



Annual Report 2016/17



**Timaru District Council
Annual Report 2016/17**

For the year ended 30 June 2017

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From the Mayor and Chief Executive

Nau mai

This Annual Report is an opportunity to reflect on the past financial year and report on the progress Council has made towards achieving the plans we agreed with the community in the 2015-25 Long Term Plan. The 2016/17 financial year is Year Two of the Long Term Plan.

Service Performance

Much of the work undertaken during the year was business as usual – with a big focus on investing in and maintaining essential infrastructure. While these are not “headline” projects, they are critical to maintaining the sort of community our residents want to live and do business in.

Pleasing results from the Rooding survey during 2016/17 such as 83% satisfaction with maintenance of sealed roads, 94% satisfaction with streetlighting, 78% satisfaction with smoothness and safety of footpaths, indicate that our rooding and footpath services are largely meeting community expectations.

Some of the major infrastructure projects we undertook during the year included:

- Progress with the rooding network at Washdyke, aimed at enabling further commercial development in the area
- Completion of a number of sewer main renewals and extensions
- Progress on upgrading the capacity of a stormwater network in Geraldine
- Numerous water main renewals, which contribute to the reliability of the water supply.

Every year increasing numbers of residents and visitors to the district make use of the recreational and cultural facilities available in the district.

- We again welcomed record numbers to the CBay swimming pool and fitness complex
- Our libraries are reaching more and more of our residents through more than just issuing library books. The list of activities offered and community groups utilising library space in all three of our libraries is growing every year
- Highly successful anniversary events were hosted at the Aigantighe Art Gallery – 60th anniversary, and the South Canterbury Museum – 50th anniversary. Both of the facilities are highly valued, and well supported by both our residents and visitors to the district.

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

Financial Performance

In terms of our finances, we are pleased to deliver an Annual Report that shows the Council's finances are in a significantly better position than forecast in the Annual Plan 2016/2017. This strong financial position was the result of a number of factors including:

- Vested assets from subdivisions within the district, valued at \$500,000, being received during the year.
- Ongoing low interest rates, combined with deferred capital expenditure and strong cashflow, resulting in lower interest costs.
- Depreciation expense is below budget due to deferred capital expenditure.

- Unrealised gain on interest rate swaps of \$1,763,000
- Waste tonnes to the landfill have increased during the year due to the amount of commercial activity.

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

Preparing for the 2018-28 Long Term Plan

During the year both Councillors and staff started preparatory work on the next Long Term Plan 2018-28. We will once again be looking for direction from our community on what the big issues are, and the options for progressing these, so that our district continues to deliver what we have all come to expect - a fantastic and sustainable lifestyle.

Finally

So much of what we do as a Council is a reflection of the skills and expertise of Council staff, elected members and volunteers working alongside members of the public. We thank you all for helping achieve what was undertaken in this past year – from our financial results to making sure we delivered quality services to our residents. This commitment and support helps make our district a great place to live, work and do business.



Damon Odey

Mayor

Koromatua



Bede Carran

Chief Executive

Kaiwhakahaere



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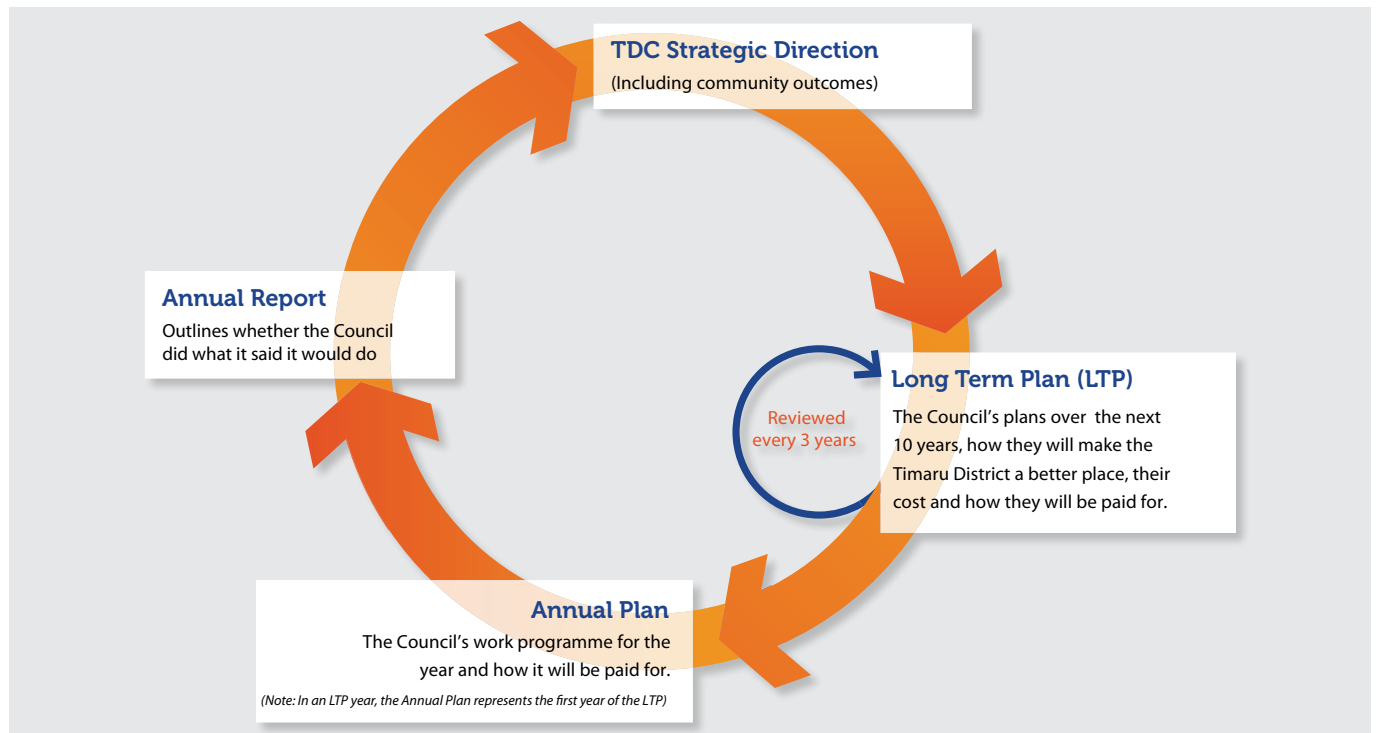


Overview

About the Annual Report

The purpose of the Annual Report is to explain how we delivered on the 2016/17 Annual Plan (or Year Two of the 2015-25 Long Term Plan) as required by Section 98 of the Local Government Act 2002.

The diagram below shows our planning and reporting cycle:



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

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

Vision

Lifestyle – Economy – Identity – Leadership



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

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:

- We want to ensure our communities are well serviced with essential services
- We want to maintain a humming, vibrant mix of places to go 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
- Our communities are thriving, exciting places to set down roots
- We have abundant recreational, sporting and leisure opportunities
- We care for, enhance and respect the natural environment

Identity

Strong and enviable reputation and identity

We want to 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 cultural diversity
- We celebrate and sell our story

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 for and have balanced growth that keeps our businesses, population and youth local
- We maintain and build on our district's strong economic diversification
- Our district's opportunities attract people, skilled workers and families here to live, work and play
- New businesses choose Timaru District
- Our businesses and other agencies work together for maximum district benefit

Leadership

Inspiring, people-focused leadership

We want a district where 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, and barriers are proactively reduced
- Our leaders help create the environment for the future to happen
- We inspire our district's future leaders
- 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

Community Outcomes

Community Outcomes represent the outcomes that the Council “aims to achieve in meeting the current and future needs of communities for good-quality local infrastructure, local public services, and performance of regulatory functions.”



The Council will continue to work with numerous organisations (e.g. health, business, environmental, community, government departments) to contribute to the strategic direction and identify future issues.

Other agencies may also contribute to these outcomes through the activities and services they provide.

There are six community outcomes the Council have identified:

High quality infrastructure to meet community and business needs

Infrastructure provision represents a core role of the Council. Provision of high quality infrastructure is essential to strong communities and economic prosperity.

Smart, diversified economic success and growth supported and enabled

The Timaru District economy is one of the most diversified in New Zealand. The Council is committed to providing great customer service and being recognised as a business friendly Council – putting out the red carpet, not the red tape.

Communities that are safe, vibrant and growing

We all want to live in places that are full of energy and vitality and where we feel safe. The provision of recreational facilities, core infrastructure and effective regulation helps create this sense of community.

People enjoying a high quality of life

Council’s activities are a fundamental contributor to everyone’s quality of life. Whether the clean and fresh water flowing from the tap, the road you use daily to get to school or work or the playground your grandchildren enjoy, each service makes a contribution.

A strong identity forged and promoted

Our identity defines our place in New Zealand and the world. We have much to celebrate and promote. The Council is a key player in promoting our identity and enabling it to develop.

A valued, healthy and accessible environment

Without a healthy environment, many of these aspirational goals will not be achieved. Many of the Council’s activities contribute towards both protecting and enhancing the physical environment.

Community Outcomes represent the outcomes that the Council “aims to achieve in meeting the current and future needs of communities for good-quality local infrastructure, local public services, and performance of regulatory functions”

Strategic Direction

Strategic Priorities

The Council has identified four priority areas it believes are essential to enable it to work towards the Vision and Community Outcomes.



Investing in Community

The Council is an important player in the Timaru District. It provides leadership and advocacy, but also has a role in promoting and encouraging strong partnerships to ensure the most effective solutions are achieved for the betterment of the wider Timaru District.

Promote integrated, highly liveable communities

The Council has an important role in planning for our district's future. It needs to promote integrated planning to meet future challenges and ensure wise investment of resources. Future development of well planned, integrated, attractive and safe communities means smart thinking and taking all relevant information into account, within the legislative framework that guides local government.

Support areas of economic and district strength

The Council has a role to support and enable economic growth in Timaru District to help enable our future to be realised. Areas of economic strength should be encouraged to flourish.

Ensure critical infrastructure meets future needs

One of the Council's core roles is in the provision of infrastructure, both below and above ground that enables communities to survive and prosper. Infrastructure connects our communities together and is critical to our social, economic, cultural and environmental wellbeing. Continuously planning and acting to meet future needs through maintenance and development of infrastructure is a foundation for Timaru District's future.

Read more about our strategic direction in the Long Term Plan 2015-25, available from:
www.timaru.govt.nz

Working with Māori

Council recognises that to successfully work toward achieving its vision for the district, engagement with local Māori is vital.

Section 81 of the Local Government Act 2002 requires all local authorities to establish and develop ways that it can involve local Māori in the Council decision-making process.

In July 2015, Council and Te Rūnanga o Arowhenua signed a Memorandum of Understanding that provides a framework for both parties to work together collaboratively to advance the interests of the rohe, in terms of cultural, economic, environmental and other perspectives.

Council continues to build and develop its relationship with local Māori to ensure their continued involvement in decision-making processes.

In 2017, Te Rūnanga o Arowhenua entered into an agreement with Council through its environmental consultancy (Aoraki Environmental Consultancy Ltd) to assist Council with consultation with Tangata Whenua in relation to its work.

Māori contribution to the decision-making process is very important to Council:

- A member of Tangata Whenua is appointed as a full voting member on Council's Resource Planning and Regulation Committee
- There is Tangata Whenua representation on the Safer Communities Committee and Local Arts Assessment Committee
- Council staff directly consult and liaise with Tangata Whenua where decisions involve and are relevant to them. This will be enhanced with the assistance of Aoraki Environmental Consultancy Ltd.
- Council's senior leadership team will meet with Te Rūnanga o Arowhenua on an as required basis to maintain a good working relationship.

The Year in Review 2016/17: Highlights

A funding boost for some of our community groups

Each year Council makes some funding available to support some of our hard working community groups who provide valuable support in our district. During 2016/17 some of the groups to benefit from this funding were:

- Alzheimers Society South Canterbury Inc – to assist with the interior refurbishment of the Community Centre at the Timaru Botanic Gardens
- Geraldine Arts and Plants Festival Inc – to assist with organising the 2016 Festival
- Hospice South Canterbury - seeding funding towards to cost of staging two new fundraising events - 'Caroline Bay Rock & Hop Wearable Parts Awards' and 'Caroline Bay Rock Your Socks Off'
- Timaru Senior Citizens & Citizens Advice Bureau – who both received a small contribution towards their operating costs



Our Social Housing units in high demand

Council's 236 social housing units continue to be in high demand – with 95% occupancy, and a waiting list. Refurbishment of the units and regular maintenance is funded from rental income. The main focus over the last 2 years has been installation of heat pumps and replacing many of the ovens.



New public toilets for Geraldine

Council was successful in its bid for a share of Regional Tourism Infrastructure funding to help with construction of a new toilet block in Cox Street, Geraldine. Like other popular tourist towns in New Zealand, Geraldine has seen a significant increase in tourist numbers. This has meant increased pressure on infrastructure such as toilets. The new toilet block with its eye catching photo wrap has been welcomed by both visitors and locals.



The Year in Review 2016/17: Highlights

Anniversaries for our Art Gallery and Museum

Our Art Gallery

The Aigantighe Art Gallery marked its 60th anniversary with a series of exhibitions showcasing aspects of its history, including works bequeathed when it was gifted as a public art gallery and gardens to Timaru by the Grant family in 1956. The 40 years of support from the Friends of Aigantighe and the South Canterbury Arts Society were also acknowledged as part of the celebrations.

Our Museum

The 50th anniversary of the opening of the main Museum building was celebrated with "Heritage Alive" a public event run in conjunction with the neighbouring St Marys Church. Participants enjoyed live music, market stalls, complete with period costume, vintage cars and Victorian games (see photos).

Both of these facilities are an integral part of the district's heritage, and continue to grow in popularity as destinations for our residents and visitors.

Community involvement in the new events and programmes offered at these facilities, such as the Winter Lights festival at the gallery and the Museum Explorers Club, are testament to this.



More carparking available at Timaru Airport

The carpark at Timaru Airport has been upgraded to cater for additional vehicles as a result of the larger aircraft now servicing the Timaru – Wellington route. There are now 88 public spaces, 3 mobility spaces, 10 rental car spaces and 8 drop off spaces. New LED street lighting is in place, and new security will be installed as part of the Terminal upgrade. Charges for carparking are expected to commence in January 2018. Stormwater is attenuated and treated and a separate accessway has been formed to service the South Canterbury Aero Club facilities.



The Year in Review 2016/17: Highlights

Our Roads – our connections

Roading is a vital part of the district's economy, as well as contributing significantly to the quality of life our residents enjoy. Some of the key projects this year included:

- More progress with the roading network at Washdyke, aimed at enabling further industrial development in the area
- Road reconstruction at Earl Road, Brenton Road, Muff Road and Levels Plain Road
- Road seal extensions on Kerrytown Road and Arowhenua Road
- Road seal widening on Orton Rangitata Road and Waitohi-Pleasant Point Road.

Residents report high satisfaction with roads

The annual road user survey again indicated a high level of satisfaction with road maintenance and management. Some of the key measures include:

- 92% believe they get value for money
- 83% report satisfaction with maintenance of sealed roads
- 94% are satisfied with street lighting
- 78% report satisfaction with smoothness and safety of footpaths.

Progressing the District Plan review

This multi-year project saw significant progress during the year:

- The formation of a Town Centre Group that will enhance the Timaru town centre
- The Draft District Growth Management Strategy took another step towards completion with public consultation on the draft document and a hearing scheduled for early November.
- A series of discussion documents were released for public consultation on the District Plan Review. The feedback was summarised for Council and Council gave staff their initial direction as to how the key issues should be addressed.
- District Plan research commenced
- The Indigenous Biodiversity and Ecosystems stakeholder group was formed and has nearly finished a draft set of District Plan provisions for the District Plan's Indigenous Biodiversity and Ecosystems topic.



Library revamp with the young in mind

The children's library areas at the Geraldine and Temuka libraries have been given a facelift with colourful furniture, picture book browser bins, and board book tunnels. This is aimed at encouraging young people to make use of the library facilities.

Finding a book is not the only reason some young Geraldine students go to the library. Over the summer months swan plants were planted outside the children's library windows, and the growth of the "resident" caterpillars to chrysalis, then butterflies saw many children rushing from school to keep tabs on progress.

Other students were lucky enough to learn to knit and crochet courtesy of the local "knit and natter" group who volunteered their time to teach children these new skills.

The Year in Review 2016/17: Highlights

Stormwater strategising

The 2018-28 Timaru District Stormwater strategy was adopted by Council this year. This sets the direction and the funding required to ensure the district's stormwater meets required future environmental standards. It includes some major projects and significant capital expenditure planned over the next 10 years, which will be incorporated as part of the new Long Term Plan.

Timaru District Council elections held

The 2016 local government elections occurred, with three new Councillors and four new Community Board members elected for Timaru District Council.

60 candidates stood for the 34 positions available across the Council, South Canterbury District Health Board and Geraldine Licensing Trust.

Turnout was slightly lower than the 2013 elections at around 50%.

Infrastructure upgrades ongoing

Every year a significant portion of Council's expenditure is targeted towards maintaining and upgrading core infrastructure such as water supplies, sewer and stormwater networks. During the year:

- The existing Winchester area water supply source was discontinued and the supply was connected to the Temuka scheme, meaning that Winchester water now has protozoa treatment
- The water main renewal programme was progressed with work completed at seven sites across the district
- Upgrading work was completed on the stormwater network at Hislop/Domain/Huffey Streets in Geraldine
- Stormwater Outlet floodgates (see photo) were installed in Washdyke Creek (50:50 cost share project with Environment Canterbury)
- Sewer main renewal and extension work was completed at six priority sites in Timaru and Geraldine.

CBay...so much more than just a pool.....!

While providing swimming pool facilities is the major focus at CBay, there is so much more on offer, including:

- Aqua fitness classes – both regular and aqua gentle classes
- Gym classes – as well as the regular range of classes a number of new classes have started – teenFIT (photo below) - group fitness classes for the 13-15 year age group, and ageFit for the 50+ years. Both are proving popular.
- Facilities for regional competitive swim meets



The Year in Review 2016/17: Highlights

New addition to walkway/cycleway network in Geraldine

The 800 metre long section of track recently constructed links Barker Street with Hislop Street. This completes a loop by connecting both ends of the existing Pekapeka track.

Council has 3.5 kilometres of shared off-road tracks on the Geraldine Downs which complement other tracks on the Downs, in Talbot Forest and along the Waihi and Orari Rivers, much of which is provided by other groups.

Building consents – numbers still increasing

As a building consent authority under the Building Act, Council is required to process building consents in line with the relevant legislation. This year saw an 11% increase in consent numbers, with 99% of these processed within the required timeframes.

Significant boost to LED Streetlighting

Council was successful in obtaining additional funding from the NZ Transport Agency for the LED Streetlighting conversions programme. This meant that LED replacements in Temuka and Geraldine were able to be completed ahead of schedule.



Museum mezzanine floor upgrade

Stage One of the mezzanine floor upgrade at the South Canterbury Museum was completed during the year. Modular displays showcase a range of aspects of South Canterbury history set within a modern, interactive environment. The opening was attended by hundreds of locals who explored the new additions.



Fire Hit Hall nearly ready to go

The rebuild of the Westend Hall was nearly completed following a fire in June 2016. The rebuild will offer enhanced facilities, including a meeting room and bar facilities



The Year in Review 2016/17: Performance

Performance at a glance



93% tenant satisfaction with social housing

6,689

school students participated in Museum programmes

1,572

building consents processed – 11% increase on the previous year.

90%



of residents satisfied with Council provided carparking

60.2

kilometres of roads resealed

24

exhibitions at Aigantighe art gallery

40 thousand+

swimming lessons at CBay



Timaru Botanical Gardens & Trevor Griffiths Rose Garden retain Garden of National Significance status



18,922 tonnes

of material diverted from the landfill via recycling, composting and reuse

.7 HOUR

median attendance time in response to urgent concerns regarding urban water supplies

190



food premises audited (South Canterbury region)

88%

resident satisfaction with safety of road network



Day-to-day we...

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

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

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

Process and issue building and resource consents.

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

Manage 56 km of off road walking and cycling tracks.

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

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

Operate 4 swimming complexes across the district.

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

Manage a sewer asset base of oxidation ponds and wastewater treatment plants, 24 sewer pump stations, 346km of pipelines and 4000 manholes.

The Year in Review 2016/17: Performance

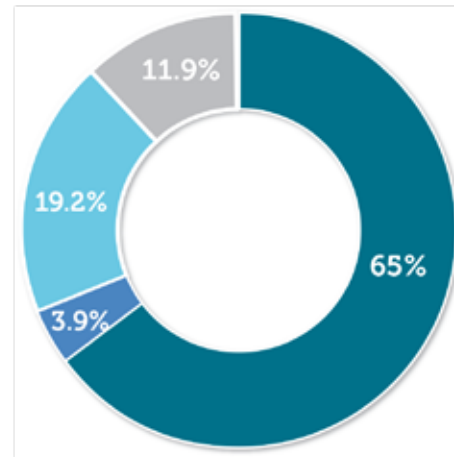
Measuring up

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

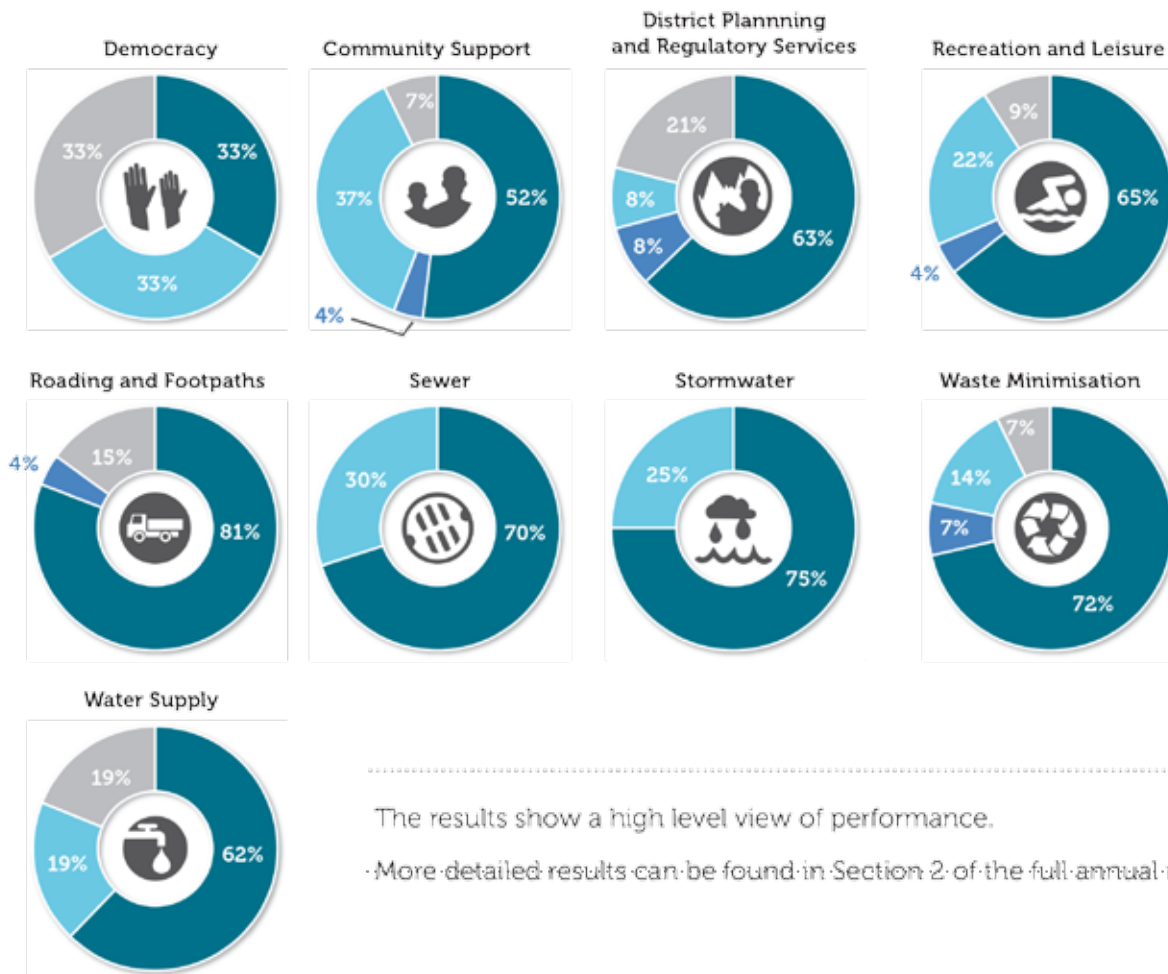
We have 177 performance measures that we report on across 9 groups of activities.

We achieved 115 of the 143 measured, nearly achieved 7, and 21 were not achieved. 34 were not measured this year, mainly due to our community survey being undertaken every two years.

Overall Performance Summary



Performance Summary by Group of Activities



The results show a high level view of performance.

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

Performance Measures by Activity – Summary

The following is a selection of our significant performance measures

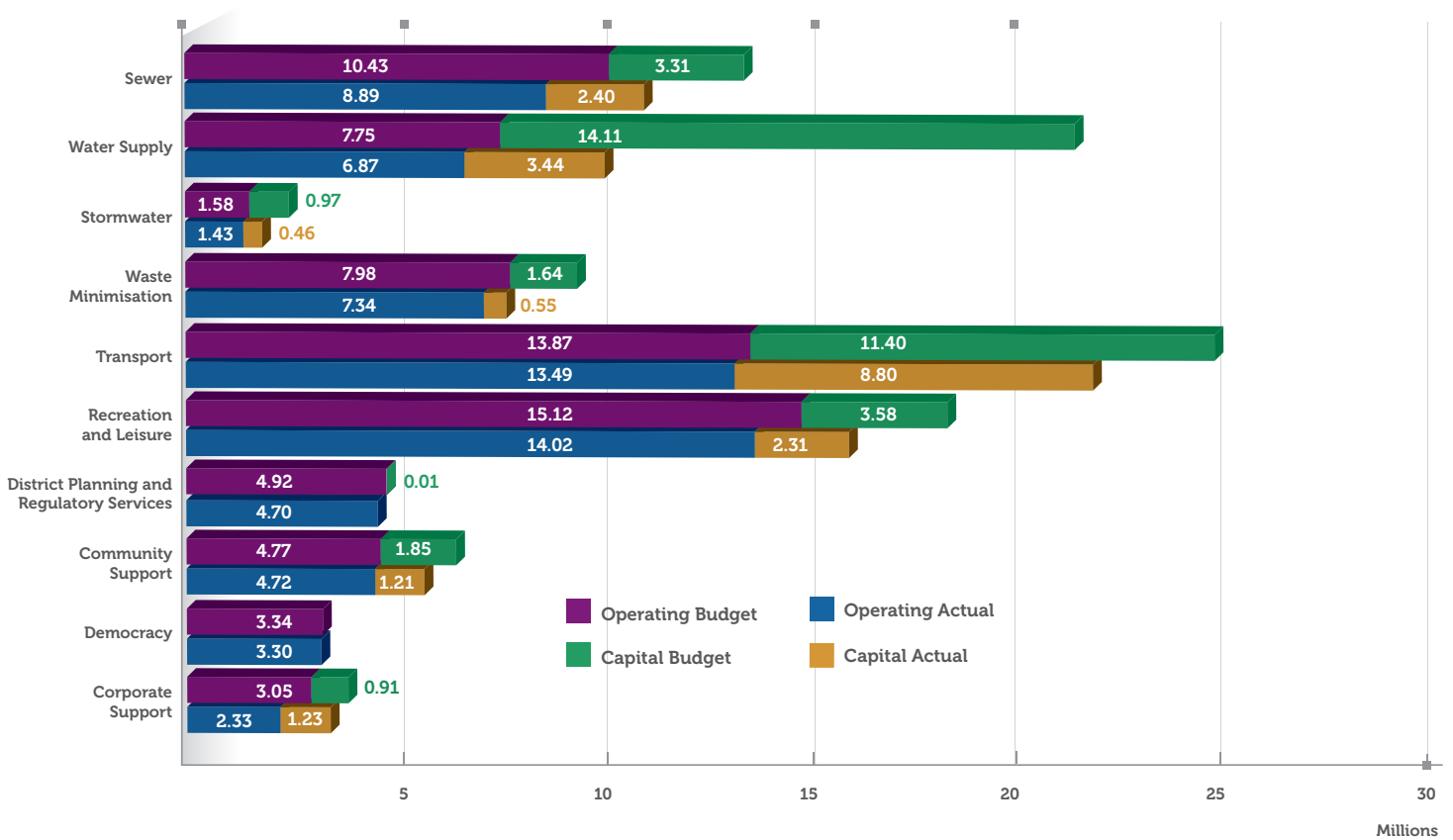
What we measure	How did we go?	Target met?
Democracy		
Council meetings items in open meeting	83%	X (target 90%)
Clear audit opinion Annual Report and audit	Achieved	✓
Community Support		
Public Toilets cleaning standards	1 complaint	✓
Airport user satisfaction	63%	X (target >82%)
Social Housing tenant satisfaction	93%	✓
District Planning and Regulatory Services		
Building Consents issued within statutory timeframes	99.3%	X (target 100%)
Average processing time for resource consents reduces	12.16 days	✓
Food Premises – Food Control Plan audits	92%	✓
Recreation and Leisure		
Annual visitor numbers		
■ Art Gallery	23,971	✓
■ Museum	23,631	X (target 24,000)
■ Libraries – stock turnover	4.17 average issues per stock item	✓
■ Swimming Pools – lessons provided	40,000+	✓
Off Road walking and cycling tracks	56km	✓
Roading and Footpaths		
Footpaths resurfaced annually	7.6km	X (target 9km)

The Year in Review 2016/17: Performance

What we measure	How did we go?	Target met?
Resurfacing of sealed roads annually	6.2% (60.2 km)	✓
Resident satisfaction with:		
■ Maintenance of sealed roads	83%	✓
■ Safety of road network	88%	✓
■ Street lighting in urban areas	94.5%	✓
Sewer		
Sewer overflow faults - median attendance and resolution time	attendance 0.6 hours	✓
	resolution 3.5 hours	✓
Complaints per 1,000 connections	7.29	✓
Stormwater		
Habitable floors affected in 50 year return flooding event	Zero	✓
Complaints re performance of the stormwater system	1.6 per 1000 connections	✓
Waste Minimisation		
Waste diverted from landfill via:		
■ Composting Facility	15,208 tonnes	✓
■ Recycling	372 tonnes	✓
Promotion of kerbside collection	2,500 items of information distributed	✓
Water Supply		
Compliance with Drinking Water Standards (Bacterial compliance)	3 reticulation zones recorded some non-compliance	X target all treatment plants & reticulation zones are compliant
Urgent call outs – median attendance time	Urban 0.7 hours	✓
	Rural 1.1 hours	✓

The Year in Review 2016/17: Financials

Expenditure by Activity 2016/2017



Revenue and Expenditure 2016/2017

	ACTUAL	BUDGET
Rates Revenue	\$46.4M	\$46M
Other Revenue	\$34.8M	\$30.7M
Operating Expenditure	\$67M	\$72.8M
Capital Expenditure	\$20.4M	\$37.8M
Investments	\$62.6M	\$28.5M
Borrowings	\$92M	\$100.9M
Reserve Funds	\$38.6M	\$24.4M

Your Council and Community Boards

(as at September 2017)



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Your Council and Community Boards

(as at September 2017)



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Geraldine Community Board

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Gavin Oliver	03 693 8842	gavinpeteroliver@gmail.com
Plus Geraldine Ward Councillor Kerry Stevens		

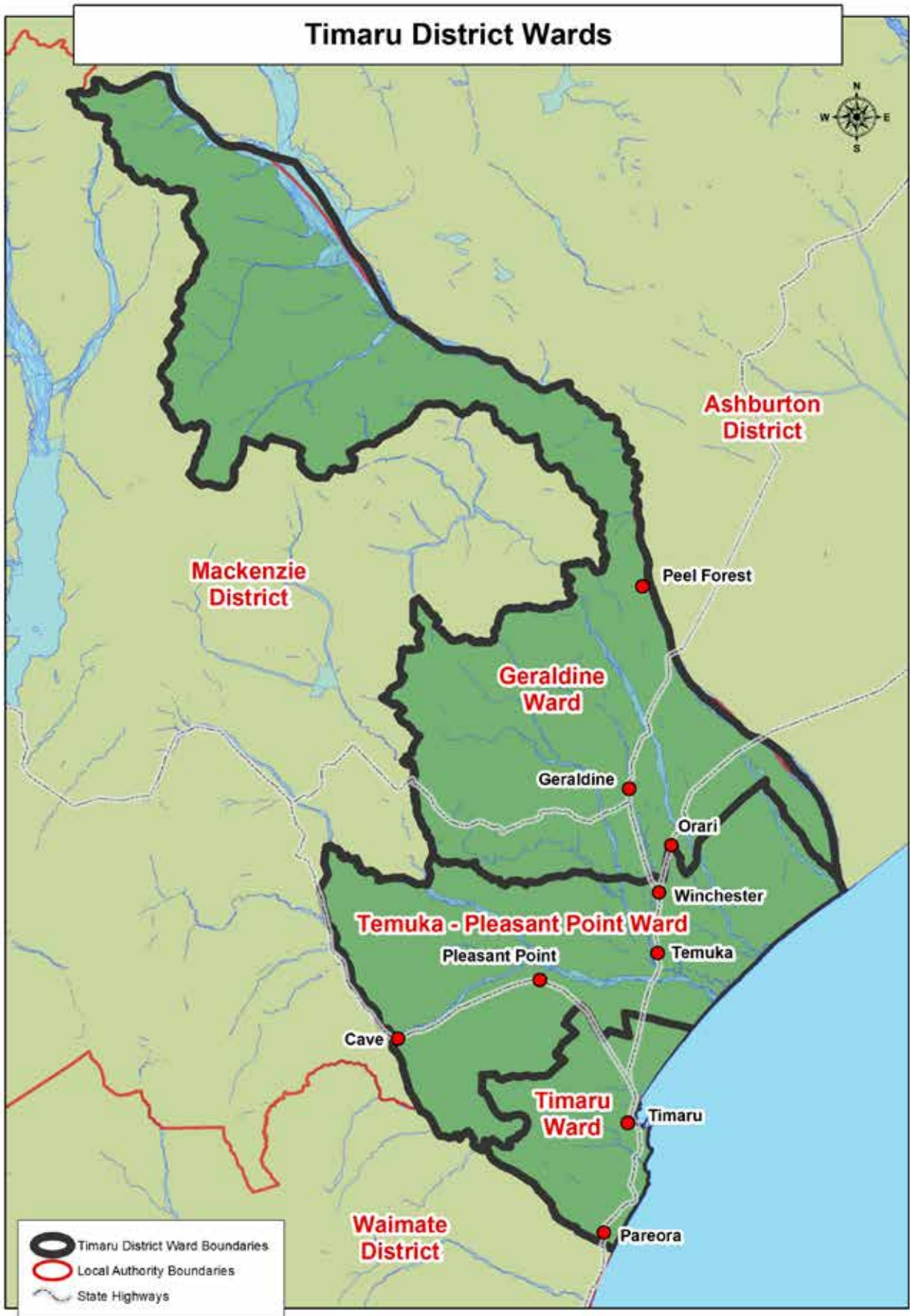
Pleasant Point Community Board

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

Temuka Community Board

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

Timaru District Wards



About Timaru District

Geography & Climate

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

by area in the Canterbury region. It has a population density of 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.

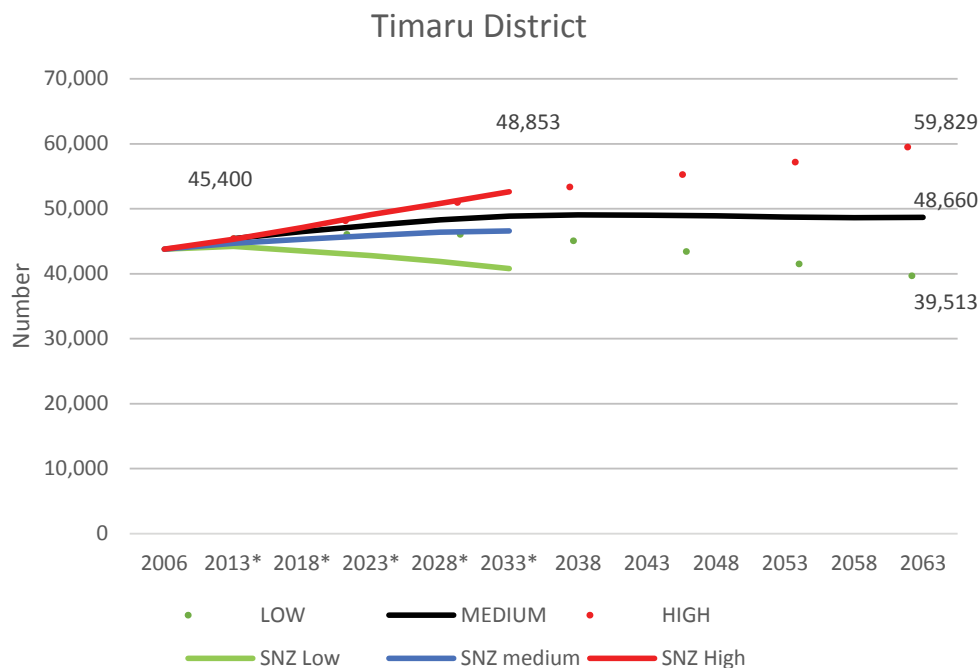
Demographics

The estimated resident population of the Timaru District as at June 2016 was 46,700. The 2013 Census population was 43,929.

