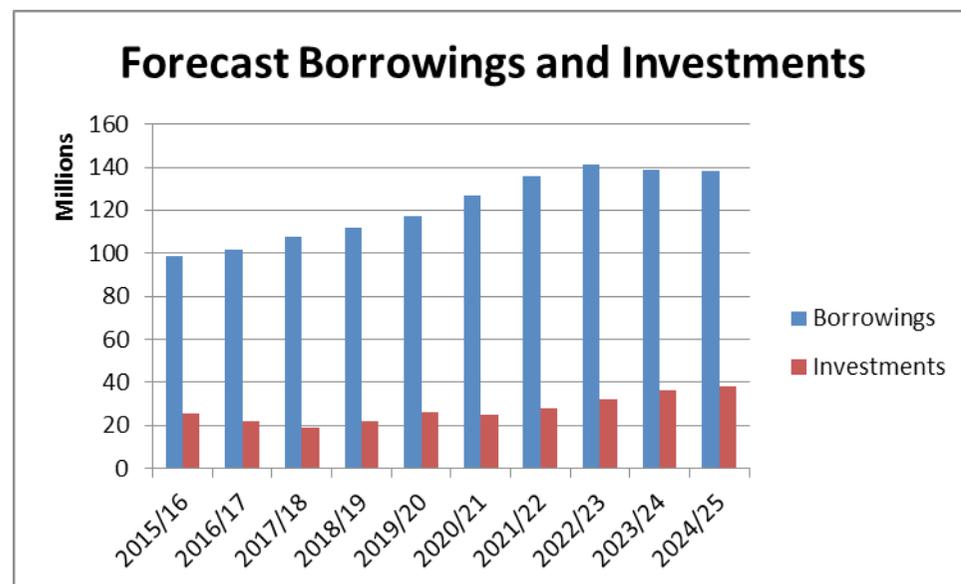
## Debt

The Council is very conscious of its level of debt and is aware there is little scope for additional debt funded projects to be undertaken in the next 10 years, other than those already outlined in the LTP.

The Council's forecast level of borrowings and investments for the 10 years of the LTP is shown below:

The Council has set the following limits on its total borrowing:

- Borrowing as a percentage of total assets 15%
- Interest expense as a percentage of total revenue 15%
- Net debt to total revenue 150%



The main reason for increased debt levels is to fund the asset development expenditure proposed within this plan. The Council has considered the timing of the programme and the associated borrowing required to ensure that this best meets the needs of current and future generations. The value of investments increases during this period mainly because depreciation funds increase to replace assets after the 10 years shown in this plan.

Based on the forecast financial position within the LTP, the limit on borrowings would be \$147 million including inflation.

These limits will allow the Council to maintain the existing levels of service. Any significant additional demands for services from the community could result in these limits needing to be increased.

The Council provides security on its borrowing through a Debenture Trust Deed.

This provides the lender with a charge over the Council's rates income and means that, if the Council defaulted on a loan, the lender would have the ability to set a rate and recover the sums owed. In practice, it is the ability of local authorities to set rates that makes it very unlikely that a local authority would default on its obligations. The Council policy is to only allow security through the Debenture Trust Deed.

## Overall Implications of Financial Strategy

The Council is promoting a "Business as Usual" approach through its financial strategy. It will continue to maintain and renew our assets for current and future generations while providing the services that the community enjoy.

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

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

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

# Statement concerning Balancing of Budget

In accordance with Section 100 of the Local Government Act 2002 (the Act), Council resolves to permit an unbalanced budget in that the Forecast Statement of Comprehensive Revenue and Expense Council is forecasting an operating surplus for the year commencing 1 July 2015.

In its forecast Statement of Comprehensive Revenue and Expense, Council is reporting a surplus due to forecast revenue including grants and subsidies specifically provided by external parties to fund capital expenditure projects.

These grants and subsidies are not available to meet day to day forecast operating expenses. Expenditure associated with these grants and subsidies is recorded in the Forecast Statement of Financial Position, not the Forecast Statement of Comprehensive Revenue and Expense. Forecast interest income on Special Funds invested is allocated to and reinvested with those special funds and is therefore also not available to meet forecast day to day operating costs.

Council fully funds depreciation on assets and maintains investments to match depreciation special fund balances.

Timaru District Council is of the opinion that it is financially prudent not to have a balanced budget in the Forecast Statement of Comprehensive Revenue and Expense and, due to the matters noted above, it is necessary for forecast revenue to exceed forecast expense in the Forecast Statement of Comprehensive Revenue and Expense.

# Forecast Financial Information

These prospective financial statements were authorised for issue by Timaru District Council on 17 March 2015. Timaru District Council is responsible for the prospective financial statements presented, including the appropriateness of the assumptions underlying the prospective financial statements and all other required disclosures.

Timaru District Council's planning processes are governed by the Local Government Act 2002. The Act requires Council to prepare a ten year Long-term Plan (LTP) every three years and an Annual Plan, which updates the LTP by exception, in the intervening years. This is Timaru District Council's Long-term Plan for the period 2015 - 2025 and is prepared in accordance with the Act. The Council and management are responsible for the preparation of the prospective financial statements and the appropriateness of the underlying assumptions.

The information contained within this document is prospective financial information in terms of PBE FRS 42. The forecast financial statements have been prepared on the basis of assumptions as to future events the Council reasonably expects to occur associated with actions the Council expects to take. They have been prepared in accordance with current accounting policies in this plan. Actual results up until January 2015 have been taken into account in preparation of these prospective financial statements. Prospective Group financial statements have not been prepared as information for all entities in the group is not available.

The purpose for which this plan has been prepared is to enable the public to participate in the decision making processes as to the services to be provided by the Timaru District Council to its community for the 10 year period, and to provide a broad accountability mechanism of Council to the community. This information has been prepared for the Council's budgeting and financial planning purposes. It may therefore not be appropriate to be used for any other purpose. Actual results are likely to vary from the information presented and the variations may be material.

