



Timaru District Council

## Annual Report 2013/14

# Summary

# Mayor and Chief Executive's Welcome

Welcome to this summary of the 2013/14 Timaru District Council Annual Report.

## A year of progress

This year was marked by a number of significant events and achievements. A few of the major highlights were:

### Historic Port Deal

A major highlight was an historic 50/50 joint venture partnership agreed between Timaru District Holdings Limited (TDHL) and the Port of Tauranga for Prime Port Timaru. TDHL is a wholly owned subsidiary of Timaru District Council.

The partnership involved the Port of Tauranga taking a 50% stake in Prime Port Timaru, including leasing and now operating the North Mole container area from PrimePort. The port deal has opened up huge opportunities for revitalisation at PrimePort along with confirmation of a Holcim decision to construct and operate a cement distribution plant at PrimePort.

### 2013 local government elections

The three yearly opportunity to elect local representatives saw a new Mayor and four new Councillors elected to the Council. Seven new community board members were also elected to boards in Geraldine and Temuka.

## Wastewater Treatment Plant progresses

Work continued on the upgrade to the Timaru Wastewater Treatment Plant, which will improve the quality of effluent discharged via the ocean outfall. Ponds have been completed and filled and equipment installed. Due to weather and ground conditions the project's completion has been delayed.

### Elginshire Link completed

The Elginshire Street extension was completed, linking Meadows Road in Washdyke to Seadown Road and enabling a safer and more efficient route for traffic in the area.

### New Liquor Licensing Regime implemented

A revamp of the liquor licensing regime occurred due to the enactment of the Sale and Supply of Alcohol Act 2012. This involved the establishment of a Joint District Licensing Committee and development of a joint Local Alcohol Policy between the Mackenzie, Timaru and Waimate Districts.

### Other highlights

Other significant highlights and projects completed or progressed during the year have included:

- Development of a South Canterbury Rooding Collaboration Initiative

## Council Assets and Services

1 landfill	4 public swimming pools
1 airport	287 bridges and culverts
3 libraries	4 refuse transfer stations
1 museum	1 sewage milliscreen plant
1 art gallery	Three bin kerbside recycling
1 dog pound	Leadership for the community
1 eco-centre	11 piped water supply systems
7 cemeteries	Community grants and funding
2,324 carparks	157km of piped stormwater drain
3 oxidation ponds	Bus shelters, cycleways, traffic lights
236 housing units	1,800km+ of sealed and unsealed roads
3,000+ streetlights	'The Crows Nest' - recycled goods shop
Safer Communities	Over 1,600km of water supply reticulation
335km of footpaths	Nearly 600 hectares of parks, reserves, walkways and playgrounds
20 halls and theatres	Manages and enforces requirements of several pieces of legislation, including Local Government Act, Resource Management Act, Building Act, Civil Defence and Emergency Management Act.....
426km of sewer pipes	
Planning for the future	
Numerous public toilets	
255 hectares of forestry	

- Launch of a new Timaru District Council website, and two sub-sites for the South Canterbury Museum and Timaru District Libraries
- Completion of a successful first year of operation at the Caroline Bay Trust Aoraki Centre
- Completion of the Temuka Cemetery extension
- Hugely successful exhibitions, including *Journey Through Time – Showcasing 150 years of the Timaru Herald* at the Aigantighe Art Gallery and *Shaping South Canterbury* at the South Canterbury Museum
- Progressing significant infrastructure upgrades, such as the Queen Street sewer pump station, road reconstruction and other roading and watermain upgrades

Further detail on these and other projects is outlined on the next few pages and in Section Two of the full Annual Report.

## Financial performance

Financially, the Council has achieved a net surplus of \$11.2M compared to a forecast surplus of \$4.4M. The main reasons for this surplus are:

- Increased revenue from interest rate swaps
- Increases in revenue from unexpected donations (e.g. for Temuka Domain development) and higher income for building services, solid waste, water sales and trade waste
- Gain in sale of properties sold
- Lower finance costs due to timing of expenditure and reduced interest rates
- An increase in the expected remaining life of the Redruth landfill, meaning a reduction in the required aftercare provision
- Lower costs for depreciation due to fully depreciated assets and delays in capital projects

Expenditure was below budget mainly due to reduced interest costs and depreciation expense required. Revenue was above budget mainly due a gain on derivatives, profit on sale of assets and additional fees. 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 in future years as a result of the reported surplus in the current year.

The Council's total liabilities are \$110.6M compared to forecast \$118.6M, while looking after \$765.8M of assets located throughout the district (Forecast: \$778.8M).

## Final comments

It's fair to say the district is buzzing. There is huge potential for continued and sustained growth as we continue to work together and make things happen.

Once again, we sincerely thank those who have contributed to this report's achievements - elected members, Council staff, agencies, contractors, volunteers and the community. We look forward to continuing to work with you.



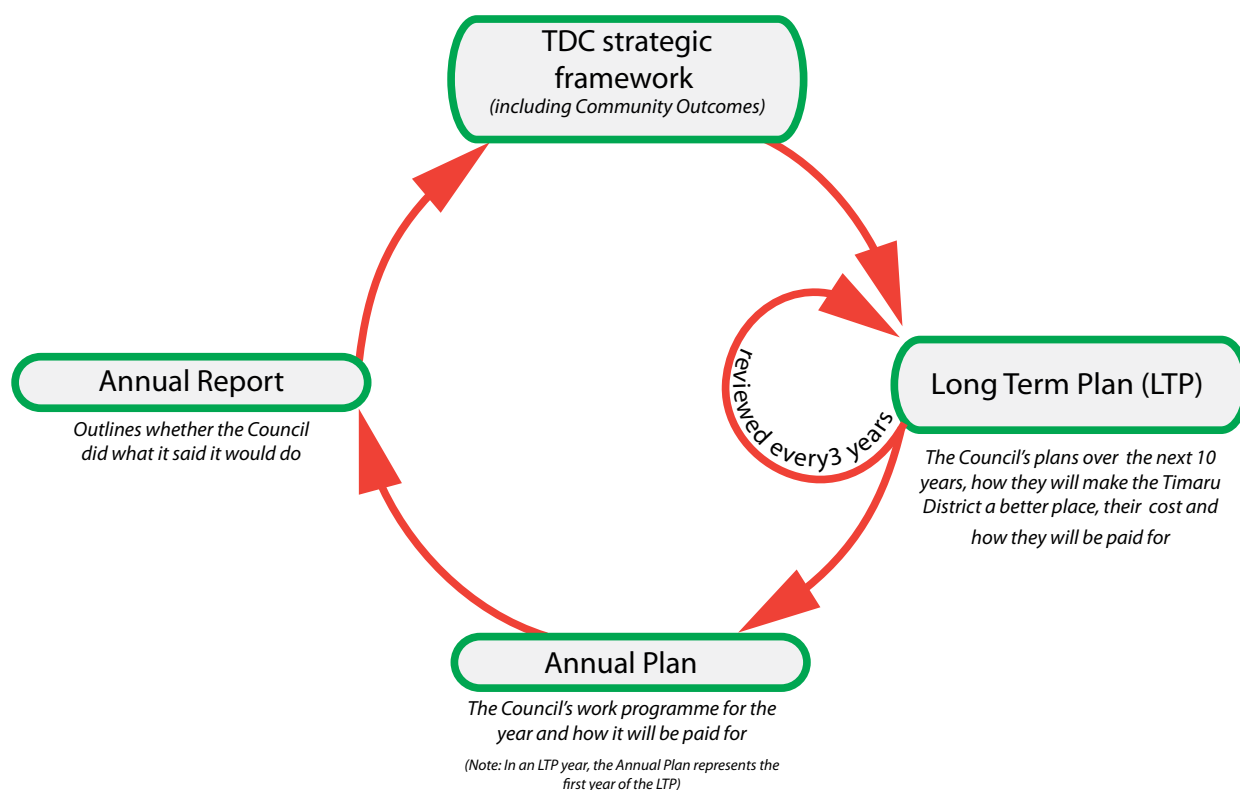
Damon Odey  
**Mayor**



Peter Nixon  
**Chief Executive**

# About the Annual Report

The purpose of the Annual Report is to explain how we delivered on the 2013/14 Annual Plan (or Year Two of the 2012-22 Long Term Council Community Plan) as required by Section 98 of the Local Government Act 2002.



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

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



# Strategic Direction

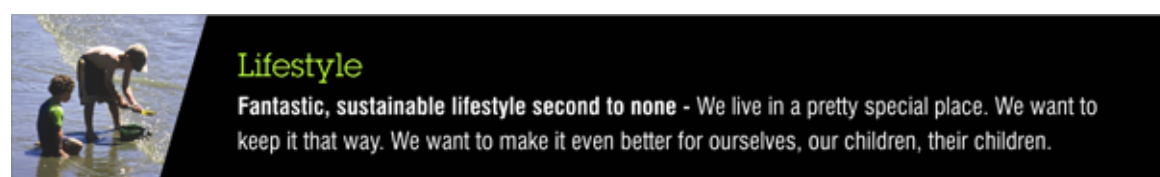
As part of the 2012-22 Long Term Plan, the Council developed a new strategic direction and vision for Timaru District. Our four pronged vision for the district is explained below.

## Vision



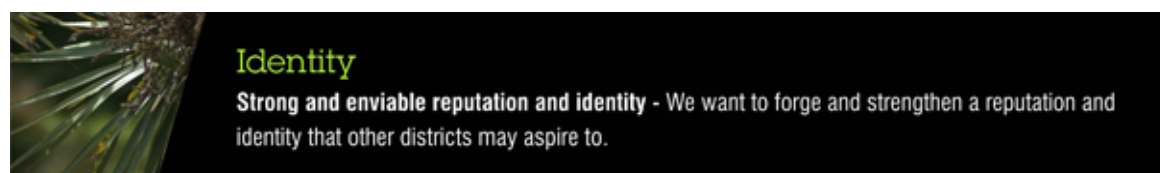
This means:

- We build on our economy's agricultural roots and support innovative, future focused industries
- Our industries and businesses produce high quality goods and services and value 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 balanced growth that keeps our businesses, population and youth local.



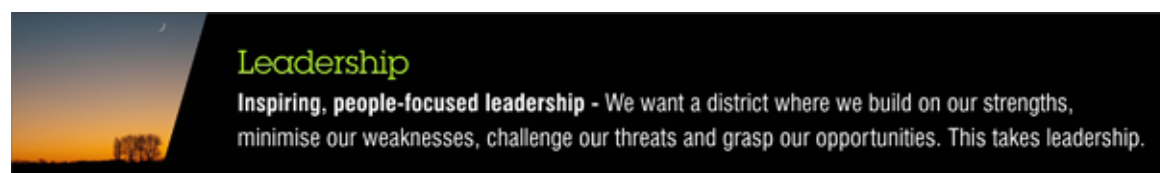
This means:

- 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
- 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.