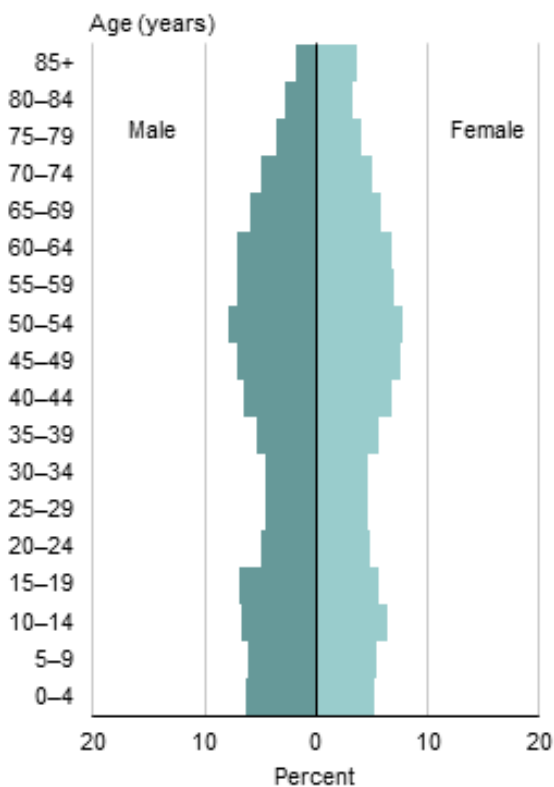
Population projections*, based on a medium growth scenario project the District's Population to increase to 48,853 (+7.6%) by 2033, peaking in 2038 at 49,091, and declining slightly over the remaining period to 48,660 in 2063. The population is expected to increase to 48,293 (+6.4%) by 2028 which includes the 2015-25 LTP period.

The population of Timaru District is expected to age significantly 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 31% in 2033*.

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



* 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.



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

Cultural Diversity

Timaru District residents are:

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

Age-Sex Profile

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

Household Composition

In Timaru District:

- 67.3% are one-family households (NZ: 68.3%)
- 28.4% are one-person households (NZ: 23.5%)

The average household size is 2.3 people (NZ: 2.7 people)

The medium scenario for the district's households project growth to 21,105 households in 2033 (+13.1%), peaking in 2043 at 21,451 households, and declining slightly to 21,355 by 2063. Households

Source: Statistics New Zealand

About Timaru District

are expected to increase to 20,680 (+10.8%) by 2028 which includes the 2015-25 LTP period. The increase in family households is for primarily couples without children (i.e. couples who do not yet have children, couples who do not/will not have children, couples whose children have left home). One-person households will increase, reflecting the structural ageing of the population.

Families

In Timaru District:

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

Work

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

Income

In Timaru District:

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

Economy

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

Employment in the district is strong, with the majority of people employed in manufacturing, health care and social assistance, retail trade, agriculture, forestry and fishing, and construction industries as at February 2016. As at February 2016, there were approximately 5,595 businesses operating in the district. The Agriculture, Forestry and Fishing industry sector accounts for around 23% of these businesses.

Visitors are a significant contributor to the district's economy, with the district providing a gateway to the central South Island. The latest Infometrics report for the quarter ended December 2016 shows progress for some key economic indicators, compared to the NZ situation.

Communities

Timaru is the largest community, housing nearly two thirds (27,600 people) of the total population of the district. The next largest community is Temuka (4,120), followed by Geraldine (2,310) and Pleasant Point (1,220).

Our communities are well serviced with education, health and recreational services along with a vast range of clubs and organisations. The South Canterbury District Health Board is the major health provider, with the Ara Institute providing tertiary educational services throughout the South Island.

Environment

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

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

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

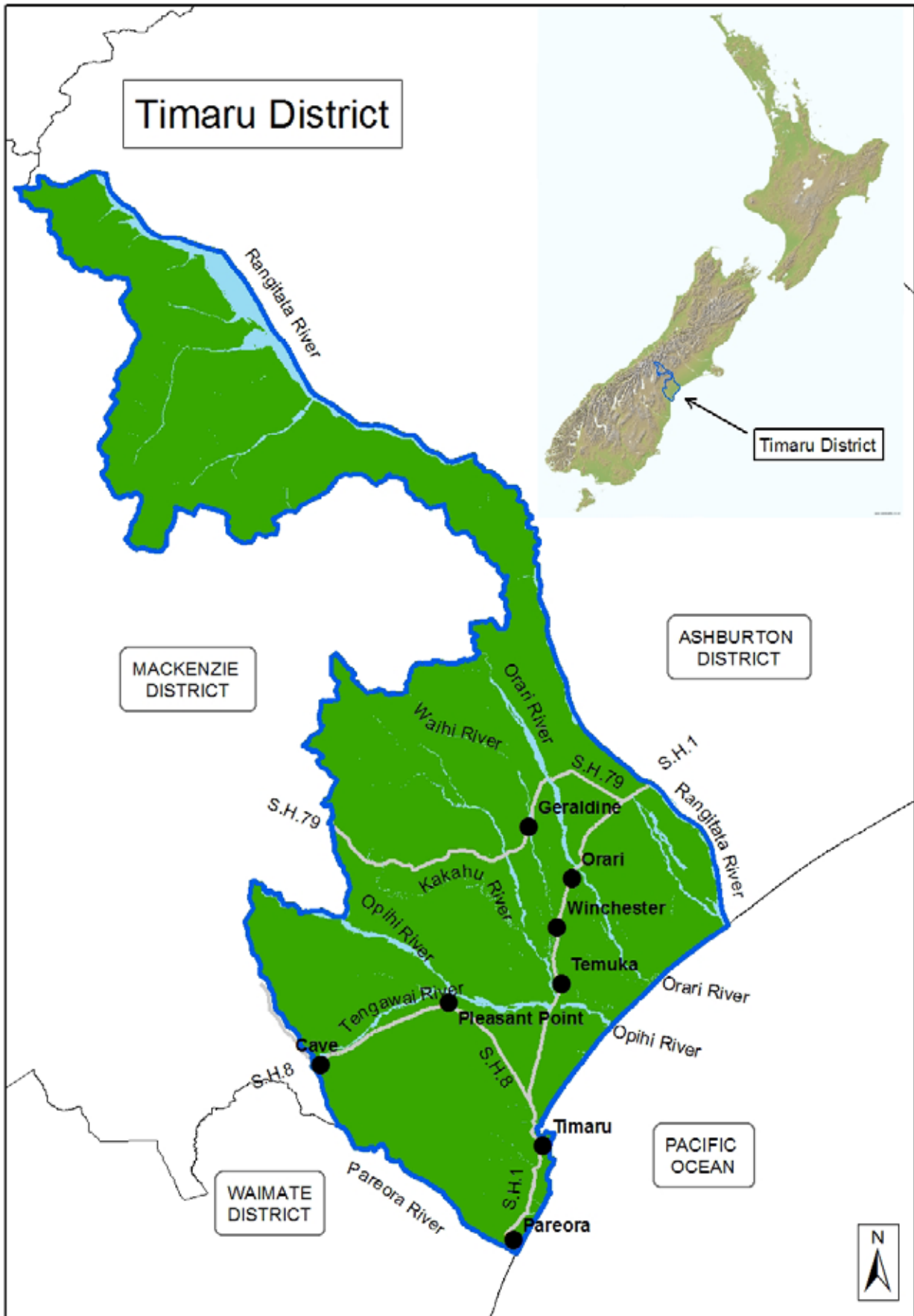
The district has a number of outstanding natural features and landscapes, as well as areas of significant native vegetation habitats of native fauna. There are also numerous important heritage sites, buildings and places.

Indicators	Timaru District	New Zealand
	Annual average % change	
Gross Domestic Product	⬆️ 1.3%	⬆️ 2.8%
Traffic Flow	⬆️ 1.7%	⬆️ 3.3%
Residential Consents	⬇️ -19%	⬆️ 4.7%
Non-Residential Consents	⬇️ -22%	⬆️ 1.6%
House Prices*	⬆️ 9.3%	⬆️ 6.7%
House Sales	⬇️ -4.3%	⬇️ -14%
Guest Nights	⬇️ -3.7%	⬆️ 3.7%
Retail Trade	⬆️ 1.8%	⬆️ 3.6%
Car Registrations	⬆️ 16%	⬆️ 9.5%
Commercial Vehicle Registrations	⬆️ 15%	⬆️ 20%
Job Seeker Support Recipients	⬆️ 2.1%	⬆️ 1.2%
Tourism Expenditure	⬆️ 4.6%	⬆️ 5.9%

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

Source: Quarterly Economic Monitor Timaru District June 2017
Infometrics

About Timaru District



Statement of Compliance

Compliance

- 1 Pursuant to Section 98 of the Local Government Act 2002, the Council and management of Timaru District Council confirm that all the statutory requirements of Schedule 10 of the Local Government Act 2002 have been complied with.

Responsibility

- 2 The Council and management of Timaru District Council accept responsibility for the preparation of the annual Financial Statements and the judgements used in them.
- 3 The Council and management of Timaru District Council accept responsibility for establishing and maintaining a system of internal control designed to provide reasonable assurance as to the integrity and reliability of financial reporting.
- 4 In the opinion of Council and management of Timaru District Council, the annual Financial Statements for the year ended 30 June 2017 fairly reflect the financial position and operations of Timaru District Council.



Damon Odey
Mayor
31 October 2017



Bede Carran
Chief Executive
31 October 2017

Independent Auditor's Report

To the readers of Timaru District Council and group's annual report for the year ended 30 June 2017

The Auditor-General is the auditor of Timaru District Council (the District Council) and its subsidiaries and controlled entities (the Group). The Auditor-General has appointed me, Ian Lothian, using the staff and resources of Audit New Zealand, to report on the information in the District Council's annual report that we are required to audit under the Local Government Act 2002 (the Act). We refer to this information as "the audited information" in our report.

We are also required to report on:

- whether the District Council has complied with the requirements of Schedule 10 of the Act that apply to the annual report; and
- the completeness and accuracy of the District Council's disclosures about its performance against benchmarks that are required by the Local Government (Financial Reporting and Prudence) Regulations 2014.

We refer to this information as "the disclosure requirements" in our report.

We completed our work on 31 October 2017. This is the date on which we give our report.

Opinion on the audited information

In our opinion:

- the financial statements on pages 83 to 87 and pages 91 to 130:
 - present fairly, in all material respects:
 - the District Council and Group's financial position as at 30 June 2017;
 - the results of the operations and cash flows for the year ended on that date; and
 - comply with generally accepted accounting practice in New Zealand in accordance with Public Benefit Entity Accounting Standards;
- the funding impact statement on page 88, presents fairly, in all material respects, the amount of funds produced from each source of funding and how the funds were applied as compared to the information included in the District Council's annual plan;
- the statement of service provision (referred to in the annual report as the Council Activities Performance) on pages 32 to 79:
 - presents fairly, in all material respects, the levels of service for each group of activities for the year ended 30 June 2017, including:
 - the levels of service achieved compared with the intended levels of service and whether any intended changes to levels of service were achieved;
 - the reasons for any significant variation between the levels of service achieved and the intended levels of service; and
 - complies with generally accepted accounting practice in New Zealand; and
- the statement about capital expenditure for each group of activities on pages 32 to 79, presents fairly, in all material

respects, actual capital expenditure as compared to the budgeted capital expenditure included in the District Council's Long-term plan; and

- the funding impact statement for each group of activities on pages 32 to 79, presents fairly, in all material respects, the amount of funds produced from each source of funding and how the funds were applied as compared to the information included in the District Council's Long-term plan.

Report on the disclosure requirements

We report that the District Council has:

- complied with the requirements of Schedule 10 of the Act that apply to the annual report; and
- made the disclosures about its performance against benchmarks that are required by the Local Government (Financial Reporting and Prudence Regulations 2014) on pages 32 to 132, which represent a complete list of required disclosures and accurately reflects the information drawn from the District Council and Group's audited information and, where applicable, the District Council's Long-term plan and annual plan.

Basis for opinion on the audited information

We carried out our audit in accordance with the Auditor-General's Auditing Standards, which incorporate the Professional and Ethical Standards and the International Standards on Auditing (New Zealand) issued by the New Zealand Auditing and Assurance Standards Board. We describe our responsibilities under those standards further in the "Responsibilities of the auditor for the audited information" section of this report.

We have fulfilled our responsibilities in accordance with the Auditor-General's Auditing Standards.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion on the audited information.

Responsibilities of the Council for the audited information

The Council is responsible for meeting all legal requirements that apply to its annual report.

The Council's responsibilities arise under the Local Government Act 2002 and the Local Government (Financial Reporting and Prudence) Regulations 2014.

The Council is responsible for such internal control as it determines is necessary to enable it to prepare the information we audit that is free from material misstatement, whether due to fraud or error.

In preparing the information we audit the Council is responsible for assessing its ability to continue as a going concern. The

Audit Report

Council is also responsible for disclosing, as applicable, matters related to going concern and using the going concern basis of accounting, unless there is an intention to amalgamate or cease all of the functions of the District Council and the Group or there is no realistic alternative but to do so.

Responsibilities of the auditor for the audited information

Our objectives are to obtain reasonable assurance about whether the audited information, as a whole, is free from material misstatement, whether due to fraud or error, and to issue an audit report that includes our opinion.

Reasonable assurance is a high level of assurance, but is not a guarantee that an audit carried out in accordance with the Auditor General's Auditing Standards will always detect a material misstatement when it exists. Misstatements are differences or omissions of amounts or disclosures, and can arise from fraud or error. Misstatements are considered material if, individually or in the aggregate, they could reasonably be expected to influence the decisions of readers taken on the basis of this audited information.

For the budget information reported in the audited information, our procedures were limited to checking that the budget information agreed to the District Council's Long-term plan and annual plan.

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

As part of an audit in accordance with the Auditor-General's Auditing Standards, we exercise professional judgement and maintain professional scepticism throughout the audit. Also:

- We identify and assess the risks of material misstatement of the audited information, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- We obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the District Council and Group's internal control.
- We evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Council.
- We determine the appropriateness of the reported intended levels of service in the statement of service provision (referred to in the annual report as the Council Activities Performance), as a reasonable basis for assessing the levels of service achieved and reported by the District Council.
- We conclude on the appropriateness of the use of the going concern basis of accounting by the Council and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast a significant doubt on the District Council and Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our audit report to the related disclosures in the audited information or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our audit report. However, future events or conditions may cause the District Council and the Group to cease to continue as a going

concern.

- We evaluate the overall presentation, structure and content of the audited information, including the disclosures, and whether the audited information represents, where applicable, the underlying transactions and events in a manner that achieves fair presentation.
- We obtain sufficient appropriate audit evidence regarding the entities or business activities within the Group to express an opinion on the consolidated audited information.

We communicate with the Council regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Other Information

The Council is responsible for the other information included in the annual report. The other information comprises the information included on pages 6 to 26 and 134 to 141, but does not include the audited information and the disclosure requirements.

Our opinion on the audited information and our report on the disclosure requirements do not cover the other information.

Our responsibility is to read the other information. In doing so, we consider whether the other information is materially inconsistent with the audited information and the disclosure requirements, or our knowledge obtained during our work, or otherwise appears to be materially misstated. If, based on our work, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Independence

We are independent of the District Council and Group in accordance with the independence requirements of the Auditor-General's Auditing Standards, which incorporate the independence requirements of Professional and Ethical Standard 1 (Revised): Code of Ethics for Assurance Practitioners issued by the New Zealand Auditing and Assurance Standards Board.

In addition to our audit and our report on the disclosure requirements, we have carried out a limited assurance report on the District Council's Debenture Trust Deed, which is compatible with those independence requirements. Other than this engagement we have no relationship with or interests in the District Council or its subsidiaries and controlled entities.



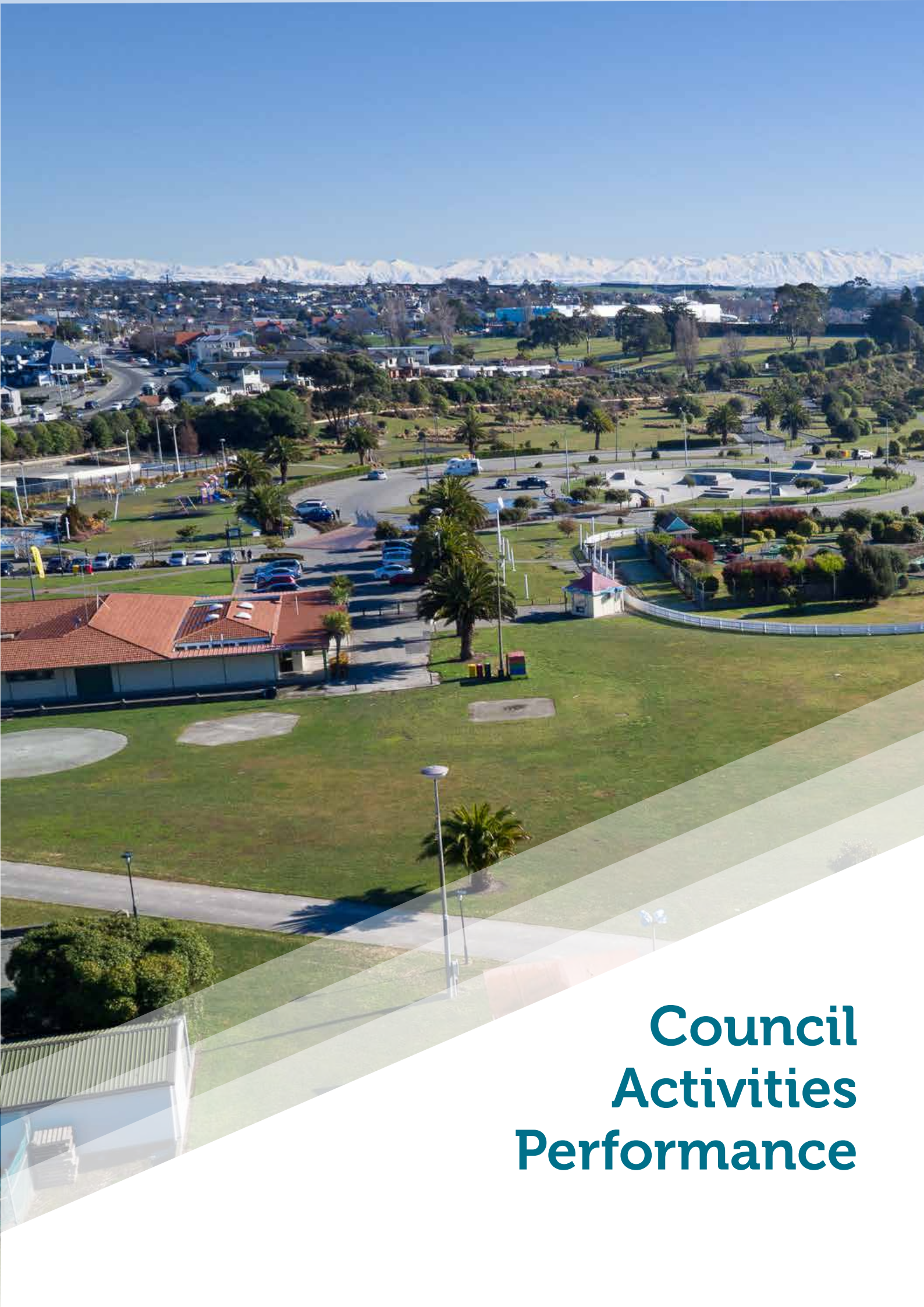
Ian Lothian

Audit New Zealand

On behalf of the Auditor-General

Christchurch, New Zealand





Council Activities Performance

Council Activities – Summary

This section describes the work and performance of the Council's Groups of Activities, including:

- Description – Activities included within each group, a brief description and how each group contributes to Community Outcomes.
- Key Achievements and Projects – A summary of key achievements and projects during the year.
- Performance - A summary of how the Council performed against performance measures for each activity.
- Variations – A summary of significant variances in the achievement of work projects or tasks planned during the year, including what has affected their achievement.
- Financial Information – key financial information for each group of activities, compared to budgets, including the prescribed Funding Impact Statement.

Council has nine groups of activities as outlined below:

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



Description

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

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

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

Key tasks under the Governance and Leadership activity are as follows:

- Advocacy on issues that affect the district
- Allocating funding to Council activities
- Consultation with the community
- Communicating decisions, policy and activities to communities and stakeholders
- Developing and implementing strategy and policy
- Civic functions, such as citizenship ceremonies, award ceremonies and parades
- Elections and Representation reviews
- Administering statutory governance functions (e.g. Standing Orders, Delegations Registers)
- Partnering with external agencies
- Performance, planning and accountability. The development and adoption of key Council planning and accountability mechanisms, such as the Long Term Plan, Annual Plan and the Annual Report
- Maintenance of Sister City relationships with Eniwa (Japan), Weihai (China), Orange (Australia) and Orange (United States)
- Overall monitoring of the Council operation
- Working regionally to ensure joint approaches on various issues.

Key Achievements and Projects

During the year:

- Council prepared the 2017/18 Annual Plan. As there were no significant or material variations from Year 3 of the 2015-25 LTP there was no formal consultation round held with the community. An Information Publication highlighting the key plans and projects in the 2017/18 Annual Plan was distributed to all households.
- Council conducted a number of formal and informal consultations with the community on key issues including portions of the District Plan review, District Growth Management Strategy, and a Roading survey.
- Council continued to advocate for the district by responding to numerous proposed changes in legislation, and government policy announcements including the Local Government Act Amendment Bill, the Government Enquiry into Havelock North Drinking Water, Environment Canterbury Pest Management Strategy, Health (Fluoridation of Drinking Water) Amendment Bill, Clean Water consultation, Setting of Speed Limits Rule 2017, and the National Policy Statement on Urban Development Capacity.
- Council hosted a range of civic events, including the Community Awards recognising outstanding efforts of residents and citizenship ceremonies.
- Council continued to communicate with the community on Council decisions, policy and activities through the Council Noticeboard in the Timaru Herald, the Courier, the TDC Facebook page and website as well as various Council publications.
- Council's 2015/16 Annual Report was completed with a clear audit opinion.
- The 2016 local government elections occurred, with three new Councillors and four new Community Board members elected For Timaru District Council. 60 candidates stood for the 34 positions available across the Council, South Canterbury District Health Board and Geraldine Licensing Trust. Turnout was slightly lower than the 2013 elections at around 50%.
- Council continues to be an active participant in the greater Canterbury Mayoral Forum and associated forums. These forums provide leadership, co-ordination and advocacy for the Canterbury region and its communities.

Contributions to Community Outcomes

Democracy contributes to the following Community Outcomes as shown in the table below:

	High quality infrastructure to meet community and business needs	Smart, diversified economic success and growth supported and enabled	Communities that are safe, vibrant and growing	People enjoying a high quality of life	A strong identity forged and promoted	A valued, healthy and accessible environment
Governance and Leadership	P	P	P	P	P	P

P – Primary contribution S – Secondary contribution

Performance

Level of Service statement	Measure/Target	Result
Make decisions in an open, transparent manner	≥ 90% main items of Council Business* held in open meetings	83% of main items of Council Business were held in open meetings. Reasons for excluding the public were to protect people's privacy, enable negotiations to take place, to maintain legal professional privilege and to protect commercially sensitive information.
	Resident satisfaction with influence on Council decision making ≥ 50%	No survey 2016/17 as this is conducted biannually. 2015/16 results were: 46% of residents were satisfied with the level of influence that residents have on Council's decision making. Satisfaction was higher in the Timaru ward (50%) than in the rural wards (Temuka/Pleasant Point 47%, Geraldine 29%). A further 34% said they were "indifferent" on this matter, having no particular view.
Advocate for the community	10 formal TDC submissions on issues made to agencies	7 submissions were made to various agencies during the year including the Local Government Act Amendment Bill, the Government Enquiry into Havelock North Drinking Water, Health (Fluoridation of Drinking Water) Amendment Bill, Clean Water consultation, Setting of Speed Limits Rule 2017, National Policy Statement on Urban Development Capacity and the Environment Canterbury Pest Management Strategy. Some of these were part of Canterbury wide submissions.
Communicate with the community	Resident satisfaction with adequacy of Council published information is ≥ 50%	No survey 2016/17 as this is conducted biannually. 2015/16 results were: 68% of residents are satisfied with how the Council keeps the public informed and involved in decision making. (Note: New survey design for 2016. Question asked was "How would you rate council for keeping the public informed and involved in its decision making?")
Monitor the Council organisation	Clear audit opinion for Council Annual Report and audit	A clear (unmodified) audit opinion was received for the 2015/16 Annual Report and end of year audit.
Meet our statutory obligations	Compliance with LGA planning and accountability requirements are achieved.	Statutory requirements were met including preparation and adoption of the Annual Plan 2016/17 and Annual Report 2015/16.
Notes:		
* This refers to the main business topics on the full Council agenda and existing four standing committees		

Major Variations - 2016/17 Work Programme

There were no variances to the planned 2016/17 work programme.



Citizenship Ceremony (February 2017)

Timaru District Council: Funding impact statement for 2016/17 Democracy

	2015/16 Long-term plan (\$000)	2015/16 Actual (\$000)	2016/17 Long-term plan (\$000)	2016/17 Actual (\$000)
Sources of Operating Funding				
General Rates, Uniform annual general charges, rates penalties	3,554	3,479	3,688	3,543
Targeted Rates (other than a targeted rate for water supply)	19	3	20	0
Subsidies and grants for operating purposes				
Fees charges and targeted rates for water supply	3	0	3	0
Internal charges and overheads recovered				
Local authorities fuel tax, fines, infringement fees and other receipts				
Total operating funding (A)	3,576	3,482	3,710	3,543
Applications of operating funding				
Payments to staff and suppliers	1,146	1,045	1,177	1,124
Finance costs				
Internal charges and overheads applied	2,110	2,111	2,174	2,172
Other operating funding applications				
Total applications of operating funding (B)	3,256	3,156	3,351	3,297
Surplus (deficit) of operating funding (A - B)	320	326	359	246
Sources of capital funding				
Subsidies and grants for capital expenditure				
Development and financial contributions				
Increase (decrease) in debt				
Gross proceeds from sale of assets				
Lump sum contributions				
Total sources of capital funding (C)	0	0	0	0
Application of capital funding	0	0	0	0
Capital expenditure	0	0	0	0
- to meet additional demand				
- to improve the level of service				
- to replace existing assets				
Increase (decrease) in reserves	320	326	359	246
Increase (decrease) of investments				
Total applications of capital funding (D)	320	326	359	246
Surplus (deficit) of capital funding (C - D)	(320)	(326)	(359)	(246)
Funding balance ((A - B) + (C - D))	0	0	0	0

Community Support

Description

Community Support includes the following activities provided by the Council:

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

This group includes activities that help build strong and supportive communities, meet specific needs in the community and support people, organisations and the business community.

Some of these activities, such as cemeteries and public toilets are necessary to ensure healthy communities. Others, such as Emergency Management, provide support to enable individuals and communities to be prepared and resilient in times of adversity. Social Housing provides assistance to vulnerable people in our community.

Contributions to Community Outcomes

Community Support contributes to the following Community Outcomes as shown in the table below:

	High quality infrastructure to meet community and business needs	Smart, diversified economic success and growth supported and enabled	Communities that are safe, vibrant and growing	People enjoying a high quality of life	A strong identity forged and promoted	A valued, healthy and accessible environment
Airport	P	P	S		S	
Community Facilities	P		P	S		S
Community Funding		S	P	S	P	S
Economic Development and District Promotions	S	P	S	P	P	
Emergency Management	S		P	P		
Safer Communities			P	P	S	
Social Housing	P		S	S		

P – Primary contribution S – Secondary contribution



Cox St Geraldine new public toilet

Community Support

Key Achievements and Projects

During the year:

- The Timaru Airport carpark upgrade and extension was completed and available for use in May 2017.
- The upgrading of the Timaru Airport terminal commenced during the year and completion is expected in October 2017.
- The large toilet block at Caroline Bay was refurbished, including a new internal fit out and a revamped exterior including large prints of the Sound Shell and Caroline Bay from early 1900s and 1964.
- The programme of upgrading rural toilets continued with work on the toilet block at Te Moana Gorge completed during the year.
- Installation of a new toilet block in Cox Street Geraldine, including an external photo wrap and an adjacent water fountain. This work was partly funded from central government's Regional Tourism Infrastructure Fund.
- Replacement of several old damaged headstones at the Timaru Cemetery.
- Ongoing upgrading of Council owned housing units continued with the completion of the annual oven replacement programme, and the two year heat pump installation programme.
- The Emergency Management Team and a large number of Council staff participated in the national Exercise Tangaroa Civil Defence and Emergency Management event, as part of ongoing preparedness for emergency events.
- Ongoing development of localised community evacuation plans, with significant progress made on the Pareora plan.
- All planned funding rounds for community funding scheme grants and loans were held and funds distributed to a wide range of community groups.
- The Timaru Project Turnaround service was audited by Ministry of Justice and received a very positive report. Project Turnaround Timaru has been selected as a benchmark for services in other areas of the country.
- Transition of the Rural Fire activity from Council to Fire and Emergency New Zealand (FENZ), as required by the Fire and Emergency New Zealand Act 2017, which came into force on 11 May 2017.



Aoraki Development is a Council Controlled Organisation focused on economic development in the district. Key objectives are:

- to actively attract and assist the establishment of new business
- to assist business to maintain and attract a skilled workforce
- encouraging new opportunities and facilitating growth of existing business.

Several new initiatives were launched during the year including:

- Sector days - a collaboration with Ara Institute and members of the Food Processing and Manufacturing Business Connection Group to give teachers and school students an insight into some of the key local industries
- District Promotion - via "Our Story" - a social media campaign promoting the benefits of living and working in our district
- New business support - free support and assistance for new businesses looking to set up in the district, including making appropriate introductions to local service providers, providing economic data to support decisions and facilitating discussions with property owners and regulatory authorities.

Community Support

Performance

Level of Service statement	Measure/Target	Result
Community facilities are well maintained, clean and safe	≥ 81% user satisfaction with the airport	63% of respondents were satisfied or very satisfied with the overall provision of services. This is less than target and less than the 2015/16 results. Several factors, some of which were out of Council's control, impacted on the results. These included a very small sample size, disruptions during the survey period due to the airport terminal and carpark extension work, and the significant number of flights that were cancelled (mainly due to weather).
	Public Toilets ≥ 60% resident satisfaction ≥ 70% user satisfaction	No survey 2016/17 as this is conducted biannually. 2015/16 survey results were: <ul style="list-style-type: none"> ■ 61% of residents were satisfied with public toilets ■ 61% of users were satisfied with public toilets
Cemeteries	≥ 80% resident satisfaction ≥ 85% visitor satisfaction	No survey 2016/17 as this is conducted biannually. 2015/16 survey results were: <ul style="list-style-type: none"> ■ 83% of residents were satisfied with cemeteries ■ 96% of visitors were satisfied with cemeteries Visitor and residents satisfaction was particularly high in Geraldine.
	≤ 3 complaints about Public Toilet cleaning standards*	There was 1 complaint received during the year. (* A complaint represents when a cleaning standard is not being met, not when a request for cleaning is made. Vandalism and anti-social use of toilets can occur between cleaning, the effects of which result in a request to clean).
Cemeteries contractor compliance - ≤ 10 non-complying items with cemeteries contract	There were no non-complying items identified during the year.	
Airport Civil Aviation Authority accreditation - CAA audits identify no significant problems that prevent ongoing accreditation	The Aerodrome Operators Certificate remains current. The CAA has not yet advised a date for the 2017 surveillance audit.	
Future provision of community facilities to meet community needs and expectations is planned for	Commence planning for a new Timaru cemetery	Options for suitable land for a new Cemetery in Timaru are still under consideration.
Social housing units are tenanted and well managed	≥ 98% occupancy rate of Social Housing units	95% occupancy was achieved. This is slightly below target due to the need to maintain a balanced tenant mix.
	≥ 85% tenant satisfaction	93% tenant satisfaction achieved through a survey of a sample of tenants. This is an increase on the previous year of 88% satisfaction - an indication of the ongoing upgrading of units and the level of support Council is able to offer tenants.
	100% of urgent Social Housing requests responded to within 24 hours	100% of urgent requests were actioned within 24 hours.
Provide accessible, accurate cemetery records	100% cemetery records updated within one month	100% records updated within one month.
Improve individual, community and business awareness of the risks from hazards and assist them to build resilience to emergency events	One Community Response Plans (CRP) completed	Pareora CRP completed to final draft.

Community Support

Level of Service statement	Measure/Target	Result
	Annual volunteer training schedule is prepared and implemented	The 2016 (calendar year) training was completed by December 2016. A total of 219 volunteers participated - a 26% increase on the previous year. The 2017 (calendar year) training schedule courses have been identified with delivery beginning in September 2017.
	Council staff and partner agencies participation in annual group training exercise	The annual training exercise was delivered in the second quarter.
Manage and allocate community funding scheme grants and loans	Annual Funding rounds held <ul style="list-style-type: none"> TDC: General grants, Substantial grants, Community loans: 2 TDC Youth Initiatives: 2 Creative Communities fund: 4 	Council grants and funding schemes were managed in accordance with Council policy. During the year: <ul style="list-style-type: none"> 2 TDC funding rounds were held 2 Youth Initiative funding rounds were held 4 Creative NZ funding rounds held
	≥ 90% accountability forms returned	92% of accountability forms were returned (2015/16: 89%)
Respond to existing and emerging crime trends with community sanctioned initiatives and operate Project Turnaround programme	Appropriate response identified within 3 months to existing or new crime issues where feasible	Effectively maintained stakeholder relationships. Aside from the regular addressing of graffiti, South Canterbury continued to be a predominantly incident-free community.
	Project Turnaround - 100% of Ministry of Justice targets are met	<i>Note:</i> The new Ministry of Justice contract no longer has specific targets. An audit of the Timaru Project Turnaround resulted in a high level of satisfaction with the service provided, and outcomes in line with national trends. Family Violence Forum stakeholder meetings continue to be well attended. Family Violence referrals are a large portion of the Project Turnaround workload.
Contribute to the economic development of the Timaru District	Aoraki Development CCO reporting quarterly to Council	Aoraki Development have provided quarterly reports to Council.
	Annual District economic growth above the national average	Data to June 2017 shows an increase in GDP of 1.3% compared to June 2016. This is lower than the national average of 2.8%.
	Annual job creation of 300 new jobs	Data on numbers of new jobs is not available. Unemployment rate for the District is 3.4% as at June 2017 compared to the national average of 5.0%.
	Sector collaboration	Measures yet to be developed
	Perception of living in the Timaru District <ul style="list-style-type: none"> Increase in local spend by residents, industry and travellers Increase in new families/businesses settling in Timaru district Increase in positive perceptions about Timaru district as a place to work, live and play 	Data not available Data not available No survey 2016/17 as this is conducted biannually. 2015/16 results were: <ul style="list-style-type: none"> 43% of residents believe Timaru is a better place to live than 3 years ago. 48% believe it is the same. 39% of residents believe Timaru is a better place to do business than 3 years ago. 43% believe it is the same.

Community Support

Major Variations - 2016/17 Work Programme

- **Emergency Management** - Stage 1 of the Civil Defence Siren installation project at Washdyke has been carried forward to 2017/18 and will be completed in conjunction with Stage 2, in order to maximise cost efficiencies.
- **Airport - Aviation Park Development** - Project not yet commenced as is dependant on interest from potential leasees.
- **Airport - Terminal Upgrade** - The contract for this work was let in January 2017 and site works commenced June 2017. The project is expected to be completed in October 2017.



Civil Defence Exercise

Community Support

Timaru District Council: Funding impact statement for 2016/17 Community Support

	2015/16 Long-term plan (\$000)	2015/16 Actual (\$000)	2016/17 Long-term plan (\$000)	2016/17 Actual (\$000)
Sources of Operating Funding				
General Rates, Uniform Annual General Charge, rates penalties	2,413	2,403	2,489	2,345
Targeted Rates (Other than a targeted rate for water supply)	189	186	194	78
Subsidies and grants for operating purposes	212	342	217	457
Fees, charges and targeted rates for water supply	1,623	1,627	1,694	1,733
Internal charges and overheads recovered				
Local authorities fuel tax, fines, infringement fees, and other receipts	24	17	25	25
Total operating funding (A)	4,461	4,575	4,619	4,638
Applications of operating funding				
Payments to staff and suppliers	3,474	3,603	3,581	3,554
Finance costs	162	23	158	102
Internal charges and overheads applied	456	458	468	481
Other operating funding applications				
Total applications of operating funding (B)	4,093	4,084	4,207	4,137
Surplus (deficit) of operating funding (A - B)	368	491	412	501
Sources of capital funding				
Subsidies and grants for capital expenditure	0	11	0	0
Development and financial contributions				
Increase (decrease) in debt	66	(89)	53	1,173
Gross proceeds from sale of assets	0	(7)	0	0
Lump sum contributions				
Total sources of capital funding (C)	66	(85)	53	1,173
Application of capital funding				
Capital expenditure				
- to meet additional demand	53	41	40	632
- to improve the level of service	370	360	310	381
- to replace existing assets	326	271	190	200
Increase (decrease) in reserves	(316)	(266)	(75)	461
Increase (decrease) of investments				
Total applications of capital funding (D)	434	406	465	1,674
Surplus (deficit) of capital funding (C - D)	(368)	(491)	(412)	(501)
Funding balance ((A - B) + (C - D))	0	0	0	0
INTERNAL LOANS				
Opening Balance		1,881		2,039
Additions		235		93
Repayments		(77)		(85)
Closing Balance		2,039		2,047
Interest		70		59

Financial Variations - Explanation

2016/17 Actual compared to budget (per LTP)

Additional capital expenditure was incurred in 2016/17 upgrading the Airport to accommodate the larger plane being used by Air New Zealand on the Timaru to Wellington flight.

District Planning and Regulatory Services

Description

District Planning and Regulatory Services includes the following activities provided by Council:

- Building Control
- District Planning
- Environmental Health

This group is concerned with monitoring and enforcement functions across a wide cross-section of statutes, focusing on the protection of community health, safety and amenity. This includes processing consents under the Building Act 2004 and the Resource Management Act 1991.

Building Control

Building Control is responsible for administering and implementing the provisions of the Building Act 2004 (the Act). Under the Act, TDC must maintain accreditation as a Building Consent Authority (BCA). It is responsible for processing and granting building consents, inspecting and monitoring building work, issuing Code Compliance Certificates (CCC's), issuing Certificates of Public Use (CPU's), processing Land and Project Information Memorandums, providing advice on building related matters and enforcing numerous other provisions under the Act. The Act's main purpose is to provide for the regulation of building work, the establishment of a licensing regime for building practitioners, and the setting of performance standards for buildings. The activity is concerned with balancing delivery of a customer focused service within legislative requirements, while managing the risk to Council and to the public.