These prospective financial statements will be updated in June 2015 following consultation.

# Forecast Statement of Comprehensive Revenue and Expense

For The Year Ended 30 June	Budget 2014/15 \$	Budget 2015/16 \$	Budget 2016/17 \$	Budget 2017/18 \$	Budget 2018/19 \$	Budget 2019/20 \$	Budget 2020/21 \$	Budget 2021/22 \$	Budget 2022/23 \$	Budget 2023/24 \$	Budget 2024/25 \$
<b>Revenue</b>											
Rates	42,568,000	<b>44,564,101</b>	46,541,300	49,498,400	52,318,400	54,528,400	57,627,800	58,602,000	60,903,300	62,219,500	63,999,950
Interest and Dividends	4,701,514	<b>4,829,064</b>	4,631,860	4,491,800	4,489,966	4,634,542	4,690,680	4,730,512	4,879,270	5,043,196	5,150,484
Other revenue	14,040,084	<b>13,482,184</b>	12,829,684	13,232,434	14,811,934	20,391,644	13,399,268	13,766,940	14,109,810	14,240,672	14,848,222
Revenue from exchange transactions	13,689,020	<b>14,281,320</b>	14,641,952	15,086,252	15,473,782	15,969,990	16,531,310	16,849,028	17,390,540	18,306,252	18,504,232
<b>Total Revenue</b>	<b>74,998,618</b>	<b>77,156,669</b>	<b>78,644,796</b>	<b>82,308,886</b>	<b>87,094,082</b>	<b>95,524,576</b>	<b>92,249,058</b>	<b>93,948,480</b>	<b>97,282,920</b>	<b>99,809,620</b>	<b>102,502,888</b>
<b>Expenses</b>											
Employee benefit expenses	15,190,000	<b>16,039,000</b>	16,399,300	16,843,000	17,282,600	17,757,900	18,318,300	18,875,300	19,477,400	20,131,800	20,842,500
Operating costs	32,111,216	<b>33,358,634</b>	34,067,636	34,643,422	35,428,718	36,644,286	38,224,338	38,596,462	39,780,318	40,963,270	42,116,482
Interest	6,263,860	<b>6,430,446</b>	6,524,122	6,938,960	7,308,188	7,454,092	7,993,278	8,614,212	9,082,550	9,201,080	9,208,116
Depreciation	15,239,678	<b>15,657,942</b>	16,307,176	16,829,466	17,418,196	17,937,318	18,689,936	19,227,140	19,797,854	20,229,172	20,735,708
<b>Total Expenses</b>	<b>68,804,754</b>	<b>71,486,022</b>	<b>73,298,234</b>	<b>75,254,848</b>	<b>77,437,702</b>	<b>79,793,596</b>	<b>83,225,852</b>	<b>85,313,114</b>	<b>88,138,122</b>	<b>90,525,322</b>	<b>92,902,806</b>
<b>Total Comprehensive Revenue And Expense</b>	<b>6,193,864</b>	<b>5,670,647</b>	<b>5,346,562</b>	<b>7,054,038</b>	<b>9,656,380</b>	<b>15,730,980</b>	<b>9,023,206</b>	<b>8,635,366</b>	<b>9,144,798</b>	<b>9,284,298</b>	<b>9,600,082</b>

# Forecast Statement of Movements in Equity

For The Year Ended 30 June	Budget 2014/15 \$	Budget 2015/16 \$	Budget 2016/17 \$	Budget 2017/18 \$	Budget 2018/19 \$	Budget 2019/20 \$	Budget 2020/21 \$	Budget 2021/22 \$	Budget 2022/23 \$	Budget 2023/24 \$	Budget 2024/25 \$
<b>Equity At Beginning Of The Year</b>	731,284,000	<b>737,915,774</b>	743,586,421	748,932,983	755,987,021	765,643,401	781,374,381	790,397,587	799,032,953	808,177,751	817,462,049
Net surplus for the year	6,193,864	<b>5,670,647</b>	5,346,562	7,054,038	9,656,380	15,730,980	9,023,206	8,635,366	9,144,798	9,284,298	9,600,082
Revaluation of fixed assets	0	0	0	0	0	0	0	0	0	0	0
Equity Adjustment	0	0	0	0	0	0	0	0	0	0	0
Total recognised revenues and expenses	6,193,864	<b>5,670,647</b>	5,346,562	7,054,038	9,656,380	15,730,980	9,023,206	8,635,366	9,144,798	9,284,298	9,600,082
<b>Equity At The End Of The Year</b>	737,477,864	<b>743,586,421</b>	748,932,983	755,987,021	765,643,401	781,374,381	790,397,587	799,032,953	808,177,751	817,462,049	827,062,131

# Forecast Statement of Movements in Retained Earnings

For The Year Ended 30 June	Budget 2014/15 \$	Budget 2015/16 \$	Budget 2016/17 \$	Budget 2017/18 \$	Budget 2018/19 \$	Budget 2019/20 \$	Budget 2020/21 \$	Budget 2021/22 \$	Budget 2022/23 \$	Budget 2023/24 \$	Budget 2024/25 \$
<b>Retained Earnings At 1 July</b>	699,458,000	704,536,480	715,966,879	725,019,987	735,439,292	741,812,692	753,515,188	763,697,494	769,052,940	773,897,948	779,199,400
Net surplus for the year	6,193,864	5,670,647	5,346,562	7,054,038	9,656,380	15,730,980	9,023,206	8,635,366	9,144,798	9,284,298	9,600,082
Transfers to Reserves	(15,980,842)	(17,373,348)	(18,223,848)	(18,887,064)	(20,232,386)	(20,931,508)	(21,706,952)	(22,345,166)	(22,776,462)	(23,285,930)	(23,455,350)
Equity Adjustment	0	0	0	0	0	0	0	0	0	0	0
Transfers from Reserves	20,740,760	23,133,100	21,930,394	22,252,331	16,949,406	16,903,024	22,866,052	19,065,246	18,476,672	19,303,084	21,901,930
<b>Retained Earnings At 30 June</b>	710,411,782	715,966,879	725,019,987	735,439,292	741,812,692	753,515,188	763,697,494	769,052,940	773,897,948	779,199,400	787,246,062

