Annual Report

For the year 2025/2026



Timaru
District Council
Te Kaunihera ā-Rohe
O Te Tihi o Maru

timaru.govt.nz

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From the Mayor and Chief Executive

Nau mai ki tā mātou tirohanga rāpototo o te tau 2025/26.

From the Mayor



This year our district has continued to navigate a rapidly changing landscape. Much of our energy has gone into helping shape that change rather than waiting to see what arrives.

When I introduced the Annual Plan for 2025/26, I said we were preparing to take an active part in the upcoming reforms and advocate for the best outcome for our district. That is a fair description of the year we have had.

The most significant piece of that work is the Head Start proposal developed alongside Mackenzie, Waimate and Waitaki. Rather than wait for a reorganisation to be designed for us elsewhere, four councils have put forward a proposal of our own.

It is grounded in how services are actually delivered across our districts, and in what our communities and our infrastructure need. Engaging with our communities and forming the proposal based on joint aspirations with our neighbours means we are in the conversation early with a considered position of our own, rather than reacting to someone else's.

We also progressed decisions about how water services will be delivered to our communities, and possibly to neighbouring ones, under the Local Government (Water Services) Act 2025. Central South Island Water has been established with our neighbours Mackenzie District Council, and both Councils have collaborated over the year to ensure we set the new entity up for success.

We made submissions on the changes that will shape how every council operates. From Resource Management to Local Government System Improvements, and all the proposed changes that connect in between. Each of those decisions will affect what we are able to do here in the near future and long term, and we have argued our district's case on all of them.

Advocacy that happens over the heads of the people it affects is worth very little. Through the year we talked with residents, ratepayer groups, rural communities and business about what reform means for services on the ground, through drop in sessions, public meetings, on our social media and via print.

Through all of it, the everyday work of the district carried on. Essential service delivery of our water supply, rubbish collection, and wastewater disposal continued alongside maintenance of our open spaces and roads, and continued access for our communities of all our cultural, learning and recreation facilities.

My thanks to our staff, to my fellow elected members, and to the residents who took the time to tell us what mattered to them. The decisions ahead of this district are of a kind we have not faced in nearly forty years. We meet them in better shape, and with more say in the outcome.

Nigel Bowen.
Mayor of Timaru District.

From the Chief Executive

If 2024/25 was a year of taking stock and re-focusing, 2025/26 has been about getting match-fit: making sure the organisation is financially sustainable, well run, and still delivering the services our communities depend on while the sector around us changes.

Cost discipline has remained at the heart of our approach. We set out to deliver the year with a rates increase of 9% rather than the 12% signalled in the Long Term Plan 2024–34, through a mixture of operational savings, a lower drawdown of debt and a more favourable interest environment.

That was not a one-off exercise. It built on the organisational restructure completed the year before, and on continued scrutiny of the day-to-day operating costs that make up the largest share of rates each year.

We finished the year with an operating surplus of $11.3m against the budgeted deficit of $1.2m and delivered $65.5m of the $80.4m capital programme. The programme included continued work on the Aorangi Stadium upgrade and the Theatre Royal and Museum projects, alongside the less visible renewals in water, roading and waste that keep the district running.

Work has been progressing on the establishment and transfer agreements relating to the water and wastewater assets and liabilities. In addition, we developed a proposal for the possibility of a wider reorganisation as part of the Crown reforms. This also involves reviewing the Council's cost structures, workflows and service levels based on evidence. Improving that information has been a priority through the year, to ensure that Council is position for change such as through rates caping and resource management.

I want to acknowledge the professionalism of our staff. Delivering a full work programme while also preparing the organisation for structural change asks a great deal of people. My thanks also to the Mayor and elected members for their support and direction through a demanding year.

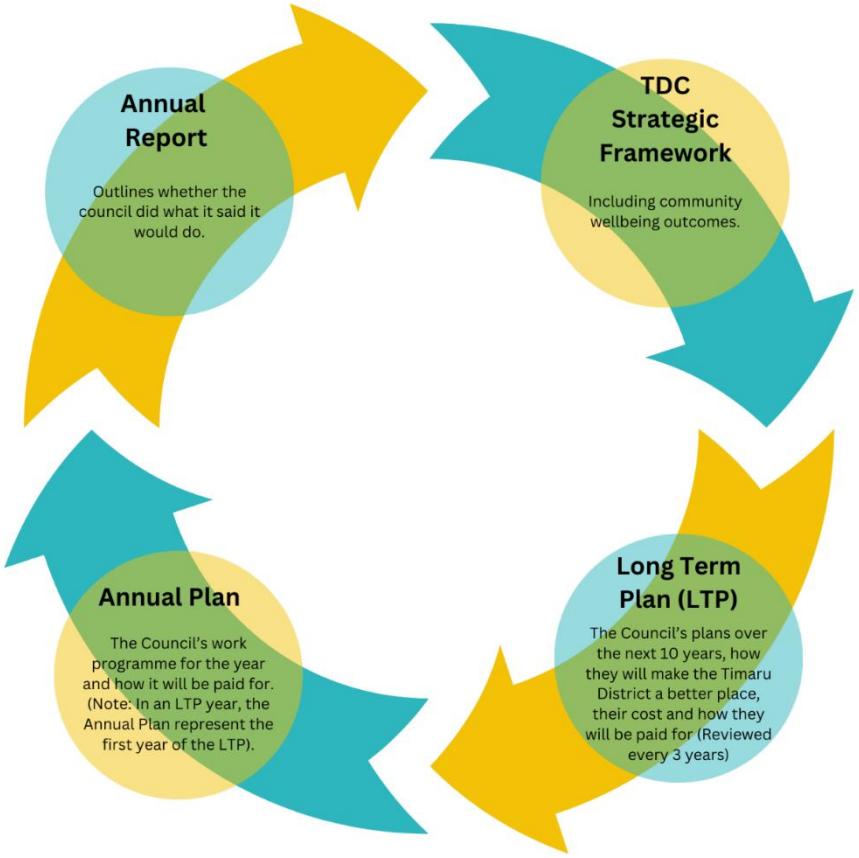
The year ahead will require continued discipline, adaptability and collaboration. I am confident that we are well positioned to meet it.

Nigel Trainor,
Chief Executive, Timaru District Council.

About the Annual Report

The purpose of the Annual Report is to explain how we delivered on the 2025/26 Annual Plan (Year Two of the 2024-34 Long Term Plan).

The diagram below shows our planning and reporting cycle.



The report details our achievements and progress for our ten Groups of Activities as follows.

DEMOCRACY

COMMUNITY SUPPORT

- Airport
- Climate Change and Sustainability
- Community Development
- Community Facilities (includes public toilets, cemeteries)
- Economic Development
- Emergency Management
- Social Housing

CORPORATE ACTIVITIES

DISTRICT PLANNING & ENVIRONMENTAL SERVICES

- Building Control
- District Planning
- Environmental Compliance (includes environmental health, animal control, parking enforcement)

RECREATION AND LEISURE

- Cultural and Learning Facilities (includes art gallery, halls, theatre royal, libraries, museum)
- Parks (includes parks, fishing huts, motor camps, forestry)
- Recreational Facilities (includes Caroline Bay Trust Aoraki Centre, swimming pools, Southern Trust Events Centre)

ROADING AND FOOTPATHS

STORMWATER

WASTEWATER

WATER SUPPLY

WASTE MANAGEMENT

Our Strategic Direction

Vision

Where people, place and business prosper within a healthy, adaptable and regenerative environment.

Our Values and Role

Inclusive Leadership

Through inclusive leadership, citizens play an active role in the District, creating shared responsibility and a connected vision for the future.

Cultural Caretakers

Protecting and regenerating our unique cultural and environmental heritage so that we can retain a strong sense of identity for current and future generations.

Transition Navigators

Being adaptable to change by embedding the principles of agility and resilience into our approach towards enhancing our community wellbeing outcomes.

Connected citizens

GOALS:

Connected Citizens embrace social connection and learning through sharing stories and ideas, and civic engagement. This Community Wellbeing Outcome seeks to actively support the contribution of citizens in activities that foster inclusion, agency and democracy.

FOCUS AREAS:

1. Enabling Community: We will enable community ownership of projects, by supporting community groups and initiatives.
2. Open to Ideas: We will actively support the contribution of citizens in activities to foster inclusion and democracy.
3. Sharing Stories: We will support the growth of local identity, and community pride through sharing stories, learning and documenting local history.
4. Foster Iwi Relationships: We will develop collaborative relationships with papatipu runanga.
5. Advocacy and Leadership: We will advocate and encourage citizens to contribute ideas and perspectives in an easily accessible way.

Enhanced Lifestyle

GOALS:

Enhanced Lifestyle focuses on providing a healthy community environment, that enables affordable access to the range of facilities, opportunities and resources we need to thrive.
This Community Wellbeing Outcome seeks to enhance lifestyle and strengthen equity within our community.

FOCUS AREAS:

1. Facilities and Services: We will provide future proofed services and facilities to enhance the community.
2. Accessible and Active: We will enable an active lifestyle for everyone across the accessibility spectrum.
3. Shared Spaces: We will develop and maintain shared spaces that support community activity, diversity and foster pride.
4. Affordability: We will strive to ensure affordability and equitability are at the heart of our planning.
5. Health & Wellness: We will create opportunities for all citizens to live within a safe, healthy community, where wellness needs are embraced.

Sustainable Environment

GOALS:

At the heart of our sustainable environment is the practice of kaitiakitanga. It is our role to be guardians of our natural environment.
This Community Wellbeing Outcome seeks to encourage the regeneration of our environment and foster a culture of sustainability.

FOCUS AREAS:

1. Clean Environment: We will prioritise sustainable land and water use to help regenerate our environment.
2. Kaitiakitanga: We will foster a strong connection between our people and the environment.
3. Low Carbon and Energy: We will promote and support low-carbon, low- energy practices.
4. Minimise Waste: We will lead and promote waste minimisation.
5. Encourage Biodiversity: We will support practices, partnerships and policies to protect and regenerate our native flora and fauna.

Diverse Economy

GOALS:

Enabling the conditions for a diverse and prosperous economy that creates local, national and international opportunity for a thriving community.
This Community Wellbeing Outcome seeks to build on our unique local strengths to create a prosperity now and for future generations.

FOCUS AREAS:

1. Leverage Local Strength: We will leverage local strengths to retain and grow local talent.
2. Sustainable growth: We will support sustainable growth in the right place.
3. New and Niche: We will encourage innovation and new opportunities to further diversify our economy.
4. Thriving Business: We will create opportunities for local businesses to thrive through networks & support.

Resilient Infrastructure

GOALS:

Investing in the future through well-conceived and planned projects that support the growth and wellbeing of the community and the environment.
This Community Wellbeing Outcome considers the critical transitions we are facing creating a sustainable platform for future generations.

FOCUS AREAS:

1. Invest for Future: We will invest in high quality infrastructure to meet the needs of our community.
2. Apply Good Practice: We will use quality data and good practice to enable high quality infrastructure decision-making.
3. Responsive Planning: We will prioritise resilience in our planning for future infrastructure.
4. Engage with People: Council will engage with our community to develop solutions to future infrastructure challenges.

Working with manawhenua

The Council recognises Kati Huirapa o Arowhenua holds manawhenua status from the Rakaia in the north to Waitaki in the south including the Timaru District.

In recognising its relationship with manawhenua Council is required to take appropriate account of the principles of the Treaty of Waitangi when carrying out its duties under the Local Government Act (LGA) 2002 and the Resource Management Act 1991. The relationship between manawhenua and the Timaru District Council reflecting, at a local level, the partnership relationship between the Crown and its Treaty Partners.

Section 81 of the LGA requires all local authorities to establish and maintain processes to provide opportunities for manawhenua to contribute to Council's decision-making processes. It also requires councils to consider ways to foster the development of the capacity of manawhenua to contribute to these processes and to provide manawhenua with relevant information.

The RMA has specific requirements for Council to engage with manawhenua when preparing and reviewing the district plan and to consider tangata whenua values as part of decision-making on resource consent applications. While engagement is provided specifically within the project planning for the District Plan Review and other key Council projects it is important that the Long Term Plan recognises these obligations and provides for adequate resourcing and timeframes to ensure an appropriate level of engagement on relevant Council projects.

It is also important that Council recognises its relationship with manawhenua under all legislation it administers, not just the LGA and the RMA. It is also important that the Council look for opportunities to strengthen its role and relationship with manawhenua in any government legislative reforms process.

Council will ensure all its key policy and decision-making processes include opportunities for discussion with manawhenua, through their mandated representatives, at the earliest opportunity and before any decisions are made; and endeavour to provide resources to help facilitate that engagement.

Council shall provide opportunities for manawhenua to engage in the development of key policy and plans, including long term plans and annual plans, and on resource management plans, policies and strategies including the process, timing and content of plan or policy development and review. Opportunities are also considered for appointments on planning and resource consent hearing committees.

To assist in this commitment, the Council has signed a Service Level Agreement with Aoraki Environmental Consultancy Limited (AEC). AEC is mandated by Arowhenua to help advise councils and other agencies on issues of interest to Arowhenua Runanga, to facilitate consultation with Arowhenua and to ensure timely and appropriate input into policy, plans, resource consents and processes on behalf of Arowhenua.

Council's Senior Leadership team are available to meet with mana whenua representatives as required.

Mana whenua interests in Council activities are broad. Arowhenua has a strong connection to the land including within the Timaru District. Arowhenua has a deep sense of responsibility to ensure the whenua (land) and wai (water) will continue to provide for their mokopuna - 'for those who come after us'.

Current specific projects between the Council and mana whenua include:
- Exploring potential for transfer of powers to make decisions over ancestral land.
- Appropriate use of traditional place names.
- Spatial planning for growth of the district.
- Protection and enhancement of mahika kai (traditional food and other natural resources and the places where those resources are obtained).
- Management and protection of significant sites including rock art, wahi tapu and wahi taoka sites.
- Stormwater and sewerage management.
- Management of natural hazards including flooding and coastal erosion.
- Effects of industrial development and expansion at Waitarakao / Washdyke

Your Councillors and Community Boards (as at 30 June 2026)



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Geraldine Community Board

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Shane Minnear (Deputy Chair)	029 646 6327	shane.minnear@timdc.govt.nz
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Sarah Foley-Smith	027 596 3838	sarah.foley-smith@timdc.govt.nz
Rachel Wilson	027 756 0054	rachel.wilson@timdc.govt.nz
Jan Finlayson	021 502 297	jan.finlayson@timdc.govt.nz

Plus Geraldine Ward Councillor Philip Harper

Pleasant Point Community Board

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Anna Lyon (Deputy Chair)	027 560 6883	anna.lyon@timdc.govt.nz
Cale Toomey	027 413 1555	cale.toomey@timdc.govt.nz
Kathy Wilkins	021 260 3933	kathy.wilkins@timdc.govt.nz
Amy-Lee Trainor	027 604 6707	amy-lee.trainor@timdc.govt.nz

Plus Pleasant Point- Temuka Ward Councillors Michelle Pye and Scott Shannon

Temuka Community Board

	Phone	Email
Charles Scarsbrook (Chairperson)	027 615 5500	charles.scarsbrook@timdc.govt.nz
Nicola Nimo (Deputy Chair)	021 662 942	nicola.nimo@timdc.govt.nz
Ali Talbot	027 205 7604	ali.talbot@timdc.govt.nz
John Jackson	027 202 5180	john.jackson@timdc.govt.nz
Kathy Campbell	027 350 6113	kathy.campbell@timdc.govt.nz

Plus Pleasant Point- Temuka Ward Councillors Michelle Pye and Scott Shannon

Timaru District Profile

Arowhenua as Manawhenua of Timaru District

Ngāi Tahu are a Treaty Partner of the Crown and Arowhenua are manawhenua of the area administered by the Timaru District Council. Ngāi Tahu is the collective representation of whānau and hapū who share a common ancestry and are tangata whenua (people of the land). Information on Council's relationship with manawhenua is provided earlier in this document.

Geography and climate

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

Timaru District is the fourth largest district by population and sixth largest by area in the Canterbury region. It has a population density of 16.5 persons per square kilometre.

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

Demographics

As at 30 June 2024 Timaru District's population was 49,500, with an average growth rate over the last 5 years of 0.5%. Population projections, based on a medium growth scenario, project the district's population to increase to 49,700 by 2033, reaching 51,600 in 2053 (+0.2% average annual increase). In recent years the 'natural' population increase has been negative, with the number of deaths exceeding births. This reflects the age makeup of the district's population.

The population is expected to age in the future, with Timaru District currently having a higher-than-average aging population compared to all of New Zealand. Virtually all growth in future years is projected to be in age groups 65+, with the proportion of 65+ projected to increase by close to 30% in the 2023-53 period.

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

Our Communities

Timaru is the largest community, housing nearly two thirds (31,845 estimated population as of June 2024) of the total population of the district. The next largest community is Temuka (4,840), followed by Geraldine (3,120) and Pleasant Point (1,520).

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Our communities are well serviced with education, health and recreational services along with a vast range of clubs and organisations. Health New Zealand – Te Whatu Ora South Canterbury is the major health provider, with Ara Institute of Canterbury providing tertiary education services.

Our Economy

GDP growth in the Timaru District was provisionally 2% for the year to June 2026. The increase is higher than the NZ national figure of 1.7%. These figures highlight that the economy in this district is beginning to grow at a slightly faster rate than the economy as a whole. This has been supported by strong primary sector returns through livestock pricing and dairy volumes, an increase in visitor spending and guest nights and growth in consumer spending.

The Timaru District economy is strongly influenced by its agricultural heritage. From its birth in pioneering sheep farming, our richly productive agricultural sector has grown to become New Zealand's "food bowl".

Today's farming is heavily influenced by dairy, with horticulture, intensive cropping, meat and wool also playing an important role. Significant manufacturing, processing, engineering and distribution operations contribute to extensive export and domestic supply of a wide range of goods and services.

This provides an array of employment opportunities across all sectors from trades and manufacturing to the professional, service and primary sectors. The Timaru District prides itself on having one of the lowest unemployment rates in New Zealand, and in 2025/26 the District had unemployment rate of 3.7%, lower than the national rate of 5.4%.

The wider South Canterbury region enjoys reliable and accessible water for irrigation and industry – indeed some of the most affordable resource in the country. This continues to provide the impetus for the development and growth of successful food processing and exporting operations.

Our 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

Statement of Compliance

Compliance

The Council of Timaru District Council hereby confirms that all statutory requirements in relation to the annual report, as outlined in the Local Government Act 2002, have been complied with.

Responsibility

The Council and management of the Timaru District Council accept responsibility for establishing and maintaining a system of internal control designed to provide reasonable assurances as to the integrity and reliability of financial and service performance reporting.

In the opinion of the Council and management of the Timaru District Council. The annual Financial Statements and the Statement of Council Activities for the year ended 30 June 2026 fairly reflect the financial position and operations of the Timaru District Council and the group.





Nigel Bowen	Nigel Trainor
Mayor	Chief Executive
27 October 2026	27 October 2026

The Audit Office
Te Mana Arotake

Independent Auditor's Report

To the readers of the annual report of Timaru District Council for the year ended 30 June 2026

The Auditor-General is the auditor of Timaru District Council (the Council) and its subsidiaries (the Group). The Auditor-General has appointed me, Rudie Tomlinson, using the staff and resources of The Audit Office, to carry out the audit on his behalf.

We have audited the information in the annual report of the Council and the Group that we are required to audit in accordance with 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 Council has complied with the requirements of Schedule 10 of the Act (Schedule 10) that apply to the annual report; and
- the completeness and accuracy of the Council's disclosures about its performance against benchmarks that are required by the Local Government (Financial Reporting and Prudence) Regulations 2014 (the Regulations).

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

Opinion on the audited information

In our opinion:

- the financial statements on pages 98 to 102 and pages 104 to 182 present fairly, in all material respects, the Council and Group's financial position as at 30 June 2026, and the results of the operations and cash flows for the year ended on that date, in accordance with Public Benefit Entity Reporting Standards; and
- the statement of service provision (reported as Council Activities) for the year ended 30 June 2026 on pages 29 to 31 and pages 34 to 91:
    - is appropriate and meaningful and prepared in accordance with the Council's measurement bases or evaluation methods and Public Benefit Entity Reporting Standards; and

- presents fairly, in all material respects, the Council's actual levels of service for each group of activities, including the levels of service achieved compared with the intended levels of service, whether any intended changes to levels of service were achieved, and the reasons for any significant variation between the levels of service achieved and the intended levels of service; and

- the funding impact statement for the year ended 30 June 2026 on page 103 has been prepared, in all material respects, in accordance with clause 30 of Schedule 10;

- the funding impact statements for each group of activities for the year ended 30 June 2026 on pages 34 to 91 have been prepared, in all material respects, in accordance with clause 26 of Schedule 10; and

- the statements comparing actual capital expenditure to budgeted capital expenditure for each group of activities for the year ended 30 June 2026 on pages 34 to 91 have been prepared, in all material respects, in accordance with clause 24 of Schedule 10.

Report on the disclosure requirements

We report that:

- the Council has complied with the information disclosure requirements of Part 3 of Schedule 10 for the year ended 30 June 2026; and

- the Council's disclosures about its performance against benchmarks required by Part 2 of the Regulations for the year ended 30 June 2026 are complete and accurate.

Emphasis of matters

Without further modifying our opinion, we draw attention to the following disclosures:

Simplifying local government reform

The Government has announced it wants to simplify local government, including reducing the number of local authorities by amalgamations within regions. As described in note 33 on page 182, the Council is part of an amalgamation proposal under the Head Start pathway which may, if approved, be implemented before the 2028 local elections. The eventual outcome for the council is dependent on future Cabinet decisions and enactment of enabling legislation. Because of the significant uncertainty about the outcome and timing of any future reorganisation, the financial statements have continued to be prepared on a going concern basis.

Future of water delivery

We draw attention to the disclosure in note 32 on page 181 which outlines how the future changes in delivery of water services will affect the Council.

Basis for our opinion on the audited information and the disclosure requirements

We carried out our audit in accordance with the Auditor-General's Auditing Standards, which incorporate the Professional and Ethical Standards, the International Standards on Auditing (New Zealand), and New Zealand Auditing Standard 1 (Revised): *The Audit of Service Performance Information* issued by the New Zealand Auditing and Assurance Standards Board. Our responsibilities under those standards are further described in the *Responsibilities of the auditor for the audited information and the disclosure requirements* section of our 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 and our report on the disclosure requirements.

Responsibilities of the Council for the audited information and the disclosure requirements

The Council is responsible for preparing the audited information and the disclosure requirements in accordance with the Act. The Council's responsibilities include the preparation and fair presentation of the financial statements and service performance information in accordance with Public Benefit Entity Reporting Standards.

This includes:

- the selection of elements/aspects of service performance, performance measures and/or descriptions, and measurement bases or evaluation methods to enable the presentation of service performance information that is appropriate and meaningful; and
- the preparation of a statement of service provision, in accordance with the Council's measurement bases or evaluation methods, that provides an appropriate and meaningful basis to enable readers to assess what has been achieved for the year.

The Council is responsible for such internal control as it determines is necessary to enable it to prepare the audited information and the disclosure requirements that are free from misstatement, whether due to fraud or error.

In preparing the audited information and the disclosure requirements the Council is responsible for assessing the Council and the Group's ability to continue as a going concern. The 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 Council and the Group or there is no realistic alternative but to do so.

The Council's responsibilities arise under the Act and the Regulations.

Responsibilities of the auditor

Responsibilities 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 a 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 Council's annual plan or long-term plan, as applicable.

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 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 evaluate whether the selection of elements/aspects of service performance, performance measures and/or descriptions and measurement bases or evaluation methods present an appropriate and meaningful assessment of the Council's service performance.

- We evaluate whether the service performance information is prepared in accordance with the Council's measurement bases or evaluation methods, and presents fairly, in all material respects, in accordance with Public Benefit Entity Standards, the actual service performance achieved compared with the intended levels of service.

- 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 significant doubt on the ability of the Council and the

Group to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the information we audited 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 auditor's report. However, future events or conditions may cause the 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 plan and perform the group audit to obtain sufficient appropriate audit evidence regarding the financial information of the entities or business units within the group as a basis for forming an opinion on the Group audited information. We are responsible for the direction, supervision and review of the audit work performed for the purposes of the group audit. We remain solely responsible for our audit opinion.

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.

Responsibilities for the disclosure requirements

Our objective is to provide reasonable assurance about whether the Council has complied with the disclosure requirements. To assess whether the Council has met the disclosure requirements we undertake work to confirm that:

- the Council has made all of the disclosures required by Part 3 of Schedule 10 to the Act and Part 2 of the Regulations; and

- the disclosures required by Part 2 of the Regulations accurately reflect information drawn from the audited information and, where applicable, the Council's long-term plan and annual plans.

Our responsibilities for the audited information and for the disclosure requirements arise from the Act and the Public Audit Act 2001.

Other information

The Council is responsible for the other information included in the annual report. The other information comprises all the information included in the annual report other than the audited information and the disclosure requirements, and our auditor's report thereon.

Our opinion on the audited information and our report on the disclosure requirements do not cover the other information and we do not express any form of audit opinion or assurance conclusion thereon.

In connection with our audit of the audited information and our report on the disclosure requirements, our responsibility is to read the other information. In doing so, we consider whether

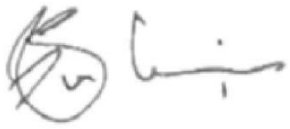
the other information is materially inconsistent with the audited information and the disclosure requirements, or our knowledge obtained during our work, or otherwise appears to be materially misstated. If, based on our work, we conclude that there is a material misstatement of this other information,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

Independence

We are independent of the Council and the Group in accordance with the Auditor-General's Auditing Standards, which incorporate the independence requirements of Professional and Ethical Standard 1: *International Code of Ethics for Assurance Practitioners (including International Independence Standards) (New Zealand)* as applicable for audits of public interest entities issued by the New Zealand Auditing and Assurance Standards Board.

In addition to the audit and our report on the disclosure requirements, we have performed a limited assurance engagement related to the Council's Debenture Trust Deed, which are compatible with those independence requirements.

Other than these engagements, we have no relationship with, or interests, in the Council or any of its subsidiaries.



Rudie Tomlinson
The Audit Office
On behalf of the Auditor-General
Dunedin, New Zealand
27 October 2026



The year in review



Overview Expenditure and Revenue

Overall operating expenditure was $3.11M higher than budget. The major items in this unfavourable variance were:

- Personnel costs under budget by $3.7m as a result of restructure and vacancy savings
- Finance costs under budget by $3.3m as a result of interest rates lower than budget, and a delay in borrowing for capital projects
- Depreciation $6.4m under budget, primarily due to delays in capital projects, together with adjustments arising from the prior year roading revaluation.

  Other losses were higher than budget, mainly due to loses recognised through the property plant and equipment reviews completed during the year. These included a $14.2m write off of assets previously recorded as work in progress, comprising:
  - $8.2m of expenditure incurred on earlier iterations of the Theatre Royal and Heritage Hub projects, which did not proceed as originally planned
  - $4.8m of roading project costs where the projects did not proceed.

  A further $2.4m related to the disposal of water services assets identified during the three-yearly revaluation cycle.

Overall actual revenue was $15.71M higher than budget. The major items in this favourable variance are:

- Subsidies and grants were $13.8 million over budget, primarily due to significant projects budgeted in the prior year commencing during the current year. This included:
  Aorangi Stadium - $2.7 million
  Theatre Royal - $8.9 million
  Grant funding of $3.4 million for Peel Forest remediation works, recognised in 2026.
- Financial revenue under budget by $2m as a result of interest rates being below budget
- Other revenue $2.1m over budget as a result of weighbridge charges resulting from Peel Forest remediation works (offset in expenditure) of $5.1m; offset by a historical infringement correction of $2.0m

Capital expenditure

During 2025/26 capital expenditure on Council's infrastructure, facilities and services totalled $65.5M.

Most of the expenditure was spent on our recreation & leisure (49.4%); roading network and footpaths (28.3%); and water supply (11.1%) activity groups, with the balance across wastewater (2.5%); stormwater infrastructure (3.6%); community support (1.7%); waste management (0.6%); and corporate activities (2.9%).

Capital achievements

2025/26 was another challenging year, however the council saw some progression of the three largest capital projects (Claremont Water Treatment Plant, Theatre Royal and Museum, and Aorangi Stadium).

Infrastructure projects in roading, waste, and stormwater all achieved at least 100% of their planned programme, and wastewater and water supply progressing 98% and 64% respectively of their planned programme.

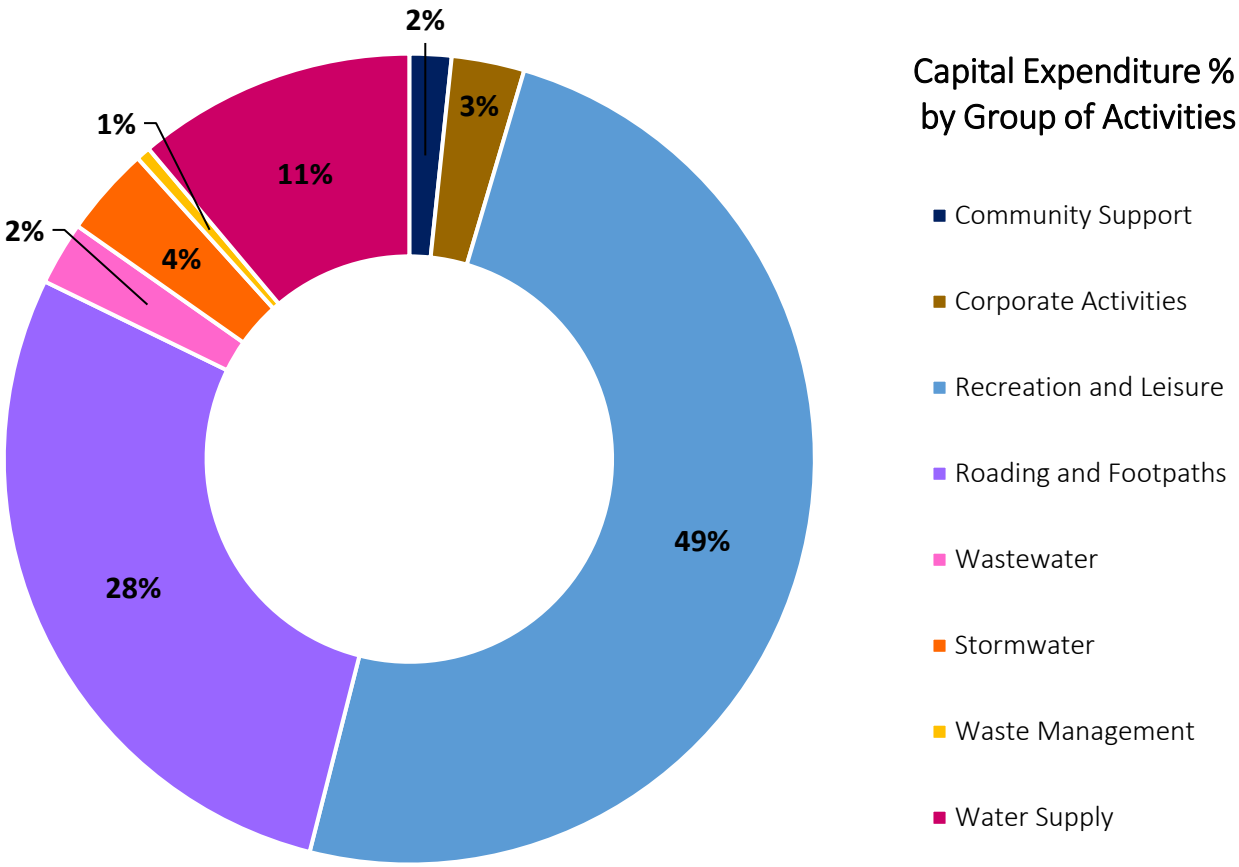
Major capital projects progressed include:

- Theatre Royal and Museum
- Aorangi Stadium
- Claremont Water Treatment Plant

Major projects in the infrastructure services include:

- Shared urban tracks
- Road improvement works
- Sealed Road Resurfacing
- Timaru stormwater Renewals and upgrade
- Reticulation Renewals and upgrade
- Wastewater Plant Renews and upgrade

Capital expenditure by group of activities



Operational achievements

2025/26 also posed some challenges to our operational work, however, despite this we achieved some positive outcomes for our community across a number of Council activities.

Major operational achievements include:

District Plan Review

Decisions on the Proposed Timaru District Plan were issued in March. This was the culmination of a lengthy hearing process that followed public notification of the proposed plan in September 2022.

Reaching this point of the process was a major milestone for a project that officially commenced over a decade ago. Receiving decisions and only 12 appeals has meant the majority of the proposed plan is now treated as operative creating a framework to assess development against.

With Resource Management reform once again on the horizon the Proposed Timaru District Plan creates a strong starting point, allowing Council to respond as the detail of the new planning system becomes clearer.

Establishment of our new water entity

In February 2026 the Council decided to set up a joint water organisation with Mackenzie District Council, giving effect to its Water Services Delivery Plan. The two councils were assessed as a good fit — they already share a water scheme and other services, and a two-council entity carried less financial risk than the larger groupings considered. In March the councils signed a commitment agreement setting out how they will work together, and formed a Joint Shareholders Committee to oversee the establishment. The new company will take over water supply and wastewater services, including the assets and the debt that goes with them, while stormwater stays with each council. Under the Local Government (Water Services) Act 2025 the company must be registered by 31 October 2026 and be delivering services from 1 July 2027.

Work through the remainder of the financial year focused on the practical steps needed to meet those dates. The committee began meeting regularly from April, and officers from both councils progressed the constitution and shareholders agreement that will govern the company, along with the transfer arrangements. Recruitment started for the establishment board, and two questions with implications beyond the two districts were worked through: the future of the Downlands Water Scheme, which is shared with Waimate District Council, and the options for delivering Stormwater services across both districts.

Planning for Theatre Royal reopening

During 2025/26, work focused on preparing the operational framework for the Theatre Royal's reopening in 2027. The draft operating model was developed, covering staffing structures, service delivery, operational responsibilities and financial planning, supported by the manuals, policies and procedures needed for safe and consistent venue operations.

Engagement with promoters, performing arts organisations, community groups and potential hirers began, building the forward programme and securing bookings from reopening onwards, alongside planning for the Grand Opening and community programme. Revenue planning covered venue hire, ticketing, food and beverage services, sponsorship, memberships and functions, with revenue expected to increase from 2028/29 once the venue moves beyond its establishment period. Work continued alongside the redevelopment project to ensure operational requirements are built in ahead of practical completion.

Youth Impact Awards 2026

The Youth Impact Awards demonstrated the power of collaboration, bringing together The Y, Timaru District Council, Tongan Society South Canterbury and Refugee Settlement Services to celebrate the diverse achievements and contributions of local rangatahi as part of Youth Week.

The awards recognised young people who strengthen their communities through leadership, service, personal growth, cultural contribution and commitment to others, highlighting the many ways young people make a positive impact.

The initiative also showcased the value of organisations working together to create meaningful opportunities to recognise, encourage and celebrate the young people who help shape our district.


MAERSK
ANIMATES
VINNIES

Biennial Resident Survey

Overview of results

Eighteen of the Council's level of service performance measures are drawn from resident satisfaction surveys. In 2025/26, seven measures were achieved, three were nearly achieved and eight were not achieved.

What we do well: Satisfaction met or exceeded target across all three waters services, the libraries, the Art Gallery, emergency preparedness and road safety awareness. Targets were not met for information provided by Council, the resource consent process, parks, waste management and four of the five roading measures.

The wider survey results show satisfaction improving across most services and infrastructure while overall perceptions of the Council declined slightly. Overall satisfaction with the Council's performance sits at 51 per cent, down two percentage points on 2023/24, and overall reputation — the strongest single driver of overall performance — fell from 53 to 46 per cent.

Group of activities	Performance measure	Target	Result	Achievement
Democracy	Resident satisfaction with information provided by Council	70%	54%	Not achieved
Emergency management	Residents who feel well prepared for a disaster	≥50%	51%	Achieved
Regulatory services	Resident satisfaction with the resource consent process	≥80%	40%	Not achieved
Leisure and cultural facilities	Satisfaction with the Art Gallery	≥90%	90%	Achieved
	Satisfaction with the libraries	≥90%	95%	Achieved
	Satisfaction with the museum	≥90%	88%	Nearly achieved
	Satisfaction with parks	≥90%	85%	Not achieved
	Satisfaction with the swimming pools	≥90%	87%	Nearly achieved
	Satisfaction with Aorangi Stadium	≥90%	89%	Nearly achieved
Roading	Satisfaction with maintenance and condition of sealed roads	≥50%	41.5%	Not achieved
	Satisfaction with maintenance and condition of unsealed roads	≥40%	36%	Not achieved
	Residents aware of road safety programmes or advertisements	60%	76.5%	Achieved
	Satisfaction with the safety of the road network	≥80%	61%	Not achieved
	Satisfaction that carparking provision meets residents' needs	≥70%	66%	Not achieved
Three waters	Satisfaction with condition and maintenance of stormwater services	≥60%	70%	Achieved
	Satisfaction with condition and maintenance of wastewater services	≥80%	95%	Achieved
	Satisfaction with condition and maintenance of water supply services	≥80%	89%	Achieved
Waste management	Resident satisfaction with waste management services and facilities	≥90%	84%	Not achieved

What we can improve: The survey also tracks broader perception measures that are not reported as levels of service. These recorded the lowest satisfaction in 2025/26 and point to where improvement would be most valued. Reputation is the strongest single driver of overall performance (52 per cent impact), with financial management, trust and quality of services the key reputation priorities.

Measure	Satisfied	Measure	Satisfied
Overall influence on and involvement in decision making	26%	Confidence the district is going in the right direction	44%
Overall financial management	28%	Overall reputation	46%
Rates being fair and reasonable	37%	Leadership	46%
Trust in Council	41%	How rates are spent on services and facilities	47%
Overall value for money	43%	Quality of services and facilities	55%

Climate Change

Oversight - how our climate change response is governed

The Climate Change Response Policy, adopted in February 2024, continues to provide the overarching framework for Council's organisational response to climate change for FY2025-2026.

Reporting climate change matters to governance transitioned from the former Environmental Services Committee to the Development and Growth Committee, and to wider Council where necessary. This maintained elected-member oversight while positioning climate considerations alongside wider development, planning and organisational decision-making.

In March 2026, the Development and Growth Committee endorsed the Climate Change Mitigation and Adaptation Priorities 2026/2027 document. The refreshed priorities document builds on the 2024 working plan, recorded progress achieved, and identified practical areas for further action.

Strategy - where actions are focussed

During FY2025 – 2026, Council continued to translate its climate policy into practical action. Emphasis was placed on initiatives where Council has direct influence over, such as its own emissions and costs, including fleet, energy use, waste, procurement, and the use of climate information in project decisions.

Solar feasibility

Initial scoping and analysis for solar photovoltaic generation at select Council facilities occurred. This work identified opportunities to use on-site renewable generation to reduce purchased electricity, lower operational energy costs and reduce exposure to future electricity price increases.

Lower-emission fleet transition

Council progressed lower-emission fleet procurement during FY2025 – 2026 with the purchase of an electric vehicle. This work considered operational suitability alongside whole-of-life costs and emissions benefits.

Embedding climate considerations into Council processes

Work to incorporate climate change considerations into routine Council processes progressed through the development of Climate Screening Criteria. This is intended to support proportionate assessment of greenhouse gas impacts and climate-related physical risks when projects and proposals are developed. Additionally, climate change considerations are now broadly captured in Activity Management and Asset Management planning.

Metrics - greenhouse gas impacts of council operations

Council completed an annual greenhouse gas inventory to measure emissions associated with its operations. Due to the timing of data collection and verification, the latest inventory available for this Annual Report covers 1 July 2024 to 30 June 2025 period. The inventory for this period was independently audited by Toitū Envirocare.

Timaru District Council	
Financial Year	Gross tCO2e
FY 2024 – 2025	27,244.16
FY 2023 – 2024	33,269.22
FY 2022 – 2023	31,526.55

CCO and CCTO Venture Timaru, and Timaru District Holdings Limited	
Financial Year	Gross tCO2e
FY 2024 – 2025	26.33
FY 2023 – 2024	21.14

Key greenhouse gas emission sources	FY2024 - 25 (tCO2e)
Waste landfilled - Redruth	6836.65
Composting	6833.65
Forestry harvesting	3,756.00
Wastewater treatment	3,111.95
Diesel	1,532.69
Civil engineering services (spend based)	1,437.23
Electricity	1,139.53
Non-residential building construction (spend based)	844.20
Staff commuting	788.33
Architectural and engineering services (spend based)	427.12
Total gross emissions - all sources	**27,244.16**

Gross emissions for FY2024-2025 were 27,244.16 tCO2e, a decrease of approximately 18.1% from FY2023-2024 and 13.6% below the FY2022-2023 base year. The largest emissions sources during FY2024-2025 were waste landfilled at Redruth, composting and forestry harvesting.

**TDHL emissions do not include its investments in Alpine Energy Ltd and PrimePort Timaru Limited.*

**No emissions measurement was made for CCO and CCTO's in FY2022-2023.*

Risk management - adaptation and mitigation actions undertaken

Council's climate change focus continued to centre on understanding climate risks and ensuring that resilience considerations can inform long-term planning, infrastructure investment and asset renewal.

The draft Climate Screening Criteria developed during the year is an important part of this approach. It is intended to help identify when a project requires a standard, enhanced or more detailed level of climate consideration, allowing the scale of assessment to reflect the significance, lifespan and exposure of the proposal.

Community and Organisational Engagement

Council continued to support climate awareness through its existing public information resources, *Personal Responses to a Warming Planet* booklet, developed with Waimate District Council. The Climate Change Unit also continued engagement with community members, groups and regional partners involved in climate mitigation and adaptation initiatives.

Within Council, the emphasis during FY2025-2026 increasingly shifted toward supporting other units to incorporate climate considerations into their own work. This reflects the intent of the Climate Change Response Policy whereby climate response is most effective when it is integrated into the decisions of asset managers, project managers, procurement, finance, planning and other operational teams rather than being delivered by the Climate Change Unit alone.

Regional Partnerships

Timaru District Council continued to participate in the Canterbury Climate Partnership Plan (CCPP), the collaborative climate programme of Canterbury's councils through the Canterbury Mayoral Forum.

This collaboration supports Council's mitigation and adaptation work by improving access to shared evidence and tools. Through FY2025-2026 the Canterbury Climate Partnership progressed work on regional natural and climate hazard information, options for risk visualisation tools, and a Climate Change Risk and Vulnerability Assessment for Canterbury's ecosystems. These regional initiatives are intended to support more consistent and evidence-based adaptation and resilience planning across council boundaries.

Statement of Council Activities

This and the following pages of the Annual Report constitute part of the Activities and Service Performance Information.

Democracy Group – Pages 34 – 38.

Community Support Group – Pages 39 – 43.

Corporate Activities Group – Pages 44 – 46.

District Planning & Environmental Services Group – Pages 47 – 52.

Recreation & Leisure Group – Pages 53 – 59.

Roading & Footpaths Group – Pages 60 – 65.

Stormwater Group – Pages 66 – 69.

Wastewater Group – Pages 70 – 74.

Water Supply Group – Pages 75 – 86.

Waste Management Group – Pages 87 – 91.

"The Activities and service performance information comply with New Zealand generally accepted accounting practice (NZGAAP)".

Statement of Council Activities

This section describes the work and performance of the Council's Groups of Activities for the 2025/26 year.

- What we do – Activities included within each group and their key functions.
- Contributions to Community Wellbeing Outcomes – Which community wellbeing outcomes these activities contribute to.
- Highlights and Challenges – Some of the highlights and challenges for each activity.
- Service Performance – Summary of how Council performed against performance measures for each activity.
- Financial Information – Funding impact statement that shows how each group of activities has been paid for.

Council has 10 groups of activities as outlined below including the Corporate Activities group that provides support across the organisation. All groups of activities, except for Corporate, have achievement targets.

- **Democracy**
  - Democracy services
  - Engagement and consultation
  - Corporate planning and performance monitoring

- **Community Support**
  - Airport
  - Climate Change and Sustainability
  - Community Development
  - Community Facilities (includes public toilets, cemeteries)
  - Economic Development
  - Emergency Management
  - Social Housing

- **Corporate Activities**
  - Chief Executive
  - People and Capability
  - Information Technology
  - Financial services
  - Risk and Legal Services
  - Communications and Engagement
  - Customer Services
  - Management
    - Infrastructure
    - Planning and Regulatory
    - Land Transport Unit
    - Drainage and Water
    - Parks and Recreation

- **District Planning & Environmental Services**
  - Building Control
  - District Planning
  - Environmental Compliance (includes environmental health, animal control, parking enforcement)

- **Recreation & Leisure**
  - Cultural and Learning Facilities (includes art gallery, halls, Theatre Royal, libraries, museum)
  - Parks (includes parks, fishing huts, motor camps, forestry)
  - Recreational Facilities (includes Caroline Bay Trust Aoraki Centre, swimming pools, Aorangi Stadium)
  - Rangitata Huts Water Supply

- **Roading and Footpaths**
  - Roading and footpaths includes street lighting.
  - Parking
  - Cycleways and walkways

- **Stormwater**
  - Stormwater treatment and management

- **Wastewater**
  - Domestic and commercial wastewater collection and treatment
  - Trade waste collection and treatment

- **Water Supply**
  - Urban water treatment, supply and maintenance
  - Rural water treatment, supply and maintenance

- **Waste Management**
  - Landfill and Recycling
  - Kerbside collection

How we measure our service performance

Key Performance Indicators (KPIs) for the year 1 July 2025 – 30 June 2026 were set in the Long Term Plan 2024-34.

