

Pre-Election Report 2019



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Key Dates for 2019 elections

19 July 2019
Nominations open

Noon 16 August 2019
Nominations close

20 September – 25 September 2019
Voting papers delivered

12 October 2019
Election Day

About this report

This Pre-Election Report provides voters and candidates with information about the key issues facing Timaru District Council, its financial position and the major projects scheduled over the next three years.

The purpose of the report is to promote informed public discussion in the lead up to the local body elections on 12 October this year.

What it includes

This report provides information on the Council's financial performance and the major issues that could impact on it financially over the next three years. It also briefly outlines the services Council provides, and some key facts about the Timaru District.

Why has it been prepared

All Councils are required to prepare a Pre-election Report. The Local Government Act 2002 sets out what must be included and when it must be made available. The report includes previously published information from the Council's 10-Year Plan (the Long Term Plan), Annual Plans and Annual Reports. As required by law, this is a report by the Chief Executive and has been prepared independently of the Mayor and Councillors.

Audit of Information

While the Pre-election Report has not been audited, most of the financial information in it has been reviewed by independent auditors either as part of previous Annual Reports or the Long Term Plan 2018-2028.

Information from the most recent financial year (2018/19) will be audited and available on the Council website when the Annual Report 2018/19 has been adopted by Council in October 2019.

Where to find out more

Our website www.timaru.govt.nz contains more information about the Council. It includes the following documents:

- Timaru District Council Long Term Plan 2018-28
- Timaru District Council Annual Plan 2019/20
- Timaru District Council Annual Reports
- Timaru District Plan
- Timaru District Council Local Governance Statement - A Guide to your Council
- Candidates' Information Handbook

From the Chief Executive

Welcome to the Timaru District Council's Pre - Election Report which is issued ahead of the local elections in October 2019.

This report provides summary information about the Timaru District Council for voters and those considering standing for election.

It highlights key information previously published in the Council Long Term Plan 2018-28, Annual Plan 2019/20 and the Annual Reports for 2016/17 and 2017/18. It also includes estimated financial information for the year ended 30 June 2019 as final information is not available at the time of publishing.

Our Long Term Plan 2018-28 includes some big projects – both infrastructure upgrades and work on some key council facilities. These were discussed with the community during the Long Term Plan consultation and we received some clear views from submitters that helped the Council prioritise the projects.

Some of these multi-million projects are already underway, including water supply and sewer services upgrades, as well as work on the Theatre Royal upgrade and Heritage Facility development. There is an outline of the major projects on the following pages.

While this report provides an overview of key Council activities and financial information, if you need more information our staff can assist with your questions. You can contact us on 03 687 7200 or through the Council website www.timaru.govt.nz.



Bede Carran
Chief Executive
Kaiwhakahaere

Timaru District Council Strategic Direction

The Timaru District Strategic Direction includes a Vision and Community Outcomes. Strategic Priorities have also been identified with Council's contribution towards these 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.



Timaru District Council

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 may 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

Key issues

There are some issues facing the district that affect all of us, including the Council. Council takes these into account as it plans for the future and what direction is taken.

1. Meeting environmental standards

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

2. Increasing cost of providing services

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

3. Growth and Demand

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

Key demographic changes * include:

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

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

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

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

* Based on Statistics New Zealand Population Household Projections - December 2016 (based on 2013 census)

Key issues

4. Legislative and regulatory change

As a creature of statute the Council is constantly subject to legislative changes that impact on how services are funded and delivered. Regulatory reforms also occur at a regional level, with changes in Environment Canterbury policies, such as the Land and Water Regional Plan, which places a range of obligations on Council. With the change of government in September 2017 a number of legislative and policy changes affecting local government have been enacted, or are signalled. The most significant of these include:

- The four wellbeings have returned to the purpose of local government (LGA 2002 section 10)
- Responsiveness to Maori will be a priority
- Climate Change – Zero Carbon Act, Climate Change Commission, Climate Assessments
- Transport – sustainable transport, regional rail, safety focus
- Freshwater – Clean Waters summit, stronger regulatory instruments
- RMA reform – review of recent amendments, enhancing community participation, more National Policy Statements
- Three Waters – Continuation of Three Waters review, an increased regulatory regime, particularly in relation to NZ Drinking Water Standards
- Local Government funding review
- Regional development opportunities
- Waste Minimisation - review of Waste Minimisation Act and future approach to waste issues
- Notified Plan Change 7 to the Land and Water Regional Plan

5. Delivering on community expectations while keeping it affordable

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



Key issues

6. Ageing Infrastructure

A significant amount of our core infrastructure is getting older and will require replacing over the next 50+years. Planning for this is outlined in the 50 year Infrastructure Strategy which was published as part of the 2018-28 Long Term Plan. This strategy outlines significant infrastructure issues, options for managing these and the implications and costs of these.

In the next 10 years over \$152M is planned for building and replacing roading infrastructure, such as reconstruction of roads, renewals and bridge replacements. Around \$125M is planned on replacing and upgrading old water supply network assets. Around \$24M is planned to replace sewer network assets.