# Forecast Statement of Financial Position

As at 30 June	Budget 2014/15 \$	Budget 2015/16 \$	Budget 2016/17 \$	Budget 2017/18 \$	Budget 2018/19 \$	Budget 2019/20 \$	Budget 2020/21 \$	Budget 2021/22 \$	Budget 2022/23 \$	Budget 2023/24 \$	Budget 2024/25 \$
<b>Equity</b>											
Retained Earnings	710,411,782	715,966,879	725,019,987	735,439,292	741,812,692	753,515,188	763,697,494	769,052,940	773,897,948	779,199,400	787,246,062
Special Fund Reserves	27,066,082	27,619,542	23,912,996	20,547,730	23,830,710	27,859,194	26,700,094	29,980,014	34,279,804	38,262,650	39,816,070
<b>Total Equity</b>	<b>737,477,864</b>	<b>743,586,421</b>	<b>748,932,983</b>	<b>755,987,021</b>	<b>765,643,401</b>	<b>781,374,381</b>	<b>790,397,587</b>	<b>799,032,953</b>	<b>808,177,751</b>	<b>817,462,049</b>	<b>827,062,131</b>
<b>Current Assets</b>											
Cash & Bank Balances	15,964,100	16,648,469	15,154,910	14,066,850	13,674,550	13,687,950	13,406,450	13,298,750	13,346,050	13,486,450	13,463,750
Short Term Deposits	20,158,000	19,058,000	19,058,000	19,058,000	19,058,000	19,058,000	19,058,000	19,058,000	19,058,000	19,058,000	19,058,000
Receivable & Prepayments	7,261,000	7,261,000	7,261,000	7,261,000	7,261,000	7,261,000	7,261,000	7,261,000	7,261,000	7,261,000	7,261,000
Inventories	79,000	79,000	79,000	79,000	79,000	79,000	79,000	79,000	79,000	79,000	79,000
<b>Total Current Assets</b>	<b>43,462,100</b>	<b>43,046,469</b>	<b>41,552,910</b>	<b>40,464,850</b>	<b>40,072,550</b>	<b>40,085,950</b>	<b>39,804,450</b>	<b>39,696,750</b>	<b>39,744,050</b>	<b>39,884,450</b>	<b>39,861,750</b>
<b>Non-Current Assets</b>											
Investments	24,778,082	25,326,542	21,619,996	18,254,730	21,537,710	25,566,194	24,407,094	27,687,014	31,986,804	35,969,650	37,523,070
Fixed Assets	788,659,082	790,570,810	804,164,256	821,778,852	833,073,006	850,116,076	870,783,924	885,443,230	895,813,828	899,485,926	909,702,684
<b>Total Non-current assets</b>	<b>813,437,164</b>	<b>815,897,352</b>	<b>825,784,252</b>	<b>840,033,582</b>	<b>854,610,716</b>	<b>875,682,270</b>	<b>895,191,018</b>	<b>913,130,244</b>	<b>927,800,632</b>	<b>935,455,576</b>	<b>947,225,754</b>
<b>Total Assets</b>	<b>856,899,264</b>	<b>858,943,821</b>	<b>867,337,162</b>	<b>880,498,432</b>	<b>894,683,266</b>	<b>915,768,220</b>	<b>934,995,468</b>	<b>952,826,994</b>	<b>967,544,682</b>	<b>975,340,026</b>	<b>987,087,504</b>
<b>Current Liabilities</b>											
Payables & Accruals	11,066,000	11,095,600	11,141,700	11,245,500	11,279,900	11,313,900	11,313,900	11,313,900	11,313,900	11,313,900	11,313,900
Current Portion of Term Debt	22,950,900	19,186,900	18,522,900	23,498,540	4,566,940	5,854,340	6,030,010	9,017,842	9,156,034	10,382,454	15,938,522
<b>Total Current Liabilities</b>	<b>34,016,900</b>	<b>30,282,500</b>	<b>29,664,600</b>	<b>34,744,040</b>	<b>15,846,840</b>	<b>17,168,240</b>	<b>17,343,910</b>	<b>20,331,742</b>	<b>20,469,934</b>	<b>21,696,354</b>	<b>27,252,422</b>
<b>Non-Current Liabilities</b>											
Term Debt	79,805,500	79,368,500	82,940,479	83,931,371	107,248,725	111,170,399	121,051,571	127,110,099	132,392,297	129,521,423	125,953,951
Other Term Liabilities	5,599,000	5,706,400	5,799,100	5,836,000	5,944,300	6,055,200	6,202,400	6,352,200	6,504,700	6,660,200	6,819,000
<b>Total Non-current liabilities</b>	<b>85,404,500</b>	<b>85,074,900</b>	<b>88,739,579</b>	<b>89,767,371</b>	<b>113,193,025</b>	<b>117,225,599</b>	<b>127,253,971</b>	<b>133,462,299</b>	<b>138,896,997</b>	<b>136,181,623</b>	<b>132,772,951</b>
<b>Total Liabilities</b>	<b>119,421,400</b>	<b>115,357,400</b>	<b>118,404,179</b>	<b>124,511,411</b>	<b>129,039,865</b>	<b>134,393,839</b>	<b>144,597,881</b>	<b>153,794,041</b>	<b>159,366,931</b>	<b>157,877,977</b>	<b>160,025,373</b>
<b>Net Assets</b>	<b>737,477,864</b>	<b>743,586,421</b>	<b>748,932,983</b>	<b>755,987,821</b>	<b>765,643,401</b>	<b>781,374,381</b>	<b>790,397,587</b>	<b>799,032,953</b>	<b>808,177,751</b>	<b>817,462,049</b>	<b>827,062,131</b>