They provide an overview of Council's performance on key projects and initiatives, and progress towards our outcomes.
We have 101 performance measures with targets that we report on across 9 groups of activities, although we have 10 groups of activities, we do not have any performance targets for Corporate Activities set out in LTP 2024-34. Overall Council achieved 65 measures, nearly achieved 15 measures, did not achieve 19 measures, and did not measure 2. The 2 measures that are not reported this financial year relate to 2 Building Control measures which will be measured in 2026/27.

Under the Local Government Act 2002 for the 2025/26 financial year we are required to provide standard performance measures so that the community may compare the level of service provided in relation to the following groups of activities:

- Water Supply
- Wastewater
- Stormwater
- Roading and Footpaths

Department of Internal Affairs Te Tari Taiwhenua guidance has been followed in measuring performance against all mandatory measures.

Material judgements of service performance have been applied using resident surveys.

To measure the quality of our outputs we use a number of residents surveys to gain insight on community perceptions of our services. For activities other than Roading and Footpaths, results are based on survey data undertaken on a biennial basis by Key Research Limited. FY 2025/26 is a survey year.
The statistical validity of the survey is determined by using the following methodology:

- **Approach:** Email invites were sent by Council to residents who had registered interest in taking part in the survey. Reminder emails were sent periodically to maximise responses. The survey was run in three waves, each with a target sample of 133 responses. In wave 1, 12 responses received through a public link were used to reach the target.
- **Fieldwork dates:** 10 November to 9 December 2025, 3 February to 11 March 2026, and 5 May to 10 June 2026.
- **Invitations and responses:** 662 email invitations were sent. A total of 404 responses were received, comprising 392 from email invitations and 12 from the public link.
- **Statistical confidence:** Weighted to Census 2023 demographics, 95% confidence level, ±4.88% margin of error
- **Treatment of results:** 'Don't know' responses are excluded unless otherwise specified. Results are reported in whole numbers, which may result in a rounding difference of one percentage point in some instances.

Land Transport results are based on a Key Research survey of residents over 2025/2026.
The methodology involves a postal to online survey, with additional responses obtained via email invitation from the 2024/25 survey panel. Invitation letters containing an embedded link to an online survey were sent to a random selection of 3,600 residents aged 18 years or older across the Timaru District sourced from the Electoral Roll.
An additional 262 invitation emails, which included a link to the survey, were sent throughout the fieldwork period.
Hard copy surveys with a freepost return option and phone interviews were made available upon request.

- A total of 404 survey responses were received throughout the year from residents of Timaru District
- Data collection is managed to quota targets by age, location and gender, and post data collection, the sample is weighted so it is aligned with population distributions.
- When satisfaction is mentioned, it refers to the percentage of residents who provided a rating of 6 to 10 out of 10 on the satisfaction rating scale.
- Due to rounding, percentages may add to plus or minus 1% over or under totals.
- Significant differences across sub-groups were tested by comparing the percentage 'satisfied' (i.e., provided a rating of 6 to 10; excluding 'don't know' responses) across the groups.
- Significant differences were tested across the following groups: age, ward, gender and rural/urban

External implications for statements about performance
There are conditions that affect the service performance results and may result in a variation from the anticipated or forecasted results. These are ones which are outside our control. Examples of this are, but are not limited to, changes in government policy in New Zealand, global and domestic economic conditions and international policy that may impact areas such as recruitment, availability of materials and supplies (for example materials required for critical infrastructure), volatility in international financial markets and other unforeseen circumstances.
Statement of council activities - service performance reporting (PBE FRS 48)

The statement of service performance is formally classified from pages 28 to 91.

The relevant legislation governing the requirement of reporting of the Council's service performance is Part 3 of Schedule 10 of the Local Government Act 2002.

The Statement of Council Activities has been prepared in accordance with PBE standards and is for the year ended 30 June 2026. The statement was authorised for issue by the Council on 27 October 2026.

In preparing the Statement of Council Activities, the Council has made judgements on the application of reporting standards and has made estimates and assumptions concerning the measurement of certain service performance targets. The main judgements are discussed below.

The service performance measures in this annual report are intended to compare the actual results of activities delivered by Timaru District Council against the forecast levels of service. The service performance measures were originally adopted in the 2024-2034 Long Term Plan and continued in the 2025/2026 Annual Plan.

The service performance measures are reported on to Council each quarter during the relevant annual period. The annual results are then reported in the relevant Annual Report for the year to 30 June.

The performance measures were selected to cover quantitative measurement of progress towards the Council's Long-Term Plan and Annual Plan. The final measures included in this Annual Report are broken down into the 9 groups of activities, providing a holistic set that give a rounded picture of the non-financial performance of the Council. Each group has a set of metrics that were identified through the 2024-2034 Long Term Plan involving Council and management. This process ensured the selected measures best reflect the Council's performance and are available in a timely and accurate manner.

There are a number of performance measures identified in the Service Performance tables that are mandatory performance measures set under section 261 B of the Local Government Act 2002. The Secretary for Local Government promulgated the Non-Financial Performance Measures Rules 2024 to enable a reasonable comparison across all councils.

Council is legally required to meet specific timeframes under certain legislation. These timeframes are reported on to provide transparency to the public. For activities where there are legislative requirements through various Acts or through the mandatory performance measures, there are few significant judgements to make. Council is required to report on these measures and to meet specific standards. The measures are integral to the function of the activity.

Where actions within an activity do not fall within the three areas previously described, but can be qualitatively measured, Council has chosen to include these within the performance measures. These measures directly relate to the levels of service for the activity, such as measurements relating to the diversion of waste from landfill in the Waste Management activity. These measures describe the fundamentals required to undertake these activities. The measure is reported as achieved or not achieved, with little judgement to be made.

Local Government (Systems Improvement) Amendment Act 2026

The Local Government (System Improvements) Amendment Act 2026 came into force on 19 September 2026. It replaced the purpose of local government in section 10 of the Local Government Act 2002 and amended the annual report requirements in Schedule 10, including clause 23(1)(d), which now requires a description of any identified effects that the Council's activities have had on the community. This report covers a year planned under the previous framework, and the descriptions of each group's contribution to community wellbeing reflect the Long Term Plan 2024–34. Identified effects on the community, including any negative effects, are described in each group's section.

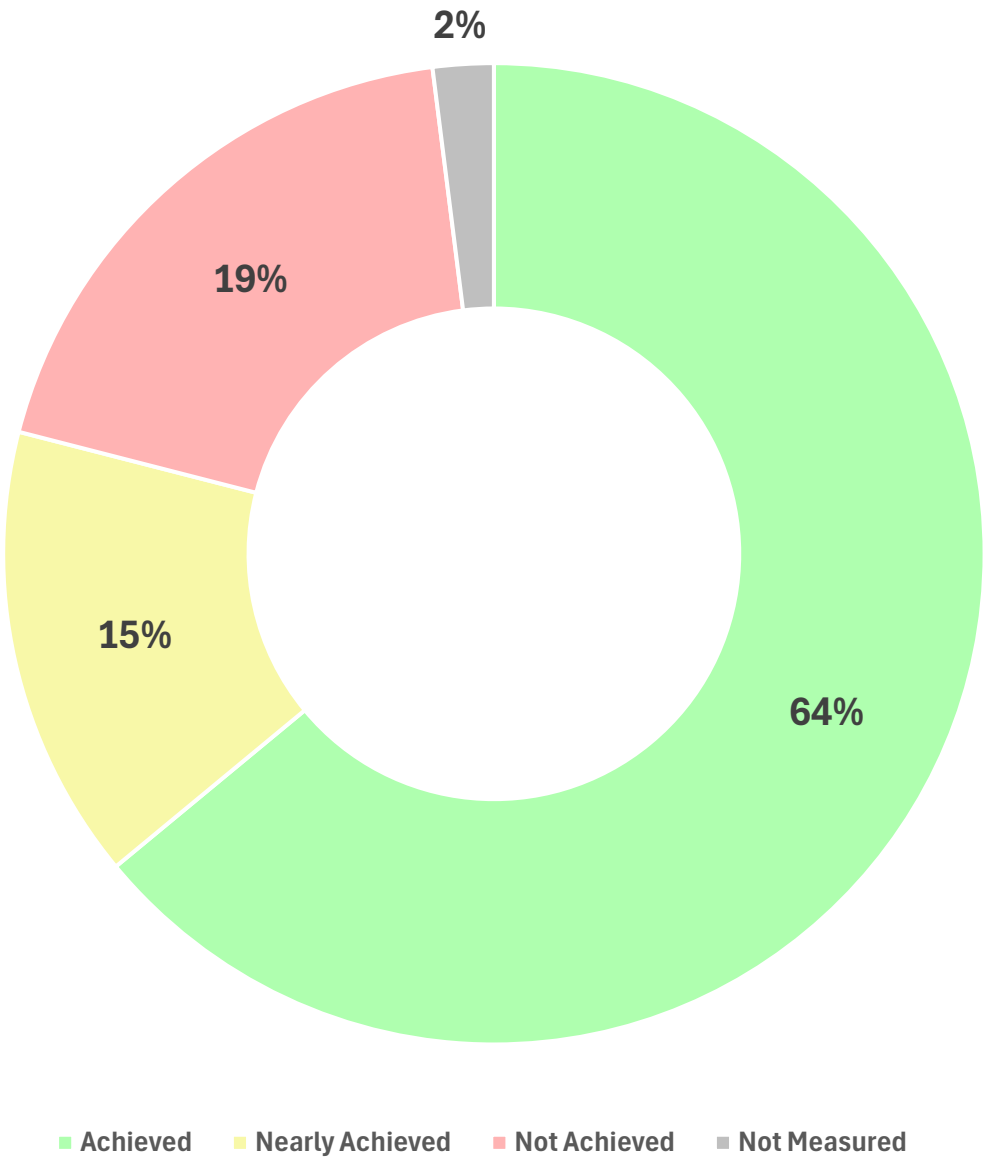
Changes to levels of service

The community outcomes to which each group of activities contributes are set out in the Long Term Plan 2024–34. Other than the level of service measures reported in this section, the Council did not undertake separate measurement of progress towards those outcomes in 2025/26. No changes to levels of service were intended for 2025/26 in the LTP 24-34.

Standard Measures of Achievement

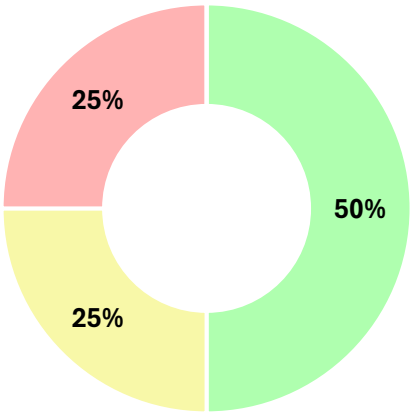


Overall Performance Summary

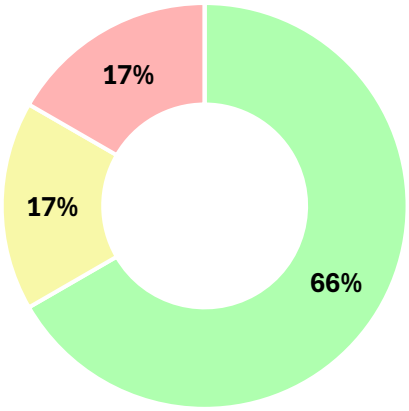


Performance Summary by Group of Activities

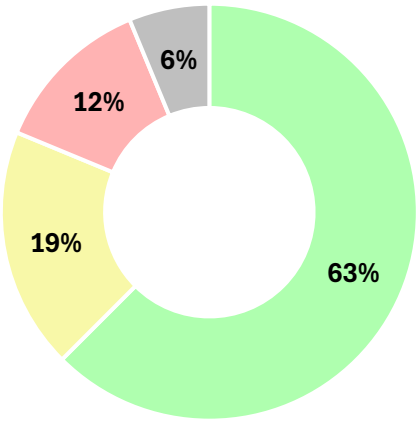
Democracy



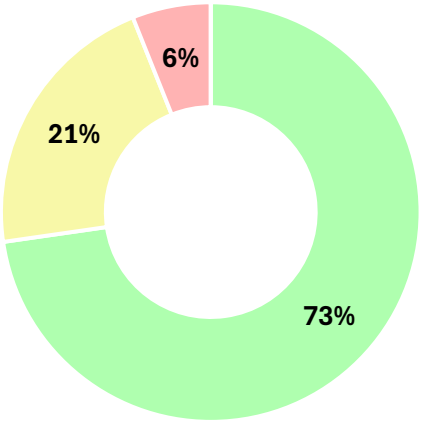
Community Support



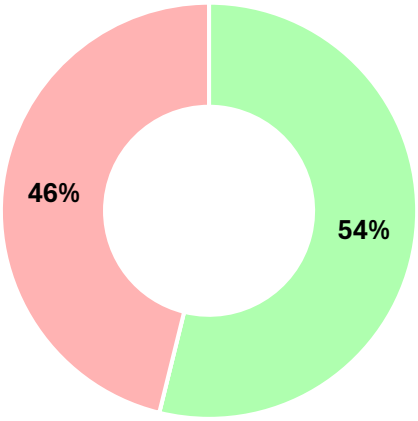
District Planning & Environmental Services



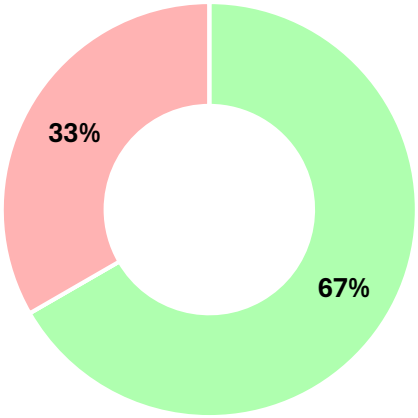
Recreation & Leisure



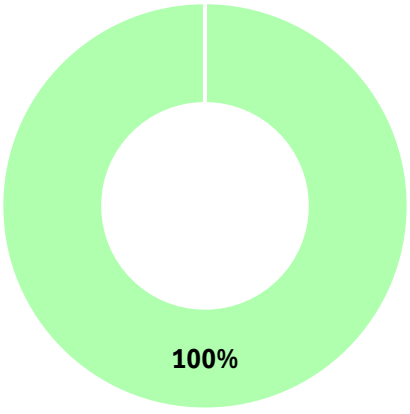
Roading & Transport



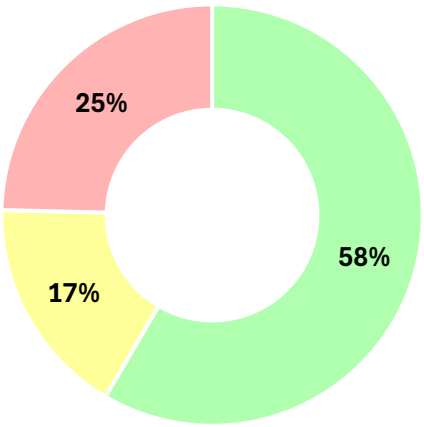
Stormwater



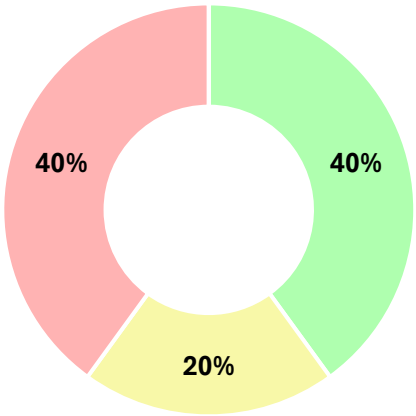
Wastewater



Water Supply



Waste Management



Achieved | Nearly Achieved >95% | Not Achieved <95% | Not Measured

Democracy

What we do

Our Democracy services support and guide all the activities carried out by the Timaru District Council.
It 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 based on Council's Strategic Direction, and with the overall goal of improving community wellbeing.

This 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.

Council elections were held in October 2025.

The key functions include:

- Engagement with the community
- Advocacy on issues that affect the district
- Civic functions, such as citizenship ceremonies, award ceremonies and parades
- Elections and representation reviews
- Administering statutory governance functions such as Standing Orders and Delegations Registers, Elected Member interactions and transparency of meetings across all our communities and stakeholders.
- Maintaining Sister City relationships with Eniwa (Japan), Weihai (China), Orange (Australia) and Orange (United States)
- Developing and implementing Council wide strategies and policies
- Partnering with external agencies
- Performance, planning and accountability, including the development and adoption of key Council planning and accountability documents such as the Long Term Plan, Annual Plan and the Annual Report
- Overall monitoring of Council operations.

Enhancing the social, economic, environmental and cultural wellbeing of our community

All of the decisions Council makes are designed to support and enhance the social, economic, environmental and cultural wellbeing of our community.

Democratic decision making relies on effective engagement with the community, which is a two-way process. We need community input to ensure that the decisions we make positively enhance community wellbeing. To do this we are using an increasing range of tools to make it as easy as possible for all parts of our community to make their voice heard.

Equally, Council has a responsibility to ensure clear communication with the community about future plans and priorities, and the reasons for these.

Contributions to Community Wellbeing Outcomes

- Connected Citizens
- Enhanced Lifestyle
- Sustainable Environment
- Diverse Economy
- Resilient Infrastructure

Democracy Highlights

We continued to strongly advocate on behalf of the community to ensure that the District's views are heard on a number of legislative reforms.

The Mayor and Councillors continued to advocate strongly on a national and regional basis for the promotion of local voice and control over key infrastructure such as water and roads, as well as advocating for new financial models to support local government.

Engagement and advocacy

Numerous submissions were lodged on proposed legislative changes, policy proposals and representation reviews including:

- Ministry for the Environment: Updating the RMA National Direction consultation - Package 1 - Infrastructure and Development, Package 2 - Primary Sector, Package 3 – Freshwater.
- Ministry for the Environment and the Ministry for Housing and Urban Development: Updating the RMA National Direction consultation - Package 4 - Going for Housing Growth
- NZ Police - Canterbury: Canterbury District Review consultation (joint submission with Waimate District Council)
- New Zealand Transport Agency Waka Kotahi: The tolling proposal for the Belfast to Pegasus Motorway and the Woodend Bypass
- Department of Conservation: Geraldine Community Board submission on the draft Rangitata River strategy consultation
- Department of Internal Affairs: Targeted rates model consultation
- Parliamentary Environmental Committee: Planning Bill and Natural Environment Bill consultation
- Department of Internal Affairs: Simplifying Local Government consultation
- The Ministry for Housing and Urban Development and the Department of Internal Affairs: Development levies consultation

Canterbury Mayoral Forum

The forum includes the Mayors of all 10 Canterbury territorial authorities, and the Chair of Environment Canterbury. Mayor Nigel Bowen remained the Chair of the Canterbury Mayoral Forum during the 2025/26 financial year. The forum plays a critical role in promoting communication, coordination and collaboration among all Canterbury Councils, while strongly advocating for the region on the national stage.

In addition to ongoing work on regional initiatives such as energy and climate related matters, significant advocacy work the forum actively engaged with through 2025/26 was the Simplifying Local Government reform programme. The forum has collaboratively worked together, where reasonable and appropriate, to advocate for the region as a whole, and adapt their approach in the best interests of the region despite the constantly evolving nature of the reform environment we find ourselves in.

Community Boards

Implementation of the Geraldine, Pleasant Point and Temuka Community Boards strategic plans has progressed well. The projects identified and refined by the boards themselves, are all designed to increase amenity for residents and visitors to the Geraldine and the Temuka-Pleasant Point wards and are consistent with the strategic plans adopted by each board.

Geraldine: funding support was provided to complete the Riddell's Reserve Mountain Bike Track project, while new Anzac flag poles and the Yesteryear sculpture were installed, enhancing the town's heritage and public spaces. Upgrades to bicycle stands were also completed to improve amenities for residents and visitors.

Pleasant Point: a mural developed by the Pleasant Point District Schools Archives Committee was installed at the Pleasant Point Pool, celebrating local history and community identity. The completion of the Te Ngawai Road Shared Path also improved connectivity and accessibility within the township.

Temuka: further enhancements were made to the town square through additional planting, a new mural, and upgrades to the town flags. New signage strengthened connections between the town square and domain, while funding was allocated to develop a concept design for the McNair Road Shared Path. The Community Board also contributed funding towards the King Street footpath upgrade, with approximately 80% of the project completed during the year.

Service Performance

Level of Service	Performance Measure	Target	Result/ Achievement
Effective community engagement	Resident satisfaction with information provided by Council (biennial residents' survey) [1]	70%	**Not Achieved** – 54%Likely resident satisfaction with some contentious issues as well as wider sector level reputational issues. (2024/25: Not measured – Biennial Survey)
Council processes comply with statutory requirement	Annual Plans, Reports and Long Term Plans adopted within statutory timeframes	Statutory timeframes achieved	**Achieved** – The Annual Plan 2026/27 and Annual Report 2024/25 were adopted within statutory deadlines. (2024/25: Achieved)
	Council and committee meeting agendas made available to the public within statutory timeframes	Statutory timeframes achieved	**Achieved** – Council and committee meeting agendas were published within the statutory timeframes (2024/25: Achieved)
	Responses to LGOIMA requests are provided according to statutory timeframes	100%	**Nearly Achieved** – 98.35%. Three LGOIMA requests were responded to outside the 20 working day requirement. (2024/25: Nearly achieved - 98.8%.)

[1] Incorrectly published in LTP 2024-34 'Resident satisfaction with quality of information provided by Council (annual residents' survey)'

Democracy Funding Impact Statement

Timaru District Council: Funding impact statement for the year ended 30 June 2026 for Democracy

	Long Term Plan 24.34 2024-25 $000	Long Term Plan 24.34 2025-26 $000	Actual 2025-26 $000
Sources of operating funding			
General rates, uniform annual general charges, rates penalties	3,634	4,163	4,507
Targeted rates	-	-	-
Subsidies and grants for operating purposes	-	-	-
Fees and charges	-	-	-
Internal charges and overheads recovered	-	-	-
Local authorities fuel tax, fines, infringement fees and other receipts	-	-	92
Total Operating Funding (A)	**3,634**	**4,163**	**4,599**
Applications of operating funding			
Payments to staff and suppliers	1,072	1,312	1,581
Finance costs	59	57	19
Internal charges and overheads applied	2,503	2,794	2,894
Other operating funding applications	-	-	-
Total applications of operating funding (B)	**3,634**	**4,163**	**4,494**
SURPLUS (DEFICIT) OF OPERATING FUNDING (A - B)	**-**	**-**	**105**
Sources of capital funding			
Subsidies and grants for capital expenditure	-	-	-
Development and financial contributions	-	-	-
Increase (decrease) in debt	-	-	(105)
Gross proceeds from sale of assets	-	-	-
Lump sum contributions	-	-	-
Other dedicated capital funding	-	-	-
Total sources of capital funding (C)	**-**	-	**(105)**
Applications of capital funding			
Capital expenditure:		-	-
- to meet additional demand	-	-	-
- to improve the level of service	-	-	-
- to replace existing assets	-	-	-
Increase (decrease) in reserves	-	-	-
Increase (decrease) of investments	-	-	-
Total applications of capital funding (D)	**-**	**-**	**-**
SURPLUS (DEFICIT) OF CAPITAL FUNDING (C – D)	**-**	**-**	**(105)**
FUNDING BALANCE ((A - B) + (C - D))	**-**	**-**	**-**

Significant Financial Variances between Actual and the Long Term Plan

Variance	Explanation
General rates, uniform annual general charge, rates penalties - $344,000 above LTP	Whole council rates revenue has increased above the increases set in the LTP. Additional rates were required to cover community board salary not included in LTP budgets
Local authorities fuel tax, fines, infringement fees and other receipts - $92,000 above LTP	The above LTP revenue is largely related to 2025 Election funds received
Payments to staff & suppliers - $269,000 above LTP	The above LTP spend is largely related to LTP budgets not including the community board salary.
Overheads allocated - $100,000 above LTP	Overhead adjusted to appropriately align with activity overhead model.
Decrease in debt - $105,000 above LTP	Operating surplus utilised to repay loan

Community Support

What we do

The Community Support group includes Timaru Airport, Climate Change and Sustainability, Community Facilities (Cemeteries and Public Toilets), Community Funding, Economic Development and District Promotions, Emergency Management, Safer Communities and Social Housing.

The key focus of these activities is to help:

- Build strong, connected, welcoming and supportive communities.
- Provide high quality community facilities (cemeteries and public toilets).
- Support people, organisations and the business community.
- Assist vulnerable people in our communities.
- Assist individuals and communities to be prepared and resilient in times of adversity

Enhancing the social, economic, environmental and cultural wellbeing of our community

Our community support services are focused on enhancing the social, economic, environmental and cultural wellbeing of our community.

This includes a particular focus on economic wellbeing through the Economic Development and District Promotions function, and social and environmental wellbeing through the Emergency Management activity.

Social and cultural wellbeing are a particular focus for our Safer Communities, Welcoming Communities and Community Funding activities. Timaru Airport provides significant links with other centres and plays a substantial role in enhancing economic and community wellbeing.

Our district cemeteries are an important part of each local community's history and play a role in enhancing social and cultural wellbeing.

Housing affordability is a national issue and while our district may not be experiencing the extremes often publicised, through our social housing portfolio we are able to provide a number of low-cost housing units for some of the most vulnerable members of our community.

Contributions to Community Wellbeing Outcomes

- Connected Citizens
- Enhanced Lifestyle
- Sustainable Environment
- Diverse Economy

Community Support Highlights

Community Partnerships

Community Partnerships works with community organisations, government agencies and local networks to strengthen belonging, participation and wellbeing across the district.

During the year, the team coordinated the local refugee settlement programme and delivered Welcoming Communities initiatives, supporting former refugees and newcomers to settle and take part in community life. The Meaningful Refugee Participation Fund was administered, creating opportunities for former refugees to lead and contribute to community activities.

Work also continued to make the district more inclusive for disabled people and their whānau. This included the Whakanuia Awards, the Disability Youth Club and promotion of the beach wheelchair — all aimed at celebrating achievement, building social connections and improving participation.

Mayor's Taskforce for Jobs (MTFJ)

The Mayors Taskforce for Jobs programme works with employers, education providers and support agencies to create pathways into employment for local rangatahi and jobseekers.

The programme delivered 34 employment outcomes during the year — 21 for people receiving Jobseeker Support and 13 for young people not in employment, education or training.

It also supported delivery of the South Canterbury Careers Expo, which connected more than 800 students with local employers, training providers and career pathways.

Timaru Airport

Our team successfully regained Civil Aviation Authority (CAA) accreditation in February 2026 for another five years. This recertification gives surety of continued operation over the period and enables performance improvement measures to be put in place.

Emergency Management

Community resilience and operational readiness have been a continued focus for our Emergency Management team this year, and a key part of that has been the set up and successful test of an alternative Emergency Operations Centre (EOC) site at West End Hall in Timaru. Having this alternate site ensures that we are well prepared with two EOC sites should one be unusable, or more than one needed in a significant event.

Service Performance

Level of Service	Performance Measure	Target	Result/ Achievement
Community Facilities (Cemeteries and Public Toilets), the Airport and Council Housing Units are well maintained, clean and safe	Airport - Civil Aviation Authority (CAA) accreditation	CAA airport certification is maintained at all times	**Achieved** – Recertification was achieved in February 2026 and has been maintained since. (2024/25: Achieved)
	Occupied Council Housing complies with building regulations and Healthy Homes Standards in accordance with the Residential Tenancies Act	100%	**Nearly Achieved** – 95.34% (2024/25: Achieved – All Council Housing is compliant)
	Community Facilities (Cemeteries and Public Toilets) meet legislative safety and environmental requirements	100%	**Achieved** – Cemeteries and Public Toilets meet legislative safety and environmental requirements. (2024/25: Achieved)
Improve individual and community awareness of the risks from hazards and assist them to build resilience to emergency events	How well prepared for a disaster residents feel[1]	50% or more feel prepared	**Achieved** – 51%. (2024/25: Not measured – Biennial Resident Survey)
Contribute to Council's role in economic development and tourism	Performance targets in the Venture Timaru Statement of Intent (SOI) are met	Quarterly performance reporting to Council	**Achieved** – Quarterly performance reporting to Council has been undertaken. (2024/25: Achieved)
		100% performance targets in Statement of Intent (SOI) met	**Not Achieved** – 4 out of 5 performance targets met. (2024/25: Not achieved - 4 out of 5 performance targets met.

[1] Published LTP 2024-34 omitted disclosure stating resident survey is undertaken biennially.

Community Support Funding Impact Statement

Timaru District Council: Funding impact statement for the year ended 30 June 2026 for Community Support

	Long Term Plan 24.34 2024-25 $000	Long Term Plan 24.34 2025-26 $000	Actual 2025-26 $000
Sources of operating funding			
General rates, uniform annual general charges, rates penalties	3,760	3,733	4,483
Targeted rates	-	-	-
Subsidies and grants for operating purposes	56	57	116
Fees and charges	2,466	2,617	2,878
Internal charges and overheads recovered	485	57	-
Local authorities fuel tax, fines, infringement fees and other receipts	132	134	223
Total Operating Funding (A)	**6,899**	**6,598**	**7,699**
Applications of operating funding			
Payments to staff and suppliers	5,444	5,112	5,257
Finance costs	577	546	352
Internal charges and overheads applied	-	-	1,242
Other operating funding applications	-	-	-
Total applications of operating funding (B)	**6,021**	**5,658**	**6,850**
SURPLUS (DEFICIT) OF OPERATING FUNDING (A – B)	**878**	**940**	**849**
Sources of capital funding			
Subsidies and grants for capital expenditure	-	-	-
Development and financial contributions	-	-	-
Increase (decrease) in debt	(243)	(335)	(520)
Gross proceeds from sale of assets	-	-	-
Lump sum contributions	-	-	-
Other dedicated capital funding	-	-	-
Total sources of capital funding (C)	**(243)**	**(335)**	**(520)**
Applications of capital funding			
Capital expenditure:			
- to meet additional demand	-	-	-
- to improve the level of service	220	171	29
- to replace existing assets	415	434	1,066
Increase (decrease) in reserves	-	-	(688)
Increase (decrease) of investments	-	-	(78)
Total applications of capital funding (D)	**635**	**605**	**329**
SURPLUS (DEFICIT) OF CAPITAL FUNDING (C – D)	**(878)**	**(940)**	**(849)**
FUNDING BALANCE ((A - B) + (C - D))	**-**	**-**	**-**

Significant Financial Variances between Actual and the Long Term Plan

Variance	Explanation
General rates, uniform annual general charge, rates penalties - $750,000 above LTP	Whole council rates revenue has increased above the increases set in the LTP. Additional rates were required to cover an increase in applications of operating funding from the LTP for this activity.
Fees and charges - $261,000	Review of rental rates for council housing units was done compared to when the budget was not set for LTP
Payments to staff & suppliers - $145,000 above LTP	Changes to Council Activities post restructure.
Finance Costs - $194,000 below LTP	Decrease in interest rates from LTP budgets.
Internal Charges & overheads - $1,242,000 above LTP	Overheads assigned to each activity, budget not included in the LTP in error.
Decrease in debt - $185,000 above LTP	Reserves utilised and loan repayment done due to activity operating surpluses.
Capital expenditure - $490,000 above LTP	Timing of project spend has changed since the LTP was set. This includes the building the Strathallan corner public toilets, upgrading the Council housing building works and purchasing new cemetery land and works carried out.
Decrease in reserve - $688,000 below LTP	Transfer from reserves decreased below LTP due to decrease in operating funding surplus and increase in utilisation of depreciation fund due to increase capital renewals

Corporate Activities

What we do

Corporate Activities are functions at Council that support other activities the day to day running of our activities.

The key functions include:

- Financial Services: Financial planning, monitoring, and reporting; administering the rating, accounts receivable and payable functions, providing financial advice and assistance across all Council activities.
- Information Technology: Providing high quality, secure and cost-effective technology-based services and strategies across all Council activities.
- Customer Services: Council's interface with the community, managing all customer interactions through various channels. They liaise with families and funeral directors for cemeteries, coordinate Land Information Memorandums, process dog registrations and infringement payments, facilitate bookings for venue hire, manage customer requests, provide rates information, receipt payments, and serve as the first point of resolution for customer enquiries. They also administer the government's Rates Rebate Scheme.
- Communications and Engagement: Managing sharing of Council Information with the community through a range of media. Leading and advising on public engagement and participation in decision making.
- Engagement and Culture: Supporting all aspects of the employee lifecycle including recruitment, retention, learning and development, and career pathways. A key component of the Engagement and Culture workstream is ensuring employee health, safety and wellbeing in their role.

Contribution to Community Wellbeing Outcomes

- Connected Citizens
- Enhanced Lifestyle
- Sustainable Environment
- Diverse Economy
- Resilient Infrastructure

Corporate Activities Funding Impact Statement

Timaru District Council: Funding impact statement for the year ended 30 June 2026 for Corporate Activities

	Long Term Plan 24.34 2024-25 $000	Long Term Plan 24.34 2025-26 $000	Actual 2025-26 $000
Sources of operating funding			
General rates, uniform annual general charges, rates penalties	-	-	(4,022)
Targeted rates	-	-	(95)
Subsidies and grants for operating purposes	-	-	978
Fees and charges	1,068	1,143	923
Internal charges and overheads recovered	30,342	33,200	32,643
Local authorities fuel tax, fines, infringement fees and other receipts	7,398	7,522	4,058
Total Operating Funding (A)	**38,808**	**41,865**	**34,486**
Applications of operating funding			
Payments to staff and suppliers	26,021	28,562	24,477
Finance costs	148	727	(496)
Internal charges and overheads applied	19,329	17,433	5,126
Other operating funding applications	-	-	-
Total applications of operating funding (B)	**45,498**	**46,722**	**29,107**
SURPLUS (DEFICIT) OF OPERATING FUNDING (A – B)	**(6,690)**	**(4,857)**	**5,379**
Sources of capital funding			
Subsidies and grants for capital expenditure	-	-	-
Development and financial contributions	-	-	-
Increase (decrease) in debt	9,669	6,651	(4,824)
Gross proceeds from sale of assets	-	-	945
Lump sum contributions	-	-	-
Other dedicated capital funding	-	-	-
Total sources of capital funding (C)	**9,669**	**6,651**	**(3,879)**
Applications of capital funding			
Capital expenditure:			
- to meet additional demand	-	-	-
- to improve the level of service	1,300	51	-
- to replace existing assets	1,678	1,743	1,901
Increase (decrease) in reserves	-	-	1,206
Increase (decrease) of investments	-	-	(1,607)
Total applications of capital funding (D)	**2,979**	**1,794**	**1,500**
SURPLUS (DEFICIT) OF CAPITAL FUNDING (C – D)	**6,690**	**4,857**	**(5,379)**
FUNDING BALANCE ((A - B) + (C - D))	**-**	**-**	**-**

Significant Financial Variances between Actual and the Long Term Plan

Variance	Explanation
General rates, uniform annual general charge, rates penalties - $4,022,000 below LTP	Relates to the treasury function funding operational and capital items for other activities as required.
Subsidies & Grants for operating purposes - $978,000 above LTP	Waka Kotahi operating subsidies for the operation of the Land Transport Business unit.
Fees & Charges - $220,000 below LTP	Decrease due to decrease in service consent application and LIM reviews, demand driven.
Internal Charges and Overheads recovered - $557,000 below LTP	Relates to recoding of personnel directly to activities, Water, Wastewater and Waste Management
Local authorities fuel tax, fines, infringement fees and other receipts - $3,464,000 below LTP	Revenue relating to loans provided underbudget due to interest rates.
Payments to staff & suppliers - $3,774,000 below LTP.	Limitations to staff hiring prior to 2025 announced restructure and savings initiatives.
Finance Costs - $231,000 below LTP	Total borrowings and interest rates were lower than budgeted.
Internal Charges and Overheads - $12,307,000 below LTP	Overhead adjusted to appropriately align with activity overhead model.
Increase/ Decrease in debt - $1,827,000 below LTP.	Decrease in the debt was the result of decreased working capital than budgeted in the LTP.
Gross proceeds from the sale of assets - $945,000 above LTP	Sale of assets not budgeted in LTP.
Capital Expenditure - $107,000 below LTP	Timing of project spend has changed since the LTP was set.
Increase in reserves - $1,206,000 above LTP	The result of operating surplus increase in debt and capital spend.

District Planning & Environmental Services

What we do

Building Control

Council is responsible for administering and implementing the provisions of the Building Act 2004 (the Act). This involves balancing delivery of a customer focused service within legislative requirements, while managing the risk to the community and Council. Under the Act, Council must maintain accreditation as a Building Consent Authority. It is responsible for processing and granting building consents, inspecting and monitoring building work, issuing Code Compliance Certificates, Certificates of Public Use, and processing Land and Project Information Memorandums, providing advice on building related matters and enforcing numerous other provisions under the Act.

District Planning

Council is responsible for promoting the sustainable management of the natural and physical resources within the district. This includes developing and administering the District Plan and related policies, such as the Biodiversity policy, and processing applications for resource consents under the District Plan and administering the Built Heritage Protection Fund.

Environmental Compliance

Council has monitoring and enforcement responsibilities under a range of legislation relating to food safety, noise control, hazardous substances, liquor licensing, environmental nuisance, parking control and animal control. The Timaru District Consolidated Bylaw 2018 outlines rules and processes to protect the public from nuisance, to protect, promote and maintain public health and safety, and to minimise the potential for offensive behaviour in public places.

These activities help ensure:

- The district's built and natural environment is safe to live, work and play in
- Enable growth and progress whilst balancing the protection of other values.
- Building and land developments are managed in a safe and sustainable way and land is used appropriately through enforcing building and planning legislation.
- Negative effect of activities that may occur in the district are minimised or managed (e.g. noise, animals, overhanging trees).
- Commercial food premises practice a high standard of hygiene.
- The natural and built environment is managed sustainably.

Enhancing the social, economic, environmental and cultural wellbeing of our community

How we use land has a major effect on the look and feel of our district, and how resilient our communities are. Through our District Planning function, Council supports the growth of the district while ensuring our environment is protected.
Regulating building activities in the district supports safe and sustainable housing and commercial development.
Our environmental compliance services administer legislation and regulation designed to protect public health and safety.
Together these services work to enhance all aspects of community wellbeing.

Contributions to Community Wellbeing Outcomes

- Connected Citizens
- Enhanced Lifestyle
- Sustainable Environment
- Diverse Economy

District Planning & Environmental Services Highlights

Building Control

Our Building team successfully maintained their Building Consent Authority (BCA) accreditation following assessment in February 2026 which ensures the continued service delivery of BCA functions by our Building Control team.

In addition to the successful accreditation assessment, our team has been working with the local sector who work across district boundaries to begin processing out of district consents. This initiative has enabled the team to look as far north as Auckland, and as far south as Gore, to assist local businesses to thrive and for Council to pick up additional revenue that in the past wouldn't have been an option.

Animal Control

Satisfaction among residents who dealt with the Council about dog or animal control rose significantly, from 65 percent to 82 percent, with 19 percent of residents having contact with the service during the year.

Enforcement activity included two cases heard by the Council's Hearing Committee, with the dog owner disqualifications upheld in both, and four prosecutions in the District Court that resulted in guilty verdicts.

Alongside enforcement, the team updated its education programme for preschoolers, which was well received, and achieved a 100 percent rehoming rate for unclaimed dogs in the third quarter.

Liquor Licensing

Licensing officers carried out significantly more site visits than in the previous year, and clubs showed improved compliance in submitting special licence applications, which the team attributes to ongoing education and consistent engagement with licensees.

Parking Enforcement

Officers responded to resident complaints by monitoring Fraser Park during large events and issuing infringements for driveway obstructions, which improved driver behaviour and drew positive feedback from the community.

Enforcement activity and revenue were consistent across the year and interactions between parking officers and the public also improved, with reports of aggressive behaviour towards officers at their lowest recorded level.

Service Performance

Level of Service	Performance Measure	Target	Result/ Achievement
Deliver timely, efficient processing of consents and related requirements in line with statutory requirements	Building Consent Authority accreditation	Building Consent Authority accreditation retained	**Achieved** – Accreditation assessment achieved in February 2026 (2024/25: Achieved)
	Building Control consent average processing time[1]	<12 working days[2]	**Nearly achieved**– 12.1 working days (2024/25: Nearly achieved 12.1 working days)
	% of building consent applications processed within statutory timeframes	100%	**Nearly achieved** – 96.24% (2024/25: Nearly achieved – 98.31%)
	Resource Consent processing within statutory timeframes	100%	**Nearly achieved** – 99.55% (2024/25: Not achieved 91.36%)
Provide useful, timely and consistent information and education on building, planning and regulatory services	Building and planning services. Provide the local community and/ or local industry with regular updates and information at least four times per year	100%	**Achieved** – Building and Planning services engaged with community and industry at least 4 times (2024/25: N/A – Not achieved
	Provide Dog Control education to one school/ pre-school/ organisation per term	100%	**Achieved** – 26. Demand continues to be higher than expected for this service (2024/25: Achieved 27)
	Information on the website is reviewed and updated quarterly for all regulatory activities	100%	**Achieved** – Information on the website was updated quarterly and as required (2024/25: Achieved)
	Resident/ customer satisfaction with building consent process[3]	≥80%	**Achieved** – 83% (2024/25: Achieved – 90%)
	Resident/ customer satisfaction with resource consent process[4]	≥80%	**Not achieved** – 40%. This result comes from the general community survey. Future surveys will utilise a more targeted methodology through resource consent applicants. (2024/25: Not measured – Biennial Resident Survey)

[1] The processing time starts when we are satisfied the application is complete (received) and the clock stops once we are satisfied the building work complies with the building code (granted). However, in between these stages we can request further information which we then stop the clock until we receive answers to those questions.

[2] LTP published target of >12 working days incorrect for Building Control consent average processing time. Target is <12 working days

[3] This measure is based on customer feedback surveys undertaken by the business unit following interactions

[4] This measure is based on customer feedback surveys undertaken by the business unit following interactions

Service Performance (Continued)

Level of Service	Performance Measure	Target	Result/ Achievement
Support responsible dog ownership	Percentage of known dogs in District registered	95%	**Achieved** – 97.5% (2024/25: Achieved – 98.09%)
Ensure buildings with a Building Warrant of Fitness (BWOF), swimming pools, food and liquor premises are certified safe and comply with legislation	BWOF audits completed	20% per annum	**Not achieved** – 6% - Resourcing and system constraints affecting BWOF audits. (2024/25: Not achieved – 3.3%)
	% of residential swimming pools' fencing in the District audited at least once every 3 years	Year 3 (2026/27) – 100% 2024/25: Not measured	**Achieved** – progress reporting to end of FY26 100% complete. (2024/25: Not measured– Progress reporting to end of FY25 66% complete)
	% of scheduled audits of registered food premises completed or in process	100%	**Achieved** – 100% (2024/25: Not achieved 82.98% - Unable to complete all planned audits due to factors outside Councils control including operators not available and ceased operations.)
	% of Alcohol regulated premises that have been inspected each year	70%	**Achieved** –160.94%. Resource capacity and capability has significantly improved the result. (2024/25: Not Achieved 53.91% - Due to resource availability, but number is trending upwards)
Ensure buildings with a Building Warrant of Fitness (BWOF), swimming pools, food and liquor premises are certified safe and comply with legislation	% of food businesses requiring escalation to the Registration Authority and/or Food Safety Officer, for follow up due to non-compliance with correct processes or statutory requirements.	100%	**Achieved** – 100% (2024/25: Achieved 100%)
Council's responsibilities for regulating the management of earthquake-prone buildings are met	% of potential non-priority earthquake prone buildings identified by July 2027	Year 3 (2026/27) – 100%	**Not Measured** – this project will occur in Year 3 and will not be measured in any other years. (2024/25: Not measured)

District Planning & Environmental Services Funding Impact Statement

Timaru District Council: Funding impact statement for the year ended 30 June 2026 for District Planning & Environmental Services

	Long Term Plan 24.34 2024-25 $000	Long Term Plan 24.34 2025-26 $000	Actual 2025-26 $000
Sources of operating funding			
General rates, uniform annual general charges, rates penalties	4,916	3,377	5,615
Targeted rates	-	-	-
Subsidies and grants for operating purposes	-	-	-
Fees and charges	4,557	4,876	4,465
Internal charges and overheads recovered	-	-	-
Local authorities fuel tax, fines, infringement fees and other receipts	250	255	415
Total Operating Funding (A)	**9,723**	**8,508**	**10,494**
Applications of operating funding			
Payments to staff and suppliers	10,346	7,473	6,541
Finance costs	320	397	301
Internal charges and overheads applied	893	1,758	2,548
Other operating funding applications	-	-	-
Total applications of operating funding (B)	**11,559**	**9,628**	**9,390**
SURPLUS (DEFICIT) OF OPERATING FUNDING (A – B)	**(1,836)**	**(1,120)**	**1,105**
Sources of capital funding			
Subsidies and grants for capital expenditure	-	-	-
Development and financial contributions	-	-	-
Increase (decrease) in debt	1,652	946	(812)
Gross proceeds from sale of assets	-	-	-
Lump sum contributions	-	-	-
Other dedicated capital funding	-	-	-
Total sources of capital funding (C)	**1,652**	**946**	**(812)**
Applications of capital funding			
Capital expenditure:			
- to meet additional demand	-	-	-
- to improve the level of service	-	-	-
- to replace existing assets	-	-	15
Increase (decrease) in reserves	(184)	(174)	(179)
Increase (decrease) of investments	-	-	456
Total applications of capital funding (D)	**(184)**	**(174)**	**292**
SURPLUS (DEFICIT) OF CAPITAL FUNDING (C – D)	**1,836**	**1,120**	**(1,105)**
FUNDING BALANCE ((A - B) + (C - D))	**-**	**-**	**-**

Significant Financial Variances between Actual and the Long Term Plan

Variance	Explanation
General rates, uniform annual general charge, rates penalties - $2,238,000 above LTP	Whole council rates revenue has increased above the increases set in the LTP. Additional rates were required to cover an increase in applications of operating funding from the LTP for this activity.
Fees & Charges - $411,000 below LTP	Decrease in Building consents issued based on demand.
Local authorities fuel tax, fines, infringement fees and other receipts - $160,000 above LTP	The above LTP revenue is largely attributed insurance reimbursements and alignment of revenue
Payments to staff & suppliers - $932,000 below LTP.	The LTP planned increase for further development did not eventuate due to prior 2025 announced restructure
Internal charges and overheads $790,000 above LTP	Overhead adjusted to appropriately align with activity overhead model
Decrease in debt - $134,000 below LTP	This relates operating surplus utilised for loan repayment

Recreation and Leisure

What we do

Recreation and Leisure activities provide quality cultural, learning and recreation facilities for residents and visitors to enjoy.