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.
- We value, encourage and celebrate cultural diversity



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.

Further details can be found in the 2013/14 Annual Plan and 2012-22 Long Term Plan.

# The Year in Review – 2013/14

This section provides a summary of the Council's year – some highlights, achievements and challenges. Further detail can be found in Section Two of the full Annual Report document.

## Democracy

### 2013 Local Elections held

Local government elections were held in October 2013, resulting in a new Mayor and four new Councillors being elected. Seven new Community Board members were elected to boards in Geraldine and Temuka, with the Pleasant Point Board elected unopposed. The overall nationwide trend saw lower voter turn-out. Timaru District had a return of 52%, 11% higher than the national average. The Council reduced by one elected member position in 2013 from 10 to 9 elected members which increased the average number of people represented by each member.



### New liquor licensing regime implemented

In December 2013, the Sale and Supply of Alcohol Act 2012 was fully enacted with the liquor licensing regime revamped. A focus of the new Act is to reduce alcohol related harm through irresponsible consumption of alcohol. It shifts the majority of decision making about local licensing matters from the Wellington based Alcohol Regulatory and Licensing Authority (ARLA) to the Timaru District. The newly formed Joint District Licensing Committee (DLC) for the Timaru, Waimate and Mackenzie Districts now considers all applications for and renewals of liquor licenses and managers certificates. ARLA now exists as a body to hear appeals against DLC decisions. This shift in decision-making from the national



to the local level streamlines the process and allows local solutions to be found for local problems.

### Local Alcohol Policy Developed

A mechanism, by which the new licensing laws give the community a voice in local liquor licensing matters, has been the development of a Local Alcohol Policy. This significant policy will control some conditions imposed on premises including opening and closing times, proximity to sensitive areas such as schools or early education centres, provision for door security and one way door policies for late night premises. The policy has been developed to the Provisional Local Alcohol Policy stage and is currently on hold until four appeals against it have been heard by ARLA or resolved in some other way.



### South Canterbury Rooding Collaboration Initiative

The South Canterbury Rooding Collaboration Project is a joint project between the Timaru, Mackenzie and Waimate Districts. It aims to develop standard maintenance and resurfacing contracts, improve asset management and long-term planning for the roading network. The project was launched in response to the Government push for efficiency through the Road Efficiency Group.

The Collaboration Group was formalised in June 2014 and has technical staff together with leadership staff from the three Districts meeting regularly. The group is assisted by consultants and is developing strategies and combined standard contracts with the broad aim to improve the effectiveness of the budget allocation of the roads in South Canterbury. If successful this type of collaborative approach may in the future provide a model for economies of scale for other Council activities. In August 2014 the Ashburton District Council decided to further investigate joining the collaboration.

### Historic port deal agreed

A 50/50 joint venture partnership for PrimePort Timaru was agreed between Timaru District Holdings Limited (TDHL) (a wholly owned subsidiary of Timaru District Council) and the Port of Tauranga (POT). This required a consultation process to be carried out as it represented an amendment to the Long Term Plan. The strategic partnership agreed involved the Port of Tauranga taking a 50% stake in PrimePort Timaru, including



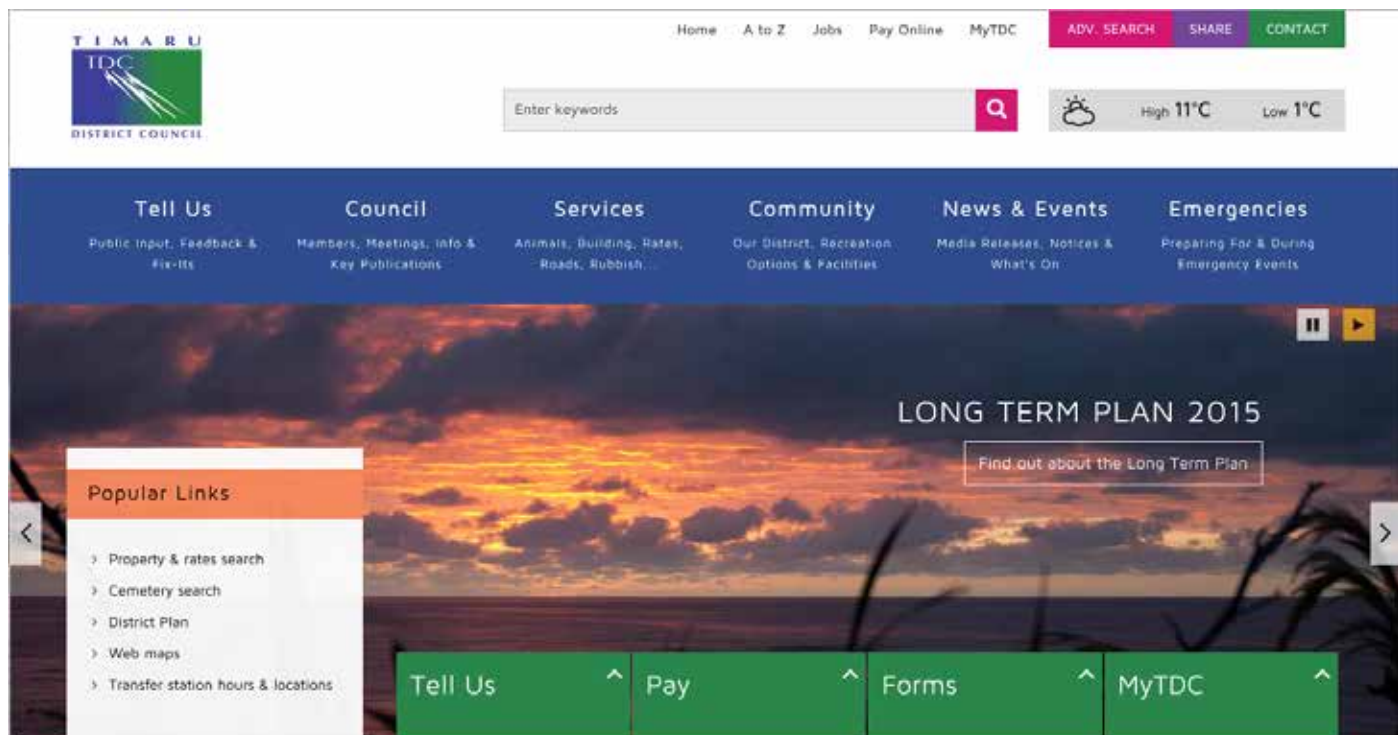
leasing and now operating the North Mole container area from PrimePort. TDHL purchased and hold the investment properties previously held by PrimePort. PrimePort still own all operational land and buildings at the port, along with all port infrastructure. It continues to operate the trade (e.g. timber, fishing, fertiliser and fuel) and marine facilities. Along with confirmation of a Holcim decision to construct and operate a cement distribution plant at PrimePort, the POT deal has led to major revitalisation at Primeport.

### New Timaru District Council Website Launched

A new Timaru District Council website was launched, together with the launch of two sub-sites for the South Canterbury Museum and Timaru District Libraries. The website build has been a major project and has opened up numerous opportunities to enhance our website services to the community. The main TDC site includes the ability to make online payments, access your own MyTDC account information, online ordering of Land Information Memorandums, improved mapping, better information, enhanced search capabilities, online job applications and much more. The site has been designed to be user friendly and



intuitive with the capability for many future enhancements. The website was an immediate success upon launch in April 2014 and was the Supreme Runner Up in the annual Association of Local Government (ALGIM) local government website awards. Timaru District Council staff member and website developer Brad Reeve also won the Web and Digital Professional Award at the same event.





## Community Support

### Temuka Cemetery Extension Completed

The Temuka Cemetery extension project was completed, including the extension of the Taumatakahu Stream walking track, fencing, bridging and riparian planting. The new development will potentially accommodate another 3,000 burial sites and add 100 years to the life of the facility.

### Social Project Housing Means Warmer Homes

The first year of the Social Housing Shower and Insulation Project was completed and this included the installation of wet area/box showers in 20 flats and replacement ceiling insulation in 36 flats.

Underfloor insulation was also installed in some units and one block of flats was reroofed to enable the better installation of insulation. The project is now 33% complete and is set to continue for another two years.

## Planning and Regulatory Services

### Busy year for Building Control Unit

The Building Control Unit had a busy year processing 1,364 Building Consents and 1,322 Code of Compliance Certificates. The unit also liaised regularly with building sector stakeholders and members of the community. Tablets were introduced for use by technical staff during inspections. This is part of the Council's move toward achieving an electronic Building Consent process.



Building Overview



The completed Temuka Cemetery Extension. The new area is behind the fence.

### Building Unit maintains accreditation

The unit was able to retain its accreditation following the 2014 review, carried out by International Accreditation New Zealand (IANZ). Technical staff were enrolled with Otago Polytechnic and began working toward gaining a Diploma in Building Surveying, with the aim of completing the course within three years.

### Resource Consents steady

The District Planning Unit processed 252 Resource Consents during the year, some of which were significant projects such as a 54 lot subdivision in Gleniti which was applied for, processed and granted and the Countdown (Progressive Enterprises) consent for a new supermarket on Showgrounds Hill. The unit is currently developing a strategy for reviewing the District Plan over the next 5 to 7 years, to better reflect the current planning environment.

### Environmental Health busy with new legislative requirements

The Health Unit has been very busy with the implementation of the new liquor licensing legislation and research, consultation and development on the new Local Alcohol Policy. New staff members joined the unit to help with the core business of the unit, such as inspections of food premises, beauty premises and licensed premises. Staff hit the road and held workshops on the Sale and Supply of Alcohol Act 2012 for licensees in the Timaru, Waimate and Mackenzie Districts. The workshops provided an opportunity for the Council and stakeholders to share knowledge and better understand how the new Act affects the licensing of premises.



## Recreation and Leisure

### Recreational facilities a hit with district residents.

The year saw the Aigantighe Art Gallery host 22 popular exhibitions including the popular Journey Through Time – Showcasing 150 years of the Timaru Herald and Artarama! – an exhibition fostering the talents of young artists in our district.

Timaru District Libraries continued to provide quality service to the community by issuing nearly 700,000 books and other materials, while developing and enhancing digital capabilities. A point of difference offered by our libraries over those in other districts is the inclusion on the new website of accessible embedded catalogues (Kotui).



The South Canterbury Museum mounted six popular exhibitions including Water=Life and Shaping South Canterbury. The museum was involved in engaging the community through a variety of means during the year such as having public talks given by experts, assisting local historians and researchers and encouraging participation from our young people in a variety of museum activities.