District Planning

The District Planning Activity is primarily concerned with managing how land is used and how subdivision is undertaken in the district. The key tool for managing this is the Timaru District Plan. This outlines the district's resource management issues and objectives, policies, methods and rules. These will be used to achieve integrated management of the effects of

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

Environmental Health

The Environmental Health activity is primarily concerned with improving, preserving and promoting public health and safety in the Timaru District. It deals with a multitude of issues such as food safety, disease containment, noise control, housing and accommodation, hazardous substances, liquor licensing, environmental nuisance, gambling control, parking enforcement and animal control. The activity is also responsible for the general administration, review and enforcement of the Timaru District Consolidated Bylaw 2013. The bylaws cover a wide variety of issues in the community that require rules, ranging from premises such as tattooists and ear piercing businesses, to overgrown or overhanging vegetation.

Council has two shared service arrangements with Mackenzie District Council and Waimate District Council, to provide environmental health and liquor licensing services.

Environmental Health Services are now contracted to Food and Health Standards (2006) Ltd.

This activity also administers the District Licensing Committee which was created following the implementation of the Sale and Supply of Alcohol Act in December 2013. The Committee considers applications and renewals relating to liquor licences, including Special Licences obtained for selling liquor at events or special occasions. This function had previously been undertaken by a central licensing body in Wellington. That body, now known as Alcohol Regulatory and Licensing Authority (ARLA), exists to deal with appeals and significant enforcement matters.

Contributions to Community Outcomes

District Planning and Regulatory Services contributes to the following Community Outcomes as shown in the table below:

	High quality infrastructure to meet community and business needs	Smart, diversified economic success and growth supported and enabled	Communities that are safe, vibrant and growing	People enjoying a high quality of life	A strong identity forged and promoted	A valued, healthy and accessible environment
Building Control		S	P	S		
District Planning	S	S	P	P	S	S
Environmental Health		P	P	P		S

P – Primary contribution S – Secondary contribution



District Planning and Regulatory Services

Key Achievements and Projects

During the year the Building Control Unit:

- Processed more Building Consents and Code of Compliance Certificates than the previous year, while still achieving excellent performance for processing times.
- Technical staff who are required to, have successfully completed the National Diploma of Building Surveying.

	2016/17	2015/16	
	<i>Processed</i>	<i>Compliance with legislative timeframes</i>	<i>Result</i>
Building Consents	1,572	99.3%	1,410 (99%)
Code Compliance Certificates (CCC)	1,341	98.4%	1,302 (99%)

During the year the District Planning Unit:

- Processed 212 resource consents, 99.3% of these were within statutory timeframes (2015/16: 266 at 100%).
- Progressed the District Plan Review, including:
 - Further progress on Stage 2 (issues and options) phase
 - Timaru Town Centre Group formed
 - Further progress on the District Growth Management Strategy, including consultation.

During the year the Animal Control Unit:

- Responded to animal control complaints, undertook patrols and impounded wandering dogs. There were 1,821 (2015/16: 2,049) service requests (complaints) mainly relating to lost, found, barking or wandering dogs.
- Received 178 (2015/16: 217) complaints regarding dog attacks on people or animals. There were no prosecutions this year (2015/16: Zero) requiring resolution by the courts but 300 infringement notices were issued.

During the year, the Environmental Health Unit:

- Reviewed the Council's Gambling policy. This has been working well and no changes were required. The policy has been rolled over for a further 3 year period.
- All licenced food premises have moved to Food Control Plans as required by legislation. The 80% target for auditing food control plans was exceeded, with 92% of all premises on a Food Control Plan being audited.
- Introduced a PayMyPark app to make it easier for the public to manage payment of their parking fees.



Timaru Town Centre Group Workshop

District Planning and Regulatory Services

Performance

Level of Service statement	Measure/Target	Result
Perform statutory functions as a regulator under key legislation	Retain accreditation as a Building Consent Authority	The next biannual IANZ audit is due in February 2018.
	Retain accreditation as a Food Registration Authority	Accreditation is not currently a requirement of food safety legislation unless Council elects to pursue verification activities in relation to Custom Food Control Plans (accreditation to ISO/IEC 17020 Type A required as well as a Quality Management System - a system is currently being developed). Council does however perform its statutory functions under the Food Act 2014 via a contract with Food and Health Standards Ltd.
Deliver timely, efficient processing of consents and related requirements	100% Building Consent Processing within statutory timeframes of 20 working days	99.30% (2015/16: 99.74%) of the 1572 Building Consents were granted and issued within the 20 working day statutory timeframe.
	Average building consents processing time is reducing	The average processing time was 14.4 days (2015/16: 10.5 days). The increased workload, including 11% increase in consents, and an increase in consent enquiries (particularly around Clean Air/Wood burner rules) has impacted on the processing time.
	100% Resource Consent Processing within statutory timeframes of 20 working days (non-notified) or 70 working days (notified)	99.3% of the 212 resource consents were processed within the 20 day statutory timeframe (non-notified) and 70 working days (notified). (2015/16: 100%)
	90% of resource consents processed within 80% of the prescribed time	79% of resource consents were processed within 80% of the prescribed time (2015/16: 65%).
	Average resource consents processing time is reducing	Average processing time was 12.16 days (2015/16: 14.2 days).
	Successful objections and appeals limited to less than 3 per year (re consent conditions)	There were zero objections to consent conditions for the year (2015/16: 3 objections).
	100% of resource consents monitored within 3 months of the consent being given effect to	45% of resource consents were monitored within 3 months of the consent being given effect to (2015/16: 100%). This is significantly lower than target due to a focus on the District Plan review, therefore insufficient resource available for resource consent monitoring.
Provide useful, timely and consistent advice and education on building, planning and regulatory enquiries	≥ 74% customer satisfaction with building services*	The Building Unit survey* recorded a 95% customer satisfaction result through an internally conducted survey (2015/16: 78.60%). No Council wide survey in 2016/17 as this is conducted biannually.
	≥ 60% customer satisfaction with district planning services*	The District Planning Unit survey* recorded a 88% customer satisfaction result through an internally conducted survey (2015/16: 92%). No Council wide survey in 2016/17 as this is conducted biannually.
	≥ 80% customer satisfaction with environmental health services*	No Community survey in 2016/17 as this is conducted biannually. The 2015/16 Community Survey questioned respondents on specific services within Environmental Health Services (Note: sample sizes were small for all services): <ul style="list-style-type: none"> ■ Animal Control: 71% customer satisfaction ■ Liquor Licensing: 88% customer satisfaction ■ Licensing of premises: 46% customer satisfaction
		*Results should be treated with caution as all sample sizes were small

District Planning and Regulatory Services

Level of Service statement	Measure/Target	Result
Maintain an up-to-date and responsive regulatory policy environment	Policies reviewed in line with Policy Review Programme and legislation	Policies were reviewed in line with the Council Policy Review Programme. Work completed included: <ul style="list-style-type: none"> ■ Preparation for the Building (Earthquake-prone Buildings) Amendment Act 2016 which will come into effect on 1 July 2017. This Act places new requirements on Council. ■ Preparation for the Building (Pools) Amendment Act 2016 which introduces new requirements for Council. ■ Class 4 Gambling Venue and Board Venue Policy ■ Local Alcohol Policy - preparation for evaluation of policy initiated. ■ Preparation for the review of the 2013 Consolidated Bylaw.
Register known dogs	≥ 95% known dogs registered	98.5% of known dogs were registered (2015/16: 98.3%). Compliance with registration requirements continue to be high.
Ensure public buildings, building work, swimming pools, food and liquor premises inspected are safe and comply with rules	Food premises compliance with regulations: <ul style="list-style-type: none"> ■ 80% of premises on food control plans have undergone audit. 	92% (2015/16: 85%) of food premises in the Mackenzie, Waimate and Timaru Districts, on a Food Control Plan, were audited (190 of the 205 premises on a FCP).
	<ul style="list-style-type: none"> ■ 80% of premises not on food control plans have been inspected 	86% (2015/16 67%) of food premises in the Mackenzie, Waimate and Timaru districts, not on a Food Control Plan, were audited (190 of the 221 premises not on a FCP).
	Health regulated and Bylaw regulated premises <ul style="list-style-type: none"> ■ ≥ 80% of premises have been inspected 	88% of health regulated and Bylaw regulated premises were inspected (507 of the 575 health premises) (2015/16: 73%).
	<ul style="list-style-type: none"> ■ 100% of non-compliant premises found above subsequently become compliant 	7 premises were non-compliant at the first visit. 100% of these were compliant at re-inspection.
	<ul style="list-style-type: none"> ■ ≥ 95% of liquor premises monitored annually are compliant 	100% of liquor premises monitored were compliant (113 of 135 liquor premises were inspected) (2015/16: 97.8%).
	Public buildings comply with public building regulations: ¹ <ul style="list-style-type: none"> ■ 100% of non-compliant public buildings identified by the audit have had corrective action taken 	The targeted number of buildings to be inspected has not been met due to continuously high work loads processing priority building consents.
	Swimming Pools comply with swimming pool regulations: <ul style="list-style-type: none"> ■ 100% of non-compliant swimming pools identified by the audit have had corrective action taken 	The targeted number of pools to be inspected has not been met due to continuously high work loads processing priority building consents. New staffing resource will be in place by 31 July 2017 to enable Council to meet its statutory requirements under the Building (Pools) Amendment Act 2016.
Investigate and respond to public complaints	Response* time to complaints:	
	<ul style="list-style-type: none"> ■ Routine - 100% within 10 working days 	Achieved. 100% response within 10 working days
	<ul style="list-style-type: none"> ■ Urgent - 100% within 3 working days 	Achieved. 100% response within 3 working days
	<ul style="list-style-type: none"> ■ Emergency** - 100% within 2 hours 	Achieved. 100% response within 2 hours

District Planning and Regulatory Services

Level of Service statement	Measure/Target	Result
¹ Measured from an audit of 5% of public buildings conducted during the year. Buildings non-compliant are followed up by the Building Unit to ensure compliance is achieved.		
² Measured from an audit of 10% of swimming pools conducted during the year. Swimming Pools non-compliant are followed up by the Building Unit to ensure compliance is achieved.		
* Response refers to contact with the complainant, not necessarily resolution of the issue		
**Emergency complaints refer to situations where physical danger exists to people		

Major Variations - 2016/17 Work Programme

There were no variances to the planned 2016/17 work programme.



District Planning and Regulatory Services

Timaru District Council: Funding impact statement for 2016/17 District Planning and Regulatory Services

	2015/16 Long-term plan (\$000)	2015/16 Actual (\$000)	2016/17 Long-term plan (\$000)	2016/17 Actual (\$000)
Sources of Operating Funding				
General Rates, Uniform annual general charges, rates penalties	303	357	306	1,368
Targeted Rates (other than a targeted rate for water supply)	1,193	1,000	1,236	0
Subsidies and grants for operating purposes	0	0	0	0
Fees charges and targeted rates for water supply	3,166	3,172	3,241	3,350
Internal charges and overheads recovered	28	27	28	27
Local authorities fuel tax, fines, infringement fees and other receipts	15	14	15	34
Total operating funding (A)	4,704	4,570	4,826	4,779
Applications of operating funding				
Payments to staff and suppliers	3,651	3,547	3,747	3,652
Finance costs				
Internal charges and overheads applied	1,071	1,062	1,098	1,093
Other operating funding applications				
Total applications of operating funding (B)	4,722	4,609	4,844	4,745
Surplus (deficit) of operating funding (A - B)	(18)	(39)	(18)	34
Sources of capital funding				
Subsidies and grants for capital expenditure				
Development and financial contributions				
Increase (decrease) in debt				
Gross proceeds from sale of assets				
Lump sum contributions				
Total sources of capital funding (C)	0	0	0	0
Application of capital funding				
Capital expenditure				
- to meet additional demand	0	0	0	0
- to improve the level of service	3	6	3	0
- to replace existing assets	3	0	3	0
Increase (decrease) in reserves	(23)	(45)	(23)	34
Increase (decrease) of investments				
Total applications of capital funding (D)	(18)	(39)	(18)	34
Surplus (deficit) of capital funding (C - D)	18	39	18	(34)
Funding balance ((A - B) + (C - D))	0	0	0	0

Recreation and Leisure

Description

Recreation and Leisure includes the following activities:

- Cultural and Learning Facilities
- Parks, Recreation and Swimming Pools

The Council provides and manages several key district facilities that help meet the district's leisure and recreational needs.

Cultural and Learning Facilities

Aigantighe Art Gallery

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

South Canterbury Museum

The South Canterbury Museum is a regional museum of nature, history and culture located in Timaru. It provides access to unique collections of local heritage items, images, archives and information, long-term displays, a programme of short-term exhibitions, a variety of public programmes and services and heritage education programmes for schools.

Timaru District Libraries

Timaru District Libraries provides public library services delivered from facilities in Timaru, Temuka and Geraldine and online. Temuka and Geraldine libraries also double as Council Service Centres, with an Information Centre at Temuka.

The main Timaru library provides a public library service and coordinates branch services. In addition to borrowing, people make extensive use of facilities and resources such as study places, computers, WiFi, photocopying, faxing and historical collections for in-library reading, writing, research, study, relaxation and communication.

Halls and Theatres

The Council provides the Theatre Royal in Timaru. The theatre is the premier venue for visiting cultural and entertainment shows

and is also available for community use. The Council also provides or supports a number of other venues, including:

- Facilities owned and managed solely by TDC (e.g. Caroline Bay Hall, Temuka Alpine Energy Centre).
- Eleven facilities owned by Council and managed by committees (e.g. Clandeboye, Pleasant Valley, Taiko Halls), and twelve halls owned by committees (e.g. Claremont, Fairview, Seadown Halls). The West End Hall in Timaru is owned by Council but leased and managed by the Masonic Lodge.
- Facilities operated by the Council but not owned - Since February 2012, the Council has leased the Aorangi Stadium from the Aorangi Stadium Trust.

Parks, Recreation and Swimming Pools

Parks and Recreation

Parks and Recreation provides and manages over 540 hectares (excluding crown leases) of parks, reserves, sportsgrounds and gardens throughout the district. The District's parks network is grouped into five main categories, including Premier Parks (e.g. Caroline Bay), Sports and Recreation Parks (e.g. Pleasant Point Domain), Neighbourhood Parks (e.g. Cornwall Park), Amenity Parks (e.g. Kennedy Park, Geraldine) and Natural Parks (e.g. Claremont Bush).

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

The Council also manages a small forestry programme comprising mixed aged and species plantations. Council manages two fishing huts sites and four motor camps on reserve land subject to the Reserves Act 1977.

Swimming Pools

The Council manages and operates four swimming complexes across the district:

- The Caroline Bay Trust Aoraki Centre (CBAY). The complex includes a 25 metre indoor pool, 50 metre outdoor pool, leisure pool, rapid river, programme pool, sauna, spa, hydrosides, wellness suite, cafeteria and gym facility.
- Geraldine - 25 metre outdoor pool, learners pool
- Pleasant Point - 25 metre outdoor pool, learners pool
- Temuka - 30 metre outdoor pool, toddlers pool

Contributions to Community Outcomes

Recreation and Leisure contributes to the following Community Outcomes as shown in the table below:

	High quality infrastructure to meet community and business needs	Smart, diversified economic success and growth supported and enabled	Communities that are safe, vibrant and growing	People enjoying a high quality of life	A strong identity forged and promoted	A valued, healthy and accessible environment
Cultural and Learning Facilities	P	S	P	P	P	S
Parks, Recreation and Swimming Pools	P	S	P	P	P	P

P – Primary contribution S – Secondary contribution

Recreation and Leisure

Key Achievements and Projects

During the year, the **Aigantighe Art Gallery:**

- Celebrated 60 years as a public gallery with a range of functions acknowledging in particular, the philanthropic generosity of the Grant family, the contribution of the South Canterbury Arts Society and the Friends of the Aigantighe.
- Hosted an international touring show of Japanese pottery, with 2,535 attendees. Aigantighe was the only South Island venue for the show.
- Presented a dual exhibition opening by Pat White and Jane Powell, with 210 guests - only 10 off the gallery capacity.
- Hosted the 40th anniversary annual RSM Law Plunket Art Show, attracting 20% more visitors than the previous year.
- Included Rest Homes into the outreach programme for the first time, offering tours of the gallery and presentations either at the gallery or the Rest Home.
- Expanded the range of events hosted at the gallery, including a winter lights festival, public events such as concerts and talks, as well as a range of exhibitions.
- Exceeded targets for visitor numbers despite the part of the gallery being closed during the year due to earthquake safety concerns.



Winter lights Festival

During the year, the **South Canterbury Museum:**

- Held 4 exhibitions including:
 - *Never a Week Goes By* – a travelling exhibition that examined how WW1 is commemorated in communities in South Otago and New Caledonia
 - *Pieces of the Past* - a selection of items from our collection that represent the range of items that we collect
 - *Salt to Silicon* - a collaboration with local photographic collector and historian Craig Perkins that reviewed the development of photographic technology over the last 200 years, with more than 70 cameras on display
 - *Fishing the Bight* - an exhibition about the local fishing industry in the 1960 – 90 period
- Successfully renegotiated a Learning Outside the Classroom contract with the Ministry of Education to enable the continuation of the highly successful Heritage Education service that has become an integral part of the curriculum for many local schools.
- Completed the mezzanine floor Stage 1 upgrade. This provides enhanced exhibition space, which has been very well received by visitors to the museum.
- Marked the 50th anniversary of the opening of the main Museum building with a very well attended public event titled *Heritage Alive*, in collaboration with St Mary's Church. This event was held outside with vintage cards, market stalls, costume, musical performances and Victorian games.



Museum Mezzanine Floor upgrade opening

Recreation and Leisure

During the year, **Timaru District Libraries:**

- Spent approximately \$350,000 on new books, DVDs, CDs, talking books, newspapers, magazines and other materials to keep the collections up-to-date.
- Improved the Library's social media presence with the aim of making it easier for the community to access the increasing range of activities and services the library is able to offer.
- Completed a revamp at both the Temuka and Geraldine Libraries, introducing cafe-style reading areas for adults and new equipment in the children's areas including picture book browser bins, colourful tables and chairs and board book tunnels.
- Fostered increasing numbers of community groups utilising the library space including music, craft, puzzle, "device advice" and book groups.
- Supported and hosted a wide range of events including:
 - Author/Performer visits including Moana Tipa, Max Haines and Liz Weir
 - Friends of the Library "topical speakers" events
 - Preschool and school visits
 - School holiday programmes
- Introduced new initiatives to encourage children to utilise the library space, such as the adult 'knit and natter' groups teaching children to knit and crochet, establishing a swan plant garden at the Geraldine Library where children follow the caterpillar/chrysalis/butterfly progress.



Timaru Library "Fantastic Mr Fox" Event

During the year, **Parks and Recreation:**

- Had the Timaru Botanic Gardens reassessed as a Garden of National Significance by NZ Gardens Trust.
- Installed a new shared walking and cycling track in Geraldine to create a loop track
- Developed new sections of walking tracks between Barker and Hislop Streets, Geraldine, and in John Street, Temuka.
- Carried out planting of native vegetation in Barker Street, Geraldine.
- Progressed work on the Spaces and Places project that will provide a stocktake of existing sporting and active recreation facilities across South Canterbury and look at what is needed for the next 20 years.

During the year, the **Caroline Bay Trust Aoraki Centre and Local Swimming Pools:**

- Recorded swimming pool visitor numbers exceeding 300,000.
- Provided over 40,000 individual swimming lessons. This significant increase is due to more schools accessing lessons, and much larger numbers in the swim squads.
- Progressed renewal work at the Geraldine pool including the heating plant. This will be completed in time for the 2017/18

summer season.

- Held over 350 aqua fitness classes, with the introduction of an additional AquaGentle class to meet demand.
- Introduced a range of new classes at CBay Fitness, including teenFIT for 13-15 year olds, and ageFIT for the 50+-year age group
- Recorded in excess of 1,000 gym members.



CBay Certified Instructors

During the year, **Halls and Theatres:**

- Substantially completed the rebuild of the West End Hall, Timaru following a fire in June 2016. The new complex will offer enhanced facilities, including a meeting room, and bar facilities
- Resurfaced and repainted the floor at the Washdyke Sports and Community Centre.



Washdyke Hall resurfaced floor

Recreation and Leisure

Performance

Level of Service statement	Measure/Target	Result
Recreation and leisure facilities, programmes and materials are accessible to district residents, schools and visitors	<p><i>Annual visitor numbers:</i></p> <ul style="list-style-type: none"> Art Gallery \geq 21,000 Museum \geq 24,000 School student users at the Museum \geq 4,000 School visits to Art Gallery \geq 50 <p><i>Online users:</i></p> <ul style="list-style-type: none"> Art Gallery numbers increase annually Museum numbers increase annually <p><i>Library:</i></p> <ul style="list-style-type: none"> \geq 12.3 visits per capita annually \geq 690,000 issues Aotearoa People's Network Kaharoa (APNK) usage - \geq 103,000 sessions Stock turnover \geq 4 average issues per item annually 	<ul style="list-style-type: none"> Art Gallery - 23,971 visitors, including outreach visits. Museum - 23,631 visitors, including school student users. 6,689 school students at the museum 50 school visits to the Art Gallery, including 37 schools visiting during Artarama 2016. Art Gallery - there were 3,380 users to the main Art Gallery website page (2015/16: 3,125). Of these, 2,250 were new visitor sessions, an increase of 2.2% (2015/16: 2,201). In addition there were 2,595 Facebook likes, 513 shares and 794 followers. Museum - there were 6,931 users to the main Museum website page (2015/16: 8,846). Of these 6,845 were new visitor sessions (2015/16: 8,668). In addition there were 1,379 Facebook likes. Library - 10.5 visits per capita (based on population 43,929, foot traffic count all libraries 324,586). (2015/16: 11.6) 585,596 library issues. (2015/16: 625,107) 92,274 sessions (2015/16: 89,611 sessions). The reducing usage is due in a large part to the increased availability of free WiFi in the CBD. A stock turnover of 4.17 was achieved (2015/16: 4.00).



CBay Canoeing lessons

Recreation and Leisure

Level of Service statement	Measure/Target	Result
Provide a high quality experience at district recreation and leisure facilities	<p>Art Gallery:</p> <ul style="list-style-type: none"> ■ ≥ 80% resident satisfaction ■ ≥ 90% user satisfaction <p>Libraries:</p> <ul style="list-style-type: none"> ■ ≥ 91% resident satisfaction ■ ≥ 97% user satisfaction 	<p>No survey 2016/17 as this is conducted biannually. 2015/16: 96% resident satisfaction and 98% user satisfaction was achieved.</p> <p>2015/16: 94% resident satisfaction and 93% user satisfaction was achieved.</p>
	<p>Museum:</p> <ul style="list-style-type: none"> ■ ≥ 80% resident satisfaction ■ ≥ 95% user satisfaction <p>Parks and Recreation:</p> <ul style="list-style-type: none"> ■ ≥ 90% resident satisfaction ■ ≥ 92% user satisfaction <p>Swimming Pools:</p> <ul style="list-style-type: none"> ■ ≥ 80% resident satisfaction ■ ≥ 75% user satisfaction 	<p>2015/16: 92% resident satisfaction and 96% user satisfaction was achieved.</p> <p>2015/16: 95% resident satisfaction and 94% user satisfaction was achieved.</p> <p>2015/16: 86% resident satisfaction and 87% visitor satisfaction was achieved.</p>
Recreation and leisure facilities provide regular and varied services, exhibitions and programmes to support community wellbeing	<p>Art Gallery:</p> <ul style="list-style-type: none"> ■ ≥ 16 exhibitions 	<ul style="list-style-type: none"> ■ 24 exhibitions held. (2015/16: 16)
	<p>Museum:</p> <ul style="list-style-type: none"> ■ ≥ 5 presentations ■ ≥ 50 external articles ■ ≥ 500 items added to collections online webpage ■ ≥ 30 Facebook posts ■ 3-4 exhibitions 	<ul style="list-style-type: none"> ■ 6 presentations delivered ■ 51 external articles written ■ 200 items added to collections online webpage. This is lower than target as the focus has been on other aspects of the museum collection. ■ 140 Facebook posts ■ 4 exhibitions held during the year
	<p>Library:</p> <ul style="list-style-type: none"> ■ ≥ 59,000 database "hits" 	<ul style="list-style-type: none"> ■ 19,846 database hits (excluding Press Reader) ■ 188,185 website hits
	<p>4 Holiday programmes per year provided at Art Gallery, Library and Museum</p>	<ul style="list-style-type: none"> ■ Museum: 4 ■ Art Gallery: 4 ■ Library: 4
	<p>Swimming Pools</p> <ul style="list-style-type: none"> ■ ≥ 20,000 swimming lessons ■ ≥ 300 Aqua Fitness classes 	<ul style="list-style-type: none"> ■ Over 40,000 swim lessons completed (2015/16: 29,000) ■ Over 350 Aqua Fitness classes held

Recreation and Leisure

Level of Service statement	Measure/Target	Result
Recreation and leisure facilities are safe, fit for purpose and well maintained	<p>Facilities (Art Gallery, Libraries, Museum, Swimming Pools, Theatre Royal) have current:</p> <ul style="list-style-type: none"> ■ Building Warrant of Fitness (WOF) ■ Fire Regulation Compliance ■ Licence requirements 	<ul style="list-style-type: none"> ■ Art Gallery: All requirements are current ■ Libraries: All requirements are current ■ Museum: All requirements are current ■ Swimming Pools: PoolSafe have delayed the 2016/17 inspection visit. All other requirements are current. ■ Theatre Royal: All requirements are current.
	100% maintenance and capital work programmes achieved within budget and timeframe for Art Gallery, Libraries, Museum, Swimming Pools, Theatre Royal	<ul style="list-style-type: none"> ■ Art Gallery: Maintenance work and capital projects completed with the exception of new security cameras which is still underway. ■ Libraries: Purchase of books and resources completed. Work on installing the self check out system is underway. Investigations regarding the Timaru Library roof and carpet replacement are underway. ■ Museum: Maintenance work and capital projects completed with the exception of the final work on the heating system. ■ Swimming Pools: Renewal of heating plant and equipment at Geraldine was substantially completed. The CBay 50M pool plant replacement will be completed prior to the 2017/18 swimming season. ■ Theatre Royal: Upgrading work has been deferred for consultation as part of the 2018-28 LTP.
	95% compliance with sportsfields grass lengths contract standards	There was 100% compliance with contract conditions for grass lengths.
	Zero closures of playground equipment due to safety issues*	No closures of playground equipment were necessary due to safety issues.
Collections of local heritage and art objects, records and information preserved for and available to the community and visitors	<p>Art Gallery:</p> <ul style="list-style-type: none"> ■ All new acquisitions are catalogued ■ 50 existing collection works are re catalogued annually ■ ≥3 art works conserved annually <p>Museum:</p> <ul style="list-style-type: none"> ■ Targeted acquisitions are made in line with Museum policy ■ ≥95% collection items held in acceptable conditions ■ ≥90% collection items documented to acceptable standards 	<p>All 92 new acquisitions have been catalogued into the collection. This is a substantial increase on the previous year due to bequests. 238 existing art works have been recatalogued.</p> <p>16 art works have been conserved for the collection. Funding for the majority of this work was provided by the Friends of Aigantighe as part of preparation for the Diamond Anniversary celebration.</p> <p>A total of 98 acquisitions were made, and these were in line with the requirements of the Museum Collection policy. The Museum is now actively accepting less into the collection due to space constraints.</p> <p>Between 90-95% of the Museum collection items are held in acceptable conditions. This is a collation of the following components:</p> <ul style="list-style-type: none"> ■ Environmental conditions: 100% of collections housed in acceptable conditions ■ Security: 100% of collections in secure monitored areas ■ Pest Control: 100% of collections in areas monitored and controlled for pests ■ Physical Protection: Approx 85-90% of collections maintained with physical protection measures ■ Chemical deterioration: Approx 80-85% of collections held in chemically-neutral enclosures ■ Light protection: 100% of collations held in acceptable lighting conditions to minimise over-exposure ■ At least 90% of the Museum collection items have been documented to acceptable standards. (Note: % is based on estimate of known collections - exact number is difficult to precisely quantify).

Recreation and Leisure

Level of Service statement	Measure/Target	Result
Develop and maintain Recreation and Leisure facilities to meet future expectations and demand	<ul style="list-style-type: none"> ■ ≥40% long term museum displays modified 	≥ 40% of long term displays have been modified. This increased target has been able to be achieved now that Stage 1 of the Mezzanine Floor upgrade project has been completed.
	Parks: <ul style="list-style-type: none"> ■ 49km of off road walking and biking tracks provided ■ 5.3** playgrounds per 1,000 residents under 15 years of age ■ 12.5 park hectares per 1,000 district residents ■ Retain 1 Garden of National Significance and 1 Garden of Significance 	There are 56km of off-road tracks as at 30 June 2017, with the addition of tracks at Otipua Wetlands and Barker/Hislop Street, Geraldine. 5.3 playgrounds per 1,000 residents under 15 years of age. 13.9 park hectares per 1,000 residents. Trevor Griffiths Garden is assessed as Garden of National Significance. Timaru Botanic Gardens has been reassessed as 5 Star (Garden of National Significance).

* Other than for routine maintenance, vandalism or catastrophic events **Error in LTP target should be 5.3 rather than 0.93

Major Variations - 2016/17 Work Programme

- **Art Gallery – Building Renewals/Extension** – Deferred due to the House Gallery being closed as a result of an adverse earthquake assessment.
- **Libraries - Replacement Roof & carpets** - Due to complexities with the roof design this project has been delayed. The scheduled start date is December 2017 and the project is expected to take 12 months to complete.
- **Parks and Recreation - Courts Resurfacing Pleasant Point and Temuka Domain-** Work is expected to be completed by December 2017 after some initial delays due to enhancing the plan for the Temuka Domain approach, and finalising Pleasant Point User group fundraising.
- **Swimming Pools - Caroline Bay Trust Aoraki Centre – Renewals** – The contract for the refurbishment of the 50M outdoor pool has been let and the project will be completed prior to the start of the 2017/18 summer season.



Drone image of new Geraldine shared walking cycling track

Recreation and Leisure

Timaru District Council: Funding impact statement for 2016/17 Recreation and Leisure

	2015/16 Long-term plan (\$000)	2015/16 Actual (\$000)	2016/17 Long-term plan (\$000)	2016/17 Actual (\$000)
Sources of Operating Funding				
General Rates, Uniform annual general charges, rates penalties	9,461	9,246	9,928	11,344
Targeted Rates (other than a targeted rate for water supply)	2,023	1,989	2,056	0
Subsidies and grants for operating purposes	113	87	48	65
Fees charges and targeted rates for water supply	3,214	3,077	3,179	2,936
Internal charges and overheads recovered	159	159	159	317
Local authorities fuel tax, fines, infringement fees and other receipts	27	189	21	1,084
Total operating funding (A)	14,997	14,747	15,391	15,746
Applications of operating funding				
Payments to staff and suppliers	10,277	10,219	10,420	10,046
Finance costs	1,003	796	1,032	695
Internal charges and overheads applied	1,310	1,318	1,342	1,516
Other operating funding applications				
Total applications of operating funding (B)	12,590	12,333	12,795	12,257
Surplus (deficit) of operating funding (A - B)	2,407	2,414	2,596	3,489
Sources of capital funding				
Subsidies and grants for capital expenditure	90	122	80	0
Development and financial contributions				
Increase (decrease) in debt	(698)	(818)	(768)	(916)
Gross proceeds from sale of assets	0	11	0	(12)
Lump sum contributions	0	0	0	0
Other dedicated capital fundings	55	27	0	30
Total sources of capital funding (C)	(553)	(658)	(688)	(898)
Application of capital funding				
Capital expenditure				
- to meet additional demand	338	377	76	144
- to improve the level of service	479	325	717	469
- to replace existing assets	2,074	1,123	2,356	1,700
Increase/(decrease) in reserves	(1,037)	(69)	(1,241)	279
Increase/(decrease) of investments				
Total applications of capital funding (D)	1,854	1,756	1,908	2,591
Surplus (deficit) of capital funding (C - D)	(2,407)	(2,414)	(2,596)	(3,489)
Funding balance ((A - B) + (C - D))	0	0	0	0
INTERNAL LOANS				
Opening Balance		63		61
Additions		0		0
Repayments		(2)		(3)
Closing Balance		61		58
Interest		2		2

Financial Variations - Explanation

2016/17 Actual compared to budget (per LTP) and 2015/16 actual

An insurance claim of \$720,000 was received in respect of fire damage at the West End Hall. Capital expenditure relating to the Library roof, Theatre Royal flying system, Parks sports surfaces and CBAY Outdoor Pool plant have all been delayed.

Roading and Footpaths

Description

Roading and Footpaths includes the following activities provided by Council:

- Roding and Footpaths
- Cycleways and Walkways

Roding and Footpaths is concerned with provision of the roading and footpaths network throughout the district.

Timaru District acts as a regional transportation hub, servicing significant agricultural areas, associated processing plants and a significant port operation. Roding and Footpaths delivers both assets (such as roads, signs, and infrastructure) and non-asset functions (such as street cleaning, garden/berm maintenance, temporary traffic management and road safety initiatives).

Council currently manages over 1,700km of sealed and unsealed roads, 289 bridges, 309km of footpath, drainage facilities (e.g. soak pits, culverts), street furniture, signs, bus stops, carparks, traffic signals, kerb and channel, 4,665 street lights, road marking and other minor structures.

Funding for the management and maintenance of the roading and footpaths network is provided from rates, loans, and user charges together with financial assistance received from central

government through the New Zealand Transport Agency (NZTA). The NZTA is also responsible for the State Highway network.

Overall management of the facilities is provided by the Council, with operational work carried out by contractors. The activity also includes managing the parking asset (e.g. parking meters and carparks). Monitoring parking compliance in the district is carried out by the Regulatory Services Group.

Delivery of the Roding and Footpaths Activity is influenced by a complex array of Government policies, national and regional strategies and legislative framework. The Council also has several strategies that help guide delivery, headlined by the Timaru Transportation Strategy, with other strategies for active transport, demand management, road safety, lifecycle management and sustainable transport.

Council provides many cycleways and walkways throughout the district. These range from cycleways in the road corridor, to combined walkways and cycleways that are off-street, such as beside urban and rural streams. Off road walkways and cycleways are often managed jointly between the Parks and Land Transport units. Strategies, such as Active Transport Strategies and the Off-Road Walking and Cycling Strategy contribute to the direction for this activity.

Contributions to Community Outcomes

Roding and Footpaths contributes to the following Community Outcomes as shown in the table below:

	High quality infrastructure to meet community and business needs	Smart, diversified economic success and growth supported and enabled	Communities that are safe, vibrant and growing	People enjoying a high quality of life	A strong identity forged and promoted	A valued, healthy and accessible environment
Roding and Footpaths	P	P	S	P	S	S
Cycleways and Walkways	P	S	P	P	S	S

P – Primary contribution S – Secondary contribution

Roading and Footpaths

Key Achievements and Projects

During the year:

- Road reconstruction was completed at Earl Road and Brenton Road, Geraldine, Muff Road, Orari, and on Levels Plain Road. This included widening and strengthening these roads to meet the increased requirements of the larger 65 tonne trucks servicing the regions growing rural economy.
- The road user satisfaction survey results again exceeded targets, indicating a high level of satisfaction with road maintenance and management.
- Further additional funding was secured from the NZ Transport Agency for LED streetlight conversions. This meant that LED replacements were able to be completed in Temuka and Geraldine ahead of schedule.
- School travel plans are resulting in more primary school students using active transport modes and less reliance on cars to get to and from school.
- The combined South Canterbury Council's road surfacing contract for each of the Timaru, Waimate, Mackenzie and Ashburton Districts is proving successful. This has been tendered again for a further two years.
- Further progress has been made on improving the Washdyke roading network to facilitate commercial activity in the area and provide infrastructure for future development.
- Roothing, footpaths and transport related projects were completed including:
 - 795 metres of new footpaths in Temuka.
 - Road seal extensions on Kerrytown Road and Arowhenua Street.
 - Road seal widening on Orton Rangitata Road and Waitohi Pleasant Point Road.

- Renewal of kerb and channel in Hally Terrace, Gammack Street and Ormsby Street in Temuka.



Walking School Bus



Blandswood Road Ford

Roading and Footpaths

Performance

Level of Service statement	Measure/Target	Result
Roads are designed and maintained to community expectations	<p>≥ 80% ratepayers believe they get value for money</p> <p>≥70% of customer service requests are responded to within contract response timeframes</p>	<p>Road user survey results for the period July 2016 to June 2017 show 92% of those surveyed believe that they get value for money (2015/16:92%)</p> <p>The average response time for customer services requests was 6 days. 72% of these requests were open for greater than 7 days (the contract response timeframe)*.</p> <p><i>*obtaining accurate data is presenting issues. Work is ongoing to develop a system to increase the accuracy of the data. In the interim, the following is able to be reported.</i></p>
Roads are fit for purpose and provide for comfortable and efficient travel	Timaru journey times on key transport routes are maintained at 2005 +10% levels	<ul style="list-style-type: none"> The measured combined morning peak time on key routes in June 2017 was 84.7 minutes (2016: 87.0, 2005: 87.6) The measured combined evening peak time on key routes in June 2017 was 87.4 minutes (2016: 90.2, 2005: 87.8) <p>There has been an improvement in travel times in Timaru. This is due to greater efficiency at intersections, including traffic signals.</p>
	≤ 10 complaints about traffic disruption due to maintenance and renewal work	No complaints were received.
	Average Smooth Travel Exposure Index on all district roads is ≥90%	The average Smooth Travel Exposure Index for local sealed roads to date is 94%.
	<p>≥75% residents are satisfied with maintenance of sealed roads</p> <p>≥75% residents are satisfied with maintenance of unsealed roads</p>	<ul style="list-style-type: none"> Survey results for the period July 2016 to June 2017 show 83% (2015/16: 77%) of sealed road residents users believe the roads are fit for purpose and well maintained. Survey results for the period July 2016 to June 2017 show 64% (2015/16: 63%) of unsealed road residents users believe the roads are fit for purpose and well maintained. <p>Road user satisfaction for sealed roads met target but unsealed roads did not meet the target. The unsealed road satisfaction is consistent with previous years despite the level of maintenance being increased with additional funding.</p>
	4% of the sealed road network is resurfaced annually	<p>6.2% (60.2km) of the 967km of sealed road network was resurfaced.</p> <p>The length of sealed roads increased from the previous year due to road seal extensions and the vesting of new roads from subdivisions.</p>
Bridges are accessible to road users and well maintained	50% of bridges on all primary collector and higher hierarchy roads are two-way	<p>Currently we have 297 bridges.</p> <p>There are 34 bridges on primary collector or higher hierarchy roads and 32 (94%) of these are two lane.</p>
	95% of bridges are not weight restricted	A recent inspection and condition assessment report has identified 5 of the 297 bridges as weight restricted therefore 98% of bridges are not weight restricted.
Footpaths are safe, well designed and well maintained	≥70% residents are satisfied with the smoothness, safety and maintenance of footpaths	Road user survey results for the period July 2016 to June 2017 show 78% satisfaction with the smoothness and safety of footpaths (2015/16: 73%).
	75% of footpaths to be average or better condition	<p>Based on condition assessment undertaken 93% of footpaths are average condition or better.</p> <p>This is a new measure for the 2015 LTP, and data has been collected for the first time. The actual condition is much better than expected hence the low target compared to the actual.</p>
	9km of footpaths resurfaced annually	7.6km of footpaths were resurfaced. In addition, nearly 0.8km of new footpaths were constructed.