Cultural and Learning Facilities

- **Aigantighe Art Gallery**
- **South Canterbury Museum**
- **Timaru District Libraries** including facilities in Timaru, Geraldine, Temuka and online, with the Geraldine and Temuka Libraries doubling as Council Service Centres
- **Theatre Royal**
- **Community Halls** including seven facilities owned and managed by Council, 11 community halls owned by Council and managed by community committees, and three halls owned by community organisations and funded by targeted rates, which Council collects on behalf of the hall owners.

Parks

- **Premier parks of particular significance to the district** including Timaru Botanic Gardens, Caroline Bay, and the Temuka and Geraldine Domains.
- **Sports and recreation parks**
- **Neighbourhood parks**
  In urban areas and often incorporating playgrounds
- **Amenity parks**
  Designed to provide open spaces and plantings
- **Natural parks**
  Located predominantly in rural areas, often including walking and cycling tracks
- **Special purpose parks and civic spaces**
- **Fishing huts and motor camps**

Recreational Facilities

- **Caroline Bay Trust Aoraki Centre** (CBay)
- **Swimming pools**
  Geraldine, Pleasant Point and Temuka
- **Aorangi Stadium** (Previously known as Southern Trust Events Centre)

Enhancing the social, economic, environmental and cultural wellbeing of our community

Our cultural and learning facilities foster social and cultural wellbeing across all sectors and age groups in our community and help make the district an enticing place for visitors to experience.

Our parks and open spaces help protect, restore and enhance our district's green landscape – both urban and rural, and provide community spaces that residents and visitors can enjoy.
We are involved in providing quality recreational facilities and experiences to offer health, learning, social and leisure benefits.
Together these services are an important part of enhancing all aspects of community wellbeing.

Contributions to Community Wellbeing Outcomes

- Connected Citizens
- Enhanced Lifestyle
- Sustainable Environment

Recreation and Leisure Highlights

Swimming Pools

Use of CBay remained strong through 2025/26, with more than 100,000 visits recorded in each of the final two quarters. Door counters were introduced during the year to replace point-of-sale data as the measure of visitation, giving a more accurate picture of how many people use the facility.

Learn to Swim recorded its highest participation since before COVID-19, and the school water safety programme ran again with all but three schools in the district taking part. Two performance targets were not met: swim lesson numbers finished just below target because of a shortage of qualified swim teachers, and aqua class attendance was capped at 35 by the size of the programme pool, with demand regularly exceeding the places available.

All targets for the district's outdoor pools were met despite another poor season weather-wise.

Museum

Visitor and programme user numbers were the second highest on record for 2025/26. A record September figure was set early in the year, driven by the museum's programme offering, strong school holiday attendance, the touring Women's Rugby exhibition and targeted social media promotion.

Public events were well attended, including a talk by an IS astronaut, curator talks on caring for family heirlooms and historic photographs, and an end-of-year event featuring two book launches.

Libraries

All library performance targets were achieved in 2025/26, and libraries scored the highest satisfaction of any Council facility in the Community Survey, at 95 percent of users.

Programming focused on giving residents free access to things they would otherwise have to pay or travel for: device and computer classes for people dealing with services that are now online only, Te Reo Māori and sign language classes, Royal New Zealand Ballet workshops for local children, St John emergency sessions and free health checks. School holiday programmes drew 1,736 participants in July and 1,051 over September andOctober, and the Sunsational Summer Challenge had its best year on record with 1,345. The libraries also handled service centre business for residents, including rates rebates and AA driver licence renewals in Geraldine.

Aigantighe Art Gallery

While building works were underway at the during the first part of 2025/26, the gallery maintained a visible presence in central Timaru by taking Artarama 2025 offsite to Stafford Street. The relocated exhibition attracted 2,010 visitors, making it the most attended exhibition of the quarter and contributed to the highest visitor numbers in four years. It also provided an opportunity to showcase the work of young artists from across South Canterbury and support the gallery’s connection with its audiences while accessibility upgrades were underway.

The Aigantighe House reopened to the public on 14 December, with *Aqua Nostra*, an exhibition drawn from the permanent collection. The refurbishment was subsequently recognised with an NZIA Canterbury Architecture Award in the Heritage category.

In the final quarter, the gallery presented *Rosemary Campbell: Undulations of Memory*, a major retrospective celebrating one of South Canterbury’s most significant artists. The exhibition was supported by a major publication, public programme and educational activities, extending the gallery’s engagement with audiences following its reopening.

Service Performance

Level of Service	Performance Measure	Target	Result/ Achievement
Recreation and leisure facilities, programmes and materials are accessible to residents and visitors	**Museum**		
	Number of museum service users (includes museum visitors, attendees at on-site and off-site programmes, information or collection requests)	25,000	**Achieved** – 28,108. (2024/25: Achieved – 27,628)
	Number of exhibitions and events	14	**Achieved** – 37. Several unexpected community engagement opportunities contributed to an increase in number of events. (2024/25: Achieved - 19)
	Libraries		
	Visitors to Libraries	200,000	**Achieved** – 270,229. Popularity of programmes and services offered has been driving visitation. (2024/25: Achieved – 270,729)
	Online website and catalogue searches	400,000	**Achieved** – 1,876,276. Online service usage continues to increase with services available and website refresh. (2024/25: Achieved – 1,648,351)
	Library issues (physical & digital) of materials	500,000	**Achieved** – 534,565. (2024/25: Achieved – 550,855)
	Community Programmes – held on site and in the community[1]	1,500	**Achieved** – 2,865 Variable programme activity, including community-driven and one-off activities, and changing Public Libraries New Zealand reporting requirements. (2024/25: Achieved - 2,867)
	Art Gallery		
	Visitors to Art Gallery	2025/26: 16,000 2024/25: 15,000	**Nearly achieved** –15,209 visitor numbers rebuilding following completion of house renovations. (2024/25: Not achieved 14,038)
	Online website searches and social media interactions	2,000	**Achieved** – 3,000. Increased following and presence on social media has contributed to the interactions. (2024/25: Achieved – 5,553)
	Community Programmes – held on site and in the community	24	**Achieved** – 38. Reopening of the renovated House Gallery has continued to provide additional opportunities for community programmes. (2024/25: Achieved 100)

[1] Plus a non-traditional library service

Service Performance (Continued)

Level of Service	Performance Measure	Target	Result/ Achievement
Recreation and leisure facilities, programmes and materials are accessible to residents and visitors	**CBay Complex and Community Pools**		
	Visitors to CBay	2025/26: 310,000 2024/25: 300,000	**Achieved** – 406,595. Door counter upgrades contributed to increase. (2024/25: Achieved – 342,435)
	Visitors to Pleasant Point Community Pool[1]	4,500 per season	**Achieved** – 7,821. Demand driven (2024/25: Achieved – 8,146)
	Visitors to Geraldine Community Pool[2]	11,500 per season	**Achieved** – 12,128. (2024/25: Achieved – 12,842)
	Visitors to Temuka Community Pool[3]	7,500 per season	**Achieved** – 12,385. Improved visitor number recording. (2024/25: Nearly achieved – 7,474)
	Aqua Fitness classes participant numbers	10,000	**Nearly achieved** – 9,954 (2024/25: Achieved – 12,322)
	Aquatic water skills for life participant numbers (*formerly swim for life*)	2,000 per annum	**Achieved** – 3,325. Increased participation of primary schools (2024/25: Achieved – 3,113)
	Aquatic learn to swim enrolments participant numbers	2,800 per annum	**Nearly achieved** – 2,746. (2024/25: Achieved - 2,812)
	CBay Fitness Memberships	1,200 per annum	**Achieved** – 1,417 (2024/25: Achieved – 1,478)
	CBay Group Fitness class participants	57,600 per annum	**Achieved** – 57,990 (2024/25: Achieved – 57,722)
	Aorangi Stadium[4]		
	Bookings for special events	15 days per annum	**Achieved** – 22. (2024/25: Achieved - 39)
	Bookings by sports clubs and groups	120 days per annum	**Achieved** – 194. Increased use of indoor courts by Junior Netball (2024/25: Achieved - 159)
Provide a high quality and safe experience at district and recreation leisure facilities	Facilities meet legislative safety requirements	Legislative requirements are met	**Achieved** – All legislative requirements are met. (2024/25: Achieved)
	User satisfaction:		
	Art Gallery (biennial resident survey)*	≥90%	**Achieved** – 90% (2024/25: Not measured – biennial survey)
	Libraries (biennial resident survey)*	≥90%	**Achieved** – 95% (2024/25: Not measured – biennial survey)
	Museum (biennial resident survey)*	≥90%	**Nearly achieved** – 88% (2024/25: Not measured – biennial survey)
	Parks (biennial resident survey)*	≥90%	**Not achieved** – 85%. (2024/25: Not measured – biennial survey)
	Swimming Pools (biennial resident survey)*	≥90%	**Nearly achieved** – 87% (2024/25: Not measured – biennial survey)
	Aorangi Stadium (biennial resident survey)*	≥90%	**Nearly achieved** – 89% (2024/25: Not measured – biennial survey)

[1] This is general admission and does not include school bookings, swim clubs or private bookings
[2] This is general admission and does not include school bookings, swim clubs or private bookings
[3] This is general admission and does not include school bookings, swim clubs or private bookings
[4] Formerly Southern Trust Events Centre (STEC)
*Published LTP 2024-34 omitted disclosure stating resident survey is undertaken biennially.

Rangitata Huts Drinking Water Supply – Population 113

Level of Service	Performance Measure	Quality Assurance Rules	Result %	Achievement
Provide a high quality and safe experience at district and recreation leisure facilities	The extent to which Timaru District Council's drinking water supply complies with the following parts of the drinking water quality assurance rules: (c) 4.7.1 T2 Treatment Monitoring Rules (d) 4.7.2 T2 Filtration Rules (e) 4.7.3 T2 UV Rules (f) 4.7.2 T2 Chlorine Rules (g) 4.8.D2.1 Distribution System Rule	T2 Treatment Monitoring Rules (Bacterial)	**90.9%** (2024/25: 90.9%)	**Not Achieved –** Monitoring issues with pH and Turbidity. (2024/25: Not achieved)[1]
		T2 Chlorine Rules (Bacterial)	**66.7%** (2024/25: 33.3%)	**Not Achieved** – Monitoring issues with pH and turbidity. (2024/25: Not achieved)
		D2.1 Distribution System Rule (Bacterial)	**100%** (2024/25: 100%)	**Achieved** (2024/25: Achieved)
		T2 Treatment Monitoring Rule (Protozoal)	**90.9%** (2024/25: 100%)	**Not Achieved –** Monitoring issues with pH and turbidity. (2024/25: Achieved)
		T2 Filtration Rules (Protozoal)	**100%** (2024/25: 100%)	**Achieved** (2024/25: Achieved)
		T2 UV Rules (Protozoal)	**100%** (2024/25: 100%)	**Achieved** (2024/25: Achieved)

Level of Service	Performance Measure	Target	Result/ Achievement
Collections of local and heritage art objects, records and information preserved for and available to the community and visitors	**Art Gallery**		
	Number of Art Gallery exhibitions (including touring, regional and permanent art works)	15	**Achieved** - 15 (2024/25: Achieved - 19)
	Art works conserved	5	**Achieved** - 5 (2024/25: Achieved - 5)
	Museum		
	Collection items available online	18,500	**Achieved** – 23,835. 74 records were removed from, and 501 records were added to the catalogue (2024/25: Achieved – 23,408)
Parks are maintained and developed to meet current and future community needs	Parks and recreational open space hectares per 1,000 residents	13ha	**Nearly achieved** – 12.85ha (2024/25: Achieved – 13.01ha)
	Kilometres of off-road walking and biking tracks	90	**Achieved** – 99.95km. Walkway and Cycleway improvements have increased the number of kilometres. (2024/25: Achieved – 93km)

[1] E.coli was detected in Rangitata Huts on 2025-05-14. Council officer statement on follow-up work order (522208) suggests that no action was taken but an operator took subsequent samples in liaison with Taumata Arowai and the zone was clear of e.coli. It is believed the original sample originated form a mislabelled bottle.

Recreation and Leisure Funding Impact Statement

Timaru District Council: Funding impact statement for the year ended 30 June 2026 for Recreation and Leisure

	Long Term Plan 24.34 2024-25 $000	Long Term Plan 24.34 2025-26 $000	Actual 2025-26 $000
Sources of operating funding			
General rates, uniform annual general charges, rates penalties	18,135	23,458	24,315
Targeted rates	-	-	-
Subsidies and grants for operating purposes	3,096	100	97
Fees and charges	1,678	1,889	3,032
Internal charges and overheads recovered	-	-	-
Local authorities fuel tax, fines, infringement fees and other receipts	2,627	2,558	1,238
Total Operating Funding (A)	**25,536**	**28,005**	**28,682**
Applications of operating funding			
Payments to staff and suppliers	18,963	18,461	15,083
Finance costs	2,485	4,090	1,737
Internal charges and overheads applied	1,787	2,635	7,455
Other operating funding applications	-	-	-
Total applications of operating funding (B)	**23,235**	**25,186**	**24,275**
SURPLUS (DEFICIT) OF OPERATING FUNDING (A – B)	**2,301**	**2,819**	**4,407**
Sources of capital funding			
Subsidies and grants for capital expenditure	10,400	580	13,012
Development and financial contributions	-	-	-
Increase (decrease) in debt	31,009	37,005	14,809
Gross proceeds from sale of assets	-	-	-
Lump sum contributions	-	-	-
Other dedicated capital funding	-	-	-
Total sources of capital funding (C)	**41,409**	**37,585**	**27,822**
Applications of capital funding			
Capital expenditure:			
- to meet additional demand	-	-	-
- to improve the level of service	41,829	37,718	17,497
- to replace existing assets	1,783	2,748	14,843
Increase (decrease) in reserves	98	(62)	1,368
Increase (decrease) of investments	-	-	(1,479)
Total applications of capital funding (D)	**43,710**	**40,404**	**32,229**
SURPLUS (DEFICIT) OF CAPITAL FUNDING (C – D)	**(2,301)**	**(2,819)**	**(4,407)**
FUNDING BALANCE ((A - B) + (C - D))	**-**	**-**	**-**

Significant Financial Variances between Actual and the Long Term Plan

Variance	Explanation
General rates, uniform annual general charge, rates penalties - $857,000 above LTP.	General rates, and uniform general charges have increased by a lower percentage within Recreation & Leisure Activity than in the LTP to keep overall rate increases affordable for the community. Whole of Council rates revenue has increased
Fees & Charges - $1,143,000 above LTP.	The variance between actuals and the LTP largely relates to CBay Swim Aquatics revenue, demand driven and re-mapping some fees and charges previously coded to other receipts
Local authorities fuel tax, fines, infringement fees and other receipts - $1,320,000 below LTP.	Re-mapping of Gym membership fees to Fees and charges of approximate $1.2m
Payments to staff & suppliers - $3,378,000 below LTP.	Limitations to staff hiring prior to 2025 announced restructure and facility operation on hold during refurbishment.
Finance costs - $2,353,000 below LTP	Decrease in interest rates from LTP budgets. Delays in capital projects therefore reduced borrowing.
Internal Charges & overheads - $4,820,000 above LTP	Increase due to staff hired under corporate activities relating to Park activities being brought in house, opposed to contracted out.
Subsidies and grants capital $12,432,000 above LTP budget	Increase relates to funding for Theatre Royal, Museum and Stadium projects received
Increase in debt - $22,196,000 below LTP.	Delay in Theatre Royal and Museum projects.
Capital expenditure $8,126,000 below LTP	Delayed projects Theatre Royal and Museum.
Increase in reserve - $1,430,000 above LTP	Variance between increase in debt and capital funding.

Roading and Footpaths

What we do

We provide transport network and associated assets and services throughout the district. This includes both infrastructure, such as roads, footpaths and signage, and non-asset functions, such as street cleaning, roadside garden maintenance, temporary traffic management and road safety initiatives.
Funding for the roading and footpaths network is provided from rates, loans, and user charges together with funding assistance received from central government through the New Zealand Transport Agency (Waka Kotahi). NZTA is also responsible for the State Highway network.

Our network includes:

- Over 1,700km of sealed and unsealed roads
- Approximately 300km of footpaths, on road cycleways and walkways
- More than 10,000 drainage facilities including catchpits or culverts
- More than 280 bridges including single lane bridges, weight restricted bridges, large culverts and footbridges
- At least 7,000 road signs and more than 4,400 streetlights
- Traffic signals, street furniture, bus stops, car parks, parking meters

Enhancing the social, economic, environmental and cultural wellbeing of our community

Our roading, footpath, cycleway and walkway network aims to make the District easier to move around. We work hard to provide a safe road network for the users of all transport modes, focusing on improving road infrastructure, providing road safety education and school travel planning.

Quality, safe and fit for purpose infrastructure is critical for community wellbeing. It allows communities to connect and receive services, which is a vital part of enhancing social and economic wellbeing.

Our cycleway and walkway network promotes social as well as physical wellbeing. Some of the negative effects of transportation, such as air and noise pollution, are mitigated by providing road surfacing designed to reduce noise where there are high traffic flows and providing for alternative transport methods, such as cycling, walking and public transport that have less environmental impacts.

Contributions to Community Wellbeing Outcomes

- Connected Citizens
- Enhanced Lifestyle
- Sustainable Environment
- Diverse Economy
- Resilient Infrastructure

Roading and Footpaths Highlights

Renewals programme delivered in full

The district's sealed resurfacing programme was completed for the year, along with sealed pavement rehabilitations on Route 72 Arundel–Geraldine Road, Rangitata Island Road, Totara Road and Robinson Road, and unsealed wearing course renewals across the network including Rangitata Gorge Road.

Active transport network expanded, and road safety work recognised

Shared path projects gained momentum and visibility during the year. The Geraldine to Woodbury shared path was completed, the Temuka to Arowhenua pathway is close to complete, and construction started on a shared path along Racecourse Road and Hilton Highway that will link the Central South Trail to the Showgrounds.

The South Canterbury Road Safety team received the 2025 Regional Award for Road Safety at the New Zealand Road Safety, Emergency Response and Healthcare Awards.

Major Upgrade Projects Completed

- Palk Road Bridge replacement
- North Street / Latter Street roundabout — a significant safety improvement at a key intersection
- Geraldine to Woodbury shared path
- Sealed pavement rehabilitations — Route 72 Arundel–Geraldine Road, Rangitata Island Road, Totara Road and Robinson Road
- District-wide sealed resurfacing programme
- Replacement of paving tiles in Temuka, improving pedestrian safety and accessibility

Service Performance

Level of Service	Performance Measure	Target	Result/ Achievement
Rural and urban transport networks are designed to road user need and maintained to nationally acceptable standards	Response to customer service requests (Mandatory)[1]	70% of customer service requests are responded to within 15 working days	**Achieved** – 87.56. (2024/25: Achieved – 93.91%)
	Road condition – Average quality of ride on a sealed local road network percentage smooth travel exposure index (Mandatory) [2]	Average Smooth Travel Exposure Index on all sealed district roads = >92%	**Achieved** – 95%. (2024/25: Achieved – 96.4%)
	Resurfacing of road network (Mandatory)	6% of the sealed road network is resurfaced annually	**Achieved** – 6.68 (2024/25: Not achieved – 4.85%)
	Number of bridges that allow Class 1 loading	Maintain the current level of bridges that can carry Class 1 traffic loadings	**Achieved** – Current level maintained. (2024/25: Achieved)
	Rehabilitation of sealed road network	1% of the sealed pavement network is rehabilitated annually	**Not achieved** – 0.95% (2024/25: Nearly achieved – 0.96%)
	Resident satisfaction with levels of service for maintenance and condition of sealed roads	≥50%[3]	**Not achieved** – 41.5% (2024/25: Not achieved – 42.25%)
	Resident satisfaction with levels of service for maintenance and condition of unsealed roads	≥40%[4]	**Not achieved** – 36% (2024/25: Not achieved – 34.75%)

[1] A "response" is considered to have occurred when the site is attended. This could mean the site is made safe if necessary, a pothole is patched if that's the extent of the issue, or the repair is programmed for completion

[2] The Road roughness is measured by an external consultant every 2 years. The last measurement for all sealed roads took place May 2026 (by WSP – Opus). The smooth travel exposure (STE) index is calculated from our road asset management system (AWM). This is based on the roughness of the sealed local roads network and the vehicle kilometres travelled that is based on road traffic counts.

[3] LTP published target of ≤50% incorrect for Resident satisfaction with levels of service for maintenance and condition of sealed roads. Target is ≥50%.

[4] LTP published target of ≤40% incorrect for Resident satisfaction with levels of service for maintenance and condition of unsealed roads. Target is ≥40%.

Service Performance (Continued)

Level of Service	Performance Measure	Target	Result/ Achievement
Road safety initiatives (engineering and education) build community awareness of road safety and assist in the reduction of harm on our roads.	Road fatalities and serious injury crashes (Mandatory)	Number of fatalities and serious injury crashes on the local road is less than the previous financial year on an annual basis	**Achieved** – 13 (2024/25: Not achieved - 3 fatal and 14 serious injury crashes)
	Road safety awareness[1]	60% of residents aware of road safety programmes or advertisements	**Achieved** – 76.5% (2024/25: Achieved - 77%)
	Resident satisfaction with the safety of road network	≥80%[2]	**Not achieved** – 61% Resident concerns about road conditions and maintenance (2024/25: Not achieved - 59%)
	Footpath condition (Mandatory)	75% of footpaths to be average or better condition	**Achieved** – 90.34% (2024/25: Achieved – 93.5%)
	Footpath network resurfaced	4% of the footpath network is resurfaced annually	**Not achieved** – 2.33% (2024/25: Not achieved – 2.63% - 9.57km)
	Resident satisfaction that the provision of carparking meets their needs	≥70%	**Not achieved** – 66% (2024/25: Not achieved – 66.25%)

[1] The road safety awareness data is gathered through our annual road user satisfaction survey. This specific question is included in the survey to determine awareness levels among residents.

[2] LTP published target of ≤80% incorrect for resident satisfaction with the safety of the road network. Target is ≥80%.

Roading and Footpaths Funding Impact Statement

Timaru District Council: Funding impact statement for the year ended 30 June 2026 for Roading and Footpaths

	Long Term Plan 24.34 2024-25 $000	Long Term Plan 24.34 2025-26 $000	Actual 2025-26 $000
Sources of operating funding			
General rates, uniform annual general charges, rates penalties	15,738	18,268	18,327
Targeted rates	-	-	-
Subsidies and grants for operating purposes	5,126	5,012	2,999
Fees and charges	1,245	1,332	401
Internal charges and overheads recovered	-	-	-
Local authorities fuel tax, fines, infringement fees and other receipts	152	89	(512)
Total Operating Funding (A)	**22,261**	**24,701**	**21,215**
Applications of operating funding			
Payments to staff and suppliers	11,263	11,107	9,430
Finance costs	2,496	2,960	1,576
Internal charges and overheads applied	41	1,345	2,302
Other operating funding applications	-	-	-
Total applications of operating funding (B)	**13,800**	**15,412**	**13,309**
SURPLUS (DEFICIT) OF OPERATING FUNDING (A – B)	**8,461**	**9,289**	**7,906**
Sources of capital funding			
Subsidies and grants for capital expenditure	6,228	6,477	7,222
Development and financial contributions	-	-	116
Increase (decrease) in debt	7,690	5,830	1,140
Gross proceeds from sale of assets	-	-	-
Lump sum contributions	-	-	-
Other dedicated capital funding	-	-	-
Total sources of capital funding (C)	**13,918**	**12,307**	**8,478**
Applications of capital funding			
Capital expenditure:			
- to meet additional demand	-	-	513
- to improve the level of service	3,310	5,215	2,035
- to replace existing assets	19,070	16,381	15,962
Increase (decrease) in reserves	-	-	(1,612)
Increase (decrease) of investments	-	-	(513)
Total applications of capital funding (D)	**22,379**	**21,596**	16,384
SURPLUS / (DEFICIT) OF CAPITAL FUNDING (C – D)	**(8,461)**	**(9,289)**	**(7,906)**
FUNDING BALANCE ((A - B) + (C - D))	**-**	**-**	**-**

Significant Financial Variances between Actual and the Long Term Plan

Variance	Explanation
Subsidies & Grants for operating purposes - $2,013,000 below LTP	Waka Kotahi operating subsidies were below budget due to delay in funded projects being completed.
Fees & Charges - $931,000 below LTP	Parking enforcement charges were below LTP and infringements revenue adjusted and re-mapped.
Local authorities fuel tax, fines, infringement fees and other receipts - $601,000 below LTP	Correction of infringement revenue relating to prior years.
Payments to staff & suppliers - $1,677,000 below LTP.	Limitations to staff hiring prior to 2025 announced restructure.
Finance Costs - $1,384,000 below LTP	Decrease in interest rates from LTP budgets.
Internal Charges and Overheads - $956,000 above LTP	Overheads assigned to each activity, realigned to overhead model template.
Subsidies & Grants for capital expenditure - $745,000 above LTP.	Capital works completed for capital funding to be received.
Development and financial contributions - $116,000 above LTP	Recognised development contributions on projects required 25/26 financial year – demand driven.
Increase in debt - $4,690,000 below LTP	Capital expenditure less than LTP budget.
Capital Expenditure - $3,085,000 below LTP	Timing of project spend has changed since the LTP was set.

Stormwater

What we do

Council manages and maintains a network of pipes, pumping stations and other infrastructure to safely dispose of stormwater run-off. (Stormwater is rainwater that flows from surfaces like roofs, gardens, footpaths and roads).

Where practicable Council is making increasing use of low impact design systems that when not used for stormwater purposes, provide open green space for people to enjoy.

Our network includes:

- Approximately 146km of pipeline and 33km of open channel
- Six detention dams and 1 retention and filtration basin to treat stormwater run-off and help prevent flooding
- Several pump stations
- Over 2,344 manholes, 216 soak pits, over 3,000 sumps
- Secondary overland flow paths

Enhancing the social, economic, environmental and cultural wellbeing of our community

Effective management of stormwater is critical for the safety of our community – both people and property. The discharge of stormwater also has the potential to cause adverse effects on the environment. The natural attributes of rivers, lakes and other freshwater bodies can be degraded by excessive sediment and contaminants, or by the flow rates and volume of stormwater discharges.

Council has a responsibility to ensure that stormwater is managed in a way that sustainably supports the environmental, social, cultural and economic wellbeing of our communities.

Contributions to Community Wellbeing Outcomes

- Sustainable Environment
- Resilient Infrastructure

Stormwater Highlights

Projects across the network in urban areas throughout the district were completed over the year. These projects have improved the impact on our communities in high rainfall events and include:

Temuka

- New soakpits for Richard Pearse Drive and Whitcombe Street addressing areas prone to nuisance flooding.

Geraldine

- Stormwater outfall into the Waihi River from the area adjacent to Waihi Terrace and Jollie Street was upgraded. Previously stormwater flows would scour the Sculpture Trail, resulting in the Parks Unit needing to repair the track most years. A rock lined swale, erosion protection and a boardwalk were installed.

- An upgrade to the catchment infiltration system on North Terrace Road was completed to improve discharge to ground and reduce flood risk to downstream properties on South Terrace Road and Cross Street.

Timaru

- Jonas Street upgrade commenced – while the road closure has meant disruption to a preferred access route to Pak n Save, the work to upgrade the stormwater network will improve service delivery for the catchment area.

- Gleniti Bunds B3 and B8 along the Dobson Swale and Gimbal Swale respectively, as well as the Bund D1 Improved Inlet Structure at Mountain View Road were constructed helping manage stormwater flows from the Gleniti Residential development area.

Pleasant Point

- Pleasant Point had the completion of a couple minor road drainage improvement projects with replacement of a culvert at the Shere-Kabul Street intersection as well as a replacement of a soakpit on Frederick Street.

Service Performance

Level of Service	Performance Measure	Target	Result/ Achievement
Maintain excellent stormwater network services	The number of flooding events in the Timaru district*[1]	Zero flooding for rain events up to a 1 in 5 year return for residential zones, and a 1 in 10 year return for commercial and industrial zones	**Not achieved** – 2. Decrease on prior year due to network improvements. (2024/25: Not achieved - 6)
	For each flooding event, the number of habitable floors affected. (Expressed per 1000 properties connected to the territorial authority's system))*	Zero habitable floors affected by a flooding event	**Not achieved** – 3. Increase on prior year due to flooding events in quarter 2. (2024/25: Achieved - 0)
Deliver stormwater services according to environmental standards	Compliance with Resource Consent conditions*	No abatement notices, infringement notices, enforcement orders and convictions	**Achieved** - 0 (2024/25: Achieved - 0)
Maintain excellent customer service	Satisfaction with condition and maintenance of stormwater services (biennial resident survey)[2]	≥60% user satisfaction	**Achieved** – 70% (2024/25: Not measured – biennial survey)
	Median response[3] times to attending a flooding event*	Median time to attend a flooding event will be less than one hour	**Achieved** – 0.08. 1 call attended to within 5 minutes. (2024/25: Achieved 0.68 hours)
	Total complaints received about performance of stormwater system*	10 or fewer per 1,000 connected properties	**Achieved** – 1.63 per 1000 connections. (2024/25: Achieved – 1.8 per 1,000 connections)

*Department of Internal Affairs mandatory measure

[1]Definition of a flooding event is: an overflow of stormwater from a territorial authority's stormwater system that enters a habitable floor

[2]Published LTP 2024-34 omitted disclosure stating resident survey is undertaken biennially.

[3]Response time applies from the time the local authority receives notification to the time service personnel reach the site

Stormwater Funding Impact Statement

Timaru District Council: Funding impact statement for the year ended 30 June 2026 for Stormwater

	Long Term Plan 24.34 2024-25 $000	Long Term Plan 24.34 2025-26 $000	Actual 2025-26 $000
Sources of operating funding			
General rates, uniform annual general charges, rates penalties	-	-	-
Targeted rates	5,161	5,903	5,243
Subsidies and grants for operating purposes	-	-	-
Fees and charges	-	-	12
Internal charges and overheads recovered	-	-	-
Local authorities fuel tax, fines, infringement fees and other receipts	-	(1)	-
Total Operating Funding (A)	**5,161**	**5,902**	**5,255**
Applications of operating funding			
Payments to staff and suppliers	1,666	1,808	1,193
Finance costs	228	301	30
Internal charges and overheads applied	263	315	242
Other operating funding applications	-	-	-
Total applications of operating funding (B)	**2,157**	**2,424**	**1,464**
SURPLUS (DEFICIT) OF OPERATING FUNDING (A – B)	**3,004**	**3,478**	**3,790**
Sources of capital funding			
Subsidies and grants for capital expenditure	-	-	-
Development and financial contributions	-	-	461
Increase (decrease) in debt	1,414	1,194	88
Gross proceeds from sale of assets	-	-	-
Lump sum contributions	-	-	-
Other dedicated capital funding	-	-	-
Total sources of capital funding (C)	**1,414**	**1,194**	**549**
Applications of capital funding			
Capital expenditure:			
- to meet additional demand	-	-	-
- to improve the level of service	-	-	-
- to replace existing assets	4,750	3,708	2,335
Increase (decrease) in reserves	(333)	964	2,005
Increase (decrease) of investments	-	-	-
Total applications of capital funding (D)	**4,418**	**4,672**	**4,339**
SURPLUS (DEFICIT) OF CAPITAL FUNDING (C – D)	**(3,004)**	**(3,478)**	**(3,790)**
FUNDING BALANCE ((A - B) + (C - D))	**-**	**-**	**-**

Significant Financial Variances between Actual and the Long Term Plan

Variance	Explanation
General rates, uniform annual general charge, rates penalties - $660,000 below LTP.	Fewer stormwater connections than budgeted.
Payments to staff & suppliers - $615,000 below LTP.	Limitations to staff hiring prior to 2025 announced restructure.
Finance Costs - $271,000 below LTP.	Decrease in interest rates from LTP budgets.
Development & Financial contributions - $461,000 above LTP	Unbudgeted local capital contributions were received towards three water assets for property development.
Increase/ Decrease in debt - $1,106,000 below LTP.	Increase in debt not required due to operating surplus.
Capital expenditure - $1,373,000 below LTP	Costs were below LTP due to construction delays to Timaru, Temuka and Rural Stormwater projects.
Increase in reserves - $1,041,000 above LTP	Variance between operating surplus and capital expenditure spend.

Wastewater

What we do

Council collects and treats domestic and industrial wastewater and returns clean water to the environment.

Sewer systems are provided in the urban areas of Timaru, Temuka, Geraldine and Pleasant Point. These systems are linked via pipelines to the main wastewater treatment plant and ocean outfall on the outskirts of Timaru. A small collection scheme also serves the Arowhenua community which feeds into the Temuka pond for treatment. Approximately 80% of the total District residential population have a connection to the sewer system, with over 16,000 residential and non-residential property connections.

Timaru's industrial wastewater stream is treated separately from the domestic wastewater stream. Primary treatment is carried out onsite by industries to comply with tradewaste discharge limits set by Council, before discharging to the public wastewater system, and ultimately ocean discharge.

As part of providing this service we operate:

- Three oxidation ponds at the inland towns of Geraldine, Pleasant Point and Temuka
- One treatment plant at Aorangi Road
- 23 sewer pump stations
- Approximately 469 km of pipeline
- Approximately 4,000 manholes

Enhancing the social, economic, environmental and cultural wellbeing of our community

Quality wastewater infrastructure underpins the health and wellbeing of our communities, as well as the financial and environmental prosperity of the Timaru District.

Safe treatment and disposal of wastewater is of vital importance to the protection of the quality of life and public health of District residents. It safeguards waterways and the environment from direct discharges and helps protect their life-supporting capacity. Removal and mitigation of the adverse impacts of wastewater enhances environmental wellbeing for both current and future generations.

Contributions to Community Wellbeing Outcomes

- Sustainable Environment
- Resilient Infrastructure

Wastewater Highlights

Sewermain Renewals

This year was utilised for planning critical projects in Timaru and Geraldine for delivery next year. These projects will address long-standing service issues such as overflows during rain events.

Wastewater Treatment Plan Upgrades

Critical safety upgrades were completed at the Aorangi Road Wastewater Treatment Plant which included building compliance updates, overhaul of electrical systems and ventilation upgrade.

Service Performance

Level of Service	Performance Measure	Target	Result/ Achievement
Maintain excellent sewer network services	Number of dry weather overflows from the sewer system*	2.5 or fewer per 1,000 connections	**Achieved** – 1.64‰ (2024/25: Achieved - 0.3‰)
Deliver sewer services according to required environmental standards	Compliance with Resource Consent conditions*	No abatement notices, infringement notices, enforcement orders or convictions	**Achieved** -– No notices orders or convictions (2024/25: Achieved – No notices orders or convictions)
Maintain excellent customer service	Satisfaction with condition and maintenance of wastewater services (biennial resident survey)[1]	≥80% user satisfaction	**Achieved** – 95% (2024/25: Not measured – biennial survey)
	Median attendance[2] and resolution[3] times to sewage overflow faults in the network*	Median attendance time less than one hour	**Achieved** – 0.33 (2024/25: Achieved - 0.11 hours)
		Median resolution time less than eight hours	**Achieved**– 1.95 hours (2024/25: Achieved – 1 hour)
	Total complaints received about*: 1) Sewage odour 2) Sewerage system faults 3) Sewerage system blockages 4) The TDC response to sewerage issues	14 or fewer complaints received per 1,000 connections	**Achieved** – 5.6. Odour: 0.61. System faults: 1.16. System blockages: 4.81 TDC response: 0.36 (2024/25: Achieved – 6.93. 1. Odour 0.61, 2. System faults 1.16, 3. Blockages 4.81, 4. TDC response 0.36)

*Department of Internal Affairs mandatory measure

[1] Published LTP 2024-34 omitted disclosure stating resident survey is undertaken biennially

[2] Attendance – Response time applies from the time the local authority receives notification to the time service personnel reach the site

[3] Resolution – Response time applies from the time the local authority receives notification to the time service personnel confirm resolution of the fault

Wastewater Funding Impact Statement

Timaru District Council: Funding impact statement for the year ended 30 June 2026 for Wastewater

	Long Term Plan 24.34 2024-25 $000	Long Term Plan 24.34 2025-26 $000	Actual 2025-26 $000
Sources of operating funding			
General rates, uniform annual general charges, rates penalties	-	-	-
Targeted rates	7,027	7,759	8,048
Subsidies and grants for operating purposes	-	-	-
Fees and charges	3,885	4,157	3,443
Internal charges and overheads recovered	-	-	-
Local authorities fuel tax, fines, infringement fees and other receipts	92	95	61
Total Operating Funding (A)	**11,004**	**12,011**	**11,552**
Applications of operating funding			
Payments to staff and suppliers	2,444	2,497	3,436
Finance costs	2,697	2,558	1,669
Internal charges and overheads applied	1,590	1,830	1,642
Other operating funding applications	-	-	-
Total applications of operating funding (B)	**6,731**	**6,885**	**6,747**
SURPLUS (DEFICIT) OF OPERATING FUNDING (A – B)	**4,273**	**5,126**	**4,805**
Sources of capital funding			
Subsidies and grants for capital expenditure	-	-	-
Development and financial contributions	-	-	486
Increase (decrease) in debt	524	(217)	390
Gross proceeds from sale of assets	-	-	-
Lump sum contributions	-	-	-
Other dedicated capital funding	-	-	-
Total sources of capital funding (C)	**524**	**(217)**	**875**
Applications of capital funding			
Capital expenditure:			
- to meet additional demand	-	-	-
- to improve the level of service	-	-	-
- to replace existing assets	7,372	5,509	1,657
Increase (decrease) in reserves	(2,574)	(600)	4,021
Increase (decrease) of investments	-	-	3
Total applications of capital funding (D)	**4,797**	**4,909**	**5,680**
SURPLUS (DEFICIT) OF CAPITAL FUNDING (C – D)	**(4,273)**	**(5,126)**	**(4,805)**
FUNDING BALANCE ((A - B) + (C - D))	**-**	**-**	**-**

Significant Financial Variances between Actual and the Long Term Plan

Variance	Explanation
General rates, uniform annual general charge, rates penalties - $289,000 above LTP.	Rates register updated with 50% wastewater charges now corrected
Fee & Charges - $714,000 below LTP.	Trade waste and other user charges are below budget. Demand driven based on number of customer connections.
Payments to staff & suppliers - $939,000 above LTP	Relates to recoding of personnel directly to activities from corporate and increased works at wastewater treatment plant.
Finance Costs - $889,000 below LTP.	Decrease in interest rates from LTP budgets.
Internal Charges & overheads - $188,000 below LTP	The decrease in internal charges realigned to overhead model.
Development & Financial contributions - $486,000 above LTP	Unbudgeted local capital contributions were received towards three water assets for property development.
Increase in debt - $607,000 above LTP.	Changes in timing for projects compare to those planned in the LTP caused increased in borrowings for delayed projects
Capital expenditure - $3,852,000 below LTP	Changes in timing for projects compare to those planned in the LTP.
Increase in reserve - $4,621,000 above LTP.	Variance between operating funding and capital expenditure.

Water Supply

What we do

The Council's water supply service treats and distributes water that we source from groundwater bores and rivers in the district for residential, commercial, industrial and stock water purposes. Our water supplies were required to comply with the New Zealand Drinking Water Standards until 14 November 2022, when they were replaced by the Drinking Water Quality Assurance Rules 2022.

Over 21,000 residential and non-residential properties are served through the following individual water supplies:

- Urban Water Supply Schemes: Geraldine, Peel Forest, Pleasant Point, Temuka (including Winchester and Orari), Timaru
- Drinking Water and Stockwater Supply Schemes: Downlands, Seadown, Te Moana
- Stockwater only Schemes: Beautiful Valley, Rangitata – Orari Water Race

The Downlands scheme is managed and operated by Timaru District Council on behalf of residents of the Timaru, Mackenzie and Waimate districts. The policy for this scheme is determined by a Joint Standing Committee of the three Councils.

Our water supply network includes:

- 19 water intakes
- 12 treatment plants
- 19 reservoirs
- 12 pump stations
- Approximately 2,035 kilometres of water supply pipelines

Enhancing the social, economic, environmental and cultural wellbeing of our community

The provision of safe water is fundamental to all aspects of community wellbeing.

Water that is safe to drink is critical for the health and social wellbeing of our residents. High quality and a reliable quantity of water supports ongoing economic development in the district.

Environmental wellbeing is safeguarded by limits on water abstraction. This also ensures protection of the cultural values of water bodies. Managing water use in a sustainable way minimises adverse impacts on our environment for the benefit of current and future generations, discourages water wastage and ensures water is directed to the best purposes.

Contributions to Community Wellbeing Outcomes

- Sustainable Environment
- Resilient Infrastructure

Water Supply Highlights

Watermain Renewals

Watermain State Highway 8 Clelland Road to Davison Road section plus Pressure Relief Valve

A section of critical trunk watermain was renewed for the Downlands Scheme along State Highway 8 between Cleland and Davison Roads.

Pressure Relief Valves (PRVs) are a network management asset used to manage the pressure of water flowing through pipes to taps. Officers can adjust pressure as required and can even isolate sections of the network if there is a water main break. A new PRV was installed at the corner of State Highway 8 and Davison Road.

Renewal of watermain through Caroline Bay

This was a complex operation, needing to be planned around popular events to minimise disruption but completed with an element of urgency. There had been several breaks in the Caroline Bay area, and this critical main is the sole supply to the Port for potable and fire-fighting purposes. Work continues with the final section on Marine Parade to be completed next year.

Seadown Upgrade Programme

This programme involves rationalising property connections, eliminating direct connections to stock troughs and realigning mains out of private property where possible to improve service delivery outcomes. Stage One is complete, with Stage Two underway, carrying on next year.

Treatment Plants

A new reservoir was commissioned at McNair Road for the Temuka Water Supply

Contracts were awarded for the Claremont Water Treatment Plant Upgrade, with construction commencing early next year. This upgrade will improve the resilience of Timaru's Water Supply.

Service Performance

Compliance with Drinking Water Quality Assurance Rules (DWQAR) 2022 for the period 1 July 2025 – 30 June 2026

The Council had been working towards ensuring that it complies with the requirements of the Water Services Act (2021), which requires the Council to take all practicable steps to comply with the Water Services (Drinking Water Standards for NZ) Regulations 2022 and Drinking Water Quality Assurances Rules (DWQAR).