7. External influences

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

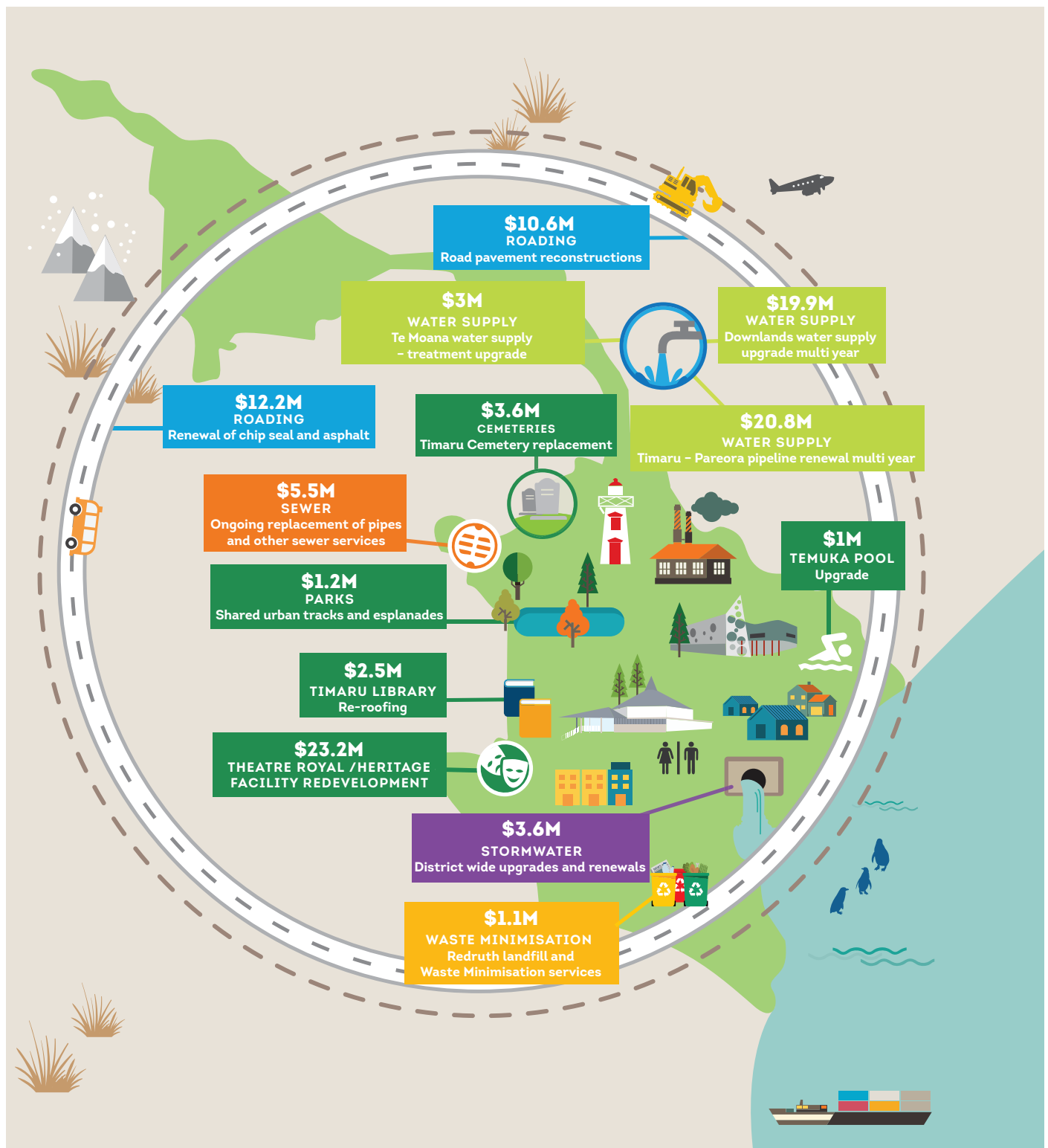
Major projects

Here are some of the major projects Council has planned over the period 2019/20 - 2022/23. There is a full list in the Council's Long Term Plan 2018-28.

Note:

Figures are based on the Long Term Plan 2018/28, with adjustments from the 2019/20 Annual Plan.

All figures are GST exclusive



Major projects

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Other KEY PROJECTS 2019/2020-2022/23

AIRPORT Runway renewals	\$2.3M	ROADING Footpath renewals	\$5.4M
DISTRICT PLAN REVIEW	\$3.7M	ROADING LED lighting	\$1.5M
ART GALLERY House Gallery Earthquake strengthening and renewals	\$0.6M	WASHDYKE Roothing Network Improvements*	\$1.5M
CAROLINE BAY TRUST AORAKI CENTRE Renewals	\$0.4M	TIMARU SOUTH Parking development	\$0.8M
CAROLINE BAY Soundshell seating	\$1.7M	SEWER Geraldine Siphon upgrade	\$0.7M
PARKS New and replacement playgrounds	\$1M	WATER SUPPLY Water storage and pump upgrades – Pleasant Point, Seadown and Temuka	\$1.6M
STRUCTURAL BRIDGE REPLACEMENTS*	\$3.7M		
ROADING Seal Extensions/Widening*	\$4.3M		

*All figures include inflation

* NZTA Financial support at 51%

Here's a little more detail on some of the most significant projects.