The Caroline Bay Trust Aoraki Centre welcomed over 300,000 visitors through its doors and provided 25,000 individual Learn to Swim lessons during the year. Other pools in the district received upgrades, such as a replacement water treatment plant at the Geraldine pool and a replacement water heating plant at Temuka.





## Parks and Reserves highlights

A highlight was the presentation of a plaque for Garden of Excellence to the Trevor Griffiths Rose Garden on Caroline Bay by the World Federation of Rose Societies. The garden continues to provide a source of inspiration to rose fans from both at home and abroad. A number of developments and projects were completed including the development of the new Mulcahys Reserve in Gleniti, Timaru which involved the installation of a playground, fitness equipment, barbecue and plantings.

## Roading and Footpaths

### Elginshire Street Link Completed

Completion of the Elginshire Street extension has provided a much needed road link between Meadows Road and Seadown Road, further enhancing the access to the Washdyke industrial area with State Highway 1 by utilising the traffic lights.

### Central Business District (CBD) Refresh Project underway

Work has started on the District CBD Refresh project. The project aims to freshen up the look and feel of the district's CBD's. A priority issue identified in Timaru has been the slipperiness of the paving tiles in certain conditions. Trials on various options for remedying this have been conducted, with the preferred option identified as etching in September 2014. Work will commence in 2014/15, with \$1M allocated to the CBD refresh project over the next two years.



Elginshire Street Link Completed

## Sewer

### Major Timaru Waste Water Treatment Plant upgrade at Washdyke Progresses

Progress has continued on the construction of the Timaru Wastewater Treatment Plant, although some delays were caused by weather conditions affecting the ground conditions. The wetland pond is planted and filled, and oxidation pond 1A and maturation pond 2 are filled. Most of the mechanical plant is installed with the electrical and control plant yet to be completed as the project moves toward commissioning at the end of 2014.



Wetland Pond

### Queen Street Pump Station Refurbishment

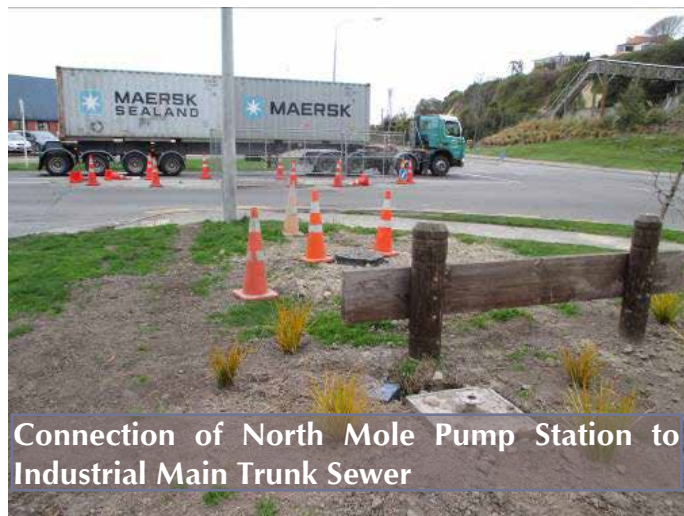
The Queen Street Pump Station refurbishment project is progressing and is close to completion. It has taken longer than was anticipated, with electrical, control and commissioning yet to be completed. The refurbished Queen Street Pump Station will improve the pump capacity, storage and monitoring system to cope with the increased flow from the reticulation during normal and wet weather events.



Queen Street Pump Station Refurbishment

### North Mole Pump Station Completed

The connection of the North Mole Pump Station to the Industrial Main Trunk Sewer is now complete, with the exception of two pinch control valves yet to be fitted.



Connection of North Mole Pump Station to Industrial Main Trunk Sewer

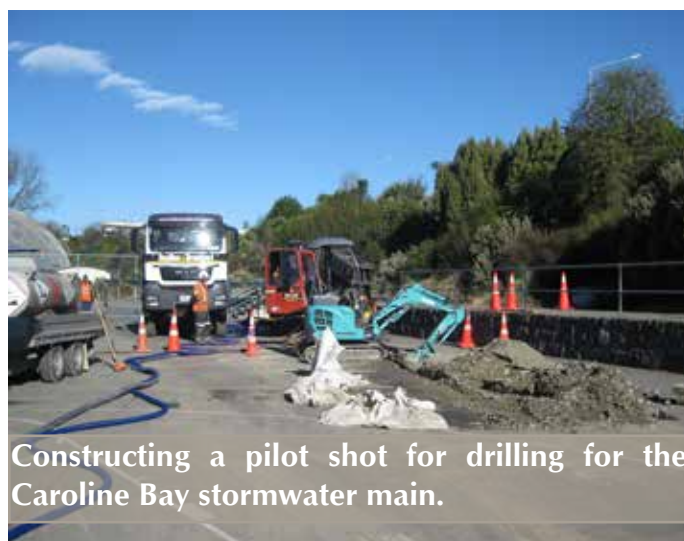
## Stormwater

### Stormwater Management Plans underway

Work continued on the development of Stormwater Management Plans (SMP). The Geraldine SMP is expected to be completed by November 2014, awaiting inputs from the updated hydraulic and water quality models.

The Washdyke Greenfields SMP is currently on hold as it was decided to integrate it into a bigger Washdyke SMP, prompted by the decision of industries to manage their stormwater mostly by using inland discharge points.

The intention of the SMP's is to simplify the management of stormwater discharges within catchments by removing multiple resource consent requirements and by removing consent monitoring costs. SMP's will assist the Timaru District Council to manage stormwater related impacts of particular land-use activities within the catchments.



Constructing a pilot shot for drilling for the Caroline Bay stormwater main.



## Waste Minimisation

### Less waste going to Landfill

Timaru District residents diverted through composting and recycling 20,445 tonnes of waste material from entering the landfill. This significant amount is slightly under the target for the year; however increased

economic activity, weather and other factors influence outcomes.

### New Landfill Cell under development for Future

The Council continues to future proof the Districts waste needs with the progression of a new cell construction at the



New landfill cell development under way

landfill. The drainage and pre-build for cell 3.4 is completed, and the capping of cell 3.1 is to be completed as weather conditions permit. In addition the Landfill Gas System was completed.

### Zero Waste Support for Local Events

The Solid Waste Unit supported 26 Zero Waste events and assisted 55 businesses with waste minimisation over the reporting period. This is a significant increase over the previous year. The Council continues to support this strategy for assisting our business community, and the wider community through local events, to minimise their waste and associated costs.

## Water Supply

### Sheffield Street Watermain Extension Completed

The project to extend the watermain from Sheffield Street to the Wastewater Treatment Plant has been completed. The completion of this project has ensured a potable water supply to the Wastewater Treatment Plant and a water supply to future industries in the area.

### Rangitata-Orari Intake Work Completed

A project completed during the year was work on the Rangitata-Orari Intake. The purpose of the project was to construct a fish screen and intake structure to restrict the passage of fish into the water races and more generally to improve the intakes performance and longevity.

### Wai-iti Road/Morgans Road Intersection Watermain Re-alignment

The realignment of water services at the intersection of Wai-iti Road, Morgans Road and Barnes Street is in progress. The project enables the realignment of water services at that location prior to the construction of a roundabout.



Realigning water services on Wai-iti Road and Barnes Street intersection

# Timaru District Council - Summary of Performance

## Financial Performance

This financial overview is for the year 1 July 2013 to 30 June 2014. It covers the consolidated financial statements of the group comprising Timaru District Council and its subsidiaries.

### Overall Result

The Timaru District Council (parent) made a surplus of \$11.157m compared to a budget surplus of \$4.407m. The Group surplus was \$15.704m (after tax). Expenditure was below budget mainly due to reduced depreciation and

interest expense required. Revenue was above budget due to a gain on derivatives and increased fees & charges.

The Group result was up on 2013 due changes in ownership of Primeport Timaru Ltd, as well as the inclusion of investment property now owned by Timaru District Holdings Ltd.

Council's debt remains slightly below projected values, with \$94.1m of debt at the end of June 2014 (Forecast: \$96.6m). Council is looking after \$766m of assets located throughout the district (Forecast: \$779m). Ratepayer's equity in the district increased by 1.56% to \$731.3m for the Council and decreased by 0.25% to \$796.4m for the Group.

## Summary Financial Statements – Timaru District Council

(All amounts in \$NZ)

### Comprehensive Income for the year ended 30 June

	GROUP <sup>1</sup>		COUNCIL		
	Actual	Actual	Actual	Budget	Actual
	2014	2013	2014	2014	2013
	\$000	\$000	\$000	\$000	\$000
Income	82,716	88,673	74,244	70,647	71,380
Operating Expenditure	(64,287)	(70,044)	(58,207)	(60,002)	(55,698)
Finance costs	(5,540)	(5,105)	(4,773)	(6,238)	(4,617)
Share of surplus of associates	3,214	1,518	-	-	-
Library Collection debit revaluation reserve balance (expensed)	(107)	(53)	(107)	-	(53)
Net surplus/(deficit) before taxation	15,996	14,989	11,157	4,407	11,012
Taxation	(292)	(426)	-	-	-
<b>Net surplus/(deficit) after taxation</b>	<b>15,704</b>	<b>14,563</b>	<b>11,157</b>	<b>4,407</b>	<b>11,012</b>
<b>Attributable to:</b>					
Timaru District Council	15,627	14,081	11,157	4,407	11,012
Non-controlling Interest	77	482	-	-	-
Operating Land Valuations	-	331	-	-	-
Financial Instrument Hedging	-	40	-	-	-
Income Tax relating to Financial Instrument Hedging	-	(11)	-	-	-
Total Other Comprehensive Income	-	360	-	-	-
Total Comprehensive Income	15,704	14,923	11,157	4,407	11,012
<b>Attributable to:</b>					
Timaru District Council	15,627	14,338	11,157	4,407	11,012
Non-controlling Interest	77	585	-	-	-

Note: <sup>1</sup> Timaru District Council group consists of Timaru District Council and its subsidiaries, Timaru District Holdings Limited, Aoraki Development Business and Tourism Ltd (both 100% owned) and Downlands Water Supply Joint Venture (82% owned)