The Department of Internal Affairs updated this mandatory performance measure after the Council had published the Long Term Plan, which sets out statement of service. The updated measure still covers the bacterial and protozoal compliance of water supplies but now is directly referenced to the relevant rules in the Drinking Water Quality Assurances Rules 2022 (revised 2024), which came into effect from 1 January 2025. Our reporting is therefore against those rules.

To achieve compliance with the Rules, the Council must meet 100% of all applicable performance measures; failure to meet any single measure results in non-compliance with DWQAR.Rangitata Huts water supply is managed as part of the Council's Recreation and Leisure activity rather than the Water Supply activity. As a result, the levels of service, performance measures and results for the Rangitata Huts supply are reported under the Recreation and Leasure Group of Activities (refer to page 57) and are not included in the Water Supply results presented here.

The outcome for each treatment plant and distribution zone is summarised in the table below. This is for the period 1 July 20 25 – 30 June 2026.

Level of Service	Performance Measure	Bacterial Compliance			Result %	Achievement
		Supplies	Population	Quality Assurance Rules		
Provide Safe Drinking Water	The extent to which Timaru District Council's drinking water supply complies with the following parts of the drinking water quality assurance rules: (c) 4.7.1 T2 Treatment Monitoring Rules (d) 4.7.2 T2 Filtration Rules (e) 4.7.3 T2 UV Rules (f) 4.7.2 T2 Chlorine Rules (g) 4.8.D2.1 Distribution System Rule (h) 4.10.1 T3 Bacterial Rules (i) 4.10.2 T3 Protozoal Rules (j) 4.11.5 D3.29 Microbiological Monitoring Rule	Peel Forest	130	T2 Treatment Monitoring Rules	95.5%	**Nearly achieved** – pH out of range
				T2 Chlorine Rules	66.7%	**Not achieved** – pH out of range.
				D2.1 Distribution System Rule	100%	**Achieved**
		Downlands	4,550	T3 Bacterial Rules	100%	**Achieved**
				D3.29 Microbiological Monitoring Rule	91.8%	**Not achieved** - One distribution sample exceeded interval.
		Geraldine	2,771	T3 Bacterial Rules	96.4%	**Nearly achieved** - Distribution sampling schedule issues, delayed UV sensor replacement and UV issue during upgrade.
				D3.29 Microbiological Monitoring Rule	88.9%	**Not achieved** - Distribution sampling schedule issues.
		Pareora	450	T3 Bacterial Rules	100%	**Achieved**
				D3.29 Microbiological Monitoring Rule	100%	**Achieved**

Level of Service	Performance Measure	Bacterial Compliance			Result %	Achievement
		Supplies	Population	Quality Assurance Rules		
Provide Safe Drinking Water	The extent to which Timaru District Council's drinking water supply complies with the following parts of the drinking water quality assurance rules: (c) 4.7.1 T2 Treatment Monitoring Rules (d) 4.7.2 T2 Filtration Rules (e) 4.7.3 T2 UV Rules (f) 4.7.2 T2 Chlorine Rules (g) 4.8.D2.1 Distribution System Rule (h) 4.10.1 T3 Bacterial Rules (i) 4.10.2 T3 Protozoal Rules (j) 4.11.5 D3.29 Microbiological Monitoring Rule	St. Andrews	280	T3 Bacterial Rules	85.7%	**Not achieved** - Unmonitored bacterial UV inputs.
				D3.29 Microbiological Monitoring Rule	100%	**Achieved**
		Temuka	4,620	T3 Bacterial Rules	85.7%	**Not achieved** - delayed UV sensor replacement.
				D3.29 Microbiological Monitoring Rule	91.8%	**Not achieved** - One distribution sample exceeded interval.
		Te Moana	1000	T3 Bacterial Rules	100%	**Achieved**
				D3.29 Microbiological Monitoring Rule	91.8%	**Not achieved** - One distribution sample exceeded interval and delayed UV sensor replacement.
		Timaru	27,144	T3 Bacterial Rules	100%	**Achieved**
				D3.29 Microbiological Monitoring Rule	91.8%	**Not achieved** - One distribution sample exceeded interval.
		Pleasant Point	1,200	T3 Bacterial Rules	100%	**Achieved**
				D3.29 Microbiological Monitoring Rule	91.8%	**Not achieved** - One distribution sample exceeded interval.
		Seadown	895	T3 Bacterial Rules	96.2%	**Nearly achieved** - Delayed UV sensor replacement and one day power outage
				D3.29 Microbiological Monitoring Rule	100%	**Achieved**

Level of Service	Performance Measure	Protozoal Compliance			Result %	Achievement
		Supplies	Population	Quality Assurance Rules		
Provide Safe Drinking Water	The extent to which Timaru District Council's drinking water supply complies with the following parts of the drinking water quality assurance rules: (c) 4.7.1 T2 Treatment Monitoring Rules (d) 4.7.2 T2 Filtration Rules (e) 4.7.3 T2 UV Rules (f) 4.7.2 T2 Chlorine Rules (g) 4.8.D2.1 Distribution System Rule (h) 4.10.1 T3 Bacterial Rules (i) 4.10.2 T3 Protozoal Rules (j) 4.11.5 D3.29 Microbiological Monitoring Rule	Peel Forest	130	T2 Treatment Monitoring Rules	95.5%	**Nearly achieved** – pH out of range.
				T2 Filtration Rules	100%	**Achieved**
				T2 UV Rules	100%	**Achieved**
		Downlands	4,550	T3 Protozoal Rules	100%	**Achieved**
		Geraldine	2,771	T3 Protozoal Rules	98.4%	**Nearly achieved** – Delayed UV sensor replacement and UV issue during upgrade.
		Pareora	450	T3 Protozoal Rules	99.4%	**Nearly achieved** – Delayed UV sensor replacement.
		St. Andrews	280	T3 Protozoal Rules	100%	**Achieved**
		Temuka	4,620	T3 Protozoal Rules	100%	**Achieved**
		Te Moana	1,000	T3 Protozoal Rules	98.9%	**Nearly achieved – One distribution sample exceeded interval and delayed UV sensor replacement**
		Timaru	27,144	T3 Protozoal Rules	100%	**Achieved**
		Pleasant Point	1,200	T3 Protozoal Rules	100%	**Achieved**
		Seadown	895	T3 Protozoal Rules	98.0%	**Nearly achieved** – Delayed UV sensor replacement and one day power outage

Compliance with Drinking Water Quality Assurance Rules (DWQAR) 2022 for the period 1 July 2024 – 30 June 2025

The Council had been working towards ensuring that it complies with the requirements of the Water Services Act (2021), which requires the Council to take all practicable steps to comply with the Water Services (Drinking Water Standards for NZ) Regulations 2022 and Drinking Water Quality Assurances Rules (DWQAR).

The Department of Internal Affairs updated this mandatory performance measure after the Council had published the Long Term Plan, which sets out statement of service. The updated measure still covers the bacterial and protozoal compliance of water supplies but now is directly referenced to the relevant rules in the Drinking Water Quality Assurances Rules 2022. Our reporting is therefore against those rules.

The outcome for each treatment plant and distribution zone is summarised in the table below. This is for the period 1 July 2024 – 30 June 2025.

Level of Service	Performance Measure	Bacterial Compliance			Result %	Achievement
		Supplies	Population	Quality Assurance Rules		
Provide Safe Drinking Water	The extent to which Timaru District Council's drinking water supply complies with the following parts of the drinking water quality assurance rules: (c) 4.7.1 T2 Treatment Monitoring Rules (d) 4.7.2 T2 Filtration Rules (e) 4.7.3 T2 UV Rules (f) 4.7.2 T2 Chlorine Rules (g) 4.8.D2.1 Distribution System Rule (h) 4.10.1 T3 Bacterial Rules (i) 4.10.2 T3 Protozoal Rules (j) 4.11.5 D3.29 Microbiological Monitoring Rule	Peel Forest	130	T2 Treatment Monitoring Rules	90.9%	**Not Achieved**: Additional turbidity analyser to monitor water turbidity leaving the plant.
				T2 Chlorine Rules	33.3%	**Not Achieved**: pH and FAC online monitoring required, grab sampling compiled.
				D2.1 Distribution System Rule	100%	**Achieved**
		Downlands	4,550	T3 Bacterial Rules	100%	**Achieved**
				D3.29 Microbiological Monitoring Rule	100%	**Achieved**
		Geraldine	2,771	T3 Bacterial Rules	99.6%	**Nearly Achieved**: Minor plant non-compliance and failure to replace reference sensor
				D3.29 Microbiological Monitoring Rule	100%	**Achieved**
		Pareora	450	T3 Bacterial Rules	99.3%	**Nearly Achieved**: Monitoring requirements not met for UVT, but grab samplings were compliant
				D3.29 Microbiological Monitoring Rule	100%	**Achieved**

Level of Service	Performance Measure	Bacterial Compliance			Result %	Achievement
		Supplies	Population	Quality Assurance Rules		
Provide Safe Drinking Water	The extent to which Timaru District Council's drinking water supply complies with the following parts of the drinking water quality assurance rules: (c) 4.7.1 T2 Treatment Monitoring Rules (d) 4.7.2 T2 Filtration Rules (e) 4.7.3 T2 UV Rules (f) 4.7.2 T2 Chlorine Rules (g) 4.8.D2.1 Distribution System Rule (h) 4.10.1 T3 Bacterial Rules (i) 4.10.2 T3 Protozoal Rules (j) 4.11.5 D3.29 Microbiological Monitoring Rule	St. Andrews	280	T3 Bacterial Rules	99.8%	**Nearly Achieved**: Monitoring requirements not met for UVT, but grab samplings were compliant
				D3.29 Microbiological Monitoring Rule	100%	**Achieved**
		Temuka	4,620	T3 Bacterial Rules	100%	**Achieved**
				D3.29 Microbiological Monitoring Rule	100%	**Achieved**
		Te Moana	1,000	T3 Bacterial Rules	100%	**Achieved**
				D3.29 Microbiological Monitoring Rule	100%	**Achieved**
		Timaru	27,144	T3 Bacterial Rules	100%	**Achieved**
				D3.29 Microbiological Monitoring Rule	100%	**Achieved**
		Pleasant Point	1,200	T3 Bacterial Rules	100%	**Achieved**
				D3.29 Microbiological Monitoring Rule	100%	**Achieved**
		Seadown	895	T3 Bacterial Rules	99.4%	**Nearly Achieved:** UV issues however FAC was maintained
				D3.29 Microbiological Monitoring Rule	100%	**Achieved**

Level of Service	Performance Measure	Protozoal Compliance			Result %	Achievement
		Supplies	Population	Quality Assurance Rules		
Provide Safe Drinking Water	The extent to which Timaru District Council's drinking water supply complies with the following parts of the drinking water quality assurance rules: (c) 4.7.1 T2 Treatment Monitoring Rules (d) 4.7.2 T2 Filtration Rules (e) 4.7.3 T2 UV Rules (f) 4.7.2 T2 Chlorine Rules (g) 4.8.D2.1 Distribution System Rule (h) 4.10.1 T3 Bacterial Rules (i) 4.10.2 T3 Protozoal Rules (j) 4.11.5 D3.29 Microbiological Monitoring Rule	Peel Forest	130	T2 Treatment Monitoring Rules	100%	**Achieved**
				T2 Filtration Rules	100%	**Achieved**
				T2 UV Rules	100%	**Achieved**
		Downlands	4,550	T3 Protozoal Rules	99.9%	**Nearly Achieved**: Turbidity false positive from air entrainment following backwash
		Geraldine	2,771	T3 Protozoal Rules	99.7%	**Nearly Achieved**: Minor plant non-compliance and failure to replace reference sensor
		Pareora	450	T3 Protozoal Rules	64.1%	**Not Achieved**: Monitoring requirements not met for UVT, but grab samplings were compliant
		St. Andrews	280	T3 Protozoal Rules	78.5%	**Not Achieved**: Monitoring requirements not met for UVT, but grab samplings were compliant
		Temuka	4,620	T3 Protozoal Rules	100%	**Achieved**
		Te Moana	1,000	T3 Protozoal Rules	99.6%	**Nearly Achieved**: Minor plant non-compliance and issues with protozoal turbidity (membrane) and failure to replace reference sensor
		Timaru	27,144	T3 Protozoal Rules	100%	**Achieved**
		Pleasant Point	1,200	T3 Protozoal Rules	100%	**Achieved**
		Seadown	895	T3 Protozoal Rules	99.4%	**Nearly Achieved**: Minor plant non-compliance, power issue in May and failure to replace reference sensor

Level of Service	Performance Measure	Target	Result/ Achievement
Maintain excellent customer service	The percentage of real water loss from TDC's networked reticulation system and description of the methodology used*[1]	% real water loss from network system reduces	**Achieved** – Total 25%. (2024/25: Not achieved – Total 28%, (urban 24%, rural 29%))
Maintain excellent customer service	Median attendance[2] and resolution[3] times for urgent and non-urgent callouts for water supply faults or unplanned interruptions in the network*	Median response time for attendance for urgent call-outs: attendance for urgent call-outs: from the time that the local authority receives notification to the time that service personnel reach the site.* - urban callouts: less than 1 hour - rural callouts: less than 4 hours	**Achieved** – 0.56 hours. (2024/25: Achieved - 0.56 hours) **Achieved** – 1.21 hours. (2024/25: Achieved – 1.23 hours)
		Median response time for resolution for urgent call-outs: resolution of urgent call-outs: from the time that the local authority receives notification to the time that service personnel confirm resolution of the fault or interruption - urban callouts – less than 4 hours - rural callouts – less than 8 hours	**Achieved** – 1.75 hours. (2024/25: Achieved - 2.20 hours) **Achieved** – 2.65 (2024/25: Achieved – 3.85 hours)

*Department of Internal Affairs mandatory measure

[1] Council applies the internationally recognized International Water Association (IWA) Water Balance framework, supported by Water New Zealand's BenchlossNZ tool. Which includes:

- System Input Volume
- Authorized Consumption
- Non-Revenue Water (NRW), comprising Apparent and Real Losses
- Infrastructure Leakage Index (ILI), which compares actual losses to Unavoidable Annual Real Losses (UARL)

[2] Attendance – Response time applies from the time the local authority receives notification to the time service personnel reach the site

[3] Resolution – Response time applies from the time the local authority receives notification to the time service personnel confirm resolution of the fault

Level of Service	Performance Measure	Target	Result/ Achievement
Maintain excellent customer service	Median attendance[1] and resolution[2] times for urgent and non-urgent callouts for water supply faults or unplanned interruptions in the network*	Median response time for attendance for non-urgent call-outs is less than 3 working days[3]:: attendance for non-urgent call-outs from the time that the local authority receives notification to the time that service personnel reach the site.*	**Achieved** – 9.85 hours. (2024/25: Achieved - 11.6 hours,)
		Median response time for resolution for non-urgent call-outs is less than 5 working days[4]: resolution of non-urgent call-outs: from the time that the local authority receives notification to the time that service personnel confirm resolution of the fault or interruption*	**Achieved** – 9.85 hours. (2024/25: Achieved – 14.8 hours)
	Total complaints received Drinking water clarity Drinking water taste Drinking water odour Drinking water pressure or flow Continuity of supply TDC response to these issues expressed per 1,000 connections*	26 or fewer complaints received per 1,000 connections (connections are to the local authority's networked reticulation system)	**Achieved** – 10.33 complaints per 1,000 connections. Odour: 1.07. Clarity: 1.49. Taste: 1.54. Water pressure/ flow: 0.28. Continuity of supply: 4.81. TDC response to complaints: 4.57. (2024/25: Achieved – 13.77)
	Satisfaction with condition and maintenance of water supply services[5]	≥80% user satisfaction	**Achieved** – 89%. (2024/25: Not measured – biennial survey)
Provide demand management of water supply services	The average consumption of drinking water per day per resident within the Timaru District*	300L per day per resident	**Achieved** – 295. Restricted tank connections on rural schemes continue to inflate the result with urban scheme consumption at 272 litres per person per day. (2024/25: Achieved - 299)
Deliver water services according to required environmental standards	Compliance with Resource Consent conditions	No abatement notices, infringement notices, enforcement orders, convictions	**Achieved** – No notices, orders or convictions. (2024/25: Achieved – No notices, orders or convictions.)

[1] Attendance – Response time applies from the time the local authority receives notification to the time service personnel reach the site

[2] Resolution – Response time applies from the time the local authority receives notification to the time service personnel confirm resolution of the fault

[3] Published LTP 2024-34 target 'time to be reported' updated to 'less than 3 working days'.

[4] Published LTP 2024-34 target 'time to be reported' updated to 'less than 5 working days'.

[5] Published LTP 2024-34 omitted disclosure stating resident survey is undertaken biennially

*Department of Internal Affairs mandatory measure

Water Supply Funding Impact Statement

Timaru District Council: Funding impact statement for the year ended 30 June 2026 for Water Supply

	Long Term Plan 24.34 2024-25 $000	Long Term Plan 24.34 2025-26 $000	Actual 2025-26 $000
Sources of operating funding			
General rates, uniform annual general charges, rates penalties	-	-	-
Targeted rates	15,129	16,408	17,493
Subsidies and grants for operating purposes	-	-	-
Fees and charges	2,822	3,020	-
Internal charges and overheads recovered	-	-	-
Local authorities fuel tax, fines, infringement fees and other receipts	444	451	798
Total Operating Funding (A)	**18,395**	**19,879**	**18,291**
Applications of operating funding			
Payments to staff and suppliers	5,519	5,570	6,623
Finance costs	3,536	3,659	2,488
Internal charges and overheads applied	3,008	3,466	3,209
Other operating funding applications	-	-	-
Total applications of operating funding (B)	**12,063**	**12,695**	**12,320**
SURPLUS (DEFICIT) OF OPERATING FUNDING (A – B)	**6,332**	**7,184**	**5,970**
Sources of capital funding			
Subsidies and grants for capital expenditure	-	-	-
Development and financial contributions	-	-	656
Increase (decrease) in debt	5,115	10,575	3,425
Gross proceeds from sale of assets	-	-	-
- Lump sum contributions	-	-	-
Other dedicated capital funding	-	-	-
Total sources of capital funding (C)	**5,115**	**10,575**	**4,082**
Applications of capital funding			
Capital expenditure:			
- to meet additional demand	-	-	-
- to improve the level of service	1,239	-	-
- to replace existing assets	10,276	18,752	7,284
Increase (decrease) in reserves	(68)	(993)	1,911
Increase (decrease) of investments	-		857
Total applications of capital funding (D)	**11,447**	**17,759**	**10,052**
SURPLUS (DEFICIT) OF CAPITAL FUNDING (C – D)	**(6,332)**	**(7,184)**	**(5,970)**
FUNDING BALANCE ((A - B) + (C - D))	**-**	**-**	**-**

Significant Financial Variances between Actual and the Long Term Plan

Variance	Explanation
Targeted rates - $1,085,000 above LTP	Whole council rates revenue has increased above the increases set in the LTP. Additional rates were required to cover an increase in applications of operating funding from the LTP for this activity.
Fees and Charges $3,020,000 below LTP	Metered water included in Targeted rates.
Local authorities fuel tax, fines, infringement fees and other receipts - $347,000 above LTP	Largely attributed to Finance revenue from Downlands.
Payments to staff & suppliers – $1,053,000 above LTP.	Relates to recoding of personnel directly to activities from corporate and increased volume of reactive renewals. Dependent on weather and demand requirements.
Finance Costs - $1,171,000 below LTP	Decrease in interest rates from LTP budgets.
Internal Charges & overheads - $257,000 below LTP	Overhead adjusted to appropriately align with activity overhead model.
Development & Financial Contributions - $656,000 above LTP.	Unbudgeted local contributions were received towards three water assets for property developments.
Increase / Decrease in debt – $7,150,000 below LTP	Due to decrease in capital expenditure.
Capital expenditure - $11,468,000 below LTP	Timing and costing of project spend has changed since LTP was set at June 2024.
Increase in reserve - $2,904,000 above LTP	Variance between operating surplus and capital expenditure.

Waste Management

What we do

Council provides a safe and effective waste collection, recycling, recovery and disposal service with a focus on minimising waste.

Approximately 85% of the district's households have organic waste, recycling and rubbish bins which are collected regularly. The materials are then sorted and managed at the Redruth Resource Recovery Park in Timaru.

Council manages the overall activity and owns waste management sites and facilities where operational work is carried out by contractors. EnviroWaste Services Ltd is contracted to provide kerbside collection, transfer stations, landfill, composting and recycling operations and waste management education.

Services include:

- **4-bin kerbside collection** (Waste, Organics, Recycling, Glass)
- **Transfer stations** in Temuka, Geraldine and Pleasant Point
- **Resource Recovery Park** in Timaru (Redruth)
- **Reduction** – community education for schools and businesses, public place recycling, zero waste events
- **Recycling** – via Materials Recycling Facility and non-MRF recycling Recovery – composting and metal recovery.
- **Treatment** – hazardous waste drop-offs
- **Disposal** – Class A landfill (Redruth)
- **Reuse** – Crow's Nest shop

Enhancing the social, economic, environmental and cultural wellbeing of our community

Waste management services protect people's health and enhance environmental wellbeing by minimising the production of rubbish and promoting recycling and reuse.

An effective waste management system promotes Timaru District as sustainable and environmentally responsible – enhancing our sense of social and environmental wellbeing as a community.

Contributions to Community Wellbeing Outcomes

- Connected Citizens
- Enhanced Lifestyle
- Sustainable Environment
- Diverse Economy

Waste Management Highlights

Peel Forest Landfill Remediation

Removal of material from the Peel Forest closed landfill was completed during the year, ahead of schedule and under budget. Over the life of the project 29,170 tonnes were taken to Redruth landfill in around 1,000 truckloads, with recoverable material such as rock and metal separated out.

Soil sampling has since confirmed the site meets all requirements, and work has moved on to reinstating the land under the Council's agreement with the Ministry for the Environment. Arowhenua Nurseries prepared a native planting plan in line with the Deed of Funding, and planting on the flat area adjacent to Dennistoun Road was completed in May.

Engagement over Enforcement

CBD footpaths are now clearer and complaints about bins have reduced. Narrow footpaths in Cains Terrace and Sophia Street had long been obstructed by wheelie bins left out well beyond the 24 hours allowed under the bylaw, which is a particular problem in a one-way street where every bin sits on the same side.

Rather than moving straight to enforcement, staff attached a memo quoting the bylaw to the lids of offending bins, followed by a reminder, and removed bins only where they remained after that. Audits showed the number of offending bins left out fell from more than twenty to two. The CBD collection schedule was also changed so trucks empty bins early in the morning rather than during business hours, keeping the main street clear during the trading day.

Resident Satisfaction

Resident satisfaction with waste disposal, recycling and composting services rose to 84 percent, up from 80 percent in 2023/24. Recycling drove the improvement, with satisfaction up significantly to 85 percent from 77 percent. Satisfaction with services for managing general waste rose to 83 percent from 80 percent, and green waste services held steady at 86 percent.

Despite the improvement, the result remains below the Council's 90 percent target and below the levels recorded before 2023/24, when satisfaction with waste services sat consistently above 90 percent.

Service Performance

Level of Service	Performance Measure	Target	Result/ Achievement
No adverse effects on the environment or human health from the operation of waste management services	Compliance with Resource Consent conditions[1]	No abatement notices, infringement notices, enforcement orders and convictions	**Achieved** – No notices, orders or convictions. (2024/25: Achieved – No notices, orders or convictions)
Waste Management services meet customer expectations	Resident satisfaction with waste management services and facilities within the district (biennial resident survey)	≥90%	**Not achieved –** 84% has been recovering following national changes to recycling which weren't popular locally. (2024/25: Not measured – biennial survey[2])
Waste reduction	Kerbside refuse collection waste volumes (mandatory)	130kg per resident	**Not achieved** – 138.16kg. Partly attributable to increase in users opting for larger 240L rubbish bins. (2024/25: Not achieved – 135.41kg)
	Total waste received at Transfer stations and resource recovery parks (mandatory)	<9,050 tonnes	**Achieved** – 8,362.30 tonnes. Improvement from previous year partly attributable to targeted education programmes. (2024/25: Nearly achieved – 9,267.25 tonnes)
	Level of contamination of recycling	Less than 10%	**Nearly achieved** – 10.37%. Significant improvement on prior year attributable to education programmes and Timaru District specific sampling. (2024/25: Not achieved – 26.88%)

[1] Excluding all minor non-compliances as reported by Environment Canterbury. Minor non-compliance refers to low-risk matters that are primarily administrative in nature and do not involve any change to the underlying activity being undertaken on site.

[2] Published LTP 2024-34 omitted disclosure stating resident survey is undertaken biennially

Waste Management Funding Impact Statement

Timaru District Council: Funding impact statement for the year ended 30 June 2026 for Waste Management

	Long Term Plan 24.34 2024-25 $000	Long Term Plan 24.34 2025-26 $000	Actual 2025-26 $000
Sources of operating funding			
General rates, uniform annual general charges, rates penalties	-	-	-
Targeted rates	7,677	7,846	7,846
Subsidies and grants for operating purposes	1,000	1,022	4,410
Fees and charges	5,595	5,985	6,062
Internal charges and overheads recovered	-	-	-
Local authorities fuel tax, fines, infringement fees and other receipts	131	134	5,197
Total Operating Funding (A)	**14,403**	**14,987**	**23,515**
Applications of operating funding			
Payments to staff and suppliers	10,311	10,698	12,716
Finance costs	1,752	1,673	963
Internal charges and overheads applied	1,413	1,679	5,983
Other operating funding applications	-	-	-
Total applications of operating funding (B)	**13,476**	**14,050**	**19,662**
SURPLUS (DEFICIT) OF OPERATING FUNDING (A – B)	**927**	**937**	**3,853**
Sources of capital funding			
Subsidies and grants for capital expenditure	-	-	-
Development and financial contributions	-	-	-
Increase (decrease) in debt	(48)	(122)	(8,444)
Gross proceeds from sale of assets	-	-	101
Lump sum contributions	-	-	-
Other dedicated capital funding	-	-	-
Total sources of capital funding (C)	**(48)**	**(122)**	**(8,343)**
Applications of capital funding			
Capital expenditure:			
- to meet additional demand	-	-	-
- to improve the level of service	612	559	88
- to replace existing assets	266	256	284
Increase (decrease) in reserves	-	-	391
Increase (decrease) of investments	-	-	(5,252)
Total applications of capital funding (D)	**879**	**815**	**(4,490)**
SURPLUS (DEFICIT) OF CAPITAL FUNDING (C – D)	**(927)**	**(937)**	**(3,853)**
FUNDING BALANCE ((A - B) + (C - D))	**-**	**-**	**-**

Significant Financial Variances between Actual and the Long Term Plan

Variance	Explanation
Subsidies & Grants for operating purposes - $3,388,000 above LTP	External grants received for Peel Forest remediation.
Local authorities fuel tax, fines, infringement fees and other receipts - $5,063,000 above LTP	Relates to internal Peel Forest revenue.
Payments to staff & suppliers - $1,782,000 above LTP	Attributed to consultancy fees & landfill remediation spend above budget.
Finance Costs - $710,000 below LTP	Decrease in interest rates from LTP budgets.
Internal Charges & overheads - $4,304,000 above LTP.	Overhead adjusted to appropriately align with activity overhead model.
Decrease in debt - $8,322,000 above LTP.	As a result of operating surplus capital spend and review of landfill remediation provision.
Capital expenditure - $443,000 below LTP.	Spend is below LTP due to differences in timing of landfill cell development from LTP.
Increase in reserve - $391,000 above LTP	Operating surplus of $11.1m offset by $10.5m loan repayment

Council Controlled Organisations

The following are CCO's and CCTO's of Timaru District Council:

Timaru District Holdings Limited (TDHL)

Timaru District Holdings Limited is a Council Controlled Trading Organisation (CCTO) and the wholly owned investment arm of Council. TDHL holds shares in associate companies and owns an investment portfolio of land and property.

Associate Companies

- PrimePort Timaru Limited (50%)
- Alpine Energy Limited (47.5%)

Nature and Scope of Activities

TDHL's core purpose is to manage and grown an investment portfolio that provides a sustainable intergenerational return and is aligned to the values of the Shareholder.

TDHL's vision is to be a successful and diversified regional investment company.

TDHL oversees the governance of the associate trading companies (Alpine Energy, Primeport Timaru) through monitoring the individual company's compliance with their Statement of Intent (SOI) regular monthly reporting against the company's budgets, regular reports on the property portfolio, and meetings between representatives of the companies and TDHL, at both Board and officer level.

The strategic priorities and performance targets included in the Statement of Intent 2025/26 are reported as being 100% achieved in the TDHL Annual Report 2025/26 (page 7).
These achievements included a 7.2% return on investment for Port property held, and dividend of $1.4m paid to Council.

Although these measures are not included in the LTP 2024-34, they are aligned with the Nature and Scope of Activities described above.

Policies and objectives relating to ownership and control

TDHL operates as a standalone company governed by an independent skills-based Board of five Directors, including a Chairperson. TDHL employs its own General Manager and staff. All TDHL operations and assets are managed by the TDHL General Manager who has overall responsibility for implementing the company's strategic direction and reports to the company's Board of Directors. TDHL reports progress to Council every quarter.

Key performance targets

TDHL agrees its key financial and non-financial performance indicators with its shareholder, Timaru District Council. These are included in TDHL's Statement of Intent, available from www.timaru.govt.nz or www.tdhl.co.nz/publications

The annual Statement of Intent is finalised by 30 June.

The performance indicators are:

Performance Measures	Target 2025/26 LTP 2024-34	Result	Achievement
EBITDA* (excluding revaluations)	$2,556,558	$2,336,993	**Not Achieved**
Net Profit to shareholders funds (ROE)	3.6%	5.1%	**Achieved**
Dividend	$1.4m	$1.4m	**Achieved**
Shareholder funds to total assets	>60%	83.84%	**Achieved**

*EBITDA Earnings before Interest, Taxes, Depreciation and Amortisation

Council Controlled Organisations

Venture Timaru

Venture Timaru Limited (known as Venture Timaru) is a Council Controlled Organisation (CCO) focused on economic development and tourism promotion.

Subsidiary companies

- Nil

Nature and Scope of Activities

Venture Timaru's vision is to ***enable a vibrant and thriving community by cultivating and promoting the economic success of our district.***

In 2025/26 the significant activities and achievements which aligned with the nature and scope of activities included:

- **Invest NZ recognition of South Canterbury's energy advantage -** The most consequential relationship-building result of the year. Over 15 months of direct engagement with Invest NZ has positioned South Canterbury's genuine strategic asset — proximity to existing and proposed new renewable generation, strong Transpower high-voltage access and backhaul fibre connectivity — squarely in front of central government and global investors. The underlying goal is straightforward: get more accessible, affordable power flowing into the Central South Island, which opens the door to a wide range of opportunities — future food and fibre processing, large energy users, and other power-intensive industry, while giving us all enhanced energy resilience Invest NZ's July 2026 Data Infrastructure Investment paper named South Canterbury one of only six national "Advantaged Zones" on these criteria, which is a useful, government-endorsed data point in the toolkit. But the real story is the underlying energy-access work, which given energy is such a key economic enabler – will remain a prime focus for Venture Timaru into the immediate future.

- **Aerospace sector — full cycle from seat at the table to space hardware**. The year started with the CE appointed to the Canterbury Aerospace Leadership Group, overseeing the implementation of the Canterbury Aerospace Strategy, and an initial local capability workshop at which 3 x active Aerospace entities presented on 'what it takes to be a part of it". Immediate connection was made with a local precision-engineering firm manufacturing a component now heading to the International Space Station in 2027. It is rare to see a new-sector play go from relationship to tangible, citable outcome within a single financial year.

- **Make Timaru your Business campaign** – There are 32 live, and in many cases well progressed new to district business opportunities, which are a result of referrals directly traced back to this campaign. Additionally our local advocate network of businesses and individuals has more than210 members and growing. This is evidence the campaign is becoming self-sustaining rather than needing constant fresh push — a good structural sign for future years.

- **Continued growth in our Cruise sector:** strategy finalised and implementation underway in partnership with Primeport – alongside our local hospitality sector and tourism operators; 14 visits in the 2025/26 season with a positive debrief. Notably, Timaru was the only port in New Zealand to see an increase in ship visits in 2025/26 — a real point of distinction in a sector where most NZ ports were flat or declining, and evidence of a growing, increasingly enviable reputation as a "can do" port and a genuinely friendly and welcoming community. The 2026/27 season is already pre-booked with a similar level of visits. This is a maturing, multi-year workstream building real momentum.

- **International media exposure** — Timaru featured in Sunrise (Australian breakfast TV, ~3m weekly audience) via the Regional Tourism Boost Fund collaboration; hosted UK influencer/journalist Harry Bullmore (The Independent, 19m monthly UK readership); engaged with at each of Tourism NZ's Sydney Roadshow, RTNZ Inbound event and TRENZ. In addition, we secured the filming of both the Australian and NZ series of reality show Traitors this past year - (80+ crew, 25+ cast, 6 weeks).

Venture Timaru continued

Venture Timaru's strategic approach is to:



Policies and objectives relating to ownership and control

The Council appoints the directors of Venture Timaru. This is to ensure the necessary independence, public credibility and specialised governance that it needs to be effective in delivering on economic development and tourism promotion outcomes programmes, while retaining accountability to the district's community.

Venture Timaru has an independent skills-based Board of eight Directors, including a Chairperson, and employs its own Chief Executive and staff. All Venture Timaru operations and assets are managed by the Venture Timaru Chief Executive who has overall responsibility for implementing Venture Timaru's strategic direction and reports to the Board of Directors. Venture Timaru reports progress to Council every quarter.

Venture Timaru continued

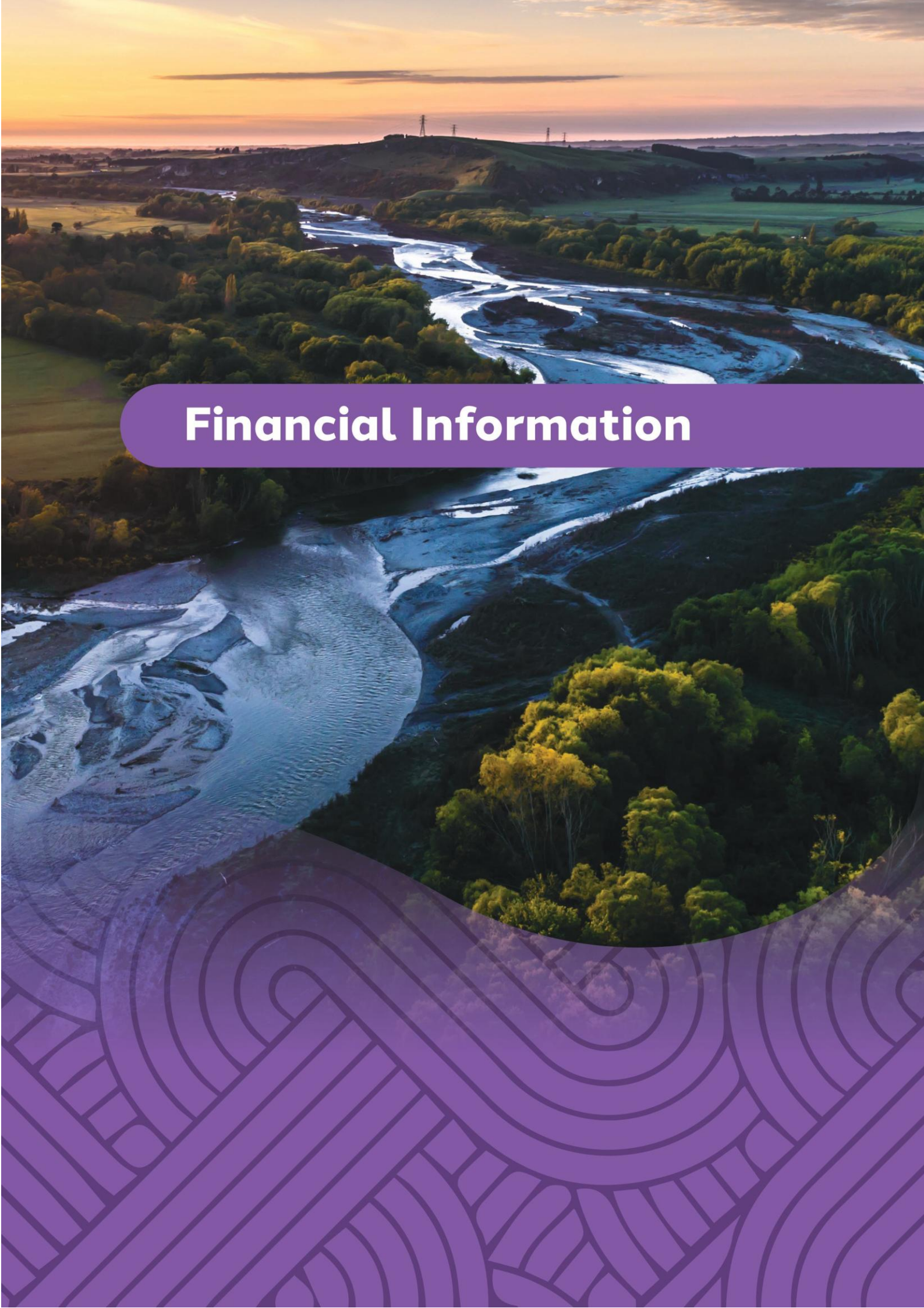
Key performance targets

Venture Timaru (VT) agrees its key financial and non-financial performance indicators with its shareholder, Timaru District Council. These are included in the Venture Timaru Statement of Intent, available from www.timaru.govt.nz. The annual Statement of Intent is finalised by 30 June.

Non-Financial Performance Targets and other measures

The Monitoring, Performance and Success Indicators align to Venture Timaru's objectives and the nature of Venture Timaru's scope and activities in the year ahead. They also align to longer term priorities and opportunities identified within the Economic Development Strategy and Destination Management Plan. The Monitoring Indicators are largely beyond the control of Venture Timaru as they are influenced by the wider economy. By monitoring progress within these indicators, a health check on the performance of the district's local economy against the national economy is maintained, which in turn highlights areas of focus.

Objectives	Performance Indicators	Result/ Achievement
Support existing business to innovate and grow	GDP Contribution: Timaru District v NZ	**Achieved**: GDP in Timaru District was provisionally up 2.0% for the year to June 2026 compared to the prior year, which is higher than the national increase of 1.7%.
	Maintain database of all existing business engagement – min 20 per month	**Achieved**: 412 total engagements (241 Economic Development, 171 Tourism) – averaging 34 per month.
	Value add assistance provided to local business	**Achieved**: Reported to Council quarterly/annually.
	Risks identified and mitigation and escalation action undertaken.	**Achieved**: Reported to Council quarterly/annually.
Attract and assist new business to the district	Unemployment Rate: Timaru District v NZ	**Achieved**: Unemployment averaged 3.7% in the year to June 2026, below the national 5.4%.
	Engage with a minimum of 10 new businesses or referral sources per month	**Achieved**: 205 total engagements with new businesses or referral sources - averaging 17 per month.
	Maintain database of active new businesses and referral sources – actions taken and to be taken.	**Achieved**: Hubspot CRM databased implemented and maintained driving all Economic Development and Tourism engagement monitoring and reporting.
Assist business to attract, develop & maintain a skilled workforce	Housing Affordability Timaru v like areas	**Achieved**: Housing affordability in June 2026 was 4.2x in Timaru District, against 6.5x nationally (mean house value to mean household income).
	Min 6 workforce initiatives to inform, retain, grow or attract talent to the District	**Not progressed**: Ministry of Social Development funding contract discontinued at 30 June 2025. New strategy aligned VT role to be more participatory than facilitative.
	20 pathway events, min 3500 students and 150 local businesses	
	Successes of students into local employment	
Promote the district as a "destination of choice"	Consumer & Visitor Spend Trends v same period last year	**Achieved**: Consumer spend increased by 3.4% compared to prior year and was higher than the national increase of 0.6%. Visitor spend increased by 4.7% compared to prior year and was higher than the national increase of 4.6%.
	Event ROI Economic Benefit for every $ invested via Major Events Fund – target $1:$25	**Achieved**: For ticketed events held the ROI (Return on Investment) ranged between $25.20 to >$100.00 for every $1 of Major Events Fund support.
	# of new events and conferences	**Achieved**: 5 new events including Crusaders v Highlanders, Matatu v Poua, Art in Motion, Midlands Aoraki Squash and Gintastic.
	Cruise Sector Economic Benefit/ROI	Achieved: *Based on 14,000 cruise passengers that visited Timaru in the 2025/26 season and NZ Cruise Assn/Cruise Line International Assn assessed average spend of $186.00 per passengers, the estimated Economic Benefit associated with Cruise in 2025/26 was $2.604m and based on VT's $33,973 cruise sector operating costs - an ROI of $76.65 for every $1 of cruise sector funding provided by Council.*
Facilitate new investment in infrastructure & community assets	GDP per filled job Year on year improvement	**Achieved**: Improvement from $160,028 in 2024/25 to $162,343 in 2025/26 (+1.45%).
	$ of new to district investment – central government and private.	**Achieved**: $2.84m Regional Investment Fund and $75k Major Events and Tourism Fund.
	Facilitated investment and development introductions made and assistance given.	**Achieved**: Reported quarterly/annually. 88 introductions made and assistance given.



Financial Information

Section Overview

This section outlines the financial results of Council activities for 2025/26. It includes:

Statement of Comprehensive Revenue and Expense

It shows the financial results of all Timaru District Council and group activities at the end of each period as either a surplus or deficit. It does not include capital transactions.

Statement of Changes in Equity

Equity is the residual interest in the assets of Timaru District Council and group 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.

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

The reporting against the Council's CCO's and CCTO's policies, objectives, activities and performance targets are included on pages 92-95.

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.