Theatre Royal Redevelopment/New Heritage Facility

Upgrading the Theatre Royal and developing a multi-purpose Heritage Facility in south Stafford Street, co-located with the Theatre Royal, are multi-year projects agreed in the 2018- 28 Long Term Plan. Earlier this year, it was agreed to combine these projects.

The development will see the Theatre Royal upgraded, while preserving the buildings heritage values. This redevelopment will deliver a much improved facility for users and patrons, and importantly, attract touring shows to Timaru.

The Heritage Facility will provide a new multi-purpose facility that will be used mainly for museum exhibitions, which have outgrown the current museum building. The space will also be available for the Aigantighe Art Gallery and touring exhibitions.

Detailed planning, procurement and design is the focus of the work being carried out in 2019/20. Physical works on site such as early/enabling works may be able to commence towards the end of 2019/20.

Timaru Water Supply – Pareora pipeline replacement

Replacement of the 35km Pareora water pipeline, which supplies the majority of Timaru's drinking water is one of the largest infrastructure projects we're undertaking over the next year or two. A total of \$20.8M has been budgeted over the next 2 years.

Starting at the Upper Pareora Dam (which is actually in the Mackenzie District), the pipe winds through the Pareora Gorge before reaching our reservoirs at Claremont. The water isn't pumped, it is gravity fed all the way, which presents some challenging design and engineering requirements. The big advantages are that it provides a significantly more cost effective and resilient water supply to the Timaru urban population. The pipeline has served Timaru city well since its installation in the 1930s, but now it has reached the end of its service life and all but the upper 10% of the pipeline needs to be replaced.

Timaru Cemetery

The Timaru Cemetery, established in 1864 will be nearing capacity in the next few years, and a new cemetery is required. In preparation for this, land needs to be purchased, resource consents obtained, and infrastructure such as roading and drainage put in place. A total of \$3.6M has been budgeted over the next 2 years starting in 2019/20. Progress on this project will depend on the all-important step of selecting a suitable site – a complex issue due to the requirements associated with location of a cemetery.



Downlands Water Supply Upgrade

The Downlands water supply scheme covers a significant part of the district and ensuring it is fit for purpose into the future is essential for many farming, commercial and residential users in the district.

This complex project involves the renewal of the water supply intakes, as well as pipe work, and an upgrade of the Te Ngawai Water Treatment Plant to meet new drinking water standards.

Roading Infrastructure upgrades

Every year Council plans for the reconstruction of roads that near the end of their design life, and renewal of road surfaces due to wear and tear. In 2019/20 near \$6M has been budgeted for this work.

A further \$2M will be spent upgrading the Geraldine – Winchester – Tiplady Road intersection. The New Zealand Transport Agency has deemed this high priority for safety improvements and is contributing 75% of the cost of this project.

City Hub Strategy

More recently Council has created a project steering group to develop a City Hub Strategy. The steering group is tasked with developing a strategy to ensure Timaru city remains a vibrant hub for the community. The district's other towns. Temuka, Geraldine and Pleasant Point all face similar challenges in keeping a vibrant hub at the centre of their communities. The strategy will help identify practical steps the Council, in conjunction with all stakeholders, need to take to ensure the city and town centres remain vibrant and fit for purpose.



Financial Strategy

Purpose of the Financial Strategy

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

The financial strategy guides the way Council makes decisions over income, expenditure, borrowing and investments. It helps to explain how Council plans to balance the books and summarises the implications of these plans for ratepayers. It links the decisions the Council makes on what services to provide and how they will be paid for.