Roading and Footpaths

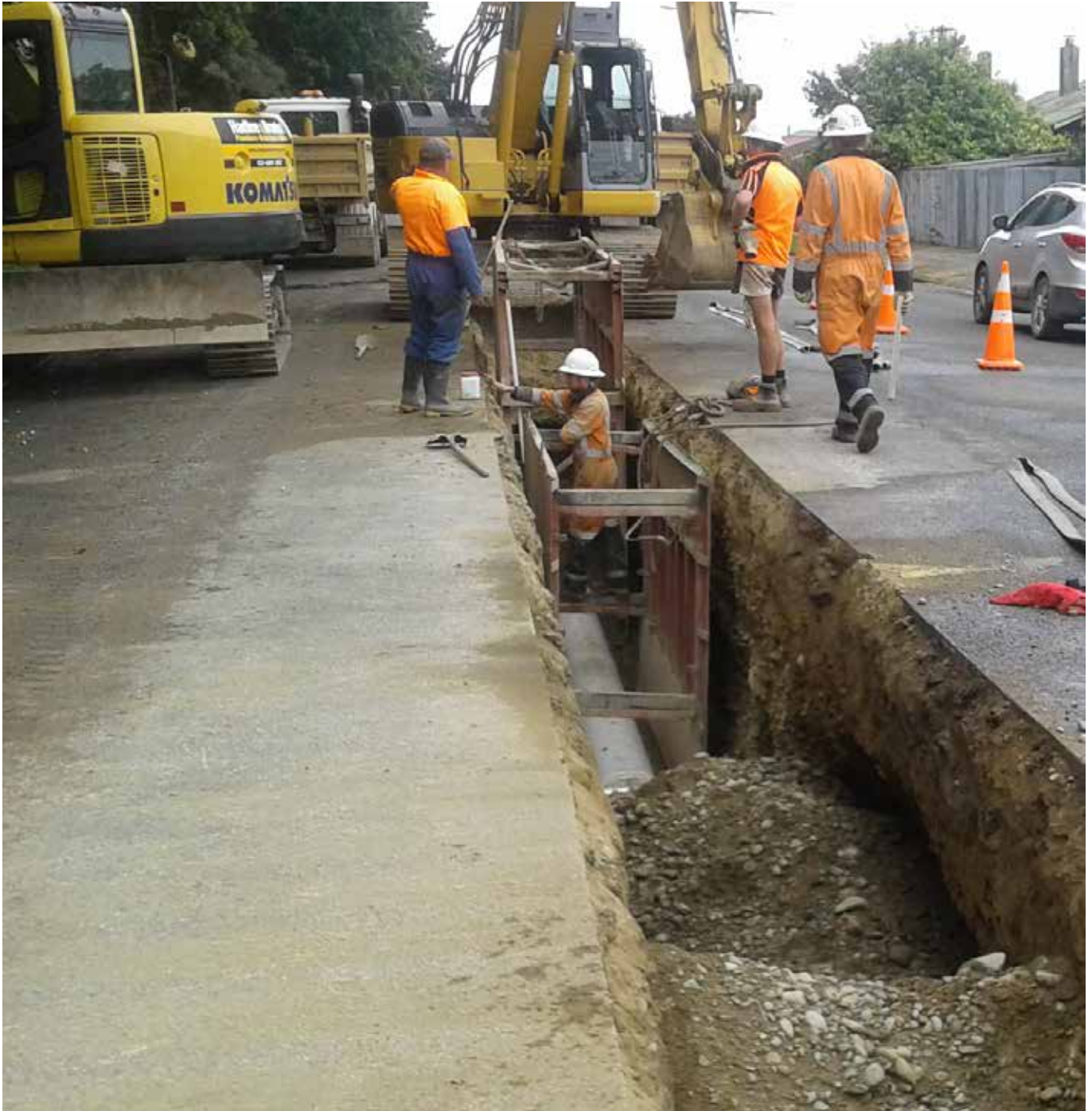
Level of Service statement	Measure/Target	Result
Traffic signals, road signage and markings provide clear guidance	≥95% residents are satisfied that road signs and markings provide guidance that is helpful and effective	Road user survey results for the period July 2016 to June 2017 show 100% satisfaction with road signage (2015/16: 100%).
Street and amenity lighting enables safe and efficient movement	≥ 95% residents are satisfied that there is sufficient lighting of streets and intersections in urban areas	Survey results for the period July 2016 to June 2017 show 94.5% (2015/16 96%) of residents are satisfied with street lighting.
Road works and road safety initiatives help promote district road safety and awareness	85% residents believe the road network is safe	Road user survey results for the period July 2016 to June 2017 show 88% satisfaction with the overall safety of roads (2015/16: 93%).
	Number of fatalities and serious injury crashes on the local road network is less than the previous financial year on an annual basis	For the period July 2016 to July 2017 there were 14 fatal/serious injury crashes, 2 of these fatal. (2015/16: 14 fatal/serious injury crashes, 1 of these fatal*) * data reported last year did not reflect the target data as it included minor injury crashes and crashes on the State Highway.
	40% residents are aware of road safety programmes or advertisements	Survey results for the period July 2016 to June 2017 show that 30% (2015/16: 38%) of residents were aware of road safety initiatives. Further strategies are being developed to improve awareness.
Carparks are available, fit for purpose and easy to access	75% or residents are satisfied that access to Council provided carparking is adequate	Road user survey results for the period July 2016 to June 2017 show 90% satisfaction with access to car parking (2015/16: 82%).
	80% of residents are satisfied with the location, design and maintenance of carparking	Road user survey results for period July 2016 to June 2017 show 90% satisfaction with the location, design and maintenance of car parking (2015/16: 90%).
	Parking fees are reviewed annually and the activity is self funding	A review of the parking fees has been undertaken and recommendations for several minor fee increases in targeted carparks presented to Council as part of the Annual Plan. The activity continues to be self funding.
Sustainable transport options* are facilitated and provided	90% of users are satisfied with the quality of public transport services	Recent survey results show that 97% of users are satisfied with the Timaru bus service (Source: Environment Canterbury survey).
	1 school travel plan completed or reviewed annually	A school travel plan for Grantlea Downs Primary School was completed. Work is underway to develop a plan for Bluestone Primary School.
	Use of Active/Public Transport modes: <ul style="list-style-type: none"> ■ 80% residents regularly walk ■ 30% residents regularly cycle ■ 15% residents use public transport 	Survey results for period July 2016 to June 2017 show: <ul style="list-style-type: none"> ■ 87% of residents regularly walk (2015/16: 81%) ■ 15% of residents regularly cycle (2015/16: 23%) ■ 11% of residents use public transport (2015/16: 7.5%)

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

Roading and Footpaths

Major Variations - 2016/17 Work Programme

- **Structural Bridge Replacements** – completion of the Arundel Belfield Road bridge has been delayed due to delays in the supply of some materials. Consenting issues have delayed the Brookfield Road bridge replacement.
- **Roading Network Minor Improvements** - some of the planned projects have not been completed due to construction delays, design issues or consent requirements.
- **Intersection Upgrades/Safety Improvements** - Council's portion of the Elizabeth Street, Timaru/State Highway One intersection upgrade (traffic island on Elizabeth Street and fencing work) is not able to commence until the NZ Transport Agency work has been completed.



Domain Avenue Temuka

Roading and Footpaths

Timaru District Council: Funding impact statement for 2016/17 Roothing and Footpaths

	2015/16 Long-term plan (\$000)	2015/16 Actual (\$000)	2016/17 Long-term plan (\$000)	2016/17 Actual (\$000)
Sources of Operating Funding				
General Rates, Uniform annual general charges, rates penalties	806	716	658	7,214
Targeted Rates (other than a targeted rate for water supply)	8,208	7,319	8,810	1,596
Subsidies and grants for operating purposes	2,788	2,370	2,481	3,060
Fees charges and targeted rates for water supply	1,082	1,193	1,118	1,168
Internal charges and overheads recovered	1,486	1,505	1,712	1,784
Local authorities fuel tax, fines, infringement fees and other receipts				(2)
Total operating funding (A)	14,370	13,103	14,779	14,820
Applications of operating funding				
Payments to staff and suppliers	7,113	6,864	7,301	7,152
Finance costs	852	664	789	641
Internal charges and overheads applied	2,189	2,167	2,431	2,469
Other operating funding applications				
Total applications of operating funding (B)	10,153	9,695	10,521	10,262
Surplus (deficit) of operating funding (A - B)	4,217	3,408	4,257	4,558
Sources of capital funding				
Subsidies and grants for capital expenditure	5,175	5,669	4,565	4,037
Development and financial contributions				
Increase (decrease) in debt	739	770	86	71
Gross proceeds from sale of assets	0	0	0	0
Lump sum contributions	0	0	0	0
Other dedicated capital funding	165	81	169	18
Total sources of capital funding (C)	6,079	6,520	4,820	4,126
Application of capital funding				
Capital expenditure				
- to meet additional demand	1,184	1,533	96	60
- to improve the level of service	2,971	2,002	2,738	1,865
- to replace existing assets	8,548	7,570	7,881	6,806
Increase (decrease) in reserves	(2,407)	(1,177)	(1,638)	(47)
Increase (decrease) of investments				
Total applications of capital funding (D)	10,296	9,928	9,077	8,684
Surplus (deficit) of capital funding (C - D)	(4,217)	(3,408)	(4,257)	(4,558)
Funding balance ((A - B) + (C - D))	0	0	0	0
INTERNAL LOANS				
Opening Balance		87		81
Additions		0		0
Repayments		(6)		(7)
Closing Balance		81		74
Interest		3		2

Financial Variations - Explanation

2016/17 actual compared to budget (LTP) & 2015/16 actual

Capital expenditure was delayed on the Washdyke network improvement and CBD refresh projects. Completion of the Factory Road bridge project in 2015/16 resulted in a reduction of capital expenditure to meet additional demand. Changes to both the rate of NZTA funding and the types of projects that attract funding have affected subsidies.

Description

Timaru District Council manages wastewater (sewage) collection, treatment and disposal services to communities in the Timaru District.

In 1996, TDC commenced developing the Timaru's District Wide Sewer Strategy to carry out district-wide upgrading of existing facilities, construction of additional facilities, and improvements in treatment and disposal processes highlighted by the separation of domestic and industrial wastewater flows and treatments.

Wastewater asset and process improvements have been carried out since the initiation of the Sewer Strategy in 1996, culminating with the completion of the upgrading of the domestic wastewater treatment plant in January 2015.

As a result of these improvements, wastewater from the inland towns of Geraldine, Pleasant Point and Temuka are no longer discharged to the rivers. Wastewater is piped via the inland towns pipeline to the maturation pond at the Timaru Wastewater Treatment Plant and discharged through the ocean outfall in Timaru.

Timaru's industrial wastewater stream is now treated separately from the domestic wastewater stream. Primary treatment occurs on-site by industries to comply with tradewaste discharge limits set by TDC before discharging to the public wastewater system.

In managing the Sewer Activity, TDC looks after an asset base consisting of the 3 oxidation ponds at the inland towns of Geraldine, Pleasant Point and Temuka, 24 sewer pump stations, 346 km of pipeline and nearly 4,000 manholes. The assets at the main wastewater treatment plant at Aorangi Road in Timaru consist of a milliscreen plant for industrial wastewater; oxidation ponds, wetland pond, biofilter/odour bed, domestic pump station, and screening structures for domestic wastewater; flow splitters, tanker reception facility and an ocean outfall.

ECan has granted TDC consent to discharge to the ocean until 2045.

Approximately 80% of the total district residential population receives the sewer service. Additional sewer services are not currently available for any rural zoned areas. Rural houses manage their own effluent.



Dunkirk Street Sewer main Rehabilitation

Key Achievements and Projects

- Sewer main renewal work was completed in Dunkirk Street, Hewling Street, Glen Street and Kitchener Square in Timaru.
- Sewer main extensions were completed in Connolly Street Geraldine, Blair Street Timaru.
- Completed work on Canada Street and Ansley Street Hydrobrake Chamber overflow pipe installation to control and manage to better manage flows during wet weather events.
- Washdyke Industrial Expansion Zone sewer pressure main modelling and alignment completed.
- Work on the Domain Avenue, Temuka Sewer main upgrade commenced.



Domain Avenue Sewer main Renewal

Contributions to Community Outcomes

Sewer contributes to the following Community Outcomes as shown in the table below:

	High quality infrastructure to meet community and business needs	Smart, diversified economic success and growth supported and enabled	Communities that are safe, vibrant and growing	People enjoying a high quality of life	A strong identity forged and promoted	A valued, healthy and accessible environment
Sewer	P	P	P	P	S	P

P – Primary contribution S – Secondary contribution

Performance

Level of Service statement	Measure/Target	Result
Maintain excellent sewer network services	≤1 recorded dry weather overflows per 1000 connections	0.79 dry weather overflows per 1000 connections were recorded (Of the 46 blocked/overflow complaints received, 13 caused dry weather overflows due to complete blockages or significant reduction in flow; 16,449 connections) (2015/16: 3.76)
Deliver sewer services according to required environmental services	Compliance with resource consents* - no abatement notices, infringement notices, enforcement order or convictions	No abatement notices, infringement notices, enforcement orders and convictions were received.
Provide management of trade waste services	Liaise with and monitor 13 major industries 6 times per year	Liaised with and monitored 13 major industries 6 times during the year. Meetings occurred with one industry regarding improvements required to the quality of the effluent discharge. Liaised with two industries regarding improvements with consent condition compliance.
Maintain excellent customer service	Attendance and resolution times to sewerage overflow faults <ul style="list-style-type: none"> ■ Median attendance** time less than 1 hour ■ Median resolution*** time less than 8 hours 	<ul style="list-style-type: none"> ■ Median attendance time: 0.6 hours (2015/16: 0.7 hours) ■ Median resolution time: 3.5 hours (2015/16: 5.1 hours)
	≤ 10 total complaints per 1,000 connections received about: <ol style="list-style-type: none"> 1. Sewage odour 2. Sewerage system faults 3. Sewerage system blockages issues 4. TDC response to sewerage system issues 	7.29 complaints per 1,000 connections were received (120 complaints, 16,449 connections). Of the 120 complaints, 19 were related to odour. The remainder related to the other categories of blockages and system faults. (2015/16: 10.7)
	≥85% users are satisfied with sewer services where a service is provided	No survey 2016/17 as this is conducted biannually. (2015/16: 92%)
	≥80% residents are satisfied with sewer services	No survey 2016/17 as this is conducted biannually. This measure was inadvertently omitted from the 2016 Community survey so no results were available for 2015/16.
Deliver affordable sewer services	≥85% users think sewer services are good value for money	No survey 2016/17 as this is conducted biannually (2015/16: 85%)
	Operating costs of combined sewer services are within budget	Achieved. Excluding corporate overhead, depreciation and loan expenses, the revised budgeted total operating expenditure for sewer services was \$2,507,300 and the actual expenditure was \$1,843,400.

*Excluding minor non-compliances as reported by Environment Canterbury
 ** Attendance response time applies from the time Council receives notification to the time service personnel reach the site
 *** Resolution response time applies from the time the Council receives notification to the time the service personnel confirm resolution of the fault

Major Variations - 2016/17 Work Programme

- Bio Filters/Trunk Main Ventilation - deferred to 2017/18 awaiting availability of appropriate specialist expertise.



Blair Street Sewer main Renewal

Timaru District Council: Funding impact statement for 2016/17 Sewer

	2015/16 Long-term plan (\$000)	2015/16 Actual (\$000)	2016/17 Long-term plan (\$000)	2016/17 Actual (\$000)
Sources of Operating Funding				
General Rates, Uniform Annual General Charge, rates penalties				
Targeted Rates (Other than a targeted rate for water supply)	6,900	6,965	7,000	7,063
Subsidies and grants for operating purposes	0	0	0	0
Fees, charges and targeted rates for water supply	2,530	2,577	2,596	2,601
Internal charges and overheads recovered	0	2	0	2
Local authorities fuel tax, fines, infringement fees, and other receipts	0	3	0	282
Total operating funding (A)	9,430	9,547	9,596	9,948
Applications of operating funding				
Payments to staff and suppliers	2,200	1,761	2,056	1,684
Finance costs	3,687	2,636	3,678	2,566
Internal charges and overheads applied	1,462	1,464	1,525	1,502
Other operating funding applications				
Total applications of operating funding (B)	7,348	5,861	7,258	5,752
Surplus (deficit) of operating funding (A - B)	2,082	3,686	2,338	4,196
Sources of capital funding				
Subsidies and grants for capital expenditure	190	202	160	0
Development and financial contributions				
Increase (decrease) in debt	(300)	3,773	(1,673)	(2,499)
Gross proceeds from sale of assets	0	0	0	0
Lump sum contributions				
Total sources of capital funding (C)	(110)	3,975	(1,513)	(2,499)
Application of capital funding				
Capital expenditure				
- to meet additional demand	900	0	256	0
- to improve the level of service	108	139	0	138
- to replace existing assets	2,616	978	1,766	2,177
Increase (decrease) in reserves	(1,652)	6,544	(1,197)	(619)
Increase (decrease) of investments				
Total applications of capital funding (D)	1,972	7,661	825	1,697
Surplus (deficit) of capital funding (C - D)	(2,082)	(3,686)	(2,338)	(4,196)
Funding balance ((A - B) + (C - D))	0	0	0	0
INTERNAL LOANS				
Opening Balance		3,895		1,659
Additions		0		0
Repayments		(2,236)		(186)
Closing Balance		1,659		1,473
Interest		73		47

Financial Variations - Explanation

2016/17 actual compared to budget (per LTP) & 2015/16 actual

Debt levels are lower than forecast, which combined with continuing lower interest rates than forecast, has significantly reduced finance costs from budget. New borrowing in the year was lower than forecast.

Stormwater

Description

Timaru District Council manages the operation of stormwater schemes for communities in Timaru, Temuka, Geraldine, Pleasant Point, Winchester, Cave and Milford-Ohapi. Approximately 83% of the total district resident population is serviced.

There are no significant stormwater activities in other rural areas, although some drainage is managed by Environment Canterbury and partially funded by Timaru District Council.

Schemes range from piped to open channel stormwater systems. Stormwater collected from schemes is disposed of to a mixture of soakpits, surface water bodies (e.g. rivers, ocean) and drains depending on the scheme.

The activity looks after an asset base of around 144km of pipeline, 33km of open channel, 4 detention dams, 2 pump stations, over 2,000 manholes and over 3,000 sumps.

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

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

Key Achievements and Projects

During the year:

- The Timaru District Stormwater Strategy 2018 – 2048 has been adopted by Council. This sets the framework for managing stormwater over the next 30 year period.
- Installation of three Stormwater Outlet Floodgates in Washdyke Creek has been completed in conjunction with Environment Canterbury (50:50 cost share project).
- Ashbury Park, Timaru Erosion Control Works have been completed.
- Work commenced on upgrading the capacity of the stormwater network at Hislop/Domain/Huffey Street Geraldine to improve flow and quality of discharge.
- Progress is being made on the development of Stormwater Management plans (SMP). The Geraldine SMP has progressed to resource consent submission stage and work has commenced on the Washdyke Industrial Expansion Zone.



Kauri Street raingarden

Contributions to Community Outcomes

Stormwater contributes to the following Community Outcomes as shown in the table below:

	High quality infrastructure to meet community and business needs	Smart, diversified economic success and growth supported and enabled	Communities that are safe, vibrant and growing	People enjoying a high quality of life	A strong identity forged and promoted	A valued, healthy and accessible environment
Stormwater	P	P	P	P	S	P

P – Primary contribution S – Secondary contribution

Performance

Level of Service statement	Measure/Target	Result
Maintain excellent stormwater network services	<ul style="list-style-type: none"> Zero flooding for events* up to a one in 50 year return period Zero habitable floors affected in events* up to one in 50 year return period per 1,000 connections 	<ul style="list-style-type: none"> Zero flooding event was recorded in the 12 month period 1 July 2016-30 June 2017 (2015/16: 1) Zero habitable floors per 1,000 connections were affected during the 12 month period (0 habitable floor affected, 16,531 stormwater rated properties) (2015/16: 0.05).
Deliver stormwater services according to required environmental standards	Compliance with Resource consent conditions for discharge from stormwater systems - no abatement notices, infringement notices, enforcement order or convictions	There were no abatement notices, infringement notices, enforcement orders or convictions issued.
Maintain excellent customer service	Median time to attend a flooding event* will be less than one hour	Zero flooding event were recorded in the 12 month period 1 July 2016-30 June 2017. (2015/16: median time: 26 minutes)
	≤ 10 total complaints per 1,000 connections received about performance of the stormwater system*	1.60 complaints per 1,000 connections were received (27 complaints in total, 16,531 connections). (2015/16: 1.73)
	<ul style="list-style-type: none"> ≥80% users are satisfied with stormwater services where a service is provided ≥75% of residents are satisfied with stormwater services 	<p>No survey 2016/17 as this is conducted biannually. (2015/16: 69%)</p> <p>No survey 2016/17 as this is conducted biannually. (2015/16: 69%)</p>
Deliver affordable stormwater services	Operating costs of combined stormwater services are within budget	Achieved. Excluding corporate overhead, depreciation and loan expenses, the revised budgeted total operating expenditure for stormwater services was \$507,300 and the actual expenditure was \$387,000.

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

Major Variations - 2016/17 Work Programme

- **Geraldine Hislop-Domain/Huffey Street Stormwater Upgrade** - Design work is underway with construction deferred to 2017/18.
- **Temuka - Fraser/King Street Stormwater Upgrades** Land acquisition, design and construction has been deferred to 2017/18 while more cost effective options are investigated.
- **Timaru Stormwater Capital Upgrades** - The Rhodes Street stormwater upgrade to improve stormwater conveyance in the reticulation has been further delayed as the scope of the project is to be revised. Completion is expected in 2017/18. The Stormwater retention system design at Washdyke is still in progress.
- **Timaru Number 1 Drain Upgrade** - This project has been deferred awaiting decisions in conjunction with Environment Canterbury on potential stormwater improvements in the Washdyke Industrial area. Capital funding has been transferred to the Gleniti Bund project - construction is underway with project completion expected over two financial years.

Timaru District Council: Funding impact statement for 2016/17 Stormwater

	2015/16 Long-term plan (\$000)	2015/16 Actual (\$000)	2016/17 Long-term plan (\$000)	2016/17 Actual (\$000)
Sources of Operating Funding				
General Rates, Uniform Annual General Charge, rates penalties				
Targeted Rates (Other than a targeted rate for water supply)	1,491	1,495	1,546	1,468
Subsidies and grants for operating purposes				
Fees, charges and targeted rates for water supply	0	0	0	0
Internal charges and overheads recovered				
Local authorities fuel tax, fines, infringement fees, and other receipts				
Total operating funding (A)	1,491	1,495	1,546	1,468
Applications of operating funding				
Payments to staff and suppliers	430	329	463	364
Finance costs	29	20	37	18
Internal charges and overheads applied	180	184	188	188
Other operating funding applications				
Total applications of operating funding (B)	639	533	687	570
Surplus (deficit) of operating funding (A - B)	852	962	859	898
Sources of capital funding				
Subsidies and grants for capital expenditure	0	0	0	0
Development and financial contributions				
Increase/(decrease) in debt	71	21	239	(14)
Gross proceeds from the sale of assets				
Lump sum contributions				
Other dedicated capital funding	35	69	46	107
Total sources of capital funding (C)	106	90	285	93
Application of capital funding				
Capital expenditure				
- to meet additional demand	100	0	67	0
- to improve the level of service	350	0	287	168
- to replace existing assets	276	368	98	278
Increase (decrease) in reserves	232	684	692	545
Increase (decrease) of investments				
Total applications of capital funding (D)	958	1,052	1,144	991
Surplus (deficit) of capital funding (C - D)	(852)	(962)	(859)	(898)
Funding balance ((A - B) + (C - D))	0	0	0	0
INTERNAL LOANS				
Opening Balance		541		637
Additions		150		50
Repayments		(54)		(65)
Closing Balance		637		622
Interest		21		18

Waste Minimisation

Description

Waste Minimisation includes the following activities provided by Council:

- Compost, Recycling and Refuse

Waste Minimisation addresses the management of waste generated in the Timaru District. In 2006, the Council implemented the 3-2-1-ZERO waste minimisation system in the District. This highly successful scheme has meant that 82% of the district is provided with kerbside collection services for organic waste, recycling and rubbish. Bins are collected regularly with materials sorted and managed at the Redruth Resource Recovery Park. The vision is:

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

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

- kerbside collection service to urban and some rural residents for organic waste, recycling and rubbish
- transfer station facilities at Geraldine, Pleasant Point, Temuka and Timaru (Redruth) incorporating:
 - Recycling, composting and rubbish drop-off

- E-scrap drop-off facilities
- Household hazardous waste drop-off
- Reusable goods drop-off
- Waste Minimisation facilities at Redruth Resource Recovery Park including:
 - A landfill
 - Recycling and composting facilities
- A retail shop for reusable materials called "The Crow's Nest" at Redruth. This also offers a kerbside collection service for reusable goods.
- An off-site scrap metal recycling facility.
- Information and education resources for the public and businesses.
- A Waste Exchange listing service
- 3-2-1-ZERO waste minimisation support for public events
- Implementation of business and community waste minimisation programmes such as the modern cloth nappy programme

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

The next full review will occur with the next LTP 2018-28.



Redruth Compost area

Contributions to Community Outcomes

Waste Minimisation contributes to the following Community Outcomes as shown in the table below:

	High quality infrastructure to meet community and business needs	Smart, diversified economic success and growth supported and enabled	Communities that are safe, vibrant and growing	People enjoying a high quality of life	A strong identity forged and promoted	A valued, healthy and accessible environment
Compost, Recycling and Refuse	P	S	S	P	S	P

P – Primary contribution S – Secondary contribution

Waste Minimisation

Key Achievements and Projects

During the year:

- The Landfill Gas Strategy has been completed. This outlines a plan for the implementation of a landfill gas system at the Redruth landfill. This will enable compliance with the national environmental standard for air quality - specifically dealing with greenhouse gas emissions from the site.
- The old Ellis Road landfill site at Normanby was shaped to allow future enhancement with plantings and the rock wall was completed to stop erosion of the landfill on the coastline.
- Following the success of the Geraldine Public Place Recycling bins, three sets of recycling bins have been installed in Temuka.
- Community interest and support for reducing waste in the district remains high with requests for Zero Waste advice to businesses, presentations at local events, and providing tours of the Redruth site, all exceeding targets.
- Ongoing increases in material able to be diverted from the landfill, with 18,922 tonnes diverted, and 21,410 transactions at the Crows Nest re use shop.



Eco Compost Facility



Redruth Green Waste area



Native planting at the Eco Compost site



Greenwaste Drop-off site Construction at Redruth Resource Centre

Waste Minimisation

Performance

Level of Service statement	Measure/Target	Result
Waste Minimisation facilities are adequate and available to the community, including provision of regular kerbside collection services to enable separation of waste for recycling and compost	<ul style="list-style-type: none"> ■ ≥90% resident satisfaction with waste minimisation services ■ ≥90% user satisfaction with waste minimisation services 	<p>No survey 2016/17 as this is conducted biannually. 2015/16 results:</p> <ul style="list-style-type: none"> ■ <i>Kerbside service:</i> <ul style="list-style-type: none"> ● Resident and user satisfaction - recycling 95%, managing green waste 92%, managing general waste 88% ■ <i>Transfer station:</i> <ul style="list-style-type: none"> ● Resident satisfaction - recycling 95%, managing green waste 92%, managing general waste 88% ● User satisfaction - recycling 100%, managing green waste 90%, managing general waste 86%
No adverse effects on the environment or human health from the operation of waste minimisation services	Compliance with resource consent conditions*	Full compliance was achieved.
Waste is diverted from the landfill via the Materials Recovery Facility (MRF)	3,750 recycling nett tonnes processed at the MRF	3,195 tonnes processed. This measure is under target as processing loss is high. Auditing is underway to identify and resolve the issue. (2015/16: 3,230)
Waste is diverted from the landfill via the Compost Facility	14,500 nett tonnes processed at the Composting Facility	15,208 tonnes processed. (2015/16: 13,995)
Waste is diverted from the landfill via resource recovery	200 nett tonnes diverted via recycling other than MRF recyclables format	372 tonnes diverted via recycling (2015/16: 328)
Waste is diverted from the landfill via re-use	17,500 transactions at the Crow's Nest reuse shop	21,410 transactions (Jan - Dec figures used to estimate) (2015/16: 17,399)
Waste is diverted from the landfill via Pyrolysis Facility	1,000 nett tonnes diverted at the Pyrolysis Facility	147 tonnes diverted. Note: Waste Sort Facility not yet established to supply timber to the pyrolysis plant. (2015/16: 189)



Landfill Gas monitoring



New Cell at Redruth Landfill

Waste Minimisation

Level of Service statement	Measure/Target	Result
Public information and programmes promote waste minimisation and appropriate sorting of waste	<p>Kerbside collection and waste minimisation:</p> <ul style="list-style-type: none"> ■ Distribution of 2,000 items of Kerbside Collection information per year ■ Distribution of 1,000 items of general Waste Minimisation information per year ■ Zero Waste event and business support, talks and tours: <ul style="list-style-type: none"> ● 52 or greater businesses supported ● 25 or greater events supported ● 52 talks and/or tours ● 40 participants in modern cloth nappy programme per year 	<ul style="list-style-type: none"> ■ 2,500 items of kerbside collection information were distributed over the 12 month period (2015/16: 2,100). ■ 2,000 items of general waste minimisation information were distributed over the 12 month period (2015/16: 1,950). ■ 66 businesses supported (2015/16: 45) ■ 28 events supported during the year (2015/16: 27) ■ 72 talks and tours were provided during the year (2015/16: 71) ■ 55 participants over the 12 month period 1 July 2016 - 30 June 2017. (2015/16: 56)

*Excluding minor non-compliances as reported by Environment Canterbury

Major Variations - 2016/17 Work Programme

- **Redruth Waste Sorting Facility** - Decision to complete Stage 1 of the Resource Recovery Park before proceeding with the Waste Sorting Facility, which will be housed with the new Park. Stage 1 of the build is expected to be completed in August 2017.
- **Compost Site** - The site design has been finalised and has gone to tender. Work is due to commence in September 2017.



Ellis Road former landfill after recovery treatment

Waste Minimisation

Timaru District Council: Funding impact statement for 2016/17 Waste Minimisation

	2015/16 Long-term plan (\$000)	2015/16 Actual (\$000)	2016/17 Long-term plan (\$000)	2016/17 Actual (\$000)
Sources of Operating Funding				
General Rates, Uniform Annual General Charge, rates penalties				
Targeted Rates (Other than a targeted rate for water supply)	5,778	3,468	6,043	4,486
Subsidies and grants for operating purposes	135	173	135	178
Fees, charges and targeted rates for water supply	2,345	2,897	2,453	3,246
Internal charges and overheads recovered				
Local authorities fuel tax, fines, infringement fees, and other receipts				
Total operating funding (A)	8,258	6,538	8,631	7,910
Applications of operating funding				
Payments to staff and suppliers	6,548	6,189	6,827	6,382
Finance costs	459	243	419	278
Internal charges and overheads applied	396	391	404	403
Other operating funding applications				
Total applications of operating funding (B)	7,403	6,823	7,649	7,063
Surplus (deficit) of operating funding (A - B)	855	(285)	982	847
Sources of capital funding				
Subsidies and grants for capital expenditure				
Development and financial contributions				
Increase (decrease) in debt	(686)	1,318	146	(537)
Gross proceeds from sale of assets				
Lump sum contributions				
Total sources of capital funding (C)	(686)	1,318	146	(537)
Application of capital funding				
Capital expenditure				
- to meet additional demand	41	852	43	285
- to improve the level of service	121	136	1,440	181
- to replace existing assets	192	235	193	87
Increase (decrease) in reserves	(185)	(190)	(547)	(244)
Increase (decrease) of investments				
Total applications of capital funding (D)	169	1,033	1,128	310
Surplus (deficit) of capital funding (C - D)	(855)	285	(982)	(847)
Funding balance ((A - B) + (C - D))	0	0	0	0

Financial Variations - Explanation

2016/17 actual compared to budget (per LTP) & 2015/16 actual

Fees and charges have continued to increase due to improved economic conditions in the Timaru District, as well as the full year effect of a contractor reverting to using the Redruth facility after several years of taking waste out of the district. Capital expenditure to improve level of service is reduced from budget due to a delay in the Resource Recovery Park project.

Water Supply

Description

Water Supply provides for the safe and effective treatment, storage and distribution of water to urban and rural parts of the district. This includes the permitted taking of water from various sources (e.g. rivers, bores) through allocations granted by Environment Canterbury (ECan). Quality water is delivered for residential, commercial, industrial and stockwater purposes. Water is not supplied for irrigation or horticultural purposes.

Over 16,000 properties are served through 12 individual water supplies operated on behalf of the residents of the Timaru District. Schemes are provided (in order of largest to smallest population served) to:

- Timaru – Urban drinking water
- Downlands - Rural drinking water and stock water
- Temuka - Urban drinking water
- Geraldine - Urban drinking water
- Te Moana - Rural drinking water and stockwater
- Pleasant Point - Urban drinking water
- Seadown - Rural drinking water and stockwater
- Winchester – Urban drinking water
- Orari - Rural drinking water and stockwater
- Peel Forest - Urban drinking water
- Rangitata/Orari – Stockwater races
- Beautiful Valley – Stockwater

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

Water sources for the schemes include rivers, bores and surface springs. ECan allocates water to the Council via resource consents, which set upper limits on the amount of water that can be taken from water sources. Water supply assets managed include 19 water intakes, 11 treatment plants, 27 reservoirs, 18 storage tanks and 21 pump stations. Total length of the pipe networks is about 1,820 kilometres.

The urban schemes are generally on-demand at the tap.

The rural drinking water and stockwater schemes are flow control supplies (using restrictors) to private storage tanks, except the Seadown scheme which supplies directly to stockwater troughs.

The Rangitata-Orari water race scheme supplies stockwater to water races on or adjacent to scheme properties.

Key Achievements and Projects

During the year:

- The Winchester area water supply was connected to the Temuka Water supply, enabling the old Winchester water supply source to be discontinued. This means Winchester water now has protozoa treatment.
- Water main renewals have been completed at Coonor Road, Spring Road, Wilson Street, Hayes Street (Timaru), Manse Road (Pleasant Point), Lyall Road (St Andrews) and Woodbury township.
- The 2016/17 Pipe condition sampling programme for urban water mains has been completed. This provides information to assist with planning for ongoing maintenance and renewal of the network.
- The Water main Upgrade installation was completed at Te Moana Road and McKeown Road, Geraldine.



Hayes Street Water main

Contributions to Community Outcomes

Water Supply contributes to the following Community Outcomes as shown in the table below:

	High quality infrastructure to meet community and business needs	Smart, diversified economic success and growth supported and enabled	Communities that are safe, vibrant and growing	People enjoying a high quality of life	A strong identity forged and promoted	A valued, healthy and accessible environment
Water Supply	P	P	P	P	S	P

P – Primary contribution S – Secondary contribution

Water Supply

Performance

Level of Service statement	Measure/Target	Result
Provide Safe Drinking Water	All schemes comply with Drinking Water Standards Part 4) – Bacterial Compliance	Bacterial Compliance was analysed with results as below: <ul style="list-style-type: none"> ■ All treatment plants were compliant except for the Pareora pipeline. ■ All reticulation zones were compliant except: <ul style="list-style-type: none"> ● The zone Geraldine flat within the Te Moana Scheme ● The zone Waimate Rural within the Downlands Scheme (Waimate District Council) ● The Pareora Pipeline - the Pareora Pipeline has no treatment process and it is known that e-coli is present. A very small number of consumers are supplied from the Pareora pipeline before the water enters the Claremont Water Treatment Plant. Those consumers are advised to treat their own water.
	Compliance with Drinking Water Standards (Part 5) – Protozoal Compliance <ol style="list-style-type: none"> 1. Downlands <ul style="list-style-type: none"> – Pareora Treatment Plant – Hadlow (Claremont Treatment Plant) 2. Orari (Temuka Treatment Plant) 3. Pleasant Point 4. Seadown 5. Temuka 6. Geraldine 7. Timaru 8. Winchester 9. Peel Forest 	Protozoa compliance was achieved for Downlands (Pareora Treatment Plant and Hadlow) and Timaru (Claremont Treatment Plant). The upgrade to the Peel Forest Treatment Plant was completed and was compliant with protozoa from 1 April 2017. Protozoal compliance was not achieved in the following treatment plants: <ul style="list-style-type: none"> ● The Temuka Treatment Plant which supplies Orari, Temuka and since October also Winchester was not compliant as the water went turbid for more than three minutes (less than three hours) after the 14 November earthquake. There was a further 85 minutes non-compliance when the generator stopped during a planned 8 hour power outage and untreated water flowed from the reservoir. ● The Pleasant Point Treatment plant was not compliant as the water went turbid for more than three minutes (less than 3 hours) after the 14 November earthquake. ● The non-compliant Winchester Treatment Plant was decommissioned on 8th September 2016. Winchester water is now treated for protozoa. ● The Seadown Treatment Plant was non-compliant as the UV transmissivity dropped following rain in April 2017. ● The Geraldine Treatment was non-compliant as water flowed when the UV was non-operational for a 10 and 30 minute period, due to an operational issue.
Maintain excellent water supply network services	Percentage of real water loss from TDC's networked reticulation systems - target to be determined	A 23% real water loss across all schemes was recorded for the 12 month period (2015/16: 23%). Although water loss has decreased in some schemes it has increased in others. The net effect is no change in the percentage of water loss. Urban schemes recorded a 19% loss and rural schemes a 22% loss.
	All outages to urban and rural scheme properties >8 hours reported to Ministry of Health	There were no outages to urban and rural scheme properties >8 hours. There was 1 outage of a water main greater than 8 hours but this did not affect customers.