## Changes In Equity for the year ended 30 June

	GROUP <sup>1</sup>						COUNCIL		
	Actual 2014			Actual 2013			Actual 2014	Budget 2014	Actual 2013
	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000
	Parent	Minority Interests	Total	Parent	Minority Interests	Total			
Total Comprehensive Income	15,627	77	15,704	14,338	585	14,923	11,157	4,407	11,012
Capital Gains	2	-	2	-	-	-	-	-	-
Prior Year Adjustment	-	-	-	-	-	-	-	-	-
Derecognition of subsidiary	18	(17,736)	(17,718)	-	-	-	-	-	-
Dividends paid	-	-	-	-	-	-	-	-	-
Equity at beginning of year	780,755	17,659	798,414	766,417	17,074	783,491	720,127	714,295	709,115
<b>Equity at end of year</b>	<b>796,402</b>	<b>-</b>	<b>796,402</b>	<b>780,755</b>	<b>17,659</b>	<b>798,414</b>	<b>731,284</b>	<b>718,702</b>	<b>720,127</b>

## Financial Position as at 30 June

	GROUP <sup>1</sup>			COUNCIL	
	Actual 2014	Actual 2013	Actual 2014	Budget 2014	Actual 2013
	\$000	\$000	\$000	\$000	\$000
Equity - Parent	796,402	780,755	731,284	718,702	720,127
Equity - Minority Interests	-	17,659	-	-	-
<b>Total Equity</b>	<b>796,402</b>	<b>798,414</b>	<b>731,284</b>	<b>718,702</b>	<b>720,127</b>
Current assets	51,335	44,433	46,534	30,149	37,574
Non-current assets	872,368	878,309	795,340	807,189	786,375
Current liabilities	20,690	49,439	21,049	24,040	28,933
Non-current liabilities	106,611	74,889	89,541	94,596	74,889

## Cash Movements for the year ended 30 June

	GROUP <sup>1</sup>			COUNCIL	
	Actual 2014	Actual 2013	Actual 2014	Budget 2014	Actual 2013
	\$000	\$000	\$000	\$000	\$000
Cash Balance - 1 July	24,192	10,633	21,145	22,790	6,949
Cash removed on partial disposal of subsidiary	(3,663)	-	-	-	-
Net cash from operating activities	25,389	26,704	23,133	19,539	24,248
Net cash from investing activities	(26,536)	(23,521)	(35,673)	(31,924)	(21,428)
Net cash from financing activities	(179)	10,376	8,131	10,713	11,376
<b>Cash Balance - 30 June</b>	<b>19,203</b>	<b>24,192</b>	<b>16,736</b>	<b>21,118</b>	<b>21,145</b>

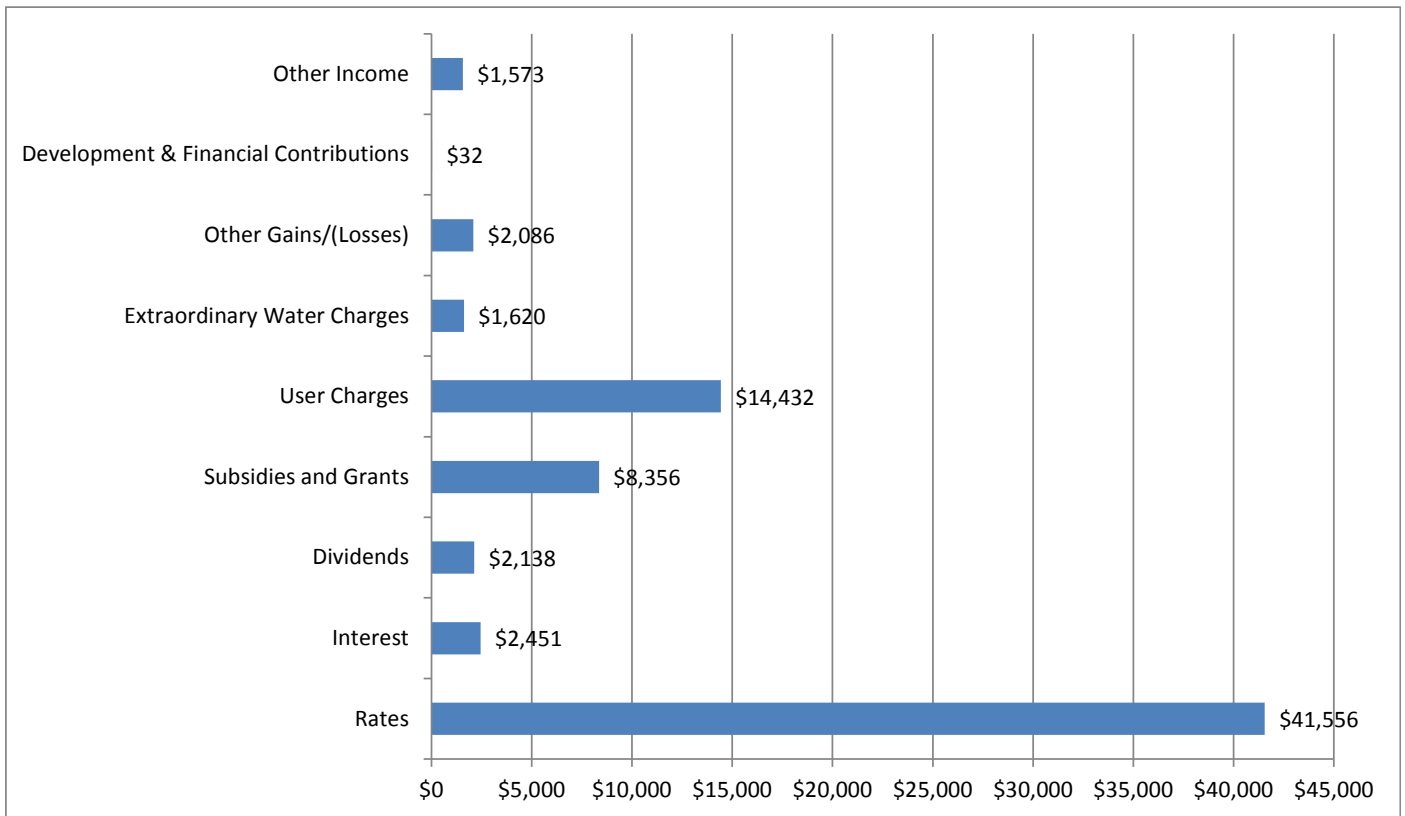
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## Operating Revenue

The Council received \$74.2m of operating revenue during the year, with \$41.6m (56%) from rates.

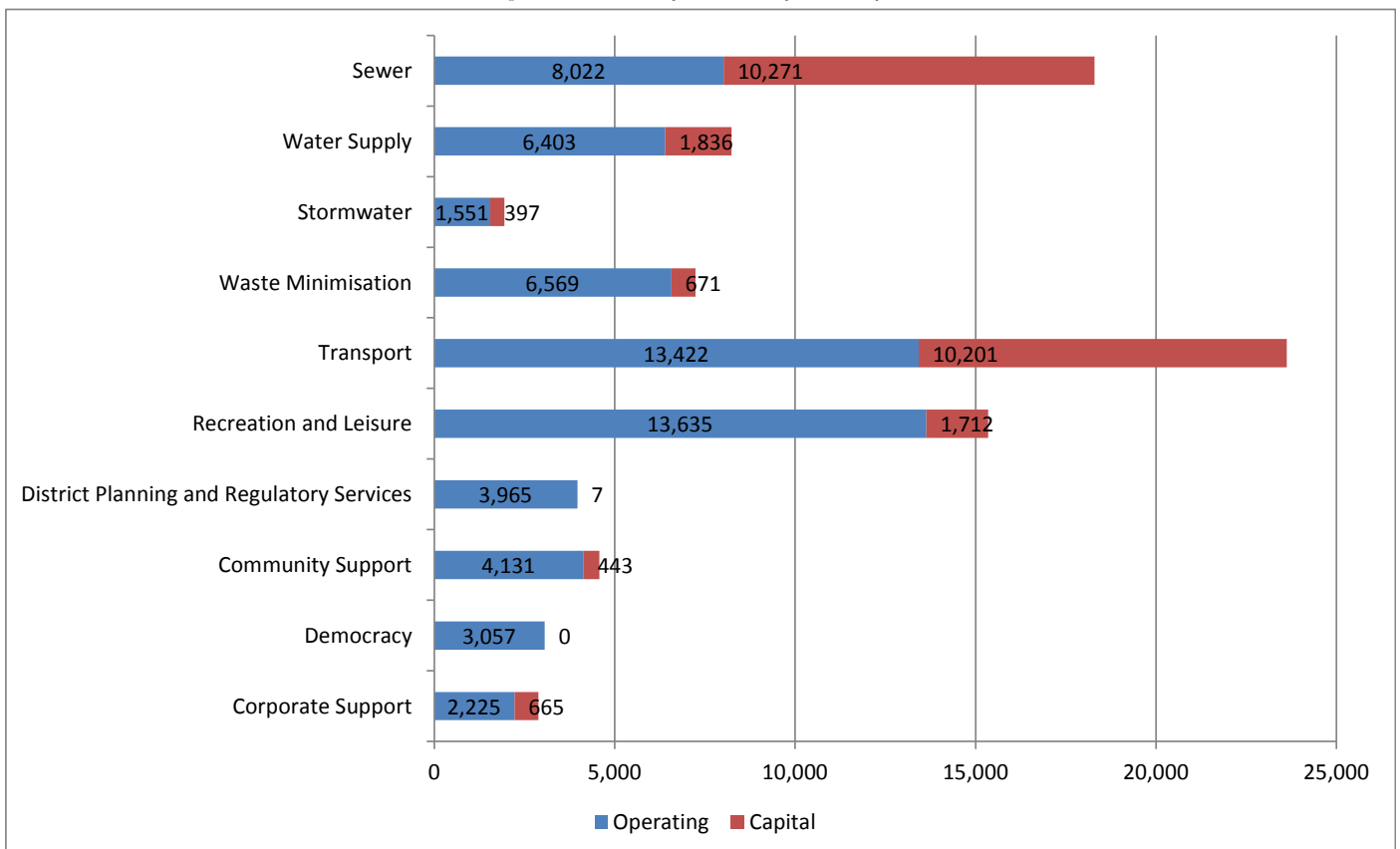
### Timaru District Council Operating Revenue by type 2013/14



## Expenditure

The Council spent \$63.0m on operating expenditure and finance costs and \$26.2m on capital expenditure during the year.