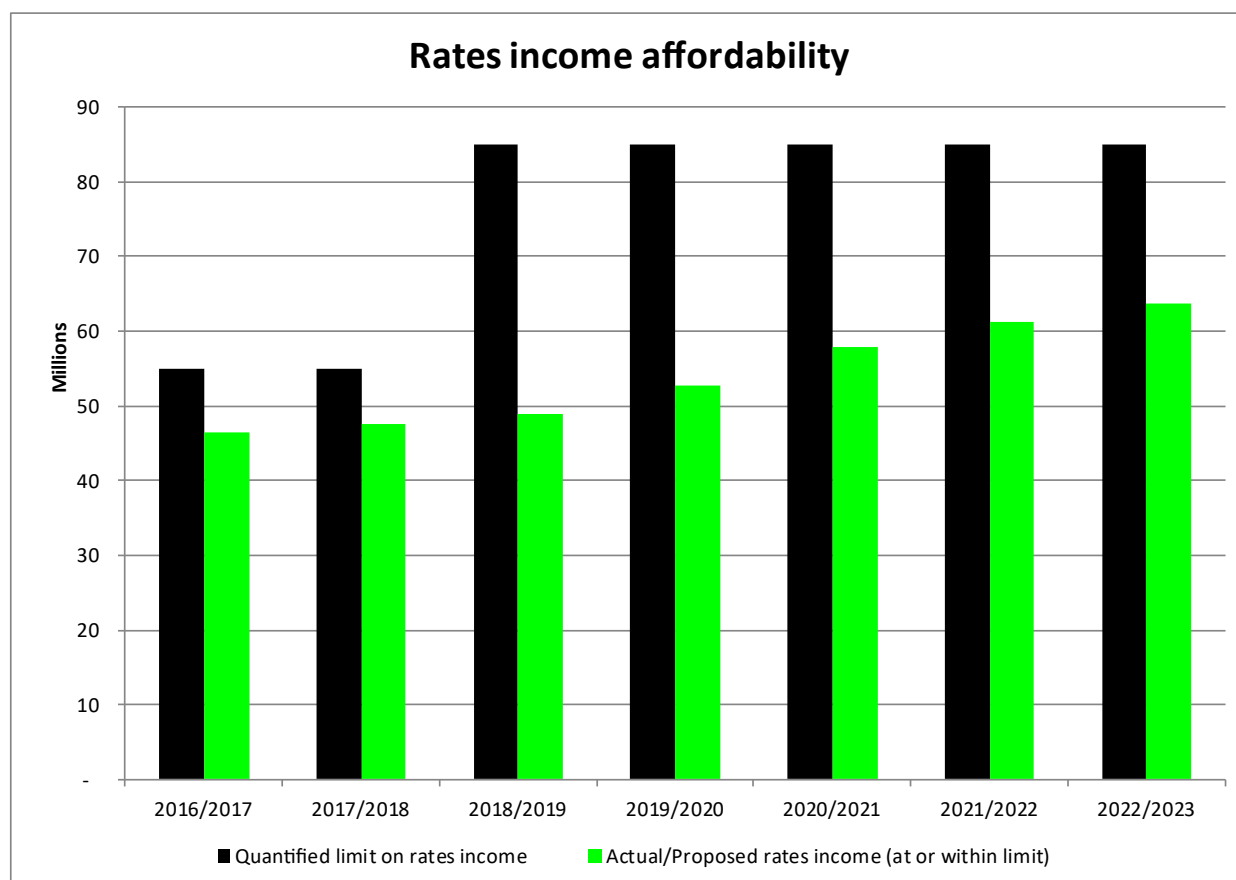
The Financial Strategy acknowledges that at all times the Council is managing finances that belong to the Timaru District community.

Compliance with the Financial Strategy

The information below compares Councils performance against benchmarks set in the Financial Strategy.

Rates (income) affordability benchmark

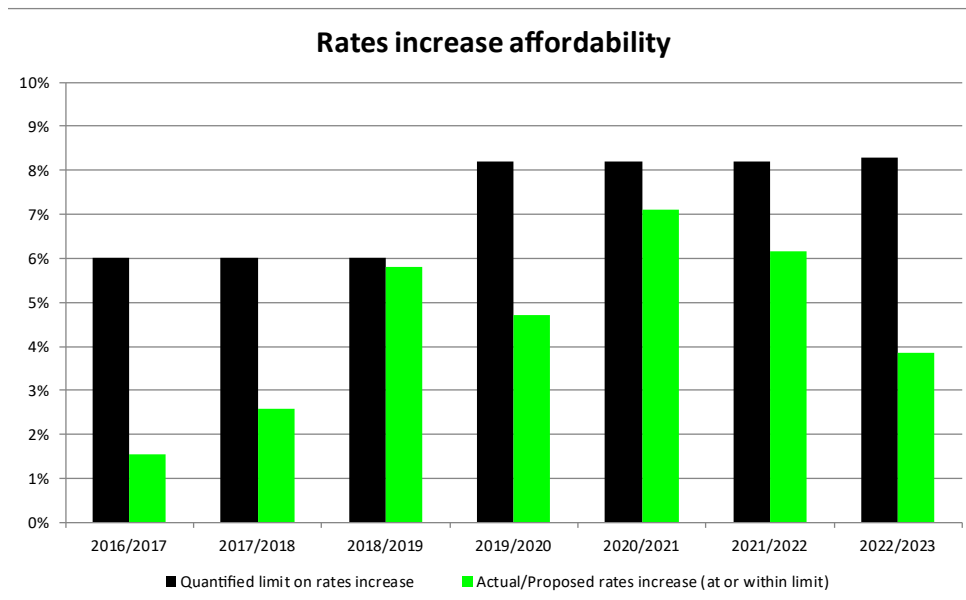
The following graph compares the Council's actual rates income with a quantified limit on rates contained in the Financial Strategy. The quantified limit was \$55m (from 2016/2017 to 2017/2018) and \$85m (from 2018/2019).



Financial Strategy

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. The quantified limit is 6%, plus inflation as per the Local Government Cost Index.