# Forecast Statement of Cashflows

For The Year Ended 30 June	Budget 2014/15 \$'000	Budget 2015/16 \$'000	Budget 2016/17 \$'000	Budget 2017/18 \$'000	Budget 2018/19 \$'000	Budget 2019/20 \$'000	Budget 2020/21 \$'000	Budget 2021/22 \$'000	Budget 2022/23 \$'000	Budget 2023/24 \$'000	Budget 2024/25 \$'000
<b>Cash Flows From Operating Activities</b>											
Cash was provided from:											
Receipts from customers	18,010,904	<b>18,425,804</b>	18,778,636	19,386,378	20,198,128	26,842,630	21,141,330	21,391,229	22,272,565	23,140,671	23,704,122
Rates	43,018,000	<b>44,984,101</b>	46,951,100	49,892,307	52,722,588	54,943,704	58,055,147	59,042,339	61,357,686	62,689,153	64,486,182
Subsidies	9,228,200	<b>8,877,700</b>	8,242,300	8,496,400	9,640,300	9,059,400	8,316,300	8,737,500	8,724,900	8,886,500	9,110,200
Interest	2,463,814	<b>2,584,064</b>	2,386,860	2,246,800	2,244,966	2,389,542	2,445,680	2,485,512	2,634,270	2,798,196	2,905,484
Dividends	2,237,700	<b>2,245,000</b>	2,245,000	2,245,000	2,245,000	2,245,000	2,245,000	2,245,000	2,245,000	2,245,000	2,245,000
	<b>74,958,618</b>	<b>77,116,669</b>	78,603,896	82,266,686	87,050,982	95,480,276	92,203,458	93,901,580	97,234,420	99,759,520	102,450,988
Cash was applied to:											
Payments to employees	(15,190,000)	<b>(16,039,000)</b>	(16,399,300)	(16,843,000)	(17,282,600)	(17,757,900)	(18,318,300)	(18,875,300)	(19,477,400)	(20,131,800)	(20,842,500)
Payments to suppliers	(32,047,616)	<b>(33,295,034)</b>	(34,004,036)	(34,579,822)	(35,365,118)	(36,580,686)	(38,160,738)	(38,532,862)	(39,716,718)	(40,899,670)	(42,052,882)
Interest paid	(6,263,860)	<b>(6,430,446)</b>	(6,524,122)	(6,938,960)	(7,308,188)	(7,454,092)	(7,993,278)	(8,614,212)	(9,082,550)	(9,201,080)	(9,208,116)
Income Tax paid	0	<b>0</b>	0	0	0	0	0	0	0	0	0
	<b>(53,501,476)</b>	<b>(55,764,480)</b>	(56,927,458)	(58,361,782)	(59,955,906)	(61,792,678)	(64,472,316)	(66,022,374)	(68,276,668)	(70,232,550)	(72,103,498)
<b>Net Cash Inflows From Operating Activities</b>	<b>21,457,142</b>	<b>21,352,189</b>	21,676,438	23,905,104	27,095,076	33,687,598	27,731,142	27,879,206	28,957,752	29,526,970	30,347,490
<b>Cash Flows From Investing Activities</b>											
Cash was provided from:											
Sale of fixed assets	45,000	<b>45,000</b>	45,000	60,800	45,000	45,000	45,000	45,000	45,000	45,000	45,000
Sale of investments (special fds)	20,740,760	<b>23,133,100</b>	21,930,394	22,252,331	16,949,406	16,903,024	22,866,052	19,065,246	18,476,672	19,303,084	21,901,930
Mortgages/advances repaid	220,000	<b>220,000</b>	220,000	220,000	220,000	220,000	220,000	220,000	220,000	220,000	220,000
	<b>21,005,760</b>	<b>23,398,100</b>	22,195,394	22,533,131	17,214,406	17,168,024	23,131,052	19,330,246	18,741,672	19,568,084	22,166,930