### Timaru District Council Expenditure by Activity 2013/14

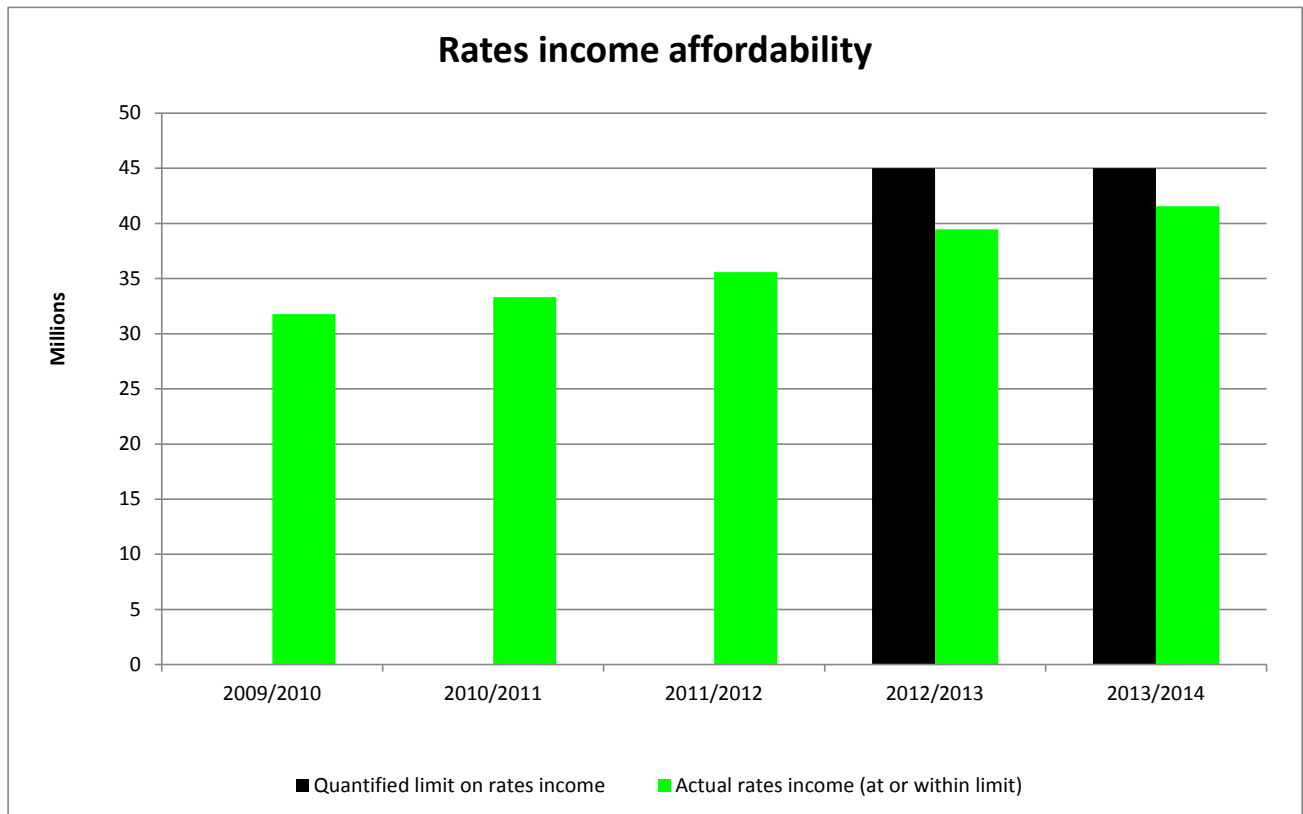


# Disclosure Statement

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

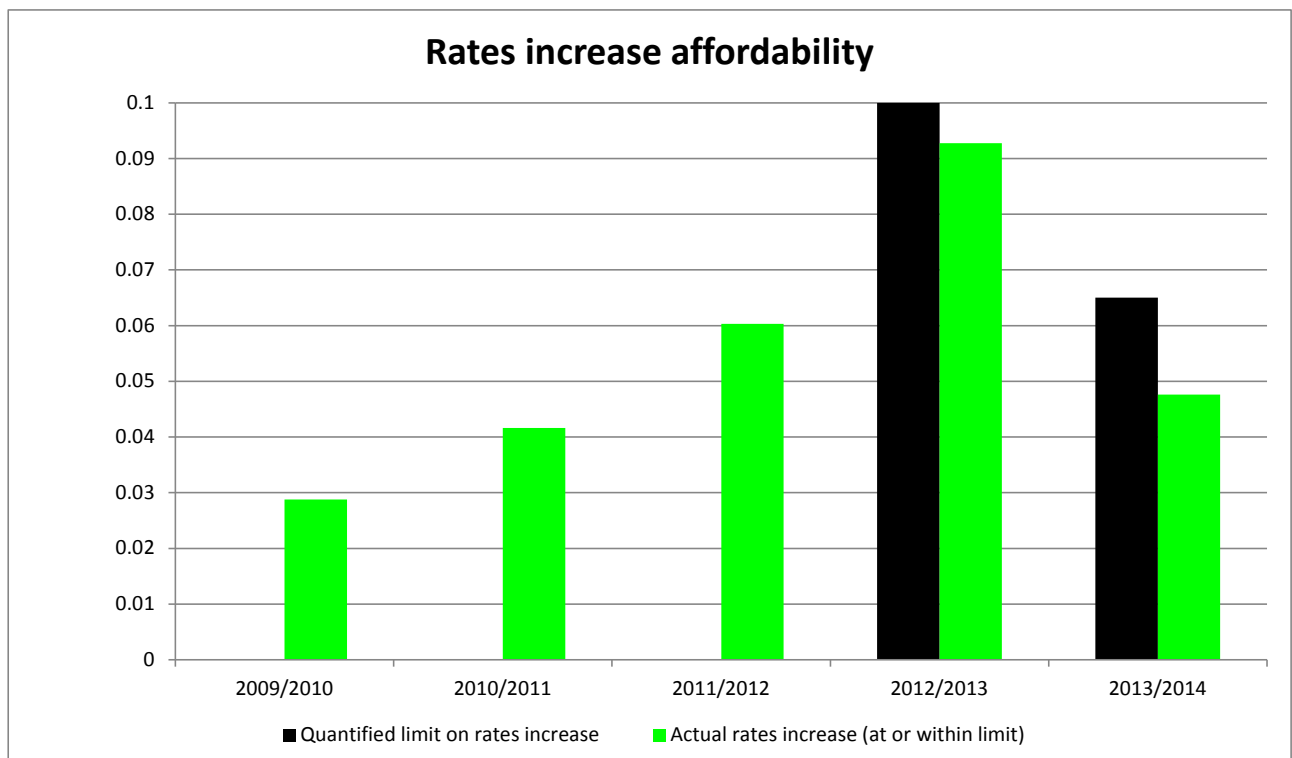
## 1. Rates (income) affordability benchmark

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



## 2. Rates (increase) affordability benchmark

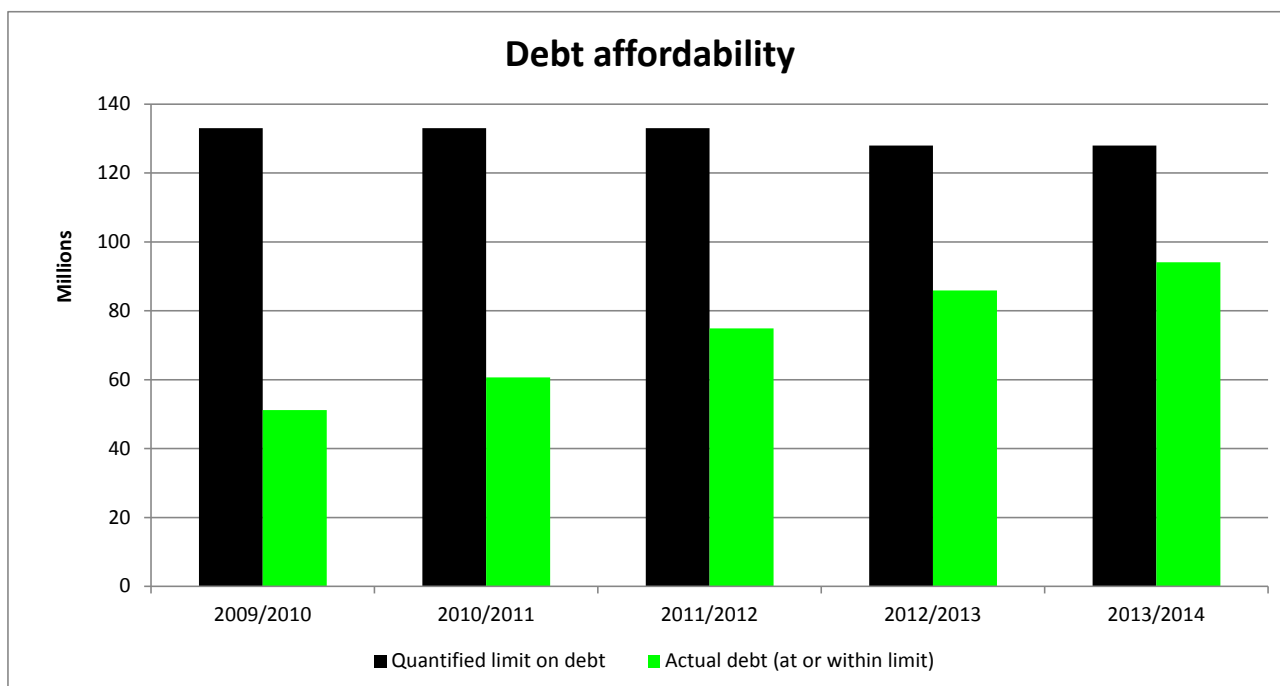
The following graph compares the Council's actual rates increases with a quantified limit on rates increases included in the financial strategy included in the Council's long-term plan. The quantified limit is 6% (from 2012/13), except for the 2012/13 year, where the limit is 10% and the 2013/2014 year, where the limit is 6.50%.



### 3. Debt affordability benchmark

The following graph compares the Council's actual borrowing with a quantified limit on borrowing stated in the financial strategy included in the Council's long-term plan. The quantified limit is \$128 million (from 2012/13).