Hayes Street Water main

Water Supply

Level of Service statement	Measure/Target	Result
Maintain excellent customer service	The median time to attend* urgent callouts**: <ul style="list-style-type: none"> urban callouts - less than 1 hour rural callouts - less than 4 hours 	All urban and rural call out attendance and resolution times were achieved. Urgent callouts median attendance time: <ul style="list-style-type: none"> Urban callouts: 0.7 hours (2015/16: 0.6) Rural callouts: 1.1 hours (2015/16: 1.3)
	The median time to resolve***urgent <ul style="list-style-type: none"> urban callouts - less than 4 hours rural callouts - less than 8 hours 	Urgent call out median resolution time: <ul style="list-style-type: none"> Urban resolution time: 3.7 hours (2015/16: 1.3) Rural resolution time: 5.1 hours (2015/16: 10)
	The median time to attend and resolve all non-urgent callouts will be reported.	The median time to attend and resolve non-urgent call outs was 45 hours (2015/16: 69) <small>*Attendance - response time applies from the time the local authority receives notification, to the time service personnel (contractors) reach the site</small> <small>**An urgent callout is one that has a P1 priority rating and leads to a complete loss of supply of drinking water</small> <small>***Resolution - response time applies from the time the local authority receives notification, to the time service personnel (contractors) confirm resolution of the fault or interruption.</small>
	10 or fewer complaints received per 1000 connections about: <ol style="list-style-type: none"> Drinking water clarity Drinking water taste Drinking water odour Drinking water pressure or flow Continuity of supply The TDC response to these issues 	16 complaints were received per 1000 connections (333 complaints, 20,858 connections) (2015/16: 20 complaints per 1000 connections). <ul style="list-style-type: none"> 14 complaints regarding clarity 8 complaints regarding taste 6 complaints regarding odour 69 complaints relating to drinking water pressure or flow 226 complaints relating to continuity of supply 10 complaints regarding the TDC response to these issues
	<ul style="list-style-type: none"> ≥ 85% user satisfaction with water supply services where a service is provided ≥ 85% resident satisfaction with water supply services where a service is provided 	No survey 2016/17 as this is conducted biannually (2015/16 90% for both measures).
	Provide demand management of water supply services	Average consumption of drinking water per day per resident within the Timaru district - target to be determined
Deliver water services according to required environmental standards	Compliance with all consent conditions* <small>*excluding minor non-compliances as reported by Environment Canterbury</small>	Compliance was achieved with all consent conditions to take water, to discharge water and to allow works in rivers.
Deliver affordable water supply services	≥ 85% of users think the services are good value for money	No survey 2016/17 as this is conducted biannually (2015/16 86%).
	Operating costs are within budget	Achieved. Excluding corporate overhead, depreciation and loan expenses, the revised budgeted total operating expenditure for water supplies (including all (100%) of Downlands and the Rangitata Orari water race scheme) was \$3,972,800 and the actual expenditure was \$3,501,000.

Water Supply

Major Variations - 2016/17 Work Programme

- **Urban Water Supplies Reticulation and Services Renewals** – Project completed with exception of Forth Street, Cornwall Street and Dunkirk Street Water main renewal which has been deferred to 2017/18.
- **Urban Water Supplies - Timaru Pareora Pipeline Renewal** - Project not started as is subject to approval of the 30 year Timaru Water Supply Strategy.
- **Urban Water Supplies -Pleasant Point Treated Water Storage** - Design work approval is underway. The project will be completed in 2017/18.
- **Urban Water Supplies - Timaru Reservoir Cover** - Analysis shows that reservoir covers no longer have UV protection but still have life remaining, therefore renewal has been deferred.
- **Urban Water Supplies – Upgrade to Supply Te Moana from Geraldine**- Due to the change of Geraldine Area Wide Water Strategy, the extent of reticulation upgrades is being reassessed.
- **Te Moana Downs Water Supply Reticulation Renewals & Network Capacity Upgrade** - project underway and will be completed over 2 years.
- **Te Ngawai Trunk Main Renewal** - Delays to project due to archaeological assessment issues.
- **Reservoir Cover and Pipework Downlands** - Before completing the project, a review regarding retention of small reservoirs is to be completed.



Temuka new bore, Temuka connection



Additional water storage at Winchester

Water Supply

Timaru District Council: Funding impact statement for 2016/17 - Water Supply

	2015/16 Long-term plan (\$000)	2015/16 Actual (\$000)	2016/17 Long-term plan (\$000)	2016/17 Actual (\$000)
Sources of Operating Funding				
General Rates, Uniform Annual General Charge, rates penalties				
Targeted Rates (Other than a targeted rate for water supply)	5,262	5,277	5,447	5,455
Subsidies and grants for operating purposes				
Fees, charges and targeted rates for water supply	1,563	1,585	1,647	1,625
Internal charges and overheads recovered	71	62	71	62
Local authorities fuel tax, fines, infringement fees, and other receipts	0	8	0	8
Total operating funding (A)	6,896	6,932	7,165	7,150
Applications of operating funding				
Payments to staff and suppliers	3,326	2,754	3,318	2,959
Finance costs	295	216	381	181
Internal charges and overheads applied	1,025	1,013	1,067	1,044
Other operating funding applications				
Total applications of operating funding (B)	4,646	3,983	4,766	4,184
Surplus (deficit) of operating funding (A - B)	2,250	2,949	2,399	2,966
Sources of capital funding				
Subsidies and grants for capital expenditure				
Development and financial contributions				
Increase/(decrease) in debt	537	(86)	2,200	803
Gross proceeds from the sale of assets				
Lump sum contributions				
Other dedicated capital funding	74	43	74	52
Total sources of capital funding (C)	611	(43)	2,274	855
Application of capital funding				
Capital expenditure				
- to meet additional demand	0	0	0	0
- to improve the level of service	1,103	106	2,374	208
- to replace existing assets	3,846	3,118	3,236	2,746
Increase (decrease) in reserves	(2,088)	(318)	(938)	867
Increase (decrease) of investments				
Total applications of capital funding (D)	2,861	2,906	4,672	3,821
Surplus (deficit) of capital funding (C - D)	(2,250)	(2,949)	(2,399)	(2,966)
Funding balance ((A - B) + (C - D))	0	0	0	(0)
INTERNAL LOANS				
Opening Balance		2,167		2,024
Additions		15		15
Repayments		(158)		(155)
Closing Balance		2,024		1,884
Interest		83		58

Financial Variations - Explanation

2016/17 actual compared to budget (per LTP) & 2015/16 actual

Delays in the timing of capital projects have caused reduction in the level of expenditure for replacement of current assets and to improve level of service. Consequently the increase in debt has also been delayed.

Timaru District Council: Funding impact statement for 2016/17 - Downlands Water Supply

	2015/16 Long-term plan (\$000)	2015/16 Actual (\$000)	2016/17 Long-term plan (\$000)	2016/17 Actual (\$000)
Sources of Operating Funding				
General Rates, Uniform Annual General Charge, rates penalties				
Targeted Rates (Other than a targeted rate for water supply)	1,189	1,189	1,324	1,260
Subsidies and grants for operating purposes				
Fees, charges and targeted rates for water supply	0	0	0	1
Internal charges and overheads recovered				
Local authorities fuel tax, fines, infringement fees, and other receipts	97	117	49	108
Total operating funding (A)	1,286	1,306	1,373	1,368
Applications of operating funding				
Payments to staff and suppliers	416	415	439	327
Finance costs	70	0	219	0
Internal charges and overheads applied	117	112	120	123
Other operating funding applications				
Total applications of operating funding (B)	604	527	778	450
Surplus (deficit) of operating funding (A - B)	682	779	595	918
Sources of capital funding				
Subsidies and grants for capital expenditure				
Development and financial contributions				
Increase/(decrease) in debt	2,153	0	2,434	0
Gross proceeds from the sale of assets				
Lump sum contributions				
Other dedicated capital funding	0	14	0	5
Total sources of capital funding (C)	2,153	14	2,434	5
Application of capital funding				
Capital expenditure				
- to meet additional demand	0	0	0	0
- to improve the level of service	0	0	0	0
- to replace existing assets	4,260	338	4,020	163
Increase (decrease) in reserves	(1,425)	455	(990)	760
Increase (decrease) of investments				
Total applications of capital funding (D)	2,835	793	3,029	923
Surplus (deficit) of capital funding (C - D)	(682)	(779)	(595)	(918)
Funding balance ((A - B) + (C - D))	0	0	(0)	0

Financial Variations - Explanation

2016/17 actual compared to budget (per LTP)

Ongoing delays in the timing of major capital projects have caused variance on capital expenditure to replace existing assets and consequently the increase in debt has also been delayed.





**Financial
Performance and Council
Controlled Organisations**

Section Overview

This section outlines the financial results of Council activities for 2016/17. It includes:

- *Statement of Comprehensive Revenue and Expense* - This can also be referred to as the Profit and Loss Statement, the Income Statement, or the Operating Statement. It shows the financial results of various Timaru District Council activities at the end of each period as either a surplus or deficit. It does not include asset purchases or disposals.
- *Statement of Changes in Equity* - Equity is the residual interest in the assets of Timaru District Council after the deduction of its liabilities. This statement shows movement in that interest.
- *Statement of Financial Position* - This shows the financial state of affairs at a particular time. It can also be referred to as the Balance Sheet.
- *Statement of Cashflows* - This describes the cash effect of transactions and is broken down into three components: operating, investing and financing activities.
- *Funding Impact Statement* - The Funding Impact Statement sets out the sources of operating and capital funding Council will use to fund its activities.
- *Council Controlled Organisations* - reports against the Council's CCO's policies, objectives, activities and performance targets.
- *Notes to the Financial Statements* - The notes contain additional information to facilitate greater understanding of the main financial statements, outlined above.
- *Disclosure Statement* - The purpose of this statement is to disclose the council's financial performance in relation to various benchmarks to enable the assessment of whether the council is prudently managing its revenues, expenses, assets, liabilities, and general financial dealings. The council is required to include this statement in its annual report in accordance with the Local Government (Financial Reporting and Prudence) Regulations 2014 (the regulations). Refer to the regulations for more information, including definitions of some of the terms used in this statement.

Statement of Comprehensive Revenue and Expense

for the year ended 30 June 2017

	Note	Council			Group	
		Actual 2017 \$000	Budget 2017 \$000	Actual 2016 \$000	Actual 2017 \$000	Actual 2016 \$000
REVENUE						
Rates, excluding targeted water supply rates	3	46,405	46,037	45,406	46,197	45,183
Fees, charges and targeted rates for water supply	4	17,619	16,651	16,831	17,648	16,851
Development and financial contributions		32	20	44	32	44
Subsidies and grants	5	7,797	7,594	8,500	7,797	8,500
Finance Revenue	6	2,407	2,351	2,510	1,771	1,780
Other Revenue	7	5,551	4,110	6,967	9,444	11,947
Other gains/(losses)	8	1,363	-	(1,493)	3,925	(2,737)
TOTAL REVENUE	2	81,173	76,763	78,765	86,813	81,568
EXPENDITURE						
Personnel costs	9	15,626	16,470	15,917	16,030	16,633
Operating costs	10	31,886	34,095	31,874	31,050	32,522
Finance costs	6	4,423	6,125	4,609	5,193	5,476
Depreciation and amortisation	17, 17a, 18	15,075	16,116	14,731	15,265	14,908
TOTAL OPERATING EXPENDITURE	2	67,010	72,806	67,131	67,538	69,539
OPERATING SURPLUS / (DEFICIT) BEFORE TAX		14,163	3,957	11,634	19,275	12,029
Share of associate surplus/(deficit)	21	-	-	-	4,307	4,988
Library collection debit Revaluation Reserve balance (expensed)/written back	27	(148)	-	(121)	(148)	(121)
SURPLUS / (DEFICIT) BEFORE TAX		14,015	3,957	11,513	23,434	16,896
Income Tax expense	11	-	-	-	(81)	(111)
SURPLUS / (DEFICIT) AFTER TAX		14,015	3,957	11,513	23,353	16,785
<i>Surplus/(deficit) attributable to:</i>						
Timaru District Council		14,015	3,957	11,513	23,353	16,785
Non-controlling interest		-	-	-	-	-
OTHER COMPREHENSIVE REVENUE						
Operating land revaluations		-	-	-	-	-
Financial instrument hedging		-	-	-	-	-
Income tax relating to financial instrument hedging		-	-	-	-	-
TOTAL OTHER COMPREHENSIVE REVENUE		-	-	-	-	-
TOTAL COMPREHENSIVE REVENUE		14,015	3,957	11,513	23,353	16,785
<i>Total comprehensive revenue attributable to:</i>						
Timaru District Council		14,015	3,957	11,513	23,353	16,785
Non-controlling interest		-	-	-	-	-

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

Statement of Changes in Equity

for the year ended 30 June 2017

	Council			Group	
	Actual 2017 \$000	Budget 2017 \$000	Actual 2016 \$000	Actual 2017 \$000	Actual 2016 \$000
Total comprehensive revenue	14,015	3,957	11,513	23,353	16,785
Prior year adjustment	-	-	-	-	29
Total revenue and expense	14,015	3,957	11,513	23,353	16,814
Recognition/(derecognition) of subsidiary	-	-	-	-	-
Equity at the beginning of year	751,470	746,801	739,957	831,577	814,763
Equity at end of year	765,485	750,758	751,470	854,930	831,577

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

Statement of Financial Position

as at 30 June 2017

	Note	Council			Group	
		Actual 2017 \$000	Budget 2017 \$000	Actual 2016 \$000	Actual 2017 \$000	Actual 2016 \$000
ASSETS						
Current assets						
Cash and cash equivalents	12	22,034	29,039	18,599	23,459	19,002
Trade and other receivables	13	6,682	10,528	6,218	7,911	7,106
Inventories	14	70	87	72	70	72
Other financial assets	15	34,566	8,403	30,817	36,782	35,095
Total current assets		63,353	48,057	55,706	68,223	61,275
Non-current assets						
Property, Plant and equipment	17	781,059	800,393	776,745	782,191	778,038
Intangible assets	18	1,882	1,497	1,557	1,882	1,557
Forestry	19	863	671	876	863	876
Investment Property	20	1,690	1,713	1,762	32,394	23,936
Investments in associates	21	-	-	-	92,131	87,824
Investment in CCOs and other similar entities	15	23,658	20,138	23,658	218	218
Other financial assets	15	4,422	-	5,773	4,672	5,914
Deferred tax	11	-	-	-	-	79
Total non-current assets		813,574	824,412	810,371	914,351	898,442
Total Assets		876,927	872,469	866,077	982,574	959,717
LIABILITIES						
Current liabilities						
Trade and other payables	23	8,246	10,698	7,593	7,751	7,091
Employee benefit liabilities	24	1,871	1,779	1,970	1,894	1,970
Borrowings	26	15,000	18,567	27,700	15,000	27,700
Derivative financial instruments	16	535	585	881	784	1,156
Total current liabilities		25,651	31,629	38,144	25,429	37,917
Non-current liabilities						
Provisions	25	6,717	5,759	6,939	6,717	6,939
Employee benefit liabilities	24	233	382	266	233	266
Borrowings	26	77,028	82,286	66,029	92,928	78,929
Deferred tax liability	11	-	-	-	2	-
Derivative financial instruments	16	1,812	1,655	3,229	2,334	4,089
Total non-current liabilities		85,791	90,082	76,463	102,215	90,223
Total liabilities		111,442	121,711	114,607	127,644	128,140
Net assets		765,485	750,758	751,470	854,930	831,577
EQUITY						
Retained earnings	27	726,925	726,309	715,181	816,142	795,079
Other reserves	27	38,560	24,449	36,289	38,788	36,498
Total Equity		765,485	750,758	751,470	854,930	831,577

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

Statement of Cashflows

for the year ended 30 June 2017

		Council			Group	
		Actual 2017 \$000	Budget 2017 \$000	Actual 2016 \$000	Actual 2017 \$000	Actual 2016 \$000
CASH FLOWS FROM OPERATING ACTIVITIES						
Cash was provided from	Note					
Rates		46,551	46,037	45,573	46,343	45,350
Other Revenue		27,029	25,689	27,608	28,800	30,993
Interest		2,550	2,352	2,694	1,913	1,956
Dividends		2,639	2,645	2,365	4,976	4,622
		78,769	76,723	78,240	82,032	82,921
Cash was disbursed to						
Suppliers & Employees		(46,693)	(50,502)	(48,511)	(47,436)	(49,359)
Interest Paid		(4,452)	(6,125)	(4,671)	(4,437)	(5,731)
Income Tax Expense		-	-	-	-	-
Net GST Movement		(384)	-	167	(523)	91
		(51,529)	(56,627)	(53,015)	(52,396)	(54,999)
NET CASH INFLOW/ (OUTFLOW) FROM OPERATING ACTIVITIES	28	27,240	20,096	25,225	29,636	27,922
CASH FLOWS FROM INVESTING ACTIVITIES						
Cash was provided from						
Sale of Fixed Assets and intangibles		134	45	132	135	219
Mortgage/Loan Repayments		141	220	86	141	86
Sale of Investments		30,097	25,848	18,533	32,233	18,538
		30,372	26,113	18,751	32,509	18,843
Cash was disbursed to						
Purchase of Fixed Assets and intangibles		(19,811)	(37,720)	(21,057)	(26,145)	(21,097)
Mortgage/Loan Advances		-	(220)	(135)	-	(135)
Purchase of Investments		(32,665)	(18,066)	(36,575)	(32,842)	(38,403)
		(52,476)	(56,006)	(57,767)	(58,987)	(59,635)
NET CASH INFLOW/(OUTFLOW) FROM INVESTING ACTIVITIES		(22,104)	(29,893)	(39,016)	(26,478)	(40,792)
CASHFLOWS FROM FINANCING ACTIVITIES						
Cash was provided from						
Debt Issues		26,000	26,398	5,000	32,000	5,000
Redeemable Preference Shares Issued		-	-	-	-	-
Shares Issued		-	-	-	-	-
		26,000	26,398	5,000	32,000	5,000
Cash was disbursed to						
Debt Repayment		(27,701)	(19,292)	(316)	(30,701)	(3,516)
Redeemable Preference Shares Repaid		-	-	-	-	-
Share buy back		-	-	-	-	-
Dividend Paid		-	-	-	-	-
		(27,701)	(19,292)	(316)	(30,701)	(3,516)
NET CASH INFLOW/(OUTFLOW) FROM FINANCING ACTIVITIES		(1,701)	7,106	4,684	1,299	1,484

Statement of Cashflows

for the year ended 30 June 2017

		Council			Group	
		Actual 2017 \$000	Budget 2017 \$000	Actual 2016 \$000	Actual 2017 \$000	Actual 2016 \$000
NET INCREASE/(DECREASE) IN CASH HELD		3,435	(2,690)	(9,107)	4,457	(11,386)
Opening Cash Balance 1 July		18,599	42,257	27,706	19,002	30,388
Less cash removed on partial sale of subsidiary		-	-	-	-	-
		22,034	39,567	18,599	23,459	19,002
REPRESENTED BY						
Cash & cash equivalents	12	22,034	39,567	18,599	23,459	19,002
		22,034	39,567	18,599	23,459	19,002

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

Funding Impact Statement

for the year ended 30 June 2017

	Actual 2017 (\$000)	Annual Plan 2017 (\$000)	Actual 2016 (\$000)	Annual Plan 2016 (\$000)
Sources Of Operating Funding				
General Rates, Uniform annual general charges, rates penalties	23,839	14,213	13,898	14,203
Targeted Rates (other than a targeted rate for water supply)	22,566	33,509	28,892	32,253
Subsidies and grants for operating purposes	3,760	3,094	2,974	3,263
Fees charges and targeted rates for water supply	17,959	16,962	17,298	16,662
Local authorities fuel tax, fines, infringement fees and other receipts	7,061	5,858	5,901	5,762
	75,185	73,637	68,963	72,143
Total Operating Funding (A)				
Applications Of Operating Funding				
Payments to staff and suppliers	47,635	50,409	46,886	49,285
Finance costs	4,423	6,509	4,820	6,837
Other operating funding applications	-	-	-	-
Total Applications Of Operating Funding (B)	52,058	56,917	51,706	56,122
Surplus/(Deficit) Of Operating Funding (A - B)	23,127	16,719	17,257	16,021
Sources Of Capital Funding				
Subsidies and grants for capital expenditure	4,037	4,749	6,002	5,455
Development and financial contributions	32	35	45	20
Increase/(decrease) in debt	(1,578)	7,106	4,475	1,507
Gross proceeds from the sale of assets	110	45	126	45
Lump sum contributions	-	-	-	-
Other dedicated capital funding	212	279	233	329
Total Sources Of Capital Funding (C)	2,813	12,213	10,881	7,356
Applications Of Capital Funding				
Capital expenditure				
- to meet additional demand	1,120	605	2,804	3,642
- to improve the level of service	3,510	10,888	3,554	6,058
- to replace existing assets	15,292	26,228	14,748	21,697
Increase/(decrease) in reserves	6,017	(8,787)	7,032	(8,020)
Increase/(decrease) of investments	-	-	-	-
Total Applications Of Capital Funding (D)	25,940	28,933	28,138	23,377
Surplus/(Deficit) Of Capital Funding (C - D)	(23,127)	(16,719)	(17,257)	(16,021)
Funding Balance ((A - B) + (C - D))	0	0	0	0

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

Statement of Financial Involvement in Council Controlled Organisations

Timaru District Council has control over the following entities:

- Timaru District Holdings Limited
- Aoraki Development Business and Tourism Ltd.
- Aorangi Stadium Trust

It has a significant interest in PrimePort Timaru Limited and Alpine Energy Limited. Advances to subsidiaries includes loans to Timaru District Holdings Limited of \$22.2M on normal commercial terms (2016: \$22.2M).

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

	Dividends 2016/17 \$000	Interest 2016/17 \$000	Total 2016/17 \$000
Subsidiaries			
Timaru District Holdings Limited	2,600	785	3,385
Aoraki Development Business and Tourism Ltd.	0	0	0
	2,600	785	3,385
Associates			
Alpine Energy Limited	0	0	0
PrimePort Timaru Limited	0	0	0
Total	2,600	785	3,385

Timaru District Holdings Limited (TDHL) and subsidiaries

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

Mission Statement:

To be a successful and growing business increasing the value of the Company and its return to its shareholder, while taking into account the special needs of the shareholder.

Nature and Scope of Activities

TDHL's business is that of an investor in companies in which Council has a substantial interest; specifically Alpine Energy Ltd. - 47.5% shareholding and PrimePort Timaru Ltd - 50.0% shareholding. TDHL also owns a portfolio of investment properties located in the vicinity of PrimePort Timaru.

Performance Measures and Targets:

TDHL oversees the governance of the subsidiary trading companies of Alpine Energy Limited and PrimePort Timaru Limited through monitoring the individual company's compliance with its Statement of Corporate Intent, regular monthly reporting against the company's budgets and meetings between representatives of the companies and TDHL, at both Board and Officer level.

Performance targets (Parent)	2016/17 Target	2016/17 Actual
Net profit after tax to shareholders funds	9.34%	10.41%
Net assets per fully paid share	\$56.16	\$54.45
Earnings per fully paid share	\$5.24	\$5.67
Dividend per fully paid share	\$2.60	\$2.60
Shareholders funds to total assets	62.16%	57.74%

Statement of Financial Involvement in Council Controlled Organisations



Aoraki Development and Promotions
(trading as Aoraki Development)

Aoraki Development is a Council Controlled Organisation focused on regional economic development. It is 100% controlled by the Timaru District Council.

Vision:

Timaru District - THE place to live and do business.

Key Objectives

- to actively attract and assist the establishment of new business
- to assist business to maintain & attract a skilled workforce
- encouraging new opportunities and facilitating growth of existing business.

Major Achievements

Several new initiatives were launched during the year including:

- Sector days - a collaboration with Ara Institute and members of the Food Processing and Manufacturing Business Connection Group to give teachers and school

students an insight into some of the key local industries

- District Promotion - via "Our Story" - a social media campaign promoting the benefits of living and working in our district
- New business support - free support and assistance for new businesses looking to set up in the district, ranging from making appropriate introductions to local service providers, to providing economic data to support your decisions and facilitating discussions with property owners and regulatory authorities.

Full details can be found in the Aoraki Development Statement of Service Performance 2016/17.

Aorangi Stadium Trust

Aorangi Stadium Trust is incorporated in New Zealand under the Charitable Trusts Act 1957. The Trust is controlled by Timaru District Council and is a council-controlled organisation as defined in Section 6 of the Local Government Act 2002.

Objectives: To continue development, maintenance and operation of the Aorangi Stadium and adjoining areas on Aorangi Park, Timaru for the use of the public.

Structure: The Trust comprises a board of 4 Trustees who oversee the governance of the Trust. The facility is leased to Timaru District Council who manage the facility. Timaru District Council also undertake the administration associated with the Trust.

Performance:

- *Target:* Significant maintenance projects are completed on time and on budget
- *Result:* The majority of projects, including roof renewals, were deferred until 2017/18 as the assets remained in a reasonable condition.
- *Target:* Regular liaison occurs with the tenant (Timaru District Council) on at least a six monthly basis to ensure the facility is operating to the satisfaction of both parties.
- *Result:* Regular discussions occur between the Council staff, trustees and the Council Recreation Facilities staff.

Notes To The Financial Statements

for the year ended 30 June 2017

1. Statement of Accounting Policies for the year ended 30 June 2017

REPORTING ENTITY

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

The group consists of the ultimate parent, Timaru District Council, and its subsidiaries Timaru District Holdings Ltd (100% owned), Aoraki Development Business and Tourism Ltd (100% owned), Aorangi Stadium Trust (100% owned) and Downlands Water Supply (82% owned). Timaru District Holdings Ltd owns associate companies PrimePort Timaru Ltd (50% owned) and Alpine Energy Ltd (47.5% owned). Council also has an interest in South Canterbury Rural Fire District and Canterbury Economic Development Ltd. All of these entities are incorporated and domiciled in New Zealand.

The primary objective of the Council is to provide infrastructure and public services for the community for social benefit rather than making a financial return. Accordingly, the Council has designated itself and the group as public benefit entities for financial reporting purposes.

The financial statements of the Council and group are for the year ended 30 June 2017. The financial statements were authorised for issue by the Council on 31 October 2017.

BASIS OF PREPARATION

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

STATEMENT OF COMPLIANCE

The financial statements of the Council and group have been prepared in accordance with the requirements of the LGA: sections 95, 100, 101, 111 and Schedule 10 which include the requirement to comply with Generally Accepted Accounting Practice in New Zealand (NZ GAAP).

The financial statements have been prepared in accordance with Tier 1 Public Benefit Entity Accounting (PBE) Standards. These financial statements comply with PBE standards.

PRESENTATION CURRENCY AND ROUNDING

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

STANDARDS ISSUED AND NOT YET EFFECTIVE AND NOT EARLY ADOPTED

In May 2013, the External Reporting Board issued a new suite of PBE accounting standards for application by public sector entities for reporting periods beginning on or after 1 July 2014. The Council has applied these standards in preparing 30 June 2016 and 2017 financial statements.

In October 2014, the PBE suite of accounting standards was updated to incorporate requirements and guidance for the not-for-profit sector. These updated standards apply to PBE's with reporting periods beginning on or after 1 April 2015. The Council has applied these updated standards in preparing its 30 June 2017 financial statements. There are no changes in applying these

updated accounting standards.

In 2015, the External Reporting Board issued Disclosure Initiative (Amendments to PBE IPSAS 1), 2015 Omnibus Amendments to PBE Standards, and Amendments to PBE Standards and Authoritative Notice as a consequence of XRB A1 and Other Amendments. These amendments apply to PBEs with reporting periods beginning on or after 1 January 2017. The Council will apply these amendments in preparing its 30 June 2017 financial statements. The Council expects there will be no effect in applying these amendments.

BASIS OF CONSOLIDATION

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

Subsidiaries

The Council consolidates in the group financial statements all entities where the Council has the capacity to control their financing and operating policies so as to obtain benefits from the activities of the subsidiary. This power exists where the Council controls the majority voting power on the governing body or where such policies have been irreversibly predetermined by the Council or where the determination of such policies is unable to materially affect the level of potential ownership benefits that arise from the activities of the subsidiary.

The Council's investments in subsidiaries are carried at cost in the Council's parent entity financial statements.

Associates

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

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

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

Dilution gains or losses arising from investments in associates are recognised in the surplus or deficit.

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

Notes To The Financial Statements

for the year ended 30 June 2017

Joint Ventures

A joint venture is a binding arrangement whereby two or more parties are committed to undertake an activity that is subject to joint control. Joint control is the agreed sharing of control over an activity.

For jointly controlled operations, the Council and group recognises in its financial statements the assets it controls, the liabilities and expenses it incurs, and the share of revenue that it earns from the joint venture.

REVENUE

Revenue is measured at fair value.

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

Rates Revenue

The following policies for rates have been applied:

- General rates, targeted rates (excluding water-by-meter), and uniform annual general charges are recognised at the start of the financial year to which the rates resolution relates. They are recognised at the amounts due. The Council considers the effect of payment of rates by instalments is not sufficient to require discounting of rates receivables and subsequent recognition of interest revenue.
- Rates arising from late payment penalties are recognised as revenue when rates become overdue.
- Revenue from water-by-meter rates is recognised on an accrual basis based on usage. Unbilled usage, as a result of unread meters at year end, is accrued on an average usage basis.
- Rate remissions are recognised as a reduction of rates revenue when the Council has received an application that satisfies its rates remission policy.
- Rates collected on behalf of Environment Canterbury are not recognised in the financial statements, as the Council is acting as an agent for Environment Canterbury.

Vested Assets

Certain infrastructural assets have been vested to the Council as part of the subdivisional consent process. Such vested assets are recognised as revenue when the significant risks and rewards of ownership have been transferred to the Council and when the obligation to accept the transfer of the assets to the Council has been determined. Vested infrastructural assets have been valued based on the actual quantities of infrastructural components vested and the current "in the ground" cost of providing the identical services.

Other grants, bequests and assets vested in Council, irrespective of the conditions attached to vesting, are recognised as revenue when control over the assets is obtained.

New Zealand Transport Agency roading subsidies

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

Interest

Interest revenue is recognised using the effective interest method.

Dividends

Dividends are recognised when the shareholders' rights to receive payment have been established.

Agency Revenue

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

BORROWING COSTS

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

FOREIGN CURRENCY TRANSACTIONS

Transactions in foreign currencies are converted at the New Zealand rate of exchange ruling at the date of the transaction. Transactions covered by foreign currency forward exchange contracts are measured and reported at the forward rates specified in those contracts.

At balance sheet date foreign monetary assets and liabilities are translated at the closing rate, and exchange variations arising from these transactions are included in the surplus or deficit.

INCOME TAX

The tax expense represents the sum of the tax currently payable and deferred tax.

Current taxation is the amount of income tax payable based on the taxable profit for the current year, plus any adjustments to income tax payable in respect of prior years. Current tax is calculated using rates that have been enacted at balance sheet date.

Deferred tax is the amount of income tax payable or recoverable in future periods in respect of temporary differences. Deferred tax liabilities are generally recognised for all temporary differences. Deferred tax assets are recognised to the extent that it is probable that taxable profits will be available against which the deductible temporary differences can be utilised.

Deferred tax is calculated at the tax rates that are expected to apply in the period when the liability is settled or the asset is realised.

Current tax and deferred tax is recognised against the surplus or deficit, except when it relates to items charged or credited directly to equity or other comprehensive income, in which case the deferred tax is also dealt with in equity or other comprehensive revenue respectively.

LEASES

Leases in which substantially all of the risks and rewards of ownership transfer to the lessee are classified as finance leases. At inception, finance leases are recognised as assets and liabilities on the Statement of Financial Position at the lower of the fair value of the leased asset and the present value of the minimum lease payments. Lease payments are apportioned between finance charges and reduction of the lease obligation so as to achieve a constant rate of interest on the remaining balance of the liability. Any additional direct costs of the lessee are added to the amount recognised as an asset. Subsequently assets leased under a finance lease are depreciated as if the assets are owned.

Payments made under operating leases are recognised in the surplus or deficit on a straight-line basis over the term of the lease.

CASH AND CASH EQUIVALENTS

Cash and cash equivalents means cash balances on hand, held in bank accounts, demand deposits and other highly liquid investments in which the Council invests as part of its day-to-day

Notes To The Financial Statements

for the year ended 30 June 2017

cash management.

TRADE AND OTHER RECEIVABLES

Trade and other receivables are initially measured at fair value and subsequently measured at amortised cost using the effective interest method, less any provision for impairment.

Loans, including loans to community organisations made by Council at below-market interest rates are initially recognised at the present value of their expected cash flows, discounted at the current market rate of return for a similar asset/investment. They are subsequently measured at amortised cost using the effective interest method. The difference between the face value and present value of expected future cash flows of the loan is recognised in the surplus or deficit.

A provision for impairment of receivables is established when there is objective evidence that the Council will not be able to collect all amounts due according to the original terms of receivables. The amount of the provision is the difference between the asset's carrying value and the present value of estimated future cash flows, discounted using the effective interest method.

DERIVATIVE FINANCIAL INSTRUMENTS

The Council is risk averse, and seeks to minimise exposure arising from its treasury activity.

The Council uses derivative financial instruments to manage its exposure to interest rate risks. In accordance with the Investment Policy and Liability Management Policy, the Council does not hold or issue derivative financial instruments for trading purposes. Derivative financial instruments are recognised initially at fair value. Subsequent to initial recognition, derivative financial instruments are stated at fair value with the gain or loss on re-measurement to fair value recognised immediately in the surplus or deficit. The fair value of interest rate swaps is the estimated amount that the Council would receive or pay to terminate the swap at balance sheet date, taking into account current interest rates and the current creditworthiness of the swap counterparties.

INVENTORIES

Inventories are stated at the lower of cost and net realisable value. Cost is calculated using the weighted average method. Net realisable value represents the estimated selling price less all estimated costs of completion and costs to be incurred in marketing, selling and distribution.

Cost comprises direct materials and, where applicable, direct labour costs and those overheads that have been incurred in bringing the inventories to their present location and condition.

INVESTMENTS

Management determines the classification of its investments at initial recognition and re-evaluates this designation at every reporting date. The classification depends on the purpose for which the investments were acquired.

Term Deposits

Term Deposits are classified as Loans and Receivables and measured at amortised cost.

Investments in debt and quoted equity securities

Investments in debt and quoted equity securities are financial instruments classified as held for trading and are measured at fair value at balance sheet date. Any resultant gains or losses are recognised in the surplus or deficit for the period.

Investment in Subsidiaries

Investment in Subsidiaries are included in the parent entity at cost less any impairment losses.

Community loans

Community loans at subsidised interest rates are fair valued on initial recognition based on the present value of all future cash receipts discounted using the prevailing market rate for similar instruments. The resulting loss on initial recognition is taken to the surplus or deficit. In subsequent periods this loss is amortised back through the surplus or deficit.

Other – Investments (Unquoted equity investments)

Other investments held by the Council are classified as being available-for-sale and are stated at lower of cost and net realisable value, with any resultant gain or loss being recognised directly in equity, except for impairment losses. When these investments are derecognised, the cumulative gain or loss previously recognised directly in equity is recognised through the surplus or deficit.

NON CURRENT ASSETS HELD FOR SALE

Non current assets are classified as held for sale if their carrying amount will be recovered through a sale transaction rather than through continuing use. This condition is only met when the sale is highly probable and the asset is available for immediate sale in its present condition. Management must be committed to the sale, which should be expected to qualify for recognition as a completed sale within one year from the date of classification.

Non current assets classified as held for sale are measured at the lower of the asset's previous carrying amount and fair value less costs to sell.

Non current assets are not depreciated or amortised while they are classified as held for sale.

PROPERTY, PLANT & EQUIPMENT-VALUATION

Timaru District Council has the following classes of Property, Plant and Equipment

- Operational assets –
 - Council related Land
 - Council Buildings and Building Improvements
 - Airport Improvements
 - Parks and Pools Plant and Equipment
 - Plant and Equipment, including Motor Vehicles
 - Furniture and Office Equipment
 - Library Books
 - Art Works
- Infrastructure assets -
 - Sewer, stormwater, water
 - Roads, bridges and lighting
 - Land under roadsInfrastructure assets are the fixed utility systems owned by the Council.
- Heritage assets
- Restricted assets - Restricted assets are parks and reserves owned by the Council, which provide a benefit or service to the community and cannot be disposed of because of legal or other restrictions.

Council Land

Land, other than airport land, has been stated at its deemed cost, which is fair value as valued by I Fairbrother ANZIV of QV

Notes To The Financial Statements

for the year ended 30 June 2017

Valuations as at 1 July 2005.

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

Acquisitions subsequent to 1 July 2005 are at cost.

Council Buildings and Building improvements

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

Acquisitions subsequent to 1 July 2005 are at cost.

Airport improvements

Airport improvements, including runway, have been stated at their deemed cost, which is Optimised Depreciated Replacement Cost as valued by B Dench ANZIV of QV Valuations as at 1 July 2005.

Acquisitions subsequent to 1 July 2005 are at cost.

Parks and Pools plant and equipment

Parks and Pools plant and equipment assets, are stated at their deemed cost which is optimised depreciated replacement cost valued as at 1 July 2005 by Maunsell Limited, valuers.

Acquisitions subsequent to 1 July 2005 are at cost.

Plant and Equipment (including motor vehicles)

Plant and Equipment (including motor vehicles) are at cost less provision for depreciation.

Furniture and Office Equipment

Furniture and Office Equipment have been stated at their deemed cost which is the assessed fair value at 1 July 2005 based on the 1 July 1993 indemnity value by Morton & Co Limited, valuers, and acquisitions 1 July 1993 to 1 July 2005 at cost.

Acquisitions subsequent to 1 July 2005 are at cost.

Library books

The Timaru District Library, Temuka Library and Geraldine Library collections have been revalued as at 30 June 2017 at depreciated replacement cost calculated by the District Librarian in accordance with the library collection valuation guidelines prepared by the New Zealand Library Association in May 1992.