# Forecast Statement of Cashflows

For The Year Ended 30 June	Budget 2014/15 \$'000	Budget 2015/16 \$'000	Budget 2016/17 \$'000	Budget 2017/18 \$'000	Budget 2018/19 \$'000	Budget 2019/20 \$'000	Budget 2020/21 \$'000	Budget 2021/22 \$'000	Budget 2022/23 \$'000	Budget 2023/24 \$'000	Budget 2024/25 \$'000
Cash was applied to:											
Purchases of fixed assets	(38,033,360)	(30,198,200)	(29,829,522)	(34,385,762)	(28,635,150)	(34,899,788)	(39,273,584)	(33,798,346)	(30,076,052)	(23,804,270)	(30,850,366)
Purchase of investments	(15,980,842)	(17,373,348)	(18,223,848)	(18,887,064)	(20,232,386)	(20,931,508)	(21,706,952)	(22,345,166)	(22,776,462)	(23,285,930)	(23,455,350)
Mortgages/advances made	(215,000)	(215,000)	(220,000)	(220,000)	(220,000)	(220,000)	(220,000)	(220,000)	(220,000)	(220,000)	(220,000)
	(54,229,202)	(47,786,548)	(48,273,370)	(53,492,826)	(49,087,536)	(56,051,296)	(61,200,536)	(56,363,512)	(53,072,514)	(47,310,200)	(54,525,716)
Net Cash Flows From Investing Activities	(33,223,442)	(24,388,448)	(26,077,976)	(30,959,696)	(31,873,130)	(38,883,272)	(38,069,484)	(37,033,266)	(34,330,842)	(27,742,116)	(32,358,786)
<b>Cash Flows From Financing Activities</b>											
Cash was provided from:											
Loans raised	20,568,200	24,033,300	22,094,879	24,489,432	27,884,294	9,776,014	15,911,182	15,076,370	14,438,232	7,511,580	12,371,050
	20,568,200	24,033,300	22,094,879	24,489,432	27,884,294	9,776,014	15,911,182	15,076,370	14,438,232	7,511,580	12,371,050
Cash was applied to:											
Settlement of loans	(11,873,800)	(22,950,900)	(19,186,900)	(18,522,900)	(23,498,540)	(4,566,940)	(5,854,340)	(6,030,010)	(9,017,842)	(9,156,034)	(10,382,454)
	(11,873,800)	(22,950,900)	(19,186,900)	(18,522,900)	(23,498,540)	(4,566,940)	(5,854,340)	(6,030,010)	(9,017,842)	(9,156,034)	(10,382,454)
Cash Flows From Financing Activities	8,694,400	1,082,400	2,907,979	5,966,532	4,385,754	5,209,074	10,056,842	9,046,360	5,420,390	(1,644,454)	1,988,596
<b>Net Increase (Decrease) In Cash Held</b>	(3,071,900)	(1,953,859)	(1,493,559)	(1,088,060)	(392,300)	13,400	(281,500)	(107,700)	47,300	140,400	(22,700)
Cash at beginning of the year	39,194,000	37,660,328	35,706,469	34,212,910	33,124,850	32,732,550	32,745,950	32,464,449	32,356,750	32,404,050	32,544,450
<b>Cash At End Of The Year</b>	36,122,100	35,706,469	34,212,910	33,124,850	32,732,550	32,745,950	32,464,449	32,356,750	32,404,050	32,544,450	32,521,751
Represented by:											
Cash & Bank Balances	15,964,100	16,648,469	15,154,910	14,066,850	13,674,550	13,687,950	13,406,450	13,298,750	13,346,050	13,486,450	13,463,750
Short Term Deposits	20,158,000	19,058,000	19,058,000	19,058,000	19,058,000	19,058,000	19,058,000	19,058,000	19,058,000	19,058,000	19,058,000
	36,122,100	35,706,469	34,212,910	33,124,850	32,732,550	32,745,950	32,464,450	32,356,750	32,404,050	32,544,450	32,521,750

# Funding Impact Statement 2015-25

This Funding Impact Statement has been prepared in compliance with Part 1: Clause 20 of Schedule 10 of the Local Government Act 2002.

In general terms the Council will use a mix of revenue sources to meet operating expenses, with major sources being general rates, dividends and fees and charges. Revenue from targeted rates is applied to specific activities. The following table outlines Council expenditure and sources of funds.

Rates are assessed on properties in accordance with the statutory provisions of the Local Government (Rating) Act 2002.

# Funding Impact Statement 2015-25

For The Year Ended 30 June

	Budget 2014/15 \$'000	Budget 2015/16 \$'000	Budget 2016/17 \$'000	Budget 2017/18 \$'000	Budget 2018/19 \$'000	Budget 2019/20 \$'000	Budget 2020/21 \$'000	Budget 2021/22 \$'000	Budget 2022/23 \$'000	Budget 2023/24 \$'000	Budget 2024/25 \$'000
<b>Sources Of Operating Funding</b>											
General Rates, Uniform annual general charges, rates penalties	12,827	14,120	14,750	15,522	16,046	16,660	17,958	18,354	18,832	19,708	20,139
Targeted Rates	31,340	31,953	33,220	34,498	36,737	38,294	40,095	40,693	42,496	42,867	44,286
Subsidies and grants for operating purposes	3,199	4,046	4,044	3,533	3,654	3,388	3,059	4,000	3,673	3,783	3,485
Fees and charges	16,250	16,790	17,219	17,741	18,175	19,339	19,396	19,809	20,452	21,482	21,802
Interest and dividends from investments	4,702	4,829	4,632	4,492	4,490	4,635	4,691	4,731	4,879	5,043	5,150
Internal charges and overheads recovered											
Local authorities fuel tax, fines, infringement fees and other receipts	895	854	856	891	929	947	1,042	1,143	1,160	1,174	1,196
<b>Total Operating Funding</b>	<b>69,212</b>	<b>72,591</b>	<b>74,720</b>	<b>76,676</b>	<b>80,032</b>	<b>83,263</b>	<b>86,241</b>	<b>88,729</b>	<b>91,492</b>	<b>94,056</b>	<b>96,058</b>
<b>Applications Of Operating Funding</b>											
Payments to staff and suppliers	46,963	49,241	50,311	51,330	52,530	54,221	56,362	57,292	59,078	60,916	62,781
Finance costs	6,682	6,823	6,902	7,329	7,713	7,846	8,452	9,144	9,596	9,693	9,684
Internal charges and overheads applied											
Other operating funding applications	0	0	0	0	0	0	0	0	0	0	0
<b>Total Applications Of Operating Funding</b>	<b>53,644</b>	<b>56,064</b>	<b>57,212</b>	<b>58,659</b>	<b>60,243</b>	<b>62,067</b>	<b>64,814</b>	<b>66,435</b>	<b>68,674</b>	<b>70,609</b>	<b>72,464</b>
<b>Surplus/(Deficit) Of Operating Funding</b>	<b>15,568</b>	<b>16,527</b>	<b>17,508</b>	<b>18,017</b>	<b>19,789</b>	<b>21,195</b>	<b>21,427</b>	<b>22,294</b>	<b>22,818</b>	<b>23,447</b>	<b>23,594</b>
<b>Sources Of Capital Funding</b>											
Subsidies and grants for capital expenditure	7,145	5,570	4,893	5,723	6,658	11,775	5,848	5,330	5,644	5,706	6,227
Development and financial contributions	20	20	21	26	57	81	61	68	88	96	105
Increase/(decrease) in debt	8,699	1,087	2,908	5,967	4,386	5,209	10,057	9,046	5,420	(1,644)	1,989
Gross proceeds from the sale of assets	45	45	45	61	45	45	45	45	45	45	45
Lump sum contributions	0	0	0	0	0	0	0	0	0	0	0
Other dedicated capital funding	53	324	283	287	681	686	446	258	457	258	471
<b>Total Sources Of Capital Funding</b>	<b>15,963</b>	<b>7,046</b>	<b>8,150</b>	<b>12,062</b>	<b>11,827</b>	<b>17,797</b>	<b>16,457</b>	<b>14,747</b>	<b>11,655</b>	<b>4,460</b>	<b>8,837</b>
<b>Applications Of Capital Funding</b>											
Capital expenditure											
- to meet additional demand	5,235	2,593	2,540	3,058	5,854	13,073	4,606	3,090	1,067	710	976
- to improve the level of service	10,148	6,058	6,781	7,288	6,449	5,411	10,584	5,913	3,748	3,822	5,088
- to replace existing assets	22,651	21,547	20,508	24,040	16,333	16,417	24,084	24,796	25,261	19,273	24,788
Increase/(decrease) in reserves	(6,503)	(6,626)	(4,172)	(4,306)	2,981	4,092	(1,391)	3,242	4,397	4,103	1,581
Increase/(decrease) of investments	0	0	0	0	0	0	0	0	0	0	0
<b>Total Applications Of Capital Funding</b>	<b>31,531</b>	<b>23,573</b>	<b>25,658</b>	<b>30,080</b>	<b>31,616</b>	<b>38,992</b>	<b>37,883</b>	<b>37,041</b>	<b>34,473</b>	<b>27,908</b>	<b>32,431</b>
<b>Surplus/(Deficit) Of Capital Funding</b>	<b>(15,568)</b>	<b>(16,526)</b>	<b>(17,508)</b>	<b>(18,018)</b>	<b>(19,789)</b>	<b>(21,195)</b>	<b>(21,427)</b>	<b>(22,294)</b>	<b>(22,818)</b>	<b>(23,447)</b>	<b>(23,594)</b>
<b>Funding Balance</b>	<b>(0)</b>	<b>0</b>	<b>0</b>	<b>(0)</b>	<b>(0)</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>