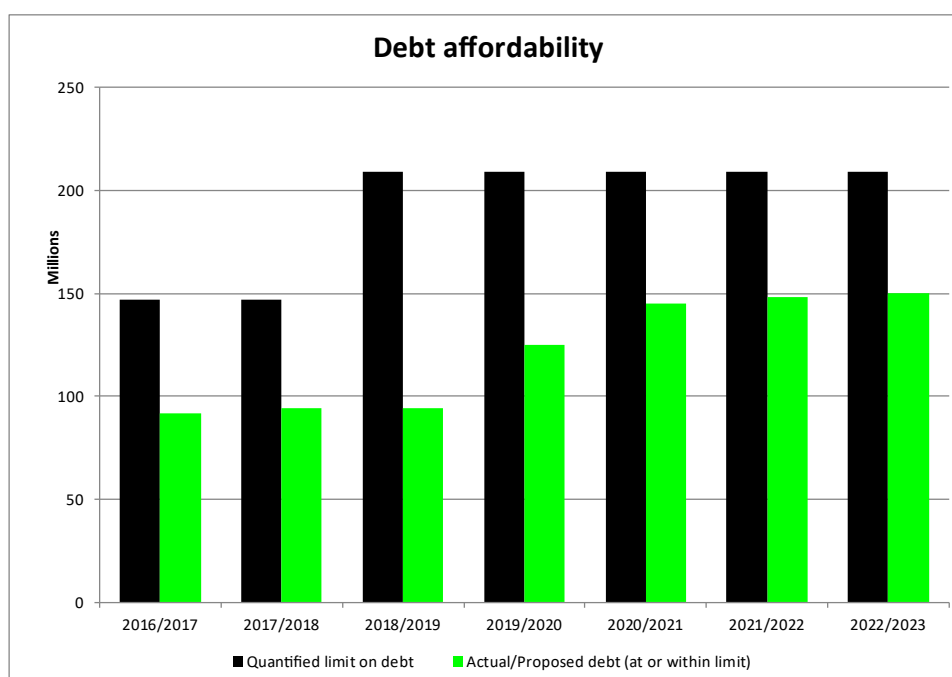


Debt affordability benchmark

The following graph compares the Council's actual borrowing with a quantified limit on borrowing stated in the financial strategy.

The quantified limit is \$147m for 2016/2017 and 2017/2018 and \$209m for 2018/2019 onwards.

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



Financial Strategy

Investments

Council has a number of financial investments in order to create a return which can be used to pay for services or reduce rates.

The table below shows the target and the actual return on these investments.

	Actual 2016/17	Target 2016/17	Actual 2017/18	Target 2017/18	Actual 2018/19	Target 2018/19
TDHL dividends	\$2.60	\$2.60	\$2.65	\$2.65	\$1.06	\$2.75
Interest on TDHL advance	3.54%	5%	3.32%	5%	3.28%	5%
Bonds	5.2%	5%	4.9%	5%	5.3%	5%

The total amount of the dividend for the 2018/2019 financial year has not changed, however, due to a taxable bonus issue of shares at the end of the financial year there are more shares and so the dividend per share has reduced.

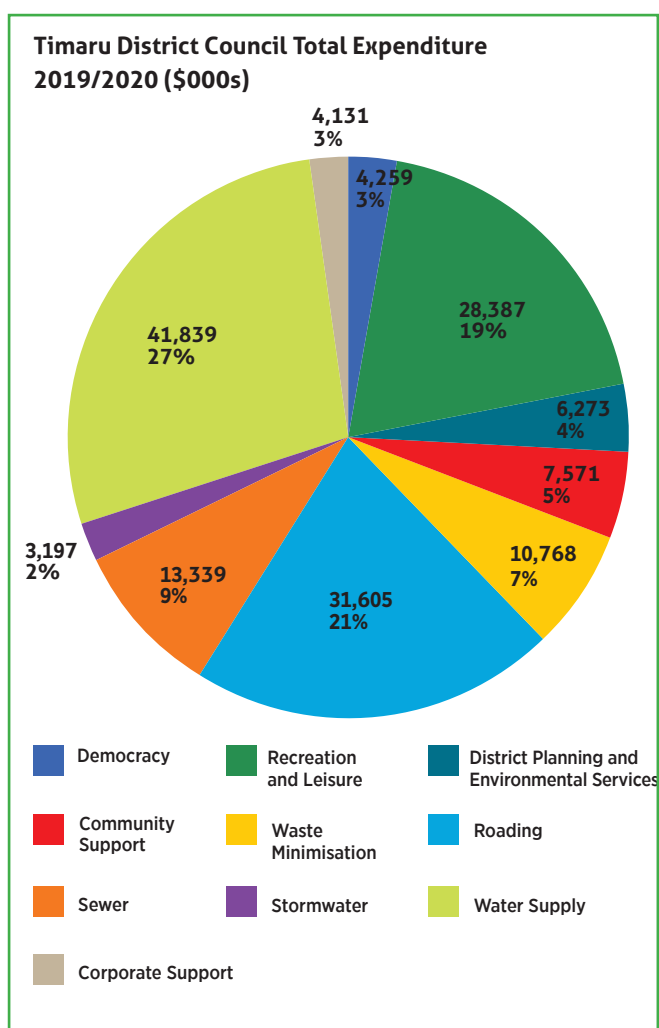
See note 4 on page 18 for further information.