Statement of Comprehensive Revenue and Expense

for the year ended 30 June 2026

		Council			Group	
		Actual 2026 $000	Budget 2026 $000	Actual 2025 $000	Actual 2026 $000	Actual 2025 $000
REVENUE	Notes					
Rates revenue	3.1	91,760	91,940	84,258	91,255	83,799
Fees and charges	3.2	21,215	21,488	21,423	20,966	21,341
Subsidies and Grants	3.3	28,833	15,019	13,087	28,991	13,626
Development and financial contributions	3.5	1,719	-	543	1,719	543
Finance Revenue	3.4	1,747	3,752	3,537	1,170	2,425
Other Revenue	3.6	15,197	13,106	12,053	17,575	14,459
Other gains	3.7	555	-	932	1,068	5,212
TOTAL REVENUE		161,025	145,306	135,833	162,743	141,405
EXPENDITURE						
Personnel costs	4	30,762	34,501	31,774	31,851	32,913
Other Expenses	6	55,574	56,156	56,784	56,071	57,871
Finance Costs	5	8,640	11,968	10,066	9,164	10,518
Depreciation and amortisation expense	19	37,547	43,901	38,229	37,619	38,266
Other losses	3.7	17,116	-	4,655	17,208	4,717
TOTAL EXPENDITURE		149,639	146,526	141,508	151,913	144,285
OPERATING SURPLUS/(DEFICIT) BEFORE TAX	14	11,386	(1,220)	(5,675)	10,830	(2,880)
Share of associate surplus/(deficit)		-	-	-	9,801	(4,434)
SURPLUS / (DEFICIT) BEFORE TAX		11,386	(1,220)	(5,675)	20,631	(7,314)
Income Tax credit/(expense)	7		-	-	198	(45)
SURPLUS / (DEFICIT) AFTER TAX		11,386	(1,220)	(5,675)	20,829	(7,359)
OTHER COMPREHENSIVE REVENUE and EXPENSE						
Property Plant and Equipment Revaluation	16,27	33,654	70,063	45,428	33,271	45,428
TOTAL OTHER COMPREHENSIVE REVENUE and EXPENSE		33,654	70,063	45,428	33,271	45,428
TOTAL COMPREHENSIVE REVENUE and EXPENSE		45,040	68,843	39,753	54,100	38,069

Explanations of major variances against budget are provided in Note 29

The accompanying notes form part of these financial statements

Statement of Changes in Equity

for the year ended 30 June 2026

	Council			Group	
	Actual 2026 $000	Budget 2026 $000	Actual 2025 $000	Actual 2026 $000	Actual 2025 $000
Balance at the beginning of year	1,811,561	1,866,033	1,771,808	1,938,904	1,900,835
Total comprehensive revenue and expense for the year	45,040	68,843	39,753	54,100	38,069
Balance at end of year	1,856,601	1,934,876	1,811,561	1,993,005	1,938,904

Explanations of major variances against budget are provided in Note 29

The accompanying notes form part of these financial statements

Statement of Financial Position

as at 30 June 2026

		Council			Group	
		Actual 2026 $000	Budget 2026 $000	Actual 2025 $000	Actual 2026 $000	Actual 2025 $000
ASSETS	Notes					
Current assets						
Cash and cash equivalents	8	36,582	9,231	43,123	38,072	43,492
Receivables	10	15,915	13,668	15,824	16,289	16,079
Inventories		25	-	24	25	24
Intangible assets	18	1,938	-	2,010	1,938	2,010
Assets held for Sale	12	1,271	-	-	2,473	1,202
Other financial assets	13	2,212	37,296	2,065	2,630	3,478
Derivative Financial Instruments	11	53	-	274	66	274
Total current assets		57,996	60,195	63,320	61,493	66,559
Non-current assets						
Property, plant and equipment	16	2,010,522	2,129,801	1,962,832	2,012,081	1,964,066
Cultural and heritage assets	17	7,562	-	7,159	7,562	7,159
Intangible assets	18	5,132	8,594	5,084	5,132	5,084
Investment forestry		997	1,150	1,086	997	1,086
Investment property	21	835	1,740	1,725	75,054	73,486
Investments in associates	14	-	-	-	122,890	114,272
Investment in CCOs and other similar entities	13	56,359	55,725	56,359	3,418	3,418
Other financial assets	13	8,360	-	6,977	11,665	6,977
Derivative Financial Instruments	11	396	-	574	396	574
Deferred tax asset	7	-	-	-	1,017	817
Total non-current assets		2,090,164	2,197,010	2,041,798	2,240,212	2,176,940
Total assets		2,148,160	2,257,205	2,105,118	2,301,705	2,243,499

Explanations of major variances against budget are provided in Note 29

The accompanying notes form part of these financial statements

Statement of Financial Position (continued)

as at 30 June 2026

		Council			Group	
		Actual 2026 $000	Budget 2026 $000	Actual 2025 $000	Actual 2026 $000	Actual 2025 $000
LIABILITIES	Notes					
Current liabilities						
Payables and deferred revenue	22	24,991	23,802	27,009	25,553	27,600
Provisions	25	138	-	7,522	138	7,522
Employee entitlements	24	3,882	2,635	2,984	3,966	3,072
Borrowings	23	61,938	-	61,722	74,438	71,022
Income tax payable	7	-	-	-	994	994
Total current liabilities		90,949	26,437	99,237	105,089	110,210
Non-current liabilities						
Provisions	25	5,815	13,182	4,366	5,815	4,366
Employee entitlements	24	795	409	886	795	886
Borrowings	23	194,000	282,301	189,068	197,000	189,068
Derivative Financial Instruments	11	-	-	-	-	65
Total non-current liabilities		200,610	295,892	194,320	203,610	194,385
Total liabilities		291,559	322,329	293,557	308,699	304,595
Net assets		1,856,601	1,934,876	1,811,561	1,993,006	1,938,904
EQUITY						
Retained earnings	27	766,510	837,594	763,546	902,916	887,841
Other reserves	27	62,606	48,268	54,183	62,606	57,232
Asset revaluation reserves	27	1,027,485	1,049,014	993,831	1,027,485	993,831
Total equity		1,856,601	1,934,876	1,811,561	1,993,006	1,938,904

Explanations of major variances against budget are provided in Note 29

The accompanying notes form part of these financial statements

Statement of Cashflows

for the year ended 30 June 2026

	Notes	Council			Group	
		Actual 2026 $000	Budget 2026 $000	Actual 2025 $000	Actual 2026 $000	Actual 2025 $000
CASH FLOWS FROM OPERATING ACTIVITIES						
Receipts from rates revenue		92,266	92,490	82,890	91,761	82,431
Receipts from other revenue		59,643	42,351	41,972	63,144	45,045
Interest received		1,747	3,752	3,537	1,172	2,426
Income tax received		-	-	-	-	620
Dividends Received		1,400	1,100	1,204	800	754
Payment to suppliers and employees		(91,690)	(90,657)	(82,154)	(93,307)	(84,770)
Interest Paid		(8,640)	(11,968)	(10,066)	(9,156)	(10,369)
Income tax paid		-	-	-	-	-
NET CASH INFLOW/(OUTFLOW) FROM OPERATING ACTIVITIES	9	54,726	37,068	37,382	54,414	36,136
CASH FLOWS FROM INVESTING ACTIVITIES						
Receipts from sale of property, plant and equipment		1,046	-	113	1,053	113
Receipts from sale of investment property		-	-	-	-	705
Receipts from sale of investments and other financial assets		-	-	-	1,400	100
Purchase of property, plant and equipment		(65,508)	(80,148)	(45,525)	(65,998)	(45,525)
Purchase of investment property		-	-	-	(2,129)	(2,079)
Purchase of investments and other financial assets		(1,955)	-	(1,264)	(5,360)	(1,844)
NET CASH INFLOW/(OUTFLOW) FROM INVESTING ACTIVITIES		(66,417)	(80,148)	(46,676)	(71,034)	(48,530)
CASHFLOWS FROM FINANCING ACTIVITIES						
Cash was Provided from						
Proceeds from borrowings		5,149	35,588	30,258	54,999	39,558
Repayment of borrowings		-	-	-	(43,800)	(7,214)
NET CASH INFLOW/(OUTFLOW) FROM FINANCING ACTIVITIES	9	5,149	35,588	30,258	11,199	32,344
NET INCREASE/(DECREASE) IN CASH		(6,541)	(7,492)	20,964	(5,421)	19,950
Opening Cash and Cash Equivalents Balance 1 July		43,123	16,723	22,159	43,492	23,542
Closing Cash and Cash Equivalents Balance 30 June		36,582	9,231	43,123	38,072	43,492
REPRESENTED BY						
Cash and cash equivalents	8	36,582	9,231	43,123	38,072	43,492

Explanations of major variances against budget are provided in Note 29

The accompanying notes form part of these financial statements

Timaru District Council: Funding Impact Statement for the year ended 30 June 2026 (whole of council)

	Annual Plan 2024-25 $000	Annual Report 2024-25 $000	Annual Plan 2025-26 $000	Actual 2025-26 $000
Sources of operating funding				
General rates, uniform annual general charges, rates penalties	46,183	46,811	53,177	53,225
Targeted rates	37,817	37,447	39,313	38,535
Subsidies and grants for operating purposes	9,278	5,833	5,781	8,599
Fees and charges	20,492	21,423	21,236	21,215
Interest and dividends from investments	5,017	4,740	4,852	3,147
Local authorities fuel tax, fines, infringement fees and other receipts	6,210	6,330	6,096	8,424
Total Operating Funding (A)	124,997	122,584	130,455	133,146
Applications of operating funding				
Payments to staff and suppliers	93,048	88,558	90,657	86,336
Finance costs	14,298	10,066	11,968	8,640
Other operating funding applications	-	-	-	-
Total applications of operating funding (B)	107,346	98,624	102,625	94,977
SURPLUS (DEFICIT) OF OPERATING FUNDING (A – B)	17,651	23,960	27,830	38,169
Sources of capital funding				
Subsidies and grants for capital expenditure	16,628	7,254	9,238	20,234
Development and financial contributions	-	543	-	1,719
Increase (decrease) in debt	56,782	30,258	35,588	5,149
Gross proceeds from sale of assets	-	113	-	1,046
Total sources of capital funding (C)	73,410	38,168	44,826	28,147
Applications of capital funding				
Capital expenditure:				
- to meet additional demand	-	463	-	513
- to improve the level of service	48,511	6,075	29,580	19,649
- to replace existing assets	45,611	39,799	50,568	45,346
Increase (decrease) in reserves	(3,061)	(2,245)	(7,492)	8,423
Increase (decrease) of investments	-	18,037	-	(7,615)
Total applications of capital funding (D)	91,061	62,128	72,656	66,316
SURPLUS (DEFICIT) OF CAPITAL FUNDING (C – D)	(17,651)	(23,960)	(27,830)	(38,169)
FUNDING BALANCE ((A - B) + (C - D))	-	-	-	-

1. Statement of Accounting Policies

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 financial statements of Timaru District Council include the Council's 82% share of Downlands Water Supply, which has been accounted for as a joint operation.

The Group consists of the ultimate parent, Timaru District Council (including Downlands Water Supply), and its subsidiaries: Timaru District Holdings Limited (100% owned) and Venture Timaru Limited (100% owned). The council-controlled organisation, the charitable trust, Aorangi Stadium Trust, which ceased operation in the year ended 30 June 2024.

Timaru District Holdings Limited's share of its associate companies PrimePort Timaru Limited (50% owned) and Alpine Energy Limited (47.5% owned) are equity accounted into the Group financial statements.

All of these entities are domiciled and operate in New Zealand.

The Council and Group provide infrastructure, local public services and regulatory functions to the community. The Council does not operate to make a financial return.

The reporting date of the Council, controlled entities and the joint operation is 30 June as is that of PrimePort Timaru Limited, however the reporting date for Alpine Energy Limited is 31 March.

The Council has designated itself and the Group as public benefit entities (PBEs) for the purpose of complying with generally accepted accounting practice (GAAP).

The financial statements of the Council and Group are for the year ended 30 June 2026.

The financial statements were authorised for issue by the Council on 27 October 2026.

BASIS OF PREPARATION

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

Statement of compliance

The financial statements and statements of Council activities, of the Council and Group have been prepared in accordance with the requirements of the LGA and the Local Government (Financial Reporting and Prudence) Regulations 2014 (LG(FRP)R), which include the requirement to comply with New Zealand Generally Accepted Accounting Principles (NZ GAAP), which are primarily based on reporting standards as promulgated by the External Reporting Board (XRB) and the NZ Accounting Standards Board (NZASB).

The financial statements and statements of Council activities have been prepared in accordance with and comply with PBE Accounting Standards.

Presentation currency and rounding

The financial statements are presented in New Zealand dollars, and all values are rounded to the nearest thousand dollars ($000), other than the remuneration and severance details in Note 4, contingencies in Note 26 and related party transactions in Note 28, which are rounded to the nearest dollar.

Financial Statements Reclassifications

The Council and Group have made certain prior period reclassifications within the Financial Statements, including Comprehensive Revenue and Expense, Changes in Equity, Financial Position, and Cashflows, together with the relevant accompanying notes, to ensure consistency with the current period presentation.

As a result of printing errors in the Long Term Plan 2024-34 , certain comparative figures have been corrected in the Annual Report 2025/26.

Changes in accounting policies

There have been no significant changes in accounting policies.

New or amended standards adopted

There have been no additional or amended standards adopted.

Standards issued and not yet effective and not adopted early

Standards and amendments issued but not yet effective and have not been early adopted and that are relevant to the Council and group are:

2024 Omnibus Amendments to PBE Standards (amendments to PBE IPSAS1)

This amendment clarifies the principles for classifying a liability as current or non-current, particularly in relation to loan covenants. The amendment is effective for the year ended 30 June 2027.

Public Benefit Entity Conceptual Framework (Amendments to Chapter 3 Qualitative Characteristics and Chapter 5 Elements in General Purpose Financial Reports)

Amendments to Chapter 3 Qualitative Characteristics relate to: clarification of the role of prudence in the context of faithful representation; and amendments to the guidance on materiality.

Amendments to Chapter 5 Elements in General Purpose Financial Reports relate to the following definitions: an asset with reference to past events; a resource with a rights based approach; a liability and the transfer of resources; a liability with reference to past events; the unit of account; and binding arrangements that are equally unperformed. The amendments also give emphasis to consideration of the following elements: recognition criteria; relevance; existence uncertainty; low probability of an inflow or outflow of economic benefits; and faithful representation. No significant changes are anticipated resulting from these amendments.

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Significant accounting policies are included in the note to which they relate.

Significant accounting policies which do not relate to a specific note are outlined below.

Changes in accounting estimate

During the year, the Council reassessed the assumptions used in estimating its landfill aftercare provision based on a more detailed information becoming available to estimate the provision on individual-cell level. As a result of the reassessment, the estimated provision increased by $1.54m. The revision represents a change in accounting estimate and has been recognised prospectively in the current financial year (Note 25a).

Basis of consolidation

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

The consolidated financial statements are prepared using uniform accounting policies for like transactions and other events in similar circumstances. The consolidation of an entity begins from the date when the Council obtains control of the entity and ceases when the Council loses control of the entity.

Control over an entity is determined when the Council or Group has exposure, or rights, to variable benefits from its involvement with the entity and has the ability to affect the nature or amount of those benefits through its power over the other entity. The Council considers all relevant facts and circumstances in assessing whether it has power over another entity, for example, the ability to appoint or remove a majority of the entity's governance and management, binding arrangements the Council enters into, Group voting rights, and pre-determination mechanisms. The Council reassesses whether or not it controls another entity if facts and circumstances change.

Where a member of the Group does not comply with Group accounting policies appropriate adjustments are made on consolidation.

Goods and Services Tax

Items in the financial statements are stated exclusive of goods and services tax (GST), except for receivables and payables, which are presented on a GST inclusive basis. Where GST is not recoverable as input tax, it is recognised as part of the related asset or expense.

The net amount of GST recoverable from or payable to, the IRD is included as part of receivables or payables in the statement of Financial Position.

The net GST paid to or received from the IRD, including the GST relating to investing and financing activities, is classified as an operating cash flow in the statement of cash flows.

Commitments and contingencies are disclosed exclusive of GST.

Budget figures

The Budget figures presented in this report are those approved by the Council in its 2024-2034 long term plan or Annual plan. The budget figures have been prepared in accordance with GAAP, using accounting policies that are consistent with those adopted by the Council in preparing these financial statements.

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:

Assumptions regarding investments in other financial assets, including subsidiaries and other entities (see Notes 13, 14 and 15).

Estimating the fair value of investment property (see Note 21)

Estimating the fair value of property, plant and equipment (see Note 16).

Estimating the landfill aftercare provision (see Note 25).

Estimating the fair values of financial instruments (see Notes 11 and 13).

Critical judgments in applying accounting policies

Management has exercised the following critical judgments in applying accounting policies:

Valuation methodology for property, plant and equipment, (see Note 16)

Donated or vested land and buildings with use or return conditions (see Notes 3, 16 and 17)

Valuation methodology of landfill aftercare provision (see Note 25)

2 Summary Revenue and Expenditure for Group of Activities

Accounting policy

The cost of service for each significant activity of the Council has been derived using the following cost allocation principles:
Direct costs are those costs directly attributable to a significant activity. Indirect costs are those costs that cannot be identified in an economically feasible manner with a specific significant activity.
Direct costs are charged directly to significant activities. Indirect costs are charged to significant activities using appropriate cost drivers such as actual usage, staff numbers, and floor area.
There have been no changes to the cost allocation methodology during the year.

	Council		
	Budget 2026 $000	Actual 2026 $000	Actual 2025 $000
Revenue			
Corporate Activities	3,689	2,781	11,978
Democracy	4,577	4,599	3,653
Community Support	7,490	7,778	6,979
District Planning & Environmental Services	10,406	10,334	9,396
Recreation and Leisure	29,628	42,027	24,480
Roading and Footpaths	34,512	29,397	28,182
Waste Management	15,230	23,780	15,012
Wastewater	12,397	12,855	11,786
Stormwater	6,848	6,492	5,848
Water Supply	20,529	20,982	18,519
Total Activity Revenue	145,306	161,025	135,833
Expenditure			
Corporate Activities	5,205	5,209	10,896
Democracy	4,577	4,494	4,475
Community Support	7,453	7,549	6,673
District Planning & Environmental Services	10,417	9,396	11,077
Recreation and Leisure	29,679	36,078	26,487
Roading and Footpaths	35,753	32,364	31,624
Waste Management	14,569	15,161	13,776
Wastewater	12,464	13,437	11,704
Stormwater	5,934	5,199	5,029
Water Supply	20,475	20,753	19,767
Total Expenditure	146,526	149,639	141,508

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, but is net of internal costs and revenue.

3 Revenue

Accounting policy

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 that the effect of payment of rates by instalments is not sufficient to require discounting of rates receivable and subsequent recognition of interest revenue.*
- *Rates arising from late payment penalties are recognised as revenue when rates become overdue.*
- *Rates 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 (Ecan) are not recognised in the financial statements, as the Council is acting as an agent for Ecan.*

Development and financial contributions

Development and financial contributions are recognised as revenue when the Council provides, or can provide, the service for which the contribution was charged. Otherwise, development and financial contributions are recognised as liabilities until such time as the Council provides, or can provide, the service.

NZ Transport Agency (Waka Kotahi) roading grants

The Council receives funding assistance from NZTA, 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.

Other government grants

The Council receives funding assistance from government agencies subsidising costs, including expense and capital costs, for various projects. Such grants or subsidies are recognised as revenue upon entitlement, as conditions pertaining to eligible expenditure have been fulfilled.

Other grants received

Other grants are recognised as revenue when they become receivable unless there is an obligation in substance to return the funds if conditions of the grant are not met. If there is such an obligation, the grants are initially recorded as grants received in advance and recognised as revenue when conditions of the grant are satisfied.

3 Revenue (continued)

Accounting policy continued

Vested, found, abandoned or donated physical assets

For assets received for no or nominal consideration, the asset is recognised at its fair value when the Council obtains control of the asset. The fair value of the asset is recognised as revenue, unless there is a use or return condition attached to the asset.

The fair value of vested, found, abandoned or donated assets is usually determined by reference to an external market or the cost of constructing the asset. For assets received from property developments, the fair value is based on construction price information provided by the property developer, adjusted to current costs.

Following the assessment of initial fair value an additional consideration is made for potential impairment of the asset.

For long-lived assets that must be used for a specific use (for example, land that must be used as a recreation reserve), the Council immediately recognises the fair value of the asset as revenue. A liability is recognised only if the Council expects that it will need to return the asset or pass the asset to another party.

Donated and bequeathed financial assets

Donated and bequeathed financial assets are recognised as revenue unless provided for a specified purpose. A liability is recorded if provided for a specified purpose and the liability is released to revenue as the funds are spent for the nominated purpose.

Interest and dividends

Interest revenue is recognised using the effective interest method.

Dividends are recognised when the right to receive payment has been established. Dividends are recognised in surplus or deficit unless the dividend clearly represents a recovery of part of the cost of the investment.

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.

3.1 Rates revenue

The Council is required by the LGFA Guarantee and Indemnity Deed to disclose in its financial statements 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 2026 for the purpose of the LGFA Guarantee and Indemnity Deed disclosure is shown below:

	Council		Group	
	Actual 2026 $000	Actual 2025 $000	Actual 2026 $000	Actual 2025 $000
General rates	53,436	46,478	52,931	46,019
Targeted rates:				
Water, excluding metered water supply rates	15,153	15,129	15,153	15,129
Metered water supply rates	2,339	2,453	2,339	2,453
Wastewater	8,048	7,027	8,048	7,027
Waste management	7,846	7,677	7,846	7,677
Community works and services	5,149	5,135	5,149	5,135
Rates penalties	322	729	322	729
Rates remissions	(533)	(370)	(533)	(370)
	91,760	84,258	91,255	83,799

Ratings base

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

	Council	
	Actual 2026	Actual 2025
Number of rating units at end of preceding year	22,959	22,771

	Council	
	Actual 2026 $000	Actual 2025 $000
Total capital value of rating units at end of preceding year	19,092,129	18,922,521
Total land value of rating units at end of preceding year	9,554,358	9,522,740

Total rates written off, including penalties, for the 2026 financial year are $118,929 (2025: $87,644).

3.2 Fees and charges

	Council		Group	
	Actual 2026 $000	Actual 2025 $000	Actual 2026 $000	Actual 2025 $000
Trade waste	3,443	4,083	3,443	4,083
Landfill use	6,062	6,284	6,062	6,284
Consent fees	3,171	2,920	3,171	2,920
Social housing rent	2,056	1,760	2,056	1,760
Parking fees	401	1,437	401	1,437
Swimming pool admission fees	1,438	1,396	1,438	1,396
Other fees and charges	4,644	3,543	4,395	3,461
Total fees and charges	21,215	21,423	20,966	21,341

3.3 Subsidies and Grants

	Council		Group	
	Actual 2026 $000	Actual 2025 $000	Actual 2026 $000	Actual 2025 $000
NZ Transport Agency (Waka Kotahi) roading subsidies	10,881	10,163	10,881	10,163
Other subsidies and grants	17,952	2,924	18,110	3,463
Total Subsidies and Grants	28,833	13,087	28,991	13,626

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

3.4 Finance Revenue

	Council		Group	
	Actual 2026 $000	Actual 2025 $000	Actual 2026 $000	Actual 2025 $000
Finance revenue				
Interest revenue:				
Term deposits	922	2,173	1,026	2,255
Related party loans	680	1,194	(1)	-
Community loans	33	37	33	37
Unsecured loans to other local authorities	112	133	112	133
Total Finance Revenue	1,747	3,537	1,170	2,425

Interest relating to Downlands Water Supply loans is charged through the joint operation to the participants in that operation.

3.5 Development and financial contributions

	Council		Group	
	Actual 2026 $000	Actual 2025 $000	Actual 2026 $000	Actual 2025 $000
Wastewater	486	162	486	162
Stormwater	461	-	461	-
Water Supply	656	381	656	381
Roading	116	-	116	-
Total Development and financial contributions	1,719	543	1,719	543

3.6 Other Revenue

	Council		Group	
	Actual 2026 $000	Actual 2025 $000	Actual 2026 $000	Actual 2025 $000
Vested assets	5,373	4,518	5,373	4,518
Infringements	810	908	810	908
Petrol tax	489	675	489	675
Rental revenue from investment properties	298	422	4,003	3,954
Dividends	1,400	1,204	-	4
Other	6,827	4,326	6,900	4,400
Total Other Revenue	15,197	12,053	17,575	14,459

Operating leases as lessor

Investment property and some other property is rented out under operating leases. These leases have a non-cancellable term of between 1 year and 26 years. The future aggregate minimum lease payments to be collected under non-cancellable operating leases are as follows:

	Council		Group	
	Actual 2026 $000	Actual 2025 $000	Actual 2026 $000	Actual 2025 $000
Not later than one year	560	838	3,181	3,128
Later than one year and not later than five years	2,374	1,324	4,685	6,857
Later than five years	1,467	537	1,467	15,712
Total non-cancellable operating leases	4,401	2,698	9,333	25,696

3.7 Other gains/(losses)

	Council		Group	
	Actual 2026 $000	Actual 2025 $000	Actual 2026 $000	Actual 2025 $000
Gain/(loss) on changes in fair value of forestry assets	(328)	(64)	(328)	(64)
Gain/(loss) on disposal/write off of property, plant and equipment	(15,673)	(2,272)	(15,765)	(2,272)
Gain/(loss) on changes in fair value of investment property	(177)	552	101	4,832
Gain/(loss) in disposal of investments classified as fair value through surplus/deficit	(539)	286	(382)	286
Gain/(loss) on changes in fair value of derivative financial instruments	(399)	(2,319)	(321)	(2,381)
Other gains/(losses)	555	94	555	94
Total gains/(losses)	(16,561)	(3,723)	(16,140)	495

4 Personnel costs

Accounting policy

Salaries and wages

Salaries and wages are recognised as an expense as employees provide services.

Defined contribution superannuation schemes

Employer contributions to defined contribution superannuation schemes, including KiwiSaver and the Government Superannuation Fund, are expensed in the surplus or deficit as incurred.

	Council		Group	
	Actual 2026 $000	Actual 2025 $000	Actual 2026 $000	Actual 2025 $000
Salaries and wages	29,001	29,981	30,068	31,113
Defined contribution plan employer contributions	1,573	1,489	1,596	1,489
Increase/(decrease) in employee entitlements	188	304	187	311
Total personnel costs	30,762	31,774	31,851	32,913

Defined Benefit Scheme
The Council contributes to a multi-employer defined benefit superannuation scheme (the scheme), operated by the National Provident Fund. The funding level (solvency ratio) of the Scheme is the ratio of the net assets available to pay benefits to the value of the past service liabilities. The Actuary estimates the funding level triennially and this was last assessed as at 31 March 2024, at 104.9% (March 2021: 106.6%) based on the valuation results and membership data as at 31 March 2024.
Employer contributions to defined contributions plans include contributions to Kiwisaver.

Remuneration	Council	
	Actual 2026 Remuneration	Actual 2025 Remuneration
Chief Executive	371,547	362,719

4 Personnel costs (continued)

Remuneration paid to elected members

This information is required under Schedule 10, Part 3, Clause 32 of the Local Government Act 2002. Differences in remuneration between elected members is the result of different responsibilities assigned to elected members. Elected member remuneration includes salary and the value of IT and communications equipment provided.

Directors' fees are for acting as directors for Group and CCO and CCTO organisations

	Group				
	Actual 2026 Remuneration	Actual 2026 Directors' fee	Actual 2026 Mobile phone expense	Actual 2026 ICT/Comms equipment expense	Actual 2026 Total
Elected representatives (Council):					
Mayor Bowen	148,252	-	1,300	850	150,402
Deputy Mayor Shannon	82,410	-	1,300	850	84,560
Councillor Booth to October 2025	17,353	10,909	400	262	28,924
Councillor Burt	61,068	-	1,300	850	63,218
Councillor Harper from October 2025	38,711	-	900	589	40,200
Councillor Jackson	56,355	-	1,300	850	58,505
Councillor Oliver to October 2025	17,353	-	400	262	18,015
Councillor Parker to October 2025	19,616	15,126	400	262	35,404
Councillor Piddington	58,522	-	1,300	850	60,672
Councillor Pye	69,952	-	1,300	850	72,102
Councillor Scott	99,540	10,909	1,300	850	112,599
Councillor Thomas from October 2025	38,711	-	900	589	40,200
Councillor Wilson from October 2025	40,878	-	900	589	42,367
Total	748,721	36,944	13,000	8,503	807,168

	Group				
	Actual 2025 Remuneration	Actual 2025 Directors' fee	Actual 2025 Mobile phone expense	Actual 2025 ICT/Comms equipment expense	Actual 2025 Total
Elected representatives (Council):					
Mayor Bowen	137,600	-	800	250	138,650
Deputy Mayor Shannon	72,893	-	1,300	250	74,443
Councillor Booth	52,392	10,455	1,300	250	64,397
Councillor Burt	59,226	-	1,300	250	60,776
Councillor Jackson	52,392	-	1,300	250	53,942
Councillor Oliver	52,392	-	1,300	250	53,942
Councillor Parker	59,226	36,941	1,300	250	97,717
Councillor Piddington	52,392	-	1,300	250	53,942
Councillor Pye	59,226	-	1,300	250	60,776
Councillor Scott*+	104,357	10,454	1,300	250	116,361
Total	702,096	57,850	12,500	2,500	774,946

Elected Members remuneration includes hearing fees but excludes mileage.
*Includes an overpayment related to Councillor Scott's position as an elected member representative on the District Plan Review Hearings Panel. This payment was contrary to the Local Government Members (2024/25) Determination 2023 (SL 2023/142) and was identified as part of the annual report process.
+As at 30 June 2025 the overpayment to Councillor Scott for District Plan Review Hearings Panel fees in 2024/25 of $2,816, as an Elected Member representative, remains unresolved

4 Personnel costs (continued)

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

	Council 2026		Council 2025
Less than $60,000	4	Less than $60,000	51
$60,000 - $79,999	186	$60,000 - $79,999	142
$80,000 - $99,999	76	$80,000 - $99,999	73
$100,000 - $119,999	47	$100,000 - $119,999	49
$120,000 - $139,999	25	$120,000 - $139,999	20
$140,000 - $159,999	13	$140,000 - $159,999	16
$160,000 - $179,999	7	$160,000 - $179,999	6
$180,000 - $219,999	6	$180,000 - $219,999	6
$220,000 - $359,999	5	$220,000 - $379,999	3
	369		**366**

Total remuneration includes non-financial benefits provided to employees.

At balance date, the Council employed 246.0 full-time employees (2025: 260.0), with the balance of staff representing 40.87 full-time equivalent employees including part-time and casual staff (2025: 45.98). A full-time employee is determined on the basis of working a 37.5-hour or 40-hour working week, depending on the applicable employment terms.

Timaru District Council employs a total of 369 staff members.

For the year ended 30 June 2026, the Council made five (2025: one) severance payments to employees totalling $55,471 (2025: $151,037). The value of each of the severance payments were $25,000, $22,000, $4,493, $3,500, $478.

5 Finance Costs

Accounting policy

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

	Council		Group	
	Actual 2026 $000	Actual 2025 $000	Actual 2026 $000	Actual 2025 $000
Interest expense on borrowings	8,640	10,066	9,164	10,518
Total Finance Costs	8,640	10,066	9,164	10,518

6 Other Expenses

Accounting policy

Grant expenses

The Council's grants awarded have no substantive conditions attached.

Non-discretionary grants are those grants that are awarded if the grant application meets the specified criteria and are recognised as an expense when an application that meets the specified criteria for the grant has been received.

Discretionary grants are those grants where the Council has no obligation to award on receipt of the grant application and are recognised as an expense when approved by the Council and the approval has been communicated to the applicant.

Operating leases

An operating lease is a lease that does not substantially transfer all the risks and rewards incidental to ownership of an asset. Lease payments under an operating lease are recognised as an expense on a straight-line basis over the lease term. Lease incentives received are recognised in the surplus or deficit as a reduction of rental expense over the lease term.

	Council		Group	
	Actual 2026 $000	Actual 2025 $000	Actual 2026 $000	Actual 2025 $000
Expenses include:				
Fees incurred for services provided by our audit firm:				
Audit of the financial report	362	304	430	347
Prior year recovery for audit fees	82	71	100	89
Audit or review related services				
Audit of Long Term Plan audit 2024-2034	-	-	-	-
Recovery for the Long Term Plan audit 2024-2034	-	-	-	-
Audit of Debenture Trust Deed	8	9	8	9
Total fees incurred for services provided by our audit firm:	452	384	538	445
Fees to other auditors	-	-	13	13
Impairment of receivables	71	-	71	-
Bad debts written off	70	12	72	12
Minimum lease payments under operating leases	350	339	350	339
Grants/donations paid	1,755	1,802	1,755	81
Consultants and legal	4,261	6,615	4,388	6,615
Contractors	22,792	30,396	22,792	30,396
Other operating expenses	25,824	17,236	26,093	19,970
Total other expenses	55,574	56,784	56,071	57,871

The council and group's financial statements and service performance information for the year ended 30 June 2026 (the "annual report" are audited by The Audit Office on behalf of the Auditor General.
The audit fee disclosed for the annual report represents the fee for the annual statutory audit engagement carried out under the Auditor-General's auditing standards, as described in the audit report on pages 14 - 19. This fee also includes the audit of the summary annual report, also a statutory requirement, which is completed in conjunction with this engagement and not billed separately.

6 Other Expenses (continued)

Operating leases as lessee

Some property, plant and equipment are leased in the normal course of its business. The leases currently have a non-cancellable term of up to 5 years. The future aggregate minimum lease payments to be paid under non-cancellable operating leases are as follows:

	Council		Group	
	Actual 2026 $000	Actual 2025 $000	Actual 2026 $000	Actual 2025 $000
Not later than one year	42	48	98	130
Later than one year and not later than five years	41	84	228	280
Later than five years	-	-	-	13
Total non-cancellable operating leases	83	132	326	423

The total minimum future sublease payments expected to be received under non-cancellable subleases at balance date is Nil (2025: Nil).

Leases can be renewed at the option of Timaru District Council and Group, with rents set by reference to current market rates for items of equivalent age and condition. Timaru District Council and Group 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 and Group by any of the leasing arrangements.

7 Tax

Accounting policy

Income tax expense includes components relating to current tax and deferred tax.
Current tax 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.

Deferred tax is the amount of income tax payable or recoverable in future periods in respect of temporary differences and unused tax losses. Temporary differences are differences between the carrying amount of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable profit.

Deferred tax liabilities are generally recognised for all taxable 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 or tax losses can be utilised.

Deferred tax is not recognised if the temporary difference arises from the initial recognition of goodwill or from the initial recognition of an asset or liability in a transaction that affects neither accounting profit not taxable profit.

Current tax and deferred tax are measured using tax rates and laws that are effective at balance date.
Current and deferred tax is recognised against the surplus or deficit for the period, except to the extent that it relates to items recognised in other comprehensive revenue and expense or directly in equity.

	Council		Group	
	Actual 2026 $000	Actual 2025 $000	Actual 2026 $000	Actual 2025 $000
Surplus/(deficit) before tax	11,386	(5,675)	20,631	(7,314)
Tax at 28%	3,188	(1,589)	5,777	(2,048)
Non-taxable income @ 28%	(45,106)	(37,699)	(47,336)	(36,740)
Non-deductible expenditure @ 28%	41,918	39,288	41,585	39,043
Impact of imputation credits	-	-	(224)	(210)
Adjustments to current tax	-	-	-	-
Tax expense/(benefit)	-	-	(198)	45
Components of tax expenses				
Current tax	-	-	-	16
Deferred tax	-	-	(198)	29
Adjustment to current tax	-	-	-	-
Tax expense/(benefit)	-	-	(198)	45
Deferred tax asset/(liability)				
Opening balance	-	-	817	847
Temporary differences				
Long Term assets	-	-	95	(434)
Employee entitlements	-	-	-	(1)
Tax losses	-	-	129	
Others	-	-	(25)	405
Closing balance	-	-	1,017	817
Deferred tax asset/(deferred tax liability)				
Long term assets	-	-	122	26
Employee entitlements	-	-	6	7
Tax losses	-	-	889	760
Other	-	-	-	24
Net deferred tax asset/(deferred tax liability)	-	-	1,017	817

The Timaru District Council Group has total imputation credits available of $21,044,100 (2025: $20,969,106).

8 Cash and cash equivalents

Accounting policy

Cash and cash equivalents include cash in hand, deposits held at call with banks, other short-term highly liquid investments with original maturities of three months or less, and bank overdrafts. Bank overdrafts are shown within borrowings in current liabilities in the Statement of Financial Position.

	Council		Group	
	Actual 2026 $000	Actual 2025 $000	Actual 2026 $000	Actual 2025 $000
Cash at bank and in hand	14,831	21,643	16,321	22,012
Deposits held with maturities of less than three months at acquisition	21,751	21,480	21,751	21,480
Total cash and cash equivalents per Statement of Financial Position and the Statement of Cash Flows	36,582	43,123	38,072	43,492

Assets recognised in a non-exchange transaction that are subject to restrictions

The Council holds unspent funds, included in cash and cash equivalents, of $1,750,846 (2025: $1,480,323) that are subject to restrictions. These unspent funds relate to trusts and bequests and other funds received with restrictions where the spending of the funds is separately monitored.

The restrictions generally specify how the funds are required to be spent.

9 Note to statement of cashflows

Accounting policy

Cashflow statement

Operating activities include cash received from all revenue sources of the Council and Group, and cash 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 in the Statement of Cash Flows.

Investing activities are those activities relating to the acquisition and disposal of current securities not included in cash and cash equivalents 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 and Group.

9a Reconciliation of net surplus/(deficit) after tax to net cash flow from operating activities

	Council		Group	
	Actual 2026 $000	Actual 2025 $000	Actual 2026 $000	Actual 2025 $000
Surplus/(deficit) after tax	11,386	(5,675)	20,829	(7,359)
Add/(less) non-cash items:				
Share of associate surplus/(deficit)	-	-	(9,234)	5,184
Depreciation and amortisation	37,547	38,229	37,619	38,266
Impairment charges	19	-	111	-
Vested assets	(5,373)	(4,518)	(5,373)	(4,518)
(Gains)/losses in fair value of forestry assets	328	64	328	64
(Gains)/losses in fair value of investment property	177	(552)	(101)	(4,832)
Increase/(decrease) in deferred taxation	-	-	20	321
(Gains)/losses in fair value of derivative financial instruments	399	2,319	321	2,384
(Gains)/losses in fair value of debt instruments	539		539	
Other (gains)/losses	(555)	(94)	(555)	(94)
Movement in provision	(5,935)	(555)	(5,935)	(555)
Other movements	-	9	-	(259)
Total non-cash items	27,146	34,902	17,740	35,961
Add/(less) items classified as investing or financing activities:				
(Gains)/losses on disposal of property, plant and equipment	15,673	2,272	15,673	2,272
(Gains)/losses on investments	-	(286)	(164)	(286)
Total items classified as investing or financing activities	15,673	1,986	15,909	1,986
Add/(less) movements in working capital items:				
Receivables	(91)	(111)	(336)	(169)
Inventories	(1)	6	(1)	6
Accounts payable	(194)	5,447	(106)	5,177
Employee entitlements	807	826	803	831
Income tax payable	-	-	(24)	(297)
Net movement in working capital items	521	6,169	336	5,548
Net cash inflow/(outflow) from operating activities	54,726	37,382	54,414	36,136

9b Changes in liabilities arising from financing activities

	Council		Group	
	Actual 2026 $000	Actual 2025 $000	Actual 2026 $000	Actual 2025 $000
Opening balance as at 1 July				
Secured loans	-	-	-	7,200
LGFA debt	250,790	220,532	260,090	220,532
Total opening balances	250,790	220,532	260,090	227,732
Cash outflows				
Secured loans	-	-	-	(7,200)
LGFA debt	-	-	(43,800)	-
Total loans	-	-	(43,800)	(7,200)
Cash inflows/new loans				
Secured loans	-	-	-	-
LGFA debt	5,149	30,258	54,999	39,558
Total loans	5,149	30,258	54,999	39,558
Closing balance as at 30 June				
Secured loans	-	-	-	-
LGFA debt	255,939	250,790	271,289	260,090
Total closing balances	255,939	250,790	271,289	260,090

10 Receivables

Accounting policy

Short-term receivables are recorded at the amount due, less an allowance for expected credit losses (ECL).

The Council and Group apply the simplified model of recognising lifetime ECL for short-term receivables.

In measuring ECLs, receivables have been grouped into rates receivable and other receivables and assessed on a collective basis as they possess shared credit risk characteristics. They have then been grouped based on the days past due. A provision matrix is then established based on historical credit loss experience, adjusted for forward looking factors specific to the debtors and the economic environment.

Rates receivable

The Council does not provide for ECLs on rates receivable. Council has various powers under the Local Government (Rating) Act 2002 (LG(R)A 2002) to recover any outstanding debts. These powers allow the Council to commence legal proceedings to recover any rates that remain unpaid four months after the due date for payment. If payment has not been made within three months of the Court's judgment, then the Council can apply to the Registrar of the High Court to have the judgment enforced by sale or lease of the rating unit. Ratepayers can apply for payment plan options in special circumstances.

Rates are "written-off":

- *when remitted in accordance with the Council's rates remission policy; and*
- *in accordance with the write-off criteria of sections 90A (where rates cannot be reasonably recovered) and 90B (in relation to Māori freehold land) of the Local Government (Rating) Act 2002.*

Other receivables

Other receivables are written off when there is no reasonable expectation of recovery. Indicators that there is no reasonable expectation of recovery include the debtor being in liquidation or the receivable being more than one year overdue.

	Council		Group	
	Actual 2026 $000	Actual 2025 $000	Actual 2026 $000	Actual 2025 $000
Receivables from non-exchange transactions				
Rates receivable	4,827	5,040	4,827	5,040
Receivables from subsidiaries and associates	51	71	-	-
Other receivables from non-exchange transactions	1,714	3,597	2,017	3,840
	6,592	8,708	6,844	8,880
Receivables from exchange transactions				
Prepayments	1,138	892	1,260	948
Other receivables from exchange transaction	8,511	6,479	8,511	6,506
	9,649	7,371	9,771	7,454
Less: allowance for credit losses	(326)	(255)	(326)	(255)
Total receivables	15,915	15,824	16,289	16,079

10 Receivables (continued)

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.

The Chief Executive approved the write-off of rates receivable during the year under the LG(R)A 2002 as follows:
- Section 90A: $1(2025: $1).
- Section 90B: $1(2025: $1).

The carrying amount of receivables that would otherwise be past due or impaired, whose terms have been renegotiated, is $233,784 (2025: $35,309).

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

	2026			2025		
	Gross $000	Impairment $000	Net $000	Gross $000	Impairment $000	Net $000
Council						
Not past due	5,575	-	5,575	9,480	-	9,480
Past due 1 - 60 days	4,403	(126)	4,277	465	(49)	416
Past due 61 - 120 days	14	(4)	10	70	(21)	49
Past due > 120 days	283	(73)	210	129	(31)	98
Total	10,275	(203)	10,072	10,143	(100)	10,043
Group						
Not past due	5,652	-	5,652	9,679	-	9,679
Past due 1 - 60 days	4,546	(126)	4,420	465	(49)	416
Past due 61 - 120 days	46	(4)	42	70	(21)	49
Past due > 120 days	283	(73)	210	129	(31)	98
Total	10,527	(203)	10,324	10,342	(100)	10,242

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

	2026			2025		
	Gross $000	Impairment $000	Net $000	Gross $000	Impairment $000	Net $000
Council						
Not past due	4,478	-	4,478	4,597	-	4,597
Past due 1 year	101	-	101	66	-	66
Past due 2 years	59	-	59	74	-	74
Past due 3 years	68	(18)	50	73	(20)	53
Past due > 3 years	121	(104)	17	231	(131)	100
Total	4,827	(122)	4,705	5,040	(151)	4,889

Expected credit loss rates for other receivables are based on the payment profile of revenue on credit in previous periods and the corresponding historical credit losses experienced, including a review of specific debtors; and current and forward-looking macroeconomic factors that might affect the expected recoverability of receivables, however given the short period of credit risk exposure the effects of this is generally considered insignificant.

There have been no significant changes in the year in the estimation techniques or significant assumptions in measuring the loss allowance.

10 Receivables (continued)

Movements in the allowance for credit losses are as follows:

	Council		Group	
	Actual 2026 $000	Actual 2025 $000	Actual 2026 $000	Actual 2025 $000
As at 1 July	255	255	255	255
Additional provisions made/(released) during the year	71	-	71	-
Receivables written off during year	-	-	-	-
At 30 June	326	255	326	255

The Council and Group holds no collateral as security or other credit enhancements over receivables that are either past due or impaired.
It has been determined that there are no significant changes to ECLs due to the adoption of PBE IPSAS 41.

11 Derivative Financial Instruments

Accounting policy

Derivative financial instruments are used to manage exposure to interest rate risks arising from the Council and Group's financing activities. The Council and Group do not hold or issue derivative financial instruments for trading purposes.

Derivatives are initially recognised at fair value on the date a derivative contract is entered into and are subsequently remeasured to their fair value at each balance date. The method of recognising the resulting gain or loss depends on whether the derivative is designated as a hedging instrument, and, if so, the nature of the item being hedged.

The associated gains or losses on derivatives that are not hedge accounted are recognised in surplus or deficit.

The portion of the fair value of a non-hedge accounted interest rate derivative that is expected to be realised within 12 months of balance date is classified as current, with the remaining portion of the derivative classified as non-current.

	Council		Group	
	Actual 2026 $000	Actual 2025 $000	Actual 2026 $000	Actual 2025 $000
Current liability portion				
Interest rate swaps: cash flow hedges		-		-
		-		-
Non-current liability portion				
Interest rate swaps: cash flow hedges		-		65
		-		65
Current asset portion				
Interest rate swaps: cash flow hedges	53	274	66	274
	53	274	66	274
Non-current asset portion				
Interest rate swaps: cash flow hedges	396	574	396	574
	396	574	396	574

The notional principal of the total amounts of the outstanding interest rate swap contracts at 30 June 2026 were $61,000,000 (2025: $61,000,000). Maturity dates range from April 2027 to May 2030.
At 30 June 2026, the interest rates for interest rate swaps vary from 1.98% to 4.15% (2025: 1.98% to 4.15%).

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.

Timing of nominal principal amounts and average fixed rates of interest rate swaps

	Less than 1 year	1-2 years	3-5 years	Greater than 5 years	Total
Council 2026					
Interest rate swaps					
Nominal amount ($000)	13,000	15,000	33,000	-	61,000
Average fixed rate	4.11%	1.98%	3.41%	-	3.23%
Group 2026					
Interest rate swaps					
Nominal amount ($000)	13,000	18,000	38,000	14,600	83,600
Average fixed rate	4.11%	2.67%	3.16%	3.76%	3.40%

12 Assets for Sale

Accounting policy

Assets are classified as held for sale if their carrying amount will be recovered principally through a sale transaction rather than through continuing use. They are measured at the lower of their carrying amount and fair value less costs to sell.

Any impairment losses for write-downs are recognised in surplus or deficit.

Any increases in fair value, less costs to sell, are recognised up to the level of any impairment losses that have been previously recognised.

Non-current assets are not depreciated or amortised while they are classified as held for sale, including those that are part of a disposal group.

When land held for development and future resale is transferred from investment property or property, plant, and equipment, to assets held for sale, the fair value of the land at the date of the transfer is its deemed cost.

Costs directly attributable to the developed land are expensed.

	Council		Group	
	Actual 2026 $000	Actual 2025 $000	Actual 2026 $000	Actual 2025 $000
Current				
Land	270	-	270	-
Buildings	1,001	-	2,203	1,202
Assets held for sale: current	1,271	-	2,473	1,202

Current assets held for sale:

Timaru District Council

Timaru District Council had one commercial property held for sale as at 30 June 2026. This property was sold in September 2026.

Current/Non-current assets held for sale:

Timaru District Holdings Limited

Timaru District Holdings Limited had land at Showgrounds Property available for sale. The property was initially subject to a sale agreement in October 2023. The sale agreement has subsequently been renegotiated with settlement deferred to the 2026/27 financial year. The renegotiated agreement also incorporates Showgrounds Lot 7 into the sale.