# Funding Impact Statement 2015-25

## Rating Types (all amounts are shown inclusive of 15.0% GST)

These figures give ratepayers an estimate of what their level of rates is likely to be in the coming year.

For the purposes of setting and assessing rates, the following definition of 'a separately used or inhabited part of a rating unit' is used: Any part of a rating unit that is, or is able to be, separately used or inhabited by the ratepayer, or by any other person or body, having a right to use or inhabit that part by virtue of a tenancy, lease, licence or other agreement.

Examples include:

- Each separately used or inhabited part of a residential unit will count as a separate part. This includes minor household units with kitchen facilities often referred to as "granny flats".

- Where residential properties are partially used for business, the number of parts will equal the number of separately used or inhabited residential units plus one for each separate business use (e.g. a house with a doctor's surgery attached contains two parts).
- In the case of retirement villages and similar types of properties, each separately used or inhabited residential unit and each other major use (such as halls, libraries etc) are separate parts.

## Uniform Annual General Charge (UAGC)

The cost of providing community amenities, such as libraries, swimming pools, parks and the cost of governance and leadership, civil defence, environmental health, road/streets landscapes, economic development and promotion, and the airport, is recovered from all ratepayers in the form of a uniform annual general charge assessed as a fixed amount per rating unit.

	Actual Rate 2014/15	Proposed Rate 2015/16	Estimated revenue 2015/16 (\$000)
<b>Uniform Annual General Charge</b>	\$486.00	\$506.00	10,293

## General Rates

The general rate includes that portion of the above activities not recovered by the uniform annual general charge, plus costs associated with the roading network, street lighting, refuse disposal services, dog control, building control, district planning and property costs

(non commercial). It is assessed on all rateable land within the District in the form of a differential general rate assessed on the Land Value of the rating unit. Information about the categories of rateable land and the differentials can be found under the heading Differential Rating.

	Differential Factor	Actual Rate 2014/15	Proposed Rate 2015/16	Estimated revenue 2015/16 (\$000)
<b>Commercial/Industrial/ Accommodation</b>	4.40	\$0.01246	\$0.01246	4,783
<b>Primary</b>	0.32	\$0.00106	\$0.00091	2,990
<b>Residential - General/ Recreational/ Community Services</b>	1.00	\$0.00296	\$0.00283	6,000
<b>Residential - Multi-Unit</b>	2.00	\$0.00607	\$0.00567	205

Note: Previously Council had a District Works and Services rate, which was for the cost of providing the roading network, street lighting, refuse disposal services, dog control, building control, district planning and property costs (non commercial) that have now been incorporated into the general rate.

## Community Works and Services Rates

The cost of activities, such as non subsidised roading (footpaths), community lighting, and stormwater drainage, is recovered from each community in which the service is provided in the form of a targeted community works

and services rate assessed on the Land Value of the rating unit. The communities in which these rates are assessed are:

	Actual Rate 2014/15	Proposed Rate 2015/16	Estimated revenue 2015/16 (\$000)
<b>Geraldine</b>	\$0.00151	\$0.00152	262
<b>Rural</b>	\$0.00006	\$0.00005	195
<b>Temuka</b>	\$0.00227	\$0.00214	351
<b>Timaru</b>	\$0.00142	\$0.00155	2,545

# Funding Impact Statement 2015-25

## Aquatic Centre Rate

The cost of Caroline Bay Aquatic centre is recovered from all ratepayers in the form of a uniform targeted aquatic centre rate assessed as a fixed amount per separately used or inhabited part of a rating unit for residential (general or multi-unit) rating units,

per rating unit for other rating units (being the same amount as the amount assessed per separately used or inhabited part of a residential (general or multi-unit) rating unit). Information about the differential categories can be found under the heading Differential Rating.