Financial Information

How the Council spends the money it receives - 2019/20

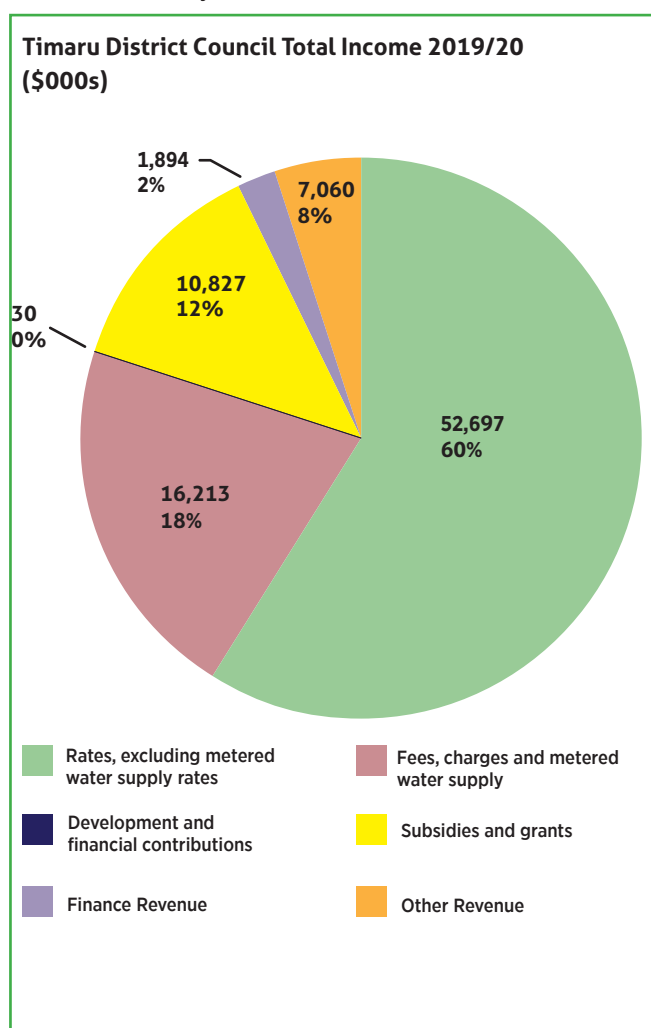
Total Expenditure

The graph shows what the Council will be spending during the year – both operating expenditure for the day to day running of services and facilities as well as capital expenditure to improve services and facilities.



Total Income

Expenditure is paid for from a mix of rates, fees, interest and dividends on Council's investments, and external sources such as financial assistance from government agencies (e.g. NZ Transport Agency). The graph shows where the money will come from in 2019/20.



Financial Information

Statement of Financial Position							
As at 30 June							
	Actual 2016/17 \$000	Actual 2017/18 \$000	Forecast 2018/19 \$000	Budget 2019/20 \$000	Budget 2020/21 \$000	Budget 2021/22 \$000	Budget 2022/23 \$000
	Note 1	Note 1	Note 1	Note 2	Note 2	Note 2	Note 2
ASSETS							
Current Assets							
Cash and cash equivalents	22,034	12,237	8,789	7,985	11,304	10,982	10,824
Trade and other receivables	6,682	5,853	5,615	6,218	6,218	6,218	6,218
Inventories	70	90	51	72	72	72	72
Other financial assets ⁽³⁾	34,566	46,216	45,175	26,216	7,417	1,417	1,417
Total Current Assets	63,353	64,396	59,629	40,491	25,011	18,689	18,531
Non-current Assets							
Fixed Assets	789,916	806,556	818,206	880,767	898,025	917,016	934,796
Investments	23,658	23,658	54,303	20,974	23,354	24,317	23,312
Total Non-current assets	813,574	830,213	872,509	901,741	921,379	941,333	958,108
Total Assets	876,927	894,609	932,139	942,233	946,390	960,022	976,639
LIABILITIES							
Current liabilities							
Trade and other payables	10,652	11,847	8,692	11,874	10,576	10,576	10,576
Current portion of term debt	15,000	32,500	27,500	5,214	6,752	7,064	7,367
Total Current liabilities	25,652	44,347	36,192	17,088	17,328	17,640	17,943
Non-current liabilities							
Other term liabilities	8,762	8,470	9,712	8,572	10,557	10,620	10,684
Term debt	77,028	62,028	67,028	119,681	138,580	141,165	142,973
Total non-current liabilities	85,790	70,498	76,741	128,253	149,137	151,785	153,657
Total Liabilities	111,442	114,846	112,933	145,341	166,465	169,425	171,600
Net Assets	765,485	779,763	819,205	796,892	779,925	790,597	805,039
EQUITY							
Retained earnings	726,925	743,981	781,861	788,333	770,093	785,802	801,249
Other reserves	38,560	35,782	37,344	8,559	9,832	4,795	3,790
Total Equity	765,485	779,763	819,205	796,892	779,925	790,597	805,039