The Library collections are revalued on an annual basis.

Art Works

Art Works are stated at their deemed cost which is the assessed fair value at 1 July 2005 based on the 1 April 1992 insurance value by the Art Gallery Director, and acquisitions 1 April 1992 to 1 July 2005 at cost.

Acquisitions subsequent to 1 July 2005 are at cost.

Sewer, Stormwater, Water

Sewer, stormwater and water assets, are stated at their deemed cost which is optimised depreciated replacement cost valued as at 1 July 2005 by Maunsell Limited, valuers.

Acquisitions subsequent to 1 July 2005 are at cost.

Roads, Bridges and Lighting

Roads, bridges and lighting are stated at their deemed cost which is optimised depreciated replacement cost valued as at 1 July 2005 by Maunsell Limited, valuers.

Acquisitions subsequent to 1 July 2005 are at cost.

Land under Roads

Land under roads has been stated at their deemed cost which is

at an average of adjacent "undeveloped land value" valued as at 1 July 2005 by Maunsell Limited.

Acquisitions subsequent to 1 July 2005 are at cost.

Heritage Assets

Significant statues are stated at their deemed cost which is optimised depreciated replacement cost valued as at 1 July 2005 by Maunsell Limited, valuers. Other heritage type assets such as museum exhibits have not been valued.

Acquisitions subsequent to 1 July 2005 are at cost.

PROPERTY, PLANT & EQUIPMENT - DEPRECIATION

Depreciation is provided on a basis that will write off the cost or valuation of the assets, other than land, less their estimated residual values over their estimated useful lives.

Depreciation has been provided at the following rates.

Council related Land	Nil
Council Buildings and Building improvements	1-30% Straight Line
Airport Improvements	2-50% Straight Line
Parks and pools plant and equipment	2-33% Diminishing Value
Plant and Equipment	10-50% Diminishing Value
Motor Vehicles	5-25% Diminishing Value
Furniture and Office Equipment	20-50% Diminishing Value
Library Collections	0-12.5% Straight Line (0% permanent retention collection 12.5% current collection)
Art Works	Nil
Water	1-33% Straight Line
Sewerage	1-6% Straight Line
Stormwater	1-4% Straight Line
Roading	1-50% Straight Line
Bridges	1-3% Straight Line
Lighting	6-8% Straight Line
Land under Road	Nil
Heritage assets	1-7% Straight Line

CAPITAL WORK IN PROGRESS

Capital works in progress are not depreciated. The total cost of a project is transferred to the relevant asset class on completion and then depreciated.

INTANGIBLE ASSETS

Acquired computer software licences are capitalised on the basis of costs incurred to acquire and bring to use the specific software. These costs are amortised over their estimated useful lives. The useful lives and associated amortisation rates of software has been estimated at 3 - 5 years (20% - 33%).

Costs associated with developing or maintaining software programmes are recognised as an expense when incurred.

Purchased carbon credits are recognised at cost on acquisition. They are not amortised, but are instead tested for impairment annually. They are derecognised when they are used to satisfy carbon emission obligations.

Notes To The Financial Statements

for the year ended 30 June 2017

IMPAIRMENT

The carrying amount of the non current assets, other than investment property and deferred tax assets, are reviewed at each balance sheet date to determine whether there is any indication of impairment. An impairment loss is recognised whenever the carrying amount of an asset exceeds its recoverable amount. Impairment losses are recognised in the surplus or deficit.

FORESTRY ASSETS

Forestry Assets are valued annually as at 30 June at fair value less estimated point of sale costs. Fair value is determined by the estimated worth of the maturing tree stocks in the Council's forests. The valuation method adopted is based on cash flows on a single rotation basis discounted at a market based pre-tax rate. The changes in fair value of the Forestry Assets are included in the surplus or deficit.

The costs to maintain the forestry assets are included in the surplus or deficit when incurred.

LANDFILL ASSETS

Landfill assets being earthworks, plant and machinery and the estimate of site restoration, are stated at cost less any accumulated depreciation and any accumulated impairment losses. The useful life of the landfill is considered to be the period of time to the expiring of the resource consent in 2030 or the estimated full date.

INVESTMENT PROPERTY

Investment properties are properties which are held either to earn rental income or for capital appreciation or both. Investment properties are stated at fair value as determined annually by independent valuers with any gain or loss arising from a change in fair value being recognised in the surplus or deficit.

LOANS

Loans are classified as other liabilities and are recognised initially at fair value plus attributable transaction costs. Subsequent to initial recognition, loans are stated at amortised cost with any difference between fair value at acquisition and maturity value being recognised in the surplus or deficit over the period of the borrowings on an effective interest basis.

EMPLOYEE ENTITLEMENTS

Entitlements to salary and wages and annual leave are recognised when they accrue to employees. Provision is made in respect of the Council's liability for annual leave, long service leave, retirement gratuities and sick leave. Council accrued retiring gratuities and accrued long service leave are calculated based on an actuarial valuation using current rates of pay taking into account years of service, years to entitlement and the likelihood staff will reach the point of entitlement. Annual leave entitlements have been calculated on an actual entitlement basis at current rates of pay. Sick leave entitlements are measured as the amount of unused entitlement accumulated at balance sheet date that the Council anticipates employees will use in future periods, in excess of the days that they will be entitled to in each of those periods. Obligations for contributions to Kiwisaver and superannuation schemes are recognised as an expense in the surplus or deficit when incurred. All employer superannuation contributions are made to defined contribution schemes.

PROVISION FOR LANDFILL POST CLOSURE COSTS

A provision for post-closure costs is recognised as a liability when the obligation for post-closure arises.

The provision is measured based on the present value of the future cashflows expected to be incurred, taking into account future events including new legal requirements and known improvements in technology. The provision includes all costs associated with landfill post-closure.

Amounts provided for landfill post-closure are capitalised to the landfill asset where they give rise to future economic benefits to be obtained. Components of the capitalised landfill asset are depreciated over their useful lives.

The discount rate used is a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the Council.

EQUITY & RESERVES

Equity is the community's interest in the Council and is measured as the difference between total assets and total liabilities. Public equity is disaggregated and classed into a number of reserves to enable clearer identification of the specified uses that the Council makes of its accumulated surpluses. The components of equity are:

- Retained Earnings
- Restricted reserves
 - Special funds

Restricted reserves are a component of equity generally representing a particular use to which various parts of equity have been assigned. Reserves may be legally restricted or created by the Council.

Restricted Reserves are those reserves subject to specific conditions accepted as binding by the Council and which may not be revised by the Council without reference to the Courts or to a third party. Transfers from these reserves may be made only for certain specified purposes or when certain specified conditions are met.

Also included in restricted reserves are reserves restricted by Council decision. The Council may alter them without reference to any third party or the Courts. Transfers to and from these reserves are at the discretion of the Council.

GOODS & SERVICES TAX

These financial statements have been prepared on a GST exclusive basis with the exception of Accounts Receivable and Accounts Payable, which are stated on a GST inclusive basis. When GST is not recoverable as an input tax then it is recognised as part of the related asset or expense.

The net amount of GST paid to, or received from the Inland Revenue Department (IRD) is included as part of receivables or payables in the Statement of Financial Position.

STATEMENT OF CASHFLOWS

Cash and cash equivalents means cash balances on hand, held in bank accounts, demand deposits and other highly liquid investments in which the Council invests as part of its day-to-day cash management.

Operating activities include cash received from all revenue sources of the Council, and expenditure payments made for the supply of goods and services. Agency transactions such as collection of regional council rates are not recognised as receipts and payments

Notes To The Financial Statements

for the year ended 30 June 2017

in the Statement of Cash Flows.

Investing activities are those activities relating to the acquisition and disposal of current and non-current securities, and any non-current assets.

Financing activities are those activities relating to the changes in equity, and debt structure of the Council.

COST ALLOCATION

Timaru District Council has derived the cost of service for each significant activity of Council using the cost allocation system outlined below.

Direct costs are those costs directly attributable to a significant activity and these costs are charged directly to the significant activity.

Indirect costs are those costs which can not be identified in an economically feasible manner, with a significant activity. Indirect costs are allocated to significant activities based on the services provided. This is allocated based on a historical cost analysis which utilised a number of cost drivers, including staff numbers, area and transaction volumes.

CRITICAL ACCOUNTING ESTIMATES AND ASSUMPTIONS

In preparing these financial statements, estimates and assumptions have been made concerning the future. These estimates and assumptions may differ from the subsequent actual results. Estimates and assumptions are continually evaluated and are based on historical experience and other factors, including expectations or future events that are believed to be reasonable under the circumstances. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are discussed below.

Note 25 provides information about the estimates and assumptions surrounding the landfill aftercare provision.

Note 17 includes information associated with the valuation of assets and the use of deemed cost.

Notes To The Financial Statements

for the year ended 30 June 2017

2. Summary Revenue and Expenditure for Group of Activities

	Council		
	Actual 2017 \$000	Budget 2017 \$000	Actual 2016 \$000
Revenue			
Rates	46,405	45,637	45,406
Corporate Support	8,479	6,856	4,601
Democracy	-	2	-
Community Support	1,698	2,044	1,980
District Planning and Regulatory Services	3,383	3,500	3,186
Recreation and Leisure	4,208	3,323	3,612
Roading and Footpaths	8,358	8,275	10,666
Waste Minimisation	3,424	2,552	3,070
Sewer	2,969	2,690	3,277
Stormwater	126	75	814
Water Supply	2,124	1,809	2,153
Total Revenue	81,173	76,763	78,765
Expenditure			
Corporate Support	2,326	3,045	2,270
Democracy	3,298	3,344	3,158
Community Support	4,628	4,770	4,493
District Planning and Regulatory Services	4,724	4,921	4,587
Recreation and Leisure	14,019	15,118	14,052
Roading and Footpaths	13,494	13,874	12,983
Waste Minimisation	7,337	7,976	8,512
Sewer	8,887	10,428	8,988
Stormwater	1,427	1,579	1,380
Water Supply	6,869	7,751	6,708
Total Expenditure	67,010	72,806	67,131

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

3. Rates, excluding Targeted Water Supply Rates

	Council	
	Actual 2017 \$000	Actual 2016 \$000
General rates	23,839	23,223
Targeted rates attributable to activities		
Water, excluding targeted water supply rates	6,716	6,456
Sewerage	7,063	6,965
Solid Waste	5,166	5,038
Community Works and Services	3,080	3,227
Rates Penalties	541	497
Total revenue from rates, excluding targeted water supply rates	46,405	45,406

Notes To The Financial Statements

for the year ended 30 June 2017

The Council is required by the LGFA Guarantee and Indemnity Deed to disclose in its financial statements (or notes) its annual rates revenue. That Deed defines annual rates revenue as an amount equal to the total revenue from any funding mechanism authorised by the Local Government (Rating Act) 2002 together with any revenue received by the Council from other local authorities for services provided by that Council for which those other Local Authorities rate. The annual rates revenue of the Council for the year ended 30 June 2017 for the purpose of the LGFA Guarantee and Indemnity Deed disclosure is shown below:

	Council	
	Actual 2017 \$000	Actual 2016 \$000
Rates, excluding targeted water supply rates	46,405	45,406
Targeted water supply rates	1,623	1,578
	48,028	46,984

Ratings base

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

	Council	
	Actual 2017	Actual 2016
Number of rating units at end of preceding year	22,722	22,613

	Council	
	Actual 2017 \$000	Actual 2016 \$000
Total capital value of rating units at end of preceding year	12,099,011	11,933,089
Total land value of rating units at end of preceding year	6,085,501	6,066,229

4. Fees, Charges and Targeted Rates for Water Supply

	Council		Group	
	Actual 2017 \$000	Actual 2016 \$000	Actual 2017 \$000	Actual 2016 \$000
Targeted Rates for Water Supply	1,623	1,578	1,623	1,578
Trade Waste	2,397	2,354	2,397	2,354
Landfill Use	2,892	2,544	2,892	2,544
Consent Fees	2,414	2,360	2,414	2,360
Social Housing Rent	1,187	1,107	1,187	1,107
Parking Fees	1,047	1,064	1,047	1,064
Swimming Pool Admission Fees	844	836	844	836
Other Fees and Charges	5,215	4,988	5,244	5,008
Total Fees, Charges and Targeted Rates for Water Supply	17,619	16,831	17,648	16,851

5. Subsidies and Grants

	Council		Group	
	Actual 2017 \$000	Actual 2016 \$000	Actual 2017 \$000	Actual 2016 \$000
New Zealand Transport Rooding subsidies	6,918	7,861	6,918	7,861
Other subsidies and grants	879	639	879	639
Total Subsidies and Grants	7,797	8,500	7,797	8,500

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

Notes To The Financial Statements

for the year ended 30 June 2017

6. Finance Revenue and Finance Costs

	Council		Group	
	Actual 2017 \$000	Actual 2016 \$000	Actual 2017 \$000	Actual 2016 \$000
Finance revenue				
Interest Revenue				
Term deposits	1,342	1,231	1,491	1,429
Related party loans	785	928	-	-
Community loans	10	8	10	8
Investments in debt securities	270	343	270	343
Total Finance Revenue	2,407	2,510	1,771	1,780
Finance Costs				
Interest expense				
Interest expense on borrowings	4,423	4,609	5,193	5,476
Total Finance Costs	4,423	4,609	5,193	5,476

7. Other Revenue

	Council		Group	
	Actual 2017 \$000	Actual 2016 \$000	Actual 2017 \$000	Actual 2016 \$000
Rental revenue from investment properties	176	87	2,045	1,995
Petrol tax	411	480	411	480
Dividend Revenue	2,639	2,365	5,134	4,716
Vested assets	500	2,984	500	2,984
Other	1,825	1,051	1,354	1,772
Total Other Revenue	5,551	6,967	9,444	11,947

8. Other gains/(losses)

	Council		Group	
	Actual 2017 \$000	Actual 2016 \$000	Actual 2017 \$000	Actual 2016 \$000
Gain/(loss) on changes in fair value of forestry assets (note 19)	100	253	100	253
Gain/(loss) on disposal of property, plant & equipment	(533)	10	(569)	(11)
Gain on changes in fair value of investment property (note 20)	33	114	2,267	(705)
Gain/(Loss) on changes in fair value of derivative financial instruments	1,763	(1,870)	2,127	(2,274)
Total gains/(losses)	1,363	(1,493)	3,925	(2,737)

9. Personnel costs

	Council		Group	
	Actual 2017 \$000	Actual 2016 \$000	Actual 2017 \$000	Actual 2016 \$000
Salaries and wages	15,290	15,405	15,661	16,121
Defined contribution plan employer contributions	468	437	468	437
Increase/(decrease) in employee benefit liabilities	(132)	75	(99)	75
Total personnel costs	15,626	15,917	16,030	16,633

Employer contributions to defined contributions plans include contributions to Kiwisaver.

Notes To The Financial Statements

for the year ended 30 June 2017

10. Other expenses

	Council		Group	
	Actual 2017 \$000	Actual 2016 \$000	Actual 2017 \$000	Actual 2016 \$000
Expenses include:				
Fees to principal auditor				
Audit fees for financial statement audit	128	122	142	136
Fees to other auditors	-	-	2	2
Donations	-	-	-	3
Impairment of receivables (note 13)	6	16	6	16
Bad debts written off	6	19	12	19
Rates Remissions	170	170	170	170
Minimum lease payments under operating leases	284	252	284	252
Direct expenses from investment property generating revenue	34	11	754	653
Other operating expenses	31,258	31,284	29,680	31,271
Total other expenses	31,886	31,874	31,050	32,522

11. Tax

	Council		Group	
	Actual 2017 \$000	Actual 2016 \$000	Actual 2017 \$000	Actual 2016 \$000
Surplus/(deficit) before tax	14,015	11,513	19,275	12,029
Tax at 28% (2016: 28%)	3,924	3,224	5,397	3,368
Adjustments to current tax	(3,924)	(3,224)	(5,316)	(3,283)
Tax expense/(benefit)	-	-	81	85
Comprising of:				
Current tax	-	-	-	-
Deferred tax	-	-	81	85
Prior period adjustment	-	-	-	-
	-	-	81	85
Deferred tax benefit/(liability)				
Opening balance	-	-	79	160
Temporary differences				
Long Term assets	-	-	-	-
Prior period adjustment - Long Term assets	-	-	-	-
Employee entitlements	-	-	-	-
Others	-	-	(81)	(81)
Closing balance	-	-	(2)	79
Future tax benefit/(deferred taxation) is represented by:				
Long term assets	-	-	-	-
Employee entitlements	-	-	-	-
Tax losses	-	-	(2)	79
Others	-	-	-	-
	-	-	(2)	79

During the year, Timaru District Council made subvention payments to Timaru District Holdings Limited of \$927,763 (2016: \$1,112,349). As at 30 June 2017, subvention payments of \$784,877 (2016: \$927,763) to Timaru District Holdings Limited, are payable by Timaru District Council.

The Council's subsidiaries have imputation credits of \$11,556,000 (2016: \$10,683,000) which can be used to impute dividend payments to the Council.

Notes To The Financial Statements

for the year ended 30 June 2017

12. Cash and cash equivalents

	Council		Group	
	Actual 2017 \$000	Actual 2016 \$000	Actual 2017 \$000	Actual 2016 \$000
Cash at bank and in hand	31	921	494	1,007
Short term deposits maturing 3 months or less from date of acquisition	22,003	17,678	23,181	17,995
Total cash and cash equivalents	22,034	18,599	23,675	19,002

The carrying value of short-term deposits with maturity dates of 3 months or less approximate their fair value.

The total value of cash and cash equivalents that can only be used for a specified purpose as outlined in the relevant trust deeds is \$5,600,000 (2016: \$10,500,000).

Cash and bank overdrafts include the following for the purposes of the cash flow statement:

	Council		Group	
	Actual 2017 \$000	Actual 2016 \$000	Actual 2017 \$000	Actual 2016 \$000
Cash at bank and in hand	31	921	494	1,007
Short term deposits maturing 3 months or less from date of acquisition	22,003	17,678	23,181	17,995
	22,034	18,599	23,675	19,002

13. Debtors and other receivables

	Council		Group	
	Actual 2017 \$000	Actual 2016 \$000	Actual 2017 \$000	Actual 2016 \$000
Rates receivables	1,214	1,378	1,214	1,378
Other receivables	4,547	3,801	6,544	5,611
Related party receivables (note 30)	785	928	-	-
less provision for impairment of receivables	(94)	(88)	(94)	(88)
	6,452	6,019	7,664	6,901
Prepayments	230	199	247	205
Total receivables	6,682	6,218	7,911	7,106
Total receivables comprise:				
Receivables from non-exchange transactions - this includes outstanding amounts for rates, grants, infringements, and fees and charges that are partly subsidised by rates	4,848	4,453	4,063	3,525
Receivables from exchange transactions - this includes outstanding amounts for commercial sales and fees and charges that have not been subsidised by rates	1,604	1,566	3,601	3,376
	6,452	6,019	7,664	6,901

Fair value

Debtors and other receivables are non-interest bearing and receipt is normally on 30 days terms, therefore their carrying value approximates their fair value.

Impairment

As at 30 June 2017 and 2016, all overdue receivables have been assessed for impairment and appropriate provisions applied. Timaru District Council does not hold collateral as security or other credit enhancements over receivables that are either past due or impaired.

Timaru District Council has various powers under the Local Government (Rating) Act 2002 to recover any outstanding debt. Ratepayers can apply for payment plan options in special circumstances. Where such repayment plans are in place, debts are discounted to their present value of future payments if the impact of discounting is material.

Notes To The Financial Statements

for the year ended 30 June 2017

The carrying amount of receivables that would otherwise be past due or impaired, whose terms have been renegotiated is \$20,463 (2016: \$11,192).

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

	2017			2016		
	Gross	Impairment	Net	Gross	Impairment	Net
	\$000	\$000	\$000	\$000	\$000	\$000
Council						
Not past due	4,743	-	4,743	4,326	-	4,326
Past due 1 - 60 days	446	(7)	439	232	(4)	228
Past due 61 - 120 days	47	(3)	44	63	(4)	59
Past due > 120 days	96	(37)	59	108	(33)	75
Total	5,332	(47)	5,285	4,729	(41)	4,688
Group						
Not past due	5,926	-	5,926	5,179	-	5,179
Past due 1 - 60 days	461	(7)	454	259	(4)	255
Past due 61 - 120 days	59	(3)	56	63	(4)	59
Past due > 120 days	98	(37)	61	110	(33)	77
Total	6,544	(47)	6,497	5,611	(41)	5,570

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

	2017			2016		
	Gross	Impairment	Net	Gross	Impairment	Net
	\$000	\$000	\$000	\$000	\$000	\$000
Council						
Not past due	1,061	-	1,061	1,213	-	1,213
Past due 1 year	76	-	76	87	-	87
Past due 2 years	24	-	24	27	-	27
Past due 3 years	8	(6)	2	10	(9)	1
Past due > 3 years	45	(41)	4	41	(38)	3
Total	1,214	(47)	1,167	1,378	(47)	1,331

The impairment provision has been calculated based on the expected losses for Timaru District Council's pool of debtors. Expected losses have been determined based on an analysis of Timaru District Council's losses in previous periods, and a review of specific debtors.

Movement in the provision for impairment of receivables are as follows:

	Council		Group	
	Actual 2017 \$000	Actual 2016 \$000	Actual 2017 \$000	Actual 2016 \$000
As at 1 July	88	72	88	72
Additional provisions made/(released) during the year	0	(3)	0	(3)
Receivables written off during year	6	19	6	19
At 30 June	94	88	94	88

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

Notes To The Financial Statements

for the year ended 30 June 2017

14. Inventories

	Council		Group	
	Actual 2017 \$000	Actual 2016 \$000	Actual 2017 \$000	Actual 2016 \$000
Pool shop inventories	43	43	43	43
Other	27	29	27	29
Total Inventories	70	72	70	72

The carrying amount of inventories pledged as security for liabilities is \$nil (2016: \$nil).

15. Other financial assets

	Council		Group	
	Actual 2017 \$000	Actual 2016 \$000	Actual 2017 \$000	Actual 2016 \$000
Current portion				
Short term deposits	32,960	29,632	34,960	33,910
Community loans	76	133	76	133
Investments in debt securities	1,530	1,052	1,530	1,052
Total Current Portion	34,566	30,817	36,566	35,095
Non-current portion				
<i>Investments in CCOs and similar entities</i>				
Unlisted shares in NZ Local Government Insurance Corp. Limited	218	218	218	218
Investment in TDHL Ltd	1,000	1,000	-	-
Investment in ADAP Ltd	260	260	-	-
Loans to related parties (note 31)	22,180	22,180	-	-
Total investments in CCOs and similar entities	23,658	23,658	218	218
<i>Investments in other entities</i>				
Unlisted share in Levels Plain Irrigation Co	50	50	50	50
Unlisted shares in Greenfield's Co-operative Society Limited	1	1	1	1
Investment in Hunter Downs Irrigation	-	-	250	141
Community loans	221	265	221	265
Future tax benefits	-	-	-	-
Investments in LGFA	1,072	816	1,072	816
Investments in debt securities	3,078	4,641	3,078	4,641
Total investment in other entities	4,422	5,773	4,672	5,914
Total Non-Current Portion	28,080	29,431	4,890	6,132

Fair Value

Short term deposits

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

Community loans

The fair value of community loans is \$297,000 (2016: \$398,000). Fair value has been determined using cash flows discounted at a rate based on the loan recipients risk factors of 10.0% (2016: 10.0%).

The face value of community loans is \$376,304 (2016: \$490,716).

Notes To The Financial Statements

for the year ended 30 June 2017

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

	Council		Group	
	Actual 2017 \$000	Actual 2016 \$000	Actual 2017 \$000	Actual 2016 \$000
At 1 July	398	240	398	240
Amount of new loans granted during the year	-	135	-	135
Fair value adjustment on initial recognition	21	101	21	101
Loans repaid during the year (principal and interest)	(130)	(86)	(130)	(86)
Impairment loss recognised during the year	-	-	-	-
Unwind of discount and interest charged	8	8	8	8
At 30 June	297	398	297	398

Investments in debt securities

The fair value of investments in debt securities is \$4,608,085 (2016: \$5,692,114). Fair value has been determined based on current market values using yields of between 2.26% and 4.65% (2016: 2.63% and 4.99%).

Loans to related parties

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

Impairment

There were no impairment provisions for other financial assets. None of the financial assets are either past due or impaired.

16. Derivative Financial Instruments

	Council		Group	
	Actual 2017 \$000	Actual 2016 \$000	Actual 2017 \$000	Actual 2016 \$000
Current liability portion				
Interest rate swaps	535	881	784	1,156
	535	881	784	1,156
Non-current liability portion				
Interest rate swaps	1,812	3,229	2,334	4,089
	1,812	3,229	2,334	4,089

The notional principal amounts of the outstanding interest rate swap contracts at 30 June 2017 were \$37,900,000 (2016: \$51,900,000). Maturity dates range from June 2020 to March 2025.

At 30 June 2017, the interest rates for interest rate swaps vary from 0.97% to 6.82% (2016: 3.06% to 6.82%).

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

Notes To The Financial Statements

for the year ended 30 June 2017

17. Property, plant and equipment

Insurance on Assets

The cost of the Canterbury earthquakes has highlighted the importance of good risk management and the part insurance and/or risk financing plays when it comes to rebuilding public assets. In many instances, Councils can provide services in the future only through the continuing use of their assets. Public entities have had to think carefully about how they are managing their risks and how they are using the insurance and risk finance options available to them.

Water, Waste Water and Storm Water

These activities have a total asset value for insurance purposes of \$601,836,543 (LAPP) plus \$99,004,232 (above ground assets).

The Council insures 40% of this direct with LAPP, with the remaining 60% being funded by Central Government.

Roading, Bridges and Footpath Assets

These activities have a total book value of \$419,329,000.

Council would receive a minimum of 53% subsidy from the NZTA, with the remaining portion of the loss likely to be loan funded. The NZTA financial assistance rate is currently under review and may change.

Art Works

The Council has a total asset value for insurance purposes of \$11,850,000, which is made up as follows: \$11,000,000 for gallery collection, \$350,000 for Council owned art, \$500,000 for temporary loaned works and artworks in transit. The insured value is above carrying value for these assets.

Land, Buildings, Plant & Equipment

These assets have a total value for insurance purposes of \$238,888,570 which is made up of buildings & improvements, runways & other airport improvements, furniture & equipment, heritage and library collections and plant & equipment. The insured value is above carrying value for these assets.

Vehicles

This activity has a total asset value for insurance purposes of \$2,035,305. All vehicles are insured for replacement value.

Impairment of Buildings

Council are currently assessing a small number of buildings and are in the process of obtaining repair estimates. No decision has been made as to any remediation/strengthening, therefore no impairment has been recognised in the financial statements.

Disaster Reserves

The council has a disaster recovery fund which provides for some self insurance of approximately \$2,900,000 and also holds depreciation funds which may be used in the event of a disaster.

Work in progress

Property, plant, and equipment in the course of construction by class of asset is detailed below:

	Council and Group	
	Actual 2017 \$000	Actual 2016 \$000
Roading network	278	449
Water system	1,779	1,069
Drainage system	124	34
Sewerage system	855	218
Buildings and improvements	1,506	463
Plant and Equipment	418	375
	4,960	2,608

Notes To The Financial Statements

for the year ended 30 June 2017

2017	Cost/ Revaluation 1 July 2016	Accum depn and impairment charges 1 July 2016	Carrying amount 1 July 2016	Current year additions	Current year transfers	Current year disposals	Current year impairment charges	Current year depn	Revaluation's	Cost/ Revaluation 30 June 17	Accum depn and impairment charges 30 June 17	Carrying amount 30 June 17
Council restricted assets												
Land	24,344	-	24,344	-	-	-	-	-	-	24,344	-	24,344
Buildings and improvements	8,064	(3,364)	4,700	-	-	-	-	(188)	-	7,934	(3,422)	4,512
Total restricted assets	32,408	(3,364)	29,044	-	-	-	-	(188)	-	32,278	(3,422)	28,856
Council operational assets												
Land	12,696	-	12,696	25	-	-	-	-	-	12,721	-	12,721
Buildings and improvements	86,009	(14,827)	71,182	1,690	-	-	-	(1,605)	-	87,877	(16,610)	71,267
Runways & other airport impts	3,334	(1,056)	2,278	-	-	-	-	(97)	-	3,334	(1,153)	2,181
Furniture and equipment	8,496	(5,330)	3,166	563	-	(20)	-	(427)	-	8,642	(5,360)	3,282
Art Works	2,456	-	2,456	8	-	-	-	-	-	2,464	-	2,464
Heritage assets	1,541	(254)	1,287	-	-	-	-	(28)	-	1,541	(282)	1,259
Library collections	3,629	(1,750)	1,879	395	-	-	-	(199)	(148)	3,876	(1,949)	1,927
Plant and equipment	35,135	(13,063)	22,072	1,388	-	(543)	-	(1,703)	-	35,431	(14,217)	21,214
Work in progress	645	-	645	1,278	-	-	-	-	-	1,924	-	1,924
Total operational assets	153,941	(36,280)	117,661	5,347	-	(563)	-	(4,059)	(148)	157,810	(39,571)	118,239
Council infrastructural assets												
Land and buildings	42,644	(4,375)	38,269	95	-	-	-	(465)	-	42,739	(4,840)	37,899
Sewerage system treatment	19,168	(3,230)	15,938	-	-	-	-	(501)	-	19,168	(3,731)	15,437
Sewerage system reticulation	74,840	(16,742)	58,098	1,411	87	-	-	(1,820)	-	76,338	(18,562)	57,776
Water system treatment	10,502	(2,624)	7,878	-	-	-	-	(256)	-	10,502	(2,880)	7,622
Water system reticulation	71,622	(17,801)	53,821	2,294	326	-	-	(1,763)	-	74,242	(19,564)	54,678
Stormwater network	43,249	(8,794)	34,455	287	18	-	-	(855)	-	43,554	(9,649)	33,905
Roads and footpaths	247,977	(53,108)	194,869	8,225	69	-	-	(3,842)	-	256,243	(56,922)	199,321
Bridges	59,319	(8,382)	50,937	322	-	-	-	(855)	-	59,641	(9,237)	50,404
Land under roads	171,807	-	171,807	-	-	-	-	-	-	171,807	-	171,807
Lighting	3,027	(1,311)	1,716	273	-	-	-	(168)	-	3,300	(1,479)	1,821
Landfill - post closure costs	590	(301)	289	-	-	-	-	(31)	-	590	(332)	258
Work in progress	1,963	-	1,963	1,073	-	-	-	-	-	3,036	-	3,036
Total infrastructural assets	746,708	(116,668)	630,040	13,980	500	-	-	(10,556)	-	761,160	(127,196)	633,964
Total Timaru District Council property, plant and equipment	933,057	(156,312)	776,745	19,327	500	(563)	-	(14,803)	(148)	951,247	(170,189)	781,058
Subsidiaries property, plant and equipment												
Buildings	4,143	(2,902)	1,241	-	-	-	-	(167)	-	4,143	(3,069)	1,074
Furniture and equipment	163	(111)	52	66	-	(37)	-	(23)	-	163	(105)	58
Work in progress	-	-	-	-	-	-	-	-	-	-	-	-
Total subsidiaries	4,306	(3,013)	1,293	66	-	(37)	-	(190)	-	4,306	(3,174)	1,132
Total group property, plant and equipment	937,363	(159,325)	778,038	19,393	500	(600)	-	(14,993)	(148)	955,554	(173,363)	782,191

Notes To The Financial Statements

for the year ended 30 June 2017

2016	Cost/ Revaluation 1 July 2015	Accum depn and impairment charges 1 July 2015	Carrying amount 1 July 2015	Current year additions	Current year transfers	Current year disposals	Current year impairment charges	Current year depn	Revaluations	Cost/ Revaluation 30 June 16	Accum depn and impairment charges 30 June 16	Carrying amount 30 June 16
Council restricted assets												
Land	24,349	-	24,349	-	-	(5)	-	-	-	24,344	-	24,344
Buildings and improvements	8,194	(3,293)	4,901	-	-	-	(201)	(201)	-	8,064	(3,364)	4,700
Total restricted assets	32,543	(3,293)	29,250	-	-	(5)	(201)	(201)	-	32,408	(3,364)	29,044
Council operational assets												
Land	12,353	-	12,353	343	-	-	-	-	-	12,696	-	12,696
Buildings and improvements	81,427	(13,089)	68,338	4,487	-	-	(1,643)	(1,643)	-	86,009	(14,827)	71,182
Runways & other airport impts	3,157	(966)	2,191	177	-	-	(90)	(90)	-	3,334	(1,056)	2,278
Furniture and equipment	7,636	(4,543)	3,093	477	-	-	(404)	(404)	-	8,496	(5,330)	3,166
Art Works	2,451	-	2,451	5	-	-	-	-	-	2,456	-	2,456
Heritage assets	1,541	(226)	1,315	-	-	-	(28)	(28)	-	1,541	(254)	1,287
Library collections	3,373	(1,559)	1,814	377	-	-	(191)	(191)	(121)	3,629	(1,750)	1,879
Plant and equipment	34,243	(11,549)	22,694	1,101	-	(52)	(1,671)	(1,671)	-	35,135	(13,063)	22,072
Work in progress	2,338	-	2,338	(1,693)	-	-	-	-	-	645	-	645
Total operational assets	148,519	(31,932)	116,587	5,274	-	(52)	(4,027)	(4,027)	(121)	153,941	(36,280)	117,661
Council infrastructural assets												
Land and buildings	42,494	(3,951)	38,543	150	-	-	(424)	(424)	-	42,644	(4,375)	38,269
Sewerage system treatment	19,049	(2,729)	16,320	119	-	-	(501)	(501)	-	19,168	(3,230)	15,938
Sewerage system reticulation	73,916	(14,930)	58,986	428	495	-	(1,811)	(1,811)	-	74,840	(16,742)	58,098
Water system treatment	10,216	(2,368)	7,848	286	-	-	(256)	(256)	-	10,502	(2,624)	7,878
Water system reticulation	69,289	(16,063)	53,226	1,939	394	-	(1,738)	(1,738)	-	71,622	(17,801)	53,821
Stormwater network	42,260	(7,949)	34,311	244	745	-	(845)	(845)	-	43,249	(8,794)	34,455
Roads and footpaths	237,322	(49,368)	187,954	9,277	1,350	-	(3,712)	(3,712)	-	247,977	(53,108)	194,869
Bridges	54,728	(7,596)	47,132	4,591	-	-	(786)	(786)	-	59,319	(8,382)	50,937
Land under roads	171,807	-	171,807	-	-	-	-	-	-	171,807	-	171,807
Lighting	2,744	(1,163)	1,581	283	-	-	(148)	(148)	-	3,027	(1,311)	1,716
Landfill - post closure costs	590	(270)	320	-	-	-	(31)	(31)	-	590	(301)	289
Work in progress	3,760	-	3,760	(1,797)	-	-	-	-	-	1,963	-	1,963
Total infrastructural assets	728,175	(106,387)	621,788	15,520	2,984	-	(10,252)	(10,252)	-	746,708	(116,668)	630,040
Total Timaru District Council property, plant and equipment	909,237	(141,612)	767,625	20,794	2,984	(57)	(14,480)	(14,480)	(121)	933,057	(156,312)	776,745
Subsidiaries property, plant and equipment												
Buildings	4,143	(2,736)	1,407	-	1,573	-	(166)	(166)	-	4,143	(2,902)	1,241
Furniture and equipment	165	(102)	63	14	-	(14)	(11)	(11)	-	163	(111)	52
Work in progress	-	-	-	-	-	-	-	-	-	-	-	-
Total subsidiaries	4,308	(2,838)	1,470	14	1,573	(14)	(177)	(177)	-	4,306	(3,013)	1,293
Total group property, plant and equipment	913,545	(144,450)	769,095	20,808	4,557	(71)	(14,657)	(14,657)	(121)	937,363	(159,325)	778,038

Notes To The Financial Statements

for the year ended 30 June 2017

17a. Depreciation and amortisation expense by group of activity

	Council	
	Actual 2017 \$000	Actual 2016 \$000
Corporate Support	910	853
Democracy	2	2
Community Support	397	410
District Planning and Regulatory Services	7	5
Recreation and Leisure	1,961	1,983
Roading and Footpaths	5,009	4,791
Waste Minimisation	496	444
Sewer	3,138	3,129
Stormwater	857	847
Water Supply	2,298	2,267
	15,075	14,731

18. Intangible assets

	Council and Group		Council and Group
	Computer Software \$000	Carbon Credits \$000	Total \$000
Balance as at 1 July 2016			
Cost	3,592	242	3,834
Accumulated amortisation and impairment	(2,277)	-	(2,277)
Opening carrying amount	1,315	242	1,557
Year ended 30 June 2017			
Additions	597	-	597
Disposals	-	-	-
Amortisation charge	(272)	-	(272)
Amortisation reversed on disposals	-	-	-
Movement for the year	325	-	325
Balance as at 30 June 2017			
Cost	4,189	242	4,431
Accumulated amortisation and impairment	(2,549)	-	(2,549)
Closing carrying amount	1,640	242	1,882
Balance as at 1 July 2015			
Cost	3,399	124	3,523
Accumulated amortisation and impairment	(2,026)	-	(2,026)
Opening carrying amount	1,373	124	1,497
Year ended 30 June 2016			
Additions	193	118	311
Disposals	-	-	-
Amortisation charge	(251)	-	(251)
Amortisation reversed on disposals	-	-	-
Movement for the year	(58)	118	60
Balance as at 30 June 2016			
Cost	3,592	242	3,834
Accumulated amortisation and impairment	(2,277)	-	(2,277)
Closing carrying amount	1,315	242	1,557

Notes To The Financial Statements

for the year ended 30 June 2017

Carbon credits

During the year, Timaru District Council acquired carbon credits for the purpose of meeting its obligations under the Emissions Trading Scheme for carbon emissions from its landfill operations. Timaru District Council is required to forfeit carbon credits for emissions following the end of each financial year.

19. Forestry assets

	Council		Group	
	Actual 2017 \$000	Actual 2016 \$000	Actual 2017 \$000	Actual 2016 \$000
Balance as at 1 July	876	671	876	671
Increases due to purchases		-		-
Gains/(losses) arising from changes in fair value	100	253	100	253
Decreases due to harvest	(113)	(48)	(113)	(48)
Balance as at 30 June	863	876	863	876

Timaru District Council owns 199.5 hectares of Radiata Pine, Douglas fir and Macrocarpa forest, which is at varying stages of maturity ranging from 2 to 67 years.