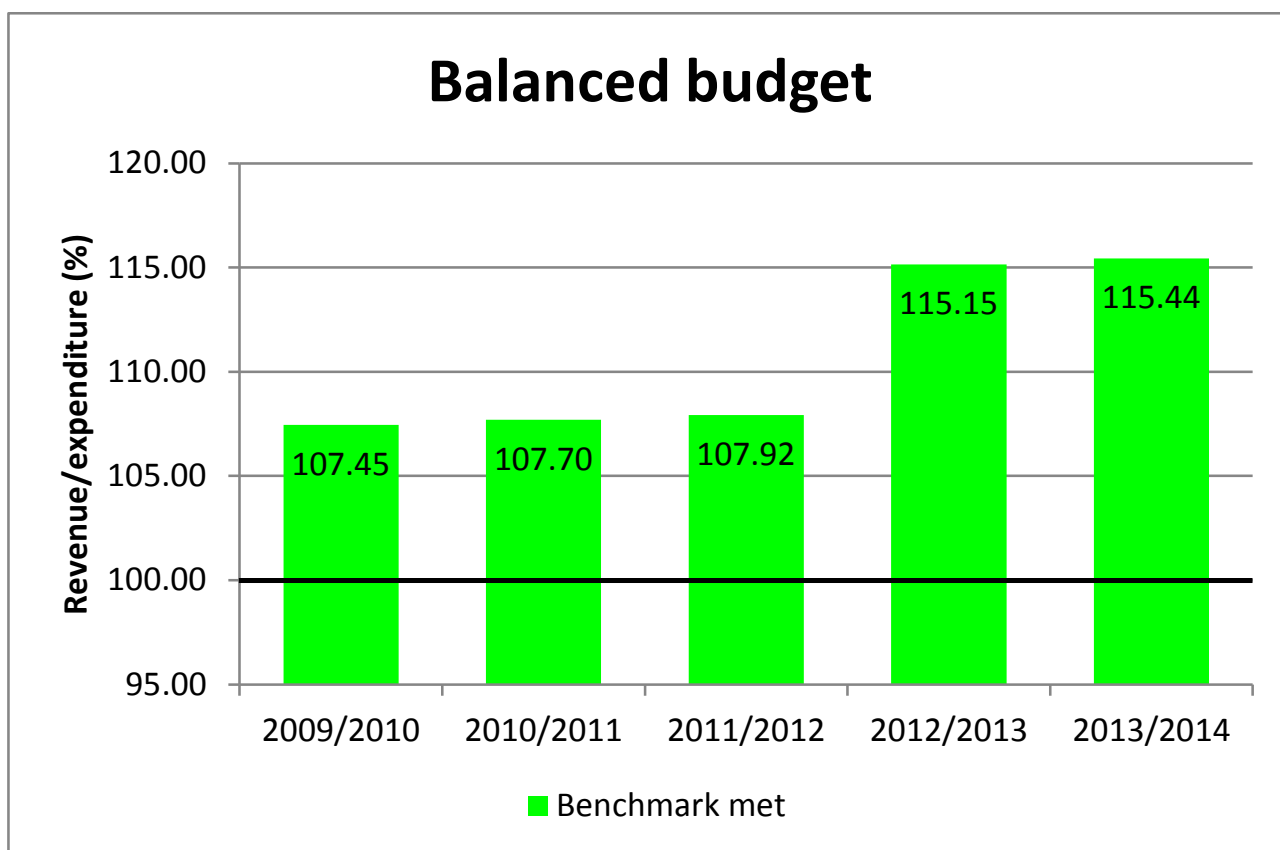
The Council meets the debt affordability benchmark if its actual borrowing is within each quantified limit on borrowing.



### 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.

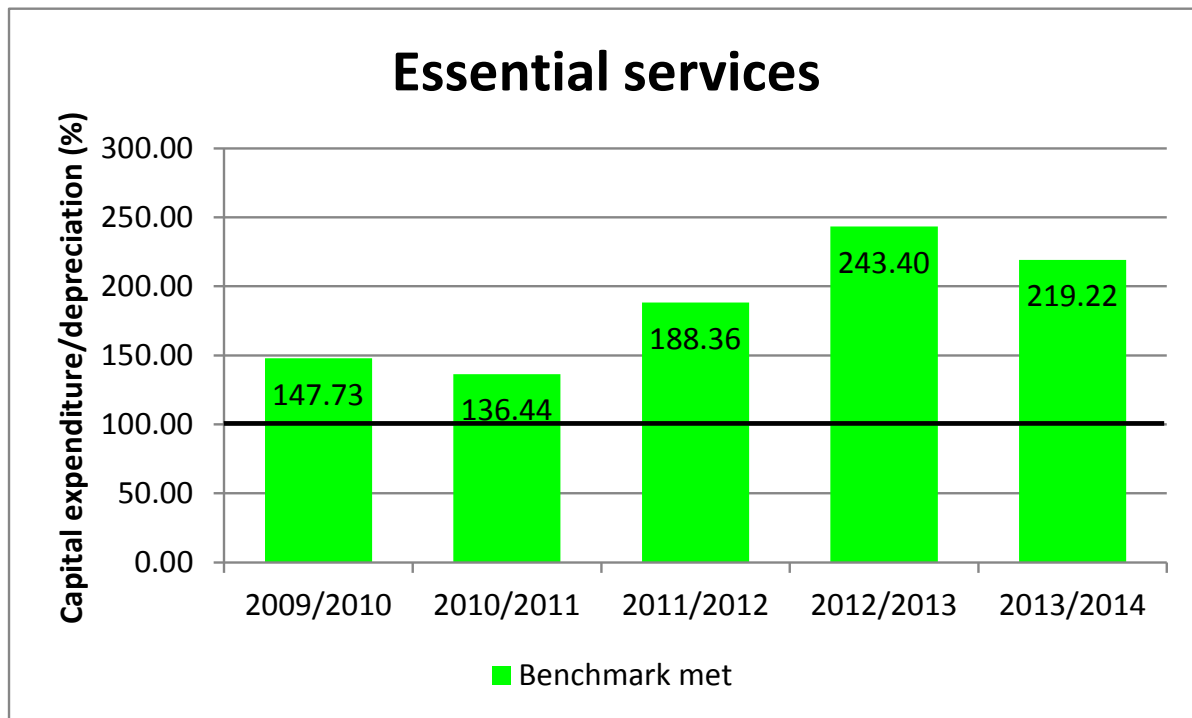




## 5. Essential services benchmark

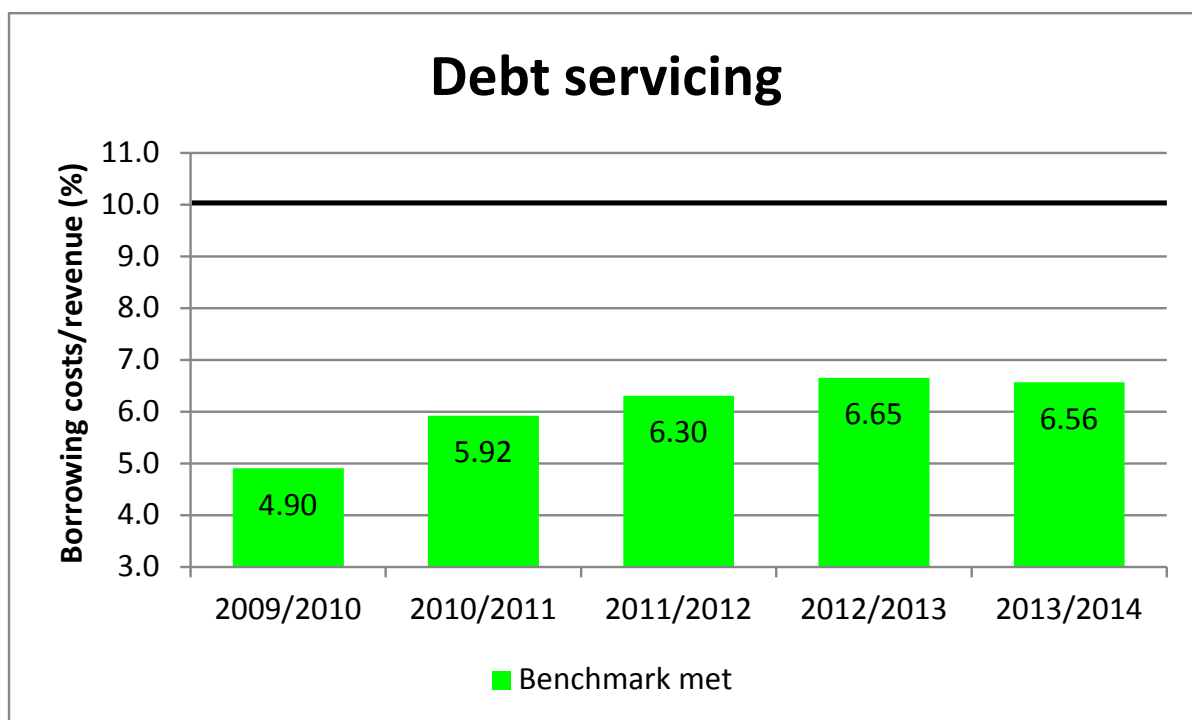
The following graph displays the Council's capital expenditure on network services as a proportion of depreciation on network services.

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

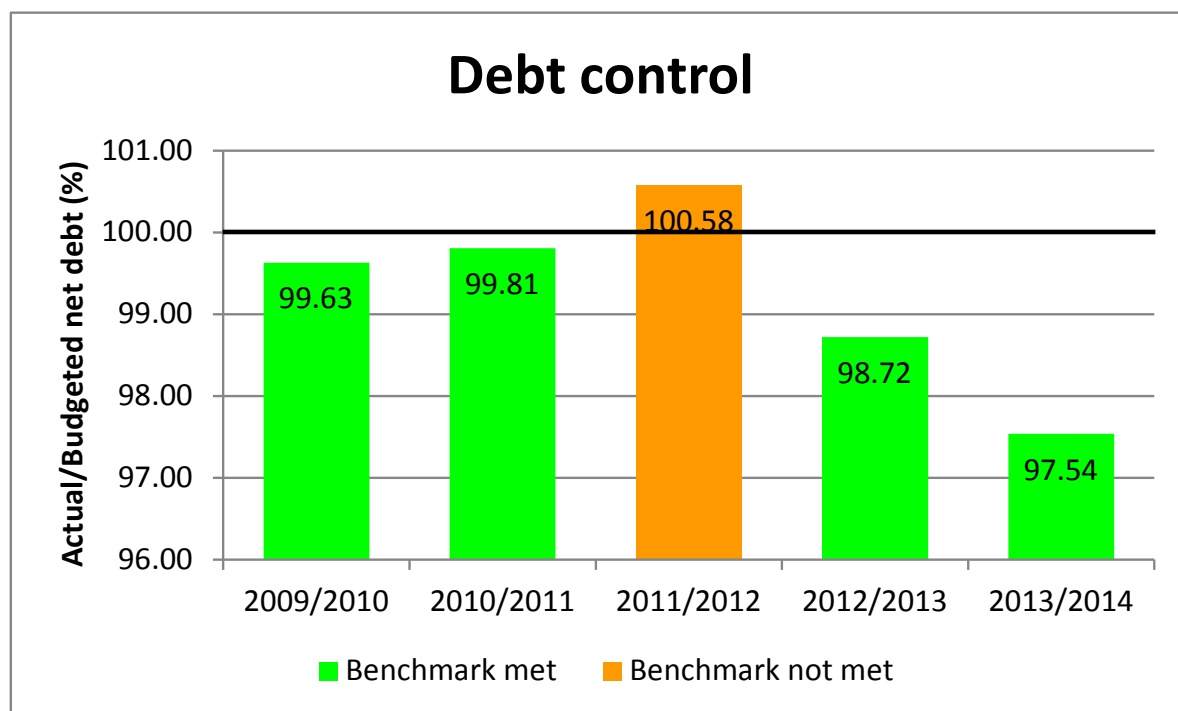
The following graph displays the Council's borrowing costs as a proportion of revenue (excluding development contributions, financial contributions, vested assets, gains on derivative financial instruments, and revaluations of property, plant or equipment). Because Statistics New Zealand projects the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