Notes

1. The actual results for the year ended June 2016 and June 2017 have been audited, and the results for the year ended June 2019 are estimates.
2. Financial information for 2019/20 is from the final Annual Plan 2019/20, information for 2020/21 - 2022/23 is from the Long Term Plan. These documents were prepared at different times and therefore are not directly comparable.
3. Other financial assets consist mainly of cash held in Term deposits and Bonds that don't qualify as Cash and Cash equivalents.
4. At the end of the financial year Council received a special dividend by way of taxable bonus issue of \$30 million from Timaru District Holdings Limited (TDHL). The dividend was in the form of 30 million \$1 fully paid shares issued and was a fully imputed dividend. The effect of the dividend is to strengthen Council's investment in TDHL, enhance TDHL's financial position and utilise available imputation credits held by TDHL. The dividend also has the effect of increasing Council's non-cash surplus for the year by \$30 million. At a group level (the consolidation of Council and TDHL) the transaction does not alter the net equity of the combined entity (Council and TDHL). This transaction was entered into after taking professional advice from a large international accounting and consultancy firm on both the financial and tax merits and implications.

Financial Information

Funding Impact Statement

For the year ended 30 June

	Actual 2016/17 \$000	Actual 2017/18 \$000	Forecast 2018/19 \$000	Budget 2019/20 \$000	Budget 2020/21 \$000	Budget 2021/22 \$000	Budget 2022/23 \$000
SOURCES OF OPERATING FUNDING							
General rates, Uniform annual general charge, rate penalties	23,839	24,642	26,684	28,302	30,404	32,375	33,624
Targeted rates (other than a targeted rate for water supply)	23,826	24,255	23,767	26,027	28,174	29,226	30,007
Subsidies and grants for operating purpose	3,760	4,389	5,745	5,119	3,456	3,416	3,478
Fees, charges and targeted rates for water supply	17,960	18,874	19,268	17,899	19,150	19,323	19,996
Interest and dividends from investments	5,189	5,136	5,067	4,784	4,481	4,369	4,280
Local authorities fuel tax, fines, infringement fees and other receipts	2,014	1,451	2,026	1,629	877	877	877
Total operating funding	76,588	78,747	82,556	83,760	86,542	89,586	92,262
APPLICATIONS OF OPERATING FUNDING							
Payments to staff and suppliers	47,962	51,851	56,358	59,299	57,470	58,996	59,729
Finance costs	4,423	3,931	3,321	4,655	6,984	7,253	7,378
Other operating funding applications	-	-	-	-	-	-	-
Total applications of operating funding	52,385	56,206	59,679	63,955	64,454	66,249	67,107
Surplus/(deficit) of operating funding	24,202	22,542	22,877	19,805	22,088	23,337	25,155
SOURCES OF CAPITAL FUNDING							
Subsidies and grants for capital expenditure	4,037	5,456	3,650	6,273	6,075	5,984	8,126
Development and financial contributions	32	43	388	30	79	112	131
Increase/(decrease) in debt	(1,578)	2,115	-	25,384	7,853	2,897	2,112
Gross proceeds from the sale of assets	110	186	70	45	45	45	45
Lump sum contributions	-	-	-	-	-	-	-
Other dedicated capital funding	217	685	485	244	329	492	657
Total sources of capital funding	2,818	8,485	4,593	31,976	14,381	9,530	11,071
APPLICATIONS OF CAPITAL FUNDING							
Capital expenditure							
- to meet additional demand	1,120	2,218	1,522	4,345	1,564	561	417
- to improve the level of service	3,510	6,197	8,493	20,061	16,205	16,511	13,041
- to replace existing assets	19,312	22,326	18,289	46,068	22,075	20,894	24,000
Increase/(decrease) in reserves	3,078	286	(833)	(18,693)	(3,375)	(5,099)	(1,232)
Increase/(decrease) of investments	-	-	-	-	-	-	-
Total applications of capital funding	27,020	31,027	27,471	51,781	36,469	32,867	36,226
Surplus/(deficit) of capital funding	(24,202)	(22,542)	(22,878)	(19,805)	(22,088)	(23,337)	(25,155)
Funding balance	-	-	-	-	-	-	-

Notes

- The actual results for the year ended June 2017 and June 2018 have been audited. The results for the year ended June 2019 are estimates.
- Financial information for 2019/20 is from the final Annual Plan 2019/20, information for 2020/21 - 2022/23 are from the Long Term Plan 2018-28. These documents were prepared at different times and therefore are not directly comparable.