13 Other financial assets

Accounting policy

Other financial assets (other than shares in subsidiaries) are initially recognised at fair value. They are then classified as, and subsequently measured under, the following categories:

- *amortised cost;*
- *fair value through other comprehensive revenue and expense (FVTOCRE); and*
- *fair value through surplus and deficit (FVTSD).*

Transaction costs are included in the value of the financial asset at initial recognition unless they have been designated at FVTSD, in which case they are recognised in surplus or deficit.

The classification of a financial asset depends on its cash flow characteristics and the Council and Group's management model for managing them.

A financial asset is classified and subsequently measured at amortised cost if it gives rise to cash flows that are "solely payments of principal and interest (SPPI)" on the principal outstanding and is held within a management model whose objective is to collect the contractual cash flows of the asset.

A financial asset is classified and subsequently measured at FVTOCRE if it gives rise to cash flows that are SPPI and held within a management model whose objective is achieved by both collecting contractual cash flows and selling financial assets.

Financial assets that do not meet the criteria to be measured at amortised cost or FVTOCRE are subsequently measured at FVTSD. The Council and Group may elect at initial recognition to designate an equity investment not held for trading as subsequently measured at FVTOCRE. Council has elected to designate the following equity investments in this way: Timaru District Holdings Limited, Venture Timaru Limited, Civic Financial Services Limited and Opuha Water Limited.

Subsequent measurement of financial assets at amortised cost

Financial assets classified at amortised cost are subsequently measured at amortised cost using the effective interest method, less any expected credit losses (ECL). Where applicable, interest accrued is added to the investment balance. Instruments in this category include term deposits, community loans, and loans to subsidiaries and associates.

Subsequent measurement of financial assets at FVTOCRE

Financial assets in this category that are debt instruments are subsequently measured at fair value with fair value gains and losses recognised in other comprehensive revenue and expense, except ECL and foreign exchange gains and losses are recognised in surplus or deficit. When sold, the cumulative gain or loss previously recognised in other comprehensive revenue and expense is reclassified to surplus and deficit.

Financial assets in this category that are equity instruments designated as FVTOCRE are subsequently measured at fair value with fair value gains and losses recognised in other comprehensive revenue and expense. There is no assessment for impairment when fair value falls below the cost of the investment. When sold, the cumulative gain or loss previously recognised in other comprehensive revenue and expense is transferred to accumulated funds within equity. The Council and Group designate into this category all equity investments that are not held for trading as they are strategic investments that are intended to be held for the medium to long-term which currently include: Timaru District Holdings Limited, Venture Timaru Limited, Civic Financial Services Limited and Opuha Water Limited.

Subsequent measurement of financial assets at FVTSD.

Financial assets in this category are subsequently measured at fair value with fair value gains and losses recognised in surplus or deficit.

Interest revenue and dividends recognised from these financial assets are separately presented within revenue

13 Other financial assets (continued)

Expected credit loss allowance (ECL)

The Council and Group recognise an allowance for ECLs for all debt instruments not classified as FVTSD. ECLs are the probability-weighted estimate of credit losses, measured at the present value of cash shortfalls, which is the difference between the cash flows due to the Council and Group in accordance with the contract and the cash flows it expects to receive. ECLs are discounted at the effective interest rate of the financial asset.

ECLs are recognised in two stages: ECLs are provided for credit losses that result from default events that are possible within the next 12 months (a 12-month ECL), however, if there has been a significant increase in credit risk since initial recognition, the loss allowance is based on losses possible for the remaining life of the financial asset (a Lifetime ECL).

When determining whether the credit risk of a financial asset has increased significantly since initial recognition, the Council and Group considers reasonable and supportable information that is relevant and available without undue cost or effort. This includes both quantitative and qualitative information and analysis based on the Council and Group's historical experience and informed credit assessment and including forward-looking information.

Council measure ECLs on loan commitments at the date the commitment becomes irrevocable. If the ECL measured exceeds the gross carrying amount of the financial asset, the ECL is recognised as a provision.

Investments in subsidiaries

Investments in subsidiaries are included in the parent entity at cost less any impairment.

Other financial assets, including unquoted equity investments

Other financial assets held by Council and Group are stated at the lower of cost or net realisable value, with any resultant gain or loss being recognised directly in other comprehensive revenue or expense, except for impairment losses. When these assets are derecognised, the cumulative gain or loss is recognised through the surplus or deficit.

Impairment

Financial assets are potentially impaired if the obligation is unlikely to be fully met. An assessment is made regarding each asset based on the assessed credit risk of the investment and when there was objective evidence of impairment. For equity investments, a significant or prolonged decline in the fair value of the investment below its cost is considered objective evidence of impairment; and for debt investments, significant financial difficulties of the debtor, probability the debtor would enter into bankruptcy, receivership or liquidation, and default in payments were indicators the asset is impaired.

When determining whether the credit risk of a financial asset has increased significantly since initial recognition, the Council and Group considers reasonable and supportable information that is relevant and available without undue cost or effort. This includes both quantitative and qualitative information and analysis based on the Council and Group's historical experience and informed credit assessment and including forward-looking information.

The Council and Group consider a financial asset to be in default when the financial asset is more than 90 days past due. The Council and Group may determine a default occurs prior to this if internal or external information indicates the entity is unlikely to pay its credit obligations in full.

The main differences for the prior year policies was that impairment was recorded only when there was objective evidence of impairment, including, for debt investments, significant financial difficulties of the debtor, probability that the debtor would enter into bankruptcy, receivership or liquidation, and default in payments were indicators that the asset is impaired.

13 Other financial assets (continued)

	Council		Group	
	Actual 2026 $000	Actual 2025 $000	Actual 2026 $000	Actual 2025 $000
Current portion				
Term deposits	-	-	418	1,413
Community loans	74	83	74	83
Investments in debt securities	2,139	1,982	2,139	1,982
Total Current Portion	2,212	2,065	2,630	3,478
Non-current portion				
Investments in CCOs and similar entities				
Unlisted shares in Civic Financial Services	218	218	218	218
Investment in Timaru District Holdings Limited	31,000	31,000	-	-
Investment in Venture Timaru Limited	260	260	-	-
Loans to other local authorities	3,200	3,200	3,200	3,200
Loans to subsidiaries	21,681	21,681	-	-
Total investments in CCOs and similar entities	56,359	56,359	3,418	3,418
Investments in other entities				
Unlisted shares in Opuha Water Limited	50	50	50	50
Community loans	408	505	408	505
Investments in debt securities	7,902	6,422	11,207	6,422
Total investment in other entities	8,360	6,977	11,665	6,977
Future tax benefits	-	-	128	817
Total Non-Current Portion	64,719	63,336	15,211	11,212

Equity Investments (other than shares in subsidiaries and associates)

The Council has designated all of its equity investments at FVTOCRE, other than shares in subsidiaries and associates. This measurement basis is considered more appropriate than through surplus or deficit because the investments have been made for long-term strategic purposes rather than to generate a financial return through trading.

Equity instruments designated at FVTOCRE comprise:

	Council		Group	
	Actual 2026 $000	Actual 2025 $000	Actual 2026 $000	Actual 2025 $000
Unlisted shares in Civic Financial Services	218	218	218	218
Unlisted shares in Opuha Water Limited	50	50	50	50
Total Equity Investments in FVTOCRE	**268**	**268**	**268**	**268**

13 Other financial assets (continued)

Fair Value

Term deposits

The carrying amount of term deposits approximates their fair value.

Loans to subsidiaries and associates

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. Average interest rate charged for the year:
Loans to other local authorities 3.5% (2025 : 4.17%)
Loans to subsidiaries and associates 3.14% (2025 : 5.52%)

Debt securities

Fair value has been determined using quoted market bid prices from independently sourced market information for the listed bonds.

Community loans

The Council's community loan scheme is designed to help not-for-profit organisations in the Timaru District communities to develop or improve new or existing facilities and other significant projects. Only organisations with the ability to repay are granted loans.

The fair value of community loans is $481,657 (2025: $557,118). Fair value has been determined using cash flows discounted at a rate based on the loan recipients risk factors of 10% (2025: 10%).
The face value of community loans is $849,702 (2025: $968,797).

Loans are for a maximum of 10 years and interest is 3.61% per annum.

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

	Council		Group	
	Actual 2026 $000	Actual 2025 $000	Actual 2026 $000	Actual 2025 $000
At 1 July	588	625	588	625
Amount of new loans granted during the year	-	-	-	-
Fair value adjustment on initial recognition	12	94	12	94
Loans repaid during the year (principal and interest)	(119)	(131)	(119)	(131)
At 30 June	481	588	481	588

Credit risk, including expected credit losses

Term deposits

The Council and Group consider there has not been a significant increase in credit risk for investments in term deposits because the banks continue to have low credit risk at balance date. Term deposits are held with banks that have a long-term AA- investment grade credit rating, which indicates the bank has a very strong capacity to meet its financial commitments. No impairment has been recognised for term deposits as the potential loss allowance is trivial.

Community loans

Council manages credit risk associated with community loans in accordance with its Treasury Management Policy.

To access community loans applicants must demonstrate a reasonable credit history and ability to make repayments. As part of the application process Council completes due diligence checks to confirm the credit risk associated with each applicant. Council does not enter into any loan agreements that result in credit-impaired loans on origination.

Council monitors increases in credit risk by performing regular credit checks, completing regular debtor payment performance analyses and review of macroeconomic changes in the Timaru District. Council considers a debtor's credit risk to have significantly increased if the information suggests they will be unable to make loan repayments.

Other financial assets

Expected credit losses measured for other financial assets are trivial. They are low-risk and the Council and Group has not identified any indications that credit risk associated with those instruments has significantly increased since initial recognition.
The Council does not hold any collateral for any of its loan assets.

There are no significant restrictions on the ability of the controlled entities to transfer funds to the Council in the form of cash distributions or to repay loans or advances.

14 Investments in associates

Accounting policy

An associate is an entity over which the Council or a member of the Group has significant influence and that is neither a subsidiary nor an interest in a joint arrangement. The Council or Group's associate investment is accounted for in the Group financial statements using the equity method. 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 less any impairment in the value of investments. 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 Group 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.

PrimePort Timaru Ltd

The Group has a 50% interest in PrimePort Timaru Limited through Timaru District Holdings Limited.

PrimePort Timaru Limited is a New Zealand based company and its principal activity is the efficient and cost-effective transfer of commodities between land and water transport systems.

The strategic investment is held due to the intergenerational nature of these assets, the value they add and their strategic importance to the Timaru District community. The investment is held to support and enable the growth of the local economy through its connection to world markets.

The following table summarises the financial information of PrimePort Timaru Limited in its own financial statements, adjusted for differences in accounting policies. The table also reconciles the summarised financial information to the carrying amount of the Group's interest in the company.

	Actual 2026 $000	Actual 2025 $000
Summarised statement of the financial position of PrimePort Timaru Limited on a gross basis		
Current assets	7,133	5,806
Non-current assets	120,654	116,320
Current liabilities	6,888	45,393
Non-current liabilities	57,222	18,334
Net assets	63,677	58,399
Summarised statement of comprehensive revenue and expense of PrimePort Timaru Limited on a gross basis		
Revenue	38,085	33,237
Expense	28,383	27,981
Tax expense	2,711	1,491
Total comprehensive revenue and expense	6,877	3,765
Equity accounted share of the company's financial information		
Net assets	63,677	58,399
Proportion of Group's Interest	50.00%	50.00%
Equity accounted carrying amount	31,839	29,200

14 Investments in associates (continued)

Alpine Energy Limited

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

Alpine Energy Limited is a New Zealand based company and its principal activity is electricity distribution to households and businesses in the South Canterbury region via its electricity distribution system. The group, comprising Alpine Energy Limited and its subsidiary and associated entities, also undertakes asset management and contracting services.

The strategic investment is held due to the intergenerational nature of these assets, the value they add and their strategic importance to the Timaru District community. The investment is held to ensure the provision of a secure reliable electricity supply in South Canterbury.

During the FY2023 financial year, Alpine Energy Limited management discovered an administration error in the previous nine years' Information Disclosure Schedules that were submitted to the Commerce Commission (the Commission). This administrative error resulted in the Commission using the incorrect information in setting the Company's default price-quality path under the Commerce Act 1986, resulting in the Commission setting maximum allowable revenue higher than it should have been. The matter was referred to the Commerce Commission with the investigation of errors concluded in the year ended 31 March 2025.

An agreement was reached between Alpine Energy Limited and the Commerce Commission (Price Path Correction) and provisions totalling $19.075m were recorded in the financial statements ended 31 March 2025. This included credits to current customers, payments to former consumers, community initiatives and execution costs to deliver on the agreed obligations. The carrying amount of provisions recognised in the year ended 31 March 2025 which remain outstanding as at 31 March 2026 is $1.608m.

The following table summarises the financial information of Alpine Energy Limited in its own financial statements, adjusted for differences in accounting policies and significant events. The table also reconciles the summarised financial information to the carrying amount of the Group's interest in the company.

	Actual 2026 $000	Actual 2025 $000
Summarised statement of the financial position of Alpine Energy Limited on a gross basis		
Current assets	22,352	22,741
Non-current assets	362,020	349,513
Current liabilities	15,867	14,667
Non-current liabilities	176,815	178,230
Net assets	191,690	179,357
Summarised statement of comprehensive revenue and expense of Alpine Energy Limited on a gross basis		
Revenue	92,328	63,869
Expense	70,835	81,742
Tax expense	4,337	(4,728)
Total comprehensive revenue and expense	11,820	(13,145)
Equity accounted share of the company's financial information		
Net Assets	191,690	179,357
Proportion of Group's Interest	47.50%	47.50%
Historical adjustment		(122)
Equity accounted carrying amount	91,053	85,073

15 Investment in joint operations

Accounting policy

A joint arrangement is a binding arrangement that confers enforceable rights and obligations on the parties to the arrangement that is subject to joint control. Joint control is the agreed sharing of control where decisions about the relevant activities require the unanimous consent of the parties sharing control.

A joint arrangement is classified either as a joint operation or a joint venture. The classification depends on the rights and obligations of each party under the joint arrangement. The legal form, terms of the binding agreement, and other facts and circumstances relevant to determining the classification of the joint arrangement are reviewed to determine the classification.

For joint operations, the Council and Group recognises a direct right to the assets, liabilities, revenues and expense of joint operations and the share of any jointly held or incurred assets, liabilities, revenue, and expenses. Assets, liabilities, revenues, and expenses relating to Council and Group's interest in a joint operation are accounted for in line with the Council and Group accounting policies and included in the relevant line items of the Council and Group financial statements.

The Council has a joint arrangement with the Waimate District Council and Mackenzie District Council for the Downlands Rural Water Scheme. The Downlands Rural Water Scheme is a joint operation rather than a joint venture because the three Councils jointly own their specified share of the whole scheme and have rights to the assets and obligations for the liabilities relating to the arrangement, due to the structure of the arrangement not being through a separate vehicle. The Council's share in the joint arrangement equates to 82%, with Waimate District Council's share being 14% and Mackenzie District Council's 4%.

Timaru District Council's interests in the jointly controlled entity is as follows:

	Group	
	Actual 2026 $000	Actual 2025 $000
Current assets	2,011	1,225
Non-current assets	68,008	63,173
Current liabilities	1,669	1,624
Non-current liabilities	14,580	14,580
Revenue	3,675	2,544
Expenses	3,221	3,376
Gain/(loss) on revaluation of non-current assets	5,122	-

16 Property, plant and equipment

Accounting policy

Property, plant, and equipment consist of:

Operational assets, which include all assets not specifically included elsewhere utilised by the Council and Group to deliver services both directly and indirectly. Assets held for sale are not included with operational assets even if there is a continued use until sale.

Infrastructure assets, which are the fixed utility systems owned by the Council and Group and each asset class encompasses all items that are required for the network to function including: sewer, stormwater and water systems; roads, bridges, lighting, and land under roads; footpaths; and unoccupied land held specifically for infrastructure purposes.

Infrastructure assets composed of multiple components may be treated as being conglomerated individual assets where part of an interconnected network, where separate parts of the network or facility composed of multiple individuated assets for asset management purposes are jointly treated as single assets notwithstanding other practice and policy specifications.

Restricted assets which are mainly parks and reserves owned by the Council and Group that provide a benefit or service to the community and cannot be disposed of because of legal or other restrictions. Restricted assets may be operational or relating to infrastructure.

Unless specifically stated, acquisitions are initially valued at cost. Prior to 1 July 2005 a number of valuations were undertaken for several asset classes, separately outlined which have become the opening cost value for that class, some of which have subsequently been revalued at fair value.

Revaluations

For asset classes where revaluations are performed regularly, assets are revalued at least every three years, to ensure that their carrying value does not differ materially from fair value. Revaluation movements are accounted for on a class by class basis. Revaluations are conducted by independent valuers with reference to external markets or independently derived costs (including actual costs). Internal valuations are prepared utilising the best available cost or market information.

The net revaluation results for infrastructure assets are credited or debited to other comprehensive revenue and expense and are accumulated to an asset revaluation reserve in equity for that class-of-asset. Where this would result in a debit balance in the asset revaluation reserve, this balance is not recognised in other comprehensive revenue and expense but is recognised in surplus or deficit. Any subsequent increase on revaluation that reverses a previous decrease in value recognised in surplus or deficit will be recognised first in surplus or deficit up to the amount previously expensed and then recognised in other comprehensive revenue and expense.

16 Property, plant and equipment (continued)

Accounting policy continued

Wastewater, Stormwater, Water

Wastewater, Stormwater and Water assets are stated at their fair value using standard unit rates as per the depreciated replacement cost methodology.

The assets were revalued on 30 June 2026 by Jennifer Fox of Waugh Infrastructure with additional peer review by B.Smith, B Com, of Brian Smith Advisory Services Limited.

Wastewater, Stormwater and Water infrastructural assets are valued using the depreciated replacement cost method. There are a number of estimates and assumptions exercised when valuing infrastructural assets using this method, including:

- *The replacement costs where appropriate reflect optimisation due to over-design or surplus capacity. No opportunities for optimisation were identified within the 2026 revaluation.*
- *Estimating the replacement cost of the asset: the replacement cost of an asset is based on recent construction contracts in the region for modern equivalent assets, from which unit rates are determined. Unit rates have been applied to components of the network based on size, material, depth, and location.*

If recent contract cost information is considered out of date, it is indexed using Statistics New Zealand's Capital Goods Price Index for civil constructions to convert them to current dollar value at the valuation date.
Estimates of the remaining useful life over which the asset will be depreciated which can be affected by the local condition, for example, pipe material or wall thickness.
If useful lives do not reflect the actual consumption of the benefits of the asset, then the Council and Group could be over- or under-estimating the annual depreciation charge recognised as an expense in the statement of comprehensive revenue and expense. To minimise this risk, infrastructural asset useful lives have been determined with reference to the New Zealand Infrastructure Asset Valuation and Depreciation Guidelines published by the National Asset Management Steering Group and have been adjusted for local conditions based on past experience.
Acquisitions are measured at their fair value using standard unit rates.

Roads, Bridges, Footpaths, Street Furniture and Lighting

Roading assets were revalued as at 30 June 2025 by Mark Gordon MBA, BE (Hons), CPEng, CMEngNZ of IAM Consulting (M Gordon) Limited.
Acquisitions subsequent to a revaluation are valued at fair value until a future valuation.
Road pavements, bridges, footpaths, drainage, street lighting and a range of other assets used for delivering roading services are valued using the depreciated replacement cost method. There are a number of estimates and assumptions made when valuing infrastructural assets using this method, including:

- *The unit rates used in estimating the replacement cost value of the asset which reflect commercial costs for provision of modern equivalent assets by contract and assume realistic quantities of assets within contracts to ensure cost effective allowances and rates. Where appropriate, replacement value also reflects optimisation due to over-design or surplus capacity.*
- *Unit rates have been applied to components of the road network based on the type of asset, its size, and material type. Rates are derived from TDC unit rate information for recent contract-based construction and maintenance work and recent valuation information from similar local authority infrastructure, indexed to the valuation date using Statistics New Zealand's Capital Goods Price Indices for Transport Ways, and NZTA indices. No optimisation options have been identified. Where detailed asset component information is not available, estimations are made on an aggregate basis.*
- *Estimates of the remaining useful life over which the asset will be depreciated can be affected by local conditions, for example, traffic use or climatic conditions. If useful lives do not reflect the actual consumption of the benefits of the asset, then the Council could be over- or under-estimating the annual depreciation charge recognised as an expense in the statement of comprehensive revenue and expense. To minimise this risk, infrastructural asset useful lives have been determined with reference to the New Zealand Infrastructure Valuation and Depreciation Guidelines, issued by the National Asset Management Steering Group (NAMS) of IPWEA NZ, and have been adjusted for local conditions based on past experience.*

16 Property, plant and equipment (continued)
Accounting policy continued

Land Under Roads

Land under roads was valued based on fair value of adjacent "undeveloped land value", effective 1 July 2005 by Maunsell Limited, Valuers. Subsequent acquisitions are stated at cost less impairment losses.

Acquisitions following that date are included at cost except where they are acquired for no or nominal consideration when they are valued at fair value less assessed impairment. Land under roads is no longer revalued.

Additions

The cost of an item of property, plant, and equipment is recognised as an asset only when it is probable that future economic benefits or service potential associated with the item will flow to the Council and Group and the cost of the item can be measured reliably and is greater than $1,500, subject to individual asset assessment and with specified exceptions. Unless each individual asset exceeds the cost threshold, bulk purchases which exceed the specified cost threshold do not constitute an asset purchase and are either expensed immediately or treated as inventory, as appropriate.

Work in progress is recognised at cost less impairment and is not depreciated.

In most instances, an item of property, plant, and equipment is initially recognised at its cost. Where an asset is acquired through a non-exchange transaction, it is recognised at its fair value as at the date of acquisition.

Costs incurred subsequent to initial acquisition are capitalised only when it is probable that future economic benefits or service potential associated with the item will flow to the Council and Group and the cost of the item can be measured reliably.

The costs of day-to-day servicing of property, plant, and equipment are recognised in surplus or deficit as they are incurred.

Disposals

Gains and losses on disposals are determined by comparing the disposal proceeds with the carrying amount of the asset. Gains and losses on disposals are reported net in surplus or deficit. When revalued assets are sold, the amounts included in asset revaluation reserves in respect of those assets are transferred to retained earnings.

Depreciation

Depreciation is provided on a straight-line basis on all property, plant, and equipment other than specified asset classes or types, including land, at rates that will write off the cost (or valuation) of the assets to their estimated residual values over their useful lives. Where the value and utilisation of an asset is contingent on another asset, its useful life will normally be set to not exceed the useful life of the asset upon which it is contingent.

16 Property, plant and equipment (continued)

Accounting policy continued

Depreciation continued

The useful lives of major classes of assets have been estimated as follows:

Asset Class	Useful Life
Bridges	25 to 100 years
Buildings, building improvements and land improvements	3 to 100 years
Computers and electronic equipment	3 to 10 years
Footpaths	20 to 80 years
Furniture and office equipment	5 to 10 years
General plant and equipment	5 to 50 years
Land	Indefinite (No depreciation)
Landfill post-closure	30 to 50 years
Land under roads	Indefinite (No depreciation)
Lighting	10 to 40 years
Pavement base	30 to 200 years
Pavement surface	5 to 80 years
Playground equipment and undersurfacing	10 to 15 years
Roading (other)	10 to 100 years
Wastewater treatment and reticulation: plant and facilities	5 to 120 years
Stormwater treatment and reticulation: plant and facilities	20 to 120 years
Traffic services	10 to 30 years
Unsealed road base	Indefinite (no depreciation)
Water treatment and reticulation: plant and facilities	5 to 230 years

16 Property, plant and equipment (continued)

Accounting policy continued

Landfill assets

Physical landfill assets include earthworks, buildings and plant and machinery which are stated at cost less any accumulated depreciation or impairment. Unless specifically included under another asset class, landfill assets are depreciated based on the utilised capacity of the landfill. The physical landfill assets have been reviewed for fair value on the same basis as equivalent asset types.

A provision is made over the life of the landfill for post-closure costs and consequently an asset is generated representing the future economic benefits of this provision. This asset is amortised based on the utilised capacity of the landfill following its reassessment biennially, contingent on the revised estimation of the concomitant provision (see Note 25 Provisions).

Impairment of property, plant, and equipment

Property, plant, and equipment and cultural and heritage assets are reviewed for impairment at each balance date and whenever events or changes in circumstances indicate that the carrying amount may not be recoverable.

An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs to sell and its value in use.

If an asset's carrying amount exceeds its recoverable amount, the asset is regarded as impaired and the carrying amount is written down to the recoverable amount. For revalued assets included in comprehensive revenue and expense where a revaluation reserve has been generated, the impairment loss is recognised against the revaluation reserve for that class of asset. Where that results in a debit balance in the revaluation reserve, the balance is recognised in surplus or deficit.

For assets where there is no revaluation reserve, the total impairment loss is recognised in the surplus or deficit.

Where it is anticipated that an impairment will be rectified, the provision for that impairment is also recognised in the surplus or deficit and subsequently, when rectified, reversed through the surplus or deficit.

The reversal of an impairment loss on an asset included in comprehensive revenue and expense credited to other comprehensive revenue and expense and increases the asset revaluation reserve for that class of asset. To the extent that an impairment loss for that class of asset was previously recognised in surplus or deficit, a reversal of the impairment loss is also recognised in surplus or deficit.

For assets not carried at a revalued amount, the reversal of an impairment loss is recognised in surplus or deficit.

Value in use for non-cash-generating assets

Non-cash-generating assets are those assets that are not held with the primary objective of generating a commercial return.

For non-cash-generating assets, value in use is determined using an approach based on either a depreciated replacement cost approach, a restoration cost approach, or a service units approach. The most appropriate approach used to measure value in use depends on the nature of the impairment and availability of information.

Value in use for cash-generating assets

Cash-generating assets are those assets that are held with the primary objective of generating a commercial return.

The value in use for cash-generating assets and cash-generating units is the present value of expected future cash flows.

16 Property, plant and equipment (continued)

Core infrastructure asset disclosures

Included in the Council infrastructure assets are the following core assets:

	Closing Book Value $000	Additions: constructed by Council $000	Additions: transferred to Council $000	Most recent replacement cost estimate for revalued assets $000
2026				
Water:				
- treatment plants and facilities	86,631	1,316	-	173,010
- other assets (such as reticulation systems)	232,643	1,720	1,800	427,806
Wastewater				
- treatment plants and facilities	69,764	4,078	377	94,539
- other assets (such as reticulation systems)	241,382	2,283	414	449,187
Stormwater drainage	193,687	1,326	641	400,975
Roads and footpaths	775,333	16,700	961	1,173,921
2025				
Water:				
- treatment plants and facilities	103,497	8,026	-	159,383
- other assets (such as reticulation systems)	219,131	8,513	912	403,993
Wastewater				
- treatment plants and facilities	78,148	46	-	111,530
- other assets (such as reticulation systems)	217,820	3,435	836	403,137
Stormwater drainage	175,547	3,530	629	353,688
Roads and footpaths	772,402	10,442	765	1,173,921

16 Property, plant and equipment (continued)

Insurance on Assets

The following information relates to the insurance of Council assets as at 30 June:

	Council	
	Actual 2026 $000	Actual 2025 $000
The maximum amount to which insured assets are insured	519,053	570,234
The total value of all Council assets covered by insurance contracts*	479,509	285,166
The total value of all Council assets covered by financial risk-sharing arrangements	1,309,849	1,325,211
Maximum amount available to the Council under financial risk-sharing arrangements	800,000	600,000
Total value of assets that are self-insured**	577,392	723,832
Value of funds maintained for self-insurance	668	637

* The carrying value of assets is calculated on deemed cost, separate insurance valuations are obtained for significant assets.

** Restricted land, roads and footpaths, land under roads and bridges are not insured. Council anticipates that most events would receive government support and the balance would be funded from debt.
The total value of assets covered by insurance contracts and available under risk-sharing arrangements are for a specified number of events occurring within one year.

The Total value of all Council assets covered by insurance contracts is the indemnity value as included in the insurance contracts.

Work in progress

Property, plant, and equipment (including cultural and heritage assets and intangible assets) in the course of construction by class of asset is detailed below:

	Council		Group	
	Actual 2026 $000	Actual 2025 $000	Actual 2026 $000	Actual 2025 $000
Roading network	10,659	14,015	10,659	14,015
Water system	11,290	6,334	11,290	6,334
Drainage system	4,480	3,350	4,480	3,350
Wastewater system	2,052	6,677	2,052	6,677
Waste management	2,256	3,238	2,256	3,238
Plant and equipment	34,941	17,630	34,941	17,630
	65,678	51,244	65,678	51,244

2026	Cost/ Revaln 1 July 2025	Accum depn and impairment charges 1 July 2025	Carrying amount 1 July 2025	Additions	Reclassifications	Disposals	Depreciation	Revaluation Surplus	Cost/ Reval 30 June 2026	Accum depn and impairment charges 30 June 2026	Carrying amount 30 June 2026
	$000	$000	$000	$000	$000	$000	$000	$000	$000	$000	$000
Council restricted assets											
Land	23,906	-	23,906	8	-	(76)	-	-	23,838	-	23,838
Buildings and improvements	7,795	(4,917)	2,878	92	-	(1)	(81)	-	7,887	(4,998)	2,889
Total restricted assets	31,701	(4,917)	26,784	100	-	(77)	(81)	-	31,724	(4,998)	26,726
Council operational assets											
Land and Building	126,906	(28,174)	98,731	4,252	(1,256)	(295)	(2,274)	-	129,353	(30,195)	99,158
Furniture and equipment	9,103	(6,600)	2,503	1,282	-	(52)	(900)	-	10,196	(7,362)	2,834
Plant and equipment	29,776	(18,331)	11,445	2,554	299	(74)	(1,861)	-	32,030	(19,668)	12,362
Work in progress	16,661	-	16,661	35,197	(7,571)	(9,385)		-	34,902	-	34,902
Total operational assets	182,446	(53,105)	129,341	43,285	(8,528)	(9,806)	(5,035)	-	206,479	(57,225)	149,254
Council infrastructural assets											
Land and buildings	34,622	(5,287)	29,335	3,338	(15)	(144)	(485)	-	37,790	(5,760)	32,030
Wastewater system	306,135	(10,167)	295,968	7,152	20	(1,495)	(5,193)	14,694	311,146	-	311,146
Water system	337,932	(15,008)	322,924	4,836	(321)	(617)	(7,834)	291	319,274	-	319,274
Stormwater network	182,398	(6,851)	175,547	1,967	-	(232)	(3,502)	19,908	193,688	-	193,688
Roads and footpaths	685,457	(22)	685,435	17,014	-	-	(12,076)	-	702,470	(12,099)	690,371
Bridges	75,662	-	75,662	900	-	-	(1,802)	-	76,562	(1,802)	74,760
Land under roads	172,079	-	172,079	-	-	-	-	-	172,079	-	172,079
Lighting	11,305	-	11,305	8	-	-	(852)	-	11,314	(852)	10,462
Landfill - post closure costs	6,040	(2,130)	3,910	-	-	(3,910)	-	-	-	-	-
Work in progress	34,541	-	34,541	32,215	(31,414)	(4,605)	-	-	30,737	-	30,737
Total infrastructural assets	1,846,170	(39,466)	1,806,707	67,430	(31,730)	(11,003)	(31,744)	34,893	1,855,057	(20,513)	1,834,544
Total Timaru District Council property, plant and equipment	2,060,317	(97,488)	1,962,832	110,816	(40,258)	(20,886)	(36,859)	34,893	2,093,261	(82,736)	2,010,522

2026	Cost/ Revaln 1 July 2025	Accum depn and impairment charges 1 July 2025	Carrying amount 1 July 2025	Additions	Reclassifications	Disposals	Depreciation	Revaluation Surplus	Cost/ Reval 30 June 2026	Accum depn and impairment charges 30 June 2026	Carrying amount 30 June 2026
	$000	$000	$000	$000	$000	$000	$000	$000	$000	$000	$000
Subsidiaries property, plant and equipment	1,162	(12)	1,150	141	-	(92)	(19)	-	1,211	(31)	1,180
Land and Buildings	206	(122)	84	328	-	(2)	(31)	-	531	(152)	379
Furniture and equipment	-	-	-	-	-	-	-	-	-	-	-
Work in progress	-	-	-	-	-	-	-	-	-	-	-
Total subsidiaries	**1,368**	**(134)**	**1,234**	**469**	**-**	**(94)**	**(50)**	**-**	**1,742**	**(183)**	**1,559**
Total Group property, plant and equipment	2,061,685	(97,622)	1,964,066	111,285	(40,258)	(20,980)	(36,909)	34,893	2,095,003	(82,919)	2,012,081

2025	Cost/ Revaln 1 July 2024	Accum depn and impairment charges 1 July 2024	Carrying amount 1 July 2024	Additions	Reclassifications	Disposals	Depreciation	Revaluation Surplus	Cost/ Reval 30 June 2025	Accum depn and impairment charges 30 June 2025	Carrying amount 30 June 2025
	$000	$000	$000	$000	$000	$000	$000	$000	$000	$000	$000
Council restricted assets											
Land	23,940	-	23,940	-	(33)	-	-	-	23,906	-	23,906
Buildings and improvements	7,826	(4,830)	2,996	-	(31)	-	(87)	-	7,795	(4,917)	2,878
Total restricted assets	31,766	(4,830)	26,936	-	(64)	-	(87)	-	31,701	(4,917)	26,784
Council operational assets											
Land and Building	122,193	(25,609)	96,584	4,657	55	-	(2,565)	-	126,906	(28,174)	98,731
Furniture and equipment	9,303	(6,119)	3,184	350	-	-	(1,031)	-	9,103	(6,600)	2,503
Plant and equipment	26,082	(16,842)	9,240	3,232	852	(45)	(1,833)	-	29,776	(18,331)	11,445
Work in progress	14,874	-	14,874	10,725	(8,938)	-	-	-	16,661	-	16,661
Total operational assets	172,452	(48,570)	123,882	18,964	(8,031)	(45)	(5,429)	-	182,446	(53,105)	129,341
Council infrastructural assets											
Land and buildings	44,072	(8,371)	35,701	1,100	(6,985)	-	(480)	-	34,622	(5,287)	29,335
Wastewater system	301,965	(5,085)	296,880	4,266	308	(397)	(5,089)	-	306,135	(10,167)	295,968
Water system	322,774	(7,572)	315,202	17,017	(396)	(1,288)	(7,612)	-	337,932	(15,008)	322,924
Stormwater network	179,158	(3,436)	175,722	3,745	10	(492)	(3,438)	-	182,398	(6,851)	175,547
Roads and footpaths	664,360	(25,959)	638,401	11,118	(321)	-	(12,693)	48,929	685,457	(22)	685,435
Bridges	79,441	(3,488)	75,953	-	6,144	-	(1,846)	(4,589)	75,662	-	75,662
Land under roads	172,060	-	172,060	19	-	-	-	-	172,079	-	172,079
Lighting	12,072	(1,433)	10,639	-	321	-	(743)	1,089	11,306	-	11,305
Landfill - post closure costs	7,029	(1,951)	5,078	-	-	(989)	(179)	-	6,040	(2,130)	3,910
Work in progress	32,093	-	32,093	37,785	(35,338)	-	-	-	34,541	-	34,541
Total infrastructural assets	1,815,024	(57,295)	1,757,729	75,050	(36,257)	(3,165)	(32,080)	45,429	1,846,171	(39,466)	1,806,707
Total Timaru District Council property, plant and equipment	2,019,241	(110,695)	1,908,546	94,014	(44,351)	(3,211)	(37,596)	45,429	2,108,009	(145,177)	1,962,832

2025	Cost/ Revaln 1 July 2024	Accum depn and impairment charges 1 July 2024	Carrying amount 1 July 2024	Additions	Reclassifications	Disposals	Depreciation	Revaluation Surplus	Cost/ Reval 30 June 2025	Accum depn and impairment charges 30 June 2025	Carrying amount 30 June 2025
	$000	$000	$000	$000	$000	$000	$000	$000	$000	$000	$000
Subsidiaries property, plant and equipment											
Land and Buildings	-	-	-	698	464	-	(12)	-	1,162	(12)	1,150
Furniture and equipment	152	(106)	46	55	-	-	(15)	-	206	(122)	85
Work in progress	-	-	-	-	-	-	-	-	-	-	-
Total subsidiaries	152	(106)	46	753	464	-	(27)	-	1,368	(134)	1,234
Total Group property, plant and equipment	2,019,393	(110,801)	1,908,592	94,767	(43,887)	(5,974)	(37,623)	45,429	2,109,377	(145,311)	1,964,065

17 Cultural and heritage assets

Accounting policy

Cultural and heritage assets have a unique nature or are specifically related to the retention of cultural knowledge; assets built or made as unique works of art; or intended primarily for educational purposes or combinations of these. They may include any of the traditional and cultural elements for the District.

Cultural and heritage assets are capitalised regardless of their acquisition value.

This asset type includes statues and monuments, artworks, museum collections and the library collections.

Changes in the valuation of cultural and heritage assets are included in the surplus/(deficit).

Heritage buildings which are in operational use are included in the buildings asset class.

The general principles applying to property, plant and equipment apply to cultural and heritage assets.

Statues and Monuments

Individually recognised statues and monuments are stated at deemed cost or acquisition cost less impairment losses. Valued at optimised depreciated replacement cost as at 1 July 2005 by Maunsell Limited (Valuers), subsequent acquisitions were previously stated at cost, less depreciation and impairment losses, however it has been determined that statues and monuments will not be subject to depreciation as they are individually unique pieces of art and architecture. Previously applied depreciation was reversed in 2024, except for the assumed depreciation included in the 2005 valuations, and the assets are stated at either their valuation as determined at 1 July 2005 or at cost subsequent to that date, subject to assessment for impairment.

Library Collections

Library collections, excluding permanent retentions, are valued annually at depreciated replacement cost calculated in accordance with guidelines outlined in "Valuation Guide for Cultural and Heritage Assets", published by the Treasury Accounting Policy Team, November 2002 and the Library Collection Valuation Guidelines prepared by the New Zealand Library Association, May 1992.

Elements of the library collection which are retained for permanent retention are not included in the valuation as they are not readily measurable on a replacement cost basis and are not depreciated. Additions to the collection for permanent retention are valued at cost, or fair value if donated.

The costs relating to the use of electronic books (eBooks) are immediately expensed.

Artworks

Art works are stated at deemed cost being the assessed fair value at 1 July 2005 based on the 1 April 1992 insurance value by the Art Gallery Director, with acquisitions from 1 April 1992 at cost.

The art collection is valued annually at fair value based on the estimated current market value, by the Council's Art Gallery Director, in accordance with guidelines outlined in "Valuation Guide for Cultural and Heritage Assets", published by the Treasury Accounting Policy Team, November 2002. The collection is valued externally triennially. The assessed value is included as a note but not used as a basis for the valuation of Artworks in the Statement of Financial Position.

17 Cultural and heritage assets (continued)

Accounting policy

Museum collections

Museum collections, primarily held by the South Canterbury Museum, have not been valued.

The useful lives of major classes of cultural and heritage assets are as follows:

Asset Class	Useful Life
Art works	Indefinite (No depreciation)
Library collection: permanent retention	Indefinite (No depreciation)
Library collection: current	8 years
Museum collection	Indefinite (No depreciation)
Statues and monuments	Indefinite (No depreciation)

17 Cultural and heritage assets (continued)

Cultural and Heritage Assets were previously included in Property, Plant and Equipment but have been separated from Property, Plant and Equipment from 2024.
These assets include those which have a unique cultural, historical, artistic or educational nature. Artworks, Statues and Monuments and the Library Permanent Retentions are not subject to depreciation, however the Library standard collection is subject to annual depreciation and revaluation.

Artworks

The artworks held at the Aigantighe Art Gallery owned by the Council were valued at $18.25m as at 30 June 2026 (2025: $16.094m) by the Gallery Director. The Artworks are included in the financial statement at cost or deemed cost.

Museum Collection

The South Canterbury Museum Collection is considered a cultural and heritage asset however the collection is not currently valued for inclusion in the financial statements.

2026	Cost/Revaln 1 July 2025	Accum depn and impairment charges 1 July 2025	Carrying amount 1 July 2025	Current year additions	Current year reclassifications	Current year disposals	Current year impairment charges	Current year depn	Revaln's	Cost/ Reval 30 June 2026	Accum depn and impairment charges 30 June 2026	Carrying amount 30 June 2026
	$000	$000	$000	$000	$000	$000	$000	$000	$000	$000	$000	$000
Art Works	3,846	-	3,846	32	-	-	-	-	-	3,878	-	3,878
Statues & Monuments (previously called heritage assets)	1,543	-	1,543	-	-	-	-	-	-	1,543	-	1,543
Library collections	1,729	-	1,729	336	-	-	-	(195)	233	2,103	-	2,103
Work in progress	41	-	41	282	(284)	-	-			39	-	39
	7,159	-	7,159	650	(284)	-	-	(195)	233	7,562	-	7,562

2025	Cost/Revaln 1 July 2024	Accum depn and impairment charges 1 July 2024	Carrying amount 1 July 2024	Current year additions	Current year reclassifications	Current year disposals	Current year impairment charges	Current year depn	Revaln's	Cost/ Reval 30 June 2025	Accum depn and impairment charges 30 June 2025	Carrying amount 30 June 2025
	$000	$000	$000	$000	$000	$000	$000	$000	$000	$000	$000	$000
Art Works	3,259	-	3,259	588	-	-	-	-	-	3,846	-	3,846
Statues & Monuments (previously called heritage assets)	1,541	-	1,541	2	-	-	-	-	-	1,543	-	1,543
Library collections	1,909	-	1,909	218	(1)	-	-	(213)	(185)	1,729	-	1,729
Work in progress	-	-	-	377	(336)	-	-	-	-	41	-	41
	6,709	**-**	**6,709**	**1,185**	**(337)**	**-**	**-**	**(213)**	**(185)**	**7,159**	**-**	**7,159**

18 Intangible assets

Accounting policy

Software acquisition and development

Computer software licenses are capitalised on the basis of the costs incurred to acquire and bring to use the specific software, except that annual licenses are recognised as an expense when they are incurred, as are Software as a Service (SaaS) costs.

Costs that are directly attributable to the development of software for internal use are recognised as an intangible asset. Direct costs include the software development employee costs and an appropriate portion of relevant overheads.

Staff training costs relating to the introduction and utilisation of software are recognised in the surplus or deficit when incurred.

Costs associated with maintaining computer software are recognised as an expense when incurred.

Costs associated with development and maintenance of the Council's website are recognised as an expense when incurred.

Carbon credits

Carbon credits are not acquired or held for trading purposes and are expected to be utilised as part of the annual operational requirements of the Council, except that carbon credits which were received from the Crown were recognised as non-current intangible assets valued at fair value at acquisition. Carbon credits are treated as a current intangible asset and valued through surplus/deficit at cost or fair value. They are initially valued at cost and subsequently valued at fair value as at balance date based on the market value at balance date. Carbon credits have an indefinite life and therefore are not amortised.

Amortisation

The carrying value of an intangible asset with a finite life is amortised on a straight-line basis over its estimated useful life. Amortisation begins when the asset is available for use and ceases at the date that the asset is derecognised. The amortisation charge for each financial year is recognised in surplus or deficit.

Intangible assets are capitalised regardless of their initial acquisition value.

The useful lives of major classes of intangible assets are as follows:

Carbon credits	Indefinite (not amortised)
Computer software	3 to 10 years

Impairment of intangible assets

Intangible assets, including those which have an indefinite useful life, or are not yet available for use which are not subject to amortisation, are tested annually for impairment.

For further details, refer to the policy for impairment of property, plant, and equipment as the same approach applies to the impairment of intangible assets.

18 Intangible assets (continued)

	Council and Group		
	Computer Software $000	Carbon Credits $000	Total $000
Balance as at 1 July 2025			
Cost	8,525	5,563	14,088
Accumulated amortisation and impairment	(6,994)	-	(6,994)
Opening carrying value	1,531	5,563	7,094
Year ended 30 June 2026			
Additions	768	1,354	2,122
Disposals	-	(1,693)	(1,693)
Amortisation charge and impairment	(481)	-	(481)
Gain/(loss) on change in fair value	-	28	28
Movement for the year	287	(311)	(24)
Balance as at 30 June 2026			
Cost	6,991	5,252	12,243
Accumulated amortisation and impairment	(5,173)	-	(5,173)
Closing carrying value	1,818	5,252	7,070
Balance as at 1 July 2024			
Cost	8,328	5,303	13,631
Accumulated amortisation and impairment	(6,574)	-	(6,574)
Opening carrying value	1,754	5,303	7,057
Year ended 30 June 2025			
Additions	197	968	1,165
Disposals	-	(1,275)	(1,275)
Amortisation charge and impairment	(420)	-	(420)
Gain/(loss) on change in fair value	-	567	567
Movement for the year	(223)	260	37
Balance as at 30 June 2025			
Cost	8,525	5,563	14,088
Accumulated amortisation and impairment	(6,994)	-	(6,994)
Closing carrying value	**1,531**	**5,563**	**7,094**

Summary of current and non-current intangible assets:

	Council and Group	
	Actual 2026 $000	Actual 2025 $000
Current intangible assets	1,938	2,010
Non-current intangible assets	5,132	5,084
Total intangible assets	7,070	7,094

18 Intangible assets (continued)

As at 30 June 2026 carbon credits allocated by the government for forestry assets held prior to 1990, totalling 40,244 credits, are treated as non-current assets and retained to cover potential future deforestation liabilities. On receipt the carbon credits allocated for pre-1990 forest estates were valued at fair value at that time for $0.968m or $21.48 per credit.