The District Forester employed by Ashburton District Council has valued the forestry assets as at 30 June 2017. A pre-tax discount rate of 7.5% has been used in discounting the present value of expected cash flows.

Financial risk management strategies

Timaru District Council is exposed to financial risks arising from changes in timber prices. Timaru District Council is a long-term forestry investor and does not expect timber prices to decline significantly in the foreseeable future, therefore, has not taken any measures to manage the risks of a decline in timber prices. Timaru District Council reviews its outlook for timber prices regularly in considering the need for active financial management.

20. Investment property

	Council		Group	
	Actual 2017 \$000	Actual 2016 \$000	Actual 2017 \$000	Actual 2016 \$000
Balance as at 1 July	1,762	1,713	23,936	25,797
Additions from acquisitions		-	6,296	-
Write offs - demolitions	-	-	0	(1,015)
Disposals	(105)	(65)	(105)	(141)
Fair value gains/(losses) on valuation (note 8)	33	114	2,267	(705)
Balance as at 30 June	1,690	1,762	32,394	23,936

Timaru District Council's investment properties are valued annually at fair value effective 30 June 2017 by Ian Fairbrother VP (Urban) FNZIV FPINZ of Telfer Young. All investment properties are valued based on open market evidence.

Investment property held by Timaru District Holdings Limited was independently valued as at 30 June for the 2017 financial year by Ian Fairbrother VP (Urban) FNZIV, FPINZ, a registered valuer with Telfer Young (Canterbury) Limited. The valuation is based on fair value.

The fair value of investment property has been determined using the capitalisation of net revenue and discounted cashflow methods. These methods are based on assumptions including future rental revenue, anticipated maintenance costs, and appropriate discount rates. Where just the land value has been assessed, a 'market comparison' approach has been adopted. This method involves reference to sales of properties which have similar attributes to the subject property. Comparisons are drawn between the subject property and the sales evidence. Subjective adjustments are applied where necessary to account for factors which have a direct impact on the sale price and value.

There are no contractual obligations in relation to investment properties at balance date but not recognised in the financial statements (2016: Nil)

Notes To The Financial Statements

for the year ended 30 June 2017

21. Investments in associates

PrimePort Timaru Ltd

The investment in associate company is carried at cost (\$nil) in the Council's (parent entity) statement of financial position.

	Group	
	Actual 2017 \$000	Actual 2016 \$000
Movements in the carrying amount of investments in associates		
Balance as at 1 July	23,792	22,393
Fair value at time of recognition	-	-
Disposal of investments during the year	-	-
Share of total recognised revenue and expenses	2,459	2,052
Share of dividend	(678)	(653)
Balance as at 30 June	25,573	23,792

Summarised financial information of PrimePort Timaru Limited presented on a gross basis

	Actual 2017 \$000	Actual 2016 \$000
Assets	80,769	77,546
Liabilities	28,905	29,204
Revenue	18,826	16,065
Total Comprehensive Revenue	4,917	4,104
Group's interest	50.00%	50.00%

Alpine Energy Limited

Timaru District Holdings Limited has a 47.5% interest in Alpine Energy Limited and its reporting date is 31 March 2017.

The investment in associate company is carried at cost (\$nil) in the Council's (parent entity) statement of financial position.

An independent valuation of the Shares in Alpine Energy Limited was undertaken by Deloitte as at 31 March 2017. This valuation assessed the value of 100% of the shares in Alpine Energy Limited to be in the range of \$362.5 million to \$423.7 million as at 31 March 2017. Based on this valuation, Deloitte also provided a Fair Value of a 47.5% shareholding in Alpine Energy Limited as at 31 March 2017 to Timaru District Holdings Limited which was \$186.7 million.

	Group	
	Actual 2017 \$000	Actual 2016 \$000
Movements in the carrying amount of investments in associates		
Balance as at 1 July	64,032	60,443
New investments during the year	-	-
Disposal of investments during the year	-	-
Share of total recognised revenue and expenses	6,943	7,613
Share of dividend	(4,417)	(4,024)
Balance as at 30 June	66,558	64,032

Notes To The Financial Statements

for the year ended 30 June 2017

Summarised financial information of Alpine Energy Limited presented on a gross basis

	Group	
	Actual March 2017 \$000	Actual March 2016 \$000
Assets	254,848	221,292
Liabilities	118,479	90,241
Revenue	63,655	63,851
Total Comprehensive Revenue	14,617	16,027
Group's interest	47.50%	47.50%

Details of any contingent liabilities arising from the group's involvement in the associate are disclosed separately in note 30.

22. Joint Venture

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

	Council and Group	
	Actual 2017 \$000	Actual 2016 \$000
Current assets	4,549	3,734
Non-current assets	11,338	11,558
Current liabilities	98	43
Non-current liabilities	-	-
Revenue	1,373	1,307
Expenses	834	910

Details of any commitments and contingent liabilities arising from the group's involvement in the joint venture are disclosed separately in notes 29 and 30.

23. Trade and other payables

	Council		Group	
	Actual 2017 \$000	Actual 2016 \$000	Actual 2017 \$000	Actual 2016 \$000
Trade creditors and accruals	5,818	4,757	5,982	5,038
Amounts due to related parties (note 31)	785	928	-	-
Contract retentions	289	657	289	657
Deposits and bonds	557	398	557	398
Revenue in advance	214	241	336	375
Accrued interest expense	583	612	594	623
Total trade and other payables	8,246	7,593	7,757	7,091

Trade and other payables are non-interest bearing and are normally settled on 30-day terms, therefore the carrying value of trade and other payables approximates their fair value.

Notes To The Financial Statements

for the year ended 30 June 2017

24. Employee benefit liabilities

	Council		Group	
	Actual 2017 \$000	Actual 2016 \$000	Actual 2017 \$000	Actual 2016 \$000
Accrued salaries and wages	140	127	145	127
Annual leave	1,032	1,080	873	1,080
Long service leave	177	116	177	116
Sick leave	-	-	-	-
Retiring gratuities	754	913	754	913
Total employee benefits	2,104	2,236	1,950	2,236
Comprising:				
Current	1,871	1,970	1,717	1,970
Non-current	233	266	233	266
Total employee benefits	2,104	2,236	1,950	2,236

25. Landfill aftercare provision

	Council		Group	
	Actual 2017 \$000	Actual 2016 \$000	Actual 2017 \$000	Actual 2016 \$000
Opening balance	6,939	5,701	6,939	5,701
Increase/(decrease) due to discount rate changes and assessment of liability	(343)	1,109	(343)	1,109
Discount unwinding	121	128	121	128
Closing balance	6,717	6,939	6,717	6,939

Timaru District Council gained a resource consent in May 1995 to operate the Redruth Landfill, Timaru. The Council has responsibility under the resource consent to provide ongoing maintenance and monitoring of the landfill after the site is closed.

The remaining capacity of the site is 697,979 tonnes (refuse, clean fill and cover).

The estimated remaining useful life is 24.9 years.

Estimates of the life have been made by the Council's engineers based on historical volume information.

The cash outflows for the landfill and post-closure costs are expected to occur in one to thirty years time (or between 2017 and 2046).

The long term nature of the liability means that there are inherent uncertainties in estimating costs that will be incurred. The provision has been estimated taking into account existing technology and is discounted using a discount rate of 2.47% (2016: 2.29%).

26. Borrowings

	Council		Group	
	Actual 2017 \$000	Actual 2016 \$000	Actual 2017 \$000	Actual 2016 \$000
Current				
Bonds Issued	-	18,000	-	18,000
LGFA Debt	15,000	9,700	15,000	9,700
Total current borrowings	15,000	27,700	15,000	27,700
Non-current				
Secured loans	-	-	15,900	12,900
Bonds Issued	15,000	15,000	15,000	15,000
LGFA Debt	62,028	51,029	62,028	51,029
Total non-current borrowings	77,028	66,029	92,928	78,929

The Council's secured loans are at a floating interest rate. The interest is set quarterly at the 90 day bank bill rate plus the applicable bank margin.

Notes To The Financial Statements

for the year ended 30 June 2017

The debt is rolled over on a two and three year cycle, at which time the terms and conditions will be renegotiated. If Timaru District Council decides to refinance this loan it anticipates that the terms and conditions will be similar to the current arrangement.

Timaru District Council manages its borrowings in accordance with its funding and financial policies, which includes a Liability Management Policy. These policies have been adopted as part of the Timaru District Council's Long Term Plan.

Security

The overdraft is unsecured. The maximum amount that can be drawn against the overdraft facility is nil (2016: nil). There are no restrictions on the use of this facility.

Lease liabilities are effectively secured as the rights to the leased asset revert to the lessor in the event of default.

Timaru District Council loans are secured over the rating base of the district via Debenture Trust certificates.

Internal borrowings

Information about internal borrowings is provided on pages 31 - 80 of the Council's annual report. Internal borrowings are eliminated on consolidation of activities in the Council's financial statements.

Fair values of non-current borrowings

Council	Carrying Amount		Fair Value	
	2017	2016	2017	2016
	\$000	\$000	\$000	\$000
Bonds	15,000	15,000	15,000	15,000
LGFA Debt	62,028	51,029	62,028	51,029
	77,028	66,029	77,028	66,029

Group	Carrying Amount		Fair Value	
	2017	2016	2017	2016
	\$000	\$000	\$000	\$000
Secured loans	15,900	12,900	15,900	12,900
Bonds	15,000	15,000	15,000	15,000
LGFA Debt	62,028	51,029	62,028	51,029
	92,928	78,929	92,928	78,929

The fair values are based on borrowing rates ranging from 2.10% to 6.00% (2016: 2.51% to 5.99%).

The carrying amounts of borrowings repayable within one year approximate their fair values, as the impact of discounting is not significant.

Long term borrowings are at market rates, therefore carrying amounts approximate their fair values.

Notes To The Financial Statements

for the year ended 30 June 2017

27. Equity

	Council		Group	
	Actual 2017 \$000	Actual 2016 \$000	Actual 2017 \$000	Actual 2016 \$000
Retained earnings				
As at 1 July	715,181	707,548	795,079	782,194
Surplus/(deficit) for the year	14,015	11,513	23,353	16,785
Prior Year Adjustment	-	-	-	29
Transfers to:				
Special Funds	(19,501)	(18,312)	(19,555)	(18,363)
Transfers from:				
Special Funds	17,230	14,432	17,265	14,434
As at 30 June	726,925	715,181	816,142	795,079
Special funds				
As at 1 July	36,289	32,409	36,498	32,569
Interest	605	684	605	684
Transfers from:				
Retained earnings	18,896	17,628	18,950	17,679
Transfers to:				
Retained earnings	(17,230)	(14,432)	(17,265)	(14,434)
As at 30 June	38,560	36,289	38,788	36,498
Asset revaluation reserves				
As at 1 July	-	-	-	-
Revaluation gains/(losses)	(148)	(121)	(148)	(121)
Revaluation reserve written off	148	121	148	121
As at 30 June	-	-	-	-
Asset revaluation reserves consist of:				
Library books	-	-	-	-
Total	-	-	-	-
Total Other Reserves	38,560	36,289	38,788	36,498

Information about reserve funds held for a specific purpose is provided below:

Notes To The Financial Statements

for the year ended 30 June 2017

Name of Fund	Activity	Purpose	2017				2016			
			Balance 1 July \$000	Transfer into fund \$000	Transfers out of fund \$000	Balance 30 June \$000	Balance 1 July \$000	Transfer into fund \$000	Transfers out of fund \$000	Balance 30 June \$000
Aquatic Centre contributions	Parks, Recreation and Swimming Pools	Funds donated towards Aquatic centre facility to be used for its construction and funding of interest payments.	64	2	58	8	181	3	120	64
Cemetery Future (Tu) Fund	Community Facilities	Development of future cemetery for Timaru.	100	2	11	91	112	4	16	100
Collett Bequest (Museum)	Cultural and Learning Facilities	For museum items.	519	11	-	530	504	15	-	519
Community Development Interest Fund	Community Funding	To make major grants (over \$10,000) to non profit community based organisations and clubs for improving or developing new or existing facilities which reflect credit or provide benefit to the Timaru District residents.	410	27	23	414	414	28	32	410
Community Development Loan Fund	Community Funding	To make major loans to non profit community based organisations and clubs for improving or developing new or existing facilities which reflect credit or provide benefit to the Timaru District residents.	189	52	-	241	125	64	-	189
Contingency Fund	All of Council	For emergency purposes as determined by Council.	556	316	11	861	482	314	240	556
Depreciation – General Fund	All of Council	For the renewal and/or replacement of district wide funded depreciable assets and for the repayment of loans associated with such assets.	7,482	8,619	8,467	7,634	7,957	7,675	8,150	7,482
Depreciation Fund – Beautiful Valley Water	Water Supply	For the renewal and/or replacement of Water depreciable assets and for the repayment of loans associated with such assets.	64	4	-	68	59	5	-	64
Depreciation Fund – Geraldine	Roading and Footpaths and Stormwater	For the renewal and/or replacement of Geraldine funded depreciable assets and for the repayment of loans associated with such assets, (excludes water related assets).	96	63	11	148	119	60	83	96
Depreciation Fund – Orari / Waihi Water	Water Supply	For the renewal and/or replacement of Water depreciable assets and for the repayment of loans associated with such assets.	1	-	-	1	1	-	-	1
Depreciation Fund – Orari Township Water	Water Supply	For the renewal and/or replacement of Water depreciable assets and for the repayment of loans associated with such assets.	227	6	-	233	220	7	-	227

Notes To The Financial Statements

for the year ended 30 June 2017

Name of Fund	Activity	Purpose	2017				2016			
			Balance 1 July \$000	Transfer into fund \$000	Transfers out of fund \$000	Balance 30 June \$000	Balance 1 July \$000	Transfer into fund \$000	Transfers out of fund \$000	Balance 30 June \$000
Depreciation Fund – Rangitata / Orari Water	Water Supply	For the renewal and/or replacement of Water depreciable assets and for the repayment of loans associated with such assets.	13	15	2	26	9	10	6	13
Depreciation Fund - Rural	Roading and Footpaths and Stormwater	For the renewal and/or replacement of Rural funded depreciable assets and for the repayment of loans associated with such assets, (excludes water related assets).	103	62	25	140	123	57	77	103
Depreciation Fund – Seadown Water	Water Supply	For the renewal and/or replacement of Water depreciable assets and for the repayment of loans associated with such assets.	623	88	76	635	579	86	42	623
Depreciation Fund - Sewer	Sewer	For the renewal and/or replacement of Sewer depreciable assets and for the repayment of loans associated with such assets.	3,515	3,191	4,470	2,236	-79	3,594	-	3,515
Depreciation Fund – Te Moana Downs Water	Water Supply	For the renewal and/or replacement of Water depreciable assets and for the repayment of loans associated with such assets.	246	184	66	364	169	146	69	246
Depreciation Fund - Temuka	Roading and Footpaths and Stormwater	For the renewal and/or replacement of Temuka funded depreciable assets and for the repayment of loans associated with such assets, (excludes water related assets).	85	138	91	132	127	127	169	85
Depreciation Fund - Timaru	Roading and Footpaths and Stormwater	For the renewal and/or replacement of Timaru funded depreciable assets and for the repayment of loans associated with such assets, (excludes water related assets).	2,709	1,096	1,039	2,766	2,720	1,031	1,042	2,709
Depreciation Fund – Urban Water	Water Supply	For the renewal and/or replacement of Water depreciable assets and for the repayment of loans associated with such assets.	4,849	2,289	1,805	5,333	5,624	2,027	2,802	4,849
Depreciation Fund (Housing)	Social Housing	For the renewal and/or replacement of Housing depreciable assets and for the repayment of loans associated with such assets.	334	251	187	398	317	240	223	334
Development (Tu) Fund	All of Council	Funding of major developments within Timaru. Interest on this fund to be credited to the Community Development Interest Fund.	265	-	-	265	265	-	-	265
Disaster Relief Fund	All of Council	For the replacement of infrastructural assets excluding roading in the event of a natural disaster.	2,562	412	-	2,974	2,147	415	-	2,562
District Recreation Facilities Fund	All of Council	To be used for the development of significant recreation facilities in the district.	652	15	-	667	635	17	-	652

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for the year ended 30 June 2017

Name of Fund	Activity	Purpose	2017				2016			
			Balance 1 July \$000	Transfer into fund \$000	Transfers out of fund \$000	Balance 30 June \$000	Balance 1 July \$000	Transfer into fund \$000	Transfers out of fund \$000	Balance 30 June \$000
Dowling Bequest	Cultural and Learning Facilities	For the purchase of Christian fiction literature for the library.	26	1	2	25	28	-	2	26
Downlands Asset Replacement Fund	Water Supply	Replacement of infrastructural assets relating to Downlands Water Supply Scheme.	3,541	914	162	4,293	3,111	767	337	3,541
Downlands Capital Contribution Reserve	Water Supply	For the provision of capital expenditure financed from capital contributions.	108	6	-	114	94	14	-	108
Economic Development Fund	Economic Development and District Promotions, Community Funding and Governance and Leadership	For economic development support.	262	6	-	268	248	14	-	262
Election Expenses Fund	Governance and Leadership	To provide for meeting election expenses.	80	46	100	26	53	42	15	80
Endowment Land Geraldine Fund	All of Council	From the proceeds of Endowment Land. For the purchase of similar land.	438	17	-	455	419	19	-	438
Forestry Development Fund	Parks, Recreation and Swimming Pools	To provide funding for the development of forests within the District.	442	39	-	481	458	12	28	442
George Barclay Bequest	Cultural and Learning Facilities	Original bequest was \$600. Interest to be used for the purchase of reference books for the Timaru Children's Library.	2	-	-	2	2	-	-	2
Grants & Donations Fund	Community Funding	For the provision of grants & donations (created from the unspent grant allocation and carried forward balances)	47	115	96	66	20	115	88	47
Investment Fund	All of Council	1. For the repayment of district wide loans. 2. For the funding of district wide capital projects. 3. For provision of internal loans.	673	723	160	1,236	317	758	402	673
Joan & Percy Davis Library Trust (Ger)	Cultural and Learning Facilities	Interest to be used to purchase books for the Geraldine Library. (8/7/82)	1	-	-	1	1	-	-	1
Lattimore W A (Tu) Bequest	Cultural and Learning Facilities	Interest to be used for the purchasing of art works for the Aigantighe Art Gallery.	18	-	-	18	19	1	2	18

Notes To The Financial Statements

for the year ended 30 June 2017

Name of Fund	Activity	Purpose	2017			2016			
			Balance 1 July \$000	Transfer into fund \$000	Transfers out of fund \$000	Balance 30 June \$000	Transfer into fund \$000	Transfers out of fund \$000	Balance 30 June \$000
Mackay Bequest (Art Gallery)	Cultural and Learning Facilities	For the purchase of paintings.	228	5	-	233	6	-	228
Mackay Bequest (Library)	Cultural and Learning Facilities	For the purchase of books relating to art for the Timaru Library.	159	3	12	150	4	4	159
Main Creative Communities NZ Fund	Community Funding	Carried forward balance of Creative Communities NZ fund – main committee.	15	-	12	3	10	-	15
Main Drains Cost Sharing Fund	Sewer, Stormwater and Water Supply	Extension of main drains on a cost sharing basis.	1,170	53	100	1,123	231	-	1,170
Mayor's Welfare Fund	Governance and Leadership	Help out the needy as determined by the Mayor.	15	-	1	14	-	1	15
McCarthy Bequest - Library	Cultural and Learning Facilities	For general purposes at the Timaru Public Library	27	-	-	27	1	-	27
McCarthy Bequest - Parks	Parks, Recreation and Swimming Pools	For general purposes at the Timaru gardens	45	1	-	46	1	-	45
Museum Acquisition Fund/Alan Ward Fund	Cultural and Learning Facilities	For the purchase of articles for the Museum.	9	-	-	9	-	-	9
Officials' Indemnity, Safety and Health Fund	All of Council	For the purpose of officials' indemnity insurance excess, and for providing funds to comply with Occupational Health and Safety Regulations.	574	12	27	559	16	29	574
Parking Improvement (Tu) Fund	Roading and Footpaths	For the purchase of land buildings, or equipment which will be used for providing, or in association with, parking facilities within Timaru or for meeting the annual charges on any loan raised for any of these purposes.	160	105	-	265	7	208	160
Property Development Fund	All of Council	For the purchase or development of land and improvement projects within the District.	630	361	136	855	80	-	630

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for the year ended 30 June 2017

Name of Fund	Activity	Purpose	2017				2016			
			Balance 1 July \$000	Transfer into fund \$000	Transfers out of fund \$000	Balance 30 June \$000	Balance 1 July \$000	Transfer into fund \$000	Transfers out of fund \$000	Balance 30 June \$000
			R C Hervey Fund	Cultural and Learning Facilities	For providing improved services to the Timaru Library.	73	2	-	75	71
Reserves Development (Tu) Fund	Parks, Recreation and Swimming Pools	For the planting of trees and general development of reserves owned by the District Council within Timaru.	11	-	-	11	11	-	-	11
Reserves from Subdivisions/ Development Levy	Parks, Recreation and Swimming Pools	Development of reserves within the District as set out in the Local Government Act 1974 Section 288.	86	32	31	87	108	45	67	86
Safer Community Funds	Safer Communities	For Safer Communities projects.	362	109	44	427	310	85	33	362
Social Housing Fund (TDC)	Social Housing	Funding of new social housing units and major maintenance.	-	-	-	-	-	-	-	-
Sport and Recreation Loan Fund	Community Funding	Sport and Recreation loans for facilities and/or major plant items in excess of \$2,000 total value.	991	98	-	1,089	1,081	45	135	991
Te Moana Water Capital Contributions	Water Supply	For the provision of extensions to the Te Moana water network.	320	7	-	327	311	9	-	320
Timaru Ward Capital Asset and Loan Repayment Fund	All of Council	For the purpose of repayment of Timaru Ward separate rate loans and/or Timaru Ward Capital Projects.	19	1	-	20	19	0	0	19
Winchester Domain Fund	Parks, Recreation and Swimming Pools	For maintenance and development of the Winchester Domain area	93	2	5	90	-	103	10	93
Total Restricted Reserves			36,289	19,501	17,230	38,560	32,409	18,312	14,432	36,289

Notes To The Financial Statements

for the year ended 30 June 2017

28. Reconciliation of net surplus/(deficit) after tax to net cash flow from operating activities

	Council		Group	
	Actual 2017 \$000	Actual 2016 \$000	Actual 2017 \$000	Actual 2016 \$000
Surplus/(deficit) after tax	14,015	11,513	23,353	16,785
Add/(less) non-cash items:				
Share of associate surplus/(deficit)	-	-	(4,307)	(4,988)
Depreciation and amortisation	15,075	14,731	15,265	14,908
Impairment Charges	-	-	-	1,015
Vested assets	(500)	(2,984)	(500)	(2,984)
(Gains)/losses in fair value of biological assets	(100)	(253)	(100)	(253)
(Gains)/losses in fair value of investment property	(33)	(114)	(2,267)	705
Increase/(decrease) in deferred taxation	-	-	81	85
(Gains)/losses in fair value of derivatives	(1,763)	1,870	(2,127)	2,274
(Gains)/losses in fair value of debt instruments	50	(25)	50	(25)
Movement in provision	(222)	1,238	(222)	1,238
Other	94	(96)	89	(99)
Add/(less) items classified as investing or financing activities:				
(Gains)/losses on disposal of property, plant and equipment	533	(10)	569	11
(Gains)/losses on disposal of shares				
Add/(less) movements in working capital items:				
Accounts receivable	(465)	1,842	(569)	1,988
Inventories	2	15	2	25
Accounts payable	554	(2,502)	319	(2,763)
Net cash inflow/(outflow) from operating activities	27,240	25,225	29,636	27,922

29. Capital commitments and operating leases

	Council		Group	
	Actual 2017 \$000	Actual 2016 \$000	Actual 2017 \$000	Actual 2016 \$000
Capital commitments				
Roading network	1,913	3,212	1,913	3,212
Water system	1,070	212	1,070	212
Sewerage system	882	895	882	895
Buildings and improvements	-	12	-	12
	3,865	4,331	3,865	4,331

Refer to note 20 for capital commitments for investment properties.

Operating leases as lessee

Timaru District Council leases property, plant and equipment in the normal course of its business. The majority of these leases have a non-cancellable term of 36 months. The future aggregate minimum lease payments to be paid under non-cancellable operating leases are as follows:

	Council		Group	
	Actual 2017 \$000	Actual 2016 \$000	Actual 2017 \$000	Actual 2016 \$000
Not later than one year	249	200	249	200
Later than one year and not later than five years	299	339	299	339
Later than five years	-	-	-	-
Total non-cancellable operating leases	548	539	548	539

The total minimum future sublease payments expected to be received under non-cancellable subleases at balance date is \$nil (2016: \$nil).

Notes To The Financial Statements

for the year ended 30 June 2017

Leases can be renewed at Timaru District Council's option, with rents set by reference to current market rates for items of equivalent age and condition. Timaru District Council does not have the option to purchase the asset at the end of the lease term.

There are no restrictions placed on Timaru District Council by any of the leasing arrangements.

Operating leases as lessor

Timaru District Council leases its investment property under operating leases. These leases have a non-cancellable term of between 1 year and 15 years. The future aggregate minimum lease payments to be collected under non-cancellable operating leases are as follows:

	Council		Group	
	Actual 2017 \$000	Actual 2016 \$000	Actual 2017 \$000	Actual 2016 \$000
Not later than one year	113	73	1,490	1,479
Later than one year and not later than five years	430	254	3,375	4,542
Later than five years	397	429	6,640	7,268
Total non-cancellable operating leases	940	756	11,505	13,289

No contingent rents have been recognised in the statement of financial performance during the period.

30. Contingencies

Contingent Liabilities

	Council		Group	
	Actual 2017 \$000	Actual 2016 \$000	Actual 2017 \$000	Actual 2016 \$000
Building Act Claims	-	-	-	-
Housing NZ social housing advance	1,100	1,100	1,100	1,100
Other legal proceedings	-	-	-	-
	1,100	1,100	1,100	1,100

The Building Act 2004 imposes certain obligations and liabilities on local authorities in respect of the issuing of building consents and inspection work done. At the date of this report, matters that have been brought to the Council's attention, indicate potential liabilities of \$nil (2016: \$nil).

RiskPool provides public liability and professional indemnity insurance to its members. The Council was a member of RiskPool until 30/6/2017. The Trust Deed of RiskPool provides that, if there is a shortfall (whereby claims exceed contributions of members and reinsurance recoveries) in any Fund year, then the Board may make a call on members for the fund year. The Council received a notice during 2009 for a call for additional contributions in respect of the 2002/03 and 2003/04 Fund years as those funds are exhibiting deficits due to the "leaky buildings" issue. No further notices have been received by Council.

Housing New Zealand Corporation has provided \$1,100,000 as at 30 June 2017 (2016: \$1,100,000) towards the construction of social housing units. This advance is repayable, with interest, if the Council withdraws its investment in the joint funded social housing.

Timaru District Council has 18,550,000 shares in Timaru District Holdings Limited at an issue price of \$1.35 each which have been paid to \$185.50 (2016: \$185.50). This uncalled capital is security for the Letter of Credit facility of \$25m with ANZ Bank for the credit facilities with Timaru District Holdings Limited.

Local Government Funding Agency

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

Together with the shareholders of LGFA and other guarantors, Timaru District Council is a guarantor of all of LGFA's borrowings. At 30 June 2017, NZ LGFA had borrowings totalling \$7.8 billion (2016: \$6.5 billion).

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

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

Notes To The Financial Statements

for the year ended 30 June 2017

Joint Venture contingent liabilities

There are no contingent liabilities associated with Downlands Water Supply Joint Venture (2016: \$nil).

Share of associates' contingent liabilities

Timaru District Council's share of contingent liabilities of PrimePort Timaru Limited and Alpine Energy Limited, incurred jointly with other investors, is \$nil (2016: \$nil).

Contingent assets

Timaru District Council and group do not have any contingent assets.

31. Related party transactions

During the year to 30 June 2017, the Council entered into various transactions with its associate companies (PrimePort Timaru Limited and Alpine Energy Limited), subsidiaries (Timaru District Holdings Limited, Aorangi Stadium Trust and Aoraki Development and Promotions Limited), joint venture (Downlands Water Supply) and associated organisations (South Canterbury Rural Fire District and Canterbury Economic Development Company Limited).

The following transactions were carried out with related parties

	Actual 2017 \$000	Actual 2016 \$000
Timaru District Holdings Limited		
Rates paid to Timaru District Council	208	223
Interest paid to Timaru District Council	785	928
Services provided by Timaru District Council	164	99
Services provided to Timaru District Council	786	929
Loans payable to Timaru District Council	22,180	22,180
Accounts payable to Timaru District Council	815	949
Accounts receivable from Timaru District Council	785	928
Dividends paid to Timaru District Council	2,600	2,326
The loan payable to Timaru District Council is secured by a debenture over the company's assets.		
PrimePort Timaru Limited		
Services provided by Timaru District Council	20	12
Services provided to Timaru District Council	-	-
Aoraki Development and Promotions Limited		
Services provided by Timaru District Council	2	10
Services provided to Timaru District Council	530	552
Accounts payable to Timaru District Council	-	6
Downlands Water Supply		
Services provided by Timaru District Council	219	249
Services provided to Timaru District Council	-	-
Rates collected by Timaru District Council	1,276	1,192
Accounts payable to Timaru District Council	56	20
Accounts receivable from Timaru District Council	312	287
Alpine Energy Limited		
Services provided by Timaru District Council	20	39
Services provided to Timaru District Council	571	440
Accounts payable to Timaru District Council	1	2
Accounts receivable from Timaru District Council	20	44
South Canterbury Rural Fire District		
Services provided by Timaru District Council	40	45
Services provided to Timaru District Council	262	166
Accounts payable to Timaru District Council	1	5

Notes To The Financial Statements

for the year ended 30 June 2017

	Actual 2017 \$000	Actual 2016 \$000
Canterbury Economic Development Company Limited		
Services provided by Timaru District Council	-	-
Services provided to Timaru District Council	3	-

Key Management Personnel

During the year Councillors and key management, and any other entities they have an interest in, as part of a normal customer relationship, were involved in minor transactions with Timaru District Council (such as the payment of rates etc.).

During the year, Timaru District Council purchased goods and services from Parr & Co Limited, an organisation in which the Mayor is a Director. The transactions amounted to \$19,051 (2016: \$21,890). The balance outstanding as at 30 June 2017 is \$nil (2016: \$nil).

Close family members of key management personnel are employed by Council. The terms and conditions of those arrangements are no more favourable than Council would have adopted if there were no relationship to key management personnel.

No provision has been required, nor any expense recognised for impairment of receivables for any loans or other receivables to related parties (2016: \$nil).

Key management personnel compensation

	Actual 2017 \$000	Actual 2016 \$000
Salaries and other short term employment benefits	1,529	1,526
Post employment benefits	-	-
Other long term benefits	-	-
Termination benefits	-	-
Total key management personnel compensation	1,529	1,526

Key management personnel include Mayor, Councillors, Chief Executive and other senior management personnel.

32. Remuneration

Elected representatives

	Total remuneration			
	Council		Group	
	2017	2016	2017	2016
Mayor Odey	106,687	108,471	138,101	139,885
Councillor Lyon	45,556	46,295	63,532	64,241
Councillor Mulvey	11,446	41,261	11,446	41,261
Councillor Earnshaw	9,611	34,482	15,133	52,428
Councillor Stevens	41,280	41,468	50,972	41,468
Councillor Tierney	39,001	41,004	39,001	41,004
Councillor Brien	9,611	34,482	9,611	34,482
Councillor Burt	38,846	34,482	43,846	39,482
Councillor Jack	34,350	34,482	34,350	34,482
Councillor Wills	40,633	41,004	40,633	41,004
Councillor O'Reilly	26,501	-	26,501	-
Councillor Leslie	25,323	-	25,323	-
Councillor Parker	24,739	-	24,739	-
Chief Executive	279,303	300,000	279,303	300,000

Notes To The Financial Statements

for the year ended 30 June 2017

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

	Council
	2017
<\$60,000	223
\$60,000 - \$79,999	66
\$80,000 - \$99,999	19
\$100,000 - \$119,999	9
\$120,000 - \$159,999	6
\$160,000 - \$299,99	5
	328

	Council
	2016
<\$60,000	228
\$60,000 - \$79,999	49
\$80,000 - \$99,999	18
\$100,000 - \$119,999	8
\$120,000 - \$159,999	5
\$160,000 - \$299,999	4
	312

Total remuneration includes non-financial benefits provided to employees.

At balance date, the Council employed 184 full-time employees (2016: 181), with the balance of staff representing 56 full-time equivalent employees (2016: 51). A full-time employee is determined on the basis of working a 37.5 or 40-hour working week.

33. Capital Management

The Council's capital is its equity (or ratepayers' funds), which comprise retained earnings and reserves. Equity is represented by net assets.

The Local Government Act 2002 (the Act) requires Council to manage its revenue, expenses, assets, liabilities, investments and general financial dealings prudently and in a manner that promotes the current and future interests of the community. Ratepayer's funds are largely managed as a by-product of managing revenues, expenses, assets, liabilities, investments and general financial dealings.

The objective of managing these items is to achieve intergenerational equity, which is a principle promoted in the Act and applied by the Council. Intergenerational equity requires today's ratepayers to meet the costs of utilising the Council's assets and not expecting them to meet the full cost of long term assets that will benefit ratepayers in future generations. Additionally, the Council has in place asset management plans for major classes of assets detailing renewal and maintenance programmes, to ensure ratepayers in future generations are not required to meet the costs of deferred renewals and maintenance.

The Act requires the Council to make adequate and effective provision in its Long Term Plan (LTP) and in its annual plan (where applicable) to meet the expenditure needs identified in those plans. And the Act sets out the factors the Council is required to consider when determining the most appropriate sources of funding for each of its activities. The sources and levels of funding are set out in the funding and financial policies in the Council's LTP.

Timaru District Council has the following Council created reserves

- reserves for different areas of benefit
- self-insurance reserves; and
- trust and bequest reserves.

Reserves for different areas of benefit are used where there is a discrete set of rate payers as distinct from the general rate. Any surplus or deficit relating to these separate areas of benefit is applied to the specific reserves.

Self-insurance reserves are built up annually from general rates and are made available for specific unforeseen events.

Trust and bequest reserves are set up where Council has been donated funds that are restricted for particular purposes. Interest is added to trust and bequest reserves where applicable and deductions are made where funds have been used for the purpose they were donated.

34. Events after balance sheet date

There are no significant events subsequent to balance sheet date.

Notes To The Financial Statements

for the year ended 30 June 2017

35. Financial instruments

Financial Instrument Categories

	Council		Group	
	Actual 2017 \$000	Actual 2016 \$000	Actual 2017 \$000	Actual 2016 \$000
FINANCIAL ASSETS				
Fair value through surplus or deficit - Held for trading				
Derivative financial instrument assets	-	-	-	-
Other financial assets:				
- Investments in debt securities	4,608	5,693	4,608	5,693
<i>Total fair value through surplus or deficit</i>	<i>4,608</i>	<i>5,693</i>	<i>4,608</i>	<i>5,693</i>
Loans and receivables				
Cash and cash equivalents	22,034	18,599	23,675	19,002
Trade and other receivables	6,682	6,218	7,911	7,106
Other financial assets:				
- Term deposits	32,960	29,632	34,960	33,910
- Community loans	297	398	297	398
- Loans to related parties	22,180	22,180	-	-
<i>Total loans and receivables</i>	<i>84,153</i>	<i>77,027</i>	<i>66,843</i>	<i>60,416</i>
Fair value through other comprehensive revenue				
Other financial assets:				
- Unlisted shares	269	269	269	269
FINANCIAL LIABILITIES				
Fair value through surplus or deficit - Held for trading				
Derivative financial instrument liabilities	2,347	4,110	3,118	5,245
Financial liabilities at amortised cost				
Trade and other payables	8,246	7,593	7,757	7,091
Borrowings:				
- Secured loans	-	-	15,900	12,900
- Bonds	92,028	93,729	92,028	93,729
- Redeemable Preference Shares	-	-	-	-
<i>Total financial liabilities at amortised cost</i>	<i>100,274</i>	<i>101,322</i>	<i>115,686</i>	<i>113,720</i>

Fair value

The Council carries certain financial assets and financial liabilities at fair value. In accordance with PBE IPSAS 30 - Fair Value Measurement, Council uses various methods in estimating the fair value of its financial instruments. The methods comprise:

- Level 1 - Quoted (unadjusted) market prices in active markets for identical assets or liabilities.
- Level 2 - Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable.
- Level 3 - Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable.

The fair value of Investment Properties is Level 2 as per Note 20.

Notes To The Financial Statements

for the year ended 30 June 2017

The following table analyses the basis of the valuation of classes of financial instruments measured at fair value in the statement of financial position:

	Valuation technique			
	Total	Quoted market price	Observable inputs	Significant non-observable inputs
	\$000	\$000	\$000	\$000
30 June 2017 - Council				
Financial assets				
Investments in debt securities	4,608	-	4,608	-
Shares	269	-	-	269
Financial liabilities				
Derivatives	2,347	-	2,347	-
30 June 2017 - Group				
Financial assets				
Investments in debt securities	4,608	-	4,608	-
Shares	269	-	-	269
Financial liabilities				
Derivatives	3,118	-	3,118	-
30 June 2016 - Council				
Financial assets				
Investments in debt securities	5,693	-	5,693	-
Shares	269	-	-	269
Financial liabilities				
Derivatives	4,110	-	4,110	-
30 June 2016 - Group				
Financial assets				
Investments in debt securities	5,693	-	5,693	-
Shares	269	-	-	269
Financial liabilities				
Derivatives	5,245	-	5,245	-

There were no transfers between the different levels of the financial hierarchy.

Valuation techniques with significant non-observable inputs (level 3)

The table below provides a reconciliation from the operating balance to the closing balance for the level 3 fair value measurements:

	2017 \$000	2016 \$000
Balance as at 1 July	270	270
Gain and losses recognised in the surplus or deficit	-	-
Gain and losses recognised in other comprehensive revenue	-	-
Purchases	-	-
Sales	-	-
Transfers into level 3	-	-
Transfers out of level 3	-	-
Balance as at 30 June	270	270

Changing a valuation assumption to a reasonable possible alternative assumption would not significantly change fair value.