	Actual Rate 2014/15	Proposed Rate 2015/16	Estimated revenue 2015/16 (\$000)
Residential	\$106.00	\$108.00	1,957
Other	\$106.00	\$108.00	350

## Rural Fire Protection Rate

The cost of rural fire protection is recovered from all rateable land in the district, excluding the urban areas of Geraldine, Pleasant Point, Temuka and Timaru (see the description of

these areas below), in the form of a uniform targeted rural fire protection rate assessed on the Land Value of the rating unit.

	Actual Rate 2014/15	Proposed Rate 2015/16	Estimated revenue 2015/16 (\$000)
Rural Fire Protection Rate	\$0.00007	\$0.00008	225

## Uniform Community Board Charges

The cost of providing specific Council services as determined by the Temuka, Geraldine and Pleasant Point Community Boards, is recovered from those ratepayers in the form of a targeted fixed amount per rating unit

in each of the Temuka, Pleasant Point and Geraldine communities (see description of these areas below).

	Actual Rate 2014/15	Proposed Rate 2015/16	Estimated revenue 2015/16 (\$000)
Geraldine	\$2.00	\$2.00	6
Pleasant Point	\$5.00	\$5.00	6
Temuka	\$3.50	\$3.50	10

## Uniform Annual Sewer Charge

The cost of providing sewage disposal is recovered from those ratepayers who receive the service, and are not subject to tradewaste charges, in the form of a targeted uniform annual sewer charge. This is a fixed amount on each water closet or urinal connected

either directly or through a private drain to a public sewage drain subject to the proviso that every rating unit used exclusively or principally as a residence of not more than one household shall be deemed to have not more than one water closet or urinal.

	Actual Rate 2014/15	Proposed Rate 2015/16	Estimated revenue 2015/16 (\$000)
Sewer Charge	\$364.00	\$367.00	7,935

## Differentiated Annual Waste Management Charge

The cost of providing waste collection is recovered from rating units which receive the service in the form of a targeted differential annual waste management charge of a fixed

amount per set of 3 bins for all rateable and non-rateable land (see description of waste categories below).

	Actual Rate 2014/15	Proposed Rate 2015/16	Estimated revenue 2015/16 (\$000)
Standard	\$299.00	\$275.00	5,443
Large	\$400.00	\$373.00	133

Additional bins are charged for as a targeted differential annual waste management bin charge of a fixed amount per additional bin:

	Actual Rate 2014/15	Proposed Rate 2015/16	Estimated revenue 2015/16 (\$000)
Small Recycling (140 litres)	\$70.00	\$70.00	17
Large Recycling (240 litres)	\$80.00	\$80.00	23
Small Compost (140 litres)	\$112.00	\$110.00	17
Large Compost (240 litres)	\$133.00	\$130.00	22
Small Rubbish (140 Litres)	\$140.00	\$135.00	11
Large Rubbish (240 litres)	\$200.00	\$195.00	35

# Funding Impact Statement 2015-25

## Annual Water Charges

The cost of providing a water supply is recovered from those ratepayers who receive or could receive the service in the form of a targeted annual water charge.

- **“Connected”** means those rating units which receive an ordinary water supply.
- **“Serviceable”** means those rating units which are situated within 100 metres from any part to the water works to which water can be but is not supplied.
- **“Residential”** means all properties used primarily for residential accommodation of a single household or used for residential purposes and not otherwise classified or which are vacant or of not determined use of those differential categories and situated in an area which residential dwellings are permitted.
- **“Other”** means all rating units used primarily for purposes other than residential purposes.

	Actual Rate 2014/15		Proposed Rate 2015/16		Estimated revenue 2015/16 (\$000)
	Connected	Serviceable	Connected	Serviceable	
<b>Urban supplies</b>	\$247.00	\$123.50	\$278.00	\$139.00	4,830

### b Rural

- i A targeted rate of a fixed amount per hectare within the rating unit located in the Rangitata-Orari Water Supply District.
- ii A targeted rate in the Te Moana Downs Water Supply District of a fixed amount per unit of water supplied **and** a targeted rate of a fixed amount for each tank.
- iii A targeted rate of a fixed amount per unit of water supplied in the Orari Township Water Supply District.
- iv A targeted rate in the Seadown Water Supply District of a fixed amount per hectare within the rating unit **and** a targeted rate of a fixed amount per separately used or inhabited part of a rating unit.
- v A targeted rate per rating unit of a fixed amount per hectare in the Beautiful Valley Water Supply District.
- vi On so much of the rating units

All references to a **“Water Supply”** are references to schemes defined by a Special Order. Water rates are assessed as follows:

#### a Urban

- i A differential targeted rate of fixed amounts in accordance with the following differentials (excluding those rating units supplied through a meter):
  - i per separately used or inhabited part of a Connected residential rating unit;
  - ii per rating unit for other Connected rating units (being the same amount assessed per separately used or inhabited part of a Connected residential rating unit)
  - iii per Serviceable rating units (being 50% of the above amount) assessed on rating units as:

appearing on Valuation Rolls number 24640, 24660, 24670, 24680, 24690, 24700, 24710, 24820, 24840, 24850, 24860, and part 25033, as is situated within the Downlands Water Supply District the following targeted rates.

- a) a fixed amount for each separately used or inhabited part of a rating unit within the Pareora Township and for rating units used as halls within the scheme.
- b) a fixed amount per rating unit for rating units used as schools within the Pareora

Township.

- c) in addition a fixed amount for each separate connection (excluding Pareora Township) to the water supply except where there is more than one connection to any rating unit as a technical requirement of the scheme, in which case only one charge will apply.
- d) in addition to the charge assessed in (c) above, a fixed amount per unit of water or where water supplied in one half units a fixed charge (being 50% of the amount per unit) per half unit.