Carbon credits do not expire and therefore have an indefinite life and are not subject to amortisation.

Carbon credits utilised during the year, including those immediately expensed after purchase in 2021:

	Council and Group 2026		Council and Group 2025	
Purpose of application	Volume credits utilised	Value $000	Volume credits utilised	Value $000
Landfill emissions	28,841	1,693	25,244	1,275

19 Depreciation and amortisation expense by group of activity

	Council	
	Actual 2026 $000	Actual 2025 $000
Corporate Activities	2,247	2,250
Democracy	-	-
Community Support	492	448
District Planning and Environmental Services	5	10
Recreation and Leisure	2,884	3,059
Roading and Footpaths	14,781	15,319
Waste Management	609	1,018
Wastewater	5,193	5,089
Stormwater	3,502	3,438
Water Supply	7,834	7,598
	37,547	38,229

20 Capital Commitments

The amount of contractual commitments for the acquisition of property, plant and equipment is:

	Council		Group	
	Actual 2026 $000	Actual 2025 $000	Actual 2026 $000	Actual 2025 $000
Water system	21,624	839	21,624	839
Roading network	293	-	293	-
Waste Management	366	-	366	-
Other assets	46,266	25,086	46,600	26,850
	68,549	25,925	68,883	27,689

Council Capital Commitments:
Significant increase in Council Capital Commitments for other assets in 2026 ($68m) compared to 2025 ($25m) relates to the Theatre and Museum, Stadium and Claremont Wastewater projects.

Field Service Agreement Contracts:
The Council is party to field service agreement contracts. The value of total committed expenditure under these contracts is $74m over the term of the contract until 30 June 2028. The current FSA contracts include waste and roading operational expenditure and no not specify the minimum capital expenditure per annum.

20 Capital Commitments (Continued)

Timaru District Holdings Limited Capital Commitments:
As at 30 June 2026 the Company had contracted capital commitments of $334,000. (2025: $1,764,000)
As reported in the Alpine Energy Limited financial statements, as at 31 March 2026, Alpine Energy Limited had contracted capital commitments of $12,981,000. (2025: $8,291,000).

As reported in PrimePort Timaru Limited financial statements, as at 30 June 2026 PrimePort had capital commitments of $5,390,000 (2025: nil).

21 Investment property

Accounting policy

Properties leased to third parties under operating leases are classified as investment property unless the property is held to meet service delivery objectives, rather than to earn rentals or for capital appreciation.

Investment property also includes property that is being constructed or developed for future use as investment property.

Land where there are infrastructure services in place or there is a firm commitment to provide such infrastructure is classified as investment property. Buildings that are held for currently undermined future use, or that are vacant but held to be leased out under one or more operating leases, are classified as investment properties.

The classification of properties is done at the lowest possible level. Thus, where part of a property is occupied by a party other than the company, consideration is given to whether that portion of the building could be classified as an investment property. Classification as an investment property will be indicated if the section of the building could be separately sold or leased under a finance lease.

If the section of the property occupied by a party other than the Council is unable to be sold or leased separately from the rest of the building, the building is assessed as a whole and will usually only be classified as investment property if the company occupies an insignificant portion of the total building.

Investment property is measured initially at its cost, including transaction costs.

Where an investment property is acquired through a non-exchange transaction, its cost is measured at its fair value as at the date of acquisition.

After initial recognition, all investment property is measured at fair value at each reporting date.

Gains or losses arising from a change in the fair value of investment property are recognised in surplus or deficit.

	Council		Group	
	Actual 2026 $000	Actual 2025 $000	Actual 2026 $000	Actual 2025 $000
Balance as at 1 July	1,725	1,740	73,486	69,138
Additions from acquisitions	-	-	3,627	1,251
Reclassification to property, plant and equipment	-	-	-	(464)
Disposals	(900)	-	(2,347)	(704)
Fair value gains/(losses) on valuation	10	(15)	288	4,265
Transfer to assets held for sale	-	-	-	-
Balance as at 30 June	835	1,725	75,054	73,486

Investment property is carried at fair value, based on valuation methodologies using direct sales comparison or a direct capitalisation of rental income using market comparison of capitalisation rates. These values are determined annually by external valuers.
Investment property held by Timaru District Council is valued annually at fair value effective 30 June 2026 and was valued for this financial year by Mark Foster BCom (VPM), ANZIV, SPINZ of CBRE.
Investment property held by Timaru District Holdings Limited was independently valued as at 30 June 2026 for the financial year by Hayden Doody (VPM), SPINZ, ANZIV a registered valuer at Telfer Young (Canterbury) Limited.
Fair value measurement on property under construction is only applied if the fair value is considered to be reliably measurable.
If it is determined that the fair value of an investment property under construction is not reliably determinable but the company has an expectation that the fair value of the property will be reliably determinable when construction is complete, the investment property under construction will be measured at cost until either its fair value becomes reliably determinable or construction is completed (whichever is the earlier).

Transfers are made to investment property when there is a change in use. This may be evidenced by ending of owner occupation, commencement of an operating lease to another party or commencement of construction or development for future use as investment property.

There are no contractual obligations in relation to investment properties at balance date but not recognised in the financial statements (2025: Nil).

22 Payables and deferred revenue

Accounting policy

Short-term creditors and other payables are measured at the amount payable.

Deferred revenue represents receipts the conditions of which have not yet been fulfilled.

	Council		Group	
	Actual 2026 $000	Actual 2025 $000	Actual 2026 $000	Actual 2025 $000
Current portion				
Payables and deferred revenue under exchange transactions:				
Trade payables and accrued expenses	17,560	18,288	17,906	18,647
Amounts due to subsidiaries and associates and other related parties	142	465	142	465
Contract retentions	1,800	1,007	1,800	1,007
Deferred Revenue	2,098	1,695	2,276	1,927
Accrued interest expense	1,516	567	1,554	567
Total payables and deferred revenue under exchange transactions	23,116	22,022	23,678	22,613
Payables and deferred revenue under non-exchange transactions:				
Income tax payable	-	-	-	-
Deposits and bonds	60	80	60	80
Deferred Revenue	1,815	4,907	1,815	4,907
Total payables and deferred revenue under non-exchange transactions	1,875	4,987	1,875	4,987
Total current portion	**24,991**	**27,009**	**25,553**	**27,600**

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.

23 Borrowings

Accounting policy

Borrowings on normal commercial terms are initially recognised at the amount borrowed plus transaction costs. Interest due on the borrowings is subsequently accrued and added to the borrowings balance.

Borrowings are classified as current liabilities unless the Council or Group has an unconditional right to defer settlement of the liability for at least 12 months after balance date.

	Council		Group	
	Actual 2026 $000	Actual 2025 $000	Actual 2026 $000	Actual 2025 $000
Current				
LGFA Debt	61,938	61,722	74,438	71,022
Total current borrowings	61,938	61,722	74,438	71,022
Non-current				
Secured loans	-	-	-	-
LGFA Debt	194,000	189,068	197,000	189,068
Total non-current borrowings	194,000	189,068	197,000	189,068

The Group'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.

The debt may be rolled over on a two and three year cycle, at which time the terms and conditions will be renegotiated. Discretion is with Timaru District Council to refinance or roll over an obligation. If an obligation is rolled over if for at least 12 months after the balance sheet date under an existing loan facility it is classified as non-current, otherwise Timaru District Council 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
No overdraft facility has been arranged and therefore the maximum overdraft available for use is Nil (2025: Nil). No requests for an overdraft facility have been made or declined. There are undrawn bank facilities with Westpac of $5 million. Westpac holds a security stock certificate over this facility of $8m. There is an undrawn borrowing facility with BNZ of $10 million. BNZ holds a Security Stock Certificate over this facility of $25 million and Charge Over Rates.

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

23 Borrowings (continued)

Fair values of borrowings

	Council		Group	
	Actual 2026 $000	Actual 2025 $000	Actual 2026 $000	Actual 2025 $000
Carrying Amount				
Secured loans	-	-	-	-
LGFA Debt	255,938	250,790	271,438	260,090
	255,938	250,790	271,438	260,090

The fair values are based on borrowing rates ranging from 1.84% to 5.21% (2025: 1.63% to 5.32%).

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

All borrowings are at floating rates, therefore carrying amounts approximate their fair values.

24 Employee entitlements

Accounting policy

Short-term employee entitlements

Employee benefits that are expected to be settled wholly within twelve months after the end of the year in which the employee provides the related service are measured based on accrued entitlements at current rates of pay. These include salaries and wages accrued up to balance date and annual leave earned to but not yet taken at balance date.

A liability and an expense are recognised for bonuses where the Council or Group has a contractual obligation or where there is a past practice that has created a constructive obligation, and a reliable estimate of the obligation can be made.

Long-term employee entitlements

Employee benefits that are not expected to be settled wholly before twelve months after the end of the reporting period in which the employee provides the related service, such as retirement and long service leave, have been calculated on an actuarial basis. The calculations are based on:

- *likely future entitlements accruing to employees, based on years of service, years to entitlement, the likelihood that employees will reach the point of entitlement, and contractual entitlement information; and*
- *the present value of the estimated future cash flows.*

Unrecognised employee entitlements

Outstanding sick leave entitlements are not recognised as a liability as there is no settlement obligation related to the entitlement.

Presentation of employee entitlements

Annual leave and vested long service leave are classified as a current liability. Non-vested retirement and long service leave expected to be settled within 12 months of balance date are also classified as a current liability. All other recognised employee entitlements are classified as a non-current liability.

	Council		Group	
	Actual 2026 $000	Actual 2025 $000	Actual 2026 $000	Actual 2025 $000
Current portion				
Accrued salaries and wages	965	1,125	989	1,151
Annual leave	2,703	1,729	2,763	1,791
Long service leave	84	92	84	92
Retiring gratuities	130	38	130	38
	3,882	2,984	3,966	3,072
Non-current portion				
Long service leave	397	485	397	485
Retiring gratuities	398	401	398	401
	795	886	795	886
Total employee benefits	4,677	3,870	4,761	3,958

25 Provisions

Accounting policy

A provision is recognised for future expenditure of uncertain amount or timing when:

- *there is a present obligation (either legal or constructive) as a result of a past event;*
- *it is probable that an outflow of future economic benefits will be required to settle the obligation; and*
- *a reliable estimate can be made of the amount of the obligation.*

Provisions are measured at the present value of the expenditures expected to be required to settle the obligation and discounted using market yields on government bonds at balance date with terms to maturity that match, as closely as possible, the estimated future cash flows. The estimated future costs of meeting this obligation have been accrued and charged.

Provision for landfill aftercare costs

A provision for aftercare costs is recognised, at the inception of each individual landfill cell, for post-capping aftercare maintenance costs and for future cell development.

The provision is measured based on the present value of the future cashflows expected to be incurred, considering future events including new legal requirements and known improvements in technology and including all costs associated with landfill aftercare.

The discount rate used is a risk-free rate as promulgated annually by the New Zealand Treasury Department for use by public service entities.

Provisions for climate change related obligations and remediation

No provisions are currently made for potential events, obligations, compensation, remediation or adaptation related to climate change or climate change induced or related events. While the effects of climate change are directly related to past events and there will be financial consequences and implications relating to future events, no reliable estimate has been made for the amount of the potential or likely obligations relating to Timaru District.

a **Landfill aftercare provision**

	Council		Group	
	Actual 2026 $000	Actual 2025 $000	Actual 2026 $000	Actual 2025 $000
Opening balance	4,085	5,073	4,085	5,073
Net movements	1,620	(988)	1, 620	(988)
Closing balance	5,705	4,085	5,705	4,085

Timaru District Council gained a resource consent in May 1995 to operate the Redruth Landfill in Timaru. The Council has responsibility under the resource consent to provide ongoing maintenance and monitoring of the individual landfill cells after each is capped. The maintenance period is 35 years.

Net movements included provisions made during the year, amounts used during the year and changes to the assessment of the liability.

The remaining capacity of the site is estimated as 1,346,450 tonnes (refuse, clean fill and cover) (2025: 1,429,252).

The useful life for each capped cell is effectively indefinite but is assumed to be 100 years following capping. The final cell is expected to be capped by 30 June 2050 so the remaining period in which the landfill can receive waste is estimated to be 24 years (2025: 28 years). This period may fluctuate based on the actual and anticipated waste volumes received.

25 Provisions (continued)

b **Historic Landfill provision**

	Council		Group	
	Actual 2026 $000	Actual 2025 $000	Actual 2026 $000	Actual 2025 $000
Opening balance	7,522	8,000	7,522	8,000
Additional provisions made during the year	-	-	-	-
Transfer from Landfill Aftercare provision	-	-	-	-
Amounts used/released during the year	(7,422)	(478)	(7,422)	(478)
Closing balance	100	7,522	100	7,522

The Peel Forest landfill operated adjacent to the Rangitata River from the mid-1960s until it was formally closed as a landfill in 2004. The landfill measured 0.4ha with a fill volume of approximately 20,000m3 to a depth of 5m (ECan Listed Land Use Register). A significant flooding event occurred in 2019 which increased the risk that the contents of the landfill may be exposed. Remediation work was completed during the year and the remaining provision released.

Other Provisions

The remaining provisions comprise individually immaterial amounts that have not been separately disclosed in the above analysis. These provisions are included in the total provision balance reported in the Statement of Financial Position and amount to $148,000 (2025: $300,753).

26 Contingencies

Following the significant flooding event in 2019 which endangered the integrity of the closed Peel Forest landfill, a risk assessment of the 40 identified historic landfills which are considered the responsibility of Timaru District Council has been completed, evaluating the risk related to these and potential future remediation and work and cost associated with the management of identified risks. No immediate or urgent risk has been ascertained however some work is likely to be desirable within the next 10 years. The potential cost of this has not been assessed as at 30 June 2026 however a provision has been raised for the costs of further assessment. Additional historic landfills exist within the District which are not the responsibility of Council however the consideration of risks related to these will be in conjunction with the respective landowners and Environment Canterbury Regional Council (ECan). It is not anticipated that Council will have any financial obligations relating to these.

Timaru District Council has 18,550,000 uncalled shares, (2025: 18,550,000) in Timaru District Holdings Limited. This uncalled capital is a requirement of TDHL's funding arrangement with the NZ Local Government Funding Agency for the Letter of Credit facility of $19m (2025: $19m) with the NZ Local Government Funding Agency (2025: LGFA) for the credit facilities with Timaru District Holdings Limited.

Council is reviewing buildings owned or controlled by it to assess their seismic rating under the new building standards (NBS). Council's buildings are categorised as either 'priority' or 'non-priority' buildings under the NBS and Council has identified all priority and non-priority buildings as required. Seismic assessments on all priority buildings have been commenced although not completed in all cases and remediation work is being undertaken when appropriate. Council is also developing a strategy and prioritisation methodology to inform its future decisions on earthquake prone buildings. Changes to statutory framework under which earthquake prone buildings are assessed are also being monitored to determine what affect they may have on the review process. There is currently no estimate of the potential cost of work required.

Sophia Street car park building has been assessed as earthquake prone and is subject to an earthquake-prone building notice. Council intends to strengthen the building and has provided funding in the Long Term Plan. Design and timing depend on further geotechnical and engineering assessment. The car park is structurally connected to an adjoining privately owned building. The owner of that building previously indicated it may seek to recover the cost of obtaining its own seismic assessment. No claim has been made as of 30 June 2026, and Council considers the likelihood of a material claim to be remote. Strengthening work at the connection between the two buildings may require agreement with the adjoining owner on how costs are shared. Any such amount arising from these potential agreements cannot be reliably estimated at this time.

The Council is exposed to various legal claims on an ongoing basis. The maximum financial exposure under those additional claims is likely to be less than $100,000

Timaru District Holdings Limited, and Venture Timaru Ltd do not have any contingent liabilities.

Mutual Liability Riskpool insurance scheme

Timaru District Council previously obtained public liability and professional indemnity insurance cover as a member of the New Zealand Mutual Liability Riskpool scheme until 30 June 2017. Riskpool operated as a mutual fund where each member made an annual contribution to obtain cover, however should claims exceed contributions then calls can be made on the members of that fund year, for the shortfall amount. The scheme is in wind-down. Timaru District Council has an on-going obligation to contribute to the scheme should a funding call be made in respect of historical claims (to the extent those claims are not covered by reinsurance or where reinsurance recovery is delayed), and to fund the on-going operations of the scheme. Ongoing litigation involving other Council members of Riskpool has introduced a high level of uncertainty about both the level of the council's potential financial exposure and its timing. At this stage, Riskpool cannot quantify the total potential liability associated with these matters.

Local Government Funding Agency

As at 30 June 2026, the Council is one of 74 local authority guarantors of the LGFA. The LGFA was incorporated in December 2011 with the purpose of providing debt funding to local authorities in New Zealand. As at 30 June 2026, the LGFA has a local currency credit rating from S&P Global Ratings of AAA and a foreign currency rating of AA+ and a local currency rating and foreign currency rating of AA+ from Fitch.

Together with the other guarantors, the Council is a guarantor of all of the LGFA's guaranteed borrowings. Any call on the guarantee will be made on a pro-rata basis according to each guarantor's prior year annual rates revenue. If a guarantor fails to pay its pro-rata share, the other guarantors will be called on for payment on a pro-rata basis. At 30 June 2026, the LGFA had guaranteed borrowings totalling $26.6 billion (2025: $25.5 billion).

PBE Accounting Standards require the council to measure the LGFA guarantee liability at the higher of, the loss allowance at balance date determined by the ECL model, and the amount initially recognised. At the end of the financial year, the Council has assessed the 12-month expected credit losses of the guarantee liability, based on market information on the underlying assets held by the LGFA. The estimated 12-month expected credit losses are immaterial due to the extremely low probability of default by the LGFA in the next 12 months. Therefore, the Council has not recognised a liability.

The 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 being notified in New Zealand; and
- local government legislation would enable local authorities to levy a rate to raise sufficient funds to meet any debt obligations if further funds were required.

26 Contingencies (continued)

Council and Group has borrowed $255.9m and $271.4m respectively (2025: $250.8m and $260.1m respectively) from the LGFA which is recognised as a liability in the Council and group financial statements.

Joint operation contingent liabilities
There are no contingent liabilities associated with Downlands Water Supply joint operation (2025: Nil).

Share of associates' contingent liabilities

Alpine Energy Limited has contingent liabilities as at 31 March 2026 of Nil in the form of performance and import guarantees to cover ongoing project work (2025: $0.73m).

No contingent liabilities exist at balance date for PrimePort Timaru Limited (2025: Nil)

Related Party contingent liabilities

No contingent liabilities exist at balance date for Timaru District Holdings Limited (2025: Nil)

Contingent assets

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

27 Equity

Accounting policy

Equity is the community's interest in the Council and is measured as the difference between total assets and total liabilities. Equity is disaggregated and classified into the following components:

- *retained earnings;*
- *restricted reserves;*
- *designated reserves;*
- *asset revaluation reserves.*

Restricted reserves

Restricted reserves are a component of equity representing a particular use to which equity has been assigned.

Restricted reserves are those 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 a third party, however these do not represent cash funds maintained for such purposes. Transfers from these reserves may be made only for certain specified purposes or when certain specified conditions are met. Donations or bequeathed financial assets treated as liabilities, which are for a specified purpose are not identified as restricted reserves but are also restricted in their use.
They also include reserves maintained for targeted rates charged for a specific purpose.

Designated reserves

Designated reserves are maintained for self-funded activities which Council determines require particular focus. A separate account is maintained for each reserve to identify that the funds are held and used for the specific purpose intended, however these do not represent cash funds maintained for such purposes. Transfers from these reserves may be made only for their specified purposes or when specified conditions are met however Council may change designated reserves without reference to the Courts or a third party.

Asset revaluation reserves

These reserves relate to the revaluation of particular property, plant, and equipment classes to fair value.

	Council		Group	
	Actual 2026 $000	Actual 2025 $000	Actual 2026 $000	Actual 2025 $000
Retained earnings				
As at 1 July	763,546	771,466	887,841	897,446
Surplus/(deficit) for the year	11,386	(5,675)	20,446	(7,359)
Reserve Transfers				
Restricted reserves	(8,178)	(374)	(5,127)	(374)
Designated reserves	(245)	(1,872)	(245)	(1,872)
As at 30 June	766,510	763,546	902,915	887,841
Restricted reserves				
As at 1 July	24,625	24,251	27,675	27,301
Transfers from Retained Earnings	18,893	17,712	15,842	17,712
Transfers to Retained Earnings	(10,715)	(17,338)	(10,715)	(17,338)
As at 30 June	32,803	24,625	32,803	27,675
Designated reserves				
As at 1 July	29,558	27,686	29,557	27,685
Transfers from Retained Earnings	13,680	15,727	13,680	15,727
Transfers to Retained Earnings	(13,435)	(13,855)	(13,435)	(13,855)
As at 30 June	29,803	29,558	29,803	29,557
Total Other Reserves	62,606	54,183	62,606	57,232

27 Equity (continued)

	Council		Group	
	Actual 2026 $000	Actual 2025 $000	Actual 2026 $000	Actual 2025 $000
Asset revaluation reserves				
As at 1 July	993,831	948,403	993,831	948,403
Revaluation gains/(losses)	33,654	45,428	33,654	45,428
As at 30 June	1,027,485	993,831	1,027,485	993,831
Total Equity	1,856,601	1,811,561	1,993,005	1,938,904

Information about reserve funds held for a specific purpose is provided in the following pages:

Restricted Reserves

Name of Fund	Activity	Purpose	2026 Balance 1 July $000	2026 Transfer into fund $000	2026 Transfers out of fund $000	2026 Balance 30 June $000	2025 Balance 1 July $000	2025 Transfer into fund $000	2025 Transfers out of fund $000	2025 Balance 30 June $000
Collett Bequest (Museum)	Recreation and Leisure	For museum items.	638	9	0	647	616	21	0	638
Dowling Bequest	Recreation and Leisure	For the purchase of Christian fiction literature for the library.	22	0	0	22	21	1	0	22
Downlands Capital Contribution Reserve	Water Supply	For the provision of capital expenditure financed from capital contributions.	0	1,443	878	565	0	1,418	1,418	0
Endowment Land Geraldine Fund	All of Council	From the proceeds of Endowment Land. For the purchase of similar land.	421	6	110	317	407	14	0	421
George Barclay Bequest	Recreation and Leisure	Original bequest was $600. Interest to be used for the purchase of reference books for the Timaru Children's Library.	2	0	2	0	2	0	0	2
Joan & Percy Davis Library Trust (Geraldine)	Recreation and Leisure	Interest to be used to purchase books for the Geraldine Library. (8/7/82)	1	0	1	0	1	0	0	1
Jordan Bequest (Art Gallery)	Recreation and Leisure	For the purchasing of art works for the Aigantighe Art Gallery.	503	7	24	486	488	14	0	503
Jordan Bequest (Museum)	Recreation and Leisure	For the purchase of articles for the Museum.	259	4	0	263	251	9	0	259
Lattimore W A (Timaru) Bequest	Recreation and Leisure	Interest to be used for the purchasing of art works for the Aigantighe Art Gallery.	1	0	1	0	1	0	0	1
Mackay Bequest (Art Gallery)	Recreation and Leisure	For the purchase of paintings.	242	3	0	245	234	8	0	242
Mackay Bequest (Library)	Recreation and Leisure	For the purchase of books relating to art for the Timaru Library.	141	2	0	143	137	5	0	141
McCarthy Bequest - Library	Recreation and Leisure	For general purposes at the Timaru Public library	16	0	0	16	15	1	0	16
McCarthy Bequest - Parks	Recreation and Leisure	For general purposes at the Timaru gardens	56	1	0	56	54	2	0	56

Name of Fund	Activity	Purpose	2026 Balance 1 July $000	2026 Transfer into fund $000	2026 Transfers out of fund $000	2026 Balance 30 June $000		2025 Balance 1 July $000	2025 Transfer into fund $000	2025 Transfers out of fund $000	2025 Balance 30 June $000
Museum Acquisition Fund/Alan Ward Fund	Recreation and Leisure	For the purchase of articles for the Museum.	11	0	0	11		11	0	0	11
Russell C Hervey Fund	Recreation and Leisure	For providing improved services to the Timaru Library.	90	1	0	91		87	3	0	90
Reserves from Subdivisions/ Development Levy	Recreation and Leisure	Development of reserves within the District as set out in the Local Government Act 1974 Section 288.	313	20	0	333		314	0	2	313
Sevicke-Jones Bequest	Recreation and Leisure	For the purchasing of art works for the Aigantighe Art Gallery	6	0	6	0		3	18	15	6
Timaru Maritime and Transportation	All of Council	For the purpose of Timaru Maritime and Transportation	6	0	6	0		5	0	0	6
Fishing Huts - Rangitata	Recreation and Leisure	Each fishing hut area retains it own annual surplus or deficit (including capital income and expenditure) which accumulates over its lifetime. Each individual reserve balance is only available for use by that fishing hut area.	2	0	91	(90)		5	2	5	2
Fishing Huts - Strathoena	Recreation and Leisure	Each fishing hut area retains it own annual surplus or deficit (including capital income and expenditure) which accumulates over its lifetime. Each individual reserve balance is only available for use by that fishing hut area.	90	8	0	98		82	7	0	90
Geraldine Community Board	Governance and Strategy	Each community board area (for which targeted rates are levied) retains it own annual surplus or deficit (including capital income and expenditure) which accumulates over the lifetime of each targeted rated board. Each individual reserve balance is only available for use by that board.	73	27	17	82		73	20	20	73
Pleasant Point Community Board	Governance and Strategy	Each community board area (for which targeted rates are levied) retains it own annual surplus or deficit (including capital income and expenditure) which accumulates over the lifetime of each targeted rated board. Each individual reserve balance is only available for use by that board.	41	8	19	30		33	8	0	41
Temuka Community Board	Governance and Strategy	Each community board area (for which targeted rates are levied) retains it own annual surplus or deficit (including capital income and expenditure) which accumulates over the lifetime of each targeted rated board. Each individual reserve balance is only available for use by that board.	61	16	10	67		51	16	6	61

Name of Fund	Activity	Purpose	2026 Balance 1 July $000	2026 Transfer into fund $000	2026 Transfers out of fund $000	2026 Balance 30 June $000		2025 Balance 1 July $000	2025 Transfer into fund $000	2025 Transfers out of fund $000	2025 Balance 30 June $000
Fairview Hall	Recreation and Leisure	Each community hall (for which targeted rates are levied) retains its own annual surplus or deficit (including capital income and expenditure) which accumulates over the lifetime of each targeted rated hall. Each individual reserve balance is only available for use by that community hall.	(10)	6	6	(10)		(12)	5	3	(10)
Claremont Hall	Recreation and Leisure	Each community hall (for which targeted rates are levied) retains its own annual surplus or deficit (including capital income and expenditure) which accumulates over the lifetime of each targeted rated hall. Each individual reserve balance is only available for use by that community hall.	1	6	6	2		0	4	3	1
Otipua Hall	Recreation and Leisure	Each community hall (for which targeted rates are levied) retains its own annual surplus or deficit (including capital income and expenditure) which accumulates over the lifetime of each targeted rated hall. Each individual reserve balance is only available for use by that community hall.	(0)	1	0	1		(1)	1	0	0
Kingsdown Hall	Recreation and Leisure	Each community hall (for which targeted rates are levied) retains its own annual surplus or deficit (including capital income and expenditure) which accumulates over the lifetime of each targeted rated hall. Each individual reserve balance is only available for use by that community hall.	0	5	5	0		(1)	4	3	0
Seadown Hall	Recreation and Leisure	Each community hall (for which targeted rates are levied) retains its own annual surplus or deficit (including capital income and expenditure) which accumulates over the lifetime of each targeted rated hall. Each individual reserve balance is only available for use by that community hall.	13	5	5	13		13	5	5	13
Waste Management	Waste Management	Each waste collection area (for which targeted rates are levied) retains its own surplus or deficit (including capital income and expenditure) which accumulates over the lifetime of each targeted rated area. Each individual reserve balance is only available for use by that waste collection area.	1,308	679	271	1,716		795	512	0	1,308
Geraldine Works and Services	Roading and Footpaths and Stormwater	Each works and services area (for which targeted rates are levied) retains its own surplus or deficit (including capital income and expenditure) which accumulates over the lifetime of each targeted rated area. Each individual reserve balance is only available for use by that works and services area.	27	259	295	(9)		66	164	203	27

Name of Fund	Activity	Purpose	2026 Balance 1 July $000	2026 Transfer into fund $000	2026 Transfers out of fund $000	2026 Balance 30 June $000		2025 Balance 1 July $000	2025 Transfer into fund $000	2025 Transfers out of fund $000	2025 Balance 30 June $000
Rural Works and Services	Roading and Footpaths and Stormwater	Each works and services area (for which targeted rates are levied) retains its own surplus or deficit (including capital income and expenditure) which accumulates over the lifetime of each targeted rated area. Each individual reserve balance is only available for use by that works and services area.	539	184	169	554		589	119	168	539
Temuka Works and Services	Roading and Footpaths and Stormwater	Each works and services area (for which targeted rates are levied) retains its own surplus or deficit (including capital income and expenditure) which accumulates over the lifetime of each targeted rated area. Each individual reserve balance is only available for use by that works and services area.	793	401	311	883		952	256	415	793
Timaru Works and Services	Roading and Footpaths and Stormwater	Each works and services area (for which targeted rates are levied) retains its own surplus or deficit (including capital income and expenditure) which accumulates over the lifetime of each targeted rated area. Each individual reserve balance is only available for use by that works and services area.	6,823	3,148	1,099	8,872		6,017	3,243	2,437	6,823
District Sewer	Sewer	Each sewerage scheme (for which targeted rates are levied) retains its own surplus or deficit (including capital income and expenditure) which accumulates over the lifetime of each targeted rated area. Each individual reserve balance is only available for use by that scheme.	10,108	5,333	1,172	14,269		9,976	5,426	5,294	10,108
Beautiful Valley Water Suppply	Water Supply	Each water supply scheme (for which targeted rates are levied) retains its own surplus or deficit (including capital income and expenditure) which accumulates over the lifetime of each targeted rated area. Each individual reserve balance is only available for use by that scheme.	146	21	0	167		125	21	0	146
Orari Water Supply	Water Supply	Each water supply scheme (for which targeted rates are levied) retains its own surplus or deficit (including capital income and expenditure) which accumulates over the lifetime of each targeted rated area. Each individual reserve balance is only available for use by that scheme.	300	4	27	278		317	17	34	300
Rangitata Water Supply	Water Supply	Each water supply scheme (for which targeted rates are levied) retains its own surplus or deficit (including capital income and expenditure) which accumulates over the lifetime of each targeted rated area. Each individual reserve balance is only available for use by that scheme.	0	0	0	0		0	3	3	0

Name of Fund	Activity	Purpose	2026 Balance 1 July $000	2026 Transfer into fund $000	2026 Transfers out of fund $000	2026 Balance 30 June $000		2025 Balance 1 July $000	2025 Transfer into fund $000	2025 Transfers out of fund $000	2025 Balance 30 June $000
Seadown Water Supply	Water Supply	Each water supply scheme (for which targeted rates are levied) retains its own surplus or deficit (including capital income and expenditure) which accumulates over the lifetime of each targeted rated area. Each individual reserve balance is only available for use by that scheme.	619	282	529	371		1,553	221	1,155	619
Te Moana Water Supply	Water Supply	Each water supply scheme (for which targeted rates are levied) retains its own surplus or deficit (including capital income and expenditure) which accumulates over the lifetime of each targeted rated area. Each individual reserve balance is only available for use by that scheme.	(0)	475	861	(386)		211	413	624	0
Urban Water Supply	Water Supply	Each water supply scheme (for which targeted rates are levied) retains its own surplus or deficit (including capital income and expenditure) which accumulates over the lifetime of each targeted rated area. Each individual reserve balance is only available for use by that scheme.	0	6,518	4,561	1,957		0	5,524	5,524	0
Dog Control	Environmental Services	Council's dog control enforcement activity retains its own surplus or deficit (including capital income and expenditure) which accumulates over the lifetime of the activity. The balance is only available for use by that activity.	908	12	178	741		759	149	0	908
Total Restricted Reserves			24,625	18,893	10,715	32,804		24,251	17,712	17,337	24,625

An error was identified in the prior-year presentation of the reserves note, whereby the opening balances were inadvertently transposed by one row in the printed Annual Report. The error related to the presentation of the opening balances and did not affect the total reserves balance.

Designated Reserves

Name of Fund	Activity	Purpose	2026 Balance 1 July $000	2026 Transfer into fund $000	2026 Transfers out of fund $000	2026 Balance 30 June $000		2025 Balance 1 July $000	2025 Transfer into fund $000	2025 Transfers out of fund $000	2025 Balance 30 June $000
Cemetery Future (Timaru) Fund	Community Support	Development of future cemetery for Timaru.	102	1	0	103		98	3	0	102
Community Development Interest Fund	Community Support	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.	128	2	0	130		124	4	0	128
Community Development Loan Fund	Community Support	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.	374	5	0	379		353	20	0	374
Contingency Fund	All of Council	For emergency purposes as determined by Council.	1,404	19	0	1,423		1,357	47	0	1,404
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.	3,957	13,128	12,821	4,264		3,257	13,856	13,156	3,957
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.	35	41	0	75		2	33	0	35
Depreciation Fund (Housing)	Community Support	For the renewal and/or replacement of Housing depreciable assets and for the repayment of loans associated with such assets.	0	104	104	0		0	157	157	0
Development (Timaru) Fund	All of Council	Funding of major developments within Timaru. Interest on this fund to be credited to the Community Development Interest Fund.	240	3	0	243		240	0	0	240
Disaster Relief Fund	All of Council	For the replacement of infrastructural assets excluding subsidised roading in the event of a natural disaster.	659	9	0	668		637	22	0	659
District Recreation Facilities Fund	All of Council	To be used for the development of significant recreation facilities in the district.	840	12	0	852		812	28	0	840
Economic Development Fund	Community Support	For economic development support.	219	3	0	222		212	7	0	219
Election Expenses Fund	Governance and Strategy	To provide for meeting election expenses.	79	1	1	79		86	0	6	79
Forestry Development Fund	Recreation and Leisure	To provide funding for the development of forests within the District.	240	3	69	173		205	138	104	240
Grants & Donations Fund	Community Support	For the provision of grants & donations (created from the unspent grant allocation and carried forward balances)	548	8	2	554		537	11	0	548

Name of Fund	Activity	Purpose	2026 Balance 1 July $000	2026 Transfer into fund $000	2026 Transfers out of fund $000	2026 Balance 30 June $000		2025 Balance 1 July $000	2025 Transfer into fund $000	2025 Transfers out of fund $000	2025 Balance 30 June $000
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.	14,743	204	0	14,947		14,253	491	0	14,743
Main Creative Communities NZ Fund	Community Support	Carried forward balance of Creative Communities NZ fund – main committee.	4	0	0	4		4	7	7	4
Main Drains Cost Sharing Fund	Sewer, Stormwater and Water Supply	Extension of main drains on a cost sharing basis.	1,589	22	0	1,611		1,536	53	0	1,589
Mayor's Welfare Fund	Governance and Strategy	Help out the needy as determined by the Mayor.	41	4	0	45		35	5	0	41
National Libraries Partnership	Recreation and Leisure	For the purpose of funding for the National Libraries Partnership	0	0	0	0		0	0	0	0
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.	274	4	0	277		282	0	8	274
Parking Improvement (Timaru) 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.	327	4	327	5		0	327	0	327
Property Development Fund	All of Council	For the purchase or development of land and improvement projects within the District.	2,003	28	0	2,031		1,936	67	0	2,003
Reserves Development (Timaru) Fund	Recreation and Leisure	For the planting of trees and general development of reserves owned by the District Council within Timaru.	14	0	0	14		13	0	0	14
Safer Community Funds	Community Support	For Safer Communities projects.	656	9	111	554		721	354	418	656
Social Housing Fund (TDC)	Community Support	Funding of new social housing units and major maintenance.	62	52	0	113		0	62	0	62
Sport and Recreation Loan Fund	Community Support	Sport and Recreation loans for facilities and/or major plant items in excess of $2,000 total value.	952	13	0	965		920	32	0	952
Te Moana Water Capital Contributions	Water Supply	For the provision of extensions to the Te Moana water network.	0	0	0	0		0	0	0	0
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.	24	0	0	24		23	1	0	24
Winchester Domain Fund	Recreation and Leisure	For maintenance and Development of the Winchester Domain area	46	1	0	46		44	2	0	46
Total Designated Reserves			29,558	13,680	13,435	29,803		27,687	15,727	13,856	29,558

28 Related party transactions

Accounting policy

Intra-Group and internal transactions

All transactions occurring within the Group are eliminated on consolidation however within each Group entity they will be reflected within the appropriate categorisation. Intra-entity transactions are not generally eliminated within that entity as the transactions allocate costs and revenue within the entity to reflect an accurate economic picture however, they will eliminate against each other within the net surplus or deficit.

During the year to 30 June 2026, the Council entered into various transactions with its associate companies (PrimePort Timaru Limited and Alpine Energy Limited) and subsidiaries (Timaru District Holdings Limited, Aorangi Stadium Trust and Venture Timaru Limited).

Related party disclosures have not been made for transactions with related parties that are within normal supplier or client/recipient relationships and on terms and conditions no more or less favourable than those that it is reasonable to expect the Council and Group would have adopted in dealing with the party at arm's length in the same circumstances.

	Council	
	2026	2025
	$000	$000
Timaru District Holdings Limited		
Interest paid to Timaru District Council	681	1,194
Loans payable to Timaru District Council	21,681	21,681
Dividends paid to Timaru District Council	1,400	1,200
Rates paid to Timaru District Council	505	459
Timaru District Council		
Rents paid to Timaru District Holdings	43	81
Alpine Energy Limited		
Paid to Alpine Energy	176	732
Received from Alpine Energy	224	208
PrimePort Timaru Limited		
Received from PrimePort Timaru	433	401
Aorangi Stadium Trust		
Donations received	-	78
Outstanding at 30 June 2026		
Timaru District Holdings to Timaru District Council	51	84
Timaru District Council to Venture Timaru	-	3
Timaru District Council to Timaru District Holdings	-	8
Venture Timaru to Timaru District Council	-	2
Alpine Energy Limited to Timaru District Council	23	51
Timaru District Council to Alpine Energy Limited	28	21
PrimePort Timaru to Timaru District Council	8	7

The loan payable to Timaru District Council is secured by a debenture over the company's assets.

28 Related party transactions (continued)

Council Grants

The Council has provided a number of grants to the group entities, and some of these are considered non-arm's length transactions. These grants are outlined in the table below:

	Council	
	2026	**2025**
	$000	**$000**
Venture Timaru		
Economic Grant	752	745
Tourism Grant	408	408
Events Support	245	245
City Town	4	50
Cruise Ship	26	60
Active Transport	-	24

	Council	
	2026	**2025**
	$000	**$000**
Deferred revenue		
Venture Timaru		
Cruise Ship	78	44

28 Related party transactions (continued)

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).

During the year Council contributed $500 as a Quick Response Grant to the Lions Club of Geraldine Charitable Trust, an organisation in which Councillor Philip Harper and Geraldine Community Board member Sarah Foley-Smith, are members. The balance outstanding as at 30 June 2026 is nil.

During the year Council contributed $2,390 to Volunteering Mid and South Canterbury Trust, an organisation in which Councillor Chris Thomas is a Trustee. The balance outstanding as at 30 June 2026 is nil.

During the year Council contributed $14,500 to South Canterbury Neighbourhood Support Inc., an organisation in which Councillor Chris Thomas is a member of the governing committee. The balance outstanding as at 30 June 2026 is nil.

During the year Council contributed $6,109 to the South Canterbury Drama League Inc., an organisation of which Councillor Chris Thomas is a member. The balance outstanding as at 30 June 2026 is nil (2025: Nil).

During the year Council contributed $4,480 to the Timaru Senior Citizens' Association ("Age Concern") by which Councillor Chris Thomas is employed as the manager. The balance outstanding as at 30 June 2026 is nil.

During the year Council contributed $31,617 (2025: $27,896) to Mid and South Canterbury YMCA, an organisation by which Kathleen Wilkinson, a member of the Pleasant Point Community Board, and Kathy Campbell, a member of the Temuka Community Board, are employed. Last year's contribution made while Councillor Stacey Scott was Chair of the Board. The balance outstanding as at 30 June 2026 is nil (2025: Nil).

Jan Finlayson, a member of the Geraldine Community Board, is also a member of the Geraldine District Projects Trust, which facilitate a funding application on behalf of the Woodbury & Tripp Settlement Community Response Team. During the year, the Geraldine Community Board contributed $6,924 to the Trust. The balance outstanding as at 30 June 2026 is nil.

Charles Scarbrook, Chair of the Temuka Community Board, and Alison Talbot, a member of the Temuka Community Board, are also members of the Temuka and Districts Project Trust, to which Council contributed $5,000. The balance outstanding as at 30 June 2026 is nil.

During the year the Temuka Community Board contributed $5,000 (2025: Nil) to the Temuka & Districts Historical Society, an organisation in which Gaye Broker, a member of the Temuka Community Board was a member of the executive committee. The balance outstanding as at 30 June 2026 is nil (2025: Nil).

During the year Council purchased goods and services totalling $3,516 (2025: $3,864) from Temuka Transport (1967) Limited, an organisation for which the partner of Temuka Community Board member Nicola Nimo works. The balance outstanding as at 30 June 2026 was nil (2025: $11,492).

During the year Council purchased goods and services from the Association of Local Government Information Management Incorporated (ALGIM) an organisation in which Chief Information Office Justin Bagust is the Co-president. The transactions amounted to $4,779 (2025: $7,495). The balance outstanding as at 30 June 2026 is nil (2025: Nil).

Close family members of key management personnel may be 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 (2025: nil).

Key management personnel compensation	**Council**	
	Actual 2026 $000	**Actual 2025 $000**
Senior Leadership Team	2,443	2,316
Mayor and Councillors	771	717
Total key management personnel compensation	3,214	3,033

Key management personnel include the Mayor and Councillors, (10.0 FTE), the Chief Executive and other senior management personnel, (12.8 FTE).

Due to the difficulty in determining the full-time equivalent for Councillors, the full-time equivalent figure is taken as the number of Councillors.

29 Explanation of major variances against budget

Timaru District Council made a net surplus of $11.386M (budgeted deficit of $1.22M)

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

Subsidies and grants received were over budget as a result of significant projects budgeted in the prior year commencing in the current year. This included:

Aorangi Stadium - $2.7m

Theatre Royal - $8.9m

Grant received for Peel Forest remediation recognised in 2026: $3.4m

Finance revenue was $2.0m below budget, primarily due to interest rates being lower than anticipated

Other revenue was $2.1m above budget, primarily due to $5.1m of weighbridge charges associated with Peel Forest remediation works, which were offset by corresponding expenditure. This was partially offset by a $2.0m correction relating to historical infringement revenue

Personnel costs were $3.7m below budget, primarily due to savings arising from organisation restructuring vacant positions.

Finance costs were $3.3m below budget as a result of lower than anticipated and delays in borrowing to fund capital projects

Depreciation was $5.4m below budget, primarily due to delays in the completion of capital projects, together with adjustments arising from the prior year roading revaluation.