Notes To The Financial Statements

for the year ended 30 June 2017

Financial Instruments risks

Timaru District Council has a series of policies to manage the risks associated with financial instruments. Timaru District Council is risk averse and seeks to minimise exposure from its treasury activities. Timaru District Council has established Council approved Liability Management and Investment policies. These policies do not allow any transactions that are speculative in nature to be entered into.

Market risk

Currency risk

Currency risk is the risk that the value of a financial instrument will fluctuate due to changes in foreign exchange rates. Timaru District Council is not exposed to currency risk as it does not enter into foreign currency transactions.

Interest rate risk

Fair value interest rate risk

Fair value interest rate risk is the risk that the value of a financial instrument will fluctuate due to changes in market interest rates. Borrowings and investments issued at fixed rates expose the Timaru District Council to fair value interest rate risk. Timaru District Council's Liability Management policy outlines the level of borrowing that is to be sourced using fixed rate instruments.

Cash flow interest rate risk

Cash flow interest rate risk is the risk that the cash flows from a financial instrument will fluctuate because of changes in market interest rates. Borrowings and investments issued at variable interest rates expose Timaru District Council to cash flow interest rate risk.

Timaru District Council manages its cash flow interest rate risk on borrowings by using floating to fixed interest rate swaps. Such interest rate swaps have the economic effect of converting borrowings at floating rates and swaps them into fixed rates that are generally lower than those available if Timaru District Council borrowed at fixed rates directly. Under the interest rate swaps, Timaru District Council agrees with other parties to exchange, at specified intervals, the difference between fixed contract rates and floating-rate interest amounts calculated by reference to the agreed national principal amounts.

Credit risk

Credit risk is the risk that a third party will default on its obligation to Timaru District Council, causing the Council to incur a loss. Timaru District Council has no significant concentrations of risk, as it has a large number of customers, mainly ratepayers, and the Council has powers under the Local Government (Rating) Act 2002 to recover outstanding debts from ratepayers.

Timaru District Council invests funds in accordance with its Investment policy which limits the amount of credit exposure to any one institution and ensures dispersion and minimisation of risk.

Timaru District Council has no other collateral or other credit enhancements for financial instruments that give rise to credit risk.

Timaru District Council's maximum credit exposure for each class of financial instrument is as follows:

	Council		Group	
	Actual 2017 \$000	Actual 2016 \$000	Actual 2017 \$000	Actual 2016 \$000
Cash at bank and term deposits	54,994	48,231	58,635	52,912
Trade and other receivables	6,682	6,218	7,911	7,106
Community loans	297	398	297	398
Related party loans	22,180	22,180	-	-
Investments in debt securities	4,608	5,693	4,608	5,693
Total credit risk	88,761	82,720	71,451	66,109

All cash at bank and term deposits are neither past due nor impaired and are made with registered banks with Standard and Poor's credit ratings of A1 or better short term.

All investments in debt securities are neither past due nor impaired and are made with counterparties with Standard and Poor's credit ratings of BBB or better long term or with other local authorities.

Community loans are with counterparties with no defaults in the past.

Liquidity risk

Liquidity risk is the risk that Timaru District Council will encounter difficulty raising liquid funds to meet commitments as they fall due. Prudent liquidity risk management implies maintaining sufficient cash, the availability of funding through an adequate amount of committed credit facilities and the ability to close out market positions. Timaru District Council aims to maintain flexibility in funding by keeping committed credit lines available.

In meeting its liquidity requirements, the Council maintains a target level of investments that must mature within the next 12 months and ensure all investments are readily tradable.

Timaru District Council manages its borrowing in accordance with its funding and financial policies, which include a Liability Management policy. These policies have been adopted as part of the Council's Long Term Plan.

Timaru District Council has a maximum amount that can be drawn down against its overdraft facility of \$nil (2016: \$nil). There are no restrictions on the use of this facility.

Notes To The Financial Statements

for the year ended 30 June 2017

Contractual maturity analysis of financial liabilities, excluding derivatives

The table below analyses Timaru District Council's financial liabilities into relevant maturity groupings based on the remaining period at the balance date to the contractual maturity date.

	Carrying amount	Less than 1 year	1-2 years	2-5 years	More than 5 years
	\$000	\$000	\$000	\$000	\$000
Council 2017					
Trade and other payables	8,246	8,246	-	-	-
Bonds	92,028	15,000	20,000	36,000	21,028
Total	100,274	23,246	20,000	36,000	21,028
Group 2017					
Trade and other payables	7,757	7,757	-	-	-
Secured loans	15,900	-	15,900	-	-
Bonds	92,028	27,700	5,000	50,000	9,328
Total	115,686	35,457	20,900	50,000	9,328
Council 2016					
Trade and other payables	7,593	7,593	-	-	-
Bonds	93,729	27,700	5,000	50,000	11,029
Total	101,322	35,293	5,000	50,000	11,029
Group 2016					
Trade and other payables	7,091	7,091	-	-	-
Secured loans	12,900	-	12,900	-	-
Bonds	93,729	27,700	5,000	50,000	11,029
Total	113,720	34,791	17,900	50,000	11,029

Contractual maturity analysis of derivative financial instruments

The table below analyses Timaru District Council's maturity dates for interest rate derivative financial instruments.

	Less than 1 year	1-2 years	2-5 years	More than 5 years
	\$000	\$000	\$000	\$000
Council 2017	-	-	21,900	16,000
Council 2016	14,000	-	11,900	26,000
Group 2017	-	3,000	30,400	16,000
Group 2016	14,000	-	23,400	26,000

Notes To The Financial Statements

for the year ended 30 June 2017

Contractual maturity analysis of financial assets

The table below analyses Timaru District Council's financial assets into relevant maturity groupings based on the remaining period at the balance date to the contractual maturity date.

	Carrying Amount r	Less than 1 year	1-5 years	More than 5 years
	\$000	\$000	\$000	\$000
Council 2017				
Cash and cash equivalents	22,034	22,034	-	-
Trade and other receivables	6,682	6,682	-	-
Loans to related parties	22,180	-	-	22,180
Unlisted shares	269	-	-	269
Other financial assets:				
- term deposits	32,960	32,960	-	-
- community loans	297	76	179	42
- investment in debt securities	4,608	1,530	1,553	1,525
Total	89,030	63,282	1,732	24,016
Group 2017				
Cash and cash equivalents	23,675	23,675	-	-
Trade and other receivables	7,911	7,911	-	-
Unlisted shares	270	-	-	270
Other financial assets:				
- term deposits	34,960	34,960	-	-
- community loans	297	76	179	42
- investment in debt securities	4,608	1,530	1,553	1,525
Total	71,721	68,152	1,732	1,837
Council 2016				
Cash and cash equivalents	18,599	18,599	-	-
Trade and other receivables	6,218	6,218	-	-
Loans to related parties	22,180	-	-	22,180
Unlisted shares	269	-	-	269
Other financial assets:				
- term deposits	29,632	29,632	-	-
- community loans	398	133	185	80
- investment in debt securities	5,693	1,052	4,641	-
Total	82,989	55,634	4,826	22,529
Group 2016				
Cash and cash equivalents	19,002	19,002	-	-
Trade and other receivables	7,106	7,106	-	-
Unlisted shares	270	-	-	270
Other financial assets:				
- term deposits	33,910	33,910	-	-
- community loans	398	133	185	80
- investment in debt securities	5,693	1,052	4,641	-
Total	66,379	61,203	4,826	350

36. Severance payments

During the year, there were no severance payments made to employees (2016: \$nil).

Notes To The Financial Statements

for the year ended 30 June 2017

37. Explanation of major variances against budget

Timaru District Council made a net surplus of \$14.015 million (budgeted surplus of \$3.957 million)

Revenue and expenditure	\$000
2016/17 Annual Plan surplus	3,957
Increases/(Reductions)	
Other gains (on fair value of derivatives)	1,763
Other increases in revenue	2,647
Landfill aftercare provision increase	222
Depreciation	1,041
Finance costs	1,702
Other decreases in expenditure	2,683
	10,058
2016/17 Annual Report surplus	14,015

The major reasons for the variance between actual and budgeted net surplus were:

- Unrealised gain on interest rate swaps of \$1,763,000, which is not budgeted due to inherent difficulties in forecasting market conditions.
- A large volume of residential developments occurred during the year, a result of which is that \$500,000 worth of infrastructure assets were vested in Council, which is shown as revenue for the year.
- Volumes of waste processed by the landfill increased, mainly due to a full-year effect of a contractor reverting to using the Redruth facility after several years of taking waste out of the district. This resulted in waste minimisation revenue exceeding budget by \$829,000.
- An insurance claim in respect of fire damage at the West End Hall of \$720,000 was received in the year.
- There has been a reduction in the landfill aftercare provision of \$222,000 due to interest rate changes and increased usage as above resulting in reduction of estimated remaining useful life.
- Actual costs for depreciation were lower than forecast by \$1,041,000 mainly due to delays in significant capital projects.
- Finance costs were lower than budget by \$1,702,000 due to timing of expenditure on projects meaning that loans were not needed until later than expected, as well as ongoing reduced interest rates.

Statement of financial position

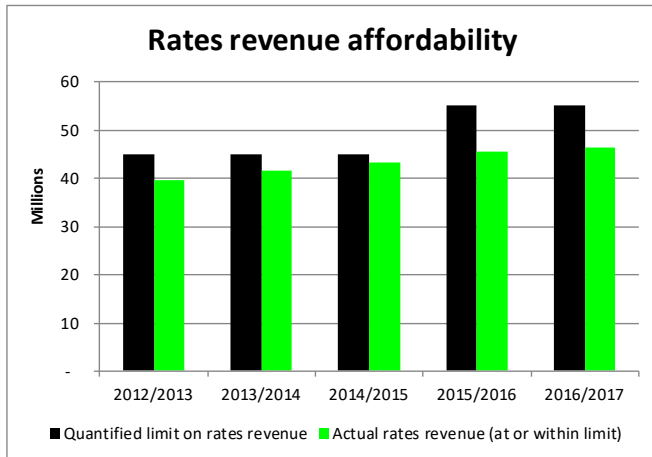
Due to delays in the timing of capital expenditure projects, partially offset by reduced depreciation, fixed assets are below budgeted level. As a result of the delays in capital expenditure, borrowings are also slightly less than budgeted, as some of these projects are being funded by borrowings. Some loan funding has been drawn down for delayed capital expenditure, which has resulted in increases in short-term investments.

Disclosure Statement

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

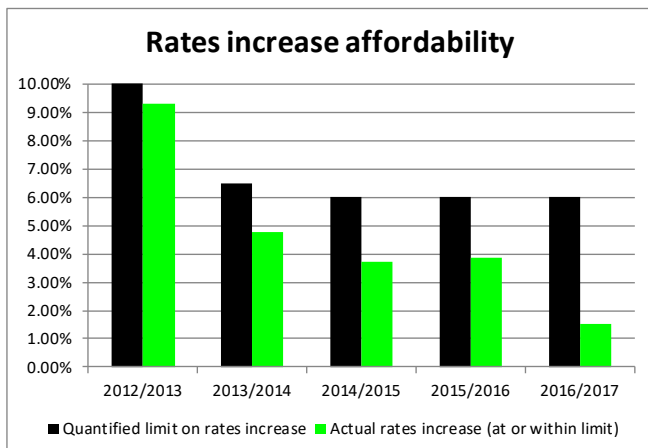
1. Rates (revenue) affordability benchmark

The following graph compares the Council's actual rates revenue with a quantified limit on rates contained in the financial strategy included in the Council's long-term plan. The quantified limit is \$45m (from 2012/13 to 2014/15) and \$55m (from 2015/16).



2. Rates (increase) affordability benchmark

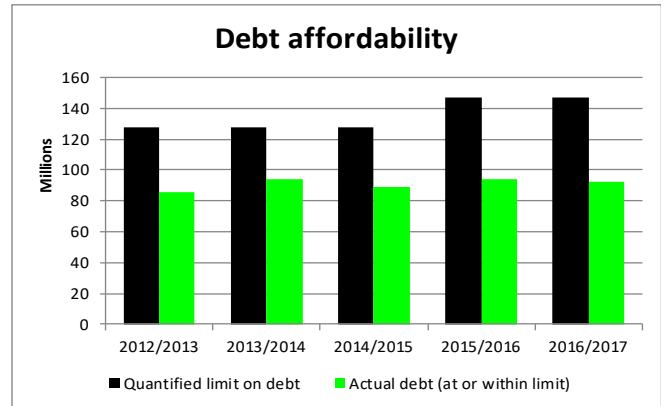
The following graph compares the Council's actual rates increases with a quantified limit on rates increases included in the financial strategy included in the Council's long-term plan. The quantified limit is 6% (from 2012/2013), except for the 2012/2013 year, where the limit is 10% and the 2013/2014 year, where the limit is 6.5%.



3. Debt affordability benchmark

The following graph compares the Council's actual borrowing with a quantified limit on borrowing stated in the financial strategy included in the Council's long-term plan. The quantified limit is \$128 million (from 2012/2013 to 2014/15) and \$147m (from 2015/16).

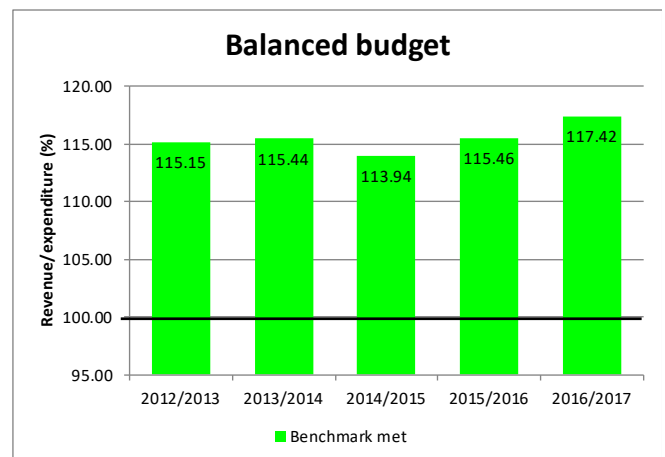
The Council meets the debt affordability benchmark if its actual borrowing is within each quantified limit on borrowing.



4. Balanced budget benchmark

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

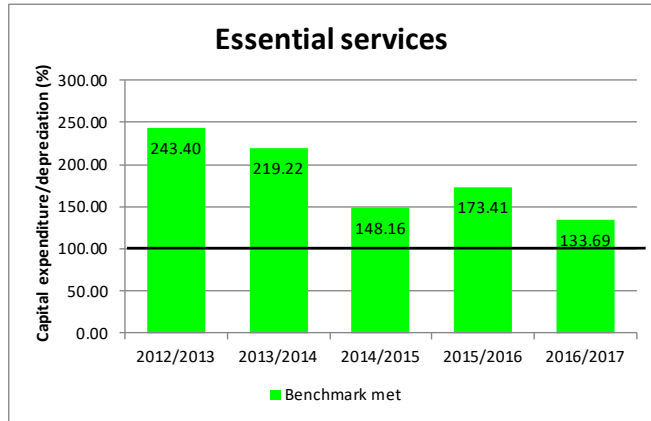
The Council meets this benchmark if its revenue equals or is greater than its operating expenses.



Disclosure Statement

5. Essential services benchmark

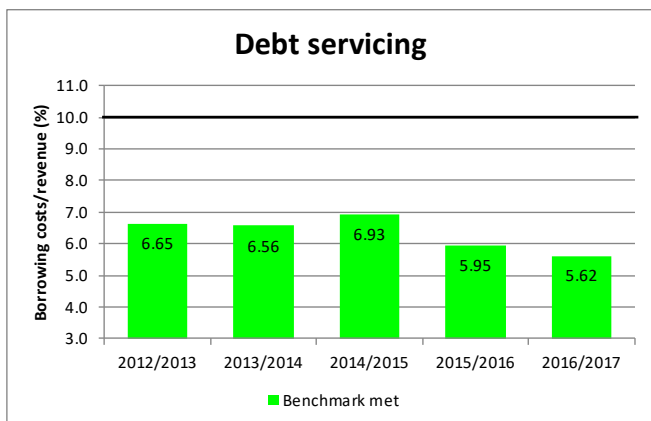
The following graph displays the Council's capital expenditure on network services as a proportion of depreciation on network services. The Council meets this benchmark if its capital expenditure on network services equals or is greater than depreciation on network services.



6. Debt servicing benchmark

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

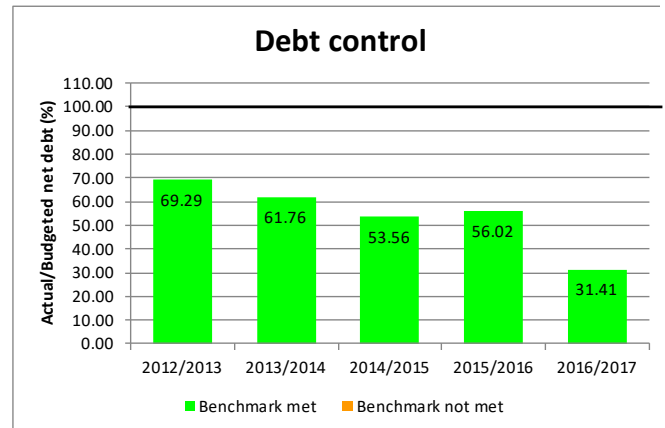
Because Statistics New Zealand projects the Council's population will grow more slowly than the national population growth rate, it meets the debt servicing benchmark if its borrowing costs equal or are less than 10% of its revenue.



7. Debt control benchmark

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

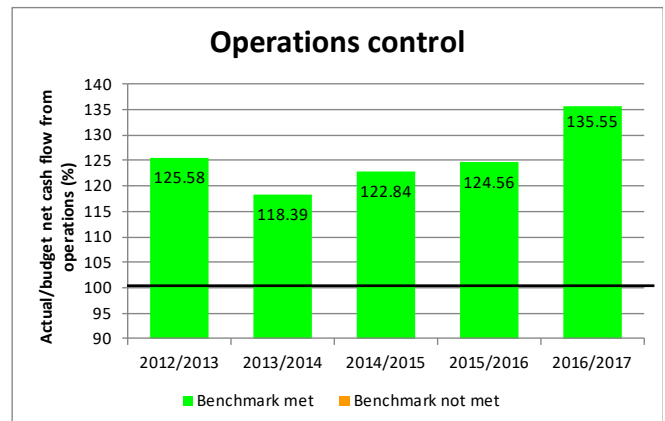
The Council meets the debt control benchmark if its actual net debt equals or is less than its planned net debt.



8. Operations control benchmark

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

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





Other Information

Directory

Postal Address:

Timaru District Council
PO Box 522
Timaru 7940

Location

Timaru Main Office:
2 King George Place
Timaru 7910
Telephone: (03) 687-7200
Facsimile: (03) 687-7209
Email: enquiry@timdc.govt.nz
Website: www.timaru.govt.nz
Hours (except statutory holidays):
Mon – Fri, 8.30am – 5pm

Temuka Service Centre:

72-74 King Street, Temuka 7920
Telephone: (03) 687 7591
Facsimile: (03) 615 9538
Hours (except statutory holidays):
Mon – Thu, 8.30am – 5pm
Fri, 8.30am – 6pm
Sat, 10am – 1pm

Geraldine Service Centre:

78 Talbot Street, Geraldine 7930
Telephone: (03) 693-9336
Facsimile: (03) 693 9451
Hours (except statutory holidays):
Mon – Thu, 8.30am – 5pm
Fri, 8.30am – 6pm
Sat, 10am – 1pm

Bankers:

Bank of New Zealand
247 Stafford Street
Timaru 7910

Auditors:

Audit New Zealand
on behalf of the Controller and Auditor-General
PO Box 99
Wellington 6140

Solicitors:

Gresson Dorman and Co
24 The Terrace
PO Box 244
Timaru 7940

Coat of Arms and Logo

Coat of Arms



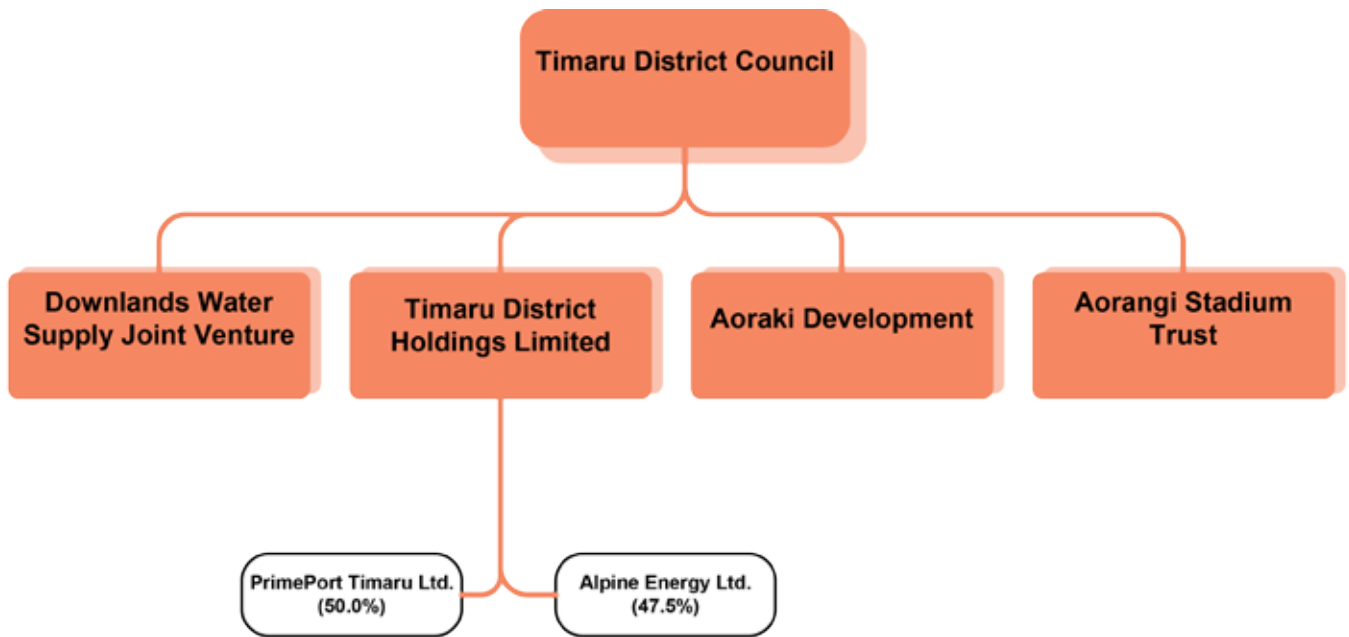
The grant of armorial bearings to the City of Timaru was made by the College of Heralds, London, by letters patent dated 18 October 1977. The original grants document with its impressive artwork and gold seals is displayed outside the Council Chambers in the upstairs foyer of the District Council Building, King George Place, Timaru. Although granted to the former Timaru City Council, the heraldic emblems used are equally applicable to the whole district and use of the Coat of Arms by the District Council has been approved by the New Zealand Herald of Arms. The description of the Arms and Significance of the main features are available on request. The Coat of Arms is used to accentuate the civic responsibilities of the Council or to denote Mayoral authority.

Logo

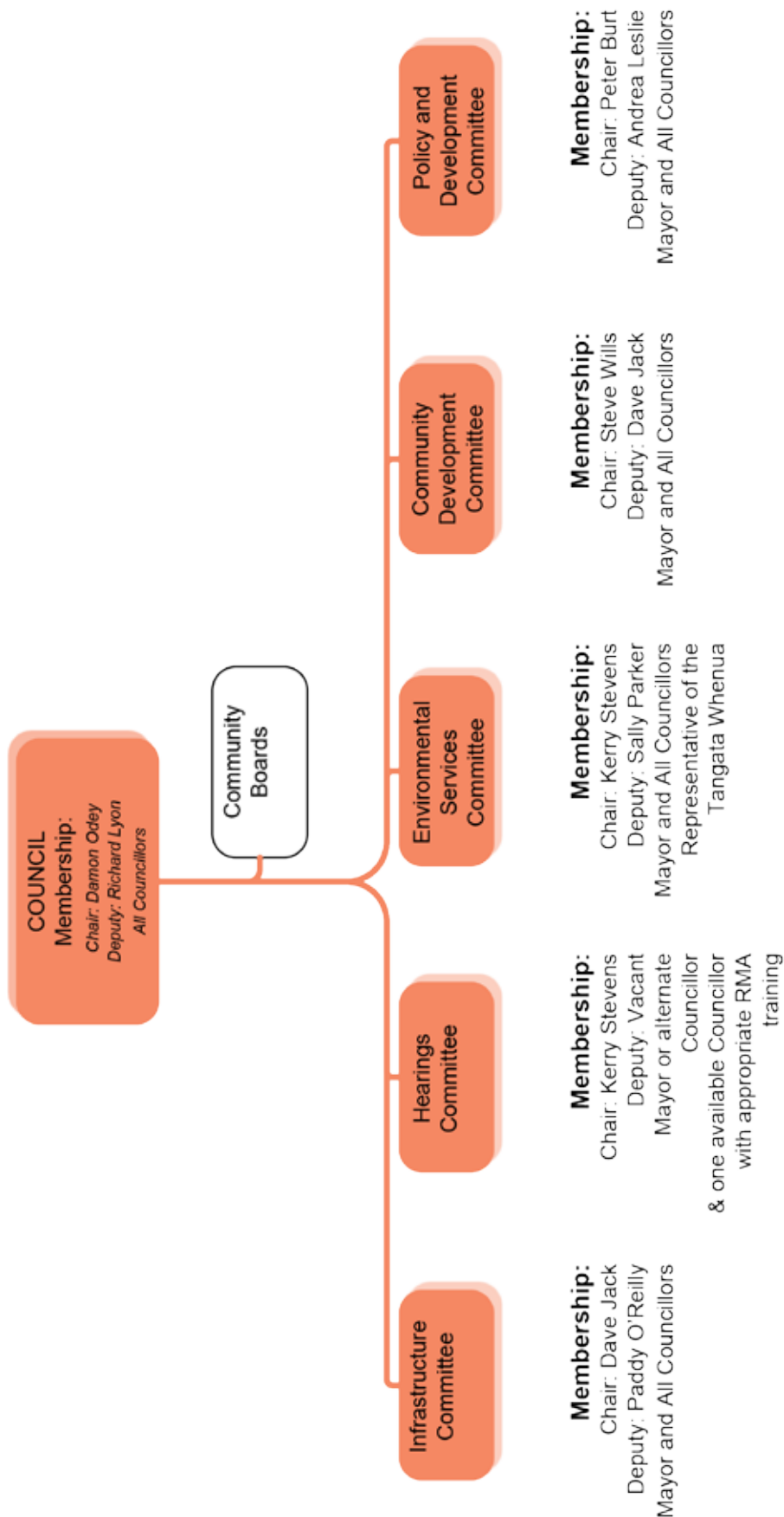


The Council Logo colours are blue and green - environmental colours depicting the sea meeting the land inside a unified format. The diagonal lines suggest upward movement, mountains, rivers, roads, energy, vitality, leadership - pointing to the TDC. The logo is used on all corporate documents, signs and buildings.

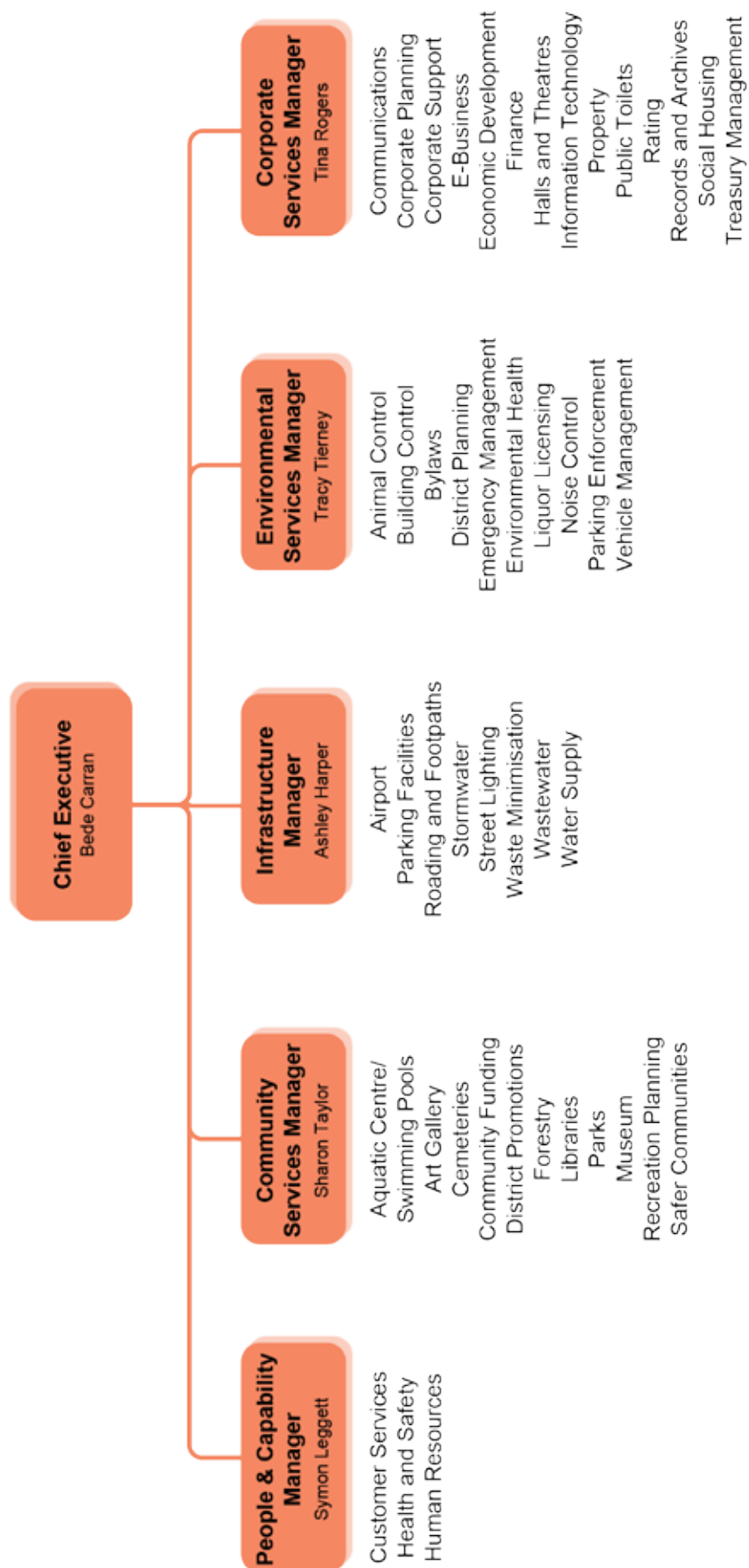
Group Organisation Structure



Council Committees (as at September 2017)



Council Management



Our Workforce

Timaru District Council employs a total of 238 full time equivalent staff (including casual positions).

Council has a strong commitment to health and safety. The introduction of the Health and Safety at Work Act in April 2016 resulted in a review and refresh of our approach to ensuring the safety and wellbeing of our staff, and those who use Council's facilities. This is encapsulated in our Health and Safety policy.

The driver for this is the Health and Safety policy is to ensure staff are reprotected from accidental harm while performing their duties.

The very active and supportive Health and Safety Committee continues to be a key part of this process.

Corporate Performance Objectives

- To ensure consistent and timely compliance with health and Safety policies across the organization at the ACC tertiary level.
Result: While the ACC Workplace Safety Management Programme audit undertaken in November of 2016 downgraded Timaru District Council from Tertiary to Secondary level, as of June 2017 we are confident that all Council Health and Safety policies and practices would comply with the tertiary level requirements.
(Note: the ACC Workplace Safety Management Programme has now been discontinued following the introduction of the new Health and Safety at Work Act 2015).
- To maintain a comprehensive Health and Safety induction programme for new employees.
Result: Achieved
- Provide all staff with at least three education or training opportunities during the period.
Result: Achieved. Training opportunities included wellbeing focused sessions such as health seminars and fitness challenges, as well as operational training topics.
- To achieve zero serious harm incidents and to reduce the level of other incidents in the 2016/2017 year as compared to 2015/2016.
Result:

 - Serious harm incidents – achieved
 - Other incidents – reported incidents have increased over the previous year, due mainly to improved reporting and requirements of the Safehold programme.
- Complete updates to the Health and Safety manual (including responses from external review) to take into account requirements of the new Health and Safety at Work Act 2015.
Result: Achieved. Significant changes were required to ensure alignment with the new Health and Safety at Work Act. These continue to be refined.
- Repackage the Health and Safety policy manual into a more attractive format.
Result: In progress. The aim of this is to make the information easier to access and utilise.
- Develop an engagement strategy to encourage and empower an increased level of staff participation in Health and Safety implementation across the organisation.
Result: In progress.
- Develop a due diligence framework to enable verification of our Health and Safety practices for senior management and elected representatives.
Result: Partially achieved. The audit tool and guidelines for verification of Health and Safety practices has been reviewed as part of the policy manual updating. Reporting on Health and Safety matters to the Audit and Risk committee are now embedded in the annual programme. Further tasks include enhancing the reporting of verifications completed, and improving the awareness of and opportunities for elected members to be involved with Health and Safety matters.
- Fully implement the Safehold programme and highlight the reporting processes and visibility for all staff and elected members.
Result: Achieved

Glossary

Activity

Services, projects or goods provided by, or on behalf of, Council (e.g. libraries, art gallery). These activities are then combined into groups of activities.

Annual Plan

The Annual Plan is produced in the intervening years between Long Term Plans. It includes the work programme for the year and financial statements. The first year of a Long Term Plan cycle represents the Annual Plan for that year.

Annual Report

Reports on the performance of the Council against the objectives, policies, activities, performance measures, indicative costs, and sources of funds outlined in the Annual Plan and the Long Term Plan.

Asset

Something of value that the Council owns on behalf of the people of Timaru District such as roads, drains, parks and buildings.

Activity/Asset Management Plan

A plan for managing an activity to ensure that its capacity to provide a service is maintained, future strategy is established, work is planned for and costs to provide an activity are identified.

Borrowing

The raising of loans for capital items, such as a sewerage scheme.

Capital Expenditure

Expenditure that will increase the value of the Council's assets. It generally involves building a new asset or replacing an existing asset.

Capital Value

Value of land including any improvements.

Community Boards

Local elected bodies set up under the Local Government Act. Community Boards are consulted by the Council and can represent community concerns to the Council. Timaru District has three Community Boards – Temuka, Geraldine and Pleasant Point.

Community Outcomes

Community Outcomes represent the outcomes that the Council "aims to achieve in meeting the current and future needs of communities for good-quality local infrastructure, local public services, and performance of regulatory functions".

Consultation Document

A document used to consult on issues presented. This may include options and a preferred option.

Council Controlled Organisations

Council-controlled organisations are organisations in which one or more local authorities control 50 per cent or more of the voting rights or appoint 50 percent or more of the directors.

Financial Strategy

Guides Council's financial direction, including information around revenue, expenditure, rating, debt and investments. It is required

under Section 101A of the Local Government Act.

Financial Year

The Council's financial year runs from 1 July to 30 June of the following year.

General Rate

A rate levied across all properties for activities that benefit the whole District.

Group of Activities

Several activities combined together (e.g. Recreation and Leisure).

Infrastructure Strategy

A 30 year strategy that sets out significant infrastructure issues, expenditure forecasts, principal options and planned projects under Section 101B of the Local Government Act. At a minimum, the strategy must cover roading and footpaths, sewer, stormwater, flood control and water supply.

Land Value

Value of land, excluding any improvements.

Local Government Act 2002

The key legislation that defines the powers and responsibilities of local authorities like the Timaru District Council.

Long Term Plan (LTP)

A ten-year plan that sets out the Council's strategic framework, work programme, performance framework, funding approach and budget for the next ten years.

Operating Expenditure

Money the Council spends on day to day expenditure items such as salaries, materials, electricity and plant hire.

Operating Revenue

Money earned through the activities in return for a service provided, or by way of a grant or assistance to ensure particular services or goods are provided. Examples include NZTA financial assistance, rental income, permits and fees.

Operating Surplus/(Deficit)

The expressions 'operating surplus' and 'operating deficit' are accounting terms meaning the excess of income over expenditure and excess expenditure over income respectively. Income and expenditure in this context exclude 'capital' items such as the receipt or repayment of loans, the cost of capital works and transfers to and from Reserves. An operating surplus/deficit is inclusive of non-cash items such as income and expenditure owing but not paid (Debtors and Creditors) and depreciation.

Performance Measure

A measure that shows how well Council is doing in achieving the objectives it has set for itself.

Rates

Funds collected by the Council from levies on property. These are based on the land value of the property but the term is often used to include Uniform Annual General Charges and Targeted Rates.

Glossary

Revenue and Financing Policy

This describes how the Council's work will be paid for and the mechanisms used for gathering funds (e.g. general rate, targeted rates, fees, user charges, grants).

Significance

In relation to any issue, proposal, decision, or other matter that concerns or is before a local authority, means the degree of importance of the issue, proposal, decision or matter, as assessed by the local authority.

Significance and Engagement Policy

The Significance and Engagement Policy (SEP) enables the Council and its communities to identify the degree of significance attached to particular issues, proposals, assets, decisions and activities. It also provides clarity about how and when communities can expect to be engaged in decisions about different issues, assets or other matters.

Statement of Cash Flows

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

Statement of Comprehensive Revenue and Expense

Referred to as the Profit and Loss Statement, the Income Statement, or the Operating Statement. It shows the financial results of various Timaru District Council activities at the end of each period as either a surplus or deficit. It does not include asset purchases or disposals.

Statement of Financial Position

This shows the financial state of affairs at a particular time. It can also be referred to as the Balance Sheet.

Subsidies

Amounts received from other agencies for the provision of services.

Targeted Rates

Any rate levied other than the general rate, which is targeted at users of a service such as water supply, sewer and waste minimisation.

Transfer to/from Reserves

Transfers of funds to reserves are generally surpluses on operations. Transfers from reserves assist to fund capital expenditure.

User Charges

Charges levied for use of Timaru District Council services (e.g. building consent fees, swimming pool entry fees).

Working Capital

The Council's net current assets that are held in cash or can be readily converted to cash, less liabilities due for payment within a year. This is indicative of the Council's ability to meet its obligations as they become due.





Timaru District Council

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