	Actual Rate 2014/15	Proposed Rate 2015/16	Estimated revenue 2015/16 (\$000)
<b>Rangitata-Orari (Area charge)</b>	\$17.00	\$16.90	311
<b>Te Moana (Unit charge)</b>	\$255.00	\$255.00	310
<b>Te Moana (Tank charge)</b>	\$497.50	\$566.00	357
<b>Orari (Service charge)</b>	\$364.00	\$403.00	24
<b>Seadown (Area charge)</b>	\$14.70	\$15.20	80
<b>Seadown (Domestic charge)</b>	\$367.00	\$381.00	133
<b>Beautiful Valley (Area charge)</b>	\$3.69	\$3.69	7
<b>Downlands (Domestic charge)</b>	\$458.00	\$486.00	89
<b>Downlands (School charge)</b>	\$785.50	\$833.50	1
<b>Downlands (Service charge)</b>	\$327.00	\$347.00	651
<b>Downlands (Unit charge)</b>	\$131.00	\$139.00	626

### c Water by Meter

A uniform targeted rate for water supply per cubic meter of water

consumed by any rating unit situated in the following areas which has been fitted with a water meter:

	Actual Rate 2014/15	Proposed Rate 2015/16	Estimated revenue 2015/16 (\$000)
<b>Seadown</b>	\$0.82	\$0.84	5
<b>Urban schemes</b>	\$0.58	\$0.60	1,783

# Funding Impact Statement 2015-25

## Uniform Community Centre Charges

To provide funding for community centres uniform targeted rates of a fixed amount per separately used or inhabited part of a rating

unit situated in the following Community Centre Areas:

	Actual Rate 2014/15	Proposed Rate 2015/16	Estimated revenue 2015/16 (\$000)
Claremont Community Centre	\$20.00	\$21.00	5
Fairview Community Centre	\$30.00	\$30.00	6
Kingsdown Community Centre	\$36.00	\$36.00	5
Otipua Community Centre	\$20.00	\$20.00	2

## Lump sum contributions

Lump sum contributions will not be invited in respect of any targeted rates.

## Differential Rating

The Council proposes to differentiate the general rate and the Aquatic Centre rate based on land use (Schedule 2 Local Government (Rating) Act 2002).

For the general rate, the relationship between the rates set on rateable land in each different

differential type is shown below. A rating unit can be partitioned into property parts that can be put into different differential categories.

The differential is applied under the following nine types:

Type	General Rate factor
1 Accommodation	4.40
2 Commercial - Central	4.40
3 Commercial - Other	4.40
4 Community Services	1.00
5 Industrial	4.40
6 Primary	0.32
7 Recreational	1.00
8 Residential – General	1.00
9 Residential – Multi Unit	2.00

## Description of differential categories

### Type 1- Accommodation

All properties used primarily for hotel, motel or similar short term or travellers' accommodation purposes.

### Type 2 – Commercial - Central

All properties situated within the Timaru Central Business District and used primarily for commercial purposes.

### Type 3 – Commercial - Other

All properties used primarily for commercial purposes other than those situated in the Timaru Central Business District.

### Type 4 – Community Services

All properties used primarily for education, religious and/or community purposes.

### Type 5 - Industrial

All properties used primarily for industrial purposes.

### Type 6 - Primary

All properties used primarily for agricultural, horticultural or pastoral purposes, including the grazing of animals.

### Type 7 - Recreational

Properties used primarily for active or passive indoor/outdoor recreational activities.

### Type 8 – Residential – General (including baches)

All properties used primarily for residential accommodation of a single household or used for residential purposes and not otherwise classified or which are vacant or of not determined use of those differential categories and situated in an area in which residential dwellings are permitted.

### Type 9 – Residential – Multi- Unit

All properties used primarily for multi unit residential accommodation, for example,

purpose built rental flats.

**Timaru** means the area defined by so much of the rating units appearing on valuation rolls number 24930, 24941, 24942, 24950, 24960, 24971, 24972, 24981, 24991, 25000, 25011, 25021, 25022, 25023, 25032 and 25033.

**Geraldine** means the area defined by so much of the rating unit appearing on valuation rolls number 24751 and 24752.

**Temuka** means the area defined by so much of the rating unit appearing on valuation rolls number 24770 and 24780.

**Pleasant Point** means the area defined by so much of the rating unit appearing on valuation roll number 24821.

**Rural** means all that area excluding Geraldine, Pleasant Point, Temuka and Timaru.

Standard waste charge is for 3 bins: a 140 litre rubbish bin, a compost bin and a recycling bin, or a 3 bin stacker set.

Large waste charge is for a 240 litre rubbish bin, a compost bin and a recycling bin.

## Rates payable by instalment

Rates and charges are due and payable on the following dates:

All Ratepayers	
Instalment	Due Date
1	21 September 2015
2	21 December 2015
3	21 March 2016
4	20 June 2016

Ratepayers may elect to pay on a more regular basis if they choose. Rates may be paid using any one of a number of payment methods acceptable to the Council including direct debits, cheques by mail, cheques or cash or EFTPOS at Council offices, credit card

# Funding Impact Statement 2015-25

via Council website, direct credits or other bank transfer methods.

The due date for metered water targeted rates will be the 20th of the month following invoice date.

## Penalties

A penalty of 10% is added to any portion of each instalment that remains unpaid at the close of the due date, on the following dates:

Instalment	Penalty Date
1	22 September 2015
2	22 December 2015
3	22 March 2016
4	21 June 2016

Any rates outstanding from previous years (including penalties already incurred) which are still unpaid on 21 September 2015 will have a further 10% penalty added on that date and if any portion is still unpaid on 21 March 2016 a further 10% penalty will be added on that date.

Penalties will not be applied to the metered water targeted rate.

## Rate Discount Policy

That pursuant to Section 55 of the Local Government (Rating) Act 2002, the following discount will apply:-

- A discount of 2.50% will be allowed on the total rates set, if the 2015/16 rates, including any current penalties, are paid in full on or before 21 September 2015