Other losses were above budget, primarily due to losses recognised as a result of the reviews undertaken of property, plant and equipment

Statement of financial position

Cash and Cash equivalents over budget, offsets with budgeted short term deposits in other financial assets

Total borrowings under budget as a result of other revenue being higher than budget from grants received, and investment in property plant and equipment being under budget due to timing of projects

Property Plant and Equipment under budget as a result of lower capitalisation than budget due to the review of PPE for disposal, and project timing

Provisions under budget as a result of the Peel forest remediation provision being utilised during the year. Timing of recognition was uncertain when the budget was set

Other comprehensive revenue under budget as a result of the 3 waters external asset revaluation. Result unknown until completed

30 Financial instruments

Financial Instrument categories

	Council		Group	
	Actual 2026 $000	Actual 2025 $000	Actual 2026 $000	Actual 2025 $000
FINANCIAL ASSETS				
Mandatorily measured at FVTSD				
Derivative financial instrument assets	449	848	462	848
Other financial assets:				
- Investments in debt securities	10,040	8,404	13,345	8,404
Total	10,490	9,252	13,808	9,252
Amortised Cost				
Cash and cash equivalents	36,582	43,123	38,072	43,492
Trade and other receivables	9,950	9,832	10,202	10,091
Other financial assets:				
- Term deposits	-	-	418	1,413
- Community loans	481	588	481	588
- Loans to subsidiaries	21,681	21,681	-	-
- Loans to other local authorities	3,200	3,200	3,200	3,200
Total	71,894	78,424	49,173	58,785
Fair value through other comprehensive revenue and expense				
Other financial assets:				
- Listed and unlisted shares	268	268	268	268
FINANCIAL LIABILITIES				
Mandatorily measured at FVTSD				
Derivative financial instrument liabilities	-	-	-	65
Amortised cost				
Trade and other payables	21,078	20,407	21,462	20,766
Borrowings:				
- Secured loans	-	-	-	-
- LGFA Debt	255,938	250,790	271,438	260,090
Total	277,017	271,197	292,901	280,856

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 the Council's investment in the New Zealand Local Government Funding Agency Limited (LGFA) is determined by reference to the council's share of net assets in LGFA as at 30 June 2026.

30 Financial instruments (continued)

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 Jun 2026 - Council				
Financial assets				
Derivatives	449	-	449	-
Investments in debt securities	10,040	997		9,043
Unlisted Shares	268	-	-	268
30 Jun 2026 - Group				
Financial assets				
Derivatives	462	-	462	-
Investments in debt securities	13,345	4,152	-	9,193
Unlisted Shares	268	-	-	268
Financial Liabilities				
Derivatives	-	-	-	-
30 Jun 2025 - Council				
Financial assets				
Derivatives	848	-	848	-
Investments in debt securities	8,404	977	-	7,427
Unlisted Shares	268	-	-	268
30 Jun 2025 - Group				
Financial assets				
Derivatives	848	-	848	-
Investments in debt securities	8,404	977	-	7,427
Unlisted Shares	268	-	-	268
Financial Liabilities				
Derivatives	65	-	65	-

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

30 Financial instruments (continued)

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:

	Council		Group	
	2026 $000	2025 $000	2026 $000	2025 $000
Balance as at 1 July	7,695	5,987	7,695	5,987
Gain and loses recognised in the surplus or deficit	1,616	1,708	1,616	1,708
Balance as at 30 June	9,311	7,695	9,311	7,695

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

Financial Instruments risks

Timaru District Council has a series of policies to manage the risks associated with financial instruments and is risk averse and seeks to minimise exposure from its treasury activities. The Council has a Treasury Management Policy which does 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.

The Council is exposed to credit risk as a guarantor of all the LGFA's guaranteed borrowings. Information about this exposure is explained in Note 26.

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

30 Financial instruments (continued)

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

	Council		Group	
	Actual 2026 $000	Actual 2025 $000	Actual 2026 $000	Actual 2025 $000
Cash at bank and term deposits	36,582	43,123	38,490	44,905
Trade and other receivables	9,950	14,932	10,202	15,131
Community loans	481	588	481	588
Loans to subsidiaries	21,681	21,681	-	-
Loans to other local authorities	3,200	3,200	3,200	3,200
Investments in debt securities	997	977	4,152	1,025
Derivative financial instrument assets	449	848	462	848
Total credit risk	73,341	85,350	56,988	65,698

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 (2025: $nil). There are no restrictions on the use of this facility.

The Council is exposed to liquidity risk as a guarantor of all of the LGFA's guaranteed borrowings. This guarantee becomes callable in the event of the LGFA failing to pay its borrowings when they fall due. Information about this exposure is explained in Note 26.

30 Financial instruments (continued)

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 $000	Contractual Cashflows $000	Less than 1 year $000	1-2 years $000	2-5 years $000	More than 5 years $000
Council 2026						
Trade and other payables	21,078	21,078	21,078	-	-	-
LGFA Debt	255,938	281,916	63,167	66,000	146,648	6,101
Total	277,017	302,994	84,245	66,000	146,648	6,101
Group 2026						
Trade and other payables	21,462	21,462	21,462	-	-	-
Secured loans	-	-	-	-	-	-
LGFA Debt	271,438	297,416	75,667	69,000	146,648	6,101
Total	292,901	318,878	97,129	69,000	146,648	6,101
Council 2025						
Trade and other payables	20,407	20,407	20,407	-	-	-
LGFA Debt	250,790	276,710	78,164	44,891	125,331	28,324
Total	271,197	297,117	98,571	44,891	125,331	28,324
Group 2025						
Trade and other payables	20,766	20,766	20,766	-	-	-
Secured loans	-	-	-	-	-	-
LGFA Debt	260,090	286,010	87,464	44,891	125,331	28,324
Total	280,856	306,776	108,230	44,891	125,331	28,324

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 $000	1-2 years $000	2-5 years $000	More than 5 years $000
Council 2026	(53)	(430)	34	-
Group 2026	(53)	(351)	(32)	-
Council 2025	(274)	(526)	(48)	-
Group 2025	(274)	(526)	(113)	-

30 Financial instruments (continued)

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 $000	Contractual Cashflows $000	Less than 1 year $000	1-5 years $000	More than 5 years $000
Council 2026					
Cash and cash equivalents	36,582	36,582	36,582	-	-
Trade and other receivables	9,950	9,950	9,950	-	-
Loans to subsidiaries	21,681	21,681	-	-	21,681
Unlisted shares	268	268		-	268
Other financial assets:					
- community loans	481	481	73	408	-
- investment in debt securities	10,040	10,040	2,138	7,171	731
Total	79,002	79,002	48,743	7,579	22,680
Group 2026					
Cash and cash equivalents	38,072	38,072	38,072	-	-
Trade and other receivables	10,202	10,202	10,202	-	-
Unlisted shares	268	268	-	-	268
Other financial assets:					
- term deposits	418	418	418	-	-
- community loans	481	481	73	408	-
- investment in debt securities	13,345	13,345	2,577	7,902	2,866
Total	62,787	62,787	51,343	8,310	3,134
Council 2025					
Cash and cash equivalents	43,123	43,123	43,123	-	-
Trade and other receivables	14,932	14,932	14,932	-	-
Loans to subsidiaries	21,681	21,681	-	-	21,681
Unlisted shares	268	268	-	-	268
Other financial assets:					
- community loans	588	588	83	505	-
- investment in debt securities	8,404	8,404	1,982	5,065	1,357
Total	88,996	88,996	60,120	5,570	23,306
Group 2025					
Cash and cash equivalents	43,492	43,492	43,492	-	-
Trade and other receivables	15,131	15,131	15,131	-	-
Unlisted shares	268	268	-	-	268
Other financial assets:					
- term deposits	1,413	1,413	1,413	-	-
- community loans	588	588	83	505	-
- investment in debt securities	8,404	8,404	1,982	5,065	1,357
Total	69,296	69,296	62,101	5,570	1,625

31 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. 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

- trust and bequest reserves.

Reserves for different areas of benefit are used where there is a discrete set of ratepayers 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 for specific possible events.

Trust and bequest reserves are set up where Council has received 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 for which they were donated.

32 Local Water Done Well

Timaru District Council has elected to establish a joint Council Controlled Water Services Organisation with Mackenzie District Council. Each council will hold an equal share, with oversight provided by a joint shareholder's committee.
From 1 July 2027 (FY27/28), all water assets, including the two councils' proportional share of the Downlands rural water scheme as well as any debt accrued as part of the development of those services, will transfer to Central South Island Water Limited (CSIW). From this day CSIW will provide drinking and wastewater services to customers connected to its urban and rural networks. Stormwater will continue to be provided by each council, but decisions on council direction may be managed by the company.
The company's Chair as well as an interim Chief Executive Officer has been appointed, and work is continuing to establish the new entity's governance and operating arrangements, including shareholder agreements, transfer planning, and regulatory compliance activities. Work is also ongoing on negotiating appropriate corporate services arrangements, which could be provided by shareholding councils on an ongoing basis. These may include customer services, finance and billing arrangements.
Since the agreement to transfer water services, related assets and liabilities is yet to be finalised, there is uncertainty over the financial impact on future financial statements. The Council is still working through the financial implications of the transfer however; the more significant impacts are expected to include:

- derecognition of water assets and liabilities (including any associated debt) in the 2027/28 reporting period;
- while the final assets and liabilities to be transferred have not yet been determined, assets reported within the Council's water supply and wastewater asset classes have a carrying value of approximately $630.4 million at 30 June 2026. In addition, water-related assets under construction totalled approximately $13.3 million at balance date. Refer to Note 16 Property, Plant and Equipment (page 142) for further information on the values of PPE associated with these activities. Certain land, building and other supporting assets associated with water services may also transfer to CSIW; however, the extent of these transfers remains subject to further assessment and agreement;
- a transfer between revaluation reserves and retained earnings resulting from the derecognition of water assets;
- recognition of Council's investment in CSIW;
- appropriate disclosure of the guarantee arrangement between Shareholder Councils and CSIW;
- disclosure of discounted water operations in the 2027/28 reporting period. Due to the nature of the transfer, water infrastructure assets are not classified as non-current assets held for sale since their carrying value will not be principally recovered through a sale transaction;
- transfer of certain water-related capital commitments to CSIW. The final treatment of these commitments remains subject to completion of the transfer arrangements. At the reporting date, no material lease commitments are expected to transfer to CSIW;
- a reduction in rates revenue and a similar level of cost savings. The revenue will then be charged by CSIW, who will also incur the expenditure relating to water services. While the final financial impacts of the transfer remain uncertain, the scale of the activities affected can be seen in the Council's water services Funding Impact Statements. During the year ended 30 June 2026, water supply and wastewater activities generated revenue of approximately $33.8 million and incurred operating expenditure of approximately $34.4 million and capital expenditure of $8.9 million. Refer to the Funding Impact Statements (page 73 and 85) for further information on these activities. The Council has also considered the impact of the expected transfer on the going concern basis of preparation.

- The Council is not currently aware of any material contingent assets or contingent liabilities specifically attributable to water services that are expected to transfer to CSIW; and
- The Council has also considered the impact of the expected transfer on the going concern basis of preparation. While there will be a significant decrease in the future revenue stream of the Council (since approximately 28% of current rates revenue relates to water services which will form part of CSIW after the transfer), this will be offset by an approximately equivalent saving in the associated costs of providing water services. The Council therefore considers the going concern basis of preparation to still be appropriate.

No further key decisions or events have occurred between 30 June 2026 and the date of adoption of this report that require disclosure.

33 Events after balance date

Accounting policy

Events which are deemed to actually or potentially have a material impact on the Council or Group but which occur after balance date are disclosed including why they have been assessed as being of significant materiality.

Proposed disposal of Alpine Energy by Timaru District Holdings Limited
Subsequent to balance date, the Timaru District Council approved a proposal to commence a process for the disposal of Timaru District Holdings Limited's shareholding in Alpine Energy Limited.

As at the date of authorisation of these financial statements, the proposed sale remains subject to the completion of the relevant sale process, including negotiation of transaction terms and satisfaction of any required conditions and approvals. As the transaction was not committed to at balance date no adjustment has been made to the carrying value of the investment at 30 June 2026.

Management will continue to monitor developments and assess the financial reporting implications of the transaction as further information becomes available.

Council has given instruction to Timaru District Holdings Limited that it should divest its shares in Alpine Energy Limited to be reinvested into a managed investment portfolio. Work by TDHL is ongoing on this matter, with the company aiming to start market engagement in early 2027.

Uncertainty on Local Government Reform
As part of the Government's Head Start Programme, Timaru District Council collaborated with Waitaki District Council, Waimate District Council and Mackenzie District Council to propose a unitary authority that stretched from the Rakaia River in the North to the southern boundary of Waitaki District. As the government has postponed decision-making on this until early 2027, there is significant uncertainty around the timelines or overall direction of local government reform.

As a result, no assets, liabilities, revenues, expenses, commitments, or contingent liabilities have been recognised in these financial statements in relation to the proposal.

Annual report disclosure statement

Annual report disclosure statement for the year ended 30 June 2026.

What is the purpose of this statement?

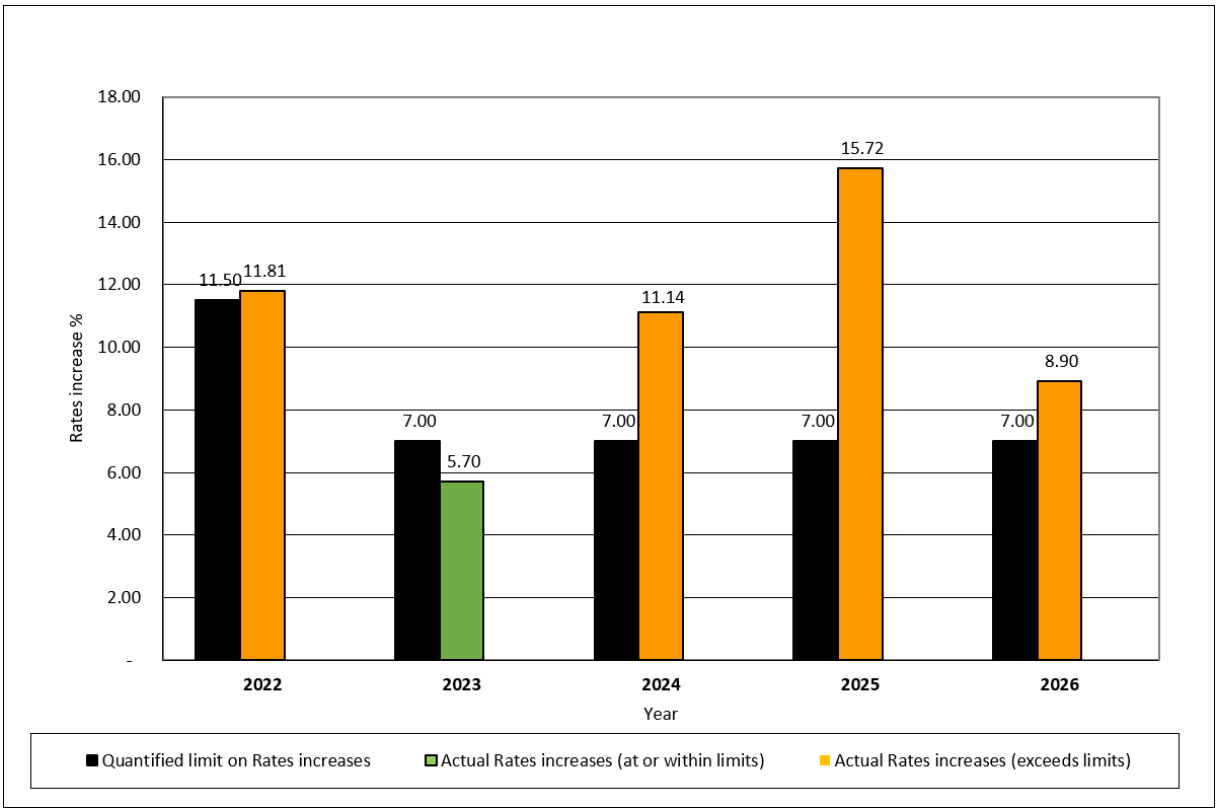
The purpose of this statement is to disclose the council's financial performance in relation to various benchmarks to enable the assessment of whether the council is prudently managing its revenue, expenses, assets, liabilities and general financial dealings.

The council is required to include this statement in its annual report in accordance with 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.

Council is required to disclose its performance in relation to specific benchmarks, as follows:

1. Rates (increase) affordability benchmark

The Council meets the rates affordability benchmark if its actual rates increases equal or are less than each quantified limit rates increases. The following graph compares Council's actual rates increases with a quantified limit on rates increases included in the financial strategy in the Council's long term plan (LTP). The quantified limit is 11.5% in 2021/22, and 7% for FY 2023 - FY 2026.

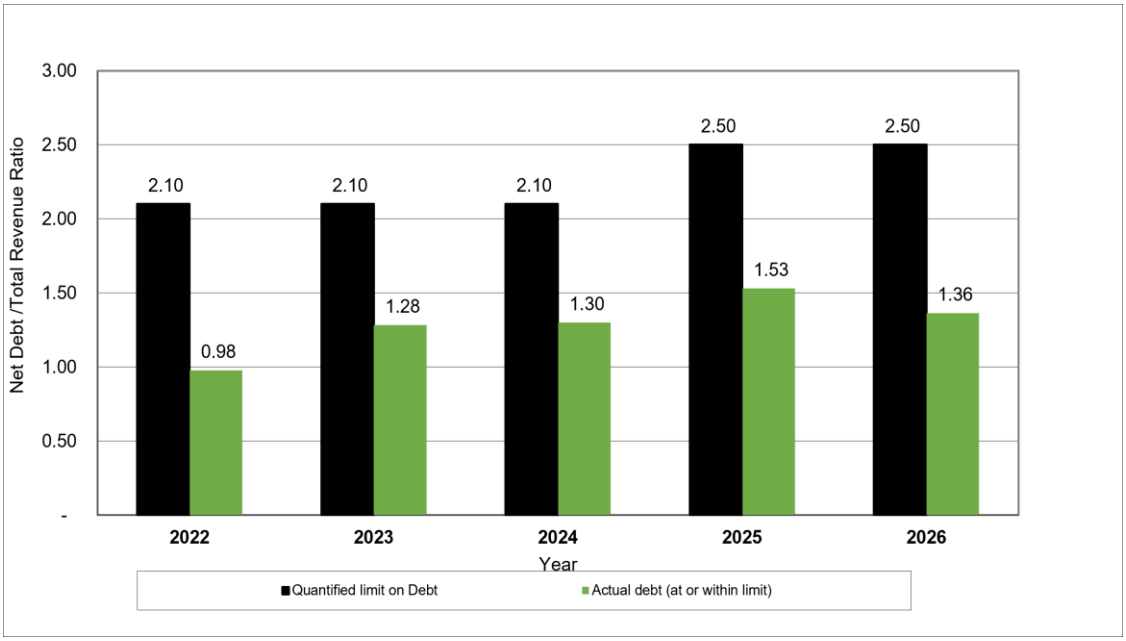


2. Debt affordability benchmark

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

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 a ratio of net debt to total revenue of 2.1 for the FY 2022-2024, and 2.5 for the FY 2025-2026.

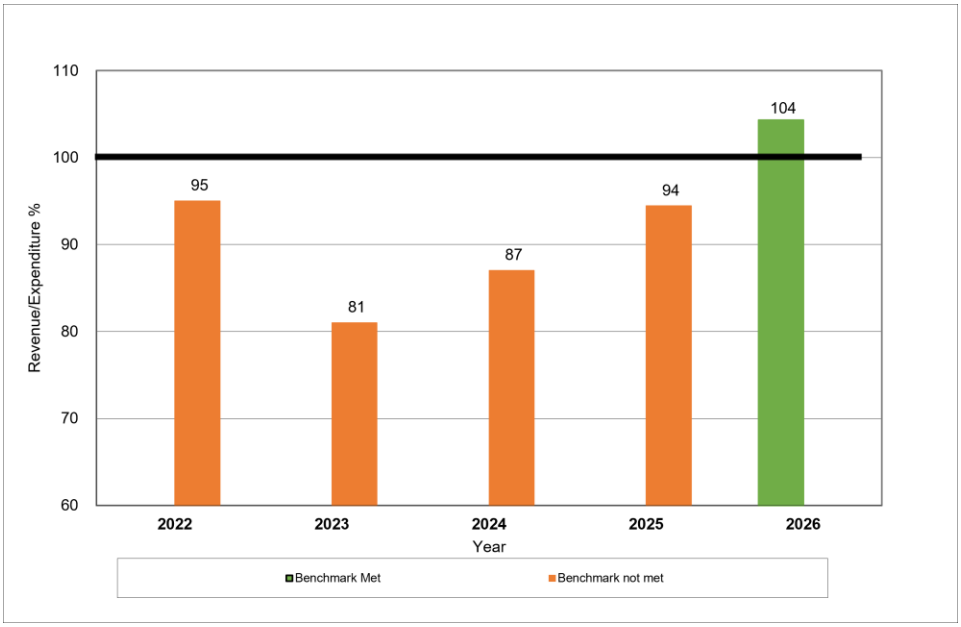
The 2024-34 LTP defines net debt as the overall amount of debt that the Council owes minus any cash held in the bank or any cash equivalents that we could access within a short period. It doesn't include assets such as pipes and roads than can't be converted into cash.



3. Balanced budget benchmark

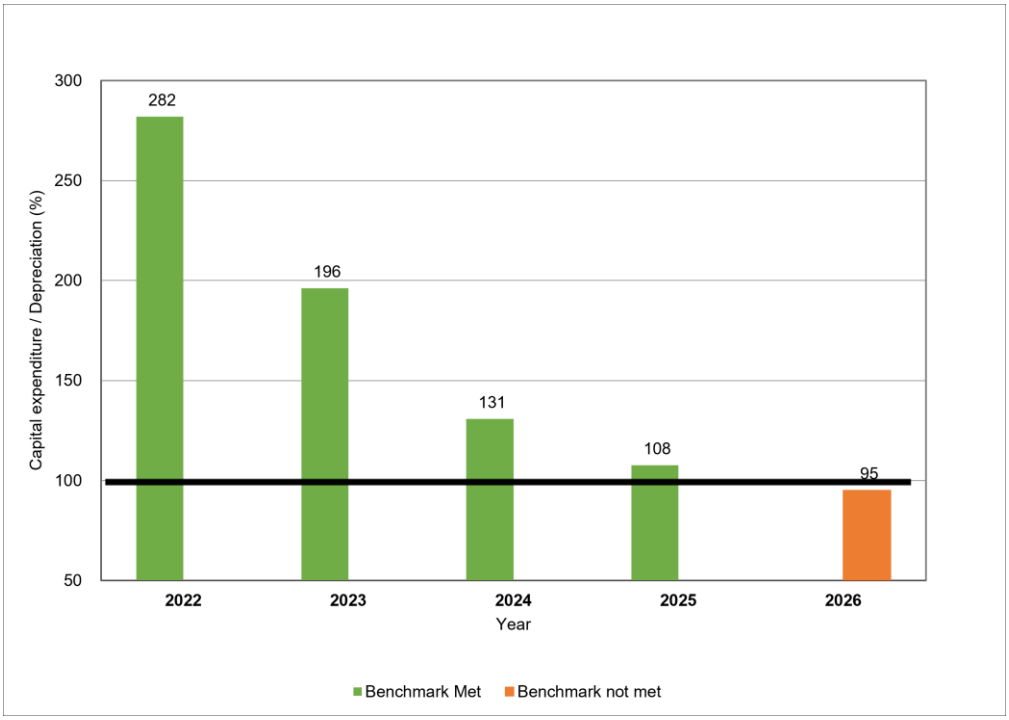
The following graph displays the Council's revenue (excluding development contributions, financial contributions, vested assets, gains on derivative financial instruments, and revaluations of property, plant or equipment) as a proportion of operating expenses (excluding losses on derivative financial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

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



4. Essential services benchmark

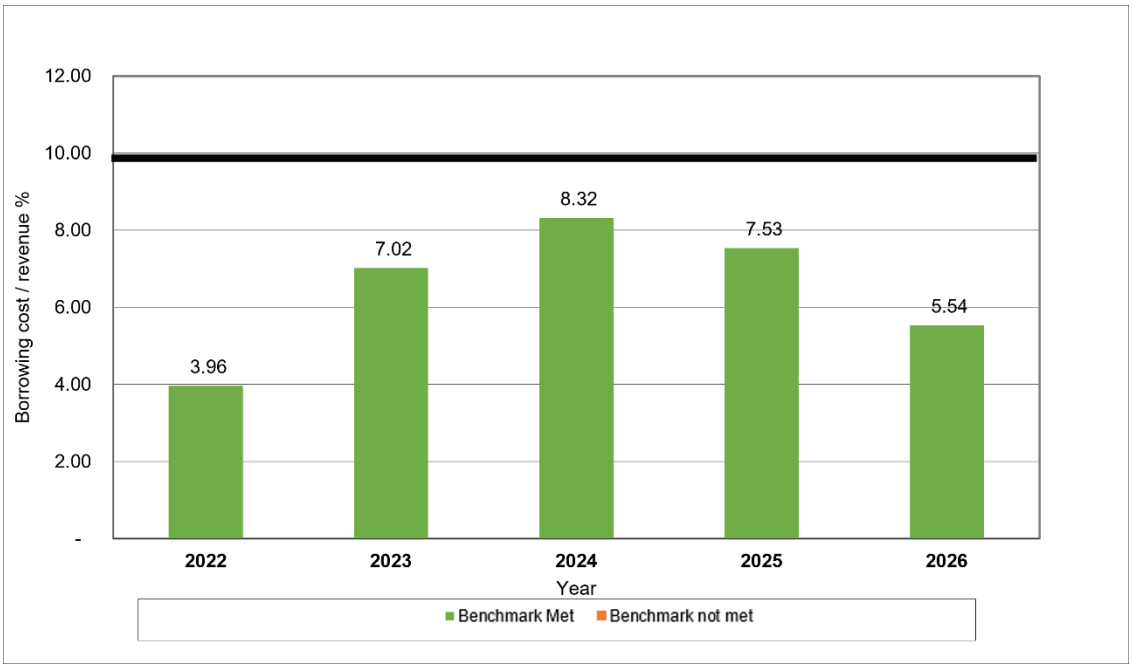
The following graph displays the Council's capital expenditure on network services as a proportion of depreciation on network services. The Council meets this benchmark if its capital expenditure on network services equals or is greater than depreciation on network services.



5. 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 and equipment).

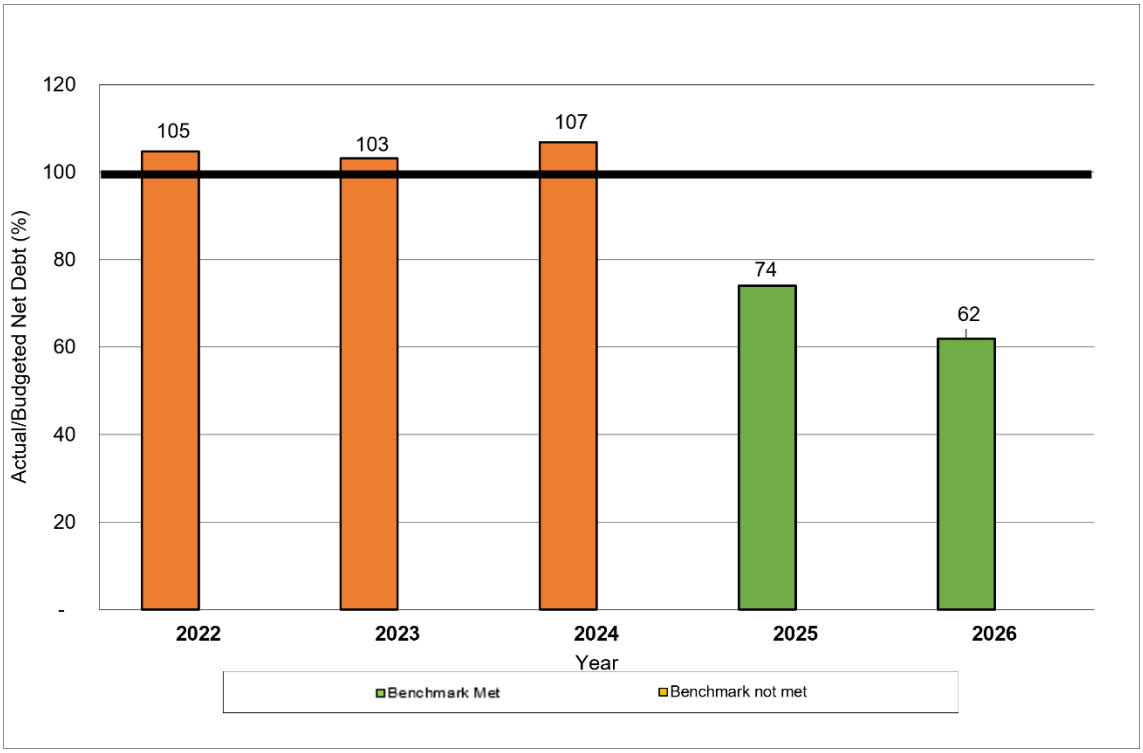
Because Statistic New Zealand projects the Council's population will grow more slowly than the national population growth rate, it meets the debt servicing benchmark if its borrowing costs are equal or less than 10% of its revenue.



6. Debt control benchmark

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

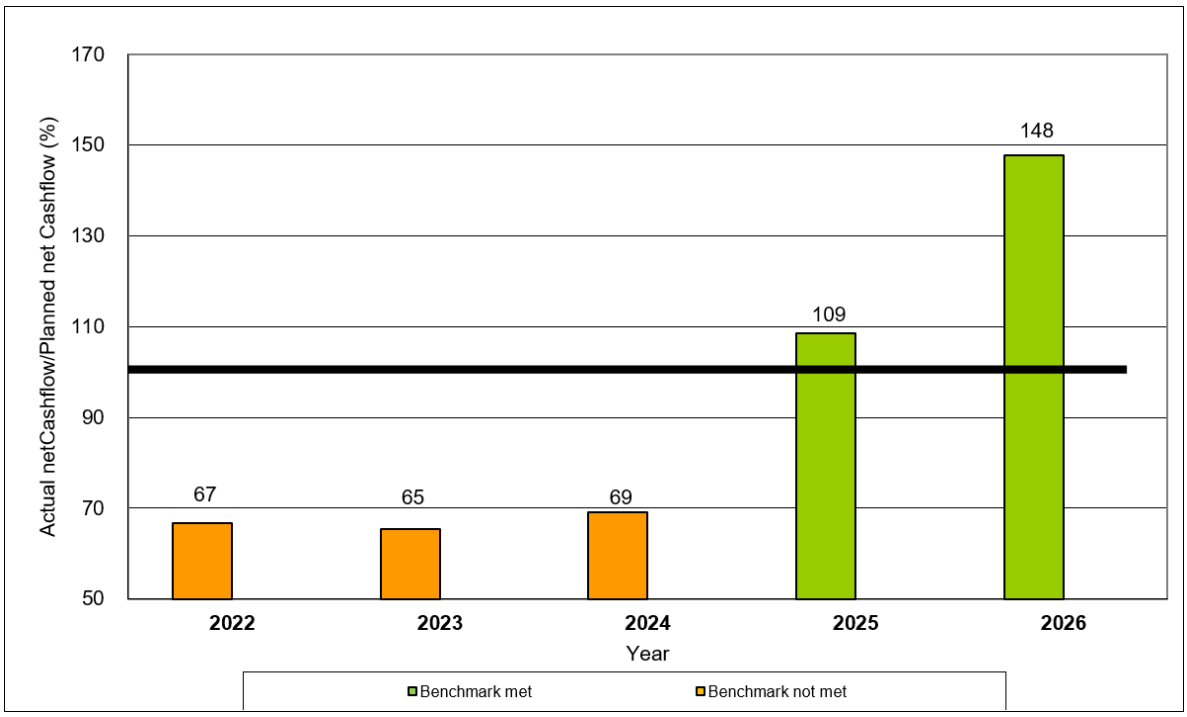
The Council meets the debt control benchmark if its actual net debt equals or is less than its planned net debt.



7. 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

Timaru District Council

Timaru District Council
PO Box 522
Timaru 7940

Timaru Main Office:

2 King George Place
Timaru 7910
Telephone: (03) 687 7200
Email: enquiry@timdc.govt.nz
Website: www.timaru.govt.nz
Hours (except statutory holidays)
Monday – Friday 8:30am – 5pm

Temuka Library, Service and Information Centre

72 – 74 King Street, Temuka 7920
Telephone: (03) 687 7591
Email: temuka.library@timdc.govt.nz
Hours (except statutory holidays)
Monday – Friday 8:30am – 5pm
Saturday 10am – 1pm

Geraldine Library and Service Centre

80 Talbot Street, Geraldine 7930
Telephone: (03) 693 9336
Email: libger@timdc.govt.nz
Hours (except statutory holidays)
Monday – Friday 8:30am – 5pm
Saturday 10am – 1pm

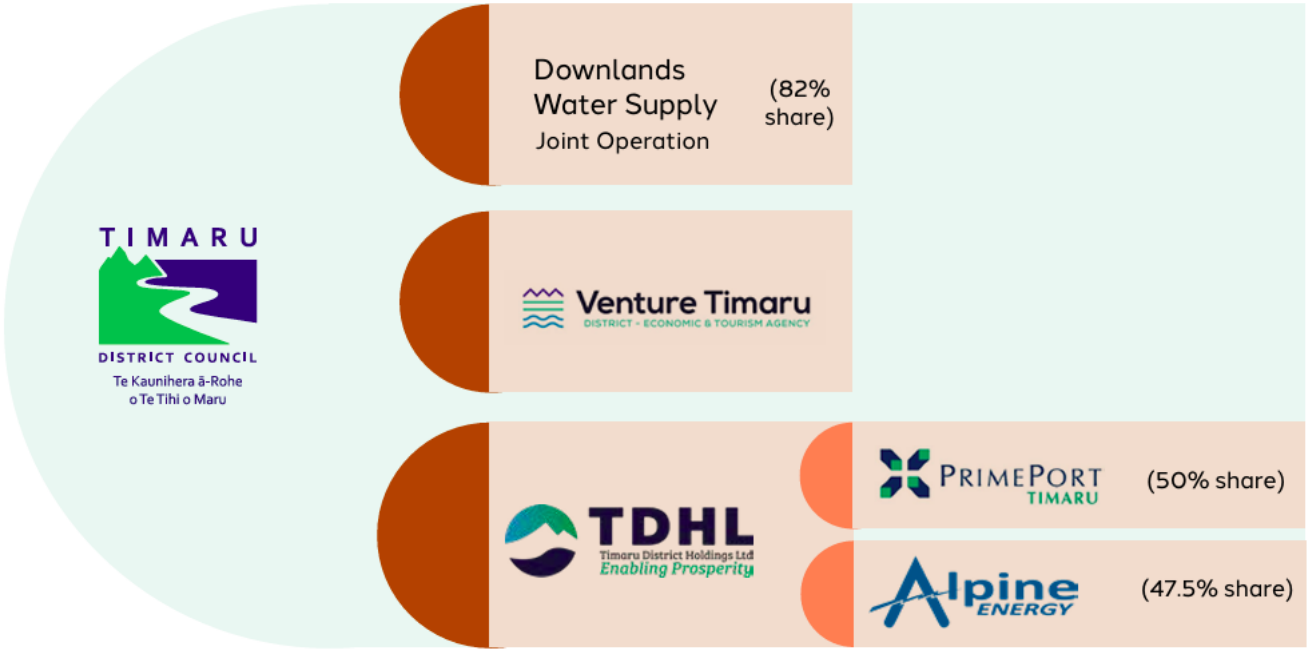
Bankers

Bank of New Zealand
247 Stafford Street
Timaru 7910

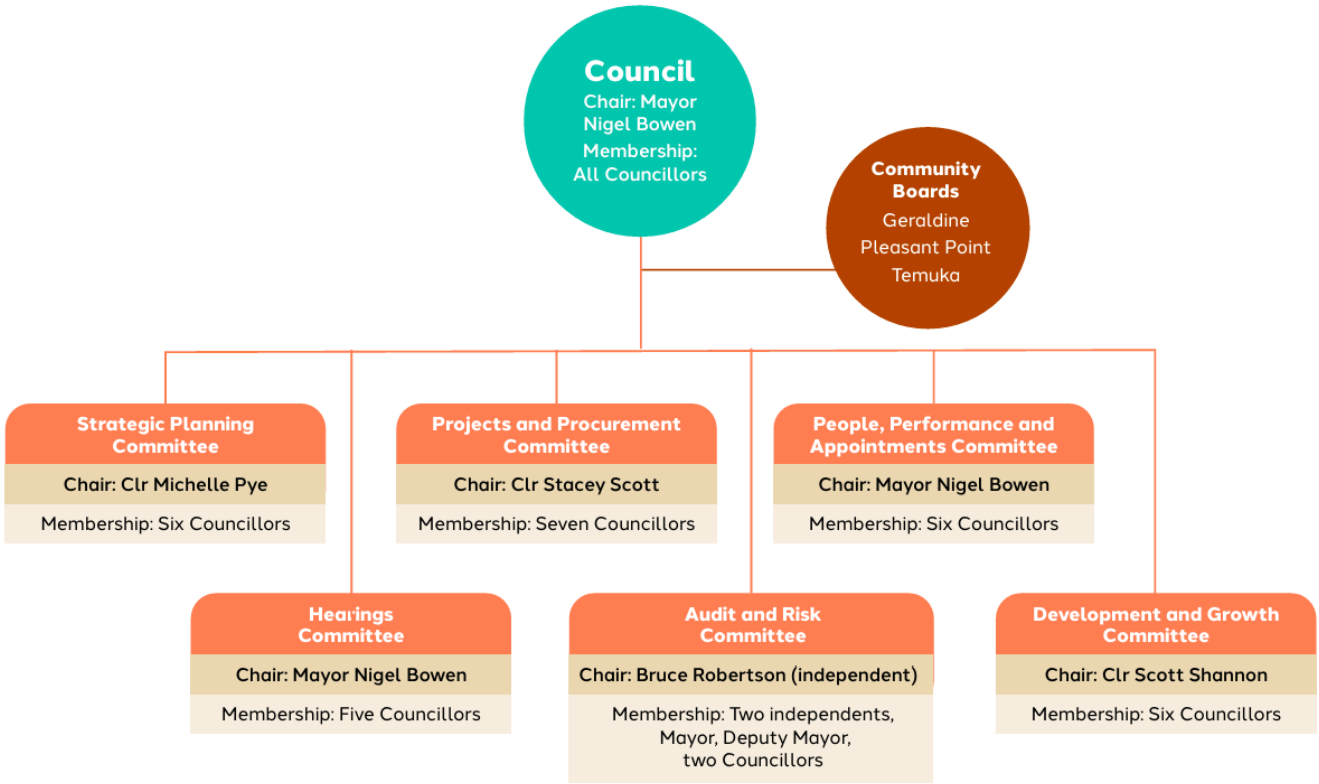
Auditors

The Audit Office
On behalf of the Controller and Auditor-General
PO Box 99
Wellington 6140

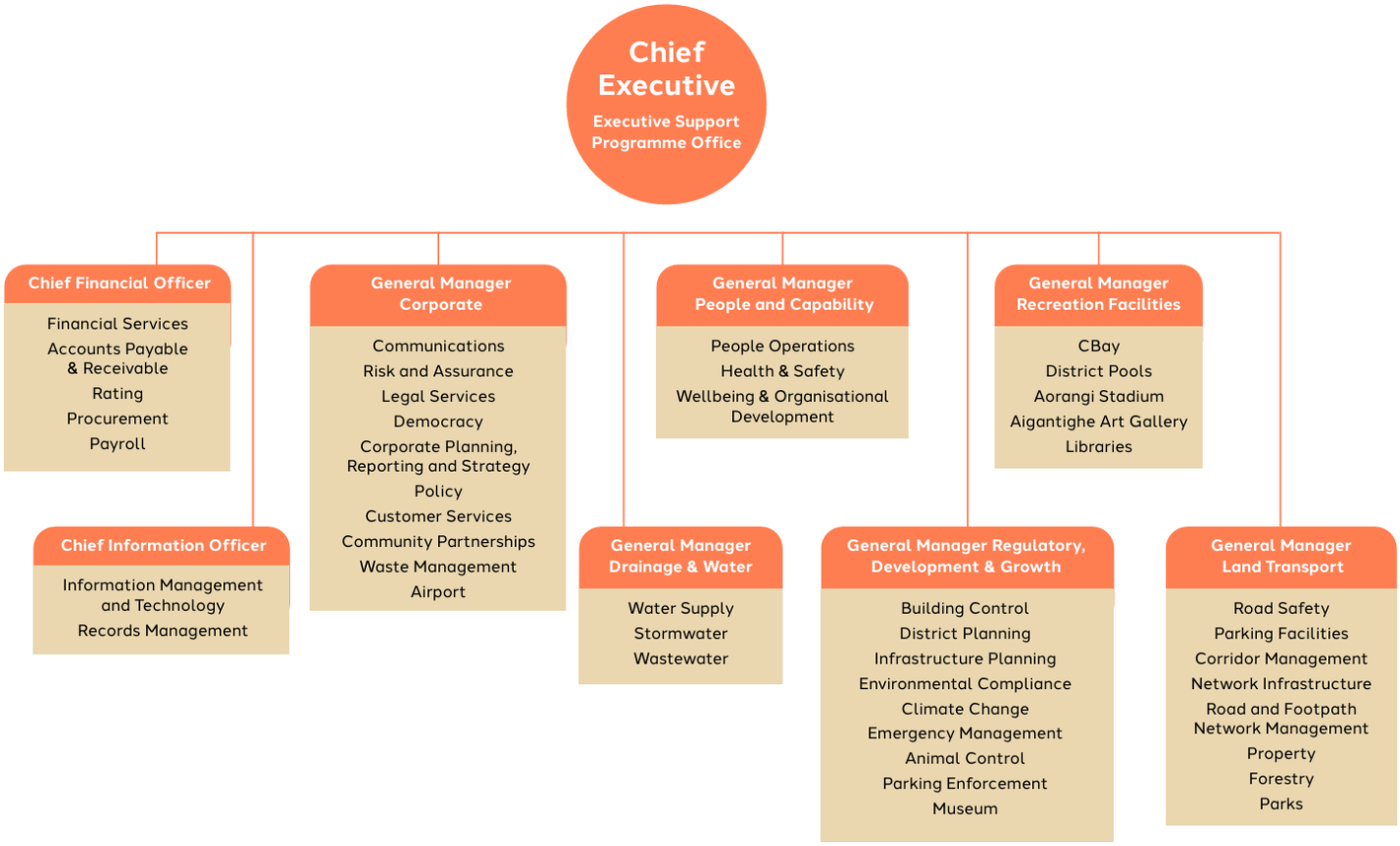
Group Organisation Structure (as at 30 June 2026)



Council Committees (as at 30 June 2026)



Council Management (as at 30 June 2026)



Our Workforce

Timaru District Council employs a total of 369 staff members.

This represented 287 Full-Time Equivalents (FTEs), comprising 244 employees in full-time positions. The remaining 125 employees were engaged in casual, short-term, and part-time roles, collectively contributing to a further 43 FTEs.

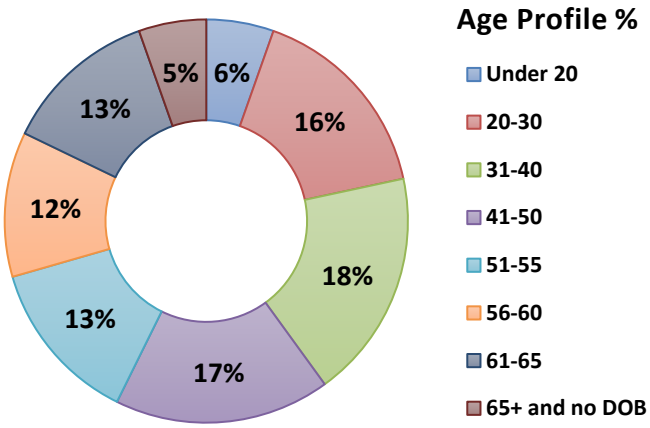
Council has a strong commitment to its staff, recognising that our people are one of our most important assets, and play a huge role in delivering results for our community.

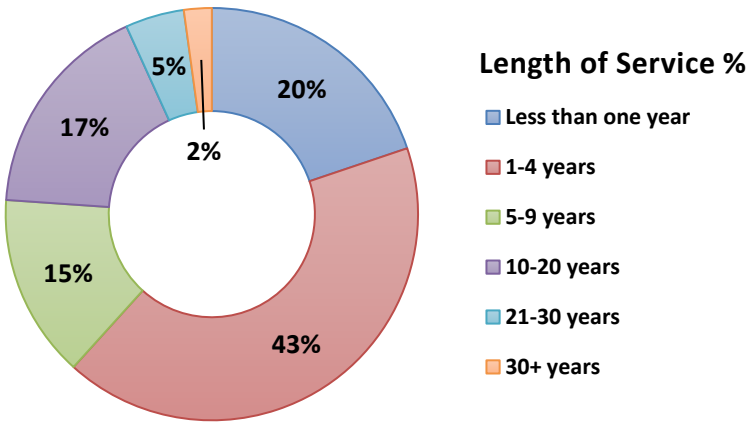
Staff are supported through an inhouse group with a focus on promoting and instilling the positive corporate values of Customer Focus – One Team – Successful – Integrity (COSI) within the people of Timaru District Council.

Our mission statement

The COSI Committee will seek to promote and instil the positive corporate values of Customer Focus – One Team – Successful – Integrity within the people of the Timaru District Council.

Our staff – some quick facts





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 Wellbeing Outcomes

Community Wellbeing Outcomes are the social, economic, environmental, and cultural outcomes Council is seeking to promote for the communities it represents.

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, wastewater, 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.

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, Wastewater and waste management.

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.