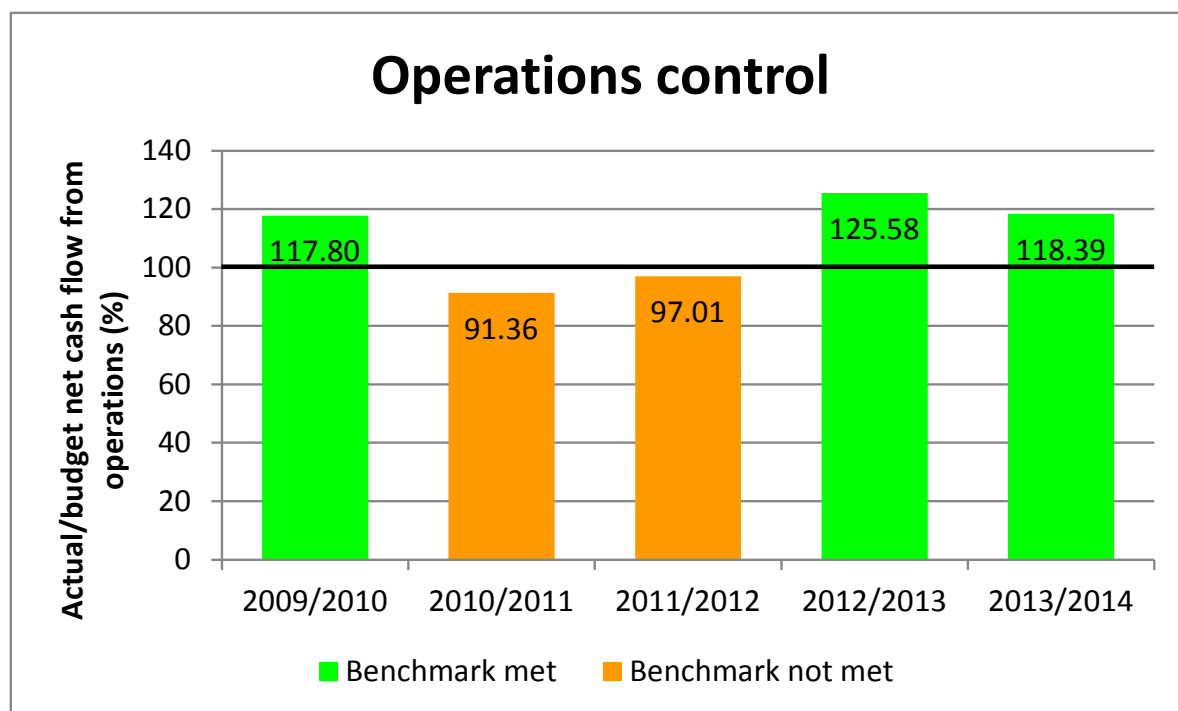
The Council meets the debt control benchmark if its actual net debt equals or is less than its planned net debt.



## 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.



## 1. Accounting Policies Basis of Preparation

The financial statements of Timaru District Council have been prepared in accordance with the requirements of the Local Government Act 2002: Part 6, Section 98 and Part 3 of Schedule 10, which includes the requirement to comply with New Zealand generally accepted accounting practice (NZ GAAP). These summary financial statements have been extracted from the full financial statements, which were authorised for issue on October 28, 2014.

The full financial statements have been prepared in accordance with NZ GAAP. As disclosed in the full financial statements they comply with NZ IFRS, and other applicable Financial Reporting Standards, as appropriate for public benefit entities.

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

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

The full financial report and this summary received an unqualified audit opinion. The full financial report was authorised by the Council on 28 October 2014. This summary was authorised by the Timaru District Council Group Manager, Corporate Services, Tina Rogers on 10 November 2014.

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

Timaru District Holdings Limited (TDHL) has a loan outstanding from TDC of \$22.2M (2013: \$22.2M). There are no fixed repayment terms for this loan. Dividends of \$2.1M (2013: \$2.3M) were paid by TDHL to TDC during the year.

TDC has contingent liabilities, including:

- Housing NZ has provided \$1.1M as at 30 June 2014 (2013: \$1.1M) towards the construction of social housing units. This advance is repayable with interest, if the Council withdraws its investment in joint funded social housing.

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

Together with the shareholders of LGFA and other guarantors, Timaru District Council is a guarantor of all of LGFA's borrowings. At 30 June 2013, NZLGFA had borrowings totalling \$3.7 billion (2013: \$2.3 billion).

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

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

## 2. Changes in Accounting Policy

All policies have been applied on a consistent basis with the previous year.



# Timaru District Council - Activity Performance

Some key highlights for Councils activities are summarised below. For full details, refer to the full Annual Report 2013/14 document.

Performance Measures for each activity are broken down to one of 4 categories:

- Achieved – met the target
- Nearly achieved – within 10% of the target
- Not measured
- Not achieved

An overall summary of the performance measures for each Council activity is at the end of this section.



## Democracy

### Elections

The 2013 local government elections were held, with a new Mayor and four new Councillors in Timaru Ward elected. Seven new Community Board members were elected to boards in Geraldine and Temuka.

### Local Alcohol Policy

A joint Mackenzie, Timaru and Waimate District Council Local Alcohol Policy was prepared and consulted on. A joint hearing was held with the policy developed to provisional stage, awaiting appeals to be heard.

### The Port

A 50/50 joint venture partnership for PrimePort Timaru was agreed between Timaru District Holdings Limited (TDHL) (a wholly owned subsidiary of Timaru District Council) and the Port of Tauranga (POT). This strategic partnership is already performing well.



## New Council Website

A new Timaru District Council website was launched. Two subsites were also launched covering the South Canterbury Museum and Timaru District Libraries. The website build has opened up numerous opportunities to enhance website services to the community, with online payments now available, MyTDC giving access

to online TDC account information, online ordering for Land Information Memorandums, improved mapping, better information, enhanced search capabilities, online job applications and many future enhancements possible.

The Council achieved 6 of its performance targets in this activity and did not achieve in 1.



## Community Support

### Temuka Cemetery

The Temuka Cemetery extension was completed, including an extension to the Taumatakahu Stream walking track, fencing, bridging and riparian planting.

### Civil Defence

The final draft of the Second Generation Canterbury CDEM Group Plan was adopted in June 2014. The plan is a strategic document that provides direction on how comprehensive, risk-based emergency management is carried out in the Canterbury region and will assist in setting Timaru district direction.

## Social Housing

The first year of the Social Housing Shower and Insulation Project was completed including the installation of wet area/box showers in 20 flats and replacement ceiling insulation in 36 flats. Under floor insulation was also installed in some units and one block of flats was re-roofed to enable the installation of better insulation.

## Safer Communities

Project Turnaround is one of the highest performing providers of Restorative Justice in New Zealand. This has been acknowledged by the Ministry of Justice with 93 restorative justice conferences.

## Aoraki Development Business and Tourism (ADBT)

ADBT managed a range of support tools for local businesses, including Training Courses, Business Resources, and Business Mentoring. It also supported events and projects which have raised the profile of Timaru such as Gigatown and the Business Excellence Awards.

The Council achieved or nearly achieved 21 out of 24 performance targets in this activity, with 3 not achieved.

## District Planning and Regulatory Services

### Building Unit

The unit retained accreditation following the 2014 review, carried out by International Accreditation New Zealand (IANZ) and enabled technical staff to begin working toward gaining a Diploma in Building Surveying through Otago Polytechnic. Staff hope to complete the course within three years.

### District Planning Unit

The Planning Unit processed 252 resource consents during the year, 98% of which were within statutory timeframes. The average time for processing consents improved significantly over last year's results.

### Health Unit

The unit had a very busy year with the implementation of the new Sale and Supply of Alcohol Act 2012 and

the development of the Local Alcohol Policy. The core roles were prioritised due to workload and this was reflected in some of the units performance measures.

The Council achieved or nearly achieved 11 of its 19 performance targets for this activity, with 2 not measured and 6 not achieved.

## Recreation and Leisure

### Aigantighe Art Gallery, South Canterbury Museum and Timaru District Libraries

The gallery mounted 22 popular exhibitions and the museum mounted 6. The libraries developed a new website and achieved a high degree of customer satisfaction in the 2014 Customer Survey (98%).

### Parks and Recreation

The unit celebrated the presentation of a plaque for Garden of Excellence to the Trevor Griffiths Rose Garden on Caroline Bay by the World Federation of Rose Societies and completed redevelopments at Sir Basil Arthur Park in Washdyke, with a carpark extension and new sportsfields sown.

### Caroline Bay Trust Aoraki Centre

C-Bay welcomed over 300,000 visitors through the doors, achieving a slight surplus against budget for the year and 25,000 individual Learn To Swim lessons were delivered.

The Council has 38 performance targets for this activity and achieved or nearly achieved 31 with 1 not measured and 6 not achieved.

## Roading and Footpaths

The Elginshire Street extension was completed and work commenced on the CBD refresh project. The district achieved a 5 year low for the total of fatal and injury vehicle crashes.

The Council has 22 performance targets for this activity and achieved or nearly achieved 18 with 4 not achieved.

## Sewer

Progress continues on the Wastewater Treatment Plant project, although there were delays caused by weather conditions affecting the ground conditions. The wetland pond is planted and filled, and oxidation pond 1A and maturation pond 2 are filled. The Queen Street pump station refurbishment is progressing and close to completion. The work has taken longer than anticipated, with electrical, control and commissioning to be completed.

The Council has 9 performance targets of which 8 were achieved and 1 was not achieved.

## Stormwater

Stormwater renewals were completed in Benvenue Avenue and Arun Street in Timaru improving stormwater management in these areas. Design for the second Gleniti dam bund was completed with construction planned for 2014/15. The bund will allow short term storage of stormwater.

The Council has 7 performance targets for this activity and it achieved all 7.



## Waste Minimisation

Diversion from landfill via recycling, composting and re-use was 20,445 tonnes, 2.1% under the combined target figure. Looking to the future the pre-build and drainage works for new landfill cell 3.4 at Redruth were completed.