Timaru District

Some Quick Facts

Geography and Climate

Timaru District covers 2,737 square kilometres of South Canterbury. Two rivers naturally define its northern and southern boundaries, the Rangitata and Pareora, with the district stretching along the gentle curve of the South Canterbury coastline. Timaru District is the fourth largest district by population and sixth largest by area in the Canterbury region. It has a population density of 16.5 persons per square kilometre.

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

Demographics

The estimated resident population of the Timaru District as at June 2018 was 47,300. The 2013 Census population was 43,929.

Population projections*, based on a medium growth scenario, project the district's population to increase to 49,400 (+8.8%) by 2028, peaking in 2038 at 50,200. The rate of natural increase will become negative from around 2028 meaning there will be more deaths than births. This reflects the age makeup of the district's population. Growth from 2028 will be reliant on net migration.

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

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

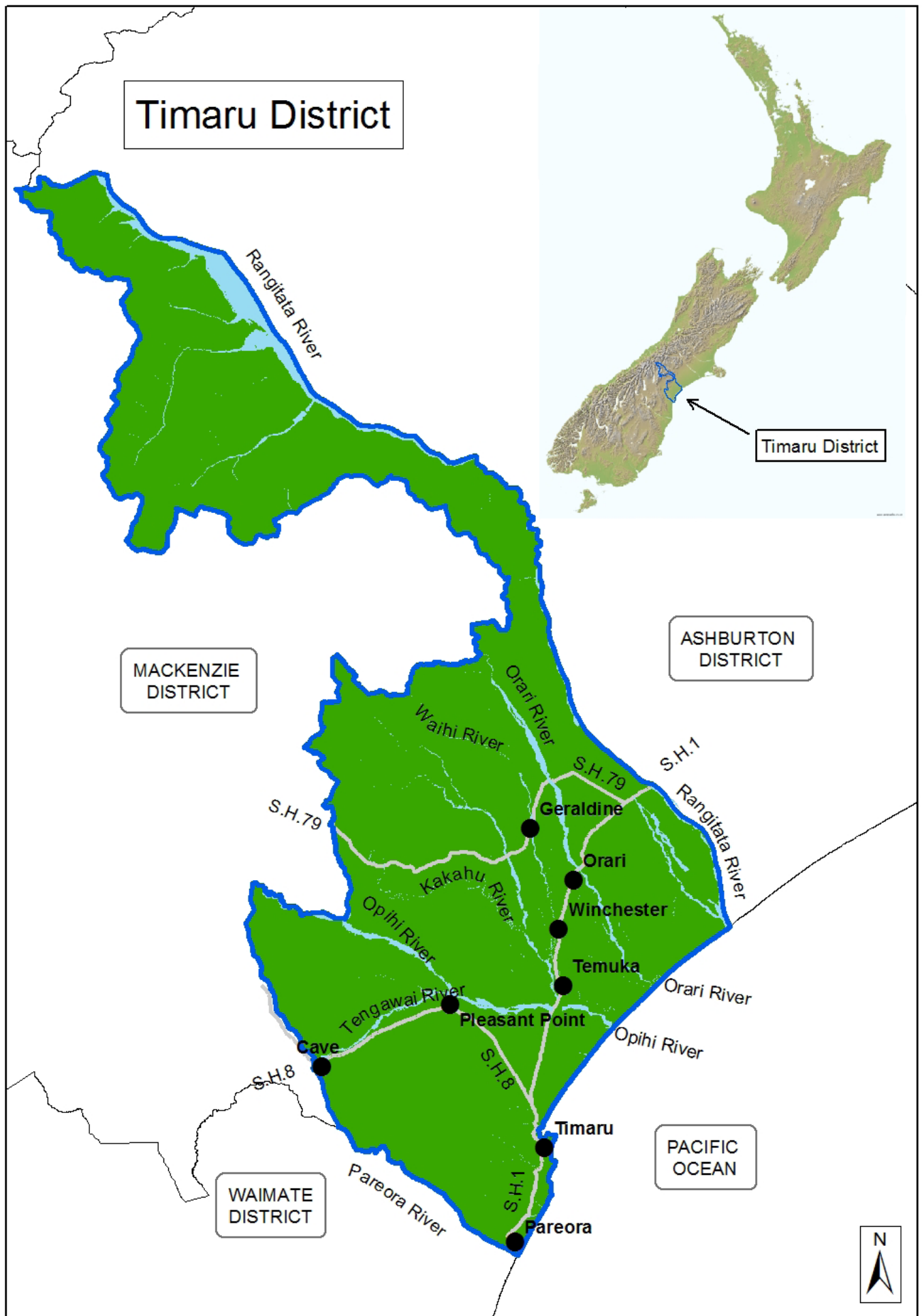
Economy

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

Employment in the district is strong, with the majority of people employed in manufacturing, health care and social assistance, retail trade, agriculture, forestry and fishing, and construction sectors. As at March 2019, there were approximately 5,517 businesses. The Agriculture, Forestry and Fishing industry sector accounts for around 21% of these businesses.

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

* Based on Statistics New Zealand Population Projections update (released February 2017)





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