The Council has 11 performance targets for this activity of which 9 were achieved or nearly achieved and 2 were not achieved.

## Water Supply

The watermain extension project to extend the watermain from Sheffield Street to the Wastewater Treatment Plant was completed. This has ensured a potable water supply to the Wastewater Treatment Plant and provides a water supply to future industries in the area.

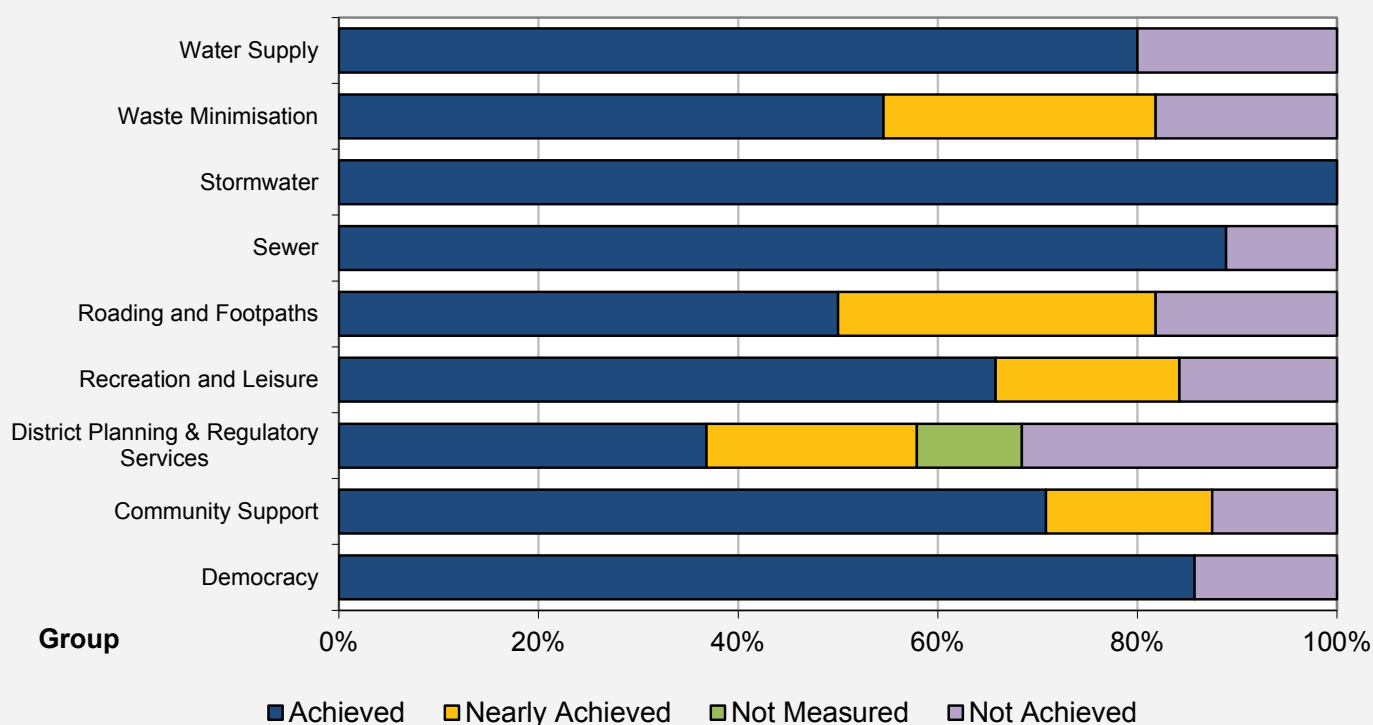
The realignment of water services at the intersection of Wai-iti Road, Morgans Road and Barnes Street is in progress. This project enables the realignment of water services prior to the construction of a roundabout.

The Council has 10 performance targets for this activity of which 8 were achieved and 2 were not achieved.



## Overall Performance Summary

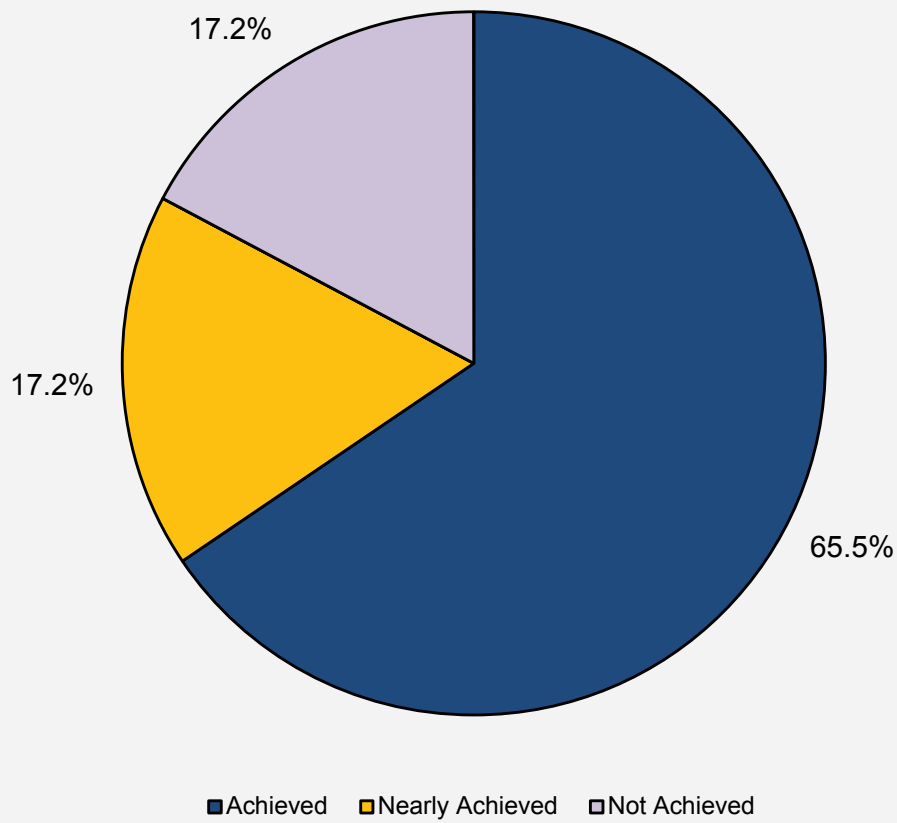
### Performance by Group of Activities 2013/14





## Overall Performance Summary 2013/14

(excluding not measured)



Museum visitors



New cell foundations for Redruth Landfill



New kerb and channel South Street leading to Patiti Point in Timaru



## Independent Auditor's Report

To the readers of  
Timaru District Council and group's  
summary annual report  
for the year ended 30 June 2014

The summary annual report was derived from the annual report of Timaru District Council (the District Council) and group for the year ended 30 June 2014. We have considered whether the summary annual report represents, fairly and consistently, the information regarding the major matters dealt with in the annual report.

The annual report included full audited statements, and the summary annual report includes summary statements. We have audited the following summary statements reported in the summary annual report on pages 13 to 24:

- the summary statement of financial position as at 30 June 2014;
- the summaries of the statement of comprehensive income, statement of changes in equity and statement of cash flows for the year ended 30 June 2014;
- the notes to the summary financial statements that include accounting policies and other explanatory information; and
- the summary statement of service provision (referred to as the Activity Performance) of the District Council and group.

We expressed an unmodified audit opinion on the District Council and group's full audited statements in our report dated 28 October 2014.

### Opinion

In our opinion:

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

### Basis of opinion

Our audit was carried out in accordance with the Auditor-General's Auditing Standards, which incorporate the International Standards on Auditing (New Zealand), and in particular with the International Standard on Auditing (New Zealand) 810: *Engagements to Report on Summary Financial Statements*. These standards require us to carry out procedures to confirm whether the summary annual report contains the information necessary, and at an appropriate level of aggregation, so as not to be misleading.

The summary statements and the full audited statements from which they were derived, do not reflect the effects of events that occurred subsequent to our report dated 28 October 2014 on the full audited statements.

The summary statements do not contain all the disclosures required for full audited statements under generally accepted accounting practice in New Zealand. Reading the summary statements, therefore, is not a substitute for reading the full audited statements in the annual report of the District Council and group.

### Responsibilities of the Council and the Auditor

The Council is responsible for preparing the summary annual report so that it represents, fairly and consistently, the information regarding the major matters dealt with in the annual report. This includes preparing summary statements, in accordance with FRS-43 (PBE): *Summary Financial Statements*. The Council is also responsible for the publication of the summary annual report, whether in printed or electronic form.

We are responsible for expressing an opinion on whether the summary annual report represents, fairly and consistently, the information regarding the major matters dealt with in the annual report and whether the summary statements comply with FRS 43 (PBE): *Summary Financial Statements*.











Other than in our capacity as auditor, which includes our report on the full financial statements, and the completion of a report pursuant to a debenture trust deed, we have no relationship with or interests in the District Council or any of its subsidiaries.

Julian Tan,  
Audit New Zealand  
On behalf of the Auditor-General  
Christchurch, New Zealand  
10 November 2014



## Your Council (as at 30 June 2014)

The Timaru District Council was established on 1 November 1989 following local government reorganisation. It comprises the former Timaru City, Geraldine and Temuka Boroughs and the Strathallan County areas. The current Council, elected in October 2013, is:

MAYOR			Phone / Fax	Email
	Damon Odey	Timaru	(03) 684 9325 (hm)	mayorspa@timdc.govt.nz
COUNCILLORS			Phone / Fax	Email
	Kerry Stevens	Geraldine	(03) 693 7442	kerry.stevens@timdc.govt.nz
	Richard Lyon (Deputy Mayor)	Pleasant Point - Temuka	(03) 614 7369 (hm)	richard.lyon@timdc.govt.nz
	Pat Mulvey	Pleasant Point - Temuka	(03) 615 8130 (hm)	pat.mulvey@timdc.govt.nz
	Anthony Brien	Timaru	(03) 686 0275 (hm)	anthony.brien@timdc.govt.nz
	Peter Burt	Timaru	(03) 688 4002 (hm)	peter.burt@timdc.govt.nz
	Steve Earnshaw	Timaru	(03) 686 6884 (hm)	steve.earnshaw@timdc.govt.nz
	David Jack	Timaru	(03) 686 9320 (hm)	dave.jack@timdc.govt.nz
	Tracy Tierney	Timaru	(03) 684 7743 (hm)	tracy.tierney@timdc.govt.nz
	Steve Wills	Timaru	(03) 686 9072 (hm)	steve.wills@timdc.govt.nz

# Timaru District Council Annual Report Summary

For the year ended 30 June 2014

Published on **10 November 2014** by Timaru District Council  
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